

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

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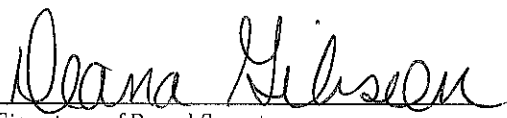
# CERTIFICATE OF BOARD

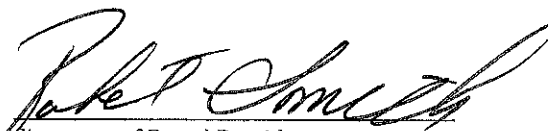
Deweyville Independent School District  
Name of School District

Newton  
County

176-903  
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 17 day of January, 2022.

  
Signature of Board Secretary

  
Signature of Board President

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

J. Pat O'Neill, III, CPA  
Michael W. Kiefer, CPA  
Troy W. Domingue, CPA



Stanley (Chip) Majors, Jr., CPA.CITP, CGMA  
Jane P. Burns, CPA, CDFA  
Jeremy R. Triska, CPA

January 17, 2022

## INDEPENDENT AUDITOR'S REPORT

### UNMODIFIED OPINIONS ON BASIC FINANCIAL STATEMENTS ACCOMPANIED BY REQUIRED SUPPLEMENTARY INFORMATION AND OTHER INFORMATION

Board of Trustees  
Deweyville Independent School District  
Deweyville, TX

Members of the Board:

#### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Deweyville 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 Responsibility

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

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

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

### **Opinions**

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

### **Other Matters**

#### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on page 5 through 11, the budgetary comparison information on page 49, and the Schedules of the District's Proportionate Share of the Net Pension Liability, the District's Contributions for Pensions, the District's Proportionate Share of the Net OPEB Liability, and the District's Contribution for OPEB related to the Teacher Retirement System of Texas on pages 50 through 55 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information on pages 5 through 11 and pages 50 through 55 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. The required supplementary information on page 49 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 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, this information is fairly stated in all material respects in relation to the financial statements taken as a whole.

#### **Other Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Deweyville Independent School District's basic financial statements. The accompanying schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is presented for purposes of additional analysis and is not a required part of the basic financial statements. In addition, the TEA required schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of expenditures of federal awards and the TEA required schedules 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. This 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 schedule of expenditures of federal awards and the TEA required schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by Governmental Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated January 17, 2022, on our consideration of Deweyville 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 Deweyville Independent School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Deweyville Independent School District's internal control over financial reporting and compliance.

*Wathen, DeShong & Juncker, L.L.P.*

**WATHEN, DeSHONG & JUNCKER, L.L.P.**  
Certified Public Accountants

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The purpose of the Management's Discussion and Analysis (MD&A) is to give the readers an objective and easily readable analysis of the financial activities of Deweyville Independent School District (the "District") for the year ending August 31, 2021. The analysis is based on currently known facts, decisions, or economic conditions. It presents short and long-term analysis of the District's activities, compares current year results with those of the prior year, and discusses the positive and negative aspects of that comparison. Please read the MD&A in conjunction with the District's financial statements, which follow this section.

### FINANCIAL HIGHLIGHTS

- The District's total combined net position was \$23,244,219 at August 31, 2021.
- During the year, the District's expenses were \$474,111 less than the \$9,835,946 generated in taxes and other revenues for governmental activities.
- The total cost of the District's programs was \$9,361,835.
- For the year, the District's general fund reported a total fund balance of \$2,350,080, of which \$2,490 is nonspendable and \$2,347,590 is unassigned.

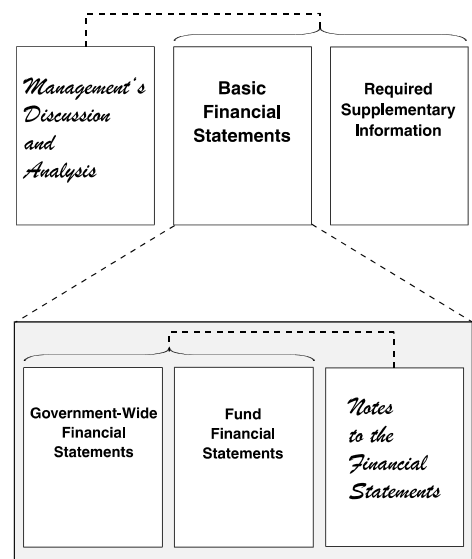
### OVERVIEW OF THE FINANCIAL STATEMENTS

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

- 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 *custodian* for the benefit of others, to whom the resources in question belong.

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

**Figure A-1**  
Required Components of  
Deweyville Independent School District's  
Annual Financial Report



Summary ↔ Detail

Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

**Figure A-2. Major Features of the District's Government-wide and Fund Financial Statements**

<i>Type of Statements</i>	<b>Government-wide</b>	<b>Fund Statements</b>	
		<b>Governmental Funds</b>	<b>Fiduciary Funds</b>
Scope	Entire District's government (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary	Instances in which the District is the trustee or custodian for someone else's resources
Required financial statements	Statement of net position	Balance sheet	Statement of fiduciary net position
	Statement of activities	Statement of revenues, expenditures & changes in fund balance	Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter, no capital assets included	All assets and liabilities, both short-term and long-term, the District's funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year, expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid

### **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, deferred outflows of resources, liabilities, and deferred inflows of resources at the end of the year, with the difference reported as net position. 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 it has 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 is an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the District, you need to consider additional nonfinancial factors such as changes in the District's tax base, changes in the District's student population, the makeup of the student population in regards to funding for special programs, and non-funded federal and state mandates.

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



## Fund Financial Statements

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

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

The District has two kinds of funds:

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

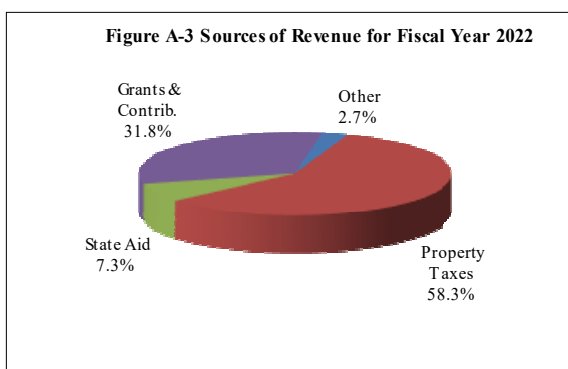
## FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

**Net position.** The District's *combined* net position was \$23,244,219 at August 31, 2021. (See Table A-1).

**Table A-1**  
**The District's Net Position**

	Governmental Activities		Percentage Change
	2021	2020	
Current and Other Assets	\$ 7,158,594	\$ 15,661,995	-54.3%
Capital and Non-Current Assets	35,152,519	28,473,706	23.5%
<b>Total Assets</b>	<b>42,311,113</b>	<b>44,135,701</b>	-4.1%
Deferred Outflows of Resources	706,242	921,853	-23.4%
Current Liabilities	3,703,483	5,165,481	-28.3%
Long Term Liabilities	13,748,961	15,024,372	-8.5%
<b>Total Liabilities</b>	<b>17,452,444</b>	<b>20,189,853</b>	-13.6%
Deferred Inflows of Resources	2,320,692	2,097,593	10.6%
<b>Net Position:</b>			
Net investment in capital assets	24,692,519	21,343,705	15.7%
Restricted	615,230	730,364	-15.8%
Unrestricted	(2,063,530)	696,039	-396.5%
<b>Total Net Position</b>	<b>\$23,244,219</b>	<b>\$ 22,770,108</b>	2.1%

**Changes in net position.** The District's total revenues were \$9,835,946. A significant portion, 58.3%, of the District's revenue comes from taxes. (See Figure A-3). 31.8% comes from Grants and Contributions not restricted for specific programs.



The total cost of all programs and services was \$9,361,835; 61.2% of these costs are for instructional and student services.

**Governmental Activities** Property tax rates decreased from \$1.109507 to \$0.987750 per \$100 valuation. The total taxes levied increased by \$268,260 due to an increase in the appraised values.

Average daily attendance decreased by 16.4 students from 2020 to 2021.

**Table 2**  
**Changes in the District's Net Position**

	Governmental Activities		Total % Change
	2021	2020	
<b>Revenues:</b>			
<u>Program Revenues</u>			
Charges for Services	\$ 112,190	\$ 116,384	-3.6%
Operating Grants and Contributions	1,410,729	1,547,620	-8.8%
<u>General Revenues</u>			
Property Taxes	5,729,749	6,661,783	-14.0%
Investment Earnings	5,877	62,139	-90.5%
State Aid - formula	715,619	70,652	912.9%
Grants and contributions not restricted for specific programs	1,715,083	13,454,352	-87.3%
Other	146,699	72,903	101.2%
<b>Total Revenues</b>	<b>9,835,946</b>	<b>21,985,833</b>	
<u>Expenses:</u>			
Instruction and instruction related services	4,361,802	4,419,011	-1.3%
Instructional leadership/school administration	378,227	401,001	-5.7%
Guidance, social work, health, transportation	709,140	606,978	16.8%
Food services	238,003	262,522	-9.3%
Extracurricular activities	417,529	428,409	-2.5%
General Administration	478,245	350,756	36.3%
Facilities maintenance and security	902,237	744,952	21.1%
Data processing services	141,202	100,763	40.1%
Debt Service	454,082	401,227	13.2%
Capital Outlay	347,573	1,710,019	-79.7%
Contracted Instructional Services Between Schools	580,221	2,187	26430.5%
Other Intergovernmental Charges	353,574	367,763	-3.9%
<b>Total Expenses</b>	<b>9,361,835</b>	<b>9,795,588</b>	
Change in Net Position	474,111	12,190,245	-96.1%
Beginning Net Position	22,770,108	10,521,648	116.4%
Prior Period Adjustment	-	58,215	-100.0%
<b>Ending Net Position</b>	<b>\$ 23,244,219</b>	<b>\$ 22,770,108</b>	

Table A-3 presents 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 was funded by state revenues as well as local tax dollars.

- The cost of all *governmental* activities this year was \$9,361,835.
- The amount that our taxpayers paid for these activities through property taxes was \$5,729,749.
- Some of the cost was paid by those who directly benefited from the programs \$112,190, or
- By grants and contributions \$1,410,729.

**Table A-3**  
**Net Cost of Selected District Functions**

	Total Cost of Services		%	Net Cost of Services		%
	2021	2020		2020	2019	
Instruction	\$ 4,129,070	\$ 4,201,410	-1.7%	\$ 3,477,804	\$ 3,643,875	-4.6%
School Leadership	366,986	393,501	-6.7%	337,421	348,940	-3.3%
Student Transportation	405,926	318,498	27.5%	349,467	(76,451)	-557.1%
Food Services	238,003	262,522	-9.3%	(103,666)	(21,902)	373.3%
Extracurricular Activities	417,529	428,409	-2.5%	300,012	298,608	0.5%
General Administration	478,245	350,756	36.3%	459,675	323,862	41.9%
Facilities Maintenance and Operations	888,387	734,338	21.0%	863,837	706,206	22.3%
Interest on Long-term Debt	260,152	237,631	9.5%	260,152	237,631	9.5%
Capital Outlay	347,573	1,710,019	-79.7%	347,573	1,710,019	-79.7%
Contracted Instructional Services Between Schools	580,221	2,187	26430.5%	580,221	2,187	26430.5%
Other Intergovernmental Charges	353,574	367,763	-3.9%	353,574	367,763	-3.9%

#### FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Revenues from governmental fund types totaled \$9,814,133 a decrease of 54.9% from the preceding year. This overall decrease consisted of a decrease of 12.5% in local funds, an increase of 47.0% in state funds, and an 81.3% decrease in federal funds. The decrease in federal funds was related to grants received in the prior year for the construction of the elementary school, maintenance building, and administration building.

#### General Fund Budgetary Highlights

- Over the course of the year, the District revised its budget several times. Actual expenditures were \$7,160 above final budget amounts. The most significant variance occurred in Contracted Instructional Services Between Schools. Actual revenues were \$788,172 below budgeted amounts due primarily to Local Revenues and Federal Program Revenues budget to actual variances.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

At the end of 2021, the District had invested \$44.5 million in capital assets, including land, equipment, buildings and vehicles and construction in progress. (See Table A-4). This amount represents a net increase (including additions and adjustments) of \$7,333,167 or 19.7% percent above last year.

<b>Table A-4</b>			
<b>District's Capital Assets</b>			
	Governmental Activities		%
	2021	2020	Change
Land	\$ 456,153	\$ 456,153	0.0%
Construction in Progress	-	14,129,072	-100.0%
Buildings and Improvements	42,444,502	21,341,494	98.9%
Furniture and equipment	1,611,512	1,252,281	28.7%
Totals at Historical Cost	44,512,167	37,179,000	19.7%
Total Accumulated Depreciation	(9,359,648)	(8,705,294)	7.5%
Net Capital Assets	<u>\$ 35,152,519</u>	<u>\$ 28,473,706</u>	23.5%

### Long-Term Debt

At the end of the fiscal year, the District had \$11.6 million in long-term debt outstanding as shown in Table A-5. The District's bonds presently carry a Moody's rating of A2 with a Permanent School Fund guarantee and "A+" with no assistance.

<b>Table A-5</b>			
<b>District's Long-Term Debt</b>			
	Governmental Activities		%
	2021	2020	Change
Bonds payable	\$ 10,460,000	\$ 4,670,000	124.0%
Premium	1,141,970	462,513	146.9%
Maintenance Tax Note	-	5,000,000	-100.0%
Maintenance Tax Note	-	1,372,000	-100.0%
Total long-term debt	<u>\$ 11,601,970</u>	<u>\$ 11,504,513</u>	

More detailed information about the District's debt is presented in the Notes to the Financial Statements.

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

- The District's taxable value used for the 2022 budget preparation decreased \$116,372,108, which was a 16.7% decrease from 2021. The district set a tax rate of \$1.038027, which is an increase of \$0.050277 from last year's rate.
- General Operating Fund budgeted spending per student decreased in the 2021/22 budget to \$13,302 from 2020/21 actual of \$31,384. The 2021/22 budget does not have significant Capital Outlay expenditures.
- The District's 2022 refined average daily attendance is expected to be 482.1, which is an increase of 13.8 students from 2021.

These indicators were taken into account when adopting the General Fund budget for 2022. Amounts available for appropriation in the General Fund budget are 6,413,074, a decrease of 14.0% over the final 2021 actual revenues of \$7,456,978. Expenditures are budgeted to decrease 56.4% to \$6,413,074.

If these estimates are realized, the District's budgetary General Fund fund balance is expected to remain at \$3,434,842 at the close of 2022.

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

This financial report is designed to provide our citizens, taxpayers, parents 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 Finance Department.

## **BASIC FINANCIAL STATEMENTS**

## **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

DEWEYVILLE ISD  
STATEMENT OF NET POSITION  
AUGUST 31, 2021

EXHIBIT A-1

Data	Primary Government
Control	Governmental
Codes	Activities
<b>ASSETS</b>	
1110 Cash and Cash Equivalents	\$ 1,085,949
1120 Current Investments	3,901,966
1220 Property Taxes - Delinquent	425,800
1230 Allowance for Uncollectible Taxes	(127,740)
1240 Due from Other Governments	1,839,495
1290 Other Receivables, Net	1,736
1300 Inventories	29,604
1410 Prepayments	1,784
Capital Assets:	
1510 Land	456,153
1520 Buildings, Net	34,121,913
1530 Furniture and Equipment, Net	574,453
1000 Total Assets	42,311,113
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
1705 Deferred Outflow Related to TRS Pension	503,107
1706 Deferred Outflow Related to TRS OPEB	203,135
1700 Total Deferred Outflows of Resources	706,242
<b>LIABILITIES</b>	
2110 Accounts Payable	1,046,142
2160 Accrued Wages Payable	237,338
2180 Due to Other Governments	384,317
2200 Accrued Expenses	6,059
2300 Unearned Revenue	1,225,386
Noncurrent Liabilities:	
2501 Due Within One Year: Loans, Note, Leases, etc.	804,241
Due in More than One Year:	
2502 Bonds, Notes, Leases, etc.	10,870,509
2540 Net Pension Liability (District's Share)	1,381,568
2545 Net OPEB Liability (District's Share)	1,496,884
2000 Total Liabilities	17,452,444
<b>DEFERRED INFLOWS OF RESOURCES</b>	
2605 Deferred Inflow Related to TRS Pension	462,376
2606 Deferred Inflow Related to TRS OPEB	1,858,316
2600 Total Deferred Inflows of Resources	2,320,692
<b>NET POSITION</b>	
3200 Net Investment in Capital Assets	24,692,519
3850 Restricted for Debt Service	615,230
3900 Unrestricted	(2,063,530)
3000 Total Net Position	\$ 23,244,219

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



DEWEYVILLE ISD  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED AUGUST 31, 2021

Data Control Codes	1	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		3	4	
		Charges for	Operating	Primary Gov.
	Expenses	Services	Grants and Contributions	Governmental Activities
<b>Primary Government:</b>				
GOVERNMENTAL ACTIVITIES:				
11 Instruction	\$ 4,129,070	\$ -	\$ 651,263	\$ (3,477,807)
12 Instructional Resources and Media Services	123,094	-	33,003	(90,091)
13 Curriculum and Instructional Staff Development	109,638	-	20,426	(89,212)
21 Instructional Leadership	11,241	-	17,011	5,770
23 School Leadership	366,986	-	29,565	(337,421)
31 Guidance, Counseling, and Evaluation Services	225,088	-	138,279	(86,809)
33 Health Services	78,126	-	7,136	(70,990)
34 Student (Pupil) Transportation	405,926	-	56,459	(349,467)
35 Food Services	238,003	10,198	331,471	103,666
36 Extracurricular Activities	417,529	101,992	15,525	(300,012)
41 General Administration	478,245	-	18,570	(459,675)
51 Facilities Maintenance and Operations	888,387	-	24,550	(863,837)
52 Security and Monitoring Services	13,850	-	-	(13,850)
53 Data Processing Services	141,202	-	67,471	(73,731)
72 Debt Service - Interest on Long-Term Debt	260,152	-	-	(260,152)
73 Debt Service - Bond Issuance Cost and Fees	193,930	-	-	(193,930)
81 Capital Outlay	347,573	-	-	(347,573)
91 Contracted Instructional Services Between Schools	580,221	-	-	(580,221)
99 Other Intergovernmental Charges	353,574	-	-	(353,574)
[TP] TOTAL PRIMARY GOVERNMENT:	\$ 9,361,835	\$ 112,190	\$ 1,410,729	(7,838,916)
Data Control Codes	General Revenues:			
	Taxes:			
MT	Property Taxes, Levied for General Purposes			5,073,054
DT	Property Taxes, Levied for Debt Service			656,695
SF	State Aid - Formula Grants			715,619
GC	Grants and Contributions not Restricted			1,715,083
IE	Investment Earnings			5,877
MI	Miscellaneous Local and Intermediate Revenue			146,699
TR	Total General Revenues			8,313,027
CN	Change in Net Position			474,111
NB	Net Position - Beginning			22,770,108
NE	Net Position - Ending			\$ 23,244,219

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

## **GOVERNMENTAL FUND FINANCIAL STATEMENTS**

DEWEYVILLE ISD  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
AUGUST 31, 2021

Data Control Codes	10 General Fund	60 Capital Projects	Other Funds	Total Governmental Funds
<b>ASSETS</b>				
1110 Cash and Cash Equivalents	\$ 327,434	\$ 93,806	\$ 664,709	\$ 1,085,949
1120 Investments - Current	3,517,266	-	384,700	3,901,966
1220 Property Taxes - Delinquent	366,353	-	59,447	425,800
1230 Allowance for Uncollectible Taxes	(109,906)	-	(17,834)	(127,740)
1240 Due from Other Governments	220,526	1,531,684	87,285	1,839,495
1290 Other Receivables	1,736	-	-	1,736
1300 Inventories	2,490	-	27,114	29,604
1410 Prepayments	1,784	-	-	1,784
1000 Total Assets	<u>\$ 4,327,683</u>	<u>\$ 1,625,490</u>	<u>\$ 1,205,421</u>	<u>\$ 7,158,594</u>
<b>LIABILITIES</b>				
2110 Accounts Payable	\$ 25,800	\$ 1,008,616	\$ 11,726	\$ 1,046,142
2160 Accrued Wages Payable	223,182	-	14,156	237,338
2180 Due to Other Governments	382,667	-	1,650	384,317
2200 Accrued Expenditures	4,745	-	1,314	6,059
2300 Unearned Revenue	1,084,762	-	140,624	1,225,386
2000 Total Liabilities	<u>1,721,156</u>	<u>1,008,616</u>	<u>169,470</u>	<u>2,899,242</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
2601 Unavailable Revenue - Property Taxes	256,447	-	41,613	298,060
2600 Total Deferred Inflows of Resources	<u>256,447</u>	<u>-</u>	<u>41,613</u>	<u>298,060</u>
<b>FUND BALANCES</b>				
Nonspendable Fund Balance:				
3410 Inventories	2,490	-	27,114	29,604
Restricted Fund Balance:				
3480 Retirement of Long-Term Debt	-	-	573,617	573,617
Committed Fund Balance:				
3510 Construction	-	616,874	35,876	652,750
3545 Other Committed Fund Balance	-	-	357,731	357,731
3600 Unassigned Fund Balance	2,347,590	-	-	2,347,590
3000 Total Fund Balances	<u>2,350,080</u>	<u>616,874</u>	<u>994,338</u>	<u>3,961,292</u>
4000 Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 4,327,683</u>	<u>\$ 1,625,490</u>	<u>\$ 1,205,421</u>	<u>\$ 7,158,594</u>

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

DEWEYVILLE ISD  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE  
STATEMENT OF NET POSITION  
AUGUST 31, 2021

EXHIBIT C-2

<b>Total Fund Balances - Governmental Funds</b>	<b>\$ 3,961,292</b>
1 Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	35,152,519
2 Property taxes receivable are not available to pay for current period expenditures and, therefore, are deferred in the funds.	298,060
3 Bonds are not due and payable in the current period and, therefore, are not reported in the funds.	(11,601,970)
4 Included in the items related to liabilities and deferred inflows is the recognition of the District's proportionate share of the net pension liability required by GASB 68. The net position related to TRS included a deferred resource outflow in the amount of \$503,107, a deferred resource inflow in the amount of \$462,376, and a net pension liability in the amount of \$1,381,568. This resulted in a decrease in net position.	(1,340,837)
5 Included in the items related to liabilities and deferred inflows is the recognition of the District's proportionate share of the net OPEB liability required by GASB 75. The net position related to TRS included a deferred resource outflow in the amount of \$203,135, a deferred resource inflow in the amount of \$1,858,316, and a net OPEB liability in the amount of \$1,496,884. This resulted in a decrease in net position.	(3,152,065)
6 Other liabilities which are not due and payable in the current period and, therefore, are not reported in the funds.	(72,780)
Compensated Absences \$(72,780)	
<b>19 Net Position of Governmental Activities</b>	<b>\$ 23,244,219</b>

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

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

Data Control Codes	10 General Fund	60 Capital Projects	Other Funds	Total Governmental Funds
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 5,258,839	\$ -	\$ 774,542	\$ 6,033,381
5800 State Program Revenues	1,071,902	-	74,072	1,145,974
5900 Federal Program Revenues	41,475	1,673,608	919,695	2,634,778
5020 Total Revenues	6,372,216	1,673,608	1,768,309	9,814,133
EXPENDITURES:				
Current:				
0011 Instruction	3,209,392	-	398,136	3,607,528
0012 Instructional Resources and Media Services	97,924	-	25,797	123,721
0013 Curriculum and Instructional Staff Development	91,097	-	20,426	111,523
0021 Instructional Leadership	-	-	10,152	10,152
0023 School Leadership	369,118	-	1,616	370,734
0031 Guidance, Counseling, and Evaluation Services	94,493	-	131,495	225,988
0033 Health Services	79,244	-	-	79,244
0034 Student (Pupil) Transportation	617,389	-	-	617,389
0035 Food Services	3,202	-	238,503	241,705
0036 Extracurricular Activities	316,383	-	102,379	418,762
0041 General Administration	478,623	-	-	478,623
0051 Facilities Maintenance and Operations	882,998	-	-	882,998
0052 Security and Monitoring Services	12,118	-	-	12,118
0053 Data Processing Services	152,544	-	67,471	220,015
Debt Service:				
0071 Principal on Long-Term Debt	6,642,650	-	620,000	7,262,650
0072 Interest on Long-Term Debt	213,443	-	167,600	381,043
0073 Bond Issuance Cost and Fees	193,430	-	500	193,930
Capital Outlay:				
0081 Facilities Acquisition and Construction	309,435	7,012,074	-	7,321,509
Intergovernmental:				
0091 Contracted Instructional Services Between Schools	580,221	-	-	580,221
0099 Other Intergovernmental Charges	353,574	-	-	353,574
6030 Total Expenditures	14,697,278	7,012,074	1,784,075	23,493,427
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,325,062)	(5,338,466)	(15,766)	(13,679,294)
OTHER FINANCING SOURCES (USES):				
7911 Capital Related Debt Issued	6,410,000	-	-	6,410,000
7914 Non-Current Loans	270,650	-	-	270,650
7915 Transfers In	-	2,840,294	-	2,840,294
7916 Premium or Discount on Issuance of Bonds	783,430	-	-	783,430
8911 Transfers Out (Use)	(2,840,294)	-	-	(2,840,294)
7080 Total Other Financing Sources (Uses)	4,623,786	2,840,294	-	7,464,080
1200 Net Change in Fund Balances	(3,701,276)	(2,498,172)	(15,766)	(6,215,214)
0100 Fund Balance - September 1 (Beginning)	6,051,356	3,115,046	1,010,104	10,176,506
3000 Fund Balance - August 31 (Ending)	\$ 2,350,080	\$ 616,874	\$ 994,338	\$ 3,961,292

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

DEWEYVILLE ISD  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED AUGUST 31, 2021

EXHIBIT C-4

<b>Total Net Change in Fund Balances - Governmental Funds</b>	<b>\$ (6,215,214)</b>
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation.	6,678,813
Depreciation Expense	\$ (654,354)
Capital Outlays	7,333,167
Property tax revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(38,866)
Prior year delinquent taxes collected in year ended August 31, 2021	\$17,040
Current year uncollected levy net of allowance for uncollectible portion	21,826
The repayment of the principal of long-term debt and capital leases consumes the current financial resources of the governmental funds. This transaction has no effect on net assets.	7,366,623
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. Conversely, certain items reported as expenditures in the governmental funds are considered assets in the governmental-wide statements.	33,318
Compensated Absences	\$16,400
Accrued Interest	16,918
GASB 68 required that certain plan expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of the plan caused the change in the ending net position to increase by \$105,800. Contributions made before the measurement date and during the previous fiscal year were also expended and recorded as a reduction in net pension liability. This caused a decrease in net position totaling \$106,622. Finally, the District's proportionate share of the TRS pension plan expense as a whole decreased the change in net position by \$59,207. The net result is to decrease the change in net position.	(60,029)
GASB 75 required that certain plan expenditures be de-expended and recorded as deferred resources outflows. These contributions made after the measurement date of the plan caused the change in ending net position to increase by \$31,940. Contributions made before the measurement date and during the previous fiscal year were also expended and recorded as a reduction in net pension liability. This caused a decrease in net position totaling \$29,929. Finally, the proportionate share of the TRS OPEB expense on the plan as a whole had to be recorded. The net OPEB expense increased the change in net position by \$171,535. The net result is an increase in the change in net position.	173,546
New long-term debt proceeds are reported as other financing sources in the governmental funds. This transaction has no effect on net assets.	(7,464,080)
<b>Change in Net Position of Governmental Activities</b>	<b>\$ 474,111</b>

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

## **FIDUCIARY FUND FINANCIAL STATEMENT**

DEWEYVILLE ISD  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
AUGUST 31, 2021

	Custodial Fund
<hr/>	
ASSETS	
Cash and Cash Equivalents	\$ 20,969
Total Assets	<u>20,969</u>
NET POSITION	
Unrestricted Net Position	<u>20,969</u>
Total Net Position	<u><u>\$ 20,969</u></u>

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



DEWEYVILLE ISD  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2021

	Custodial Fund
<b>ADDITIONS:</b>	
Contributions to Student Groups	\$ 500
Received from Student Groups	10,958
Enterprising Services Revenue	11,685
Total Additions	<u>23,143</u>
<b>DEDUCTIONS:</b>	
Supplies and Materials	5,103
Other Deductions	10,854
Total Deductions	<u>15,957</u>
Change in Fiduciary Net Position	7,186
Total Net Position - September 1 (Beginning)	-
Prior Period Adjustment	<u>13,783</u>
Total Net Position - August 31 (Ending)	<u><u>\$ 20,969</u></u>

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

## **NOTES TO THE FINANCIAL STATEMENTS**

**DEWEYVILLE INDEPENDENT SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
AT AND FOR THE  
YEAR ENDED AUGUST 31, 2021**

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

Deweyville Independent School District (the "District") is a public educational entity operating under the applicable laws and regulations of the State of Texas. The District prepares its basic financial statements in conformity with generally accepted accounting principles (GAAP) promulgated by the Governmental Accounting Standards Board (GASB) and other authoritative sources identified in GASB Statement No. 56, and it complies with the requirements of the appropriate version of Texas Education Agency's Financial Accountability System Resource Guide (the "Resource Guide") and the requirements of contracts and grants of agencies from which it receives funds.

**A. REPORTING ENTITY**

The Board of 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 these funding source entities. However, the District is not included in any other governmental "reporting entity" as defined by the GASB in its Statement No. 14 "The Financial Reporting Entity" and there are no component units included within this reporting entity.

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

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities normally are supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *Program revenues* include 1) charges for services such as food service or extracurricular activities and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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

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

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

DEWEYVILLE INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS  
AT AND FOR THE  
YEAR ENDED AUGUST 31, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Grant revenues and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental funds:

**The General Fund** is established to account for resources financing the fundamental operations of the District, in partnership with the community, in enabling and motivating students to reach their full potential. All revenues and expenditures not required to be accounted for in other funds are included here. This is a budgeted fund and any fund balances are considered resources available for current operations. Fund balances may be appropriated by the Board to implement its responsibilities.

**The Capital Projects Fund** is used to account for proceeds from sales of bonds and other revenues to be used for authorized construction along with the related capital expenditures.

Additionally, the government reports the following other fund types:

**Fiduciary Funds** are reported in the fiduciary fund financial statements. However, because their assets are held in a trustee or custodial capacity and are therefore not available to support District programs, these funds are not included in the government-wide statements.

**Custodial Funds:** These funds are used to report student activity funds and other resources held in a custodial capacity. The District utilizes this fund type to account for funds held on behalf of student clubs and organizations. Student activity organizations exist with the explicit approval of, and are subject to revocation by, the District's Board of Trustees.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Amounts reported as *program revenues* include 1) charges for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

**DEWEYVILLE INDEPENDENT SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
AT AND FOR THE  
YEAR ENDED AUGUST 31, 2021**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)**

In accordance with the FASRG, the District has adopted and installed an accounting system, which exceeds the minimum requirements prescribed by the State Board of Education and approved by the State Auditor. Specifically, the District's accounting system uses codes and the code structure presented in the Accounting Code Section of the FASRG. Mandatory codes are utilized in the form provided in that section.

**D. ASSETS, LIABILITIES, AND NET POSITION**

*1. Cash and cash equivalents*

The District's cash and cash equivalents are considered to be cash on hand and demand deposits.

*2. Property taxes*

Property tax receivables are shown net of an allowance for uncollectibles. The property tax receivable allowance is equal to 25% of the outstanding property taxes at August 31, 2021.

*3. Inventories*

The purchase method is used to account for inventories of food products, school supplies and athletic equipment. Under this method, these items are recorded as an expenditure when purchased.

*4. Capital Assets*

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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

<u>Assets</u>	<u>Years</u>
Buildings	40
Building improvements	40
Equipment	10
Buses	10
Vehicles	10

**DEWEYVILLE INDEPENDENT SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
AT AND FOR THE  
YEAR ENDED AUGUST 31, 2021**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. ASSETS, LIABILITIES, AND NET POSITION (CONTINUED)**

*5. Compensated absences*

Vacations are to be taken within the same year they are earned. Any liability would be immaterial and none has been accrued in the accompanying financial statements. Employees of the District are entitled to sick leave based on category/class of employment. In addition to state personal leave, the District has a policy, which provides seven days per year of local sick leave for all employees in the District.

Local sick leave is noncumulative. Employees are reimbursed for unused local leave to a maximum of seven days per school year.

Upon retirement from the District, eligible employees are paid for the total unused state days at the rate of \$20 to \$40 per day. This program represents the only potential non-payroll cost to the District and is estimated to be \$72,780 at August 31, 2021. This obligation is included in Noncurrent Liabilities Due in More Than One Year in Exhibit A-1 (Statement of Net Position).

*6. Long-term obligations*

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts are amortized over the term of the related debt.

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

*7. Deferred Outflows/Inflows of Resources*

In addition to assets, the statement of financial position (Exhibit A-1) will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The District has two items that qualify for reporting in this category. They are contributions made to the pension plan and the OPEB plan in the 2021 fiscal year.

In addition to liabilities, the statement of financial position (Exhibit A-1) will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.

**DEWEYVILLE INDEPENDENT SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
AT AND FOR THE  
YEAR ENDED AUGUST 31, 2021**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. ASSETS, LIABILITIES, AND NET POSITION (CONTINUED)**

*7. Deferred Outflows/Inflows of Resources (continued)*

The District has three types of items; the first arises only under a modified accrual basis of accounting that qualifies for the reporting in this category. Accordingly, the item unavailable revenue – property taxes, is reported only in the governmental funds balance sheet (Exhibit C-1). This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available. The second is the deferrals of pension expense that result from the implementation of GASB Statement 68. The third is the deferrals of OPEB expense that result from the implementation of GASB Statement 75. The deferrals for pension and OPEB are only reported in the government-wide statement of net position (Exhibit A-1).

*8. Fund equity*

The District has implemented GASB Statement No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions.” This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

- *Nonspendable fund balance* – amounts that are not in spendable form (such as inventory) or are required to be maintained intact.
- *Restricted fund balance* – amounts constrained to specific purposes by their providers (such as grantors, bondholders and higher level government), through constitutional provisions or by enabling legislation.
- *Committed fund balance* – amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority (i.e., Board of Trustees). To be reported as committed, amounts cannot be used for any other purpose unless the District takes the same highest level action to remove or change the constraint.
- *Assigned fund balance* – amounts the District intends to use for a specific purpose. Intent can be expressed by the Board or by an official or body to which the Board delegates the authority.
- *Unassigned fund balance* – amounts that are available for any purpose. Positive amounts are reported only in the general fund.

The Board establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. This is typically done through adoption and amendment of the budget. At August 31, 2021, Deweyville Independent School District reported \$2,490 in Nonspendable Fund Balance and no Assigned Fund Balance in the General Fund. At August 31, 2021, the District Special Revenue Funds reported \$27,114 of Nonspendable Fund Balance in Child Nutrition Services and \$315,315 as Committed to Child Nutrition Services, \$206 as Committed for Teacher Stipends, and \$42,210 as Committed to Campus Level Activities.

**DEWEYVILLE INDEPENDENT SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
AT AND FOR THE  
YEAR ENDED AUGUST 31, 2021**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. ASSETS, LIABILITIES, AND NET POSITION (CONTINUED)**

*9. Net Position Flow Assumptions*

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 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.

*10. 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.

*11. Use of Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

*12. 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.



**DEWEYVILLE INDEPENDENT SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. ASSETS, LIABILITIES, AND NET POSITION (CONTINUED)**

*13. Other Post-Employment Benefits*

The fiduciary net position of the Teacher Retirement System of Texas (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.

**NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. BUDGETARY INFORMATION**

Formal budgetary accounting is employed for all required Governmental Fund Types, as outlined in TEA's FASRG module, and is presented on the modified accrual basis of accounting consistent with generally accepted accounting principles. The budget is prepared and controlled at the function level within each organization to which responsibility for controlling operations is assigned.

The official school budget is prepared for adoption for required Governmental Fund Types prior to August 20 of the preceding fiscal year for the subsequent fiscal year beginning September 1. The budget is formally adopted by the Board at a public meeting held at least ten days after public notice has been given.

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund, the Debt Service Fund, and the Food Service Special Revenue Fund. The remaining special revenue funds adopt project-length budgets which do not correspond to the District's fiscal year. Each annual budget is presented on the modified accrual basis of accounting which is consistent with generally accepted accounting principles. The budget was properly amended throughout the year by the Board of Trustees. Such amendments are before the fact and are reflected in the official minutes of the Board.

**DEWEYVILLE INDEPENDENT SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)**

**B. REQUIRED INDIVIDUAL FUND DISCLOSURES**

For the year ended August 31, 2021, expenditures exceeded appropriations as follows:

<u>Fund</u>	<u>Final Budget</u>	<u>Actual Expenditure</u>	<u>Variance</u>
<b>General Fund</b>			
41 General Administration	\$ 472,596	\$ 478,623	\$ (6,027)
51 Facilities Maintenance and Operati	880,025	882,998	(2,973)
91 Contracted Instructional Servies Between Schools	283,126	580,221	(297,095)

For the year ended August 31, 2021 no Child Nutrition Fund or Debt Service Fund functional expenditure category exceeded budget. There were no fund balances in a deficit position.

**C. DATA CONTROL CODES**

Data control codes refer to the account code structure prescribed by the Texas Education Agency, Financial Accountability System Resource Guide.

**D. HEALTH CARE**

Effective September 1, 2002, the District enrolled in the State sponsored TRS Active Care health insurance program. The District contributes to the State sponsored program \$179 per month per employee (in addition to the \$75 per month that is provided by the State of Texas). Employees, at their option, contribute for dependent coverage through payroll withholdings.

The District does not provide any post-retirement health benefits to its employees.

**E. RISK MANAGEMENT AND PARTICIPATION IN RISK POOLS**

The District is exposed to various risks of loss related to torts: theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Most of these risks are protected by insurance. There were no significant reductions in coverage in the past fiscal year.

**DEWEYVILLE INDEPENDENT SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)**

**E. RISK MANAGEMENT AND PARTICIPATION IN RISK POOLS (CONTINUED)**

The District participates in the following risk pools:

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

The Fund meets its quarterly obligations to the Texas Workforce Commission. Expenses are accrued each month until the quarterly payment has been made. Expenses can be reasonably estimated; therefore, there is no need for specific or aggregate stop loss coverage for the Unemployment Compensation pool. For the year ended August 31, 2021, the Fund anticipates that Deweyville ISD has no additional liability beyond the contractual obligation for payment of contribution.

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

During the year ended August 31, 2021, the District provided workers' compensation coverage to its employees through participation in the Deep East Texas Self Insurance Fund, a public entity risk pool, which is self-sustained through member premiums. The Fund was created and is operated under the provisions of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. All members participating in the Fund execute Interlocal Agreements that define the responsibilities of the parties. The Fund reinsures to statutory limits through commercial companies for claims in excess of \$1,000,000.

The District has no known premium liability for workers' compensation coverage in excess of the stated annual premium. However, if the assets of the Fund were to be exhausted, members would be liable for their portion of the Fund's liabilities. This would indicate that members would be contingently liable for the portion of the liability applicable to their political entity. As of the most recent audit date, the Fund had adequate assets to cover 100% of the projected liability.

During the year ended August 31, 2021, Deweyville Independent School District participated in the Risk Management Program of Regional Pool Alliance with the following coverage: vehicle liability and damages; general liability; professional liability; employment practices. The District also participated in the Property Disaster Recovery Program of Regional Pool Alliance with the following coverage: Fire, Windstorm, Vandalism, Hurricane, Flood, and all perils not otherwise excluded.

**DEWEYVILLE INDEPENDENT SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)**

**E. RISK MANAGEMENT AND PARTICIPATION IN RISK POOLS (CONTINUED)**

Regional Pool Alliance is not a public pool, but rather is an organization that assists clients with the process of obtaining insurance coverage and related services at a reduced cost through group purchasing. Deweyville Independent School District has the previously listed coverage through participation in specific insurance policies with A and A+ companies including Lloyd's of London. Specific properties, perils, and coverage amounts are listed as policy addendums.

**NOTE 3. BUDGETARY LEGAL COMPLIANCE**

The Official Budget was prepared for adoption for the General Fund, Food Service Fund and Debt Service Fund prior to August 20, 2020 and was adopted by the Board on August 31, 2020. The budget is prepared by fund, function, object, and organization. The budget is controlled at the organizational level by the appropriate department head or campus principal within Board allocations. Therefore, organizations may transfer appropriations as necessary without the approval of the Board unless the intent is to cross fund or function or increase the overall budget allocations. Control of appropriations by the Board is maintained within Fund Groups at the function code level.

The Budget is formally adopted by the Board at a duly advertised public meeting in accordance with law prior to the expenditure of funds. The approved budget is filed with the Texas Education Agency (TEA) through the Public Education Information Management System.

Should any change in the approved budget be required, budget amendment requests are presented to the Board for consideration. Amendments are requested and approved before the fact and once approved are reflected in the official minutes. During the year, the budget was properly amended in accordance with the above procedures.

**NOTE 4. DEPOSITS AND INVESTMENTS**

Under Texas state law, a bank serving as the school depository must have a bond or in lieu thereof, deposited or pledged securities with the District or an independent third party agent, an amount equal to the highest daily balance of all deposits the District may have during the term of the depository contract, less any applicable FDIC insurance.

1. Cash Deposits: At August 31, 2021, the carrying amount of the District's cash, savings and time deposits was \$1,106,918. The bank balance was \$1,183,412. During 2020 - 2021, the District's combined deposits were fully insured by federal depository insurance or securities pledged to the District and held by the depository's agent in the District's name.

DEWEYVILLE INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS  
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NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

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

The Public Funds Investment Act ("Act") requires an annual audit of investment practices. Audit procedures in this area conducted as a part of the audit of the basic financial statements disclosed that in the areas of investment 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 restricts, (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.

3. Deposit and Investment Risks:

*Interest rate risk.* In accordance with its investing policy, the District manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to one year or less.

*Credit risk.* For fiscal year 2021, the District invested in Lone Star Investment Pool. Lone Star Investment Pool is duly chartered by the State of Texas Interlocal Cooperation Act and is administered by First Public, LLC formerly the Texas Association of School Boards Financial Services. The District's investments in Lone Star Investment Pool were rated AAA by Standard & Poor's Investors Service.

*Concentration of credit risk.* The District's investment policy does not limit an investment in any one issuer. The District monitors the need to diversify investments on a regular basis.

*Custodial credit risk – deposits.* In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. As of August 31, 2021, District deposits at the local depository were insured and collateralized with pledged assets by the depository's agent.

*Custodial credit risk – investments.* For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District is not exposed to custodial risk due to the fact that investments are insured or registered, or the investments are held by the District or its agent in the District's name.

The District's investments at August 31, 2021 are shown below.

<u>Investments</u>	<u>Maturity</u>	<u>Amount</u>	<u>Rating</u>
Lone Star Investment Pool	n/a	<u>\$3,901,966</u>	AAA

**DEWEYVILLE INDEPENDENT SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)**

**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.

**Public Funds Investment Pools**

Public funds investment pools in Texas ("Pools") are established under the authority of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment Act (the "Act"), Chapter 2256 of the Texas Government Code. In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires Pools to: 1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; 2) maintain a continuous rating of no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating service; and 3) maintain the market value of its underlying investment portfolio within one half of one percent of the value of its shares.

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

Fair values of Lone Star Investment Pool are based on quoted market prices of the underlying assets as provided by the Fund Sponsor, First Public, LLC. The investments are reported by the School District at cost which approximates market value. Governmental Accounting Standards Board Statement (GASB) No. 79, "Certain External Investment Pools and Pool Participants" allows the reporting of these investments at cost due to short-term maturities.

**NOTE 5. PROPERTY TAXES**

Property taxes are considered available when collected within the current period. The District levies its taxes on October 1 in conformity with Subtitle E, Texas Property Tax Code. Taxes are due upon receipt of the tax bill and are past due and subject to interest if not paid by February 1 of the year following the October 1 levy date. The assessed value of the property tax roll on August 1, 2020, upon which the levy for the 2020 - 2021 fiscal year was based, was \$769,754,334. Taxes are delinquent if not paid by June 30. Delinquent taxes are subject to both penalty and interest charges plus 15 % delinquent collection fees for attorney costs.

**DEWEYVILLE INDEPENDENT SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 5. PROPERTY TAXES (CONTINUED)**

The tax rates assessed for the year ended August 31, 2021, to finance General Fund operations and the payment of principal and interest on general obligation long-term debt were \$0.87470 and \$0.113050 per \$100 valuation, respectively, for a total of \$0.987750 per \$100 valuation.

Current tax collections for the year ended August 31, 2021 were 90.36% of the year-end adjusted tax levy. Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. Allowances for uncollectible taxes within the General and Debt Service Funds are based on historical experience in collecting 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. As of August 31, 2021, property taxes receivable, net of estimated uncollectible taxes of \$109,906 and \$17,834, totaled \$256,447 and \$41,613 for the General and Debt Service Funds, respectively.

**NOTE 6. DUE FROM OTHER GOVERNMENTS**

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

<u>Fund</u>	<u>Local Governments</u>	<u>State Entitlement and Awards</u>	<u>Federal Entitlement and Awards</u>	<u>Total</u>
General	\$ 40,078	\$ 180,448	\$ -	\$ 220,526
Capital Projects	-	750,000	781,684	1,531,684
Special Revenue	-	14,335	67,098	81,433
Debt Service	5,852	-	-	5,852
	<u>\$ 45,930</u>	<u>\$ 944,783</u>	<u>\$ 848,782</u>	<u>\$ 1,839,495</u>

**DEWEYVILLE INDEPENDENT SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 7. CAPITAL ASSETS**

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

	Balance September 1, 2020	Additions	Retirements & Transfers	Balance August 31, 2021
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 456,153	\$ -	\$ -	\$ 456,153
Construction in progress	14,129,072	6,973,936	(21,103,008)	-
Total capital assets not being depreciated	14,585,225	6,973,936	(21,103,008)	456,153
Capital assets, being depreciated:				
Buildings and Improvements	21,341,494	-	21,103,008	42,444,502
Furniture and Equipment	1,252,281	359,231		1,611,512
Total Capital assets being depreciated	22,593,775	359,231	21,103,008	44,056,014
Less accumulated depreciation for:				
Buildings and Improvements	(7,754,114)	(568,475)	-	(8,322,589)
Furniture and Equipment	(951,180)	(85,879)		(1,037,059)
Total accumulated depreciation	(8,705,294)	(654,354)	-	(9,359,648)
Total capital assets, being depreciated, net	13,888,481	(295,123)	21,103,008	34,696,366
Governmental activities capital assets, net	\$ 28,473,706	\$ 6,678,813	\$ -	\$ 35,152,519

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

<b>Governmental activities:</b>	
11 Instruction	\$ 560,833
34 Student (Pupil) Transportation	59,142
35 Food Services	7,157
36 Extracurricular Activities	718
41 General Administration	3,281
51 Plant Maintenance and Operations	8,533
52 Security and Monitoring Services	1,732
53 Data Processing Services	12,958
Total depreciation expense - governmental activities	<u>\$ 654,354</u>



**DEWEYVILLE INDEPENDENT SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 8. DEFINED BENEFIT PENSION PLAN**

**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). TRS's defined benefit pension plan is established and administered in accordance with the Texas Constitution, Article XVI, Section 67 and Texas Government Code, Title 8, Subtitle C. The pension trust fund is a qualified pension trust under Section 401(a) of the Internal Revenue Code. The Texas Legislature establishes benefits and contribution rates within the guidelines of the Texas Constitution. The pension's Board of Trustees does not have the authority to establish or amend benefit terms.

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

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

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

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

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

**DEWEYVILLE INDEPENDENT SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 8. DEFINED BENEFIT PENSION PLAN (CONTINUED)**

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

Employee contribution rates are set in state statute, Texas Government Code 825.402. The TRS Pension Reform Bill (Senate Bill 12) of the 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

	<u>2020</u>	<u>2021</u>
Member	7.7%	7.7%
Non-Employer Contributing Entity (State)	7.5%	7.5%
Employers	7.5%	7.5%
Current Fiscal Year Employer Contributions		\$ 105,800
Current Fiscal Year Member Contributions		\$ 302,160
2019 Measurement Year NECE On-Behalf Contributions		\$ 241,652

Contributors to the plan include members, employers and the State of Texas as the only non-employer contributing entity. The State contributes to the plan in accordance with state statutes and the General Appropriations Act (GAA).

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

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

DEWEYVILLE INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS  
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NOTE 8. DEFINED BENEFIT PENSION PLAN (CONTINUED)

**Contributions (Continued)**

In addition to the employer contributions listed on the previous page, there is an additional surcharge an employer is subject to:

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

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

Valuation Date	August 31, 2019 rolled forward to August 31, 2020
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Single Discount Rate	7.25%
Long-term Expected Rate	7.25%
Municipal Bond Rate as of August 2020	2.33%**
Last year ending August 31 in Projection Period (100 Years)	2119
Inflation	2.30%
Salary Increases Including Inflation	3.05% to 9.05%
Ad hoc Post Employment Benefit Changes	None

\*\*Source for the rate is the Fixed Income Market Data/Yield Curve/Data Municipal Bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index"

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.

**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.

**DEWEYVILLE INDEPENDENT SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 8. DEFINED BENEFIT PENSION PLAN (CONTINUED)**

***Discount Rate (Continued)***

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

**Asset Allocation and Long-Term Expected Real Rate of Return**

Asset Class	FY 2020 Target Allocation% <sup>1</sup>	Long-Term Expected Arithmetic Rate of Return <sup>2</sup>	Expected Contributions to Long-Term Portfolio Return <sup>3</sup>
<b>Global Equity</b>			
U.S.A.	18.00%	3.90%	0.99%
Non-U.S. Developed	13.00%	5.10%	0.92%
Emerging Markets	9.00%	5.60%	0.83%
Private Equity	14.00%	6.70%	1.41%
<b>Stable Value</b>			
Government Bonds	16.00%	-0.70%	-0.05%
Stable Value Hedge	5.00%	1.90%	0.11%
<b>Real Return</b>			
Real Estate	15.00%	4.60%	1.01%
Energy, Natural Resources and Infrastructure	6.00%	6.00%	0.42%
<b>Risk Parity</b>			
Risk Parity	8.00%	3.00%	0.30%
<b>Leverage</b>			
Cash	2.00%	-1.50%	-0.03%
Asset Allocation Leverage	-6.00%	-1.30%	0.08%
Inflation Expectation	0.00%		2.00%
Volatility Drag <sup>3</sup>	0.00%		-0.67%
<b>Expected Return</b>	<u>100.00%</u>		<u>7.32%</u>

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

<sup>2</sup> Capital Market Assumptions come from Aon Hewitt (as of 8/31/2020)

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

**DEWEYVILLE INDEPENDENT SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
AT AND FOR THE  
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**NOTE 8. DEFINED BENEFIT PENSION PLAN (CONTINUED)**

**Discount Rate Sensitivity Analysis.** The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1% less than or 1% greater than the discount rate that was used (7.25%) in measuring the 2020 Net Pension Liability.

	1% Decrease in Discount Rate (6.25%)	Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
Deweyville's proportionate share of the net pension liability:	<u>\$ 2,130,353</u>	<u>\$ 1,381,568</u>	<u>\$ 773,197</u>

**Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension.** At August 31, 2021, Deweyville Independent School District reported a liability of \$1,381,568 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support and the total portion of the net pension liability that was associated with the District were as follows:

District's Proportionate share of the collective net pension liability	\$ 1,381,568
State's proportionate share that is associated with the District	<u>3,136,768</u>
Total	<u>\$ 4,518,336</u>

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

At August 31, 2020, the employer's proportion of the collective net pension liability was 0.0025795757% which was a decrease of 0.0003402% from its proportion measured as of August 31, 2019.

**Change 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 \$543,113 and revenue of \$377,284 for support provided by the State.

**DEWEYVILLE INDEPENDENT SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 8. DEFINED BENEFIT PENSION PLAN (CONTINUED)**

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 pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 2,523	\$ 38,556
Changes in actuarial assumptions	320,573	136,305
Difference between projected and actual investment earnings	27,968	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	46,243	287,515
Total as of August 31, 2020 measurement date	397,307	462,376
Contributions paid to TRS subsequent to the measurement date	105,800	-
<b>Total</b>	<b>\$ 503,107</b>	<b>\$ 462,376</b>

Deferred outflow of resources related to pensions resulting from contributions subsequent to the measurement date of \$105,800 will be recognized as a reduction of the net pension liability for the year ending August 31, 2022. Other amounts reported as deferred outflow and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended August 31:</u>	<u>Pension Expense Amount</u>
2022	\$ 1,714
2023	6,980
2024	7,751
2025	(31,901)
2026	(42,294)
Thereafter	(7,319)

**NOTE 9. SCHOOL DISTRICT RETIREE HEALTH PLAN**

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

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

**OPEB Plan Fiduciary Net Position.** Detail information about the TRS-Care's fiduciary net position is available in the separately-issued TRS Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained by visiting the TRS web-site at [http://www.trs.texas.gov/Pages/about\\_publications.aspx](http://www.trs.texas.gov/Pages/about_publications.aspx); by writing to the Communications Department of the Teacher Retirement System of Texas at 1000 Red River Street, Austin, Texas 78701-2698; or by calling the TRS Communications Department at 1 (512) 542-6592.

DEWEYVILLE INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS  
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NOTE 9. SCHOOL DISTRICT RETIREE HEALTH PLAN(CONTINUED)

**Benefits Provided.** TRS provides a health insurance coverage to retirees from public schools 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 dependents may enroll in the TRS-Care Medicare Advantage medical plan and the TRS-Care Medicare Rx prescription drug plan. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in the TRS pension system. There are no automatic post-employment benefit changes; including automatic COLAs.

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

TRS-Care Monthly Premium Rates

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

*\*or surviving spouse*

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

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

**DEWEYVILLE INDEPENDENT SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 9. SCHOOL DISTRICT RETIREE HEALTH PLAN (CONTINUED)**

***Contributions (Continued)***

	<u>Contribution Rates</u>	
	<u>2020</u>	<u>2021</u>
Member	0.65%	0.65%
Non-Employer Contributing Entity (State)	1.25%	1.25%
Employers	0.75%	0.75%
Federal/Private Funding Remitted by Employers	1.25%	1.25%
Current Fiscal Year Employer Contributions		\$ 31,940
Current Fiscal Year Member Contributions		\$ 25,508
2020 Measurement Year NECE On-Behalf Contributions		\$ 40,217

In addition to the employer contributions listed above, there is an additional surcharge all TRS employers are subject to (regardless of whether or not they participate in the TRS Care OPEB program). When 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.

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

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

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

The active mortality rates were based on 90% 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).



**DEWEYVILLE INDEPENDENT SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 9. SCHOOL DISTRICT RETIREE HEALTH PLAN (CONTINUED)**

***Actuarial Assumptions (Continued)***

**Additional Actuarial Methods and Assumptions:**

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

***Discount rate.*** A single discount rate of 2.33% was used to measure the total OPEB liability. There was a decrease of 0.30% 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.

***Discount Rate Sensitivity Analysis:*** The following schedule shows the impact of the Net OPEB Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used 2.33% in measuring the Net OPEB Liability.

	1% Decrease in Discount Rate (1.33%)	Discount Rate (2.33%)	1% Increase in Discount Rate (3.33%)
Deweyville's proportionate share of the Net OPEB liability:	<u>\$ 1,796,257</u>	<u>\$ 1,496,884</u>	<u>\$ 1,260,422</u>

**DEWEYVILLE INDEPENDENT SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 9. SCHOOL DISTRICT RETIREE HEALTH PLAN (CONTINUED)**

***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 \$1,496,884 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	\$ 1,496,884
State's proportionate share that is associated with the District	<u>2,011,453</u>
Total	<u>\$ 3,508,337</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 the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2019 thru August 31, 2020.

At August 31, 2020 the employer's proportion of the collective Net OPEB Liability was 0.0039376643% which was a decrease of 0.0001073% from its proportion measured as of August 31, 2019.

The following schedule shows the impact of the NET OPEB liability if a healthcare trend rate that is 1% less than and 1% greater than the health trend rates is used.

	<u>1% Decrease</u>	<u>Current Single Healthcare Trend Rate</u>	<u>1% Increase</u>
Deweyville's proportionate share of the Net OPEB liability:	<u>\$ 1,222,762</u>	<u>\$ 1,496,884</u>	<u>\$ 1,861,975</u>

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

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

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

**DEWEYVILLE INDEPENDENT SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 9. SCHOOL DISTRICT RETIREE HEALTH PLAN (CONTINUED)**

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

For the year ended August 31, 2021, the District recognized OPEB expense of \$155,573 and revenue of \$13,967 for support provided by the State.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual actuarial experience	\$ 78,376	\$ 685,051
Changes in actuarial assumptions	92,327	411,052
Difference between projected and actual investment earnings	486	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	6	762,213
Total as of August 31, 2020 measurement date	171,195	1,858,316
Contributions paid to TRS subsequent to the measurement date	31,940	-
Total	<u>\$ 203,135</u>	<u>\$ 1,858,316</u>

Deferred outflow of resources related to OPEB resulting from contributions subsequent to the measurement date of \$31,940 will be recognized as a reduction of the net OPEB liability for the year ending August 31, 2022. Other amounts reported as deferred outflow and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended August 31:</u>	<u>OPEB Expense Amount</u>
2022	\$ (274,713)
2023	(274,778)
2024	(274,815)
2025	(274,807)
2026	(234,824)
Thereafter	(353,184)

***Medicare Part D On-Behalf Payments.*** The Medicare Prescription Drug Act of 2003, which became effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. These on-behalf payments for Deweyville Independent School District for the years August 31, 2021, 2018 and 2016 were \$17,770, \$16,098, and \$13,801, respectively.

The Early Retiree Reinsurance Program (ERRP) is a provision of the Patient Protection and Affordable Care Act (PPACA) and provides reimbursement for a portion of the cost of health care benefits to retirees between the ages of 55 – 64 and their covered dependents. TRS-Care did not participate in this program for the year ended August 31, 2021.

**DEWEYVILLE INDEPENDENT SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 9. SCHOOL DISTRICT RETIREE HEALTH PLAN (CONTINUED)**

***Medicare Part D On-Behalf Payments. (Continued)***

During the fiscal year ended August 31, 2021, the District paid \$-0- for previously retired public school employees for whom the District had a TRS-Care Premium payment responsibility.

**NOTE 10. LONG TERM LIABILITIES**

The District's long-term liabilities consist of general obligation bonds to provide funds for the construction of major capital facilities and maintenance tax notes. General obligation bonds and maintenance tax notes are direct obligations and pledge the full faith and credit of the District. The current requirements for principal and interest expenditures for general obligation bonds are accounted for in the Debt Service Fund. The current requirements for maintenance tax notes are accounted for in the General Fund.

**Changes in long-term liabilities**

Long-term liability activity for the year ended August 31, 2021 was as follows:

Series	Interest Rate Payable	Amounts Original Issue	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
2019 Maintenance tax note	3.40%	1,426,000	1,372,000	-	(1,372,000)	-	\$ -
2019 Unlimited Tax refunding bond	3-4%	5,285,000	4,670,000	-	(620,000)	4,050,000	635,000
Premium		571,844	462,513	-	(103,973)	358,540	92,433
2020 Maintenance tax note	3.25%	5,000,000	5,000,000	-	(5,000,000)	-	-
2021 Unlimited Tax refunding bond	2-3%	6,410,000	-	6,410,000	-	6,410,000	-
Premium		783,430	-	783,430	-	783,430	76,808
Total bond and contractual obligation payable			11,504,513	7,193,430	(7,095,973)	11,601,970	804,241
Public Property Finance Contract			-	270,650	(270,650)	-	-
			<u>\$ 11,504,513</u>	<u>\$ 7,464,080</u>	<u>\$ (7,366,623)</u>	<u>\$ 11,601,970</u>	<u>\$ 804,241</u>

On July 23, 2021, the District Issued \$6,410,000 2021 Unlimited Tax School Building & Refunding Bonds, Series 2021. Bond proceeds were used to call \$1,372,000 2019 Maintenance Tax Notes and the \$5,000,000 2020 Maintenance Tax Note and to pay off the \$270,650 Public Property Finance Contract.

**DEWEYVILLE INDEPENDENT SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 10. LONG TERM LIABILITIES (CONTINUED)**

Annual debt service requirements to maturity for general obligation bonds and maintenance tax notes are as follows:

Year Ended August 31,	General Obligation Debt		
	Principal	Interest	Total Requirements
2022	\$ 635,000	\$ 334,588	\$ 969,588
2023	665,000	304,850	969,850
2024	690,000	284,900	974,900
2025	715,000	257,300	972,300
2026	675,000	228,700	903,700
2027-2031	3,720,000	804,900	4,524,900
2032-2035	3,360,000	255,750	3,615,750
	<u>\$ 10,460,000</u>	<u>\$ 2,470,988</u>	<u>\$ 12,930,988</u>

**DEWEYVILLE INDEPENDENT SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
AT AND FOR THE  
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**NOTE 11. LEASE OBLIGATIONS**

**A. Operating Leases**

During the year ended August 31, 2019, the District entered into a 63-month lease for copiers for a monthly amount of \$1,810. During the year ended August 31, 2020, the District entered into a 63-month lease for postage equipment for a monthly amount of \$213. The following is a schedule of minimum lease payments under non-cancelable operating leases as of August 31, 2021.

Year Ending August 31,	General Fund Activities
2022	\$ 27,104
2023	27,104
2024	27,104
2025	2,556
2026	639
After 2026	-
Total	<u>\$ 84,507</u>

For the year ended August 31, 2021, lease expenditures were \$27,104.

**NOTE 12. REVENUES FROM LOCAL AND INTERMEDIATE SOURCES**

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

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
Property Taxes	\$5,105,745	\$ -	\$ 662,870	\$ -	\$5,768,615
Athletic Receipts	12,222	-	-	-	12,222
Food Service Receipts	-	12,688	-	-	12,688
Investment Income	5,513	-	218	146	5,877
Penalties, interest and other tax related income	58,648	-	8,850	-	67,498
Co-curricular student activities	-	89,770	-	-	89,770
Other	76,711	-	-	-	76,711
Total	<u>\$5,258,839</u>	<u>\$102,458</u>	<u>\$ 671,938</u>	<u>\$ 146</u>	<u>\$6,033,381</u>

**DEWEYVILLE INDEPENDENT SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 13. UNEARNED REVENUE**

Unearned revenue at year-end consisted of the following:

	General Fund	Special Revenue Fund	Debt Service Fund	Total
Food Service Advance Sales	\$ -	\$ 425	\$ -	\$ 425
Property Tax Refund	<u>1,084,762</u>	<u>-</u>	<u>140,199</u>	<u>1,224,961</u>
Total Unearned Revenue	<u>\$ 1,084,762</u>	<u>\$ 425</u>	<u>\$ 140,199</u>	<u>\$ 1,225,386</u>

On October 18, 2021, a taxpayer settled with the county tax appraisal district over their appraised value for the 2020 tax year. The reduction in appraised value resulted in a reduction in taxes to the District of \$1,224,961. The overpayment received by the District is shown as unearned property taxes at August 31, 2021.

**NOTE 14. LITIGATION AND CONTINGENCIES**

At various times, the District is a party to various actual and threatened legal actions. The District intends to vigorously defend these actions. No provision for any potential losses or legal expenses has been recorded in the accompanying financial statements.

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

**NOTE 15. PRIOR PERIOD ADJUSTMENT**

During the fiscal year ended August 31, 2021, the District implemented GASB Statement 84, *Fiduciary Activities*. Agency funds are now reported as Custodial funds, and the August 31, 2020 Due to Student Groups balance of \$13,783 has been recharacterized as Beginning Net Position in the Custodial fund.

## **REQUIRED SUPPLEMENTARY INFORMATION**



DEWEYVILLE ISD  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED AUGUST 31, 2021

Data Control Codes		Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
		Original	Final		
REVENUES:					
5700	Total Local and Intermediate Sources	\$ 5,981,098	\$ 6,072,394	\$ 5,258,839	\$ (813,555)
5800	State Program Revenues	856,739	781,739	1,071,902	290,163
5900	Federal Program Revenues	275,000	306,255	41,475	(264,780)
5020	Total Revenues	7,112,837	7,160,388	6,372,216	(788,172)
EXPENDITURES:					
Current:					
0011	Instruction	3,148,725	3,237,190	3,209,392	27,798
0012	Instructional Resources and Media Services	134,761	107,761	97,924	9,837
0013	Curriculum and Instructional Staff Development	90,799	93,364	91,097	2,267
0023	School Leadership	378,013	372,013	369,118	2,895
0031	Guidance, Counseling, and Evaluation Services	89,477	95,977	94,493	1,484
0033	Health Services	81,787	85,384	79,244	6,140
0034	Student (Pupil) Transportation	372,905	637,032	617,389	19,643
0035	Food Services	-	4,000	3,202	798
0036	Extracurricular Activities	353,793	338,585	316,383	22,202
0041	General Administration	379,242	472,596	478,623	(6,027)
0051	Facilities Maintenance and Operations	831,186	880,025	882,998	(2,973)
0052	Security and Monitoring Services	26,856	16,856	12,118	4,738
0053	Data Processing Services	156,697	157,053	152,544	4,509
Debt Service:					
0071	Principal on Long-Term Debt	-	6,701,660	6,642,650	59,010
0072	Interest on Long-Term Debt	105,658	236,783	213,443	23,340
0073	Bond Issuance Cost and Fees	-	193,430	193,430	-
Capital Outlay:					
0081	Facilities Acquisition and Construction	310,000	417,471	309,435	108,036
Intergovernmental:					
0091	Contracted Instructional Services Between Schools	283,126	283,126	580,221	(297,095)
0099	Other Intergovernmental Charges	369,812	359,812	353,574	6,238
6030	Total Expenditures	7,112,837	14,690,118	14,697,278	(7,160)
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(7,529,730)	(8,325,062)	(795,332)
OTHER FINANCING SOURCES (USES):					
7911	Capital Related Debt Issued	-	6,410,000	6,410,000	-
7914	Non-Current Loans	-	270,650	270,650	-
7916	Premium or Discount on Issuance of Bonds	-	783,431	783,430	(1)
8911	Transfers Out (Use)	-	(2,840,294)	(2,840,294)	-
7080	Total Other Financing Sources (Uses)	-	4,623,787	4,623,786	(1)
1200	Net Change in Fund Balances	-	(2,905,943)	(3,701,276)	(795,333)
0100	Fund Balance - September 1 (Beginning)	6,051,356	6,051,356	6,051,356	-
3000	Fund Balance - August 31 (Ending)	\$ 6,051,356	\$ 3,145,413	\$ 2,350,080	\$ (795,333)

DEWEYVILLE ISD  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
TEACHER RETIREMENT SYSTEM OF TEXAS  
FOR THE YEAR ENDED AUGUST 31, 2021

	FY 2021 Plan Year 2020	FY 2020 Plan Year 2019	FY 2019 Plan Year 2018
District's Proportion of the Net Pension Liability (Asset)	0.0025796%	0.0029197%	0.0031678%
District's Proportionate Share of Net Pension Liability (Asset)	\$ 1,381,568	\$ 1,517,766	\$ 1,743,615
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	3,136,768	2,925,322	3,170,101
Total	<u>\$ 4,518,336</u>	<u>\$ 4,443,088</u>	<u>\$ 4,913,716</u>
District's Covered Payroll	\$ 3,747,464	\$ 3,559,032	\$ 3,563,987
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	36.87%	42.65%	48.92%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.54%	75.24%	73.74%

Note: GASB Codification, Vol. 2, P20.183 requires that the information on this schedule be data from the period corresponding with the periods covered as of the measurement dates of August 31, 2020 for year 2021, August 31, 2019 for year 2020, August 31, 2018 for year 2019, August 31, 2017 for year 2018, August 31, 2016 for year 2017, August 31, 2015 for year 2016 and August 31, 2014 for year 2015.

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

FY 2018 Plan Year 2017		FY 2017 Plan Year 2016		FY 2016 Plan Year 2015		FY 2015 Plan Year 2014	
0.0036287%		0.0035803%		0.0038391%		0.0027062%	
\$	1,160,286	\$	1,352,975	\$	1,357,071	\$	722,864
2,038,028		2,759,931		2,675,366		2,375,420	
\$	3,198,314	\$	4,112,906	\$	4,032,437	\$	3,098,284
\$	3,772,323	\$	4,019,400	\$	4,063,726	\$	4,059,610
30.76%		33.66%		33.39%		17.81%	
82.17%		78.00%		78.43%		83.25%	

DEWEYVILLE ISD  
SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR PENSIONS  
TEACHER RETIREMENT SYSTEM OF TEXAS  
FOR FISCAL YEAR 2021

	2021	2020	2019
Contractually Required Contribution	\$ 105,800	\$ 106,622	\$ 102,217
Contribution in Relation to the Contractually Required Contribution	(105,800)	(106,622)	(102,217)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 3,924,168	\$ 3,747,464	\$ 3,559,032
Contributions as a Percentage of Covered Payroll	2.70%	2.85%	2.87%

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

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

2018	2017	2016	2015	
\$ 99,853	\$ 116,082	\$ 117,260	\$ 113,677	
(99,853)	(116,082)	(117,260)	(113,677)	
\$ -	\$ -	\$ -	\$ -	
\$ 3,563,987	\$ 3,772,323	\$ 4,019,400	\$ 4,063,726	
2.80%	3.08%	2.92%	2.80%	

DEWEYVILLE ISD  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY  
TEACHER RETIREMENT SYSTEM OF TEXAS  
FOR THE YEAR ENDED AUGUST 31, 2021

	FY 2021 Plan Year 2020	FY 2020 Plan Year 2019	FY 2019 Plan Year 2018	FY 2018 Plan Year 2017
District's Proportion of the Net Liability (Asset) for Other Postemployment Benefits	0.003938%	0.004045%	0.004319%	0.0057009%
District's Proportionate Share of Net OPEB Liability (Asset)	\$ 1,496,884	\$ 1,912,913	\$ 2,156,522	\$ 2,479,104
State's Proportionate Share of the Net OPEB Liability (Asset) Associated with the District	2,011,453	2,541,829	3,087,768	2,932,525
Total	<u>\$ 3,508,337</u>	<u>\$ 4,454,742</u>	<u>\$ 5,244,290</u>	<u>\$ 5,411,629</u>
District's Covered Payroll	\$ 3,747,464	\$ 3,559,032	\$ 3,563,987	\$ 3,772,323
District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	39.94%	53.75%	60.51%	65.72%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	4.99%	2.66%	1.57%	0.91%

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

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

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

	2021	2020	2019	2018
Contractually Required Contribution	\$ 31,940	\$ 29,929	\$ 28,719	\$ 29,787
Contribution in Relation to the Contractually Required Contribution	(31,940)	(29,929)	(28,719)	(29,787)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 3,924,168	\$ 3,747,464	\$ 3,559,032	\$ 3,563,987
Contributions as a Percentage of Covered Payroll	0.81%	0.80%	0.81%	0.84%

Note: GASB Codification, Vol. 2, P50.238 requires that the data in this schedule be presented as of the District's respective fiscal years as opposed to the time periods covered by the measurement dates ending August 31 of the preceding year.

Information in this schedule should be provided only for the years where data is available. Eventually 10 years of data should be presented.

## **REQUIRED TEA SCHEDULES**



DEWEYVILLE ISD  
SCHEDULE OF DELINQUENT TAXES RECEIVABLE  
FISCAL YEAR ENDED AUGUST 31, 2021

Last 10 Years Ended August 31	(1)	(2)	(3)
	Tax Rates		Assessed/Appraised Value for School Tax Purposes
	Maintenance	Debt Service	
2012 and prior years	Various	Various	\$ Various
2013	1.040000	0.173200	521,704,336
2014	1.040000	0.202500	561,460,765
2015	1.040000	0.205700	554,190,415
2016	1.040000	0.205700	535,762,629
2017	1.040000	0.155000	561,051,554
2018	1.040000	0.155828	556,838,169
2019	1.040000	0.150824	571,557,924
2020	0.970000	0.139507	602,833,236
2021 (School year under audit)	0.874700	0.113050	704,301,392
1000 TOTALS			

(10) Beginning Balance 9/1/2020	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 8/31/2021
\$ 100,666	\$ -	\$ 1,773	\$ 400	\$ (8,297)	\$ 90,196
17,875	-	2,109	351	-	15,415
39,822	-	14,343	2,793	-	22,686
30,903	-	2,675	529	(1,077)	26,622
38,819	-	4,598	910	823	34,134
43,636	-	7,007	1,044	744	36,329
43,966	-	8,609	1,290	696	34,763
56,884	-	19,655	2,850	2,204	36,583
108,752	-	45,816	6,589	(4,847)	51,500
-	6,956,737	4,999,160	646,114	(1,233,891)	77,572
<u>\$ 481,323</u>	<u>\$ 6,956,737</u>	<u>\$ 5,105,745</u>	<u>\$ 662,870</u>	<u>\$ (1,243,645)</u>	<u>\$ 425,800</u>

DEWEYVILLE ISD  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - CHILD NUTRITION PROGRAM  
FOR THE YEAR ENDED AUGUST 31, 2021

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 12,800	\$ 12,800	\$ 12,688	\$ (112)
5800 State Program Revenues	1,500	1,500	1,846	346
5900 Federal Program Revenues	308,051	308,051	329,625	21,574
5020 Total Revenues	322,351	322,351	344,159	21,808
EXPENDITURES:				
Current:				
0035 Food Services	322,351	322,351	238,503	83,848
6030 Total Expenditures	322,351	322,351	238,503	83,848
1200 Net Change in Fund Balances	-	-	105,656	105,656
0100 Fund Balance - September 1 (Beginning)	263,773	236,773	236,773	-
3000 Fund Balance - August 31 (Ending)	\$ 263,773	\$ 236,773	\$ 342,429	\$ 105,656

DEWEYVILLE ISD  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - DEBT SERVICE FUND  
FOR THE YEAR ENDED AUGUST 31, 2021

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 788,600	\$ 788,600	\$ 671,938	\$ (116,662)
5800 State Program Revenues	-	-	7,203	7,203
5020 Total Revenues	788,600	788,600	679,141	(109,459)
EXPENDITURES:				
Debt Service:				
0071 Principal on Long-Term Debt	620,000	620,000	620,000	-
0072 Interest on Long-Term Debt	167,600	167,600	167,600	-
0073 Bond Issuance Cost and Fees	1,000	1,000	500	500
6030 Total Expenditures	788,600	788,600	788,100	500
1200 Net Change in Fund Balances	-	-	(108,959)	(108,959)
0100 Fund Balance - September 1 (Beginning)	682,576	682,576	682,576	-
3000 Fund Balance - August 31 (Ending)	\$ 682,576	\$ 682,576	\$ 573,617	\$ (108,959)

**FEDERAL AWARDS SECTION**

J. Pat O'Neill, III, CPA  
Michael W. Kiefer, CPA  
Troy W. Domingue, CPA



Stanley (Chip) Majors, Jr., CPA.CITP, CGMA  
Jane P. Burns, CPA, CDFA  
Jeremy R. Triska, CPA

January 17, 2022

## INDEPENDENT AUDITOR'S REPORT

### 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  
Deweyville Independent School District  
Deweyville, Texas

Members of the Board:

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 Deweyville Independent School District as of and for the year ended August 31, 2021, and the related notes to the financial statements, which collectively comprise the basic financial statements of Deweyville Independent School District and have issued our report thereon dated January 17, 2022.

#### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Deweyville 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 Deweyville Independent School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Deweyville 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 Deweyville 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 Deweyville Independent School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

***Wathen, DeShong & Juncker, L.L.P.***

**WATHEN, DeSHONG & JUNCKER, L.L.P.**  
Certified Public Accountants

J. Pat O'Neill, III, CPA  
Michael W. Kiefer, CPA  
Troy W. Domingue, CPA



Stanley (Chip) Majors, Jr., CPA, CITP, CGMA  
Jane P. Burns, CPA, CDFA  
Jeremy R. Triska, CPA

January 17, 2022

## INDEPENDENT AUDITOR'S REPORT

### REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Trustees  
Deweyville Independent School District  
Deweyville, Texas

Members of the Board:

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

We have audited Deweyville Independent School District's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2021. The District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Responses.

#### **Management's Responsibility**

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

#### **Auditor's Responsibility**

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

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



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

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

### **Report of Internal Control Over Compliance**

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

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

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

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

*Wathen, DeShong & Juncker, L.L.P.*

**WATHEN, DeSHONG & JUNCKER, L.L.P.**  
Certified Public Accountants

DEWEYVILLE INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED AUGUST 31, 2021

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

- Material weakness identified? \_\_\_\_\_ yes ☒ no
- Significant deficiency identified? \_\_\_\_\_ yes ☒ none reported

Noncompliance material to financial statements noted? \_\_\_\_\_ yes ☒ no

Federal Awards

Internal control over major programs:

- Material weakness identified? \_\_\_\_\_ yes ☒ no
- Significant deficiency identified? \_\_\_\_\_ yes ☒ none reported

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

Any audit findings disclosed that are required to  
be reported in accordance with Uniform Guidance? \_\_\_\_\_ yes ☒ no

Identification of major programs:

CFDA Numbers	Name of Federal Program or Cluster
97.036	Disaster Grants

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

Auditee qualified as low-risk auditee? ☒ yes \_\_\_\_\_ no

**DEWEYVILLE INDEPENDENT SCHOOL DISTRICT**

**SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED AUGUST 31, 2021  
(CONTINUED)**

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**Section II – Financial Statement Findings and Responses**

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-- NONE NOTED --

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**Section III – Federal Award Findings and Responses**

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-- NONE NOTED --

DEWEYVILLE ISD  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED AUGUST 31, 2021

(1) FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	(2) Federal Assistance Listing No.	(3) Pass-Through Entity Identifying Number	(4) Federal Expenditures
<b>DEPARTMENT OF THE TREASURY</b>			
<u>Passed Through Newton County</u>			
Coronavirus Relief Fund	21.019		\$ 6,000
Total Passed Through Newton County			6,000
<b>TOTAL DEPARTMENT OF THE TREASURY</b>			6,000
<b>DEPARTMENT OF HOMELAND SECURITY FEMA</b>			
<u>Passed Through Texas Dept. of Public Safety (TDEM)</u>			
Public Assist. Grant, 4266, Severe Storms&Flooding	97.036	PA-06-TX-4266	923,608
Total Passed Through Texas Dept. of Public Safety (TDEM)			923,608
<b>TOTAL DEPARTMENT OF HOMELAND SECURITY FEMA</b>			923,608
<b>U.S. DEPARTMENT OF EDUCATION</b>			
<u>Direct Programs</u>			
Small, Rural School Achievement Program	84.358A	S358A201087	34,132
Total Direct Programs			34,132
<u>Passed Through State Department of Education</u>			
ESEA, Title I, Part A - Improving Basic Programs	84.010A	20610101176903	13,473
ESEA, Title I, Part A - Improving Basic Programs	84.010A	21610101176903	124,428
Total Assistance Listing Number 84.010A			137,901
*IDEA - Part B, Formula	84.027A	206600011769036000	74,849
*IDEA - Part B, Formula	84.027A	216600011769036000	120,190
Total Assistance Listing Number 84.027A			195,039
*IDEA - Part B, Preschool	84.173A	206610011769036000	800
*IDEA - Part B, Preschool	84.173A	216610011769036000	6,472
Total Assistance Listing Number 84.173A			7,272
Total Special Education Cluster (IDEA)			202,311
ESEA, Title II, Part A, Supporting Effective Instr	84.367A	20694501176903	11,043
ESEA, Title II, Part A, Supporting Effective Instr	84.367A	21694501176903	9,383
Total Assistance Listing Number 84.367A			20,426
Title IV, Part A, Subpart 1	84.424A	21680101176903	10,000
Instructional Continuity	84.377A	17610740176903	4,845
Elementary & Secondary School Emergency Relief Fd	84.425D	20521001176903	83,797
CRF Operation Connectivity Prior Purch Reimb Prog	84.425D	52102135	96,658
Total Assistance Listing Number 84.425			180,455
Total Passed Through State Department of Education			555,938
<b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>			590,070
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
<u>Passed Through the State Department of Agriculture</u>			
*School Breakfast Program	10.553	714020	80,531
*National School Lunch Program - Cash Assistance	10.555	713020	183,087

See Accompanying Notes to the Schedule of Expenditures of Federal Awards

DEWEYVILLE ISD  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED AUGUST 31, 2021

(1) FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	(2) Federal Assistance Listing No.	(3) Pass-Through Entity Identifying Number	(4) Federal Expenditures
*Emergency Operational Cost Reimb Program	10.555	176903	40,166
Total Assistance Listing Number 10.555			223,253
Total Child Nutrition Cluster			303,784
Commodity Supplemental Program	10.565	084-902	23,989
State Administrative Expense	10.560	084-902	1,852
Total Passed Through the State Department of Agriculture			329,625
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>			329,625
<b>U.S. DEPARTMENT OF HOUSING &amp; URBAN DEVELOPMENT</b>			
<u>Passed Through the Texas General Land Office CDBG</u>			
Disaster Recovery Program Infrastructure Projects	14.228	19-076-032-B389	750,000
Total Passed Through the Texas General Land Office CDBG			750,000
<b>TOTAL U.S. DEPARTMENT OF HOUSING &amp; URBAN DEVELOPMENT</b>			750,000
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			\$ 2,599,303

\*Clustered Programs

## DEWEYVILLE INDEPENDENT SCHOOL DISTRICT

### NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED AUGUST 31, 2021

1. The accompanying Schedule Of Expenditures Of Federal Awards (Schedule) includes the federal grant activity of Deweyville Independent School District (the District) under programs of the Federal government for the year ended August 31, 2021. The information in this Schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position or cash flows of the District.
2. Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. The information in this Schedule is presented in accordance with the requirements of Office of Management and Budget (OMB) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of the general purpose financial statements.
3. The District utilizes the fund types specified in the Texas Education Agency's Financial Accountability System Resource Guide. Special Revenue Funds are used to account for resources restricted to, or designated for, specific purposes by a grantor. Federal and state financial assistance generally is accounted for in a Special Revenue Fund. Generally, unused balances are returned to the grantor at the close of specified project periods.
4. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Governmental Fund types are accounted for using a current financial resources measurement focus. All federal grant funds were accounted for in the Special Revenue Fund, a component of the Governmental Fund type. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used for the Governmental Fund Types and Agency Funds. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual, i.e., both measurable and available, and expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on General Long-Term Debt, which is recognized when due, and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Federal grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant, and, accordingly, when such funds are received, they are recorded as unearned revenues until earned.

5. The period of availability for federal grant funds for the purpose of liquidation of outstanding obligations made on or before the ending date of the federal project period extended 90 days beyond the federal project period ending date or as specified in a program regulation, in accordance with provisions in Office of Management and Budget (OMB) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* - Section 200.343 Closeout.
6. Deweyville Independent School District does not record indirect costs for any of its Federal Programs.
7. A reconciliation of Federal Revenue reported on Exhibit C-3 to Federal Revenue reported on the Schedule of Expenditures of Federal Awards (Exhibit K-1) follows:

Federal Revenue Reported on Exhibit K-1	\$ 2,599,303
SHARS Medicaid Revenue	<u>35,475</u>
Federal Revenue Reported on Exhibit C-3	<u>\$ 2,634,778</u>

# SCHOOLS FIRST QUESTIONNAIRE

DISD

Fiscal Year 2021

SF1	Was there an unmodified opinion in the Annual Financial Report on the financial statements as a whole?	Yes
SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement?	No
SF3	Did the school district make timely payments to the Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies? (If there was a warrant hold not cleared in 30 days, then not timely.)	Yes
SF4	Was the school district issued a warrant hold? (Yes even if cleared within 30 days.)	No
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state or federal funds?	No
SF6	Was there any disclosure in the Annual Financial Report of material noncompliance for grants, contracts, and laws related to local, state, or federal funds?	No
SF7	Did the school district post the required financial information on its website in accordance with Government Code, Local Government Code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules in effect at the fiscal year end?	Yes
SF8	Did the school board members discuss the school district's property values at a board meeting within 120 days before the school district adopted its budget?	Yes
SF9	Total accumulated accretion on CABs included in government-wide financial statements at fiscal year end.	0