

LAMPASAS INDEPENDENT SCHOOL DISTRICT

ANNUAL FINANCIAL AND  
COMPLIANCE REPORT

FOR THE YEAR ENDED  
AUGUST 31, 2021



SINGLETON, CLARK  
& COMPANY, PC CERTIFIED PUBLIC ACCOUNTANTS



LAMPASAS INDEPENDENT SCHOOL DISTRICT  
ANNUAL FINANCIAL AND COMPLIANCE REPORT  
FOR THE YEAR ENDED AUGUST 31, 2021

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CERTIFICATE OF BOARD

Lampasas Independent School District  
Name of School District

Lampasas  
County

141-901  
Co.-Dist. Number

We, the undersigned, certify that the attached annual financial reports of the above named school district were reviewed and (check one) ☒ approved ☐ disapproved for the year ended August 31, 2021, at a meeting of the Board of Trustees of such school district on the 6<sup>th</sup> day of DECEMBER, 2021.

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

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

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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## **FINANCIAL SECTION**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of  
Lampasas Independent School District

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Lampasas Independent School District as of and for the year ended August 31, 2021, and the related notes to the financial statements, which collectively comprise the 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 estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### Opinions

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

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## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis section which precedes the basic financial statements and the pension and other post-employment liabilities related schedules following the notes to the financial statements 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 Lampasas Independent School District's basic financial statements. The combining statements of individual nonmajor funds and the Texas Education Agency required schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal Regulations (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 statements of individual nonmajor funds, the Texas Education Agency required schedules, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements, the Texas Education Agency required schedules, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 22, 2021 on our consideration of Lampasas Independent School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Lampasas Independent School District's internal control over financial reporting and compliance.



Singleton, Clark & Company, PC  
Cedar Park, Texas

October 22, 2021

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LAMPASAS INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED AUGUST 31, 2021

## MANAGEMENT’S DISCUSSION AND ANALYSIS

In this section of the Annual Financial and Compliance Report, we, the managers of Lampasas Independent School District (the “District”) discuss and analyze the financial performance of the District for the fiscal year ended August 31, 2021. Please read this information in conjunction with the District’s basic financial statements, which follow this section.

## FINANCIAL HIGHLIGHTS

- The District’s net position for governmental activities increased by \$2,130,353 as a result of this year’s current operations, to end at \$27,192,551.
- Total governmental funds of the District (the General Fund, the Debt Service Fund and all Special Revenue Funds) reported an overall fund balance increase of \$1,054,160, to end at \$20,192,826.
- The General Fund of the District reported a fund balance increase of \$337,584 for the year, to end at \$16,792,387.

## OVERVIEW OF THE FINANCIAL SECTION

The Financial Section is the most substantial part of this Annual Financial and Compliance Report. It consists of the independent auditor’s report, management’s discussion and analysis (this section), a set of basic financial statements with required note disclosures, and finally, required supplementary information and other supporting statements and schedules as applicable.

### Independent Auditor’s Report

State law requires the District’s financial statements to be audited by an independent certified public accountant each year. The primary purpose of the annual audit is for the auditor to express an opinion as to whether the financial statements of the District appear to be free from material misstatement. The audit is required to be conducted 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. The District received an *Unmodified* opinion on its financial statements this year.

### Management’s Discussion and Analysis

The Management’s Discussion and Analysis (MD&A) section of the report is intended to introduce the financial statements and to provide discussion and analysis regarding the financial performance of the District during the year. The MD&A is written by management of the District and provides for a less formal presentation of the financial activities of the District than is found within the basic financial statements themselves.

### Basic Financial Statements

The Basic Financial Statements consist of a series of financial statements and required note disclosures. These statements include government-wide financial statements which present the District in a consolidated and long-term manner using full-accrual accounting similar to that of a business enterprise, and fund financial statements which present a more detailed view of the District using a more short-term view and traditional modified-accrual governmental accounting. These financial statements are followed with detailed notes which provide narrative explanations and additional data for full disclosure of information.

LAMPASAS INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED AUGUST 31, 2021

Required Supplementary Information

The previously discussed Management’s Discussion and Analysis section is considered to be required supplementary information, however, the governmental reporting framework requires that it be presented before the financial statements. When applicable, additional required supplementary information must follow the financial statements. Within this financial report, the District presents required schedules related to its participation in the Teacher Retirement System of Texas and the Texas Public School Retired Employees Group Insurance Plan.

Combining and Individual Fund Statements and Schedules

The combining statements provide detailed information about the District’s nonmajor funds. While the primary financial statements present the nonmajor funds in a consolidated manner, the combining statements list all of the nonmajor funds separately, each in its own column. In addition, this section also includes schedules required by the Texas Education Agency to report tax collection information and budget to actual information for the District’s child nutrition and debt service funds.

**OVERVIEW OF THE FEDERAL AWARDS SECTION**

Report on Internal Controls and Compliance

In accordance with *Government Auditing Standards*, the auditor is required to consider the internal controls the District has in place over financial reporting and whether any noncompliance with rules, laws, and regulations was noted during the audit. This report describes the scope of the testing of internal control and compliance, however, it does not provide an opinion on the effectiveness of internal control or on compliance.

Report on Compliance and Internal Control for Each Major Program

Because the District expended more than \$750,000 in federal grant awards, an additional independent auditor’s report on compliance and internal control over the District’s major federal grant programs was required. This report provides an opinion by the independent audit firm that the District complied, in all material respects, with the requirements applicable to the federal grants received and expended.

Schedule of Expenditures of Federal Awards

The Schedule of Expenditures of Federal Awards (SEFA) provides a detailed listing of the federal grant awards received by the District during the year. This listing includes federal grant names, identification numbers, and amounts expended.

Schedule of Findings and Questioned Costs

The Schedule of Findings and Questioned Costs provides an overall summary of auditor results, including identification of the type of opinion on the financial statements, whether any significant deficiencies or material weaknesses in internal controls were observed by the audit firm, and whether any material noncompliance was noted. This schedule also lists information related to the audit of the District’s major federal programs and lists any audit findings reported by the audit firm for the year.



LAMPASAS INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED AUGUST 31, 2021

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

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

The analysis of the District's overall financial condition and operations begins with the government-wide financial statements which immediately follow this section. The government-wide financial statements include the Statement of Net Position and the Statement of Activities. The primary purpose of these financial statements is to show whether the District is better off or worse off as a result of the year's activities. The Statement of Net Position includes all the District's assets, deferred outflows, liabilities, and deferred inflows at the end of the year while the Statement of Activities includes all the revenues and expenses generated by the District's operations during the year. These apply the accrual basis of accounting which is the basis used by private sector companies.

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

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

In the Statement of Net Position and the Statement of Activities, school districts divide up their financial activities as follows:

- Governmental activities – School districts report basic services here, including the instruction of students, counseling, co-curricular activities, child nutrition services, transportation, maintenance, community services, and general administration. Property taxes, state block grants based on student attendance and demographics, and other state and federal grants finance most of these activities.
- Business-type activities – School districts may charge a fee to "customers" to help it cover all or most of the cost of services it provides for child care programs or other activities that closely model a business venture.

Our school district reported governmental activities this year, however, we did not engage in business-type activities.

LAMPASAS INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED AUGUST 31, 2021

## Reporting the District's Most Significant Funds

### *Fund Financial Statements*

The fund financial statements follow the government-wide statements and provide detailed information about the most significant funds of the District, not the District as a whole. Laws and regulations require the District to establish separate funds, such as for grants received from the state and federal government, money received from bond issues for capital projects, or for money raised specifically for debt service purposes, in order to clearly display financial accountability for use of these funds.

School districts use two different kinds of funds for operations, governmental funds and proprietary funds, which use different accounting approaches.

- A school district will use *governmental funds* to account for basic services. These use modified accrual accounting (a method that measures the receipt and disbursement of cash and all other financial assets that can be readily converted to cash) and report balances that are available for future spending. The governmental fund statements provide a detailed short-term view of the District's general operations and the basic services it provides. We describe the differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliation schedules following each of the fund financial statements.
- A school district will use *proprietary funds* to account for the activities for which it charges users (whether outside customers or other units of the District). Proprietary funds use the same accounting methods employed in the Statement of Net Position and the Statement of Activities. In fact, when a district utilizes enterprise funds, (one category of proprietary funds) these are the business-type activities reported in the government-wide statements but they contain more detail and additional information, such as cash flows. Internal service funds (the other category of proprietary funds) report activities that provide supplies and services for a district's other programs and activities, such as a district's self-insurance programs.

Our District reported several governmental funds this year, however, we did not utilize proprietary funds.

## The District as Trustee

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

The District is the trustee, or fiduciary, for money raised by student activities and scholarship programs. All of the District's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position on pages that follow the governmental fund and proprietary fund financial statements. We exclude these resources from the District's other financial statements because the District cannot use these assets to finance its operations. The District is however responsible for applying sound financial internal controls over these funds and for ensuring that these resources are used for their intended purposes.

LAMPASAS INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED AUGUST 31, 2021

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

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

Net position of the District’s governmental activities increased from \$25,062,198 to \$27,192,551. Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – was (\$3,055,167) at August 31, 2021. The increase in governmental net position was primarily due to an increase in state and federal grant revenues.

**TABLE I  
LAMPASAS INDEPENDENT SCHOOL DISTRICT  
NET POSITION**

	Governmental Activities 2021	Governmental Activities 2020	Change
Current & Other Assets	\$ 23,742,938	\$ 22,702,377	\$ 1,040,561
Capital Assets	57,908,539	58,554,039	(645,500)
Total Assets	81,651,477	81,256,416	395,061
Deferred Outflows of Resources	7,328,012	8,927,188	(1,599,176)
Current Liabilities	3,108,099	3,029,838	78,261
Long-Term Liabilities	49,577,110	54,786,726	(5,209,616)
Total Liabilities	52,685,209	57,816,564	(5,131,355)
Deferred Inflows of Resources	9,101,729	7,304,842	1,796,887
Net Position:			
Net Investment in Capital Assets	27,112,188	25,383,961	1,728,227
Restricted	3,135,530	2,422,111	713,419
Unrestricted	(3,055,167)	(2,743,874)	(311,293)
Total Net Position	\$ 27,192,551	\$ 25,062,198	\$ 2,130,353

LAMPASAS INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED AUGUST 31, 2021

**TABLE II**  
**LAMPASAS INDEPENDENT SCHOOL DISTRICT**  
**CHANGES IN NET POSITION**

	Governmental Activities 2021	Governmental Activities 2020	Change
Revenues:			
Program Revenues:			
Charges for Services	\$ 448,800	\$ 778,125	\$ (329,325)
Operating Grants & Contributions	6,750,112	6,280,265	469,847
General Revenues:			
Maintenance & Operations Taxes	13,845,558	13,566,986	278,572
Debt Service Taxes	3,576,234	3,587,404	(11,170)
State Aid - Formula Grants	18,564,049	18,051,932	512,117
Grants & Contributions not Restricted	1,047,318	619,418	427,900
Investment Earnings	56,997	236,704	(179,707)
Miscellaneous	473,134	286,107	187,027
Total Revenue	44,762,202	43,406,941	1,355,261
Expenses:			
Instruction	22,257,576	21,293,000	964,576
Instructional Resources & Media Services	441,172	443,457	(2,285)
Curriculum & Instructional Staff Development	624,167	605,800	18,367
Instructional Leadership	809,842	757,498	52,344
School Leadership	2,059,940	2,082,656	(22,716)
Guidance, Counseling, & Evaluation Services	1,532,437	1,460,037	72,400
Social Work Services	33,615	31,075	2,540
Health Services	331,055	342,529	(11,474)
Student Transportation	2,120,526	1,895,093	225,433
Food Services	1,657,285	1,706,585	(49,300)
Extracurricular Activities	1,726,513	1,911,836	(185,323)
General Administration	1,503,664	1,622,524	(118,860)
Facilities Maintenance and Operations	4,655,253	4,494,179	161,074
Security and Monitoring Services	400,490	350,274	50,216
Data Processing Services	1,070,225	1,219,668	(149,443)
Community Services	69,457	74,473	(5,016)
Debt Service	1,132,833	1,218,127	(85,294)
Other Intergovernmental Charges	198,242	209,896	(11,654)
Total Expenses	42,624,292	41,718,707	905,585
Insurance Recovery	-	8,572	(8,572)
Gain (Loss) on Disposal of Assets	(7,557)	(1,665,490)	1,657,933
Change in Net Position	2,130,353	31,316	2,099,037
Net Position at 9/1/20 and 9/1/19	25,062,198	25,030,882	31,316
Net Position at 8/31/21 and 8/31/20	\$ 27,192,551	\$ 25,062,198	\$ 2,130,353

LAMPASAS INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED AUGUST 31, 2021

## THE DISTRICT'S FUNDS

As the District completed this annual period, the General Fund reported an ending fund balance of \$16,792,387, which is an increase of \$337,584 from last year's total of \$16,454,803. This increase in fund balance is primarily the result of an increase in federal grant revenues.

The District's Elementary & Secondary School Emergency Relief (ESSER II) Fund, a major fund for the year ended August 31, 2021, reported \$584,881 in federal program revenues and expenditures, and an ending fund balance of \$0-.

The District's Debt Service Fund reported an ending fund balance of \$2,825,440 which is \$561,348 more than last year's total of \$2,264,092. The purpose of the Debt Service Fund is to provide for the payment of bond principal and interest payments as they become due.

The District's other governmental funds reported combined ending fund balances of \$574,999. This combined balance is \$155,228 more than the previous year. The primary reason for this change in the combined fund balance was an increase in the Child Nutrition Fund balance resulting from greater than originally expected Federal Program Revenues.

Over the course of the year, the Board of Trustees generally revises the District's budget based on financial updates provided by management of the District. These amendments involve moving funds from programs that did not need all the resources originally appropriated to them to programs with resource needs, or to budget for new revenues or new estimated costs. The budget amendments for the Career and Technology Education (CTE) expansion project, the Taylor Creek Elementary eight classroom portable expansion project, and the High School Culinary renovation project made to function 81 during the year were considered significant.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

As of August 31, 2021, the District had \$57,908,539 (net of accumulated depreciation) invested in a broad range of capital assets, including facilities and equipment for instruction, transportation, athletics, administration, and maintenance.

A summary of the ending balances of capital assets by major category for both 2021 and 2020 is as follows:

	Governmental Activities 2021	Governmental Activities 2020	Change
Land	\$ 886,861	\$ 786,139	\$ 100,722
Construction in Progress	359,779	777,170	(417,391)
Buildings	84,485,529	83,037,684	1,447,845
Furniture and Equipment	11,628,073	10,794,534	833,539
Total	97,360,242	95,395,527	1,964,715
Less Accumulated Depreciation	(39,451,703)	(36,841,488)	(2,610,215)
Capital Assets, Net of Depreciation	\$ 57,908,539	\$ 58,554,039	\$ (645,500)

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LAMPASAS INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED AUGUST 31, 2021

## Debt

At year-end, the District had \$31,717,123 in bonds and other long-term debt outstanding versus \$33,978,485 last year. This decrease is attributable to the District making scheduled payments on its long-term debt during the year.

A summary of the ending balances of long-term debt by type for both 2021 and 2020 is as follows:

	Governmental Activities 2021	Governmental Activities 2020	Change
General Obligation Bonds	\$ 31,717,123	\$ 33,978,485	\$ (2,261,362)
Total	<u>\$ 31,717,123</u>	<u>\$ 33,978,485</u>	<u>\$ (2,261,362)</u>

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

The District's elected and appointed officials considered many factors when setting the fiscal year 2021-2022 budget and tax rates. Those factors include property values, changes in enrollment, the economy, projections of future budget years, and legislative mandates. The District has adopted a General Fund budget of approximately \$35.9 million for the 2021-2022 fiscal year. This reflects an approximate increase of \$470,000 in originally budgeted expenditures from fiscal year 2020-2021 to fiscal year 2021-2022.

For the 2021-2022 budget year, the District has decreased its maintenance and operations tax rate to \$.9603 per hundred of taxable value. The District adopted a debt service tax rate of \$.26 for the 2021-2022 budget year in order to fund required debt payments and funds to call or defease debt in the best interest of the District in the coming year. The combined tax rate of the District for the 2021-02022 budget year is \$1.2203 per hundred of taxable value.

## CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's Business Office, at Lampasas Independent School District, 207 W. 8<sup>th</sup> Street, Lampasas, Texas 76550, or by calling (512) 556-6224.

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## **BASIC FINANCIAL STATEMENTS**

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

Data Control Codes	Primary Government 1 Governmental Activities
<b>ASSETS</b>	
1110 Cash and Cash Equivalents	\$ 9,399,592
1120 Investments - Current	10,633,479
1225 Property Taxes Receivable, net	559,395
1240 Due from Other Governments	2,291,440
1290 Other Receivables, net	654,140
1300 Inventories	197,354
1410 Deferred Expenditures or Expenses	7,538
Capital Assets:	
1510 Land	886,861
1520 Buildings and Improvements, net	52,835,550
1530 Furniture and Equipment, net	3,826,349
1580 Construction in Progress	359,779
1000 Total Assets	<u>81,651,477</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
1700 Deferred Outflows-Bond Refundings	2,280,986
1705 Deferred Outflows-Pension	3,531,064
1706 Deferred Outflows-OPEB	1,515,962
Total Deferred Outflows of Resources	<u>7,328,012</u>
<b>LIABILITIES</b>	
2110 Accounts Payable	664,346
2140 Interest Payable	40,129
2150 Payroll Deductions and Withholdings	35,398
2160 Accrued Wages Payable	2,267,546
2180 Due to Other Governments	4,541
2200 Accrued Expenses	96,136
2300 Unearned Revenue	3
Noncurrent Liabilities:	
2501 Due Within One Year	2,115,000
2502 Due in More Than One Year	29,602,123
2540 Net Pension Liability	8,227,894
2545 Other Post-Employment Benefits Liability	9,632,093
2000 Total Liabilities	<u>52,685,209</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
2605 Deferred Inflows-Pension	1,947,648
2606 Deferred Inflows-OPEB	7,154,081
Total Deferred Inflows of Resources	<u>9,101,729</u>
<b>NET POSITION</b>	
3200 Net Investment in Capital Assets	27,112,188
Restricted for:	
3820 Federal & State Programs	218,023
3850 Debt Service	2,917,507
3900 Unrestricted	(3,055,167)
3000 Total Net Position	<u>\$ 27,192,551</u>

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

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

Data Control Codes	1	Program Revenues		Net (Expense) Rev. & Changes in Net Position	
		3	4	6	
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Gov. Governmental Activities	
Primary Government:					
GOVERNMENTAL ACTIVITIES:					
11	Instruction	\$ 22,257,576	\$ -	\$ 3,818,156	\$ (18,439,420)
12	Instructional Resources & Media Services	441,172	-	22,437	(418,735)
13	Curriculum & Instructional Staff Development	624,167	-	384,656	(239,511)
21	Instructional Leadership	809,842	-	66,111	(743,731)
23	School Leadership	2,059,940	-	126,428	(1,933,512)
31	Guidance, Counseling, & Evaluation Services	1,532,437	-	130,526	(1,401,911)
32	Social Work Services	33,615	-	-	(33,615)
33	Health Services	331,055	-	20,506	(310,549)
34	Student Transportation	2,120,526	-	141,508	(1,979,018)
35	Food Services	1,657,285	68,734	1,560,518	(28,033)
36	Extracurricular Activities	1,726,513	352,745	52,962	(1,320,806)
41	General Administration	1,503,664	27,321	74,774	(1,401,569)
51	Facilities Maintenance and Operations	4,655,253	-	170,486	(4,484,767)
52	Security and Monitoring Services	400,490	-	1,092	(399,398)
53	Data Processing Services	1,070,225	-	50,981	(1,019,244)
61	Community Services	69,457	-	11,682	(57,775)
72	Interest on Long-Term Debt	1,131,833	-	117,289	(1,014,544)
73	Other Debt Service Costs & Fees	1,000	-	-	(1,000)
99	Other Intergovernmental Charges	198,242	-	-	(198,242)
TP	TOTAL PRIMARY GOVERNMENT:	<u>\$ 42,624,292</u>	<u>\$ 448,800</u>	<u>\$ 6,750,112</u>	<u>(35,425,380)</u>
General Revenues:					
Taxes:					
MT	Property Taxes, Levied for General Purposes				13,845,558
DT	Property Taxes, Levied for Debt Service				3,576,234
SF	State Aid - Formula Grants				18,564,049
GC	Grants and Contributions, not Restricted				1,047,318
IE	Investment Earnings				56,997
MI	Miscellaneous Local and Intermediate Revenue				473,134
	Total General Revenues				<u>37,563,290</u>
S1	Special Items-Loss on Disposal of Assets				(7,557)
TR	Total General Revenues and Special Items				<u>37,555,733</u>
CN	Change in Net Position				2,130,353
NB	Net Position -- Beginning				25,062,198
NE	Net Position -- Ending				<u>\$ 27,192,551</u>

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

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

Data Control Codes	10	20	50	98	
	General Fund	Elementary & Secondary School Emergency Relief (ESSER II)	Debt Service Fund	Other Funds	Total Governmental Funds
<b>ASSETS</b>					
1110 Cash and Cash Equivalents	\$ 8,806,492	\$ -	\$ 1,777	\$ 591,323	\$ 9,399,592
1120 Investments - Current	7,820,298	-	2,812,904	277	10,633,479
1220 Property Taxes - Delinquent	645,756	-	153,381	-	799,137
1230 Allowance for Uncollectible Taxes (Credit)	(193,728)	-	(46,014)	-	(239,742)
1240 Due from Other Governments	940,389	584,881	-	766,170	2,291,440
1260 Due from Other Funds	1,112,330	-	-	17,664	1,129,994
1290 Other Receivables	651,705	-	-	2,435	654,140
1310 Inventories	197,354	-	-	-	197,354
1410 Deferred Expenditures	4,976	-	-	2,562	7,538
1000A Total Assets and Deferred Outflows	<u>\$ 19,985,572</u>	<u>\$ 584,881</u>	<u>\$ 2,922,048</u>	<u>\$ 1,380,431</u>	<u>\$ 24,872,932</u>
<b>LIABILITIES</b>					
2110 Accounts Payable	\$ 548,125	\$ -	\$ -	\$ 116,221	\$ 664,346
2150 Payroll Deductions and Withholdings	35,398	-	-	-	35,398
2160 Accrued Wages Payable	1,859,146	78,092	-	330,308	2,267,546
2170 Due to Other Funds	264,305	506,789	-	358,900	1,129,994
2180 Due to Other Governments	-	-	4,541	-	4,541
2200 Accrued Expenditures	96,136	-	-	-	96,136
2300 Unavailable Revenues	-	-	-	3	3
2000 Total Liabilities	<u>2,803,110</u>	<u>584,881</u>	<u>4,541</u>	<u>805,432</u>	<u>4,197,964</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
2600 Deferred Inflows-Unavailable Revenues	390,075	-	92,067	-	482,142
Total Deferred Inflows of Resources	<u>390,075</u>	<u>-</u>	<u>92,067</u>	<u>-</u>	<u>482,142</u>
<b>FUND BALANCES</b>					
Nonspendable:					
3410 Inventories	197,354	-	-	-	197,354
3430 Prepaid Items	4,976	-	-	2,562	7,538
Restricted for:					
3450 Federal or State Funds Restricted	-	-	-	218,023	218,023
3480 Retirement of Long-Term Debt	-	-	2,825,440	-	2,825,440
Committed for:					
3510 Construction	4,500,000	-	-	-	4,500,000
3530 Capital Expenditures for Equipment	1,500,000	-	-	-	1,500,000
3545 Other Committed Fund Balance	-	-	-	354,414	354,414
3600 Unassigned Fund Balance	10,590,057	-	-	-	10,590,057
3000 Total Fund Balances	<u>16,792,387</u>	<u>-</u>	<u>2,825,440</u>	<u>574,999</u>	<u>20,192,826</u>
4000 Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 19,985,572</u>	<u>\$ 584,881</u>	<u>\$ 2,922,048</u>	<u>\$ 1,380,431</u>	<u>\$ 24,872,932</u>

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

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

		1
<b>Total Fund Balances - Governmental Funds</b>		\$ 20,192,826
<sup>1</sup> Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.		
	Governmental capital assets	\$ 97,360,242
	Less accumulated depreciation	<u>(39,451,703)</u> 57,908,539
<sup>2</sup> Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
	Bonds payable, including unamortized premiums	(31,717,123)
	Deferred charges on refunding	2,280,986
	Net pension liability	(8,227,894)
	Net OPEB liability	<u>(9,632,093)</u> (47,296,124)
<sup>3</sup> Accrued interest on long-term debt related to governmental fund activities is not due and payable in the current period and, therefore, not reported in the governmental funds.		
		(40,129)
<sup>4</sup> Deferred outflows and inflows of resources related to pensions and other post-employment benefits are applicable to future periods and, therefore, are not reported in the funds.		
	Deferred outflows of resources related to pensions	3,531,064
	Deferred inflows of resources related to pensions	(1,947,648)
	Deferred outflows of resources related to OPEB	1,515,962
	Deferred inflows of resources related to OPEB	<u>(7,154,081)</u> (4,054,703)
<sup>5</sup> Property taxes are recognized as revenue in the governmental funds when collected, but recognized on the Statement of Activities in the year levied. Therefore, property taxes receivable, net of allowance for uncollectible accounts, is added to the Statement of Net Position for governmental activities.		
		482,142
<b><sup>19</sup> Net Position of Governmental Activities</b>		<u><u>\$ 27,192,551</u></u>

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

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

Data Control Codes	10	20 Elementary & Secondary School Emergency Relief (ESSER II)	50 Debt Service Fund	98 Other Funds	Total Governmental Funds
	General Fund				
<b>REVENUES</b>					
5700 Local and Intermediate Sources	\$ 14,595,819	\$ -	\$ 3,596,523	\$ 311,953	\$ 18,504,295
5800 State Program Revenues	20,459,792	-	117,289	143,561	20,720,642
5900 Federal Program Revenues	863,237	584,881	-	3,929,290	5,377,408
5020 Total Revenues	35,918,848	584,881	3,713,812	4,384,804	44,602,345
<b>EXPENDITURES</b>					
0011 Instruction	17,962,654	567,646	-	2,097,224	20,627,524
0012 Instructional Resources & Media Services	407,864	-	-	-	407,864
0013 Curriculum & Instructional Staff Dev.	212,010	17,235	-	346,371	575,616
0021 Instructional Leadership	720,447	-	-	24,167	744,614
0023 School Leadership	1,895,999	-	-	-	1,895,999
0031 Guidance, Counseling & Evaluation Svcs	1,372,393	-	-	39,197	1,411,590
0032 Social Work Services	31,373	-	-	-	31,373
0033 Health Services	304,923	-	-	-	304,923
0034 Student Transportation	2,189,292	-	-	-	2,189,292
0035 Food Services	3,911	-	-	1,530,965	1,534,876
0036 Extracurricular Activities	1,348,451	-	-	256,509	1,604,960
0041 General Administration	1,387,845	-	-	-	1,387,845
0051 Facilities Maintenance and Operations	4,458,732	-	-	-	4,458,732
0052 Security and Monitoring Services	373,594	-	-	-	373,594
0053 Data Processing Services	1,561,049	-	-	-	1,561,049
0061 Community Services	56,629	-	-	7,408	64,037
0071 Debt Service - Principal	-	-	2,025,000	-	2,025,000
0072 Debt Service - Interest	-	-	1,126,464	-	1,126,464
0073 Debt Service - Bond Issuance Costs	-	-	1,000	-	1,000
0081 Facilities Acquisition and Construction	1,038,671	-	-	-	1,038,671
0099 Other Intergovernmental Charges	198,242	-	-	-	198,242
6030 Total Expenditures	35,524,079	584,881	3,152,464	4,301,841	43,563,265
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	394,769	-	561,348	82,963	1,039,080
<b>OTHER FINANCING SOURCES (USES)</b>					
7912 Sale of Property	15,080	-	-	-	15,080
7915 Transfers In	-	-	-	78,833	78,833
8911 Transfers Out	(72,265)	-	-	(6,568)	(78,833)
7080 Total Other Financing Sources (Uses)	(57,185)	-	-	72,265	15,080
1200 Net Change in Fund Balance	337,584	-	561,348	155,228	1,054,160
0100 Fund Balance - Beginning	16,454,803	-	2,264,092	419,771	19,138,666
3000 Fund Balance - Ending	\$ 16,792,387	\$ -	\$ 2,825,440	\$ 574,999	\$ 20,192,826

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

LAMPASAS INDEPENDENT SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED AUGUST 31, 2021

<b>Total Net Change in Fund Balances – Governmental Funds</b>		\$ 1,054,160
<sup>1</sup> Governmental funds report the portion of capital outlay for capitalized assets as expenditures. However, in the Statement of Activities, the costs of those assets are allocated over their estimated useful lives as depreciation expense.		
	Expenditures for capitalized assets	\$ 2,191,102
	Less current year depreciation	<u>(2,813,965)</u>
		(622,863)
<sup>2</sup> Repayment of principal on bonds, notes, and capital leases is an expenditure in the governmental funds, but this expenditure is removed from the Statement of Activities and the repayments instead reduce long-term liabilities on the Statement of Net Position.		
		2,025,000
<sup>3</sup> Accumulated accretion on bonds issued by governmental activities is recognized only when paid in the governmental funds, but is treated as interest expense on the Statement of Activities as it accretes.		
		(112,365)
<sup>4</sup> Since long-term debt is not recorded in governmental funds, amortization of related issuance premiums and discounts is also not recorded.		
		95,284
<sup>5</sup> The change in accrued interest due on long-term debt issued for governmental activities does not affect current financial resources and therefore is not reported in the governmental funds.		
		11,712
<sup>6</sup> Property taxes are recognized as revenue in the governmental funds when collected but recognized on the Statement of Activities in the year levied. Therefore the uncollected amount of the current year levy is added to current year property tax revenue on the Statement of Activities.		
		(103,572)
<sup>7</sup> Governmental funds report pension contributions as expenditures. However, pension contributions are reported as deferred outflows of resources on the Statement of Net Position if made after the net pension liability measurement date. In addition, the change in the net pension liability, adjusted for changes in deferred pension items, is reported as pension expense in the Statement of Activities.		
		(531,910)
<sup>8</sup> Governmental funds report OPEB contributions as expenditures. However, OPEB contributions are reported as deferred outflows of resources on the Statement of Net Position if made after the net OPEB liability measurement date. In addition, the change in the net OPEB liability, adjusted for changes in deferred OPEB items, is reported as OPEB expense in the Statement of Activities.		
		337,544
<sup>9</sup> Since capital assets are not reported in governmental funds, gains or losses on disposal of capital assets are also not reported in governmental funds.		
		<u>(22,637)</u>
<b>19 Change in Net Position of Governmental Activities</b>		<u><u>\$ 2,130,353</u></u>

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

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LAMPASAS INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL – GENERAL FUND  
FOR THE YEAR ENDED AUGUST 31, 2021

Data Control Codes	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	(GAAP BASIS)	Final Budget
<b>REVENUES</b>				
5700 Local & Intermediate Sources	\$ 13,993,860	\$ 14,411,097	\$ 14,595,819	\$ 184,722
5800 State Program Revenues	19,971,747	19,814,330	20,459,792	645,462
5900 Federal Program Revenues	200,000	828,646	863,237	34,591
5020 Total Revenues	34,165,607	35,054,073	35,918,848	864,775
<b>EXPENDITURES</b>				
Current:				
0011 Instruction	18,321,884	18,526,002	17,962,654	563,348
0012 Instructional Resources & Media Services	413,646	422,886	407,864	15,022
0013 Curriculum & Instructional Staff Development	265,544	237,407	212,010	25,397
0021 Instructional Leadership	711,396	744,957	720,447	24,510
0023 School Leadership	1,886,733	1,931,098	1,895,999	35,099
0031 Guidance, Counseling & Evaluation Services	1,367,644	1,406,974	1,372,393	34,581
0032 Social Work Services	32,162	32,162	31,373	789
0033 Health Services	309,820	318,195	304,923	13,272
0034 Student Transportation	2,405,044	2,372,644	2,189,292	183,352
0035 Food Services	-	4,025	3,911	114
0036 Extracurricular Activities	1,555,931	1,463,145	1,348,451	114,694
0041 General Administration	1,524,518	1,524,973	1,387,845	137,128
0051 Facilities Maintenance & Operations	4,848,101	4,723,506	4,458,732	264,774
0052 Security and Monitoring Services	326,596	395,501	373,594	21,907
0053 Data Processing Services	1,113,040	1,648,155	1,561,049	87,106
0061 Community Services	64,560	60,310	56,629	3,681
Capital Outlay:				
0081 Facilities Acquisition & Construction	-	3,741,449	1,038,671	2,702,778
Intergovernmental:				
0099 Other Intergovernmental Charges	198,500	198,500	198,242	258
6030 Total Expenditures	35,345,119	39,751,889	35,524,079	4,227,810
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,179,512)	(4,697,816)	394,769	5,092,585
<b>OTHER FINANCING SOURCES (USES)</b>				
7912 Sale of Property	-	15,000	15,080	80
8911 Transfers Out	(125,000)	(72,500)	(72,265)	235
7080 Total Other Financing Sources (Uses)	(125,000)	(57,500)	(57,185)	315
1200 Net Change in Fund Balances	(1,304,512)	(4,755,316)	337,584	5,092,900
0100 Fund Balance-September 1 (Beginning)	16,454,803	16,454,803	16,454,803	-
3000 Fund Balance-August 31 (Ending)	\$ 15,150,291	\$ 11,699,487	\$ 16,792,387	\$ 5,092,900

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

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

Data Control Codes	801 Private- Purpose Trust Fund	810 Private- Purpose Trust Fund	865 Custodial Fund	878 Custodial Fund
<b>ASSETS</b>				
1110 Cash and Cash Equivalents	\$ 5,200	\$ -	\$ 34,759	\$ 8,918
1120 Investments - Current	-	33,813	-	-
1290 Other Receivables	-	-	-	169
1000 Total Assets	<u>5,200</u>	<u>33,813</u>	<u>34,759</u>	<u>9,087</u>
<b>LIABILITIES</b>				
Current Liabilities:				
2110 Accounts Payable	-	-	749	412
2000 Total Liabilities	<u>-</u>	<u>-</u>	<u>749</u>	<u>412</u>
<b>NET POSITION</b>				
Restricted for:				
3800 Individuals and Organizations	5,200	33,813	34,010	8,675
3000 Total Net Position	<u>\$ 5,200</u>	<u>\$ 33,813</u>	<u>\$ 34,010</u>	<u>\$ 8,675</u>

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

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

Data Control Codes	801 Private- Purpose Trust Fund	810 Private- Purpose Trust Fund	865 Custodial Fund	878 Custodial Fund
<b>ADDITIONS</b>				
Contributions:				
5750 Fundraising Activities	\$ -	\$ -	\$ 47,195	\$ 4,817
5020 Total Contributions	-	-	47,195	4,817
Investment Earnings:				
5742 Interest, Dividends, and Other	21	1,009	207	44
Total Additions	21	1,009	47,402	4,861
<b>DEDUCTIONS</b>				
6200 Professional and Contracted Services	-	600	275	-
6300 Supplies and Materials	-	-	17,151	287
6400 Other Operating Costs	-	-	29,059	4,306
6030 Total Deductions	-	600	46,485	4,593
1200 Net Increase/(Decrease) in Fiduciary Net Position	21	409	917	268
0100 Net Position - Beginning (as Restated)	5,179	33,404	33,093	8,407
3000 Net Position - Ending	\$ 5,200	\$ 33,813	\$ 34,010	\$ 8,675

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

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

## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **The Financial Reporting Entity**

This report includes those activities, organizations and functions related to Lampasas Independent School District (the “District”), which are controlled by or dependent upon the District’s governing body, the Board of Trustees (the “Board”). The Board, a seven member group, is the level of government having governance responsibilities over all activities related to public elementary and secondary school education within the jurisdiction of the District. Since the District receives funding from local, state, and federal government sources, it must comply with the requirements of the entities providing those funds. However, the District is not included in any other governmental “reporting entity” as defined by Statement No. 14 of the Governmental Accounting Standards Board (GASB), since Board members are elected by the public and have decision making authority. Furthermore, there are no legally separate organizations, known as “component units”, included within the reporting entity.

The accounting policies of the District comply with the rules prescribed by the Texas Education Agency (TEA) in its Financial Accountability System Resource Guide (FASRG). These accounting policies conform to generally accepted accounting principles applicable to state and local governments.

### **Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e. the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the District. The effect of interfund activity has been removed from these statements. Governmental activities, which are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely on fees and charges for support. Currently however, the District has no business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

### **Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Custodial funds have no measurement focus. 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. Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided and 2) operating grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Major revenue sources considered susceptible to accrual include state and federal program revenues and property taxes. The District considers property tax revenues available if they will be collected within sixty days of year end; delinquent property taxes at year end are reported as deferred inflows of resources within the governmental fund financial statements.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

### **Major Funds and Fund Types**

The District reports the following major governmental funds:

The General Fund includes financial resources that are not required to be reported separately in another fund. It is a budgeted fund, and any unrestricted fund balances are considered to be resources available for current operations.

The Elementary & Secondary School Emergency Relief (ESSER II) Fund, a major special revenue fund, is used to account for the receipt and disbursement of funds restricted for the purpose of this federal program.

The Debt Service Fund includes debt service taxes and other revenues collected to retire bond principal and to pay interest due. It is a budgeted fund.

Additionally, the District reports the following fund types:

Special Revenue Funds are governmental funds which include resources restricted, committed, or assigned for specific purposes by a grantor or the Board. Federally financed programs where unused balances are returned to the grantor at the close of specified project periods are accounted for in these funds.

Private Purpose Trust Funds are fiduciary funds used to account for donations for which the donors have stipulated that both the principal and the income may be used for purposes that benefit parties outside the District. The District utilizes this fund type to account for money collected and held for the purpose of awarding scholarships to selected students.

Custodial Funds are fiduciary funds used to account for resources held for others in a custodial capacity. The District utilizes this fund type to account for funds held on behalf of student clubs and organizations.

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

**Budgetary Information**

Budgets are prepared annually for the General Fund, the Child Nutrition Fund, and the Debt Service Fund on the modified accrual basis, which is consistent with generally accepted accounting principles. A formal budget is prepared by the end of August and is adopted by the Board at a public meeting after public notice of the meeting has been given no earlier than the 30th day or later than the 10th day before the public hearing. The legal level of control for budgeted expenditures is the function level within the budgeted funds. Amendments to the budget are required prior to expending amounts greater than the budgeted amounts at the function level. Budgets are controlled at the departmental or campus level, the same level at which responsibility for operations is assigned. The budget was monitored by the administration throughout the year and amendments were brought to the Board as needed.

**Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Balance**

Investments - The District's investment policies and types of investments are governed by Section 2256 of the Texas Government Code ("Public Funds Investment Act"). The types of investments allowed under the Public Funds Investment Act are detailed in Note 2 - Deposits and Investments. The District's management believes that it complied with the requirements of the Public Funds Investment Act and the District's investment policies. The District accrues interest on temporary investments based on the terms and effective interest rates of the specific investments. Temporary investments throughout the year consisted of investments in external investment pools, which are recognized at amortized cost, and money market accounts.

Inventories - The District reports inventories of supplies at weighted average cost including consumable maintenance, instructional, office, athletic, and transportation items in the General Fund. Inventories are generally not recorded in the Child Nutrition Fund due to amounts of purchased food not being deemed material. When inventories are recorded, they are charged to expenditures when consumed. Amounts recorded are offset by a fund balance classification titled "nonspendable" which indicates that the inventory does not represent "available expendable resources."

Capital Assets - Capital assets, which include land, buildings and improvements, construction in progress, furniture and equipment, and vehicles are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of at least \$5,000 and a useful life of greater than one year. Such assets are recorded at historical cost, if purchased, or estimated fair value at the date of donation, if donated. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets lives are not capitalized. Capital assets (other than land and construction in progress) are depreciated using the straight-line method over the following estimated useful lives: buildings and improvements - seven to thirty years, furniture and equipment - three to ten years, and vehicles - five to ten years.

Prepaid Items - Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. Prepaid items are charged to expenditures when consumed. When prepaid items are recorded, they are charged to expenditures when the value represented by the prepaid item has been used. Amounts recorded are offset by a fund balance classification titled "nonspendable" which indicates that the prepaid item amount does not represent "available expendable resources."

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

Accumulated Leave Liability - The State of Texas (the "State") has created a minimum leave program consisting of five discretionary days per year with no limit on accumulation and transferability among districts for every person regularly employed in Texas public schools. Local school districts may provide additional leave beyond the state minimum.

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 benefit terms. Investments are reported at fair value.

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

Deferred Outflows and Deferred Inflows of Resources - The District complies with GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, which provides guidance for reporting the financial statement elements of deferred outflows of resources, which represent a consumption of the District's net position that is applicable to a future reporting period, and deferred inflows of resources, which represent the District's acquisition of net position applicable to a future reporting period.

The District complies with GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, which establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

Fund Balance/Deficit - The District complies with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

Statement of Cash Flows - For purposes of the statement of cash flows when Proprietary Funds are used, cash and cash equivalents include demand deposits.



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Fair Value Measurements - The District adopted GASB Statement No. 72, *Fair Value Measurement and Application*, which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction. Fair value accounting requires characterization of the inputs used to measure fair value into a three-level fair value hierarchy as follows:

- Level 1 inputs are based on unadjusted quoted market prices for identical assets or liabilities in an active market the entity has the ability to access
- Level 2 inputs are observable inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent from the entity
- Level 3 are unobservable inputs that reflect the entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available

There are three general valuation techniques that may be used to measure fair value:

- Market approach - uses prices generated by market transactions involving identical or comparable assets or liabilities
- Cost approach - uses the amount that currently would be required to replace the service capacity of an asset (replacement cost)
- Income approach - uses valuation techniques to convert future amounts to present amounts based on current market expectations

## **Data Control Codes**

The Data Control Codes shown on the financial statements refer to the account code structure prescribed by the FASRG. TEA requires school districts to display these codes in their financial statements to ensure accuracy in building a state-wide data base for policy development and funding plans.

## **2. DEPOSITS AND INVESTMENTS**

The Public Funds Investment Act authorizes the District to invest in funds under a written investment policy, which is approved annually by the Board. The primary objectives of the District's investment strategy for operating and custodial funds, in order of priority, are safety, investment liquidity, and maturity sufficient to meet anticipated cash flow requirements. The primary objective of the District's investment strategy for Debt Service and Capital Projects Funds is sufficient investment liquidity to meet related obligations.

The District is authorized to invest in the following investment instruments provided that they meet the guidelines established in the investment policy:

- Obligations of, or guaranteed by, governmental entities
- Certificates of deposit and share certificates
- Fully collateralized repurchase agreements
- Securities lending programs
- Banker's acceptances
- Commercial paper
- No-load money market mutual funds and no-load mutual funds
- Guaranteed investment contracts as an investment vehicle for bond proceeds
- Public funds investment pools

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The District's funds are required to be deposited and invested under the terms of a depository contract pursuant to the School Depository Act. The depository bank deposits for safekeeping and trust with the District's agent approved pledged securities in an amount sufficient to protect District funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance. Therefore the District is not exposed to custodial credit risk.

Under the depository contract, the District, at its own discretion, may invest funds in time deposits and certificates of deposit provided by the depository bank at interest rates approximating United States Treasury Bill rates.

At August 31, 2021, the carrying amount of the District's deposits was \$9,448,469 and the bank balance was \$9,896,905. The District's deposits with financial institutions at August 31, 2021 and during the year ended August 31, 2021 were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name. The deposits were collateralized in accordance with Texas law and the District maintains copies of all safekeeping receipts in the name of the District.

The District maintains a cash pool consisting of demand deposits. The combined pool is available for use by most Special Revenue Funds. If a fund overdraws its share of the pool, the overdraft is reported as an interfund payable in that fund. The offsetting interfund receivable is reported in the General Fund.

The following is disclosed regarding coverage of combined balances on the date of highest deposit:

- a) Name of depository bank: BancorpSouth
- b) The amount of bond and/or security pledged as of the date of the highest combined balance on deposit was \$11,366,279.
- c) The largest cash, savings and time deposit combined account balance amounted to \$10,181,721 and occurred during the month of March 2021.
- d) Total amount of FDIC coverage at the time of highest combined balance was \$500,000.

Investments held at August 31, 2021 consisted of the following:

Investment Type	Fair Value	Weighted Average Maturity (Days)	Standard & Poor's Rating
Local Government Investment Pools:			
TexPool	\$ 1,715,162	1	AAAm
Lone Star Investment Pool	8,918,317	1	AAAm
Investment Held in Private Purpose Trust Funds:			
Life Insurance Proceeds	33,813		
Total Investments	<u>\$ 10,667,292</u>		

The District had investments in two external local governmental investment pool at August 31, 2021, consisting of the Texas Local Governmental Investment Pool ("TexPool") and the Lone Star (First Public) Investment Pool.

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TEXPOOL

TEXPOOL is a local government investment pool. It offers a safe, efficient, and liquid investment alternative to local governments in the State of Texas. The primary objectives of the pool are to preserve capital and protect principal, maintain sufficient liquidity, provide safety of funds and investments, diversify to avoid unreasonable or avoidable risks, and maximize the return on the pool. Cities, counties, school districts, institutions of higher education, special districts, and other public entities of Texas make up the investor base.

TEXPOOL was originally rated in March 1995, but effective April 2002, the Texas Comptroller of Public Accounts contracted with Federated Investors, Inc. for the day-to-day operations of TEXPOOL. Federated Investors, Inc. performs the pool's investment management and custodial functions. It also provides the marketing function, working closely with participants. Federated Securities Corp. acts as the distributor for the portfolio. Oversight of TEXPOOL continues to be provided by the Texas Comptroller, as well as the TEXPOOL advisory board. In January 1995, the advisory board adopted and implemented long-term policy changes to provide for a stable net asset value (NAV) pool, which, in effect, operates like an SEC regulated Rule 2a-7 money-market fund. These changes were made to ensure a more conservative investment strategy and to provide a much higher level of investment safety for local government funds.

Lone Star (First Public)

The Corporate Overnight Fund is a fund within the Lone Star Investment Pool. Its objective is to maintain a stable \$1.00 per share net asset value (NAV), while it provides the highest possible rate of return. The fund represents one of three Texas public investment funds sponsored by the Texas Association of School Boards (TASB). The other funds--Government Overnight Fund and Corporate Overnight Plus Fund--also maintain S&P Global ratings. The Lone Star Investment Pool was created pursuant to the Interlocal Cooperation Act of the State of Texas as an investment vehicle for local school districts and other public entities. The funds within Lone Star Investment Pool are not registered mutual funds under the Investment Company Act of 1940, and are not available to individual investors.

The Lone Star Investment Pool is sponsored by TASB. The investment advisers to the pool are American Beacon Advisors and Standish. First Public LLC provides administrative and distribution services to the pool and State Street Bank is the custodian for all pool assets. In addition, CAPTRUST Financial Advisors monitors the pool's operations and performance and reports its findings to First Public and the board of trustees for the Lone Star Investment Pools.

Credit Risk - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized agencies are designed to give an indication of credit risk. At August 31, 2021, investments were included in local governmental investment pools with ratings from Standard & Poor's in compliance with the District's investment policy.

Custodial Credit Risk - Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the District's name. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the District, and are held by either the counterparty or the counterparty's trust department or agent but not in the District's name. At August 31, 2021, the District was not exposed to custodial credit risk.

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Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investments in a single issuer. Information regarding investments in any one issuer that represents five percent or more of the District's total investments must be disclosed under GASB Statement No. 40, excluding investments issued or explicitly guaranteed by the U.S. government. At August 31, 2021, the District had 99.7% of its investments in local governmental investment pools.

Interest Rate Risk - As a means of minimizing risk of loss due to interest rate fluctuations, the District's investment policy requires that maturities will not exceed the weighted average maturity of 180 days for any internally created pool fund group and one year from the time of purchase for any other individual investment. The Board may specifically authorize a longer maturity for a given investment, within legal limits. The District considers the holdings in the local governmental investment pools to have a one day weighted average maturity due to the fact that the share position can usually be redeemed each day at the discretion of the shareholders, unless there has been a significant change in value. At August 31, 2021, investments were included in local government investment pools which have a weighted average maturity of one day.

### **3. PROPERTY TAXES**

The Texas Legislature in 1979 adopted a comprehensive Property Tax Code (the "Code") which established a county-wide appraisal district and an appraisal review board in each county in the State. There are four appraisal districts that are responsible for the recording and appraisal of property in the District. They are Lampasas Central Appraisal District, the Burnet Central Appraisal District, the Coryell Central Appraisal District and the Tax Appraisal District of Bell County. Under the Code, the school board sets the tax rates on property and the Lampasas Central Appraisal District (the "Appraisal District") provides tax collection services. The Appraisal District is required under the Code to assess property at 100% of its appraised value. Further, real property must be reappraised at least every three years. Under certain circumstances, taxpayers and taxing units, including the District, may challenge orders of the Appraisal Review Board through various appeals and, if necessary, legal action.

Property taxes are levied as of October 1 in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes and penalties and interest that are ultimately imposed. Property tax revenues are considered available when they become due or past due and receivable within the current period, including those property taxes expected to be collected during a 60 day period after the end of the District's fiscal year. The assessed value at January 1, 2020, upon which the October 2020 levy was based was \$1,324,247,357. The District levied taxes based on a combined tax rate of \$1.3147 per \$100 of assessed valuation for local maintenance (general governmental services) and debt service.

### **4. DUE FROM/TO OTHER GOVERNMENTS**

The District participates in a variety of federal and state programs from which it receives grants to partially or fully fund certain activities. The District also receives entitlements from the State through the School Foundation and Per Capita Programs. Grants and entitlements are recorded as revenue when earned, therefore at year end amounts earned but not yet received in cash may be recorded as due from the grantor government. Amounts already received in cash but not yet earned are recorded as due to the grantor government.

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A summary of amounts recorded as Due From/Due To Other Governments in the basic financial statements as of August 31, 2021 are summarized below:

Due From Other Governments:

	General Fund	Elementary & Secondary School Emergency Relief (ESSER II)	Non-Major Governmental Funds	Total
Governmental Activities:				
Foundation & Per Capita Entitlements	\$ 866,681	\$ -	\$ -	\$ 866,681
Federal Grants	73,708	584,881	766,170	1,424,759
Total - Governmental Activities	<u>\$ 940,389</u>	<u>\$ 584,881</u>	<u>\$ 766,170</u>	<u>\$ 2,291,440</u>

Due To Other Governments:

	Debt	
	Service Fund	Total
Governmental Activities:		
State Grants	\$ 4,541	\$ 4,541
Total - Governmental Activities	<u>\$ 4,541</u>	<u>\$ 4,541</u>

## 5. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

During the course of operations, the individual funds of the District may engage in temporary borrowings of money between one another to meet liquidity needs. These interfund receivables and payables are recorded on the balance sheet of the loaning fund as “Due from Other Funds” and on the balance sheet of the borrowing fund as “Due to Other Funds”. Amounts are repaid when funds are available in the borrowing fund.

Individual funds may also make payments between one another which are intended to be permanent and therefore not repaid. These transactions are recorded on the statement of revenues, expenditures, and changes in fund balance as “Transfers Out” for the paying fund and “Transfers In” for the receiving fund.

During the year, the General Fund transferred \$72,265 to cover the cost of a serving line originally paid for out of the Child Nutrition Fund as a small purchase, but did not qualify as a small purchase per a prior year procurement audit. The summer Feeding Program transferred \$6,568 to the Child Nutrition Fund to provide for supplemental financial needs.

The composition of interfund balances as of August 31, 2021 was as follows:

Receivable Fund	Payable Fund	Amount
General Fund	General Fund	\$ 247,638
	Special Revenue Funds	864,691
Total General Fund		<u>1,112,329</u>
Special Revenue Funds	General Fund	17,665
Total Special Revenue Funds		<u>17,665</u>
Grand Total		<u>\$ 1,129,994</u>

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**6. CAPITAL ASSETS**

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

	Beginning Balance 9/1/20	Additions	Retirements	Adjustments	Ending Balance 8/31/21
Governmental Activities:					
Capital Assets, not Being Depreciated:					
Land	\$ 786,139	\$ 100,722	\$ -	\$ -	\$ 886,861
Construction in Progress	777,170	937,949	-	(1,355,340)	359,779
Total Capital Assets, not Being Depreciated	1,563,309	1,038,671	-	(1,355,340)	1,246,640
Capital Assets, Being Depreciated:					
Buildings and Improvements	83,037,684	92,505	-	1,355,340	84,485,529
Furniture and Equipment	10,794,534	1,059,926	(226,387)	-	11,628,073
Total Capital Assets, Being Depreciated	93,832,218	1,152,431	(226,387)	1,355,340	96,113,602
Less Accumulated Depreciation for:					
Buildings and Improvements	(29,451,595)	(2,198,384)	-	-	(31,649,979)
Furniture and Equipment	(7,389,893)	(615,581)	203,750	-	(7,801,724)
Total Accumulated Depreciation	(36,841,488)	(2,813,965)	203,750	-	(39,451,703)
Governmental Activities Capital Assets, Net	\$ 58,554,039	\$ (622,863)	\$ (22,637)	\$ -	\$ 57,908,539

Depreciation expense was charged to the functions of the District as follows:

Function	Depreciation Allocation
Instruction	\$ 1,488,438
Instructional Resources & Media Services	29,150
Curriculum & Instructional Staff Development	41,140
Instructional Leadership	53,218
School Leadership	135,509
Guidance, Counseling & Evaluation Services	100,888
Social Work Services	2,242
Health Services	21,793
Student Transportation	156,471
Food Services	109,699
Extracurricular Activities	114,708
General Administration	99,191
Facilities Maintenance and Operations	318,670
Security and Monitoring Services	26,701
Data Processing Services	111,570
Community Services	4,577
Totals	\$ 2,813,965

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## 7. BONDS PAYABLE

Governmental activities long-term debt obligations at August 31, 2021 consisted of the following:

General Long-Term Debt Description	Outstanding at August 31, 2021
\$8,394,892 Series 2012 Limited Tax Refunding Bonds due in annual installments of \$105,000 to \$3,305,000 through February 15, 2032; interest at 2.0% to 3.0%.	\$ 8,225,754
\$29,335,000 Series 2013 Limited Tax Refunding Bonds due in annual installments of \$1,095,000 to \$2,770,000 through February 15, 2030; interest at 2.0% to 5.0%.	20,275,000
Total General Long-Term Debt	<u>\$ 28,500,754</u>

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

Type	Outstanding 9/1/20	Additions	Deletions	Current Accretion	Outstanding 8/31/21	Due in One Year
Bonds Payable:						
General Oblig. & Refunding Bonds	\$ 30,413,389	\$ -	\$ (2,025,000)	\$ 112,365	\$28,500,754	\$ 2,115,000
Premium on Issuance of Bonds	3,565,096	-	(348,727)	-	3,216,369	-
Total Bonds	33,978,485	-	(2,373,727)	112,365	31,717,123	2,115,000
Total Governmental Activities	<u>\$ 33,978,485</u>	<u>\$ -</u>	<u>\$ (2,373,727)</u>	<u>\$ 112,365</u>	<u>\$ 31,717,123</u>	<u>\$ 2,115,000</u>

For the general obligation bonds, the District has pledged as collateral the proceeds of a continuing, direct annual tax levied against taxable property within the District. The Texas Education Code generally limits issuance of additional ad valorem tax bonds if the tax rate needed to pay aggregate principal and interest amounts of the District's tax bond indebtedness would exceed \$0.50 per \$100 of assessed valuation of taxable property within the District.

Annual principal installments for outstanding bonds vary each year. The debt service requirements to maturity for general obligation bonds as of August 31, 2021 are as follows:

Year Ended August 31,	General Obligations			Total Requirements
	Principal	Accumulated Accretion	Interest	
2022	\$ 2,115,000	\$ -	\$ 1,034,664	\$ 3,149,664
2023	2,225,000	-	928,314	3,153,314
2024	2,335,000	-	816,514	3,151,514
2025	2,450,000	-	699,714	3,149,714
2026	2,575,000	-	577,614	3,152,614
2027-2031	12,574,982	920,772	1,319,216	14,814,970
2032	3,305,000	-	45,660	3,350,660
Totals	<u>\$ 27,579,982</u>	<u>\$ 920,772</u>	<u>\$ 5,421,696</u>	<u>\$ 33,922,450</u>



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**8. TEACHER RETIREMENT SYSTEM OF TEXAS PENSION PLAN**

**A. Pension Plan Description**

The Teacher Retirement System of Texas (TRS or System or Plan) is a public employee retirement system (PERS) that is a multiple-employer, cost-sharing, defined benefit pension plan with a special funding situation. The Plan is administered by the Board of Trustees of TRS. Information regarding the Board of TRS and its composition can be found within the separately issued TRS Comprehensive Annual Financial Report within Note 1 to the financial statements. That report may be obtained online at [www.trs.texas.gov](http://www.trs.texas.gov); by writing to TRS at 1000 Red River Street, Austin, Texas, 78701-2698; or by calling (800) 223-8778.

Benefits are established or amended under the authority of the Texas Constitution, Article XVI, Section 67 and by the Legislature in the Texas Government Code, Title 8, Subtitle C. The Board of Trustees does not have the authority to establish or amend benefits.

**B. Benefits Provided**

TRS provides retirement, disability, and death benefits. Membership in the Plan includes 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 exempt from membership under Texas Government Code, Title 8, Section 822.002.

State law requires the plan to be actuarially sound in order for the legislature to consider a benefit enhancement, such as a supplemental payment to the retirees.

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

**C. Contributors to the Plan**

Contributors to the Plan include active members, employers, and the State of Texas as the only non-employer contributing entity. The State is also 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.

The number of participating employers during fiscal year 2020 are disclosed in the following table.

<u>Participating Employers</u>	
Independent School Districts	1,022
Charter Schools (open enrollment only)	187
Community and Junior Colleges	50
Senior Colleges and Universities	48
Regional Service Centers	20
Medical Schools	9
Educational Districts	3
State Agency	1
Total	<u><u>1,340</u></u>



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Plan membership as of August 31, 2019 is shown in the following table. Because the actuarial valuation was based on a roll forward from fiscal year 2019 (see Section F), the Plan membership counts are as of August 31, 2019.

<u>Pension Plan Membership</u>	
Retired plan members or beneficiaries currently receiving benefits	434,426
Inactive plan members entitled to but not yet receiving benefits	310,716
Active plan members	884,540
	<u>1,629,682</u>

The Average Expected Remaining Service Life (AERSL) of 6.2975 years is based on membership information as of the beginning of the fiscal year.

#### D. Contributions

Contribution requirements are established or amended pursuant to the following state laws:

- Article 16, Section 67 of the Texas Constitution requires the legislature to establish a member contribution rate of not less than 6 percent of the member's annual compensation and a state contribution rate of not less than 6 percent and not more than 10 percent of the aggregate annual compensation paid to members of the System during the fiscal year.
- Government Code section 821.006 prohibits benefit improvements if it increases the amortization period of TRS' unfunded actuarial liability to greater than 31 years or, if the amortization period already exceeds 31 years, the period would be increased by such action. Actuarial implications of the funding provided in this manner are determined by the System's actuary.

As the non-employer contributing entity, the State of Texas contributes to the retirement system the current employer contribution rate times the aggregate annual compensation of all members of the Plan during the fiscal year, reduced by the employer contributions described below.

All participating employers and the State of Texas, as the employer for senior universities and medical schools, are required to pay the employer contribution rate in the following situations:

- On the portion of a 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 or all of an employee's salary is paid by federal, private, local or non-educational and general 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 percent of the state contribution rate for certain instructional or administrative employees and 100 percent of the state contribution rate for all other employees.

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Contribution rates and amounts for active employees, participating employers, and the State of Texas for the current and prior fiscal year are shown below.

<u>Contribution Rates</u>	<u>2020</u>	<u>2021</u>
Members	7.7%	7.7%
Employer	7.5%	7.5%
State of Texas (NECE)	7.5%	7.5%
<u>Contribution Amounts</u>		
Members	\$ 1,705,308	\$ 1,900,347
Employer	633,858	772,244
State of Texas (NECE)	1,358,967	1,472,595

Employers are also required to pay surcharges in the following cases:

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

E. Net Pension Liability

Components of the Net Pension Liability of the Plan as of August 31, 2020 are disclosed below.

<u>Components of Pension Liability</u>	<u>Total</u>
Total Pension Liability	\$ 218,974,205,084
Less: Plan Fiduciary Net Position	(165,416,245,243)
Net Pension Liability	<u>\$ 53,557,959,841</u>
Net Position as Percentage of Total Pension Liability	75.54%

F. Actuarial Methods and Assumptions

Roll Forward

The actuarial valuation was performed as of August 31, 2019. Update procedures were used to roll forward the total pension liability to August 31, 2020. The total pension liability is determined by an annual actuarial valuation. The actuarial methods and assumptions were selected by the Board of Trustees based upon analysis and recommendations by the System's actuary. The Board of Trustees has sole authority to determine the actuarial assumptions used for the Plan. The actuarial methods and assumptions were primarily based on a study of actual experience for the three year period ending August 31, 2017 and were adopted in July 2018.

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

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

Asset Class	FY 2020 Target Allocation* %	Long-Term Expected Geometric Real Rate of Return*	Expected Contribution to Long- Term Portfolio Returns
Global Equity			
USA	18.00%	3.90%	0.99%
Non-U.S. Developed	13.00%	5.10%	0.92%
Emerging Markets	9.00%	5.60%	0.83%
Private Equity	14.00%	6.70%	1.41%
Stable Value			
Government Bonds	16.00%	(0.70)%	(0.05)%
Absolute Return (Including Credit Sensitive Investments)	0.00%	1.80%	0.00%
Stable Value Hedge Funds	5.00%	1.90%	0.11%
Real Return			
Real Estate	15.00%	4.60%	1.02%
Energy, Natural Resources and Infrastructure	6.00%	6.00%	0.42%
Commodities	0.00%	0.80%	0.00%
Risk Parity			
Risk Parity	8.00%	3.00%	0.30%
Asset Allocation Leverage			
Cash	2.00%	(1.50)%	(0.03)%
Asset Allocation Leverage	(6.00)%	(1.30)%	0.08%
Inflation Expectation			2.00%
Volatility Drag*			(0.67)%
Expected Return	100.00%		7.33%

\*Target allocations are based on the FY2020 policy model.

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

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

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

Actuarial Methods and Assumptions

Valuation Date	August 31, 2019 rolled forward to August 31, 2020
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Single Discount Rate	7.25%
Long-Term Expected Rate	7.25%
Municipal Bond Rate as of August 2020	2.33% - Source for the rate is the Fixed Income Market Data/Yield Curve/Data Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index."
Last year ending August 31 in Projection Period (100 years)	2119
Inflation	2.30%
Salary Increases	3.05% to 9.05% including inflation
Ad hoc post-employment benefit changes	None

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

G. Discount Rate

A single discount rate of 7.25 percent was used to measure the total pension liability. The single discount rate was based on the expected rate of return on plan investments of 7.25 percent. The projection of cash flows used to determine 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 legislative session. It is assumed that future employer and state contributions will be 8.50 percent of payroll in fiscal year 2020 gradually increasing to 9.55 percent of payroll over the next several years. This includes all employer and state contributions for active and rehired retirees.

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

H. Change of Assumptions Since the Prior Measurement Date

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

I. Sensitivity of the Net Pension Liability to the Single Discount Rate Assumption

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

Sensitivity of the Net Pension Liability to the Single Discount Rate Assumption			
	1% Decrease 6.25%	Current Single Discount Rate 7.25%	1% Increase 8.25%
District's Proportionate Share of the Net Pension Liability:	\$ 12,687,266	\$ 8,227,894	\$ 4,604,753

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J. District Net Pension Liabilities, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, and Pension Expense

The Net Pension Liability of the Plan as a whole was last measured as of August 31, 2020 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The District was assigned a proportion of the Plan's Net Pension Liability based on the District's contributions to the Plan relative to the contributions of all employers for the period September 1, 2019 through August 31, 2020.

The table below presents a two-year comparison of the District's assigned proportion and resulting proportionate share of the collective Net Pension Liability, as well as the State's proportionate share of the Net Pension Liability associated with the District.

	Measurement Date		Change
	8/31/19	8/31/20	
District's Proportion of the Collective Net Pension Liability	0.000168141924	0.000153625982	(0.000014515942)
District's Proportionate Share of the Net Pension Liability	\$ 8,740,543	\$ 8,227,894	\$ (512,649)
State's Proportionate Share of the Net Pension Liability			
Associated with the District	15,758,557	17,341,248	1,582,691
Total Pension Liability	\$ 24,499,100	\$ 25,569,142	\$ 1,070,042

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 15,023	\$ 229,619
Changes in actuarial assumptions	1,909,164	811,763
Difference between projected and actual investment earnings	366,532	199,965
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	468,101	706,301
Contributions paid to TRS subsequent to the measurement date	772,244	-
Total	\$ 3,531,064	\$ 1,947,648

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

Measurement Year Ended August 31,	Pension Expense Amount
2021	\$ 330,263
2022	362,798
2023	295,005
2024	26,129
2025	(171,268)
Thereafter	(31,756)

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For the year ended August 31, 2021, Lampasas Independent School District recognized pension expense of \$531,910 and revenue of \$2,085,767 for support provided by the State.

## **9. EMPLOYEE HEALTH CARE COVERAGE**

During the year ended August 31, 2021, employees of the District were covered by the state-wide health insurance plan, TRS Active Care. The District contributed \$180 per month per employee to the Plan, the State provided an additional \$75 per month per employee, and employees, at their option, authorized payroll withholdings to pay contributions or premiums for dependents. TRS manages TRS Active Care. The Plan is administered by Blue Cross and Blue Shield of Texas while Caremark was assigned the prescription drug plan.

## **10. OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN – TRS-CARE**

### **A. Plan Description**

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

The Board of Trustees of TRS administers the TRS-Care program and the related fund in accordance with the Texas Insurance Code Chapter 1575. The Board of Trustees is granted the authority to establish basic and optional group insurance coverage for participants as well as to amend benefit terms as needed under Chapter 1575.052. The Board may adopt rules, plans, procedures, and orders reasonably necessary to administer the program, including minimum benefits and financing standards. Further detailed information regarding TRS and TRS-Care is available in a separately issued Comprehensive Annual Financial Report for TRS that includes financial statements and required supplementary information. That report may be obtained online at [www.trs.texas.gov](http://www.trs.texas.gov); by writing to TRS at 1000 Red River Street, Austin, Texas, 78701-2698; or by calling (800) 223-8778.

### **B. Benefits Provided**

TRS-Care provides health insurance coverage to retirees from public schools, charter schools, regional service centers, and other educational districts who are members of the TRS pension system. 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 General Appropriations Act passed by the 86<sup>th</sup> Legislature included funding to maintain TRS-Care premiums at their current level through 2021. The 86<sup>th</sup> legislature also passed SB 1682 which requires TRS to establish a contingency reserve in the TRS-Care fund equal to 60 days of expenditures. This amount is estimated at \$277,490,586 as of August 31, 2020.

### **C. Contributors to TRS-Care**

Contributors to the plan include active and retired members, employers, and the State of Texas as the only non-employer contributing entity.

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During fiscal year 2020, the number of participating employers are presented in the following table.

<u>Participating Employers</u>	
Independent School Districts	1,021
Open Enrollment Charter Schools	187
Regional Service Centers	20
Other Educational Districts	3
Total	<u><u>1,231</u></u>

TRS-Care plan membership as of August 31, 2019 is shown in the following table. Because the actuarial valuation was based on a roll-forward (See Section F), the counts are as of that date.

<u>TRS-Care Plan Membership</u>	
Active plan members	725,690
Inactive plan members currently receiving benefits	191,250
Inactive plan members entitled to but not yet receiving benefits	11,785
Total	<u><u>928,725</u></u>

The Average Expected Remaining Service Life (AERSL) of 9.1073 is based on the membership information as of the beginning of the fiscal year.

#### D. Contributions

Contribution rates for the TRS-Care plan are established in State Statute by the Texas Legislature, and there is no continuing obligation to provide benefits beyond each fiscal year. The TRS-Care plan is currently funded on a pay-as-you-go basis and is subject to change based on available funding. Funding for TRS-Care is provided by retiree premium contributions; and contributions from the state, active employees, and participating employers are based on active employee compensation. The TRS Board does not have the authority to set or amend contribution rates.

At the inception of the plan, funding was projected to last 10 years through fiscal year 1995. The original funding was sufficient to maintain the solvency of the fund through fiscal year 2000. Since that time, appropriations and contributions have been established to fund the benefits for each successive biennium.

Section 1575.202 of the Texas Insurance Code establishes the State's contribution rate which is 1.25 percent of the employee's salary. Section 1575.203 establishes the active employee rate which is 0.65 percent of salary. Section 1575.204 establishes a public school contribution rate of not less than 0.25 percent or not more than 0.75 percent of the salary of each active employee of the employer. The actual public school contribution rate is prescribed by the Legislature in the General Appropriations Act, which is 0.75 percent of each active employee's pay for fiscal year 2020.



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Contribution rates and amounts for active employees, participating employers, and the State of Texas for the current and prior fiscal year are shown below.

<u>Contribution Rates</u>	<u>2020</u>	<u>2021</u>
Members	0.65%	0.65%
Employer	0.75%	0.75%
State of Texas	1.25%	1.25%
Federal/Private Funding*	1.25%	1.25%
<u>Contribution Amounts</u>		
Members	\$ 143,954	\$ 160,422
Employer	192,586	218,870
State of Texas (NECE)	239,818	259,870
* Contributions paid from federal funds and private grants are remitted by the employer and paid at the State rate.		

Employers whose employees are covered by the TRS pension plan are also required to pay a surcharge of \$535 per month when employing a non-exempt retiree of the TRS. The TRS-Care surcharges for fiscal year 2020 totaled \$11,413,512.

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

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

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

#### E. Net OPEB Liability

Components of the Net OPEB Liability of the TRS-Care plan as of August 31, 2020 are disclosed in the following table.

<u>Components of OPEB Liability</u>	<u>Total</u>
Total OPEB Liability	\$ 40,010,833,815
Less: Plan Fiduciary Net Position	(1,996,317,932)
Net OPEB Liability	<u>\$ 38,014,515,883</u>
Net Position as a Percentage of Total OPEB Liability	4.99%

The primary reasons for this year's \$12.0 billion liability reduction related to the difference between expected and actual experience and were due to (a) savings to the fully-insured Medicare Advantage premiums, which resulted from Congress' repeal of the Health Insurer Fee in December 2019 and vendor premium guarantees, and (b) favorable claims and rebate experience for the prescription drug benefits provided to Medicare retirees.



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F. Actuarial Methods and Assumptions

Roll Forward

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

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

The following assumptions used for members of TRS are identical to the assumptions employed in the August 31, 2020 TRS annual pension actuarial valuation:

- Rates of Mortality
- Rates of Retirement
- Rates of Termination
- Rates of Disability
- General Inflation
- Wage Inflation
- Salary Increases

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

Health Care Trend Rates

The initial medical trend rates were 9.00 percent for Medicare retirees and 7.30 percent for non-Medicare retirees. There was an initial prescription drug trend rate of 9.00 percent for all retirees. The initial trend rates decrease to an ultimate trend rate of 4.25 percent over a period of 13 years.

Actuarial Methods and Assumptions

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

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G. Discount Rate

A single discount rate of 2.33 percent was used to measure the total OPEB liability. This was a decrease of .30 percent in the discount rate since the previous year. Since the plan is a pay-as-you-go plan, the single discount rate is equal to the prevailing municipal bond rate.

H. Change of Assumptions Since the Prior Measurement Date

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

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

I. Changes of Benefit Terms Since the Prior Measurement Date

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

J. Sensitivity of the Net OPEB Liability to the Single Discount Rate Assumption

The following presents the Net OPEB Liability of the plan using the discount rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher, as well as what the Net OPEB Liability would be if it were calculated using a discount rate that is one-percentage point lower, 1.33 percent, or one-percentage point higher, 3.33 percent, than the AA/Aa rate.

Sensitivity of the Net OPEB Liability to the Single Discount Rate Assumption			
	1% Decrease 1.33%	Current Single Discount Rate 2.33%	1% Increase 3.33%
District's Proportionate Share of the Net OPEB Liability	\$ 11,558,489	\$ 9,632,093	\$ 8,110,516

K. Sensitivity of the Net OPEB Liability to the Healthcare Cost Trend Rate Assumptions

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

Sensitivity of the Net OPEB Liability to the Healthcare Cost Trend Rate Assumption			
	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
District's Proportionate Share of the Net OPEB Liability	\$ 7,868,186	\$ 9,632,093	\$ 11,981,368

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L. District Net OPEB Liabilities, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB, and OPEB Expense

The Net OPEB Liability of the TRS-Care program as a whole was last measured as of August 31, 2020 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The District was assigned a proportion of TRS Care's Net OPEB Liability based on the District's contributions to the program relative to the contributions of all employers for the period September 1, 2019 through August 31, 2020.

The table below presents a two-year comparison of the District's assigned proportion and resulting proportionate share of the collective Net OPEB Liability, as well as the State's proportionate share of the Net OPEB Liability associated with the District.

	Measurement Date		Change
	8/31/19	8/31/20	
District's Proportion of the Collective Net OPEB Liability	0.000255178360	0.000253379337	-0.000001799023
District's Proportionate Share of the Net OPEB Liability	\$ 12,067,698	\$ 9,632,093	\$ (2,435,605)
State's Proportionate Share of the Net OPEB Liability Associated with the District	16,035,270	12,943,224	(3,092,046)
Total OPEB Liability	<u>\$ 28,102,968</u>	<u>\$ 22,575,317</u>	<u>\$ (5,527,651)</u>

At August 31, 2021, Lampasas Independent School District reported its proportionate share of 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 economic experience	\$ 504,333	\$ 4,408,138
Changes in actuarial assumptions	594,100	2,645,022
Difference between projected and actual investment earnings	3,327	197
Change in proportion and difference between the employer's contributions and the proportionate share of contributions	195,332	100,724
Contributions paid to TRS subsequent to the measurement date	218,870	-
Total	\$ 1,515,962	\$ 7,154,081

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

Measurement Year Ended August 31,	OPEB Expense Amount
2021	\$ (975,177)
2022	(975,596)
2023	(975,835)
2024	(975,769)
2025	(718,496)
Thereafter	(1,236,117)

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For the year ended August 31, 2021, Lampasas Independent School District recognized OPEB expense of (\$337,544) and revenue of (\$89,873) for support provided by the State.

## 11. FRINGE BENEFITS PAID BY OTHER GOVERNMENTS

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. Under Medicare Part D, TRS-Care receives retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the years ended August 31, 2021 and August 31, 2020, the subsidy payments received by TRS-Care on behalf of the District were \$109,896 and \$104,518, respectively.

## 12. FUND BALANCES

The District complies with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Those fund balance classifications are described below:

Nonspendable - Amounts that cannot be spent because they are either not in a spendable form or are legally or contractually required to be maintained intact.

Restricted - Amounts that can be spent only for specific purposes because of constraints imposed by external providers, or imposed by constitutional provisions or enabling legislation.

Committed - Amounts that can only be used for specific purposes pursuant to approval by formal action by the Board.

Assigned - For the General Fund, the Board, or an official or body that has been delegated authority by the Board, may appropriate amounts that are to be used for a specific purpose. For all other governmental funds, any remaining positive amounts not previously classified as nonspendable, restricted or committed.

Unassigned - Amounts that are available for any purpose; these amounts can be reported only in the District's General Fund.

A detail of the fund balance amounts within each category is included on the governmental funds balance sheet.

Fund balance of the District may be committed for a specific purpose by formal action of the Board, the District's highest level of decision-making authority. Commitments may be established, modified, or rescinded only through a resolution approved by the Board. The Board has delegated authority to the Superintendent to assign fund balance for a specific purpose. In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended is as follows: restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance.

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### 13. REVENUE FROM LOCAL AND INTERMEDIATE SOURCES

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

Type	General Fund	Debt Service Fund	Non-Major Governmental Funds	Trust Funds	Custodial Funds	Total
Property Taxes	\$ 13,930,688	\$ 3,594,676	\$ -	\$ -	\$ -	\$ 17,525,364
Investment Income	52,545	1,847	2,605	1,030	251	58,278
Rent	27,321	-	-	-	-	27,321
Gifts	25,065	-	-	-	-	25,065
Insurance Recovery	9,610	-	-	-	-	9,610
Food Sales	-	-	68,734	-	-	68,734
Athletics	113,474	-	-	-	-	113,474
Enterprising Revenues	-	-	239,271	-	52,012	291,283
Miscellaneous Local Revenue	437,116	-	1,343	-	-	438,459
Total	<u>\$ 14,595,819</u>	<u>\$ 3,596,523</u>	<u>\$ 311,953</u>	<u>\$ 1,030</u>	<u>\$ 52,263</u>	<u>\$ 18,557,588</u>

### 14. UNEARNED REVENUE

Unearned revenue at August 31, 2021 consisted of the following amounts:

Fund	State Grants	Total
Non-Major Governmental Funds	\$ 3	\$ 3
Total	<u>\$ 3</u>	<u>\$ 3</u>

### 15. RISK MANAGEMENT

The District's risk management program includes coverages through third party insurance providers for property, automobile liability, school professional liability, crime, workers' compensation, and other miscellaneous bonds. During the year ended August 31, 2021, there were no significant reductions in insurance coverage from coverage in the prior year. Losses in excess of the various deductible levels are covered through traditional indemnity coverage for buildings and contents, and vehicle liability with various insurance firms. Settled claims have not exceeded insurance limits for the past three years.

### 16. COMMITMENTS AND CONTINGENCIES

The District participates in a number of federal financial assistance programs. Although the District's grant programs have been audited in accordance with the provisions of *Government Auditing Standards* and when applicable, the Uniform Guidance, for the year ended August 31, 2021, these programs are subject to financial and compliance audits performed by the specific grantors. These audits, if performed, could result in amounts of expenditures being disallowed by the granting agencies and subject to repayment. The District however expects that such amounts, if any, would be immaterial.

Additionally, the District received correspondence from the Internal Revenue Service (IRS) regarding Tax Year 2018. Enclosed was a proposed Employer Shared Responsibility Payment (ESRP) penalty under Internal Revenue Code Section 4980H. The District submitted a formal written protest requesting consideration by Appeals in a letter dated September 21, 2021. The assessed amount of the ESRP as of the date of this report is \$186,950.13. However, the District considers this loss to be reasonably possible, but not probable as of the date of this report. Therefore, no accrual has been made for the year ended August 31, 2021.

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**17. UNEMPLOYMENT COMPENSATION POOL**

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

The Fund meets its quarterly obligation to the Texas Workforce Commission. Expenses are accrued monthly until the quarterly payment has been made. Expenses can be reasonably estimated; therefore there is no need for specific or aggregate stop loss coverage for the Unemployment Compensation pool. For the year ended August 31, 2021, the Fund anticipates that Lampasas Independent School District has no additional liability beyond the contractual obligation for payment of contribution. The Fund engages the services of an independent auditor to conduct a financial audit after the close of each year on August 31. The audit is accepted by the Fund's Board of Trustees in February of the following year. The Fund's audited financial statements as of August 31, 2020, are available on the TASB Risk Management Fund website and have been filed with the Texas Department of Insurance in Austin.

**18. RESTATEMENT OF NET POSITION**

During the year the District implemented Governmental Accounting Standards Board Statement No. 84 Fiduciary Activities ("GASB 84"). The principal objective of GASB 84 is to enhance the consistency and comparability of fiduciary activity reporting by state and local governments. This Statement also is intended to improve the usefulness of fiduciary activity information primarily for assessing the accountability of governments in their role as fiduciaries.

The District accounts for its student activity funds as custodial funds which are a type of Fiduciary Activity. Implementation of GASB 84 resulted in the recognition of revenues (additions) and expenses (deductions) which are reported on a Statement of Changes in Fiduciary Net Position. This is in contrast to the previous reporting method whereby the net effect of revenues and expenses in a given period were reported as a liability, 'Due to Student Groups'.

In the year of implementation, GASB 84 requires a retroactive restatement of prior periods to reflect the effect on net position as if the standard had been in effect in prior years. As such, the effect on beginning net position as shown within these financial statements is as follows:

	Custodial Funds
Net Position as Previously Stated at August 31, 2020	\$ -
Effect of Implementation of GASB 84	41,500
Net Position as Restated at August 31, 2020	<u>\$ 41,500</u>

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## **REQUIRED SUPPLEMENTARY INFORMATION**

LAMPASAS INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY -  
TEACHER RETIREMENT SYSTEM  
FOR THE YEAR ENDED AUGUST 31, 2021

	Measurement Year			
	2020	2019	2018	2017
District's Proportion of the Net Pension Liability	0.0153625982%	0.0168141924%	0.0163954431%	0.0172951168%
District's Proportionate Share of the Net Pension Liability	\$ 8,227,894	\$ 8,740,543	\$ 9,024,450	\$ 5,530,047
State's Proportionate Share of the District Net Pension Liability	17,341,248	15,758,557	17,336,459	10,596,024
Total Pension Liability	<u>\$ 25,569,142</u>	<u>\$ 24,499,100</u>	<u>\$ 26,360,909</u>	<u>\$ 16,126,071</u>
District's Covered-Employee Payroll	\$ 22,180,727	\$ 20,541,935	\$ 20,092,211	\$ 20,374,127
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	37.09%	42.55%	44.92%	27.14%
Plan Fiduciary Net Position as a Percentage of the Total Net Pension Liability	75.54%	75.24%	73.74%	82.17%

The amounts presented are determined as of the Plan's measurement year which was as of August 31 in each prior calendar year from the District's fiscal year end.

This schedule reflects the available years of data since the adoption of GASB 68.

Measurement Year		
2016	2015	2014
0.0170274753%	0.0165854000%	0.0104860000%
\$ 6,434,430	\$ 5,862,718	\$ 2,800,955
12,693,151	12,150,577	10,562,127
<u>\$ 19,127,581</u>	<u>\$ 18,013,295</u>	<u>\$ 13,363,082</u>
\$ 19,639,936	\$ 18,435,320	\$ 18,382,681
32.76%	31.80%	15.24%
78.00%	78.43%	83.25%

LAMPASAS INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF DISTRICT CONTRIBUTIONS –  
TEACHER RETIREMENT SYSTEM  
FOR THE YEAR ENDED AUGUST 31, 2021

	Fiscal Year			
	2021	2020	2019	2018
Contractually Required Contribution	\$ 772,244	\$ 633,858	\$ 588,517	\$ 552,227
Contribution in Relation to the Contractually Required Contribution	<u>(772,244)</u>	<u>(633,858)</u>	<u>(588,517)</u>	<u>(552,227)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered-Employee Payroll	\$ 24,679,843	\$ 22,180,727	\$ 20,541,935	\$ 20,092,211
Contributions as a Percentage of Covered- Employee Payroll	3.13%	2.86%	2.86%	2.75%

The amounts presented are as of the District's fiscal year end of August 31.

This schedule reflects the available years of data since the inception of GASB 68 and will eventually reflect ten years of data.

Fiscal Year		
2017	2016	2015
\$ 566,927	\$ 541,006	\$ 491,100
(566,927)	(541,006)	(491,100)
\$ -	\$ -	\$ -
\$ 20,374,127	\$ 19,639,936	\$ 18,435,320
2.78%	2.75%	2.66%

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LAMPASAS INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY –  
TEXAS PUBLIC SCHOOL RETIRED EMPLOYEES GROUP INSURANCE PLAN  
FOR THE YEAR ENDED AUGUST 31, 2021

	Measurement Year			
	2020	2019	2018	2017
District's Proportion of the Net Liability for Other Post Employment Benefits	0.0253379337%	0.0255178360%	0.0252311686%	0.0250932333%
District's Proportionate Share of the Net Post Employment Benefit Liability	\$ 9,632,093	\$ 12,067,698	\$ 12,598,153	\$ 10,912,106
State's Proportionate Share of the Net Post Employment Benefit Liability Associated with the District	12,943,224	16,035,270	16,887,677	15,684,251
Total Other Post Employment Benefits Liability	<u>\$ 22,575,317</u>	<u>\$ 28,102,968</u>	<u>\$ 29,485,830</u>	<u>\$ 26,596,357</u>
District's Covered Payroll	\$ 22,180,727	\$ 20,541,935	\$ 20,092,211	\$ 20,374,127
District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	43.43%	58.75%	62.70%	53.56%
Plan Fiduciary Net Position as a Percentage of the Total Net OPEB Liability	4.99%	2.66%	1.57%	0.91%

The amounts presented are determined as of the Plan's measurement year which was as of August 31 in each prior calendar year from the District's fiscal year end.

This schedule reflects the available years of data since the adoption of GASB 75.

LAMPASAS INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF DISTRICT CONTRIBUTIONS –  
TEXAS PUBLIC SCHOOL RETIRED EMPLOYEES GROUP INSURANCE PLAN  
FOR THE YEAR ENDED AUGUST 31, 2021

	Fiscal Year		
	2021	2020	2019
Contractually Required Contribution	\$ 218,870	\$ 192,586	\$ 181,106
Contribution in Relation to the Contractually Required Contribution	(218,870)	(192,586)	(181,106)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 24,679,843	\$ 22,180,727	\$ 20,541,935
Contributions as a Percentage of Covered Payroll	0.89%	0.87%	0.88%

The amounts presented are as of the District's fiscal year end of August 31.

This schedule reflects the available years of data since the inception of GASB 75 and will eventually reflect ten years of data.



Fiscal Year			
2018		2017	
\$	174,046	\$	130,474
(174,046)		(130,474)	
\$	-	\$	-
\$	20,092,211	\$	20,374,127
	0.87%		0.64%

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

## Teacher Retirement System

### *Actuarial Assumptions*

The information presented in the required supplementary schedules was used in the actuarial valuation for determining the actuarially determined contribution rate and the Net Pension Liability in accordance with GASB 68. Actuarial methods and assumptions used for funding purposes can be found in the Teacher Retirement System of Texas Pension Plan note to the financial statements.

### *Changes of Benefit Terms*

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

### *Changes of Assumptions*

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

## Texas Public School Retired Employees Group Insurance Plan

### *Actuarial Assumptions*

Actuarial methods and assumptions used for funding purposes can be found in the Other Post-Employment Benefits (OPEB) Plan – TRS-Care note to the financial statements.

### *Changes of Benefit Terms*

The General Appropriations Act passed by the 86<sup>th</sup> Legislature included funding to maintain TRS-Care premiums at their current level through 2021. The 86<sup>th</sup> legislature also passed SB 1682 which requires TRS to establish a contingency reserve in the TRS-Care fund equal to 60 days of expenditures. This amount is estimated at \$277,490,586 as of August 31, 2020.

### *Changes of Assumptions Since the Prior Measurement Date*

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

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

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**COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES**

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

	211	224	225	240
Data Control Codes	ESEA, Title I, Part A	IDEA-Part B, Formula	IDEA-Part B, Preschool	National Breakfast and Lunch Program
<b>ASSETS</b>				
1110 Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ 191,539
1120 Investments - Current	-	-	-	277
1240 Due from Other Governments	169,847	196,745	3,523	133,126
1260 Due from Other Funds	-	-	-	17,495
1290 Other Receivables	-	-	-	-
1410 Deferred Expenditures	-	-	-	-
1000A Total Assets	<u>\$ 169,847</u>	<u>\$ 196,745</u>	<u>\$ 3,523</u>	<u>\$ 342,437</u>
<b>LIABILITIES</b>				
2110 Accounts Payable	\$ 2,416	\$ -	\$ -	\$ 64,173
2160 Accrued Wages Payable	67,643	72,319	1,335	56,491
2170 Due to Other Funds	99,788	124,426	2,188	3,750
2300 Unearned Revenues	-	-	-	-
2000 Total Liabilities	<u>169,847</u>	<u>196,745</u>	<u>3,523</u>	<u>124,414</u>
<b>FUND BALANCES</b>				
Nonspendable:				
3430 Prepaid Items	-	-	-	-
Restricted for:				
3450 Federal or State Funds Restricted	-	-	-	218,023
Committed for:				
3545 Other Committed Fund Balance	-	-	-	-
3000 Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>218,023</u>
4000 Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 169,847</u>	<u>\$ 196,745</u>	<u>\$ 3,523</u>	<u>\$ 342,437</u>

242	244	255	266	277	282	289
Summer Feeding Program, TDA	Perkins V: Strengthening CTE for the 21st Century	ESEA, Title II, Part A	Elementary & Secondary School Emergency Relief (ESSER I)	Coronavirus Relief Fund	Elementary & Secondary School Emergency Relief (ESSER III)	Title IV, Part A
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	12,464	33,234	1,713	-	206,605	8,913
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 12,464</u>	<u>\$ 33,234</u>	<u>\$ 1,713</u>	<u>\$ -</u>	<u>\$ 206,605</u>	<u>\$ 8,913</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,750	\$ -
-	4,499	15,176	-	-	112,845	-
-	7,965	18,058	1,713	-	92,010	8,913
-	-	-	-	-	-	-
-	12,464	33,234	1,713	-	206,605	8,913
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 12,464</u>	<u>\$ 33,234</u>	<u>\$ 1,713</u>	<u>\$ -</u>	<u>\$ 206,605</u>	<u>\$ 8,913</u>

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EXHIBIT H-1 (CONTINUED)

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

		397	410	461	
Data		Advanced	State	Campus	Total Non-
Control		Placement	Instructional	Activity	Major
Codes		Incentives	Materials	Funds	Governmental
					Funds
<b>ASSETS</b>					
1110	Cash and Cash Equivalents	\$ 3	\$ 25,289	\$ 374,492	\$ 591,323
1120	Investments - Current	-	-	-	277
1240	Due from Other Governments	-	-	-	766,170
1260	Due from Other Funds	-	-	169	17,664
1290	Other Receivables	-	-	2,435	2,435
1410	Deferred Expenditures	-	-	2,562	2,562
1000A	Total Assets	<u>\$ 3</u>	<u>\$ 25,289</u>	<u>\$ 379,658</u>	<u>\$ 1,380,431</u>
<b>LIABILITIES</b>					
2110	Accounts Payable	\$ -	\$ 25,289	\$ 22,593	\$ 116,221
2160	Accrued Wages Payable	-	-	-	330,308
2170	Due to Other Funds	-	-	89	358,900
2300	Unearned Revenues	3	-	-	3
2000	Total Liabilities	<u>3</u>	<u>25,289</u>	<u>22,682</u>	<u>805,432</u>
<b>FUND BALANCES</b>					
Nonspendable:					
3430	Prepaid Items	-	-	2,562	2,562
Restricted for:					
3450	Federal or State Funds Restricted	-	-	-	218,023
Committed for:					
3545	Other Committed Fund Balance	-	-	354,414	354,414
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>356,976</u>	<u>574,999</u>
4000	Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 3</u>	<u>\$ 25,289</u>	<u>\$ 379,658</u>	<u>\$ 1,380,431</u>

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

	211	224	225	240
Data Control Codes	ESEA, Title I, Part A	IDEA-Part B, Formula	IDEA-Part B, Preschool	National Breakfast and Lunch Program
<b>REVENUES</b>				
5700 Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ 70,729
5800 State Program Revenues	-	-	-	29,322
5900 Federal Program Revenues	661,877	763,416	13,358	1,529,162
5020 Total Revenues	661,877	763,416	13,358	1,629,213
<b>EXPENDITURES</b>				
0011 Instruction	639,552	763,416	13,358	-
0013 Curriculum & Instructional Staff Development	-	-	-	-
0021 Instructional Leadership	14,917	-	-	-
0031 Guidance, Counseling & Evaluation Services	-	-	-	-
0035 Food Services	-	-	-	1,530,965
0036 Extracurricular Activities	-	-	-	-
0061 Community Services	7,408	-	-	-
6030 Total Expenditures	661,877	763,416	13,358	1,530,965
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	98,248
<b>OTHER FINANCING SOURCES (USES)</b>				
7915 Transfers In	-	-	-	78,833
8911 Transfers Out	-	-	-	-
7080 Total Other Financing Sources (Uses)	-	-	-	78,833
1200 Net Change in Fund Balance	-	-	-	177,081
0100 Fund Balance - Beginning	-	-	-	40,942
3000 Fund Balance - Ending	\$ -	\$ -	\$ -	\$ 218,023

242	244	255	266	277	282	289
Summer Feeding Program, TDA	Perkins V: Strengthening CTE for the 21st Century	ESEA, Title II, Part A	Elementary & Secondary School Emergency Relief (ESSER I)	Coronavirus Relief Fund	Elementary & Secondary School Emergency Relief (ESSER III)	Title IV, Part A
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	39,024	109,189	461,899	92,010	206,605	52,750
-	39,024	109,189	461,899	92,010	206,605	52,750
-	-	-	269,967	92,010	204,855	-
-	-	109,189	184,432	-	-	52,750
-	-	-	7,500	-	1,750	-
-	39,024	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	39,024	109,189	461,899	92,010	206,605	52,750
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(6,568)	-	-	-	-	-	-
(6,568)	-	-	-	-	-	-
(6,568)	-	-	-	-	-	-
6,568	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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## EXHIBIT H-2 (CONTINUED)

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

		397	410	461	
Data Control Codes		Advanced Placement Incentives	State Instructional Materials	Campus Activity Funds	Total Non- Major Governmental Funds
<b>REVENUES</b>					
5700	Local and Intermediate Sources	\$ -	\$ -	\$ 241,224	\$ 311,953
5800	State Program Revenues	173	114,066	-	143,561
5900	Federal Program Revenues	-	-	-	3,929,290
5020	Total Revenues	173	114,066	241,224	4,384,804
<b>EXPENDITURES</b>					
0011	Instruction	-	114,066	-	2,097,224
0013	Curriculum & Instructional Staff Development	-	-	-	346,371
0021	Instructional Leadership	-	-	-	24,167
0031	Guidance, Counseling & Evaluation Services	173	-	-	39,197
0035	Food Services	-	-	-	1,530,965
0036	Extracurricular Activities	-	-	256,509	256,509
0061	Community Services	-	-	-	7,408
6030	Total Expenditures	173	114,066	256,509	4,301,841
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(15,285)	82,963
<b>OTHER FINANCING SOURCES (USES)</b>					
7915	Transfers In	-	-	-	78,833
8911	Transfers Out	-	-	-	(6,568)
7080	Total Other Financing Sources (Uses)	-	-	-	72,265
1200	Net Change in Fund Balance	-	-	(15,285)	155,228
0100	Fund Balance - Beginning	-	-	372,261	419,771
3000	Fund Balance - Ending	\$ -	\$ -	\$ 356,976	\$ 574,999

LAMPASAS INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF DELINQUENT TAXES RECEIVABLE  
FOR THE YEAR ENDED AUGUST 31, 2021

		1	2	3
Last 10 Years Ended		Tax Rates		Assessed/Appraised
August 31,		Maintenance	Debt Service	Value for School
				Tax Purposes
2012	and prior years	Various	Various	Various
2013		1.17000	0.29000	\$ 986,530,595
2014		1.17000	0.28000	1,024,415,583
2015		1.17000	0.28000	1,051,797,793
2016		1.17000	0.26000	1,053,066,317
2017		1.17000	0.26000	1,083,800,969
2018		1.17000	0.26000	1,157,439,213
2019		1.17000	0.26000	1,195,785,284
2020		1.06835	0.26000	1,282,483,958
2021	(School year under audit)	1.05470	0.26000	1,324,247,357
TOTALS				

10 Beginning Balance 9/1/20	20 Current Year's Total Levy	31 Maintenance Collections	32 Debt Service Collections	40 Entire Year's Adjustments	50 Ending Balance 8/31/21
\$ 130,399	\$ -	\$ 6,235	\$ 1,545	\$ (58,175)	\$ 64,444
29,533	-	6,159	1,527	(270)	21,577
50,240	-	6,060	1,450	(268)	42,462
53,372	-	6,335	1,516	(268)	45,253
54,746	-	6,334	1,407	(265)	46,740
75,684	-	23,289	5,175	1,467	48,687
113,855	-	33,809	7,513	(1,373)	71,160
147,197	-	42,411	9,425	(8,599)	86,762
312,153	-	103,153	25,104	(43,237)	140,659
-	17,409,880	13,611,851	3,355,533	(211,103)	231,393
<u>\$ 967,179</u>	<u>\$ 17,409,880</u>	<u>\$ 13,845,636</u>	<u>\$ 3,410,195</u>	<u>\$ (322,091)</u>	<u>\$ 799,137</u>

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

Data Control Codes		Budgeted Amounts		Actual	Variance With
		Original	Final	Amounts (GAAP BASIS)	Final Budget
REVENUES					
5700	Local & Intermediate Sources	\$ 482,006	\$ 76,006	\$ 70,729	\$ (5,277)
5800	State Program Revenues	7,500	25,300	29,322	4,022
5900	Federal Program Revenues	1,053,225	1,354,725	1,529,162	174,437
5020	Total Revenues	1,542,731	1,456,031	1,629,213	173,182
EXPENDITURES					
0035	Food Services	1,655,231	1,563,231	1,530,965	32,266
0051	Facilities Maintenance & Operations	12,500	12,500	-	12,500
6030	Total Expenditures	1,667,731	1,575,731	1,530,965	44,766
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	(125,000)	(119,700)	98,248	217,948
OTHER FINANCING SOURCES (USES)					
7915	Transfers In	125,000	72,500	78,833	6,333
7080	Total Other Finance Sources (Uses)	125,000	72,500	78,833	6,333
1200	Net Change in Fund Balances	-	(47,200)	177,081	224,281
0100	Fund Balance-September 1 (Beginning)	40,942	40,942	40,942	-
3000	Fund Balance-August 31 (Ending)	\$ 40,942	\$ (6,258)	\$ 218,023	\$ 224,281



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

Data Control Codes		Budgeted Amounts		Actual	Variance With Final Budget
		Original	Final	Amounts (GAAP BASIS)	
REVENUES					
5700	Local & Intermediate Sources	\$ 3,661,200	\$ 3,582,380	\$ 3,596,523	\$ 14,143
5800	State Program Revenues	119,486	116,186	117,289	1,103
5020	Total Revenues	3,780,686	3,698,566	3,713,812	15,246
EXPENDITURES					
Debt Service:					
0071	Principal on Long Term Debt	2,025,000	2,025,000	2,025,000	-
0072	Interest on Long Term Debt	1,126,464	1,126,464	1,126,464	-
0073	Other Debt Service Costs & Fees	5,000	2,000	1,000	1,000
6030	Total Expenditures	3,156,464	3,153,464	3,152,464	1,000
1200	Net Change in Fund Balances	624,222	545,102	561,348	16,246
0100	Fund Balance-September 1 (Beginning)	2,264,092	2,264,092	2,264,092	-
3000	Fund Balance-August 31 (Ending)	\$ 2,888,314	\$ 2,809,194	\$ 2,825,440	\$ 16,246

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## **FEDERAL AWARDS SECTION**

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

To the Board of Trustees of  
Lampasas Independent School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Lampasas Independent School District, as of and for the year ended August 31, 2021, and the related notes to the financial statements, which collectively comprise Lampasas Independent School District's basic financial statements, and have issued our report thereon dated October 22, 2021.

### **Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Lampasas Independent School District's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Lampasas Independent School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Lampasas 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 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 combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

### **Compliance and Other Matters**

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

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## **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.

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Singleton, Clark & Company, PC  
Cedar Park, Texas

October 22, 2021

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND INTERNAL CONTROL  
FOR EACH MAJOR PROGRAM AS REQUIRED BY UNIFORM GUIDANCE AND  
REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

To the Board of Trustees of  
Lampasas Independent School District

## Report on Compliance for Each Major Federal Program

We have audited Lampasas 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 Lampasas Independent School District's major federal programs for the year ended August 31, 2021. Lampasas 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 the 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 Lampasas 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 Lampasas 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 Lampasas Independent School District's compliance.

## Opinion on Each Major Federal Program

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

## Report on Internal Control over Compliance

Management of Lampasas 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 Lampasas 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 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 Lampasas Independent School District's internal control over compliance.

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*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.

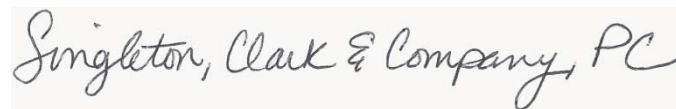
*A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or 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.

### **Report on Schedule of Expenditures of Federal Awards Required by *Uniform Guidance***

We have audited the financial statements of Lampasas Independent School District as of and for the year ended August 31, 2021, and have issued our report thereon dated October 22, 2021, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

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Singleton, Clark & Company, PC  
Cedar Park, Texas

October 22, 2021

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

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM OR CLUSTER TITLE	1 Federal ALN Number	2a Pass-Through Entity Identifying Number	3 Federal Expenditures
<b>U.S. DEPARTMENT OF EDUCATION</b>			
<u>Direct Awards</u>			
ESEA - Title VII - Impact Aid	84.041B		\$ 31,564
Total Direct Awards			<u>31,564</u>
<u>Passed through Texas Education Agency</u>			
ESEA, Title I, Part A - Improving Basic Programs	84.010A	21610101141901	661,877
IDEA - Part B, Formula <sup>1</sup>	84.027A	216600011419016600	763,416
IDEA - Part B, Preschool <sup>1</sup>	84.173A	216610011419016610	13,358
Perkins V: Strengthening CTE for the 21 <sup>st</sup> Century	84.048A	21420006141901	39,024
ESEA, Title II, Part A - Supporting Effective Instruction	84.367A	21694501141901	109,189
COVID-19, Elementary and Secondary School Emergency Relief (ESSER I)	84.425D	20521001141901	535,607
COVID-19, Elementary and Secondary School Emergency Relief (ESSER II)	84.425D	21521001141901	584,881
COVID-19, Elementary and Secondary School Emergency Relief (ESSER III)	84.425U	21528001141901	206,605
Total Assistance Listing Number 84.425			<u>1,327,093</u>
COVID-19, Coronavirus Relief Fund (CRF) of the CARES Act	21.019	21-141901	92,010
Title IV, Part A - Student Support and Academic Enrichment	84.424A	21680101141901	52,750
Total Passed through Texas Education Agency			<u>3,058,717</u>
<b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>			<u><u>3,090,281</u></u>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
<u>Passed through Texas Education Agency</u>			
National School Breakfast Program <sup>2</sup>	10.553	71402101	275,796
National School Lunch Program <sup>2</sup>	10.555	71302101	1,004,269
Total Passed through Texas Education Agency			<u>1,280,065</u>
<u>Passed through Texas Department of Agriculture</u>			
Food Distribution Program - Non-Cash Assistance <sup>2</sup>	10.555	806780706	154,246
Food Distribution Payment <sup>2</sup>	10.555	806780706	7,170
School Programs Emergency Operational Costs Reimbursement Program <sup>2</sup>	10.555	806780706	84,618
Total Assistance Listing Number 10.555			<u>246,034</u>
COVID-19, Pandemic Electronic Benefit Transfer	10.649	806780706	3,063
Total Passed through Texas Department of Agriculture			<u>249,097</u>
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>			<u>1,529,162</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u><u>\$ 4,619,443</u></u>
<i>Not Considered Federal Financial Assistance:</i>			
School Health and Related Services (SHARS) Revenue			\$ 302,781
E-Rate Revenue			<u>455,184</u>
<b>TOTAL FEDERAL REVENUE PER STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE</b>			<u><u>\$ 5,377,408</u></u>

<sup>1</sup> Special Education (IDEA) Cluster as defined in OMB Compliance Supplement.

<sup>2</sup> Child Nutrition Cluster as defined in OMB Compliance Supplement.

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

**1. BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal awards expenditures of Lampasas Independent School District (the "District") under programs of the federal government for the year ended August 31, 2021. The information in the accompanying 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.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting** - The expenditures reported on the Schedule are presented using the modified-accrual basis of accounting, with the exception of the National School Lunch Program, School Breakfast Program and the Food Distribution Program. Under the modified-accrual basis of accounting, revenues are recognized in the accounting period in which they become measurable and available, and expenditures in the accounting period in which the fund liability is incurred, if measurable. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited to reimbursement.

Expenditures for the National School Lunch Program, School Breakfast Program and the Food Distribution Program are shown on the Schedule in an amount equal to the related revenue, but are not specifically attributable to this revenue source. Expenditures are reported in this manner due to the Child Nutrition Fund being a fund that combines local, state, and federal revenues, and spends those resources together to support the overall operations of the Child Nutrition Program.

The District has elected to not use the de minimis indirect cost rate as allowed under the Uniform Guidance.

**Relationship to Basic Financial Statements** - Expenditures of federal awards are reported in the District's basic financial statements in the special revenue funds.

**Relationship to Federal Financial Reports** - Amounts reported in the accompanying Schedule agree with the amounts reported in the related federal financial reports in all significant respects.

**Valuation of Non-Cash Programs** - The District values revenues and expenditures for the Food Distribution Program based on the value of commodities received.

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

**SECTION I – SUMMARY OF AUDITOR’S RESULTS**

**FINANCIAL STATEMENTS**

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiencies identified that are not considered to be material weaknesses? ☐ Yes ☒ None reported

Noncompliance material to financial statements noted? ☐ Yes ☒ No

**FEDERAL AWARDS**

Internal control over major programs:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiencies identified that are not considered to be material weaknesses? ☐ Yes ☒ None reported

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

ESSER I, ESSER II, ESSER III	Unmodified
Special Education Cluster	Unmodified

Any audit findings disclosed that are required to be reported in accordance with the federal Uniform Guidance? ☐ Yes ☒ No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.425D, 84.425U	ESSER I, ESSER II, ESSER III
84.027A, 84.173A	Special Education Cluster

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

Auditee qualified as low-risk auditee? ☒ Yes ☐ No

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LAMPASAS INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)  
FOR THE YEAR ENDED AUGUST 31, 2021

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**SECTION II – FINANCIAL STATEMENT FINDINGS**

Findings Related to Financial Statements Which are Required to be Reported in Accordance with Government Auditing Standards:

No findings or questioned costs required to be reported in accordance with *Government Auditing Standards* for the years ended August 31, 2021 and August 31, 2020.

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

Findings Related to Federal Awards Which are Required to be Reported in Accordance with federal Uniform Guidance:

No findings or questioned costs required to be reported in accordance with federal Uniform Guidance for the years ended August 31, 2021 and 2020.

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LAMPASAS INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS  
FOR THE YEAR ENDED AUGUST 31, 2021

Data Control Codes		1 Responses
SF1	Was there an unmodified opinion in the Annual Financial Report on the financial statements as a whole?	Yes
SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement?	No
SF3	Did the school district make timely payments to the Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies? (If there was a warrant hold not cleared in 30 days, then not timely.)	Yes
SF4	Was the school district issued a warrant hold? (Yes even if cleared within 30 days.)	No
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds?	No
SF6	Was there any disclosure in the Annual Financial Report of material noncompliance for grants, contracts, and laws related to local, state, or federal funds?	No
SF7	Did the school district post the required financial information on its website in accordance with Government Code, Local Government Code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules in effect at the fiscal year end?	Yes
SF8	Did the school board members discuss the school district's property values at a board meeting within 120 days before the school district adopted its budget?	Yes
SF9	Total accumulated accretion on CABs included in government-wide financial statements at fiscal year end.	\$ 920,772