

**MT. ENTERPRISE
INDEPENDENT SCHOOL DISTRICT**

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED AUGUST 31, 2021

Mt. Enterprise Independent School District
Annual Financial Report
For The Year Ended August 31, 2021

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Introductory Section

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CERTIFICATE OF BOARD

Mt. Enterprise Independent School District
Name of School District

Rusk
County

201-907
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 Wed day of September ' HF HP E HU.

Baker Webb
Signature of Board 9 LF H3 UNCRON

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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Morgan LaGrone, CPA, PLLC

Certified Public Accountant

Telephone: 903.657.0240
Fax: 903.655.1324

116 S Marshall
Henderson TX 75654

Independent Auditor's Report

To the Board of Trustees
Mt. Enterprise Independent School District
301 NW 3rd St.
Mt. Enterprise, Texas 75681

Report on the Audit of the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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 Mt. Enterprise Independent School District as of August 31, 2021, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Change in Accounting Principle

As described in Note A to the financial statements, in 2021, Mt. Enterprise Independent School District adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, and budgetary comparison information and schedule of the District's proportionate share of the net pension liability and schedule of District pension contributions, and schedule of the District's proportionate share of the net OPEB liability and schedule of District OPEB contributions identified as Required Supplementary Information in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 Mt. Enterprise Independent School District's basic financial statements. The introductory section and combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not required parts of the basic financial statements. The accompanying other supplementary information is presented for purposes of additional analysis and is also not a required part of the basic financial statements.

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

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2021 on our consideration of Mt. Enterprise Independent School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 Mt. Enterprise Independent School District's internal control over financial reporting and compliance.

Respectfully submitted,

A handwritten signature in cursive script that reads "Morgan LaGrone".

Morgan LaGrone, CPA, PLLC

Henderson, TX
December 9, 2021

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MT. ENTERPRISE INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

AUGUST 31, 2021

This section of Mt. Enterprise Independent School District's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year ended August 31, 2021. Please read it in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

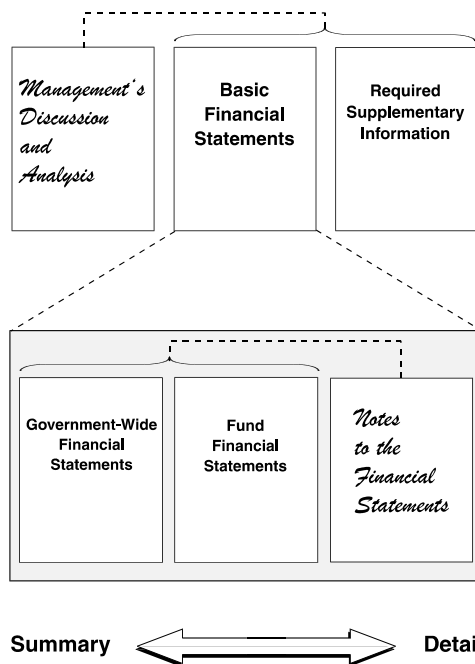
- The District's total combined net position was \$2,586,110 at August 31, 2021.
- During the year, the District's expenses were \$5,889,359, and the District generated \$6,419,083 in taxes and other revenues for governmental activities.
- The total cost of the District's programs increased by 3.02%.
- The General Fund reported a fund balance this year of \$3,577,674, of which \$3,457,674 is unassigned and \$120,000 is committed for the purchase of bleachers in the next fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

Figure A-1, Required Components of the District's Annual Financial Report



The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and related to one another.

MT. ENTERPRISE INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

AUGUST 31, 2021

Government-wide Statements

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

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

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

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

Fund Financial Statements

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

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

The District has the following kinds of funds:

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

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net position. The District's combined net position was \$2,586,110 at August 31, 2021.

\$62,991 of the District's restricted net position are restricted for food service, \$32,816 is restricted for student activities, and \$10,367 is restricted for debt service. The \$931,288 of unrestricted net position represents resources available to fund the programs of the District next year.

MT. ENTERPRISE INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

AUGUST 31, 2021

Table A-1
Mt. Enterprise Independent School District
Net Position

	2021	2020	Increase/ (Decrease) 2020-2021	Percentage Change 2020-2021
Current and Other Assets	\$ 4,077,808	\$ 3,309,088	\$ 768,720	23.23%
Capital Assets	3,913,579	4,083,825	(170,246)	(4.17%)
Total Assets	<u>\$ 7,991,387</u>	<u>\$ 7,392,913</u>	<u>\$ 598,474</u>	<u>8.10%</u>
Deferred Outflow of Resources	\$ 141,848	\$ 151,148	\$ (9,300)	(6.15%)
Deferred Outflow Related to Pensions	537,453	617,951	(80,498)	(13.03%)
Deferred Outflow Related to OPEB	760,297	703,264	57,033	8.11%
Total Deferred Outflows of Resources	<u>\$ 1,439,598</u>	<u>\$ 1,472,363</u>	<u>\$ 47,733</u>	<u>3.24%</u>
Long-Term Liabilities Outstanding	\$ 5,263,210	\$ 5,617,760	\$ (354,550)	(6.31%)
Other Liabilities	282,478	261,566	20,912	7.99%
Total Liabilities	<u>\$ 5,545,688</u>	<u>\$ 5,879,326</u>	<u>\$ (333,638)</u>	<u>(5.67%)</u>
Deferred Inflow Related to Pensions	\$ 152,910	\$ 185,087	\$ (32,177)	(17.38%)
Deferred Inflow Related to OPEB	1,146,277	792,644	353,633	44.61%
Total Deferred Inflows of Resources	<u>\$ 1,299,187</u>	<u>\$ 977,731</u>	<u>\$ (32,177)</u>	<u>(3.29%)</u>
Net Position:				
Net Investment in Capital Assets	\$ 1,548,648	\$ 1,567,208	\$ (18,560)	(1.18%)
Restricted	106,174	52,242	53,932	103.23%
Unrestricted	931,288	388,769	542,519	139.55%
Total Net Position	<u>\$ 2,586,110</u>	<u>\$ 2,008,219</u>	<u>\$ 577,891</u>	<u>28.78%</u>

Table A-2
Mt. Enterprise Independent School District
Change in Net Position

	2021	2020	Increase/ (Decrease) 2020-2021	Percentage Change 2020-2021
Program Revenues:				
Charges for Services	\$ 72,575	\$ 46,372	\$ 26,203	56.51%
Operating Grants & Contributions	881,109	929,222	(48,113)	(5.18%)
General Revenues:				
Property Taxes	667,705	681,952	(14,247)	(2.09%)
State Aid-Formula	4,549,531	4,513,805	35,726	0.79%
Other	248,163	15,892	232,271	1461.56%
Total Revenues	<u>\$ 6,419,083</u>	<u>\$ 6,187,243</u>	<u>\$ 231,840</u>	<u>3.75%</u>
Functions/Programs:				
Instructional and Instructional-Related Services	\$ 3,145,462	\$ 3,237,421	\$ (91,959)	(2.84%)
Instruction and School Leadership	296,584	301,306	(4,722)	(1.57%)
Support Services - Student	1,130,587	905,840	224,747	24.81%
Administrative Support Services	338,753	335,782	2,971	0.88%
Support Services - Non-Student Based	851,447	797,082	54,365	6.82%
Debt Service	89,091	94,368	(5,277)	(5.59%)
Intergovernmental Charges	37,435	44,829	(7,394)	(16.49%)
Total Expenses	<u>\$ 5,889,359</u>	<u>\$ 5,716,628</u>	<u>\$ 172,731</u>	<u>3.02%</u>
Increase/(Decrease) in Net Position	<u>\$ 529,724</u>	<u>\$ 470,615</u>	<u>\$ 59,109</u>	<u>12.56%</u>

MT. ENTERPRISE INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
AUGUST 31, 2021

Chart A-1
Mt. Enterprise Independent School District
Revenues for the Year Ended August 31, 2021

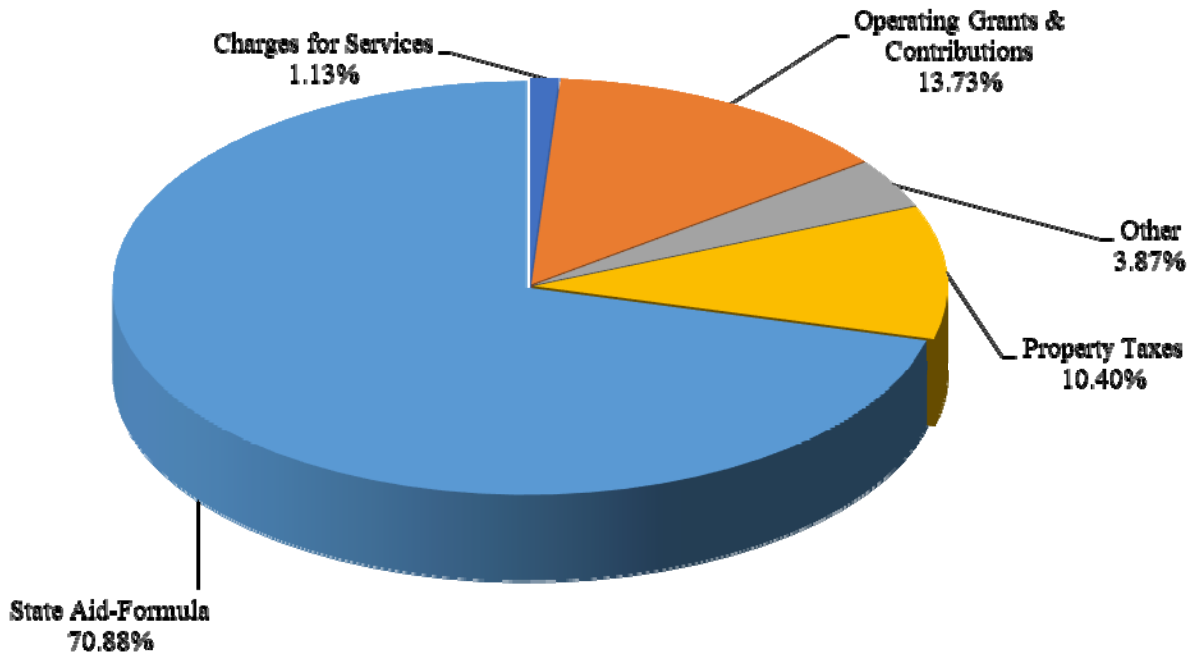
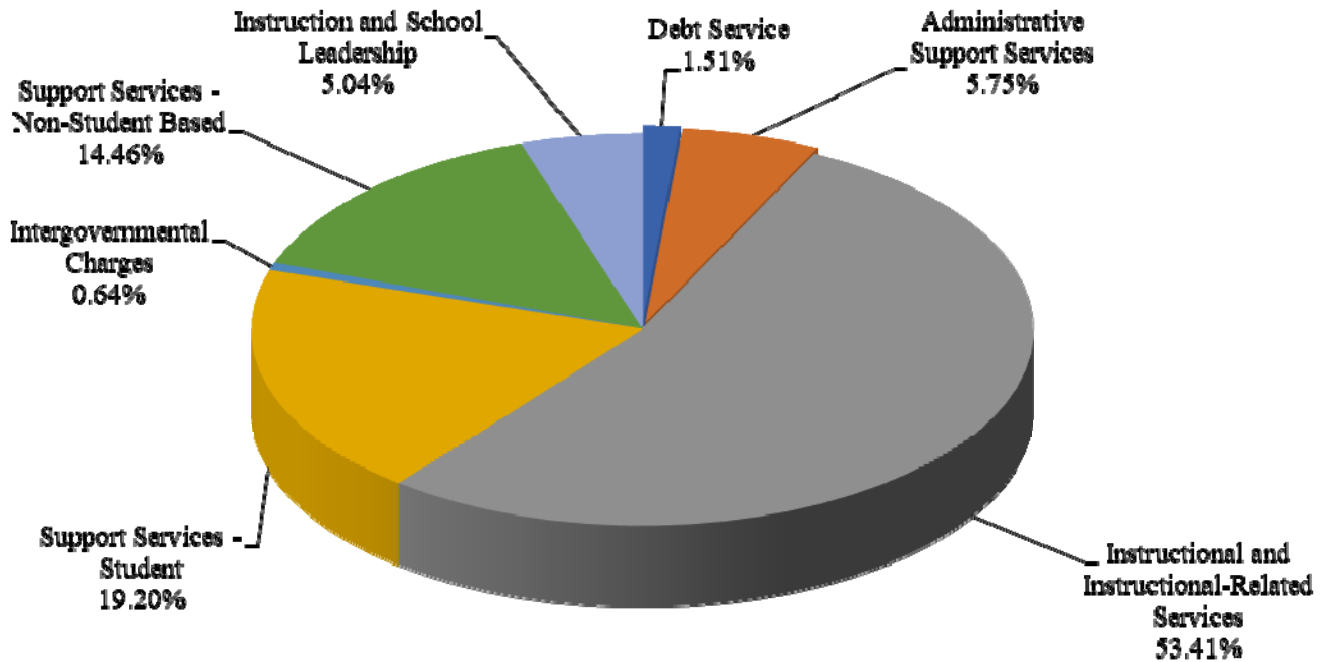


Chart A-2
Mt. Enterprise Independent School District
Expenses for the Year Ended August 31, 2021



MT. ENTERPRISE INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

AUGUST 31, 2021

Change in net position. The District's total revenues were \$6,419,083. A significant portion, 70.88% comes from state aid – formula grants, 10.40% is from property taxes, 13.73% is from operating grants and contributions, 1.13% relates to charges for services, and 3.87% is from investment earnings and miscellaneous. The total cost of all programs and services was \$5,889,359; 72.61% of these costs are for instructional and student services.

The total property tax rate was \$1.10280 per \$100 valuation with an M&O rate of \$1.0392 per \$100 valuation and an I&S rate of \$0.0636 per \$100 valuation.

Table A-3 presents the cost of each of the District's largest functions as well as each function's net cost (total cost less fees generated by the activities and intergovernmental aid). The net cost reflects what state revenues as well as local tax dollars funded.

- The cost of all governmental activities this year was \$5,889,359.
- The amount that our taxpayers paid for these activities through property taxes was \$667,705.
- Some of the cost was paid by those who directly benefited from the programs, \$72,575, or by grants and contributions, \$881,109.

Table A-3
Mt. Enterprise Independent School District
Net Cost of Selected District Functions

	Total Cost of Services			Net Cost of Services		
	2021	2020	% Change	2021	2020	% Change
Instruction	\$ 3,062,431	\$ 3,152,269	(2.85%)	\$ 2,609,412	\$ 2,640,843	(1.19%)
School Leadership	286,343	290,114	(1.30%)	267,469	265,111	0.89%
Food Services	241,166	231,491	4.18%	(43,550)	(878)	4860.14%
Extracurricular Activities	617,275	443,701	39.12%	587,657	414,390	41.81%
General Administration	338,753	335,782	0.88%	323,526	316,917	2.09%
Facilities Maintenance & Operations	631,703	552,271	14.38%	609,351	521,360	16.88%

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Revenues from governmental fund types totaled \$6,380,300, an increase of \$353,611 from the preceding year. State revenue increased by \$64,581. Local revenues increased by \$238,737, and federal revenues increased by \$50,293. The District's overall fund balance increased by \$712,865.

General Fund Budgetary Highlights

During the year, the District revised its budget as needed to reallocate the original budgeted expenditures. Overall budgeted expenditures increased by \$24,997. Actual expenditures were \$329,854 below final budget amounts. Additionally, available general fund revenues exceeded the estimated amounts by \$482,245. The District had initially planned on using approximately \$105,000 of fund balance in the 2021 budget, but because expenditures were less than anticipated, and revenues were more than anticipated, the District did not use any of their fund balance, increasing the fund balance in the General Fund to \$3,577,674.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2021, the District had invested in \$8,954,510 in a broad range of capital assets, including land, equipment, buildings, and vehicles. (See Table A-4.)

MT. ENTERPRISE INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

AUGUST 31, 2021

Table A-4
Mt. Enterprise Independent School District
Capital Assets

	<u>Governmental Activities</u>		Increase/ (Decrease)	Percentage Change
	<u>2021</u>	<u>2020</u>		
	Land	\$ 117,176	\$ 117,176	\$ -
Buildings and Improvements	7,823,174	7,774,750	48,424	0.62%
Vehicles and Equipment	1,014,160	1,055,861	(41,701)	(3.95%)
Total Capital Assets	\$ 8,954,510	\$ 8,947,787	\$ 6,723	0.08%
Less: Accumulated Depreciation	(5,040,931)	(4,863,964)	(176,967)	3.64%
Net Capital Assets	\$ 3,913,579	\$ 4,083,823	\$ (170,244)	(4.17%)

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

Long Term Debt

At year-end the District had \$5,263,210 in long-term debt outstanding as shown in Table A-5. More detailed information about the District's debt is presented in Note G to the financial statements.

Table A-5
Mt. Enterprise Independent School District
Long-Term Debt

	<u>Governmental Activities</u>		Increase/ (Decrease)	Percentage Change
	<u>2021</u>	<u>2020</u>		
	General Obligation Bonds:			
Principal amount of Debt	\$ 2,310,000	\$ 2,410,000	\$ (100,000)	(4.15%)
Add: Premium on Issuance	134,143	142,920	(8,777)	(6.14%)
Loans Payable	62,636	114,845	(52,209)	(45.46%)
Net Pension Liability	1,191,027	1,117,777	73,250	6.55%
Net OPEB Liability	1,565,404	1,832,218	(266,814)	(14.56%)
Total Long-Term Debt	\$ 5,263,210	\$ 5,617,760	\$ (354,550)	(6.31%)

MT. ENTERPRISE INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

AUGUST 31, 2021

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- Appraised value used for the 2022 budget preparation was \$71,494,381, a 5% increase from 2021, with an M&O rate of \$0.9967 per \$100 valuation and an I&S rate of \$0.0636 per \$100 valuation for a total tax rate of \$1.0603 per \$100 valuation.
- The District's 2022 refined average daily attendance is expected to be 390. The District's 2022 enrollment is expected to be 430, increasing because of students returning after the COVID-19 pandemic and also due to move-ins and transfers new to the District.

These indicators were taken into account when adopting the general fund budget for 2020. Amounts available for appropriation in the general fund budget are \$5,492,424, an increase of \$346,542 from the final 2021 budget of \$5,145,882. The increase is due to anticipated increases in state program revenues for 2022. The District will use these revenues to finance the current programs that they offer.

Budgeted expenditures total \$5,492,424. If these estimates are realized, the District's General Fund budgetary fund balance is not expected to change by the close of 2022.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT STAFF

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

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Basic Financial Statements

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MT. ENTERPRISE INDEPENDENT SCHOOL DISTRICT

STATEMENT OF NET POSITION

AUGUST 31, 2021

Data Control Codes	1	Governmental Activities
ASSETS:		
1110	<i>Cash and Cash Equivalents</i>	\$ 3,403,646
1225	<i>Property Taxes Receivable (Net)</i>	114,987
1240	<i>Due from Other Governments</i>	559,175
Capital Assets:		
1510	<i>Land</i>	117,176
1520	<i>Buildings and Improvements, Net</i>	3,461,596
1530	<i>Furniture and Equipment, Net</i>	334,807
1000	Total Assets	<u>7,991,387</u>
DEFERRED OUTFLOWS OF RESOURCES:		
	<i>Deferred Outflow of Resources - Related to Bonds</i>	141,848
	<i>Deferred Outflow Related to Pensions</i>	537,453
	<i>Deferred Outflow Related to OPEB</i>	760,297
1700	Total Deferred Outflows of Resources	<u>1,439,598</u>
LIABILITIES:		
2110	<i>Accounts Payable</i>	12,503
2140	<i>Interest Payable</i>	3,505
2165	<i>Accrued Liabilities</i>	263,298
2190	<i>Due to Student Groups</i>	3,172
Noncurrent Liabilities:		
2501	<i>Due Within One Year</i>	130,062
2502	<i>Due in More Than One Year</i>	2,376,717
2540	<i>Net Pension Liability</i>	1,191,027
2545	<i>Net OPEB Liability</i>	1,565,404
2000	Total Liabilities	<u>5,545,688</u>
DEFERRED INFLOWS OF RESOURCES:		
	<i>Deferred Inflow Related to Pensions</i>	152,910
	<i>Deferred Inflow Related to OPEB</i>	1,146,277
2600	Total Deferred Inflows of Resources	<u>1,299,187</u>
NET POSITION:		
3200	Net Investment in Capital Assets	1,548,648
Restricted For:		
3820	Federal and State Programs	62,991
3850	Debt Service	10,367
3870	Student Activities	32,816
3900	Unrestricted	931,288
3000	Total Net Position	<u>\$ 2,586,110</u>

The accompanying notes are an integral part of this statement.

MT. ENTERPRISE INDEPENDENT SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED AUGUST 31, 2021

Data Control Codes	Functions/Programs	1 Expenses	Program Revenues		4 Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
			3 Charges for Services	Governmental Activities		
	Governmental Activities:					
11	<i>Instruction</i>	\$ 3,062,431	\$ --		\$ 453,019	\$ (2,609,412)
12	<i>Instructional Resources and Media Services</i>	80,501	--		5,710	(74,791)
13	<i>Curriculum and Staff Development</i>	2,530	--		--	(2,530)
21	<i>Instructional Leadership</i>	10,241	--		--	(10,241)
23	<i>School Leadership</i>	286,343	--		18,874	(267,469)
31	<i>Guidance, Counseling, & Evaluation Services</i>	84,624	--		6,496	(78,128)
33	<i>Health Services</i>	47,659	--		47,321	(338)
34	<i>Student Transportation</i>	139,863	--		3,712	(136,151)
35	<i>Food Service</i>	241,166	54,678		230,038	43,550
36	<i>Cocurricular/Extracurricular Activities</i>	617,275	17,897		11,721	(587,657)
41	<i>General Administration</i>	338,753	--		15,227	(323,526)
51	<i>Facilities Maintenance and Operations</i>	631,703	--		22,352	(609,351)
52	<i>Security and Monitoring Services</i>	80,207	--		5,599	(74,608)
53	<i>Data Processing Services</i>	139,537	--		3,657	(135,880)
72	<i>Interest on Long-term Debt</i>	79,491	--		57,383	(22,108)
73	<i>Bond Issuance Costs and Fees</i>	9,600	--		--	(9,600)
93	<i>Payments Related to Shared Services Arrangements</i>	37,435	--		--	(37,435)
TG	Total Governmental Activities	<u>5,889,359</u>	<u>72,575</u>		<u>881,109</u>	<u>(4,935,675)</u>
TP	Total Primary Government	<u>\$ 5,889,359</u>	<u>\$ 72,575</u>		<u>\$ 881,109</u>	<u>(4,935,675)</u>
	General Revenues:					
MT	<i>Property Taxes, Levied for General Purposes</i>					627,865
DT	<i>Property Taxes, Levied for Debt Service</i>					39,840
IE	<i>Investment Earnings</i>					10,307
GC	<i>Grants and Contributions Not Restricted to Specific Programs</i>					4,549,531
MI	<i>Miscellaneous</i>					237,856
TR	Total General Revenues					<u>5,465,399</u>
CN	Change in Net Position					529,724
NB	Net Position - Beginning					2,008,219
PA	Prior Period Adjustment					48,167
	Net Position - Beginning, as Restated					2,056,386
NE	Net Position - Ending					<u>\$ 2,586,110</u>

The accompanying notes are an integral part of this statement.

MT. ENTERPRISE INDEPENDENT SCHOOL DISTRICT*BALANCE SHEET - GOVERNMENTAL FUNDS*

AUGUST 31, 2021

Data Control Codes	10 General Fund	Other Governmental Funds	98 Total Governmental Funds
ASSETS:			
1110	\$ 3,364,226	\$ 39,420	\$ 3,403,646
1225	108,099	6,888	114,987
1240	461,366	97,809	559,175
1260	--	1,928	1,928
1000	<u>3,933,691</u>	<u>146,045</u>	<u>4,079,736</u>
LIABILITIES:			
Current Liabilities:			
2110	\$ 5,187	\$ 7,316	\$ 12,503
2160	219,470	20,262	239,732
2170	1,928	--	1,928
2190	--	3,172	3,172
2200	21,333	2,233	23,566
2000	<u>247,918</u>	<u>32,983</u>	<u>280,901</u>
DEFERRED INFLOWS OF RESOURCES:			
	108,099	6,888	114,987
2600	<u>108,099</u>	<u>6,888</u>	<u>114,987</u>
FUND BALANCES:			
Restricted Fund Balances:			
3450	--	62,991	62,991
3480	--	10,367	10,367
3490	--	32,816	32,816
Committed Fund Balances:			
3530	120,000	--	120,000
3600	3,457,674	--	3,457,674
3000	<u>3,577,674</u>	<u>106,174</u>	<u>3,683,848</u>
4000	<u>\$ 3,933,691</u>	<u>\$ 146,045</u>	<u>\$ 4,079,736</u>

The accompanying notes are an integral part of this statement.

MT. ENTERPRISE INDEPENDENT SCHOOL DISTRICT
*RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE STATEMENT OF NET POSITION
 AUGUST 31, 2021*

Total fund balances - governmental funds balance sheet	\$ 3,683,848
Amounts reported for governmental activities in the Statement of Net Position ("SNP") are different because:	
Capital assets used in governmental activities are not reported in the funds.	3,913,579
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	114,987
Payables for bond principal which are not due in the current period are not reported in the funds.	(2,310,000)
Payables for bond interest which are not due in the current period are not reported in the funds.	(3,505)
Payables for notes which are not due in the current period are not reported in the funds.	(62,636)
The unamortized deferred amount on bond refunding is not reported in the funds.	141,848
Recognition of the District's proportionate share of the net pension liability is not reported in the funds.	(1,191,027)
Deferred Resource Inflows related to the pension plan are not reported in the funds.	(152,910)
Deferred Resource Outflows related to the pension plan are not reported in the funds.	537,453
Bond premiums are amortized in the SNA but not in the funds.	(134,143)
Recognition of the District's proportionate share of the net OPEB liability is not reported in the funds.	(1,565,404)
Deferred Resource Inflows related to the OPEB plan are not reported in the funds.	(1,146,277)
Deferred Resource Outflows related to the OPEB plan are not reported in the funds.	<u>760,297</u>
Net position of governmental activities - Statement of Net Position	<u>\$ 2,586,110</u>

The accompanying notes are an integral part of this statement.

MT. ENTERPRISE INDEPENDENT SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCES - GOVERNMENTAL FUNDS

FOR THE YEAR ENDED AUGUST 31, 2021

Data Control Codes	10 General Fund	Other Governmental Funds	98 Total Governmental Funds
REVENUES:			
5700 Local and Intermediate Sources	\$ 776,570	\$ 247,204	\$ 1,023,774
5800 State Program Revenues	4,807,298	98,069	4,905,367
5900 Federal Program Revenues	44,259	406,900	451,159
5020 Total Revenues	<u>5,628,127</u>	<u>752,173</u>	<u>6,380,300</u>
EXPENDITURES:			
Current:			
0011 Instruction	2,662,650	200,988	2,863,638
0012 Instructional Resources and Media Services	75,970	--	75,970
0013 Curriculum and Staff Development	2,530	--	2,530
0021 Instructional Leadership	8,470	1,771	10,241
0023 School Leadership	267,772	--	267,772
0031 Guidance, Counseling, & Evaluation Services	79,608	--	79,608
0033 Health Services	39,392	4,630	44,022
0034 Student Transportation	87,367	--	87,367
0035 Food Service	--	254,582	254,582
0036 Cocurricular/Extracurricular Activities	315,150	167,246	482,396
0041 General Administration	316,524	--	316,524
0051 Facilities Maintenance and Operations	657,772	1,200	658,972
0052 Security and Monitoring Services	72,278	3,997	76,275
0053 Data Processing Services	129,755	7,462	137,217
0071 Principal on Long-term Debt	50,519	100,000	150,519
0072 Interest on Long-term Debt	4,233	84,231	88,464
0073 Bond Issuance Costs and Fees	--	300	300
0081 Capital Outlay	33,603	--	33,603
0093 Payments to Shared Service Arrangements	37,435	--	37,435
6030 Total Expenditures	<u>4,841,028</u>	<u>826,407</u>	<u>5,667,435</u>
1100 Excess (Deficiency) of Revenues Over (Under)			
1100 Expenditures	<u>787,099</u>	<u>(74,234)</u>	<u>712,865</u>
Other Financing Sources and (Uses):			
7915 Transfers In	--	80,000	80,000
8911 Transfers Out	(80,000)	--	(80,000)
7080 Total Other Financing Sources and (Uses)	<u>(80,000)</u>	<u>80,000</u>	<u>--</u>
1200 Net Change in Fund Balances	707,099	5,766	712,865
0100 Fund Balances - Beginning	2,870,575	52,241	2,922,816
1300 Prior Period Adjustment	--	48,167	48,167
Fund Balances - Beginning, as Restated	2,870,575	100,408	2,970,983
3000 Fund Balances - Ending	<u>\$ 3,577,674</u>	<u>\$ 106,174</u>	<u>\$ 3,683,848</u>

The accompanying notes are an integral part of this statement.

MT. ENTERPRISE INDEPENDENT SCHOOL DISTRICT
*RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
 TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED AUGUST 31, 2021*

Net change in fund balances - total governmental funds	\$ 712,865
Amounts reported for governmental activities in the Statement of Activities ("SOA") are different because:	
Capital outlays are not reported as expenses in the SOA.	109,627
The depreciation of capital assets used in governmental activities is not reported in the funds.	(279,873)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	29,846
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	100,000
Bond premiums are capitalized and amortized in the SOA but not in the funds.	8,777
Repayment of loan principal is an expenditure in the funds but is not an expense in the SOA.	52,209
Deferred amounts on refunding are amortized in the SOA but not in the funds.	(9,300)
(Increase) decrease in accrued interest from beginning of period to end of period.	201
Prior year property tax collections are revenue in the funds but were reported in a prior period on the SOA.	(43,271)
GASB 68 required certain expenditures to be de-expended and recorded as deferred resource outflows.	98,490
Pension contributions made before measurement date & in previous FY were expended & reduced NPL.	(91,725)
Pension expense relating to GASB 68 is recorded in the SOA but not in the funds.	(128,336)
GASB 75 required certain expenditures to be de-expended and recorded as deferred resource outflows.	32,109
OPEB contributions made before the measurement date & in prior FY were expended & reduced NPL.	(31,300)
OPEB expense relating to GASB 75 is recorded in the SOA but not in the funds.	(30,595)
Change in net position of governmental activities - Statement of Activities	<u>\$ 529,724</u>

The accompanying notes are an integral part of this statement.

MT. ENTERPRISE INDEPENDENT SCHOOL DISTRICT

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUNDS

AUGUST 31, 2021

Data Control Codes		Private-purpose Trust Fund
		Scholarship Fund
	ASSETS:	
1110	<i>Cash and Cash Equivalents</i>	\$ 19,028
1000	Total Assets	<u>19,028</u>
	LIABILITIES:	
2000	Total Liabilities	<u>--</u>
	NET POSITION:	
3800	<i>Held in Trust</i>	\$ 19,028
3000	Total Net Position	<u>\$ 19,028</u>

The accompanying notes are an integral part of this statement.

MT. ENTERPRISE INDEPENDENT SCHOOL DISTRICT

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FIDUCIARY FUNDS

FOR THE YEAR ENDED AUGUST 31, 2021

	Private Purpose Trusts
ADDITIONS:	
Gifts and Bequests	\$ 23,228
Total Additions	<u>23,228</u>
DEDUCTIONS:	
Scholarship Awards	<u>4,200</u>
Total Deductions	<u>4,200</u>
Change in Net Position	19,028
Net Position-Beginning of the Year	--
Net Position-End of the Year	<u>\$ 19,028</u>

MT. ENTERPRISE INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2021

A. Summary of Significant Accounting Policies

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

1. Reporting Entity

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

2. Basis of Presentation, Basis of Accounting

a. Basis of Presentation

Government-wide Financial Statements: The statement of net position and the statement of activities include the financial activities of the overall government, except for fiduciary activities. include the double-counting of internal activities. These statements distinguish between the governmental and whole or in part by fees charged to external parties.

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

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

The District reports the following major governmental funds:

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

In addition, the District reports the following fund types:

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

MT. ENTERPRISE INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2021

b. Measurement Focus, Basis of Accounting

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

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

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

3. Financial Statement Amounts

a. Property Taxes

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

Allowances for uncollectible tax receivables within the General and Debt Service Funds are based upon historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

b. Inventories and Prepaid Items

Inventories of supplies on the balance sheet are stated at weighted average cost, while inventories of food commodities are recorded at market values supplied by the Texas Department of Human Services. Inventory items are recorded as expenditures when they are consumed. Supplies are used for almost all functions of activity, while food commodities are used only in the food service program. Although commodities are received at no cost, their fair market value is supplied by the Texas Department of Human Services and recorded as inventory and deferred revenue when received. When requisitioned, inventory and deferred revenue are relieved, expenditures are charged, and revenue is recognized for an equal amount. Inventories also include plant maintenance and operation supplies as well as instructional supplies.

MT. ENTERPRISE INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2021

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

c. Capital Assets

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

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

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings	15-75
Building Improvements	15-75
Transportation Equipment	5-10
Furniture, Fixtures, & Equipment	3-10

d. Deferred Outflows and Inflows of Resources

In addition to assets, the statements of financial position (the government-wide Statement of Net Position and governmental funds balance sheet) will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position and/or fund balance that applies to one or more future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statements of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to one or more future periods and so will not be recognized as an inflow of resources (revenue) until that time.

e. Receivable and Payable Balances

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

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

f. Interfund Activity

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

MT. ENTERPRISE INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2021

g. Use of Estimates

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

h. Data Control Codes

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

i. Fund Balances - Governmental Funds

Fund balances of the governmental funds are classified as follows:

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

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

Committed Fund Balance - represents amounts that can only be used for a specific purpose because of a formal action by the District's Board of Trustees. Committed amounts cannot be used for any other purpose unless the Board of Trustees removes those constraints by taking the same type of formal action. Committed fund balance amounts may be used for other purposes with appropriate due process by the Board of Trustees. Commitments are typically done through adoption and amendment of the budget. Committed fund balance amounts differ from restricted balances in that the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

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

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

j. Net Position Flow Assumption

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

MT. ENTERPRISE INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2021

k. Fund Balance Flow Assumptions

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

4. Pensions

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

5. Other Post-Employment Benefits

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

6. Implementation of New Standards

GASB Statement No. 84, *Fiduciary Activities*

This statement establishes standards of accounting and financial reporting by establishing specific criteria for identifying activities that should be reported as fiduciary activities and clarifying whether and how business-type activities should report their fiduciary activities. The focus of the criteria generally is on whether a government is controlling the assets of the fiduciary activity and the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

7. Future Implementation of New Standards

In order to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic, GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance* is currently in effect to postpone the effective dates of certain provisions in Statements that first became effective or are scheduled to become effective for periods beginning after June 15, 2018 and later.

The effective dates for the following pronouncements are postponed by 18 months:

Statement No. 87, *Leases*

MT. ENTERPRISE INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2021

B. Compliance and Accountability

1. Finance-Related Legal and Contractual Provisions

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

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

2. Deficit Fund Balance or Fund Net Position of Individual Funds

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

<u>Fund Name</u>	<u>Deficit Amount</u>	<u>Remarks</u>
None reported	Not applicable	Not applicable

C. Deposits and Investments

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

1. Cash Deposits:

At August 31, 2021, the carrying amount of the District's deposits (cash, certificates" of deposit, and interest-bearing savings accounts included in temporary investments) was \$3,422,683 and the bank balance was \$3,445,550. The District's cash deposits 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.

2. Investments:

The District is required by Government Code Chapter 2256, The Public Funds Investment Act, to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit.

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

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

MT. ENTERPRISE INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2021

3. Analysis of Specific Deposit and Investment Risks

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

a. Credit Risk

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

b. Custodial Credit Risk

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

At year end, the District was not exposed to custodial credit risk.

c. Concentration of Credit Risk

This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At year end, the District was not exposed to concentration of credit risk.

d. Interest Rate Risk

This is the risk that changes in interest rates will adversely affect the fair value of an investment. At year end, the District was not exposed to interest rate risk.

e. Foreign Currency Risk

This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, the District was not exposed to foreign currency risk.

Investment Accounting Policy

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

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D. Capital Assets

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

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
<i>Capital assets not being depreciated:</i>				
Land	\$ 117,176	\$ --	\$ --	\$ 117,176
Total capital assets not being depreciated	<u>117,176</u>	<u>--</u>	<u>--</u>	<u>117,176</u>
<i>Capital assets being depreciated:</i>				
Buildings and improvements	7,774,750	77,972	29,548	7,823,174
Vehicles and Equipment	1,055,861	31,656	73,357	1,014,160
Total capital assets being depreciated	<u>8,830,611</u>	<u>109,628</u>	<u>102,905</u>	<u>8,837,334</u>
Less accumulated depreciation for:				
Buildings and improvements	(4,174,575)	(216,551)	(29,548)	(4,361,579)
Vehicles and Equipment	(689,389)	(63,321)	(73,357)	(679,353)
Total accumulated depreciation	<u>(4,863,964)</u>	<u>(279,872)</u>	<u>(102,905)</u>	<u>(5,040,931)</u>
Total capital assets being depreciated, net	<u>3,966,647</u>	<u>(170,244)</u>	<u>--</u>	<u>3,796,403</u>
Governmental activities capital assets, net	<u>\$ 4,083,823</u>	<u>\$ (170,244)</u>	<u>\$ --</u>	<u>\$ 3,913,579</u>

Depreciation was charged to functions as follows:

Instruction	\$ 63,778
Instructional Resources and Media Services	1,748
School Leadership	6,414
Guidance, Counseling, & Evaluation Services	1,943
Health Services	1,066
Student Transportation	50,883
Food Services	9,205
Extracurricular Activities	125,066
General Administration	9,181
Plant Maintenance and Operations	7,657
Security and Monitoring Services	1,597
Data Processing Services	1,335
	<u>\$ 279,872</u>

E. Interfund Balances and Activities

1. Due To and From Other Funds

Balances due to and due from other funds at August 31, 2021, consisted of the following:

Due To Fund	Due From Fund	Amount	Purpose
General Fund	Debt Service Fund	\$ 1,928	For transfer of federal receipts
	Total	<u>\$ 1,928</u>	

All amounts due are scheduled to be repaid within one year.

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2. Transfers To and From Other Funds

Transfers to and from other funds at August 31, 2021, consisted of the following:

Transfers From	Transfers To	Amount	Reason
General fund	Debt service fund	\$ 80,000	Provide resources for repayment of debt
	Total	\$ <u>80,000</u>	

F. Property Taxes Receivable

	Debt		Total
	General Fund	Service Fund	
Current Tax Year	\$ 38,190	\$ 2,354	\$ 40,544
Prior Tax Years	96,934	6,256	103,190
Total	<u>135,124</u>	<u>8,610</u>	<u>143,733</u>
Less: Allowance for Uncollectible Taxes	(27,025)	(1,722)	(28,747)
Net Taxes Receivable	<u>108,099</u>	<u>6,888</u>	<u>114,987</u>

G. Long-Term Obligations

1. Long-Term Obligation Activity

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended August 31, 2021, are as follow:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<u>Governmental activities:</u>					
2015 Refunding CIBs	\$ 2,410,000	\$ --	\$ 100,000	2,310,000	\$ 105,000
Add: Premium on Issuance	142,920	--	8,777	134,143	--
Loan Payable - Bus	1,986	--	1,986	--	--
Loan Payable - Bus (2)	26,359	--	26,359	--	--
Loan Payable - Bus (3)	86,500	--	23,864	62,636	25,062
Net Pension Liability*	1,117,777	165,005	91,755	1,191,027	--
Net OPEB Liability*	1,832,218	(235,515)	31,299	1,565,404	--
Total governmental activities	<u>\$ 5,617,760</u>	<u>\$ (70,510)</u>	<u>\$ 284,040</u>	<u>\$ 5,263,210</u>	<u>\$ 130,062</u>

* Other long-term liabilities

The funds typically used to liquidate other long-term liabilities in the past are as follows:

Liability	Activity Type	Fund
Net Pension Liability*	Governmental	General
Net OPEB Liability*	Governmental	General

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2. Debt Service Requirements

Debt service requirements on long-term debt at August 31, 2021, are as follows:

Year Ending 2021,	Governmental Activities				
	Bonds		Notes from Direct Borrowings and Direct Placements		Total
	Principal	Interest	Principal	Interest	
2022	\$ 105,000	79,481	25,062	\$ 2,436	\$ 211,979
2023	115,000	74,494	26,278	1,219	216,991
2024	120,000	69,031	11,296	134	200,461
2025	125,000	63,331	--	--	188,331
2026	130,000	57,394	--	--	187,394
2027-2031	715,000	225,737	--	--	940,737
2032-2036	825,000	107,719	--	--	932,719
2036-2037	175,000	5,469	--	--	180,469
Totals	\$ 2,310,000	\$ 682,656	\$ 62,636	\$ 3,789	\$ 3,059,081

The 2015 refunding bonds have interest rates that range from 3% to 4.75%. The loan has an interest rate of 4.75%.

H. Commitments Under Noncapitalized Leases

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

<u>Year Ending August 31,</u>	
2022	\$ 8,553
2023	8,553
2024	8,553
2025	8,553
2026	8,553
Total Minimum Rentals	\$ 42,765
Rental Expenditures in 2021	\$ 15,306

I. Risk Management

The District is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. During fiscal year 2021, the District purchased commercial insurance to cover general liabilities. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

J. Pension Plan

1. Plan Description

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

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

2. For transfer of federal receipts

Detail information about the Teacher Retirement System's fiduciary net position is available in a separately issued Annual Comprehensive Financial Report (ACFR) that includes financial statements and required supplementary information. That report may be obtained on the Internet at https://www.trs.texas.gov/TRS%20Documents/cafr_2020.pdf, selecting About TRS or by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

3. Benefits Provided

TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their) beneficiaries) of public and higher education in Texas. The pension formula is calculated using 2.3 percent (multiplier) times the average of the five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, the three highest annual salaries are used. The normal service retirement is at age 65 with 5 years of credited service or when the sum of the member's age and years of credited service equals 80 or more years. Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered in under a previous rule. There are no automatic post-employment benefit changes; including automatic COLAs. Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan description in (1) above.

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

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

4. Contributions

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

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

Contribution Rates

	2020	2021
Member	7.7%	7.7%
Non-Employer Contributing Entity (State)	6.8%	7.5%
Employers	6.8%	7.5%

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District's 2021 Employer Contributions	\$	98,490
District's 2021 Member Contributions	\$	254,787
2020 NECE On-Behalf Contributions (state)	\$	199,158

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

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

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

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

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

5. Actuarial Assumptions

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

Valuation Date	August 31, 2019 rolled forward to August 31, 2020
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Single Discount Rate	7.25%
Long-term expected Investment Rate of Return	7.25%
Municipal Bond Rate as of August 2020	2.33%
Last year ending Aug. 31 in Projection Period	2119
Inflation	2.30%
Salary Increases including inflation	3.05% to 9.05%
Ad hoc post-employment benefit changes	None

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

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6. 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 session. It is assumed that future employer and state contributions will be 8.50 percent of payroll in fiscal year 2020 gradually increasing to 9.55 percent of payroll over the next several years. This includes all employer and state contributions for active and rehired retirees.

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

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

Asset Class	Target Allocation *	Long-Term Expected Arithmetic 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)%
Stable Value Hedge Funds	5.00%	1.90%	0.11%
Real Return			
Real Estate	15.00%	4.60%	1.01%
Energy, Natural Resources & Infrastructure	6.00%	6.00%	0.42%
Risk Parity			
Risk Parity	8.00%	3.00%	0.30%
Leverage			
Cash	2.00%	1.50%	(0.03)%
Asset Allocation Leverage	(6.00%)	1.30%	0.08%
Inflation Expectation			2.00%
Volatility Drag ***	-		(0.67)%
Total	100.0%		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.

7. Discount Rate Sensitivity Analysis

The following table presents the Net Pension Liability of the plan using a discount rate of 7.25 percent, and what the net position liability would be if it were calculated using a discount rate that is 1 percentage point

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lower (6.25 percent) or one percentage point higher (8.25 percent) than the current rate.

	1% Decrease in Discount Rate 6.25%	Discount Rate 7.25%	1% Increase in Discount Rate 8.25%
District's proportionate share of the net pension liability:	\$ 1,836,543	\$ 1,191,027	\$ 666,560

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

At August 31, 2021, the District reported a liability of \$1,191,027 for its proportionate share of the TRS net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	\$ 1,191,027
State's proportionate share that is associated with District	<u>2,585,183</u>
Total	<u>\$ 3,776,210</u>

The net pension liability was measured as of August 31, 2019 and rolled forward to August 31, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2019 through August 31, 2020. At August 31, 2020 the employer's proportion of the collective net pension liability was 0.0022238098 percent which was an increase (decrease) of 0.00222381 percent from its proportion measured as of August 31, 2019.

9. Changes Since the Prior Actuarial Valuation

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

For the year ended August 31, 2021, the District recognized pension expense of \$531,001 and revenue of \$310,940 for support provided by the State.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 2,175	\$ 33,238
Changes in actuarial assumptions	276,361	117,507
Difference between projected and actual investment earnings	24,111	--
Changes in proportion and difference between the District's contributions and the proportionate share of contributions	136,316	2,165
Contributions paid to TRS subsequent to the measurement date	<u>98,490</u>	<u>--</u>
Total	<u>\$ 537,453</u>	<u>\$ 152,910</u>

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

Year ended August 31,	Pension Expense Amount
2022	\$ 79,499
2023	\$ 88,630
2024	\$ 82,280
2025	\$ 38,670
2026	\$ (4,271)
Thereafter	\$ 1,245

K. Defined Other Post-Employment Benefit Plans

1. Plan Description

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

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

2. OPEB Plan Fiduciary Net Position

Detail information about the TRS-Care's fiduciary net position is available in the separately-issued TRS Annual Comprehensive Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at https://www.trs.texas.gov/TRS%20Documents/cafr_2020.pdf, selecting About TRS, then Publications, then Financial Reports or by writing to TRS at 1000 Red River Street, Austin, TX 78701-2698.

3. Benefits Provided

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

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

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

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

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4. Contributions

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

Texas Insurance Code, Section 1575.202 establishes the state's contribution rate which is 1.25 percent of the employee's salary. Section 1575.203 establishes the active employee's rate which is 0.65 percent of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25 percent or not more than 0.75 percent of the salary of each active employee of the public or charter school. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act. The following table shows contributions to the TRS-Care plan by type of contributor.

Contribution Rates	
	Rate
Active Employee	0.65%
Non-Employer Contributing Entity (State)	1.25%
Employers	0.75%
Federal/Private Funding *	1.25%
Total	
* Contributions paid from federal funds and private grants are remitted by the employer and paid at the State rate.	

District's 2021 Employer Contributions	\$ 32,109
District's 2021 Member Contributions	\$ 21,508
2020 NECE On-Behalf Contributions (state)	\$ 42,058

In addition to the employer contributions listed above, there is an additional surcharge all TRS employers are subject to (*regardless of whether they participate in the TRS Care OPEB Program*). When hiring a TRS retiree, employers are required to pay TRS Care a monthly surcharge of \$535 per retiree.

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

5. Actuarial Assumptions

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

The actuarial valuation of the OPEB plan offered through TRS-Care is similar to the actuarial valuation performed for the pension plan, except that the OPEB valuation is more complex. All of the demographic assumptions, including rates of retirement, termination, and disability, and most of the economic assumptions,

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including general inflation and salary increases, used in the OPEB valuation were identical to those used in the respective TRS pension valuation. The demographic assumptions were developed in the experience study performed for TRS for the period ending August 31, 2017.

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

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

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

Additional Actuarial Methods and Assumptions:

Valuation Date	August 31, 2019 rolled forward to August 31, 2020
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Discount Rate	2.33% as of August 31, 2020
Aging Factors	Based on plan specific experience
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
Projected Salary Increases	3.05% to 9.05%, including inflation
Healthcare Trend Rates	4.50% to 4.25%
Election Rates	Normal Retirement: 65% participation prior to age 65 and 45% participation after age 65.
Ad Hoc Post-Employment Benefit Changes	None

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

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

7. Discount Rate Sensitivity Analysis

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

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FOR THE YEAR ENDED AUGUST 31, 2021

	1% Decrease in Discount Rate (1.33%)	Current Single Discount Rate (2.33%)	1% Increase in Discount Rate (3.33%)
District's proportionate share of net OPEB liability	\$ 1,878,481	\$ 1,565,404	\$ 1,318,118

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

At August 31, 2021, the District reported a liability of \$1,565,404 for its proportionate share of the TRS's Net OPEB liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the collective net OPEB liability	\$ 1,565,404
State's proportionate share that is associated with the District	\$ <u>2,103,528</u>
 Total	 \$ <u><u>3,668,932</u></u>

The Net OPEB liability was measured as of August 31, 2019 and rolled forward to August 31, 2020 and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of that date. The District's proportion of the Net OPEB Liability was based on the District's contributions to OPEB relative to the contributions of all employers to the plan for the period September 1, 2019 thru August 31, 2020. At August 31, 2021 the District's proportion of the collective net OPEB liability was 0.0041179109, which was an increase of 0.0002435835% from its proportion measured as of August 31, 2020.

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

	1% Decrease in Healthcare Trend Rate	Current Single Healthcare Trend Rate	1% Increase in Healthcare Trend Rate
District's proportionate share of net OPEB liability	\$ 1,278,734	\$ 1,565,404	\$ 1,947,207

9. Changes Since the Prior Actuarial Valuation

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

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

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

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

MT. ENTERPRISE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2021

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 81,964	\$ 716,409
Changes in actuarial assumptions	96,553	429,868
Differences between projected and actual investment earnings	509	--
Changes in proportion and difference between the District's contributions and the proportionate share of contributions	549,162	--
Contributions paid to TRS subsequent to the measurement date	32,109	--
Total	\$ 760,297	\$ 1,146,277

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

Year ended August 31,	OPEB Expense Amount
2022	\$ (77,305)
2023	\$ (77,373)
2024	\$ (77,413)
2025	\$ (77,402)
2026	\$ (35,589)
Thereafter	\$ (73,007)

For the year ended August 31, 2021, the District recognized OPEB expense of \$47,289 and revenue of \$(14,606) for support provided by the State.

10. Medicare Part D Subsidies

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, which was effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the fiscal year ended August 31, 2021, the subsidy payment received by TRS-Care on behalf of the District was \$15,736.

L. Employee Health Care Coverage

During the year ended August 31, 2021, employees of the District were covered by a health insurance plan (the Plan). The District paid premiums of \$225 per pay period per employee to the Plan. Employees, at their option, authorized payroll withholdings to pay contributions for dependents. All contributions were paid to a self-funded pool. The Plan was authorized by Article 3.51-2, Texas Insurance Code and was documented by contractual agreement.

Latest financial statements are available for the year ended August 31, 2021, have been filed with the Texas State Board of Insurance, Austin, Texas, and are public records.

MT. ENTERPRISE INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2021

M. Commitments and Contingencies

1. Contingencies

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

2. Litigation

No reportable litigation was pending against the District at August 31, 2021.

N. Shared Services Arrangements

Shared Services Arrangement - Membership

The District participates in a shared services arrangement ("SSA") for special education services with the following school districts:

Member Districts

Carlisle ISD

Laneville ISD

Leveretts Chapel ISD

Mt. Enterprise ISD

Overton ISD

Tatum ISD - Fiscal Agent

The District does not account for revenues or expenditures in this program and does not disclose them in these financial statements. The District neither has a joint ownership interest in capital assets purchased by the fiscal Tatum ISD, nor does the District have a net equity interest in the fiscal agent. The fiscal agent is neither accumulating significant financial resources nor fiscal exigencies that would give rise to a future additional benefit or burden to the District. The fiscal agent manager is responsible for all financial activities of the SSA.

The SSA is accounted for using a combination of Model 1 and Model 3 in the SSA section of the Resource Guide. Mt. Enterprise ISD remits funds to the fiscal agent for the director, counselors, diagnosticians, and shared teachers. The District accounts for this portion of the SSA using Model 3.

O. Workers' Compensation

The District has joined together with other area districts to form a self-insurance workers' compensation risk pool (pool). Claims administration and processing for the Pool is provided by Claims Administrative Services, Inc. The agreement for the formation of the Pool provides that the Pool will be self-sustaining through member premiums and will reinsure through commercial insurance companies for claims in excess of \$500,000 for each insured event, with an unlimited aggregate. The Pool contracts with Midwest Employers Casualty Company for reinsurance.

The District's administrative expenses for the years ended August 31, 2021 and 2020 were \$6,304 and \$7,157, respectively. Estimated total claims liability for the years ended August 31, 2021 and 2020, including estimated claims incurred but not reported, amount to \$16,729 and \$14,595, respectively. The estimated total liability for workers' compensation claims incurred but not reported amounted to \$10,847 and \$17,601 at August 31, 2021 and 2020 respectively.

MT. ENTERPRISE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2021

	<u>2021</u>	<u>2020</u>
Claims liability, beginning of year		
Incurred claims:	\$ 14,595	\$ 16,591
Provisions for insured events of current year		
Increase (decrease) in provision for insured events of prior years	7,446	11,989
Total incurred claims	<u>(1,357)</u>	<u>(370)</u>
	<u>6,089</u>	<u>11,619</u>
Payments:		
Claims expenses attributable to insured events of current year		
Claims expenses attributable to insured events of prior years	3,011	11,989
Total payments	<u>943</u>	<u>1,626</u>
Total unpaid claims at the end of the year	<u>3,954</u>	<u>13,615</u>
	<u>16,729</u>	<u>14,595</u>

P. Prior Period Adjustment

During the year ended August 31, 2021, the District adopted GASB Statement No. 84 for Fiduciary Activities. With GASB 84, the District must report certain funds as special revenue funds, rather than agency funds. The implementation must occur retroactively. Both fund balance and net position are required to be restated as of August 31, 2020. The total amount of the prior period adjustment is an increase in fund balance and net position in the amount of \$48,167.

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Required Supplementary Information

Required supplementary information includes financial information and disclosures required by the Governmental Accounting Standards Board but not considered a part of the basic financial statements.

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MT. ENTERPRISE INDEPENDENT SCHOOL DISTRICT

EXHIBIT G-1

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED AUGUST 31, 2021

Data Control Codes	1		2		3		Variance with Final Budget Positive (Negative)
	Budgeted Amounts				Actual		
	Original	Final					
REVENUES:							
5700	Local and Intermediate Sources	\$ 600,000	\$ 600,000	\$ 776,570	\$ 176,570		
5800	State Program Revenues	4,535,882	4,535,882	4,807,298	271,416		
5900	Federal Program Revenues	10,000	10,000	44,259	34,259		
5020	Total Revenues	<u>5,145,882</u>	<u>5,145,882</u>	<u>5,628,127</u>	<u>482,245</u>		
EXPENDITURES:							
Current:							
Instruction & Instructional Related Services:							
0011	Instruction	2,722,148	2,722,148	2,662,650	59,498		
0012	Instructional Resources and Media Services	77,201	77,201	75,970	1,231		
0013	Curriculum and Staff Development	10,050	10,050	2,530	7,520		
	Total Instruction & Instr. Related Services	<u>2,809,399</u>	<u>2,809,399</u>	<u>2,741,150</u>	<u>68,249</u>		
Instructional and School Leadership:							
0021	Instructional Leadership	10,500	10,500	8,470	2,030		
0023	School Leadership	279,262	279,262	267,772	11,490		
	Total Instructional & School Leadership	<u>289,762</u>	<u>289,762</u>	<u>276,242</u>	<u>13,520</u>		
Support Services - Student (Pupil):							
0031	Guidance, Counseling and Evaluation Services	85,815	85,815	79,608	6,207		
0033	Health Services	50,014	50,014	39,392	10,622		
0034	Student (Pupil) Transportation	136,577	136,577	87,367	49,210		
0036	Cocurricular/Extracurricular Activities	357,489	357,489	315,150	42,339		
	Total Support Services - Student (Pupil)	<u>629,895</u>	<u>629,895</u>	<u>521,517</u>	<u>108,378</u>		
Administrative Support Services:							
0041	General Administration	344,065	344,065	316,524	27,541		
	Total Administrative Support Services	<u>344,065</u>	<u>344,065</u>	<u>316,524</u>	<u>27,541</u>		
Support Services - Nonstudent Based:							
0051	Plant Maintenance and Operations	618,429	698,429	657,772	40,657		
0052	Security and Monitoring Services	81,347	81,347	72,278	9,069		
0053	Data Processing Services	144,222	144,222	129,755	14,467		
	Total Support Services - Nonstudent Based	<u>843,998</u>	<u>923,998</u>	<u>859,805</u>	<u>64,193</u>		
Debt Service:							
0071	Principal on Long-Term Debt	161,763	68,000	50,519	17,481		
0072	Interest on Long-Term Debt	--	13,663	4,233	9,430		
0073	Bond Issuance Costs and Fees	--	100	--	100		
	Total Debt Service	<u>161,763</u>	<u>81,763</u>	<u>54,752</u>	<u>27,011</u>		
Capital Outlay:							
0081	Capital Outlay	20,000	45,000	33,603	11,397		
	Total Capital Outlay	<u>20,000</u>	<u>45,000</u>	<u>33,603</u>	<u>11,397</u>		
Intergovernmental Charges:							
0093	Payments to Fiscal Agent/Member Dist.-SSA	47,000	47,000	37,435	9,565		
	Total Intergovernmental Charges	<u>47,000</u>	<u>47,000</u>	<u>37,435</u>	<u>9,565</u>		
6030	Total Expenditures	<u>5,145,882</u>	<u>5,170,882</u>	<u>4,841,028</u>	<u>329,854</u>		
1100	Excess (Deficiency) of Revenues Over (Under)						
1100	Expenditures	--	(25,000)	787,099	812,099		
Other Financing Sources (Uses):							
8911	Transfers Out	--	(80,000)	(80,000)	--		
7080	Total Other Financing Sources and (Uses)	--	(80,000)	(80,000)	--		
1200	Net Change in Fund Balance	--	(105,000)	707,099	812,099		
0100	Fund Balance - Beginning	2,870,575	2,870,575	2,870,575	--		
3000	Fund Balance - Ending	<u>\$ 2,870,575</u>	<u>\$ 2,765,575</u>	<u>\$ 3,577,674</u>	<u>\$ 812,099</u>		

MT. ENTERPRISE INDEPENDENT SCHOOL DISTRICT

*SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
LAST TEN FISCAL YEARS **

	Measurement Year Ended August 31,						
	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability (asset)	0.002224%	0.002150%	0.002048%	0.001807%	0.001821%	0.001815%	0.001036%
District's proportionate share of the net pension liability (asset)	\$ 1,191,027	\$ 1,117,777	\$ 1,127,531	\$ 577,636	\$ 688,108	\$ 641,720	\$ 276,703
State's proportionate share of the net pension liability (asset) associated with the District	2,585,183	2,178,297	2,341,115	1,356,981	1,631,497	1,531,389	1,366,796
Total	<u>\$ 3,776,210</u>	<u>\$ 3,296,074</u>	<u>\$ 3,468,646</u>	<u>\$ 1,934,617</u>	<u>\$ 2,319,605</u>	<u>\$ 2,173,109</u>	<u>\$ 1,643,499</u>
District's covered-employee payroll	\$ 3,210,563	\$ 2,722,707	\$ 2,423,656	\$ 2,423,656	\$ 2,356,817	\$ 2,189,914	\$ 2,229,109
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	37.10%	41.05%	46.52%	23.83%	29.20%	29.30%	12.41%
Plan fiduciary net position as a percentage of the total pension liability	75.54%	75.24%	73.74%	82.17%	78.00%	78.43%	83.25%

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information only for those years for which information is available.

MT. ENTERPRISE INDEPENDENT SCHOOL DISTRICT

*SCHEDULE OF DISTRICT CONTRIBUTIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
LAST TEN FISCAL YEARS **

	Fiscal Year Ended August 31,						
	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 98,490	\$ 91,725	\$ 75,262	\$ 68,446	\$ 59,209	\$ 71,717	\$ 23,493
Contributions in relation to the contractually required contribution	(98,490)	(91,725)	(75,262)	(68,446)	(59,209)	(71,717)	(23,493)
Contribution deficiency (excess)	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
District's covered-employee payroll	\$ 3,308,925	\$ 3,210,563	\$ 2,722,707	\$ 2,577,655	\$ 2,423,746	\$ 2,356,817	\$ 2,189,914
Contributions as a percentage of covered-employee payroll	2.98%	2.86%	2.76%	2.66%	2.44%	3.04%	1.07%

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information for those years for which information is available.

MT. ENTERPRISE INDEPENDENT SCHOOL DISTRICT

*SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET OPEB LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
LAST TEN FISCAL YEARS **

	Measurement Year Ended August 31,			
	2020	2019	2018	2017
District's proportion of the collective net OPEB liability	0.004118%	0.003874%	0.003760%	0.002892%
District's proportionate share of the collective net OPEB liability	\$ 1,565,404	\$ 1,832,218	\$ 1,877,285	\$ 1,257,577
State proportionate share of the collective net OPEB liability associated with the District	\$ 2,103,528	\$ 2,434,606	\$ 2,245,708	\$ 1,918,927
Total	<u>\$ 3,668,932</u>	<u>\$ 4,266,824</u>	<u>\$ 4,122,993</u>	<u>\$ 3,176,504</u>
District's covered-employee payroll	\$ 3,210,563	\$ 2,722,707	\$ 2,423,656	\$ 2,423,656
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	48.76%	67.29%	77.46%	51.89%
Plan fiduciary net position as a percentage of the total OPEB liability	4.99%	2.66%	1.57%	0.91%

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information only for those years for which information is available.

MT. ENTERPRISE INDEPENDENT SCHOOL DISTRICT*SCHEDULE OF THE DISTRICT'S OPEB CONTRIBUTIONS**TEACHER RETIREMENT SYSTEM OF TEXAS**LAST TEN FISCAL YEARS **

	Fiscal Year Ended August 31,			
	2021	2020	2019	2018
Statorily or contractually required District contribution	\$ 32,109	\$ 31,300	\$ 27,497	\$ 25,402
Contributions recognized by OPEB in relation to statorily or contractually required contribution	(32,109)	(31,300)	(27,497)	(25,402)
Contribution deficiency (excess)	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
District's covered-employee payroll	\$ 3,308,925	\$ 3,210,563	\$ 2,722,707	\$ 2,577,655
Contributions as a percentage of covered-employee payroll	0.97%	0.97%	1.01%	0.99%

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information for those years for which information is available.

MT. ENTERPRISE INDEPENDENT SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED AUGUST 31, 2021

Budget

The official budget was prepared for adoption for all Governmental Fund Types. The budget was prepared in accordance with accounting practices generally accepted in the United States of America. The following procedures are followed in establishing the budgetary data.:

- a. Prior to August 21 of the preceding fiscal year, the District prepares a budget for the next succeeding fiscal year. The operating budget includes proposed expenditures and the means of financing them.
- b. A meeting of the Board is then called for the purpose of adopting the proposed budget after ten days' public notice of the meeting has been given.
- c. Prior to the beginning of the fiscal year, the budget is legally enacted through passage of a resolution by the Board.

Once a budget is approved, it can be amended at function and fund level only by approval of a majority of the members of the Board. Amendments are presented to the Board at its regular meetings.

Each amendment must have Board approval. Such amendments are made before the fact, are reflected in the official minutes of the Board and are not made after fiscal year end as required by law.

Each amendment is controlled by the budget coordinator at the revenue and expenditure function/object level. Budgeted amounts are as amended by the Board. All budget appropriations lapse at year end.

Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under Texas law, appropriations lapse at August 31, and encumbrances outstanding at that time are to be either cancelled or appropriately provided for in the subsequent year's budget. There were no end-of-year outstanding encumbrances that were provided for in the subsequent year's budget.

Defined Benefit Pension Plan

Changes of benefit terms

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

Changes of assumptions

There were no changes of assumptions or other inputs that affected measurement of the total pension liability during the measurement period.

*Combining Statements and Budget Comparisons
as Supplementary Information*

This supplementary information includes financial statements and schedules not required by the Governmental Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

MT. ENTERPRISE INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

AUGUST 31, 2021

Data Control Codes	Special Revenue Funds	Debt Service Fund	Total Nonmajor Governmental Funds (See Exhibit C-1)	
ASSETS:				
1110	Cash and Cash Equivalents	\$ 32,815	\$ 6,605	\$ 39,420
1225	Taxes Receivable, Net	--	6,888	6,888
1240	Due from Other Governments	95,251	2,558	97,809
1260	Due from Other Funds	--	1,928	1,928
1000	Total Assets	<u>128,066</u>	<u>17,979</u>	<u>146,045</u>
LIABILITIES:				
Current Liabilities:				
2110	Accounts Payable	\$ 6,592	\$ 724	\$ 7,316
2160	Accrued Wages Payable	20,262	--	20,262
2190	Due to Student Groups	3,172	--	3,172
2200	Accrued Expenditures	2,233	--	2,233
2000	Total Liabilities	<u>32,259</u>	<u>724</u>	<u>32,983</u>
DEFERRED INFLOWS OF RESOURCES:				
	Deferred Revenue	--	6,888	6,888
2600	Total Deferred Inflows of Resources	<u>--</u>	<u>6,888</u>	<u>6,888</u>
FUND BALANCES:				
Restricted Fund Balances:				
3450	Federal/State Funds Grant Restrictions	62,991	--	62,991
3480	Retirement of Long-Term Debt	--	10,367	10,367
3490	Other Restrictions of Fund Balance	32,816	--	32,816
3000	Total Fund Balances	<u>95,807</u>	<u>10,367</u>	<u>106,174</u>
4000	Total Liabilities, Deferred Inflow of Resources and Fund Balances	<u>\$ 128,066</u>	<u>\$ 17,979</u>	<u>\$ 146,045</u>

MT. ENTERPRISE INDEPENDENT SCHOOL DISTRICT

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

Data Control Codes	Special Revenue Funds	Debt Service Fund	Total Nonmajor Governmental Funds (See Exhibit C-2)
REVENUES:			
5700 <i>Local and Intermediate Sources</i>	\$ 206,573	\$ 40,631	\$ 247,204
5800 <i>State Program Revenues</i>	40,686	57,383	98,069
5900 <i>Federal Program Revenues</i>	406,900	--	406,900
5020 Total Revenues	<u>654,159</u>	<u>98,014</u>	<u>752,173</u>
EXPENDITURES:			
Current:			
0011 <i>Instruction</i>	200,988	--	200,988
0021 <i>Instructional Leadership</i>	1,771	--	1,771
0033 <i>Health Services</i>	4,630	--	4,630
0035 <i>Food Service</i>	254,582	--	254,582
0036 <i>Cocurricular/Extracurricular Activities</i>	167,246	--	167,246
0051 <i>Facilities Maintenance and Operations</i>	1,200	--	1,200
0052 <i>Security and Monitoring Services</i>	3,997	--	3,997
0053 <i>Data Processing Services</i>	7,462	--	7,462
0071 <i>Principal on Long-term Debt</i>	--	100,000	100,000
0072 <i>Interest on Long-term Debt</i>	--	84,231	84,231
0073 <i>Bond Issuance Costs and Fees</i>	--	300	300
6030 Total Expenditures	<u>641,876</u>	<u>184,531</u>	<u>826,407</u>
1100 Excess (Deficiency) of Revenues Over (Under)			
1100 Expenditures	<u>12,283</u>	<u>(86,517)</u>	<u>(74,234)</u>
Other Financing Sources and (Uses):			
7915 <i>Transfers In</i>	--	80,000	80,000
7080 Total Other Financing Sources and (Uses)	<u>--</u>	<u>80,000</u>	<u>80,000</u>
1200 Net Change in Fund Balances	<u>12,283</u>	<u>(6,517)</u>	<u>5,766</u>
0100 Fund Balances - Beginning	35,357	16,884	52,241
1300 Prior Period Adjustment	48,167	--	48,167
Fund Balances - Beginning, as Restated	83,524	16,884	100,408
3000 Fund Balances - Ending	<u>\$ 95,807</u>	<u>\$ 10,367</u>	<u>\$ 106,174</u>

MT. ENTERPRISE INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

AUGUST 31, 2021

Data Control Codes	211 ESEA Title I Improving Basic Programs	240 National School Breakfast/Lunch Program	255 ESEA Title II Training & Recruiting
ASSETS:			
1110	Cash and Cash Equivalents	\$ --	\$ --
1240	Due from Other Governments	7,191	1,360
1000	Total Assets	<u>7,191</u>	<u>1,360</u>
LIABILITIES:			
Current Liabilities:			
2110	Accounts Payable	\$ --	\$ --
2160	Accrued Wages Payable	6,489	1,224
2190	Due to Student Groups	--	--
2200	Accrued Expenditures	702	136
2000	Total Liabilities	<u>--</u>	<u>1,360</u>
FUND BALANCES:			
Restricted Fund Balances:			
3450	Federal/State Funds Grant Restrictions	--	--
3490	Other Restrictions of Fund Balance	--	--
3000	Total Fund Balances	<u>62,991</u>	<u>--</u>
4000	Total Liabilities and Fund Balances	<u>\$ 7,191</u>	<u>\$ 1,360</u>

270 ESEA, Title VI Part B, Subpart 2 Rural School	281 ESSER Fund II of the CRRSA Act	282 ESSER Fund III of the American Rescue Plan Act	289 Title IV Part A-SSAEP
\$ --	\$ (30,024)	\$ (8,250)	\$ --
3,308	34,654	13,172	1,084
<u>3,308</u>	<u>4,630</u>	<u>4,922</u>	<u>1,084</u>
\$ --	\$ --	\$ --	\$ --
2,978	4,164	4,431	976
--	--	--	--
330	466	491	108
<u>3,308</u>	<u>4,630</u>	<u>4,922</u>	<u>1,084</u>
--	--	--	--
--	--	--	--
--	--	--	--
<u>\$ 3,308</u>	<u>\$ 4,630</u>	<u>\$ 4,922</u>	<u>\$ 1,084</u>

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MT. ENTERPRISE INDEPENDENT SCHOOL DISTRICT*COMBINING BALANCE SHEET**NONMAJOR SPECIAL REVENUE FUNDS**AUGUST 31, 2021*

Data Control Codes	410 State Textbook Fund	461 Campus Activity Funds	Total Nonmajor Special Revenue Funds (See Exhibit H-1)
ASSETS:			
1110 <i>Cash and Cash Equivalents</i>	\$ --	\$ 35,988	\$ 32,815
1240 <i>Due from Other Governments</i>	6,592	--	95,251
1000 Total Assets	<u>6,592</u>	<u>35,988</u>	<u>128,066</u>
LIABILITIES:			
Current Liabilities:			
2110 <i>Accounts Payable</i>	\$ 6,592	\$ --	\$ 6,592
2160 <i>Accrued Wages Payable</i>	--	--	20,262
2190 <i>Due to Student Groups</i>	--	3,172	3,172
2200 <i>Accrued Expenditures</i>	--	--	2,233
2000 Total Liabilities	<u>6,592</u>	<u>3,172</u>	<u>32,259</u>
FUND BALANCES:			
Restricted Fund Balances:			
3450 <i>Federal/State Funds Grant Restrictions</i>	--	--	62,991
3490 <i>Other Restrictions of Fund Balance</i>	--	32,816	32,816
3000 Total Fund Balances	<u>--</u>	<u>32,816</u>	<u>95,807</u>
4000 Total Liabilities and Fund Balances	<u>\$ 6,592</u>	<u>\$ 35,988</u>	<u>\$ 128,066</u>

MT. ENTERPRISE INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2021

Data Control Codes	211 ESEA Title I Improving Basic Programs	240 National School Breakfast/Lunch Program	255 ESEA Title II Training & Recruiting	266 Coronavirus Aid Relief, and Econ Security Act
REVENUES:				
5700 Local and Intermediate Sources	\$ --	\$ 54,678	\$ --	\$ --
5800 State Program Revenues	--	7,928	--	--
5900 Federal Program Revenues	67,784	220,810	11,534	7,848
5020 Total Revenues	<u>67,784</u>	<u>283,416</u>	<u>11,534</u>	<u>7,848</u>
EXPENDITURES:				
Current:				
0011 Instruction	66,438	--	11,309	7,848
0021 Instructional Leadership	1,346	--	225	--
0033 Health Services	--	--	--	--
0035 Food Service	--	254,582	--	--
0036 Cocurricular/Extracurricular Activities	--	--	--	--
0051 Facilities Maintenance and Operations	--	1,200	--	--
0052 Security and Monitoring Services	--	--	--	--
0053 Data Processing Services	--	--	--	--
6030 Total Expenditures	<u>67,784</u>	<u>255,782</u>	<u>11,534</u>	<u>7,848</u>
1100 Excess (Deficiency) of Revenues Over (Under)	--	27,634	--	--
1100 Expenditures	--	27,634	--	--
1200 Net Change in Fund Balances	--	27,634	--	--
0100 Fund Balances - Beginning	--	35,357	--	--
1300 Prior Period Adjustment	--	--	--	--
Fund Balances - Beginning, as Restated	--	35,357	--	--
3000 Fund Balances - Ending	<u>\$ --</u>	<u>\$ 62,991</u>	<u>\$ --</u>	<u>\$ --</u>

270 ESEA, Title VI Part B, Subpart 2 Rural School	277 Cares Act Coronavirus Relief Fund (CRF)	281 ESSER Fund II of the CRRSA Act	282 ESSER Fund III of the American Rescue Plan Act	289 Title IV Part A-SSAEP
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
33,585	7,462	34,654	13,172	10,051
<u>33,585</u>	<u>7,462</u>	<u>34,654</u>	<u>13,172</u>	<u>10,051</u>
33,585	--	30,024	13,172	9,851
--	--	--	--	200
--	--	4,630	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	7,462	--	--	--
<u>33,585</u>	<u>7,462</u>	<u>34,654</u>	<u>13,172</u>	<u>10,051</u>
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

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MT. ENTERPRISE INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2021

Data Control Codes	410 State Textbook Fund	429 State Funded Special Revenue Fund	461 Campus Activity Funds	Total Nonmajor Special Revenue Funds (See Exhibit H-2)
REVENUES:				
5700 <i>Local and Intermediate Sources</i>	\$ --	\$ --	\$ 151,895	\$ 206,573
5800 <i>State Program Revenues</i>	28,761	3,997	--	40,686
5900 <i>Federal Program Revenues</i>	--	--	--	406,900
5020 Total Revenues	<u>28,761</u>	<u>3,997</u>	<u>151,895</u>	<u>654,159</u>
EXPENDITURES:				
Current:				
0011 <i>Instruction</i>	28,761	--	--	200,988
0021 <i>Instructional Leadership</i>	--	--	--	1,771
0033 <i>Health Services</i>	--	--	--	4,630
0035 <i>Food Service</i>	--	--	--	254,582
0036 <i>Cocurricular/Extracurricular Activities</i>	--	--	167,246	167,246
0051 <i>Facilities Maintenance and Operations</i>	--	--	--	1,200
0052 <i>Security and Monitoring Services</i>	--	3,997	--	3,997
0053 <i>Data Processing Services</i>	--	--	--	7,462
6030 Total Expenditures	<u>28,761</u>	<u>3,997</u>	<u>167,246</u>	<u>641,876</u>
1100 Excess (Deficiency) of Revenues Over (Under)				
1100 Expenditures	--	--	(15,351)	12,283
1200 Net Change in Fund Balances	--	--	(15,351)	12,283
0100 Fund Balances - Beginning	--	--	--	35,357
1300 Prior Period Adjustment	--	--	48,167	48,167
Fund Balances - Beginning, as Restated	--	--	48,167	83,524
3000 Fund Balances - Ending	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 32,816</u>	<u>\$ 95,807</u>

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Other Supplementary Information

This section includes financial information and disclosures not required by the Governmental Accounting Standards Board and not considered a part of the basic financial statements. It may, however, include information which is required by other entities.

MT. ENTERPRISE INDEPENDENT SCHOOL DISTRICT

*SCHEDULE OF DELINQUENT TAXES RECEIVABLE
FOR THE YEAR ENDED AUGUST 31, 2021*

Year Ended August 31	Tax Rates		3 Assessed/Appraised Value For School Tax Purposes
	1 Maintenance	2 Debt Service	
2012 and Prior Years	\$ Various	\$ Various	\$ Various
2013	1.17	.0436	58,585,650
2014	1.17	.0436	54,296,803
2015	1.17	.0636	56,119,392
2016	1.17	.0636	53,818,885
2017	1.17	.0636	53,816,667
2018	1.17	.0636	54,928,618
2019	1.17	.0636	56,184,715
2020	1.07	.0636	58,941,354
2021 (School Year Under Audit)	1.04	.0636	61,038,847

1000 Totals

9000 - Portion of Row 1000 for Taxes Paid into Tax Increment Zone Under Chapter 311, Tax Code

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
\$ 36,761	\$ --	\$ 1,525	\$ 137	\$ (9,503)	\$ 25,596
5,834	--	294	12	(1,798)	3,730
6,947	--	643	29	(1,835)	4,440
8,340	--	730	56	(2,289)	5,266
10,898	--	864	47	(2,413)	7,575
12,886	--	1,330	73	(2,360)	9,123
14,121	--	1,772	96	(1,860)	10,393
21,425	--	3,307	179	(2,378)	15,560
43,300	--	16,679	1,011	(4,102)	21,508
--	673,136	594,879	37,714	--	40,544
<u>\$ 160,514</u>	<u>\$ 673,136</u>	<u>\$ 622,022</u>	<u>\$ 39,355</u>	<u>\$ (28,539)</u>	<u>\$ 143,734</u>
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --

MT. ENTERPRISE INDEPENDENT SCHOOL DISTRICT

EXHIBIT J-2

NATIONAL SCHOOL BREAKFAST AND LUNCH PROGRAM
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED AUGUST 31, 2021

Data Control Codes	1	2	3
	Budget	Actual	Variance Positive (Negative)
REVENUES:			
5700 <i>Local and Intermediate Sources</i>	\$ 35,000	\$ 54,678	\$ 19,678
5800 <i>State Program Revenues</i>	7,808	7,928	120
5900 <i>Federal Program Revenues</i>	150,000	220,810	70,810
5020 Total Revenues	<u>192,808</u>	<u>283,416</u>	<u>90,608</u>
EXPENDITURES:			
Current:			
Support Services - Student (Pupil):			
0035 <i>Food Services</i>	262,808	254,582	8,226
Total Support Services - Student (Pupil)	<u>262,808</u>	<u>254,582</u>	<u>8,226</u>
Support Services - Nonstudent Based:			
0051 <i>Plant Maintenance and Operations</i>	2,000	1,200	800
Total Support Services - Nonstudent Based	<u>2,000</u>	<u>1,200</u>	<u>800</u>
6030 Total Expenditures	<u>264,808</u>	<u>255,782</u>	<u>9,026</u>
1100 Excess (Deficiency) of Revenues Over (Under)			
1100 Expenditures	(72,000)	27,634	99,634
1200 Net Change in Fund Balance	<u>(72,000)</u>	<u>27,634</u>	<u>99,634</u>
0100 Fund Balance - Beginning	35,357	35,357	--
3000 Fund Balance - Ending	<u>\$ (36,643)</u>	<u>\$ 62,991</u>	<u>\$ 99,634</u>

MT. ENTERPRISE INDEPENDENT SCHOOL DISTRICT

EXHIBIT J-3

DEBT SERVICE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED AUGUST 31, 2021

Data Control Codes	1	2	3
	Budget	Actual	Variance Positive (Negative)
REVENUES:			
5700 <i>Local and Intermediate Sources</i>	\$ 36,750	\$ 40,631	\$ 3,881
5800 <i>State Program Revenues</i>	41,319	57,383	16,064
5020 <i>Total Revenues</i>	<u>78,069</u>	<u>98,014</u>	<u>19,945</u>
EXPENDITURES:			
Debt Service:			
0071 <i>Principal on Long-Term Debt</i>	100,000	100,000	--
0072 <i>Interest on Long-Term Debt</i>	84,232	84,231	1
0073 <i>Bond Issuance Costs and Fees</i>	500	300	200
<i>Total Debt Service</i>	<u>184,732</u>	<u>184,531</u>	<u>201</u>
6030 <i>Total Expenditures</i>	<u>184,732</u>	<u>184,531</u>	<u>201</u>
1100 <i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(106,663)</u>	<u>(86,517)</u>	<u>20,146</u>
Other Financing Sources (Uses):			
7915 <i>Transfers In</i>	80,000	80,000	--
7080 <i>Total Other Financing Sources and (Uses)</i>	<u>80,000</u>	<u>80,000</u>	<u>--</u>
1200 <i>Net Change in Fund Balance</i>	<u>(26,663)</u>	<u>(6,517)</u>	<u>20,146</u>
0100 <i>Fund Balance - Beginning</i>	16,884	16,884	--
3000 <i>Fund Balance - Ending</i>	<u>\$ (9,779)</u>	<u>\$ 10,367</u>	<u>\$ 20,146</u>

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Morgan LaGrone, CPA, PLLC

Certified Public Accountant

Telephone: 903.657.0240
Fax: 903.655.1324

116 S Marshall
Henderson TX 75654

Independent Auditor's Report on Internal Control over Financial Reporting and
On Compliance and Other Matters Based on an Audit of Financial Statements
Performed In Accordance With Government Auditing Standards

Board of Trustees
Mt. Enterprise Independent School District
301 NW 3rd St.
Mt. Enterprise, Texas 75681

Members of the Board of Trustees:

We have audited, 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 financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Mt. Enterprise Independent School District, as of and for the year ended August 31, 2021, and the related notes to the financial statements, which collectively comprise Mt. Enterprise Independent School District's basic financial statements, and have issued our report thereon dated December 9, 2021.

Internal Control Over Financial Reporting

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

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

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

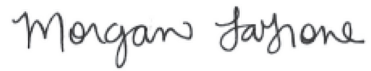
Compliance and Other Matters

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

Purpose of this Report

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

Respectfully submitted,

A handwritten signature in cursive script that reads "Morgan LaGrone".

Morgan LaGrone, CPA, PLLC

Henderson, TX
December 9, 2021

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

A. Summary of Auditor's Results

1. Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

One or more material weaknesses identified? Yes X No

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

Noncompliance material to financial statements noted? Yes X No

2. Federal Awards

Internal control over major programs:

One or more material weaknesses identified? Yes X N/A

One or more significant deficiencies identified that are not considered to be material weaknesses? Yes X N/A

Type of auditor's report issued on compliance for major programs: Not applicable

Version of compliance supplement used in audit: N/A

Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200? Yes X N/A

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
Not applicable	

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

Auditee qualified as low-risk auditee? Yes X N/A

B. Financial Statement Findings

NONE

C. Federal Award Findings and Questioned Costs

NONE

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

<u>Finding/Recommendation</u>	<u>Current Status</u>	<u>Management's Explanation If Not Implemented</u>
Not applicable for the year ended August 31, 2021.		

MT. ENTERPRISE INDEPENDENT SCHOOL DISTRICT

CORRECTIVE ACTION PLAN

FOR THE YEAR ENDED AUGUST 31, 2021

Not applicable for the year ended August 31, 2021.

MT. ENTERPRISE INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS
AS OF AUGUST 31, 2021

Data Control Codes		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 at fiscal year-end?	No
SF3	Did the school district make timely payments to the Teacher Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies? (If the school district was issued a warrant hold and the warrant hold was not cleared within 30 days from the date the warrant hold was issued, the school district is considered to not have made timely payments.) Payments to the TRS and TWC are considered timely if a warrant hold that was issued in connection to the untimely payment was cleared within 30 days from the date the warrant hold was issued. Payments to the IRS are considered timely if a penalty or delinquent payment notice was cleared within 30 days from the date the notice was issued.	Yes
SF4	Was the school district issued a warrant hold? Even if the issue surrounding the initial warrant hold was resolved and cleared within 30 days, the school district is considered to have been issued a warrant hold.	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 that were in effect at the school district's 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	\$ --