
**YSLETA
INDEPENDENT SCHOOL DISTRICT**

**ANNUAL FINANCIAL AND
COMPLIANCE REPORT**

For the Year Ended June 30, 2021



CPAs and Professional Consultants

**YSLETA INDEPENDENT
SCHOOL DISTRICT**

**ANNUAL FINANCIAL AND
COMPLIANCE REPORT**

For the Year Ended June 30, 2021

YSLETA INDEPENDENT SCHOOL DISTRICT

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INTRODUCTORY SECTION



THE DISTRICT
YSLETA INDEPENDENT SCHOOL DISTRICT

CERTIFICATE OF BOARD

Ysleta Independent School District

Name of School District

El Paso County

County

071-905

Co. - Dist. No.

We, the undersigned, certify that the attached annual financial reports of the above named school district were reviewed and approved for the fiscal year June 30, 2021, at a meeting of the Board of Trustees of such school district on November 3, 2021.

President of the Board

Vice President of the Board





THE DISTRICT
YSLETA INDEPENDENT SCHOOL DISTRICT



Ysleta Independent School District

9600 Sims Drive • El Paso, Texas 79925 • 915-434-0050

THE DISTRICT

CHIEF FINANCIAL and OPERATIONAL OFFICER

November 3, 2021

Members of the Board of Trustees
Ysleta Independent School District
9600 Sims Drive
El Paso, Texas 79925

Ladies and Gentlemen:

The Annual Financial Report for the Ysleta Independent School District (the District) as of and for the fiscal year ended June 30, 2021, is submitted herewith. The responsibility for both the accuracy of the data and the completeness of the presentation, including all disclosures, rests with the management of the District.

This report was prepared by the Finance Department and to the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner to present fairly the financial position and results of operations of the various funds of the District. Readers of this report are encouraged to consider the information presented here in conjunction with additional information presented in management's discussion and analysis found on pages 5-13 of this report. All disclosures necessary to enable the reader to gain an understanding of the financial activities for the fiscal year ended June 30, 2021 have been included.

This report is comprised of three major categories:

Introductory Section

This section contains this letter of transmittal that summarizes fiscal information.

Financial Section

This section contains the Independent Auditor's Report, Management Discussion and Analysis, the Basic Financial Statements, Notes to the Basic Financial Statements and Supplemental Information, which includes financial statements by fund type. The Basic Financial Statements, together with the independent auditor's report, Management Discussion and Analysis and the Notes to the Financial Statements are designed to provide a financial overview; the Supplemental Information provides more detailed financial information on a fund-by-fund basis.

Single Audit Section

This section is presented in conformity with the provision of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

Financial Management

District management is responsible for establishing and maintaining internal controls designed to ensure the assets of the District are protected from loss, theft, misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal controls are designed to provide reasonable, but not absolute assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Single Audit - As a recipient of federal and state financial assistance, the District also is responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws and regulations related to these programs. These internal controls are subject to periodic evaluation by District management.

As part of the District's single audit, tests are made to determine the adequacy of internal controls, including that portion related to federal award programs, as well as to determine that the government has complied with applicable laws, regulations, contracts, and grants. The results of the District's single audit for the fiscal year ended June 30, 2021 provided no instances of material weaknesses or significant deficiencies in internal controls or material violations of applicable laws, regulations, contracts, and grants.

Budget Control - The District maintains numerous budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget adopted by the Board of Trustees.

Activities of all funds are included in this report. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by fund. The District also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts lapse at year-end and are generally re-established in the following year as an obligation against that year's appropriated budget.

Accounting Policies - Detailed descriptions of the District's accounting policies are contained in the Notes to the Basic Financial Statements on pages 33-66, and they are an integral part of this report. These policies describe the basis of accounting, funds and accounts used, valuation policies for inventories and investments and other significant accounting information.

Independent Audit - The accounting firm of Whitley Penn LLP was appointed by the Board of Trustees to perform the June 30, 2021 fiscal year audit. The Independent auditor's report on the Basic Financial Statements is included in the financial section of this report. The auditor's reports related to the single audit are included in the Federal Awards Section.

Acknowledgement - We would like to express our appreciation to the District's independent auditors, Whitley Penn, for the professional manner in which they have accomplished this audit. We would also like to thank Superintendent, Dr. Xavier De La Torre and the Board of Trustees for their interest and support in planning and conducting the financial operations of the Ysleta Independent School District in a responsible and professional manner.

Respectfully submitted,

A handwritten signature in black ink, reading "Lynly G. Leeper". The signature is written in a cursive, flowing style.

Lynly Leeper, CPA
Chief Financial and Operational Officer

**YSLETA INDEPENDENT SCHOOL DISTRICT
OFFICIALS DIRECTORY**

BOARD OF TRUSTEES

Cruz A. Ochoa
President

Carlos Bustillos
Vice President

Kathryn R. Lucero
Secretary

Shane Haggerty
Member

Sotero G. Ramirez III
Member

Mike Rosales
Member

Connie Woodruff
Member

ADMINISTRATION

Dr. Xavier De La Torre
Superintendent

Lynly Leeper, CPA
Chief Financial and Operational Officer

Bobbi Russell-Garcia
Chief Human Capital Management
Officer

Dr. Brenda Chacon
Chief Academic Officer

Susan Austin
Chief Counsel



THE DISTRICT

YSLETA INDEPENDENT SCHOOL DISTRICT

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Ysleta Independent School District
El Paso, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Ysleta Independent School District (the "District") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant 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 in the first paragraph present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2021 and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension information and other post-employment benefit information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining nonmajor fund financial statements, and required Texas Education Agency schedules, as 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 is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 2, 2021, on our consideration of the 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 the 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 the District's internal control over financial reporting and compliance.



Houston, Texas
November 2, 2021

YSLETA INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Ysleta Independent School District (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the year ended June 30, 2021.

Financial Highlights

- The liabilities and deferred inflows of resources of the District exceeded assets and deferred outflows of resources at June 30, 2021 by \$57,601,528 (*net deficit*). This deficit was caused by the net pension and net OPEB liabilities recognized in fiscal year 2021. The recognition of such liabilities does not affect the financial stability of the District nor does it change how the District conducts its financial decision-making. Rather, the District is reflecting its portion of the liabilities that the State of Texas manages and operates. The District's total net position decreased by \$15,652,017 from the prior year.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$401,671,666, a decrease of \$70,392,699 in comparison with the prior year. This decrease is primarily due to increases in construction on bond projects and expenditures related to COVID-19.
- As of the close of the current fiscal year, unassigned fund balance for the General Fund is \$78,911,554 or 20% of total General Fund expenditures.
- The District's total bonded debt increased by \$32,892,361 (4%) during the current fiscal year.

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 are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements

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

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

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

The *Government-wide financial statements* of the District are principally supported by taxes and intergovernmental revenues (*governmental activities*).

The governmental activities of the District include Instruction, Instructional Resources and Media Services, Curriculum and Instructional Staff Development, Instructional Leadership, School Leadership, Guidance, Counseling, and Evaluation Services, Social Work Services, Health Services, Student Transportation, Food Services, Extracurricular Activities, General Administration, Facilities Maintenance and Operations, Security and Monitoring Services, Data Processing Services, Community Services, Interest on Long-term Debt, Debt Issuance Costs and Fees, Facilities Repairs and Maintenance, Payments to Fiscal Agent/Member Districts of SSA, and Other Intergovernmental Charges.

YSLETA INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Fund Financial Statements

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

Governmental Funds

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

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

The District maintains thirty-one (31) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Debt Service Fund, and the Capital Projects Fund, all of which are considered to be major funds. Data from the other non-major governmental funds is combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in the financial statements. The District adopts an annual appropriated budget for its General Fund, Debt Service Fund, and the Child Nutrition Program Fund.

Proprietary Funds

The District maintains individual internal service funds for Health Insurance, Workers' Compensation, Speech Therapy, and Print Shop Services. *Internal service funds*, one type of proprietary fund, are an accounting device used to accumulate and allocate costs internally among the District's various funds and functions. Because these services predominantly benefit governmental functions, they have been included within *governmental activities* in the government-wide financial statements.

The District maintains enterprise funds for: Teachers Network Technology, Regional Wrestling Meet, Employee Day Care Collaborative, Oasis Program, and District Events. *Enterprise funds*, a second type of proprietary fund, are used to report on other activity for which a fee is charged to external users for goods or services. Enterprise funds are included within the *business-type activities* in the government-wide financial statements.

Proprietary fund statements provide the same type of information as the government-wide financial statements, only in more detail.

Fiduciary Funds

The fiduciary funds are used to account for resources held for the benefit of students and employees. The District's *custodial funds* are used to account for resources held in a custodial capacity by the District and consist of funds that are the property of students or others. The fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the District's own programs.

YSLETA INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information that further explains and supports the information in the financial statements. The required supplementary information relates to comparison of the original adopted budget, the final amended budget, and the actual amounts for the fiscal year. A budgetary comparison schedule is required supplementary information for the General Fund and any major special revenue funds. The District did not have any major special revenue funds; therefore, only the General Fund is presented as required supplementary information. In addition, required supplementary information includes a schedule of the District's proportionate share of the Net Pension Liability – TRS for the last seven Measurement Years and a schedule of District contributions - TRS for the past nine fiscal years. Similar information is reported for OPEB contributions and the Net OPEB liability.

Other Information

The combining fund statements and required TEA schedules are presented immediately following the required supplementary information.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a District's financial position. In the case of the District, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$57,601,528 at the close of the most recent fiscal year, this deficit was caused by the implementation of GASB No. 75 in a previous fiscal year.

The largest portion of the District's net position (\$171,842,856) reflects its investment in capital assets (e.g., land, buildings and improvements, furniture and equipment, construction in progress), less any outstanding related debt used to acquire those assets. The District uses these capital assets to provide services to students; consequently, these assets are *not* available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

YSLETA INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

As of June 30, 2021 and 2020, the District's net position included the following:

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 451,253,779	\$ 533,864,810	\$ 75,233	\$ 86,085	\$ 451,329,012	\$ 533,950,895
Capital assets, net of depreciation and noncurrent assets	742,886,889	705,186,465	-	-	742,886,889	705,186,465
Total Assets	1,194,140,668	1,239,051,275	75,233	86,085	1,194,215,901	1,239,137,360
Deferred outflow of resources	87,878,590	84,797,944	-	-	87,878,590	84,797,944
Total Deferred Outflows of Resources	87,878,590	84,797,944	-	-	87,878,590	84,797,944
Current liabilities	56,534,854	65,989,356	1,616	11,275	56,536,470	66,000,631
Long term liabilities	1,156,093,400	1,199,927,750	-	-	1,156,093,400	1,199,927,750
Total Liabilities	1,212,628,254	1,265,917,106	1,616	11,275	1,212,629,870	1,265,928,381
Deferred inflow of resources	127,066,149	99,956,434	-	-	127,066,149	99,956,434
Total Deferred Inflows of Resources	127,066,149	99,956,434	-	-	127,066,149	99,956,434
Net Position:						
Net investment in capital assets	171,842,856	138,509,434	-	-	171,842,856	138,509,434
Restricted	46,936,318	46,960,333	-	-	46,936,318	46,960,333
Unrestricted	(276,454,319)	(227,494,088)	73,617	74,810	(276,380,702)	(227,419,278)
Total Net Position	\$ (57,675,145)	\$ (42,024,321)	\$ 73,617	\$ 74,810	\$ (57,601,528)	\$ (41,949,511)

Net position is restricted for various purposes as follows:

	Governmental Activities	
	2021	2020
Federal and state programs	\$ 2,202,590	\$ 2,213,880
Debt service	44,733,728	44,746,453
	\$ 46,936,318	\$ 46,960,333

The balance of unrestricted net position may be used to meet the District's ongoing obligations to students and creditors. At the end of the current fiscal year, the District reports a deficit balance in unrestricted net position of \$276,380,702 caused by the net pension and net OPEB liabilities.

YSLETA INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Comparative Schedule of Changes in Net Position for the Years Ended June 30, 2021 and 2020

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Program Revenues						
Charges for services	\$ 1,442,026	\$ 2,893,674	\$ 31,702	\$ 138,112	\$ 1,473,728	\$ 3,031,786
Operating grants and contributions	115,652,914	127,463,030	-	-	115,652,914	127,463,030
General Revenues						
Property taxes	105,255,734	95,288,181	-	-	105,255,734	95,288,181
State Aid - Formula Grants	298,972,705	297,122,725	-	-	298,972,705	297,122,725
Investment earnings	1,374,480	5,410,288	-	-	1,374,480	5,410,288
Other	856,027	2,253,281	-	-	856,027	2,253,281
Total Revenues	523,553,886	530,431,179	31,702	138,112	523,585,588	530,569,291
Expenses						
Instruction	295,877,849	302,307,936	-	-	295,877,849	302,307,936
Instructional resources and media services	6,489,670	6,512,623	-	-	6,489,670	6,512,623
Curriculum and staff development	6,743,597	8,013,203	-	-	6,743,597	8,013,203
Instructional leadership	7,379,314	7,729,393	-	-	7,379,314	7,729,393
School leadership	30,110,620	32,217,845	-	-	30,110,620	32,217,845
Guidance, counseling, and evaluation services	17,198,464	18,148,033	-	-	17,198,464	18,148,033
Social work services	2,586,573	2,852,365	-	-	2,586,573	2,852,365
Health services	5,476,740	5,738,193	-	-	5,476,740	5,738,193
Student transportation	10,599,972	11,980,139	-	-	10,599,972	11,980,139
Food service	21,389,508	27,138,423	-	-	21,389,508	27,138,423
Extracurricular activities	19,593,226	18,668,418	-	-	19,593,226	18,668,418
General administration	11,815,868	11,576,848	-	-	11,815,868	11,576,848
Facilities maintenance and operations	48,926,086	49,115,147	-	-	48,926,086	49,115,147
Security and monitoring services	6,664,100	7,139,803	-	-	6,664,100	7,139,803
Data processing services	7,293,444	7,050,067	-	-	7,293,444	7,050,067
Community services	440,092	663,233	-	-	440,092	663,233
Interest on long-term debt	26,293,974	26,440,250	-	-	26,293,974	26,440,250
Debt issuance costs and fees	1,946,475	1,979,829	-	-	1,946,475	1,979,829
Facilities repairs and maintenance	8,237,875	2,526,040	-	-	8,237,875	2,526,040
Payments to fiscal agent/member districts of SSA	2,797,696	2,793,755	-	-	2,797,696	2,793,755
Other intergovernmental charges	1,154,882	1,067,193	-	-	1,154,882	1,067,193
Enterprise Activities	-	-	221,580	195,579	221,580	195,579
Total Expenses	539,016,025	551,658,736	221,580	195,579	539,237,605	551,854,315
Excess (deficiency) before transfers	(15,462,139)	(21,227,557)	(189,878)	(57,467)	(15,652,017)	(21,285,024)
Transfers	(188,685)	(69,432)	188,685	69,432	-	-
Increase (decrease) in net position	(15,650,824)	(21,296,989)	(1,193)	11,965	(15,652,017)	(21,285,024)
Beginning Net Position	(42,024,321)	(20,727,332)	74,810	62,845	(41,949,511)	(20,664,487)
Ending Net Position	\$ (57,675,145)	\$ (42,024,321)	\$ 73,617	\$ 74,810	\$ (57,601,528)	\$ (41,949,511)

The Net Position of the District decreased by \$15.7 million for the year ended June 30, 2021. The total revenues from taxpayers, user service fees, grants and other sources for the District were \$523.6 million, a \$7.0 million decrease from fiscal year 2020 due to decreases in charges for services, operating grants and contributions, and investment earnings. Total expenses for the 2021 fiscal year were \$539.2 million or \$12.6 million less than expenses of fiscal year 2020 primarily in instruction and food service due to closure of campuses as a result of the global COVID 19 pandemic.

YSLETA INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Governmental Activities

Governmental Revenues by Type

Revenues for the District's governmental activities in fiscal year 2021 decreased by \$6.9 million compared to the fiscal year 2020 due primarily to the decrease in operating grants and contributions for food service and debt allotment from the state.

Approximately 20% percent of the District's revenues came from property taxes, with an additional 79% percent derived from state funding formulas and federal grants. Last fiscal year, 18% percent of the District's revenues came from property taxes and 80% percent came from state funding formulas and federal grants.

	Total Revenues	% of Total Revenues
Property taxes	\$ 105,255,734	20.10%
State Aid - Formula Grants	298,972,705	57.10%
Operating grants and contributions	115,652,914	22.09%
Charges for services	1,442,026	0.28%
Investment earnings	1,374,480	0.26%
Other revenue	856,027	0.16%
Total Revenues	\$ 523,553,886	100.00%

Governmental Expenses by Type

Expenses for the District's governmental activities in fiscal year 2021 decreased by \$12.6 million compared to the fiscal year 2020. About 55 percent of the District's expenses were expended for instructional activities. When combined with student and other support services such as transportation, counseling and nursing, 76 percent of the District's expenses were spent on direct student services.

	Total Expenses	% of Total Expenses
Instruction	\$ 295,877,849	54.89%
School Leadership	30,110,620	5.59%
Facilities maintenance and operations	48,926,086	9.08%
Food Service	21,389,508	3.97%
Interest on long-term debt	26,293,974	4.88%
Other expenses	116,417,988	21.60%
Total Expenses	\$ 539,016,025	100.00%

Financial Analysis of the Government's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

YSLETA INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Governmental Funds

The focus of the District's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the District's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a District's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$401,671,666, a decrease of \$70,392,699 in comparison with the prior year. The decrease in ending governmental fund balances is primarily due to the decrease in the Capital Projects Fund of \$76.1 million.

The *general fund* is the chief operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the general fund was \$78,911,554, while total fund balance reached \$108,386,051. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 20% of total general fund expenditures, while total fund balance represents 27% of that same amount. The fund balance of the District's general fund increased by \$7,800,061.

The *capital projects fund*, a major governmental fund, has a total ending fund balance of \$235,047,226, all of which is restricted for capital projects. The net decrease in this capital projects fund balance during the current year was attributable to the new and completion of construction projects during fiscal year 2021.

The *debt service fund*, a major governmental fund, has a total ending fund balance of \$54,666,424 all of which is restricted for debt service. The decrease in debt service fund balance during the current year was attributable to debt service expenditures and other financing uses exceeding revenues and other financing sources during fiscal year 2021 by \$1.75 million.

General Fund Budgetary Highlights

The table below summarizes differences between the original budget, final amended budget and actual revenues and expenditures for fiscal year 2021:

	Budget		Actual
	Original	Final Amended	
Total revenues	\$ 416,489,811	\$ 409,664,811	\$ 410,281,337
Total expenditures	416,284,297	421,073,465	398,784,308
Other financing sources (uses)	(205,514)	(205,514)	(3,696,968)
Net change in fund balance	\$ -	\$ (11,614,168)	\$ 7,800,061

The review of the final amended budget versus actual for the general fund reflected that revenues were greater than budgetary estimates and expenditures were less than budgetary estimates.

Actual revenues exceeded budgetary estimates primarily because of unanticipated insurance recoveries \$0.5 million. Expenditures were less than budgetary estimates primarily due to the closure of campuses in the fall semester due to the global COVID 19 pandemic. El Paso experienced an exceptionally high number of COVID cases in the fall of 2020, and received a waiver from the State allowing the District to continue remote instruction during that time period. Personnel were still paid, but instruction was provided primarily in a remote on-line setting, thus reducing many of the normal expenditures such as extra-curricular activities, travel, utilities, and contracted services. Additionally, \$7.4 million in projects were budgeted in FY 2021, but not completed. These include \$3 million for football field lighting, \$1 million for repairs at Valle Verde Early College High School, \$1.4 million for district-wide dark fiber cabling, and the remaining \$1.5 million for various smaller construction projects at campuses.

YSLETA INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

General Fund Budgetary Highlights (continued)

Federal program revenues original budget was amended by \$5.5 million resulting from a reduction in enrollment and average daily attendance due to COVID-19 and remote learning leading to reduced services for transportation (\$0.5 million), special education SHARS revenue (\$4.0 million), and Child Nutrition (\$1.0 million). Final amended budget for function 81 facilities acquisition and construction original budget exceeded the original budget by \$5.6 million for carryforward restroom projects (\$0.2 million) and construction projects (\$5.4 million).

Capital Assets and Long-term Liabilities

Capital Assets

The District's investment in capital assets for its governmental activities as of June 30, 2021 includes land, buildings and improvements, furniture and equipment, and construction in progress. The investment in capital assets for the current year was \$730,182,185. The following table summarizes the investment in capital assets as of June 30, 2021 and 2020:

	2021	2020
Land	\$ 15,850,984	\$ 15,850,984
Buildings and improvements	898,827,232	908,131,785
Land Improvements	50,786,668	50,786,668
Furniture and equipment	103,618,477	102,408,619
Construction in progress	81,172,744	14,591,216
Total	1,150,256,105	1,091,769,272
Accumulated depreciation	(420,073,920)	(397,650,572)
Net capital assets	\$ 730,182,185	\$ 694,118,700

Additional information on the District's capital assets can be found in the notes to the financial statements.

Long-term Liabilities

At the end of the current fiscal year, the District had \$809,702,361 in outstanding bonded debt, an increase of \$32,892,361 over the previous year. The District's bonds are sold with an "AAA" rating and are guaranteed through the Texas Permanent School Fund Guarantee Program or by a municipal bond insurance policy. The underlying rating of the bonds from Standard and Poor's is "AAA" and from Moody's Investors Service is "Aaa" for general obligation debt.

Changes in general obligation bonds, for the year ended June 30, 2021 are as follows:

Outstanding 07/01/20	Issued	Retired	Outstanding 06/30/21
\$ 776,810,000	\$ 346,547,361	\$ (313,655,000)	809,702,361

In addition, at the end of the current fiscal year, the District had \$29,570,000 in outstanding Maintenance Tax Notes.

Additional information on the District's long-term liabilities can be found in the notes to the financial statements.

YSLETA INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Economic Factors and Next Year's Budgets and Rates

The District's elected and appointed officials considered many factors when developing the fiscal year 2022 budget. Those factors included economic and market conditions, programmatic needs and the global COVID 19 pandemic.

In fiscal year 2020, the State legislature began a progressive compression of the M & O portion of the tax rate for all districts across the state. This compression resulted in a decrease in the District's M & O rate from \$1.17 in fiscal year 2019 to \$1.032 for fiscal year 2022. The State increased the foundation revenue calculation to offset the loss of property tax revenue. On the debt service side, in November 2019, voters approved the issuance of new Unlimited Tax School Building Bonds of \$425 million. In January 2020, the district issued \$250,765,000 of the approved bonds, and plans to issue the remaining \$150 million in fiscal year 2022. This resulted in an increase in the District's I & S rate from \$0.39250 in fiscal year 2021 to \$0.495 in fiscal year 2022.

Property values for the upcoming school year increased by 4% from the 2020 values. The state homestead exemption of \$25,000, coupled with the District's optional homestead exemption of 20% of the taxable value of the primary home, provides our constituents with the lowest tax burden of the three major districts in the city.

Funding from the State is based on Average Daily Attendance (ADA). The District's ADA increased from 35,414 in FY 2020 to 36,054 in FY 2021, but is still well below pre-pandemic levels. Fiscal year 2021 began with fully remote learning and slowly transitioned to face-to-face instruction beginning in the spring. As we begin fiscal year 2021-2022, the District has resumed face-to-face instruction, with remote conferencing only for students required to stay home due to COVID-19. However, student enrollment and ADA remains below budgeted and pre-pandemic levels. This is a common issue among districts statewide.

Total General Fund appropriations for 2021-22 were originally budgeted at \$409 million, a decrease of \$9 million from the original 2020-21 budget. This decrease is primarily due to the availability of federal ESSER funds that have been allocated to the District over a three-year period to mitigate needs that have arisen from the pandemic. These funds are being used to address student learning loss, provide student social and emotional learning and services, and to offset any additional costs to prevent the spread of COVID-19. The District will continue to monitor general fund expenditures closely in order to mitigate any potential loss of revenue and increase in expenditures necessary to support personal protective equipment for staff and students, and sanitization supplies necessary to mitigate the spread of the COVID-19 virus.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Chief Financial Officer, Ysleta Independent School District, 9600 Sims Drive, El Paso, Texas 79925.



THE DISTRICT
YSLETA INDEPENDENT SCHOOL DISTRICT

BASIC FINANCIAL STATEMENTS



THE DISTRICT
YSLETA INDEPENDENT SCHOOL DISTRICT

YSLETA INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
June 30, 2021

Exhibit A-1

Data Control Codes		Governmental Activities	Business-type Activities	Total
Assets				
1110	Cash and cash equivalents	\$ 390,338,949	\$ 200	\$ 390,339,149
1220	Property taxes receivables, net	15,154,344	-	15,154,344
1240	Due from other governments	43,352,553	-	43,352,553
1260	Internal balances	(75,033)	75,033	
1290	Other receivables, net	203,192	-	203,192
1300	Inventories	2,165,123	-	2,165,123
1410	Prepaid items	114,651		114,651
	Capital assets not subject to depreciation:			
1510	Land	15,850,984	-	15,850,984
1580	Construction in progress	81,172,744	-	81,172,744
	Capital assets net of depreciation:			
1520	Buildings and improvements, net	578,630,615	-	578,630,615
1590	Land Improvements, net	35,781,018	-	35,781,018
1530	Furniture and equipment, net	18,746,824	-	18,746,824
1910	Long-term investments	12,704,704	-	12,704,704
1000	Total Assets	1,194,140,668	75,233	1,194,215,901
Deferred Outflows of Resources				
	Deferred charge on refunding	27,215,960	-	27,215,960
	Deferred outflows - pensions	42,526,606	-	42,526,606
	Deferred outflows - OPEB	18,136,024	-	18,136,024
1700	Total Deferred Outflows of Resources	87,878,590	-	87,878,590
Liabilities				
2110	Accounts payable	19,109,792	1,616	19,111,408
2140	Interest payable	12,479,135	-	12,479,135
2150	Payroll deductions and withholdings	7,233,270	-	7,233,270
2160	Accrued wages payable	3,935,213		3,935,213
2180	Due to other governments	3,644,421	-	3,644,421
2200	Accrued expenses	8,661,446	-	8,661,446
2300	Unearned revenue	1,471,577	-	1,471,577
	Noncurrent Liabilities:			
2501	Due within one year	19,459,033	-	19,459,033
2502	Due in more than one year	892,411,026	-	892,411,026
2540	Net pension liability	118,540,699	-	118,540,699
2545	Net post-employment benefit (OPEB) obligation	125,682,642	-	125,682,642
2000	Total Liabilities	1,212,628,254	1,616	1,212,629,870
Deferred Inflows of Resources				
	Deferred inflows - pensions	26,111,999	-	26,111,999
	Deferred inflows - OPEB	100,954,150	-	100,954,150
2600	Total Deferred Inflows of Resources	127,066,149	-	127,066,149
Net Position				
3200	Net investment in capital assets	171,842,856	-	171,842,856
	Restricted for:			
3820	Federal and state programs	2,202,590	-	2,202,590
3850	Debt service	44,733,728	-	44,733,728
3900	Unrestricted	(276,454,319)	73,617	(276,380,702)
3000	Total Net Position	\$ (57,675,145)	\$ 73,617	\$ (57,601,528)

YSLETA INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2021

Exhibit B-1
Page 1 of 2

Data Control Codes	Functions/Programs	Program Revenue		
		Expenses	Charges for Services	Operating Grants and Contributions
	Governmental Activities:			
11	Instruction	\$ 295,877,849	\$ 1,024,781	\$ 56,515,777
12	Instructional resources and media services	6,489,670	2,104	3,887,735
13	Curriculum and staff development	6,743,597	14,546	2,505,846
21	Instructional leadership	7,379,314	-	1,641,936
23	School leadership	30,110,620	152,732	1,790,013
31	Guidance, counseling, and evaluation services	17,198,464	-	1,599,299
32	Social work services	2,586,573	-	1,345,446
33	Health services	5,476,740	4,635	6,968,727
34	Student transportation	10,599,972	-	306,535
35	Food service	21,389,508	495	16,640,715
36	Extracurricular activities	19,593,226	143,273	692,453
41	General administration	11,815,868	1,052	4,665,443
51	Plant, maintenance and operations	48,926,086	87,980	1,545,038
52	Security and monitoring services	6,664,100	5,740	188,548
53	Data processing services	7,293,444	-	829,237
61	Community services	440,092	4,688	415,492
72	Interest on long-term debt	26,293,974	-	11,450,470
73	Debt issuance costs and fees	1,946,475	-	-
81	Facilities planning	8,237,875	-	-
93	Payments to fiscal agent/member districts of SSA	2,797,696	-	2,664,204
99	Other intergovernmental charges	1,154,882	-	-
TG	Total Governmental Activities	539,016,025	1,442,026	115,652,914
	Business-Type activities			
01	Teachers Network Technology	-	410	-
02	Regional Wrestling Meet	23,908	14,898	-
03	Employee Daycare Collaborative	195,659	15,984	-
04	Oasis Program	2,013	410	-
TB	Total Business-Type activities	221,580	31,702	-
TP	Total Primary Government	\$ 539,237,605	\$ 1,473,728	\$ 115,652,914

YSLETA INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2021

Exhibit B-1

Page 2 of 2

		Net (Expense) Revenue and Changes in Net Position		
		Primary Government		
Data Control Codes	Functions/Programs	Governmental Activities	Business-type Activities	Total
	Governmental Activities:			
11	Instruction	\$ (238,337,291)	\$ -	\$ (238,337,291)
12	Instructional resources and media services	(2,599,831)	-	(2,599,831)
13	Curriculum and staff development	(4,223,205)	-	(4,223,205)
21	Instructional leadership	(5,737,378)	-	(5,737,378)
23	School leadership	(28,167,875)	-	(28,167,875)
31	Guidance, counseling, and evaluation services	(15,599,165)	-	(15,599,165)
32	Social work services	(1,241,127)	-	(1,241,127)
33	Health services	1,496,622	-	1,496,622
34	Student transportation	(10,293,437)	-	(10,293,437)
35	Food service	(4,748,298)	-	(4,748,298)
36	Extracurricular activities	(18,757,500)	-	(18,757,500)
41	General administration	(7,149,373)	-	(7,149,373)
51	Plant, maintenance and operations	(47,293,068)	-	(47,293,068)
52	Security and monitoring services	(6,469,812)	-	(6,469,812)
53	Data processing services	(6,464,207)	-	(6,464,207)
61	Community services	(19,912)	-	(19,912)
72	Interest on long-term debt	(14,843,504)	-	(14,843,504)
73	Debt issuance costs and fees	(1,946,475)	-	(1,946,475)
81	Facilities repairs and maintenance	(8,237,875)	-	(8,237,875)
93	Payments to fiscal agent/member districts of SSA	(133,492)	-	(133,492)
99	Other intergovernmental charges	(1,154,882)	-	(1,154,882)
TG	Total Governmental Activities	(421,921,085)	-	(421,921,085)
	Business-Type activities			
01	Teachers Network Technology	-	410	410
02	Regional Wrestling Meet	-	(9,010)	(9,010)
03	Employee Daycare Collaborative	-	(179,675)	(179,675)
04	Oasis Program	-	(1,603)	(1,603)
TB	Total Business-Type activities	-	(189,878)	(189,878)
TP	Total Primary Government	(421,921,085)	(189,878)	(422,110,963)
General Revenues and Transfer				
General Revenues				
Taxes:				
MT	Property taxes, levied for general purposes	76,727,315	-	76,727,315
DT	Property taxes, levied for debt service	28,528,419	-	28,528,419
SF	State-aid formula grants	298,972,705	-	298,972,705
IE	Investment earnings	1,374,480	-	1,374,480
MI	Miscellaneous	856,027	-	856,027
FR	Transfers	(188,685)	188,685	-
TR	Total General Revenues and Transfer	406,270,261	188,685	406,458,946
CN	Change in net position	(15,650,824)	(1,193)	(15,652,017)
NB	Net Position - Beginning	(42,024,321)	74,810	(41,949,511)
NE	Net Position - Ending	\$ (57,675,145)	\$ 73,617	\$ (57,601,528)

YSLETA INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2021

Exhibit C-1
Page 1 of 2

Data Control Codes		General Fund	Debt Service Fund	Capital Projects Fund
Assets				
1110	Cash and temporary investments	\$ 89,840,660	\$ 36,030,653	\$ 257,041,273
	Receivables:			
1220	Property taxes - delinquent	14,151,498	2,777,135	-
1230	Allowance for uncollectible taxes (credit)	(1,543,597)	(230,692)	-
1240	Receivables from other governments	28,156,193	1,200,118	-
1260	Due from other funds	7,071,795	5,167,973	-
1290	Other receivables	201,548	-	-
1300	Inventories	2,165,123	-	-
1410	Prepaid items	114,651	-	-
1900	Long-term investments	-	12,704,704	-
1000	Total Assets	\$ 140,157,871	\$ 57,649,891	\$ 257,041,273
Liabilities, Deferred Inflows of Resources, and Fund Balance				
Liabilities				
2110	Accounts payable	\$ 5,155,430	\$ -	\$ 12,669,209
2150	Payroll deduction and withholdings	7,233,270	-	-
2160	Accrued wages payable	3,908,825	-	-
2170	Due to other funds	-	-	6,693,266
2180	Payable to other governments	2,842,539	437,028	-
2200	Accrued expenditures	23,855	-	520,167
2300	Unearned revenue	-	-	-
2440	Other Payables	-	-	2,111,405
2000	Total Liabilities	19,163,919	437,028	21,994,047
Deferred Inflows of Resources				
	Unavailable revenues - property taxes	12,607,901	2,546,439	-
2600	Total Deferred Inflows of Resources	12,607,901	2,546,439	-
Fund Balance				
Non-Spendable:				
3410	Inventories	2,165,123	-	-
3430	Prepaid items	114,651	-	-
Restricted:				
3450	Federal/State funds grant restrictions	-	-	-
3470	Capital acquisitions and contractual obligations	-	-	235,047,226
3480	Debt service	-	54,666,424	-
Committed:				
3510	Construction	11,514,737	-	-
3520	Claims and judgements	1,000,000	-	-
3545	Other purposes	-	-	-
Assigned:				
3565	Retirement of loans or notes payable	5,687,344	-	-
3590	Other	8,992,642	-	-
3600	Unassigned	78,911,554	-	-
3000	Total Fund Balances	108,386,051	54,666,424	235,047,226
4000	Total Liabilities, Deferred Inflows, and Fund Balances	\$ 140,157,871	\$ 57,649,891	\$ 257,041,273

YSLETA INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2021

Exhibit C-1
Page 2 of 2

Data Control Codes		Nonmajor Governmental Funds	Total Governmental Funds
Assets			
1110	Cash and temporary investments	\$ 7,426,363	\$ 390,338,949
	Receivables:		
1220	Property taxes - delinquent	-	16,928,633
1230	Allowance for uncollectible taxes (credit)	-	(1,774,289)
1240	Receivables from other governments	13,996,242	43,352,553
1260	Due from other funds	1,107,206	13,346,974
1290	Other receivables	1,644	203,192
1300	Inventories	-	2,165,123
1410	Prepaid items	-	114,651
1900	Long-term investments	-	12,704,704
1000	Total Assets	\$ 22,531,455	\$ 477,380,490
Liabilities, Deferred Inflows of Resources, and Fund Balance			
Liabilities			
2110	Accounts payable	\$ 1,277,940	\$ 19,102,579
2150	Payroll deduction and withholdings	-	7,233,270
2160	Accrued wages payable	-	3,908,825
2170	Due to other funds	15,817,100	22,510,366
2180	Payable to other governments	364,854	3,644,421
2200	Accrued expenditures	28,019	572,041
2300	Unearned revenue	1,471,577	1,471,577
2440	Other Payables	-	2,111,405
2000	Total Liabilities	18,959,490	60,554,484
Deferred Inflows of Resources			
2601	Unavailable revenues - property taxes	-	15,154,340
	Total Deferred Inflows of Resources	-	15,154,340
Fund Balance			
Non-Spendable:			
3410	Inventories	-	2,165,123
3430	Prepaid items	-	114,651
Restricted:			
3450	Federal/State funds grant restrictions	2,202,590	2,202,590
	Capital acquisitions and contractual		
3470	obligations	-	235,047,226
3480	Debt service	-	54,666,424
Committed:			
3510	Construction	-	11,514,737
3520	Claims and judgements	-	1,000,000
3545	Other purposes	1,369,375	1,369,375
Assigned:			
3565	Retirement of loans or notes payable	-	5,687,344
3590	Other	-	8,992,642
3600	Unassigned	-	78,911,554
3000	Total Fund Balances	3,571,965	401,671,666
4000	Total Liabilities, Deferred Inflows, and Fund Balances	\$ 22,531,455	\$ 477,380,490



THE DISTRICT
YSLETA INDEPENDENT SCHOOL DISTRICT

YSLETA INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF BALANCE SHEET FOR GOVERNMENTAL FUNDS TO
STATEMENT OF NET POSITION
June 30, 2021

Exhibit C-2

Data Control Codes	Total Fund Balance, Governmental Funds	\$ 401,671,666
	Amounts reported for governmental activities in the statement of net position are different because:	
1	Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. Capital assets at historical cost, net of accumulated depreciation, where applicable.	730,167,245
2	Property taxes receivable have been levied and are due this year, but are not available soon enough to pay for the current period's expenditures, these property taxes and related penalty and interest amounts (net of allowance for uncollectible accounts).	15,154,340
3	Deferred charge on refunding	27,215,960
4	Deferred outflows relating to pension activities	42,526,606
5	Deferred outflows relating to other-post employment benefit	18,136,024
	Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:	
6	General obligation bonds	(753,753,205)
7	Maintenance Tax Notes Payable	(29,570,000)
8	Premium/Discount on issuance	(66,834,370)
9	Accumulated accretion on capital appreciation bonds	(55,949,156)
10	Capital lease payable	(109,834)
11	Accrued compensated absences	(5,653,494)
12	Accrued interest payable	(12,479,135)
13	Net pension liability	(118,540,699)
14	Net other-post employment benefit liability	(125,682,642)
15	Deferred inflows relating to pension activities	(26,111,999)
16	Deferred inflows relating to other-post employment benefit	(100,954,150)
17	Addition of Internal Service fund net position	3,091,698
19	Total Net Position - Governmental Activities	\$ (57,675,145)

YSLETA INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – GOVERNMENTAL FUNDS
For the Year Ended June 30, 2021

Exhibit C-3
Page 1 of 2

Data Control Codes		General Fund	Debt Service Fund	Capital Projects Fund
Revenues				
5700	Local, intermediate, and out-of-state	\$ 77,928,369	\$ 28,594,794	\$ 757,599
5800	State program revenues	320,945,650	10,919,351	-
5900	Federal program revenues	11,407,318	-	-
5020	Total Revenues	410,281,337	39,514,145	757,599
Expenditures				
Current:				
0011	Instruction	238,355,142	-	-
0012	Instruction resources and media services	1,507,118	-	-
0013	Curriculum and instructional staff development	4,618,518	-	-
0021	Instructional leadership	6,094,819	-	-
0023	School leadership	28,480,946	-	-
0031	Guidance, counseling and evaluation services	16,176,784	-	-
0032	Social work services	1,377,693	-	-
0033	Health services	4,777,197	-	-
0034	Student transportation	9,981,055	-	-
0035	Food services	603,184	-	-
0036	Extracurricular activities	8,945,519	-	-
0041	General administration	11,239,852	-	-
0051	Facilities maintenance and operations	47,761,601	-	-
0052	Security and monitoring services	5,185,218	-	-
0053	Data processing services	6,525,304	-	-
0061	Community services	43,307	-	-
Debt service:				
0071	Principal on long-term debt	3,386,111	16,583,111	-
0072	Interest on long-term debt	1,696,428	26,553,926	-
0073	Debt issuance costs and fees	6,763	1,939,712	-
Capital outlay:				
0081	Facilities acquisition and construction	733,375	-	76,881,803
Intergovernmental:				
0093	Payments to Fiscal Agent/Member Districts of SSA	133,492	-	-
0099	Other intergovernmental charges	1,154,882	-	-
6030	Total Expenditures	398,784,308	45,076,749	76,881,803
	Excess (deficiency) of revenues over expenditures	11,497,029	(5,562,604)	(76,124,204)
Other Financing Sources (Uses)				
7911	Refunding bonds issued	-	290,424,596	-
7915	Transfers in	-	1,238,328	-
7916	Premium on issuance of bonds	-	70,045,256	-
8911	Transfers out	(3,696,968)	-	-
8940	Payment to Bond Refunding Escrow Agent (Use)	-	(357,898,344)	-
7080	Total Other Financing Sources (Uses)	(3,696,968)	3,809,836	-
1200	Net change in fund balances	7,800,061	(1,752,768)	(76,124,204)
0100	Fund Balance - July 1 (Beginning)	100,585,990	56,419,192	311,171,430
3000	Fund Balance - June 30 (Ending)	\$ 108,386,051	\$ 54,666,424	\$ 235,047,226

YSLETA INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – GOVERNMENTAL FUNDS
For the Year Ended June 30, 2021

Exhibit C-3

Page 2 of 2

Data Control Codes		Nonmajor Governmental Funds	Total Governmental Funds
Revenues			
5700	Local, intermediate, and out-of-state	\$ 795,136	\$ 108,075,898
5800	State program revenues	6,485,196	338,350,197
5900	Federal program revenues	61,798,432	73,205,750
5020	Total Revenues	69,078,764	519,631,845
Expenditures			
Current:			
0011	Instruction	39,205,242	277,560,384
0012	Instruction resources and media services	3,616,269	5,123,387
0013	Curriculum and instructional staff development	2,073,033	6,691,551
0021	Instructional leadership	1,164,759	7,259,578
0023	School leadership	392,665	28,873,611
0031	Guidance, counseling and evaluation services	611,380	16,788,164
0032	Social work services	1,184,273	2,561,966
0033	Health services	505,000	5,282,197
0034	Student transportation	-	9,981,055
0035	Food services	17,951,465	18,554,649
0036	Extracurricular activities	465,777	9,411,296
0041	General administration	75,276	11,315,128
0051	Facilities maintenance and operations	657,103	48,418,704
0052	Security and monitoring services	30,079	5,215,297
0053	Data processing services	675,841	7,201,145
0061	Community services	392,141	435,448
Debt service:			
0071	Principal on long-term debt	-	19,969,222
0072	Interest on long-term debt	-	28,250,354
0073	Debt issuance costs and fees	-	1,946,475
Capital outlay:			
0081	Facilities acquisition and construction	-	77,615,178
Intergovernmental:			
0093	Payments to Fiscal Agent/Member Districts of SSA	2,664,204	2,797,696
0099	Other intergovernmental charges	-	1,154,882
6030	Total Expenditures	71,664,507	592,407,367
	Excess (deficiency) of revenues over expenditures	(2,585,743)	(72,775,522)
Other Financing Sources (Uses)			
7911	Refunding bonds issued	-	290,424,596
7915	Transfers in	2,269,955	3,508,283
7916	Premium on issuance of bonds	-	70,045,256
8911	Transfers out	-	(3,696,968)
8940	Payment to Bond Refunding Escrow Agent (Use)	-	(357,898,344)
7080	Total Other Financing Sources (Uses)	2,269,955	2,382,823
1200	Net change in fund balances	(315,788)	(70,392,699)
0100	Fund Balance - July 1 (Beginning)	3,887,753	472,064,365
3000	Fund Balance - June 30 (Ending)	\$ 3,571,965	\$ 401,671,666

YSLETA INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO
THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2021

Exhibit C-4

Data Control Codes		
	Net Change in Fund Balances - Total Governmental Funds (see C-3)	\$ (70,392,699)
	Amounts reported for <i>governmental activities</i> in the statement of activities (B-1) are different because:	
	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 as depreciation expense.	
1	Governmental funds capital outlays	71,623,725
2	Governmental funds depreciation expense	(31,574,994)
3	Net effect of other retirements and adjustments to capital assets	(3,984,637)
4	Property tax revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	1,143,697
5	Repayment of long-term debt principal is an expenditure in the governmental fund, but the repayment reduces long-term liabilities in the statement of net position.	19,969,222
	Proceeds from issuance of regular bonds and refunding bonds	(290,424,596)
	Premium on issuance of regular bonds and refunding bonds	(70,045,256)
	Payments to refunding agent	357,898,344
6	Proceeds from issuance of capital lease	
	Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:	
7	Decrease in interest payable not recognized in fund statements	1,303,607
8	Decrease in accrued compensated absences	3,065,635
9	Amortization of premium/discount	5,562,445
10	Accreted interest on capital appreciation bonds	(779,183)
11	Amortization of deferred charge on refunding	(4,130,489)
12	Changes in net pension liabilities and related deferred outflows and inflows of resources	(6,940,649)
13	Changes in net OPEB liabilities and related deferred outflows and inflows of resources	5,629,808
14	Internal service funds are used by management to charge the costs of certain activities, such as insurance to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities (see D-2).	(3,574,804)
	Change in Net Position of Governmental Activities (see B-1)	\$ (15,650,824)

YSLETA INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2021

Exhibit D-1

	Business-type Activities - Enterprise Funds	Governmental Activities - Internal Service Funds
Assets		
Current Assets:		
Cash and cash equivalents	\$ 200	\$ -
Due from other funds	75,233	9,119,809
Total Current Assets	<u>75,433</u>	<u>9,119,809</u>
Noncurrent Assets:		
Furniture and equipment	-	306,162
Accumulated depreciation - Furniture and Equipment	-	(291,222)
Total Noncurrent assets	<u>-</u>	<u>14,940</u>
Total Assets	<u>75,433</u>	<u>9,134,749</u>
Liabilities		
Current Liabilities:		
Accounts payable	1,616	7,213
Accrued wages payable	-	26,388
Due to other funds	200	31,450
Accrued expenses	-	5,978,000
Total Current Liabilities	<u>1,816</u>	<u>6,043,051</u>
Total Liabilities	<u>1,816</u>	<u>6,043,051</u>
Net Position		
Net investment in capital assets	-	14,940
Unrestricted net position	73,617	3,076,758
Total Net Position	<u>\$ 73,617</u>	<u>\$ 3,091,698</u>

YSLETA INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended June 30, 2021

Exhibit D-2

	Business-type Activities - Enterprise Funds	Governmental Activities - Internal Service Funds
Operating Revenues		
Miscellaneous revenue from local sources	\$ 31,702	\$ 1,418,269
Interfund services provided	-	51,895,550
Total Operating Revenues	31,702	53,313,819
Operating Expenses		
Payroll costs	206,312	4,939,994
Purchased and contracted services	9,438	2,552,997
Supplies and materials	2,523	83,458
Claims expense and other operating expenses	3,307	49,311,565
Depreciation	-	609
Total Operating Expenses	221,580	56,888,623
Operating Loss	(189,878)	(3,574,804)
Income (Loss) before Transfers	(189,878)	(3,574,804)
Other Financing Sources		
Transfers in	188,685	-
Total Other Financing Sources	188,685	-
Change in net position	(1,193)	(3,574,804)
Net Position - July 1 (Beginning)	74,810	6,666,502
Net Position - June 30 (Ending)	\$ 73,617	\$ 3,091,698

YSLETA INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2021

Exhibit D-3

	Business-Type Activities - Enterprise Funds	Governmental Activities - Internal Service Funds
Increase (Decrease) in Cash and Cash Equivalents		
Cash Flows from Operating Activities:		
Cash received from user charges	\$ 42,554	\$ 56,357,164
Cash payments to employees	(217,587)	(5,234,368)
Cash payments to suppliers for goods and services	(10,345)	(2,686,231)
Cash payments for insurance claims	-	(47,303,366)
Cash payments for other operating expenses	(3,307)	(1,133,199)
Net Cash Used for Operating Activities	(188,685)	-
Cash Flows from Non-Capital Financing Activities:		
Transfers in	188,685	-
Net Cash Provided by Non-Capital Financing Activities	188,685	-
Net Increase (Decrease) in Cash and Cash Equivalents	-	-
Cash and Cash Equivalents at Beginning of Year	200	-
Cash and Cash Equivalents at End of Year	\$ 200	\$ -
Reconciliation to Balance Sheet		
Cash and Cash Equivalents Per Cash Flow	\$ 200	\$ -
Cash and Cash Equivalents per Balance Sheet	\$ 200	\$ -
Reconciliation of Operating Income (Loss) to Net Cash Used for Operating Activities:		
Operating loss	\$ (189,878)	\$ (3,574,804)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Used for Operating Activities:		
Depreciation	-	609
Change in Assets and Liabilities:		
Decrease (increase) in interfund receivables	10,652	3,043,345
Decrease in accounts payable	1,616	(49,776)
Increase (decrease) in accrued wages payable	(11,275)	(294,374)
Decrease in claims payable	-	875,000
Net Cash Used for Operating Activities	\$ (188,685)	\$ -

YSLETA INDEPENDENT SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2021

Exhibit E-1

	<u>Custodial Fund</u>
Assets	
Current Assets:	
Cash and cash equivalents	\$ 1,359,093
Other Assets:	
Long Term Investments	
Total Assets	<u>\$ 1,359,093</u>
Liabilities	
Current Liabilities:	
Due to others	\$ 9,587
Total Liabilities	<u>\$ 9,587</u>
Net Position	
Restricted for student scholarships and other activities	\$ 1,349,506
Total Net Position	<u>\$ 1,349,506</u>

YSLETA INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Year Ended June 30, 2021

Exhibit E-2

	<u>Custodial Fund</u>
Contributions	
Gifts and contributions	<u>\$ 705,671</u>
Total Contributions	<u>705,671</u>
 Deductions	
Payments for student activities	<u>860,397</u>
Total Deductions	<u>860,397</u>
 Change in net position	 (154,726)
 Net position - Prior Period Adjustment Due to GASB No. 84 Implementation	 <u>1,504,232</u>
Net position - Ending	<u><u>\$ 1,349,506</u></u>



THE DISTRICT
YSLETA INDEPENDENT SCHOOL DISTRICT

Note 1 - Summary of Significant Accounting Policies

The Ysleta Independent School District (the "District") is an independent public educational agency operating under the applicable laws and regulations of the State of Texas. It is governed by a seven member Board of Trustees (the "Board") elected by the registered voters of the District and has fiscal accountability over all activities within the jurisdiction of the District. The District prepares its basic financial statements in conformity with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board (GASB) and other authoritative sources identified in the Statement of Auditing Standards of the American Institute of Certified Public Accountants; 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.

The following is a summary of the most significant accounting policies.

A. Reporting Entity

The District's Board is elected by the public and it has the authority to make decisions, appoint administrators and managers, and significantly influence operations. It also has the primary accountability for fiscal matters. Therefore, the District is considered an independent entity for financial reporting purposes, and is considered a primary government as defined by GASB. As the District is considered a primary government for financial reporting purposes, its activities are not considered a part of any other governmental or other, type of reporting entity.

Considerations regarding the potential for inclusion of other entities, organizations or functions in the District's financial reporting entity are based on criteria prescribed by generally accepted accounting principles. These same criteria are evaluated in considering whether the District is a part of any other governmental or other type of reporting entity. The overriding elements associated with prescribed criteria considered in determining that the District's financial reporting entity status is that of a primary government are: that it has a separately elected governing body; it is legally separate; and it is fiscally independent of other state and local governments. Additionally, prescribed criteria under generally accepted accounting principles include: considerations pertaining to organizations for which the primary government is financially accountable and considerations pertaining to other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The above standards were applied to the Ysleta Education Foundation, and the District determined that Ysleta Education Foundation does not meet the criteria of a component unit and will not be included in these financial statements.

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 non-fiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities* include programs supported primarily by taxes, charges to school districts for services, state funds, grants, and other intergovernmental revenues. *Business-type activities* include operations that rely to a significant extent on fees and charges for support.

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

Note 1 - Summary of Significant Accounting Policies (continued)

B. Government-wide and Fund Financial Statements (continued)

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

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

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 proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The fiduciary fund financial statements reflect the District's custodial fund, reporting assets, liabilities, and net position. They utilize the accrual basis of accounting.

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

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

Revenues from local sources consist primarily of property taxes and are recorded as revenue when received. The District considers property tax revenue available if they expect the revenue to be collected within 60 days of the end of the fiscal year. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available. The District considers School Health and Related Services (SHARS) and State Aid revenues available if they are collectible within 90 days after the end of the fiscal year.

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

Note 1 - Summary of Significant Accounting Policies (continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

The District reports the following major governmental funds:

- *The General Fund* - The general fund is the District's primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund.
- *Debt Service Fund* - The District accounts for resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds in a debt service fund. This is a budgeted fund and separate bank accounts are maintained.
- *Capital Projects Fund* - The proceeds from long-term debt financing and revenues and expenditures related to the acquisition, construction, or renovations as well as furnishing and equipping capital facilities are accounted for in this fund.

The District reports the following nonmajor governmental funds:

- *Special Revenue Funds* - These funds account for resources restricted to or committed for specific purposes by a grantor, or for resources that are committed for specific purposes by the Board. Most federal and some state financial assistance is accounted for in a special revenue fund and sometimes unused balances must be returned to the grantor at the close of specified project periods.

The District reports the following proprietary fund types:

- *Enterprise Funds* - The District's activities for which outside users are charged a fee roughly equal to the cost of providing the goods or services of those activities are accounted for in an enterprise fund. The District's non-major Enterprise Funds are: Teachers Network Technology, Regional Wrestling Meet, Employee Daycare Collaborative, Oasis Program and District Events.
- *Internal Service Funds* - These funds are used to account for financing of goods or services provided by one department to other departments of the District on a cost-reimbursement basis. The District operates four Internal Service Funds. They are Health Insurance, Workers' Compensation, Speech Therapy, and Print Shop Services.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's internal service fund are charges to the funds and/or employees for self-funded health services. Operating expenses for the internal service fund include the cost of services and administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Additionally, the District reports the following fiduciary fund:

- *Custodial Funds* - The District accounts for resources held for others in a custodial capacity and consists of funds that are property of students or others. The District's Custodial Fund is the Student Activity Account.

Note 1 - Summary of Significant Accounting Policies (continued)

D. Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, certificates of deposit, investment pools, and short-term investments with original maturities of one year or less from the date of acquisition.

For purposes of the statement of cash flows for proprietary funds, the District considers highly liquid investments to be cash equivalents if they have a maturity of three months or less when purchased.

Investments with an original maturity greater than one year from date of purchase are stated at fair value based on quoted market prices as of year-end, except for nonparticipating interest-earning investment contracts which are reported at cost. Investments with an original maturity of less than one year are reported at amortized cost.

The District categorizes fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

E. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

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

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

F. Inventories and Prepaid Items

Inventories of supplies on the balance sheet are stated at weighted average cost and they include consumable maintenance, instructional, office, athletic, and transportation items. Supplies are recorded as expenditures when they are consumed. Inventories of food commodities which are received at no cost are recorded as revenue at market value supplied by the Texas Department of Agriculture when received, and as expenditure when consumed. At year end, the commodities inventory is recorded to inventory. A portion of fund balance is classified as nonspendable to reflect minimum inventory quantities considered necessary for the District's continuing operations.

Note 1 - Summary of Significant Accounting Policies (continued)

G. Capital Assets

Capital assets, which include land, buildings, and furniture and equipment are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. The District capitalizes building improvements of \$100,000 or more. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

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

<u>Assets</u>	<u>Years</u>
Buildings and improvements	30 - 50
Land improvements	10 - 30
Vehicles	5 - 10
Other equipment	5 - 15
Computer equipment	5 - 7

H. Compensated Absences

It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits based on their contract or assignment schedule as follows:

<u>Contract/Assignment Days</u>	<u># of Days of Leave</u>
0-201 (10 months)	10 days per year
202-225 (11 months)	11 days per year
226-260 (12 months)	12 days per year

However, those employed prior to August 31, 1996, are allowed 80 days of sick leave to be accumulated and paid upon retirement and upon request. The liability recorded relates to those employees that were eligible prior to August 31, 1996. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. Payments for vested sick leave has typically been accounted for in the General Fund.

I. Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type Statement of Net Position. Premiums and discounts are presented as a component of liabilities while deferred charges on refundings are presented as deferred outflows of resources. Both items are deferred and amortized over the life of the related debt using the straight-line method. Long-term debt is reported net of the applicable premium or discount.

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

Note 1 - Summary of Significant Accounting Policies (continued)

J. Deferred Outflows/Inflows of Resources

Deferred outflows and inflows of resources are reported in the statement of financial position as described below:

A *deferred outflow of resources* is a consumption of a government's net assets (a decrease in assets in excess of any related decrease in liabilities or an increase in liabilities in excess of any related increase in assets) by the government that is applicable to a future reporting period. The District has three items that qualify for reporting in this category:

- *Deferred charge on refunding* - Reported in the government-wide statement of net position, this deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- *Deferred outflows relating to pension activities* – Reported in the government-wide financial statement of net position, this deferred outflow results from pension plan contributions made after the measurement date of the net pension liability as well as from 1) changes in actuarial assumptions; 2) differences between expected and actual actuarial experiences and 3) changes in the District's proportional share of pension liabilities. The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the next fiscal year. The remaining pension related deferred outflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with pensions through the pension plan.
- *Deferred outflows of resources for other post-employment benefits (OPEB)* – Reported in the government wide financial statement of net position, this deferred outflow results from contributions made after the measurement date of the net OPEB liability and the results of 1) differences between projected and actual earnings on OPEB plan investments and 2) changes in the District's proportional share of OPEB liabilities. The deferred outflows of resources related to post-employment benefits resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the next fiscal year. The deferred outflows resulting from differences between projected and actual earnings on OPEB plan investments will be amortized over a closed five-year period. The remaining deferred outflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with other post-employment benefits through the other post-employment benefit plan.

A *deferred inflow of resources* is an acquisition of a government's net position (an increase in assets in excess of any related increase in liabilities or a decrease in liabilities in excess of any related decrease in assets) by the government that is applicable to a future reporting period. The District has three items that qualify for reporting in this category:

- *Deferred inflows of resources for unavailable revenues* - Reported only in the governmental funds balance sheet, unavailable revenues from property taxes arise under the modified accrual basis of accounting. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.
- *Deferred inflows relating to pension activities* – Reported in the government-wide financial statement of net position, these deferred inflows result primarily from 1) differences between projected and actual earnings on pension plan investments; 2) changes in actuarial assumptions; 3) differences between expected and actual actuarial experiences and 4) changes in the District's proportional share of pension liabilities. The deferred inflows resulting from differences between projected and actual earnings on pension plan investments will be amortized over a closed five-year period. The remaining pension related deferred inflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with pensions through the pension plan.

Note 1 - Summary of Significant Accounting Policies (continued)

J. Deferred Outflows/Inflows of Resources (continued)

- *Deferred inflows of resources for post-employment benefits* – Reported in the government wide financial statement of net position, these deferred inflows result primarily from 1) changes in actuarial assumptions and 2) differences between expected and actual actuarial experiences. These post-employment related deferred inflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with post-employment benefits through the post-employment benefit plan.

K. 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.

L. Other Post-Employment Benefits (OPEB)

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

M. Net Position

Net Position on the Statement of Net Position includes the following:

- *Net investment in capital assets* - this component of net position consists of capital assets, net accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt will be included in this component of net position.
- *Restricted for federal and state programs* - this component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets, which are restricted by federal and state granting agencies.
- *Restricted for Debt Service* - this component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. The assets arise from bond issuances which have constraints placed on them by the bond covenants for the purpose of future debt service payments.
- *Unrestricted net position* - this component of net position is the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

Note 1 - Summary of Significant Accounting Policies (continued)

N. Fund Balance

The fund balance in governmental funds has been classified as follows to describe the nature and relative strength of the spending constraints:

- *Nonspendable fund balance* - Represents amounts that are not in spendable form, such as inventory and prepaid items, or are required to be maintained intact.
- *Restricted fund balance* - Represents amounts constrained to specific purposes by their providers, such as grantors, bondholders, and higher levels of government, through constitutional provisions, or by enabling legislation.
- *Committed fund balance* - Represents 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's Board of Trustees approves the changes by Board Resolution. Fund balance committed in the nonmajor governmental funds during the current fiscal year is committed for campus activities; fund balance committed in the general fund during the current fiscal year is committed for construction and claims and judgments.
- *Assigned fund balance* - Represents amounts the District intends to use for a specific purpose. Intent can be expressed by the District Fund Managers as named in the Board Resolution dated July 21, 2010.
- *Unassigned fund balance* - Represents amounts that are available for any purpose. Positive amounts are reported only in the general fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Trustees or the District Fund Managers have provided otherwise in their commitment or assignment actions.

In the fund financial statements, certain governmental funds report restrictions of the entire fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Since the entire fund balance is restricted for these funds, all assets are in essence restricted for their specified purpose.

When the District incurs an expense for which it may use either restricted or unrestricted resources, it uses the restricted resources first unless unrestricted resources will have to be returned because they were not used.

Since Internal Service Funds support the operations of governmental funds, they are consolidated with the governmental funds in the government-wide financial statements. The expenditures of governmental funds that create the revenues of internal service funds are eliminated to avoid "grossing up" the revenues and expenses of the District as a whole.

The District sponsors self-insured plans to provide health care benefits to employees and their dependents, and workers' compensation benefits to employees. Revenues of these Internal Service Funds are received from both the District's governmental and proprietary funds and premiums charged to employees. Expenses are comprised of claims incurred during the fiscal year, professional and contracted services and other miscellaneous expenses.

The General Fund is contingently liable for liabilities of these funds.

Note 1 - Summary of Significant Accounting Policies (continued)

O. Data Control Codes

The Data Control Codes refer to the account code structure prescribed by the Texas Education Agency (the "TEA") in the Resource Guide. The TEA requires school districts to display these codes in the financial statements filed with the Agency in order to ensure accuracy in building a statewide data base for policy development and funding plans.

In accordance with the Resource Guide, the District has adopted and installed an accounting system which meets at least the minimum requirements prescribed by the Texas 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 Resource Guide. Mandatory codes are recorded in the order provided in the Resource Guide.

P. Use of Estimates

The presentation 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, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Q. Implementation of New Accounting Standards

The following GASB pronouncements have been implemented by the District in the current fiscal year:

GASB No. 84 *Fiduciary Activities* was issued in January 2017 and effective for periods beginning December 15, 2019. This standard establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this Statement will enhance consistency and comparability by (1) establishing specific criteria for identifying activities that should be reported as fiduciary activities and (2) clarifying whether and how business-type activities should report their fiduciary activities. This standard must be applied retroactively and as such beginning net position and/or fund balance have been restated. The District has evaluated the effects of this standard and has determined that the District's Student Activity Fund met the criteria to be reported as a custodial fund in the basic financial statements.

GASB No. 90 *Majority Equity Interests, an amendment of GASB Statements No. 14 and No. 61* was issued in August 2018 and effective for periods beginning December 15, 2019. The primary objectives of this Statement are to improve consistency in the measurement and comparability of the financial statement presentation of majority equity interests in legally separate organizations and to improve the relevance of financial statement information for certain component units. An equity interest is a financial interest in a legally separate organization evidenced by the ownership of shares of the organization's stock or by otherwise having an explicit, measurable right to the net resources of the organization that is usually based on an investment of financial or capital resources by a government. An equity interest is explicit and measurable if the government has a present or future claim to the net resources of the entity and the method for measuring the government's share of the entity's net resources is determinable. The District has determined that this Statement does not have an effect on the financial statements as of June 30, 2021.

Note 1 - Summary of Significant Accounting Policies (continued)

Q. Implementation of New Accounting Standards (continued)

GASB Statement No. 98 *The Annual Comprehensive Financial Report*. This statement was issued in October 2021 and establishes the term annual comprehensive financial report and its acronym ACFR. This new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. This statement is effective for fiscal years ending after December 15, 2021 but earlier application is encouraged. The District has determined that this Statement does not have an effect on the financial statements as of June 30, 2021.

Note 2 - Deposits and Investments

Cash Deposits: The funds of the District must be deposited and invested under the terms of a contract, contents of which are set out in the Depository Contract Law. The depository bank places approved pledged securities for safekeeping and trust with the District's agent bank in an amount sufficient to protect District funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

At June 30, 2021, the carrying amount of the District's cash deposits (cash, interest-bearing accounts, and certificates of deposit) was \$19,783,043 and the bank balance was \$27,953,050. The District's cash deposits at June 30, 2021, were entirely covered by FDIC Insurance or by pledged collateral held by the District's agent bank in the District's name.

Investments: The District's investment policy is in accordance with the **Public Funds Investment Act** (Government Code Chapter 2256). Statutes authorize the District to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas; (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers' acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, (10) and common trust funds.

At June 30, 2021, the District's cash and investment balances, the weighted average maturity, and the credit ratings of these investments were as follows:

	Fair Value/ Amortized Cost	Weighted Average Maturity (Days)	Credit Rating
Governmental Activities			
Cash and deposits	\$ 19,535,043	N/A	N/A
Certificates of deposit	248,000	104	N/A
Investments			
Local Government Investment Pools			
Texas CLASS	174,737,487	52	AAAm
Texas Daily	5,148,642	50	AAAm
Texas Term	150,200,000	74	AAAm
TexPool	40,469,777	29	AAAm
	<u>370,555,906</u>		
Investment Securities			
Repurchase Agreements	12,704,704	2468	AA
Total Investments	<u>383,260,610</u>	138	
Total Governmental Activities	<u>403,043,653</u>		
Business-type Activities:			
Cash and deposits	200	N/A	N/A
Total Business-type Activities	<u>200</u>		
Fiduciary Funds			
Cash and Deposits	1,359,093	N/A	N/A
Total Fiduciary Funds	<u>1,359,093</u>		
Total	<u>\$ 404,402,946</u>		

Note 2 - Deposits and Investments (continued)

Due to the immediate availability of the funds, the District's temporary investments at June 30, 2021 are included in cash and cash equivalents. In addition, the District's certificates of deposit are reported at fair value using Level 1 inputs, and the District's investment securities are reported at fair value using Level 2 inputs.

In prior fiscal years, the District entered into Investment Repurchase Agreements with Bank of New York Mellon Trust Company, N.A. The repurchase agreements are presented as a long-term investment in the Debt Service Fund, and are presented on a cost basis. The investment is considered a nonparticipating interest earning investment contract, therefore, a cost-based measure is used for reporting.

As of June 30, 2021, the repurchase agreements information is summarized as follows:

Repurchase Agreement	Carrying Value	Maturity Date	Interest Rate	Rating*	Percentage of all investments	Fair Market Value of Pledged Security	Collateral Percentage
Bayern LB New York	\$ 10,493,098	8/15/2026	3.82%	AA	2.74%	\$ 10,644,449	101.44%
Bayern LB New York	2,211,606	8/15/2036	1.85%	AA	0.58%	2,227,062	100.70%
	<u>\$ 12,704,704</u>						

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

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates may adversely affect the value of investments. To limit the risk that changes in interest rates will adversely affect the fair value of the investments, the District monitors interest rate risk utilizing weighted average maturity (WAM) analysis. The District requires its investment portfolio to have maturities of less than one year on a WAM basis. However, specific to the District's debt service funds, maturities longer than one year are authorized within legal limits and as long as sufficient investment liquidity to timely meet debt service payment obligations is maintained. The long-term investment the District currently holds, which has no call options, is due when the debt instrument is due and the District intends to hold the investment until maturity, thereby reducing its risk of loss due to changes in the fair value of the investment.

At June 30, 2021, the District's exposure to interest risk as measured by the segmented time distribution by investment type is summarized below:

	Fair Value/ Amortized Cost	Investment Maturity	
		Less than 1 Year	1-5 Years
Certificates of Deposit	\$ 248,000	\$ 248,000	\$ -
Local Government Investment Pools:			
Texas CLASS	\$ 174,737,487	\$ 174,737,487	\$ -
Texas Daily	5,148,642	5,148,642	-
Texas Term	150,200,000	150,200,000	-
TexPool	40,469,777	40,469,777	-
Investment Securities:			
Repurchase Agreements	12,704,704	-	12,704,704
	<u>\$ 383,508,610</u>	<u>\$ 370,803,906</u>	<u>\$ 12,704,704</u>

Credit Risk: To limit the risk that an issuer or other counterparty to an investment will not fulfill its obligations, the District limits investments in commercial paper, corporate bonds, mutual bond funds, public funds investment pools to those that have received top ratings issued by nationally recognized statistical rating organizations (NRSROs). As of June 30, 2021, the District's investments in Texas Pool were rated AAA, Texas Term were rated AA+, Texas CLASS and Texas Daily were rated AA+ by Standard & Poor's. In addition, for long-term investments, to limit the risk that an issuer or other counterparty to an investment will not fulfill its obligations, the District requires full collateralization with direct or unconditionally guaranteed obligations of the United States Government or Agency on the long-term investment it currently holds.

Note 2 - Deposits and Investments (continued)

Custodial Credit Risk: State law requires governmental entities to contract with financial institutions in which funds will be deposited to secure those deposits with insurance or pledged securities with a fair value equaling or exceeding the amount on deposit at the end of each business day. The District's policy regarding deposits is in accordance with this law.

Concentration of Credit Risk: For temporary investments, to limit the risk of loss attributed to the magnitude of a government's investment in a single issuer, the District's policy states that the portfolio must be diversified. Concentration of Credit Risk is not applicable to investment pools since the purpose of these pools is to diversify the District's investment portfolio. For long-term investments – to limit the risk of loss attributed to the magnitude of a government's investment in a single issuer, the District's policy states that the portfolio must be diversified. The long-term investment the District currently holds is 3% of its total investments.

Note 3 - Receivables and Unearned Revenue

Receivables as of June 30, 2021, for the District's individual major and non-major funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Debt Service Fund	Nonmajor Governmental Funds	Total
Property taxes	\$ 14,151,498	\$ 2,777,135	\$ -	\$ 16,928,633
Due from other governments	28,156,193	1,200,118	13,996,242	43,352,553
Other receivables	201,548	-	1,644	203,192
Gross Receivables	42,509,239	3,977,253	13,997,886	60,484,378
Less allowance for doubtful accounts	(1,543,597)	(230,692)	-	(1,774,289)
Net Total Receivables	\$ 40,965,642	\$ 3,746,561	\$ 13,997,886	\$ 58,710,089

Other receivables are reported at gross value. Management has determined that an allowance for doubtful accounts is not necessary for fair presentation.

Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned. At the end of the fiscal year 2021, the various components of unearned revenues reported in the governmental funds were as follows:

	Unearned
Unearned federal revenue	\$ 7,269
Unearned state and local revenue	1,464,308
	\$ 1,471,577

Note 4 - Interfund Receivables, Payables, and Transfers

Interfund balances consist of short-term lending/borrowing arrangements that result from normal operations and are cleared out periodically. Additionally, some lending/borrowing may occur between two or more nonmajor governmental funds.

The composition of interfund balances as of June 30, 2021, is as follows:

	Interfund Receivable	Interfund Payable	Net
Governmental Activities			
General Fund	\$ 7,071,795	\$ -	\$ 7,071,795
Debt Service Fund	5,167,973	-	5,167,973
Capital Projects Fund	-	6,693,266	(6,693,266)
Nonmajor Governmental Funds	1,107,206	15,817,100	(14,709,894)
Nonmajor Business-Type funds	75,233	200	75,033
Nonmajor Internal Service Funds	9,119,809	31,450	9,088,359
Total Governmental Activities	\$ 22,542,016	\$ 22,542,016	\$ -

Interfund transfers are defined as “flows of assets without equivalent flow of assets in return and without a requirement for repayment.” The following is a summary of the District’s transfers for the fiscal year ended June 30, 2021:

Transfer Out	Transfer In	Amount
General Fund	Debt service fund	\$ 1,238,328
General Fund	Nonmajor enterprise funds	188,685
General Fund	Nonmajor Governmental Funds	2,269,955
Total		\$ 3,696,968

Interfund transfers generally fall into two categories: (1) transfers to cover debt service payments to comply with debt covenants, and (2) transfers to cover operating expenditures/deficits in accordance with District policy or legal requirements.

Note 5 - Capital Assets

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

Governmental Activities:

	Balance July 01, 2020	Additions	(Retirements) and Transfers	Balance June 30, 2021
Governmental Capital Assets				
Capital assets, not being depreciated:				
Land	\$ 15,850,984	\$ -	\$ -	\$ 15,850,984
Construction in progress	14,591,216	69,872,984	(3,291,456)	81,172,744
Total Capital assets, not being depreciated	30,442,200	69,872,984	(3,291,456)	97,023,728
Capital assets, being depreciated:				
Buildings and improvements	908,131,785	-	(9,304,553)	898,827,232
Land improvements	50,786,668	-	-	50,786,668
Furniture and equipment	102,408,619	1,750,741	(540,883)	103,618,477
Total Capital assets, being depreciated	1,061,327,072	1,750,741	(9,845,436)	1,053,232,377
Less accumulated depreciation for:				
Buildings and improvements	(304,420,261)	(24,482,187)	8,705,831	(320,196,617)
Land improvements	(14,630,833)	(374,817)	-	(15,005,650)
Furniture and Equipment	(78,599,478)	(6,718,599)	446,424	(84,871,653)
Total Accumulated depreciation	(397,650,572)	(31,575,603)	9,152,255	(420,073,920)
Governmental Capital Assets	\$ 694,118,700	\$ 40,048,122	\$ (3,984,637)	\$ 730,182,185

Note 5 - Capital Assets (continued)

There were no capital assets held in the Business-type Activities.

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

Function	Depreciation Expense
Governmental Activities:	
Instruction	\$ 13,472,881
Instructional resources and media services	1,186,147
Curriculum and staff development	5,354
Instructional leadership	64,279
School leadership	979,779
Guidance, counseling and evaluation services	301,287
Social work services	1,756
Health services	141,764
Student transportation	458,196
Food Services	2,295,406
Extracurricular activities	9,092,745
General administration	392,716
Plant maintenance and operations	1,771,880
Security and monitoring services	1,269,805
Data processing services	141,608
Total Governmental Activities	\$ 31,575,603

The depreciation expense above, includes a depreciation expense of \$609 that has been reported in the internal service funds, see Exhibit D-2 of these financial statements.

Construction Commitments

The District has active construction projects as of June 30, 2021 including renovations and site improvements. All accumulated resources for capital projects are either restricted, committed, or assigned. At June 30, 2021, estimated construction commitments with contractors were as follows:

Project	Approved Construction Budget	Construction in Progress	Remaining Commitment
Bond Projects	\$ 356,676,343	\$ 74,675,648	\$ 282,000,695
Other Projects	16,175,007	6,497,096	9,677,911
	\$ 372,851,350	\$ 81,172,744	\$ 291,678,606

Note 6 - Compensated Absences and Other Retirement/Sick Leave Benefits

The balance of accumulated unpaid vacation and sick leave at June 30, 2021 was \$5,653,494 and is presented as other long-term liabilities in these financial statements.

Balance July 01, 2020	Additions	Deductions - Payments to Participants	Balance June 30, 2021
\$ 8,719,129	\$ 724,795	\$ (3,790,430)	\$ 5,653,494

Note 7 - Long-term Liabilities

The District's long-term liabilities consist of bond indebtedness and compensated absences. The current requirements for general obligation bonds principal and interest expenditures are accounted for in the debt service fund. The debt service expenditures for the lease revenue bonds are paid by the general fund. The current requirements for compensated absences are accounted for in the general fund.

Changes in Long-term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2021, was as follows:

	Balance July 1, 2020	Additions	Retirements	Balance June 30, 2021	Due Within One Year
General Obligation Bonds	\$ 776,810,000	\$ 290,424,596	\$ (313,481,391)	\$ 753,753,205	\$ 16,352,003
Maintenance Tax Notes	29,570,000	-	-	29,570,000	-
Accumulated Accretion on Capital Appreciation Bonds	-	56,122,765	(173,609)	55,949,156	1,947,997
Capital Leases Payable	715,945	-	(606,111)	109,834	109,834
Unamortized Premium/Discount on Debt	98,987,499	14,874,828	(47,027,957)	66,834,370	-
Compensated Absences	8,719,129	724,795	(3,790,430)	5,653,494	1,049,199
	\$ 914,802,573	\$ 362,146,984	\$ (365,079,498)	\$ 911,870,059	\$ 19,459,033

General Obligation Bonds and Maintenance Tax Notes

General Obligation Bonds and Maintenance Tax Notes outstanding, at June 30, 2021, are comprised of the following:

Issue	Original Issuance Amount	Interest Rate (%)	Maturity Date	Debt Outstanding
General Obligation Bonds:				
Lease Revenue Refunding Bonds, Series 2001	\$ 37,845,000	3.4% to 5.375%	2024	\$ 12,730,000
Unlimited Tax Refunding Bonds, Series 2012	39,015,000	2.00% to 5.00%	2023	4,695,000
Unlimited Tax Refunding Bonds, Series 2012A	51,250,000	2.00% to 5.00%	2030	5,445,000
Unlimited Tax Refunding Bonds, Series 2014	89,415,000	2.00% to 5.00%	2031	30,800,000
Unlimited Tax School Building Bonds, Series 2017	168,350,000	3.00% to 5.00%	2047	165,265,000
Unlimited Tax School Building Bonds, Series 2020	250,765,000	4.00%	2053	250,765,000
Unlimited Tax Refunding Bonds, Series 2020A	74,825,000	1.807-5.00%	2032	73,340,000
Unlimited Tax Refunding Bonds, Series 2020B	215,599,596	0.640-2.730%	2046	210,713,205
				753,753,205
Maintenance Tax Notes:				
Qualified School Construction MTN, Series 2009	16,805,000	2.00%	2026	16,805,000
Qualified School Construction MTN, Series 2017	12,765,000	4.51%	2036	12,765,000
				29,570,000
				\$ 783,323,205

Note 7 - Long-term Liabilities (continued)

General Obligation Bonds and Maintenance Tax Notes (continued)

Debt service requirements to maturity for the General Obligation Bonds are as follows:

Year Ending				
June 30	Principal	Interest	Totals	
2022	\$ 16,352,003	\$ 30,712,711	\$ 47,064,714	
2023	17,053,430	30,546,871	47,600,301	
2024	16,945,625	30,300,761	47,246,386	
2025	16,764,114	29,822,441	46,586,555	
2026	13,690,066	29,285,405	42,975,471	
2027-2031	74,880,994	137,001,333	211,882,327	
2032-2036	78,071,973	136,708,226	214,780,199	
2037-2041	128,265,000	86,261,855	214,526,855	
2042-2046	150,855,000	63,126,968	213,981,968	
2047-2051	166,630,000	32,132,700	198,762,700	
2052-2053	74,245,000	2,998,900	77,243,900	
	<u>\$ 753,753,205</u>	<u>\$ 608,898,171</u>	<u>\$ 1,362,651,376</u>	

In July 2020, the District issued \$74.8 million of Series 2020A Unlimited Tax Refunding Bonds to refund a portion of Unlimited Tax Refunding Bonds, Series 2012 in the amount of \$9.5 million, Unlimited Tax Refunding Bonds, Series 2012-A in the amount of \$26.8 million, and Unlimited Tax Refunding Bonds, Series 2014 in the amount of \$41.7 million. The proceeds of the refunding net of debt issuance costs amounted to \$89.1 million and was deposited with an escrow agent. As a result of the refunding, the District decreased its aggregate debt service payment to maturity by \$78.0 million and realized an economic gain (difference between the present value of debt service payments on the old debt and new debt) of \$5.2 million. The new debt was issued with interest rate of 1.81% to 5.00% and maturities from 2021 to 2032. Interest on the bonds accrued from the closing date of July 20, 2020 and are payable on each February 15 and August 15 thereafter, with the initial interest payment on August 15, 2020.

In conjunction with the Series 2020A issuance, the District issued \$215.6 million of Series 2020B Unlimited Tax Refunding Bonds to refund Unlimited Tax School Building Bonds, Series 2016 in the amount of \$215.6 million. The bonds were issued in part as current interest bonds and in part as premium capital appreciation bonds. The proceeds of the refunding net of debt issuance costs amounted to \$268.8 million and was deposited with an escrow agent. As a result of the refunding, the District decreased its aggregate debt service payment to maturity by \$215.6 million and realized an economic gain (difference between the present value of debt service payments on the old debt and new debt) of \$32.01 million. The new debt was issued with interest rate of 0.64% to 2.73% and maturities from 2021 to 2046. Interest on the bonds accrued from the closing date of July 20, 2020 and are payable on each February 15 and August 15 thereafter, with the initial interest payment on August 15, 2020.

Note 7 - Long-term Liabilities (continued)

General Obligation Bonds and Maintenance Tax Notes (continued)

Debt service requirements to maturity for the Maintenance Tax Notes are as follows:

Year Ending June 30	Principal	Interest	Totals
2022	\$ -	\$ 911,802	\$ 911,802
2023	-	911,802	911,802
2024	-	911,802	911,802
2025	-	911,802	911,802
2026	16,805,000	911,802	17,716,802
2027-2031	-	3,046,560	3,046,560
2032-2036	-	2,878,510	2,878,510
2037-2039	12,765,000	287,851	13,052,851
	<u>\$ 29,570,000</u>	<u>\$ 10,771,931</u>	<u>\$ 40,341,931</u>

There are a number of limitations and restrictions contained in the general obligation bond indentures. Management has indicated that the District is in compliance with all significant limitations and restrictions at June 30, 2021.

Deferred Charge on refunding

The balance of deferred charge on refunding at June 30, 2021 was \$27,215,960 and is presented as a deferred outflow of resources in the Statement of Net Position:

	Balance July 01, 2020	Deferred Charge on New Issues	*Recognized Amortization	Balance June 30, 2021
Deferred charge on refunding	<u>\$ 9,032,352</u>	<u>\$ 26,632,286</u>	<u>\$ 8,448,678</u>	<u>\$ 27,215,960</u>

* Total of \$4,318,189 from refunds and \$4,130,489 current year's amortization

Prior Years' Refunding of Long-Term Debt

In prior years, the District defeased certain general obligation debt by placing the proceeds of the new bonds in an irrevocable trust, to provide for all future debt service payments on the refunded debt. Accordingly, the trust account assets and the liability for the defeased debt are not included in the District's financial statements. At June 30, 2021, the outstanding defeased debt is \$216,100,000.

A portion of the bonds sold in the Series 2020B refunding bond issues were capital appreciation bonds commonly referred to as "premium compound interest bonds." The District annually records the appreciation of the bond principal for the accreted value of the bonds through maturity of the issue. The interest of these bonds series will be paid upon maturity. The following table summarizes the significant features of the individual bonds, by issue:

Series	Original Bond Principal	Accreted Value	Current Year Accreted Interest
2020B Refunding	<u>\$ 215,599,596</u>	<u>\$ 55,949,156</u>	<u>\$ 779,183</u>

Note 7 - Long-term Liabilities (continued)

Capital Leases

Payments on the District's capital lease agreements are accounted for as expenditures in the General Fund. The capital lease with Dell is over a period of 4 years with the following specification and balance for the year ended June 30, 2021:

Capital Leases	Original issuance amount	Interest Rate (%)	Maturity Date	Debt Outstanding
Dell Equipment	\$ 430,500	4.38%	2022	\$ 109,834
				<u>\$ 109,834</u>

Note 8 - Revenues from Local, Intermediate, and Out-of-State Sources

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

	General Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total
Property taxes	\$ 75,207,221	\$ 27,901,890	\$ -	\$ -	\$ 103,109,111
Penalties, interest and other tax related revenue	812,835	190,091	-	-	1,002,926
Investment Income	253,274	492,068	628,072	1,066	1,374,480
Co-curricular student activities	3,787	-	-	378,880	382,667
Food sales	-	-	-	495	495
Other	1,651,252	10,745	129,527	414,695	2,206,219
	<u>\$ 77,928,369</u>	<u>\$ 28,594,794</u>	<u>\$ 757,599</u>	<u>\$ 795,136</u>	<u>\$ 108,075,898</u>

Note 9 - Federal Source Revenues in the General Fund

For the year ended June 30, 2021, the General Fund reports the following federal revenues:

Program or Source	ALN	Amount
SHARS	N/A	\$ 6,133,895
Army JROTC	12.000	502,213
Medicaid Administrative Claiming Program	N/A	284,206
Coronavirus Relief Fund (Texas Division of Emergency Management)	21.019	1,595,756
Impact Aid	84.041	145,717
Indirect Costs - Department of Education	84.XXX	2,214,412
QSCB III (subsidy for interest payment)	N/A	531,119
		<u>\$ 11,407,318</u>

Note 10 - Operating Leases

Commitments under operating lease (non-capitalized) agreements for facilities and equipment are subject to fiscal funding clauses. As such, the agreements are cancelable and the District is therefore not obligated for minimum future rental payments as of June 30, 2021.

Rental expenditures for the year ended June 30, 2021 amounted to \$1,286,558.

Note 11 - Pension Plan and Other Post-Employment Benefit

A. Plan Description

The District participates in a cost-sharing multiple-employer defined benefit pension that has a special funding situation. The plan is administered by the Teacher Retirement System of Texas (TRS). 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.

B. Pension Plan Fiduciary Net Position

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

C. Benefits Provided

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

Note 11 - Defined Benefit Pension Plan (continued)

D. Contributions

Contribution requirements are established or amended pursuant to Article 16, section 67 of the Texas Constitution which requires the Texas legislature to establish a member contribution rate of not less than 6% of the member's annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to members of the system during the 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	
	Plan Fiscal Year	
	2020	2021
Member (Employee)	7.70%	7.70%
Non-employer contributing agency (State)	7.50%	7.50%
District	7.50%	7.50%

	Fiscal Year
	2021
District Contributions	\$ 10,409,816
Employee Contributions	23,914,702
Non-employer Contributing Entity (State)	16,765,660

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

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

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

Note 11 - Defined Benefit Pension Plan (continued)

D. Contributions (continued)

In addition to the employer contributions listed above, the employer is subject to an additional surcharge in the following instances:

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

E. Actuarial Assumptions

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

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

The actuarial methods and assumptions used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2019. These assumptions are further described the 2020 TRS ACFR, which includes the actuarial valuation report dated November 14, 2019.

F. Discount Rate

A single discount rate of 7.25 percent was used to measure the total pension liability. The single discount rate was based on the expected rate of return on pension plan investments of 7.25 percent. The projection of 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 projected future benefits payment 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.

Note 11 - Defined Benefit Pension Plan (continued)

F. 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 System's target asset allocation as of August 31, 2020 are summarized below:

Asset Class	Target Allocation¹	Long-Term Expected Arithmetic Real Rate of Return²	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
USA	18.00%	3.90%	0.99%
Non-U.S. Developed	13.00%	5.10%	0.92%
Emerging Markets	9.00%	5.60%	0.83%
Private Equity	14.00%	6.70%	1.41%
Stable Value			
Government Bonds	16.00%	-0.70%	-0.05%
Absolute Return (Including Credit Sensitive Investments)	0.00%	1.80%	0.00%
Stable Value Hedge Funds	5.00%	1.90%	0.11%
Real Return			
Real Estate	15.00%	4.60%	1.01%
Energy, Natural Resources and Infrastructure	6.00%	6.00%	0.42%
Commodities	0.00%	0.80%	0.00%
Risk Parity			
Risk Parity	8.00%	3.00%	0.30%
Leverage			
Cash	2.00%	-1.50%	-0.03%
Asset Allocation Leverage	-6.00%	-1.30%	0.08%
Inflation Expectation			2.00%
Volatility Drag ³			-0.67%
Expected Return	100.00%		7.32%

¹ Target allocations are based on the FY2020 policy model.

² Capital Market Assumptions come from Aon Hewitt as of August 31, 2020.

³ The volatility drag results from the conversion between arithmetic and geometric mean returns.

Note 11 - Defined Benefit Pension Plan (continued)

G. Discount Rate Sensitivity Analysis

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

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
District's proportional share of the net pension liability	\$182,787,636	\$ 118,540,699	\$66,341,470

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

At June 30, 2021, the District reported a liability of \$118,540, 699 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 are as follows:

District's proportionate share of the net pension liability	\$ 118,540,699
State's proportionate share of the net pension liability associated with the District	215,534,201
Total	\$ 334,074,900

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

At August 31, 2020, the District's proportion of the collective net pension liability was 0.2213% which was a decrease of 0.0179% from its proportion measured as of August 31, 2019.

Changes Since the Prior Actuarial Valuation

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

For the year ended June 30, 2021, the District recognized pension expense of \$17,360,953. The District also recognized an additional on-behalf revenue and expense of \$25,923,979 representing support provided by the State.

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

Note 11 - Defined Benefit Pension Plan (continued)

H. Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual actuarial experience	\$ 216,446	\$ (3,308,156)
Changes in Actuarial Assumptions	27,505,660	(11,695,215)
Net difference between projected and actual investment earnings	2,399,755	-
Changes in proportion and differences between District contributions and proportionate share of contributions	3,503,854	(11,108,628)
District contributions subsequent to the measurement date	8,900,891	-
Total	<u>\$ 42,526,606</u>	<u>\$ (26,111,999)</u>

Deferred outflows of resources resulting from District contributions subsequent to the measurement date in the amount of \$8,900,891 will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. The net amounts of the District's balances of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year</u>	<u>Pension Expense</u>
2022	\$ 3,283,709
2023	3,595,240
2024	3,641,181
2025	(64,871)
2026	(2,546,182)
Thereafter	(395,361)
	<u>\$ 7,513,716</u>

Note 12 - Defined Other Post-Employment Benefit Plans

A. Plan Description

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

B. OPEB Plan Fiduciary Net Position

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

C. Benefits Provided

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

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

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

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

Note 12 - Defined Other Post-Employment Benefit Plans (continued)

D. Contributions

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

Texas Insurance Code, section 1575.202 establishes the state's contribution rate which is 1.25 percent of the employee's salary. Section 1575.203 establishes the active employee's rate which is .65 percent of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25 percent or not more than 0.75 percent of the salary of each active employee of the public or charter school. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act. The following table shows contributions to the TRS-Care plan by type of contributor:

	Contribution Rates	
	2021	2020
Member	0.65%	0.65%
Non-employer contributing agency	1.25%	1.25%
Employers	0.75%	0.75%
Federal/private funding	1.25%	1.25%

	Fiscal Year	
	2021	
District Contributions	\$	2,609,238
Employee Contributions		2,018,404
Non-employer Contributing Entity (State)		4,932,712

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

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.

Note 12 - Defined Other Post-Employment Benefit Plans (continued)

E. Actuarial Assumptions

The actuarial valuation was performed as of August 31, 2019. Update procedures were used to roll forward the Total OPEB Liability to August 31, 2020. The actuarial valuation 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: (a) rates of mortality, (b) rates of retirement, (c) rates of termination, (d) rates of disability, (e) general inflation, (f) wage inflation, and (g) expected payroll growth.

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

Additional Actuarial Methods and Assumptions:

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

Note 12 - Defined Other Post-Employment Benefit Plans (continued)

F. Discount Rate

A single discount rate of 2.33 percent was used to measure the Total OPEB Liability, which was a decrease of .30 percent from 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 nonemployer 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

G. Discount Rate Sensitivity Analysis

Discount Rate – 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.

Sensitivity of the Net OPEB Liability to the Single Discount Rate Assumptions

	Discount Rate		
	1% Decrease (1.33%)	Current Rate (2.33%)	1% Increase (3.33%)
District proportionate share	\$150,818,883	\$125,682,642	\$105,828,619

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

At June 30, 2021, the District reported a liability of \$125,682,642 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 are as follows:

District's proportionate share of the collective Net OPEB Liability	\$ 125,682,642
State's proportionate share that is associated with (employer)	168,887,344
Total	\$ 294,569,986

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 through August 31, 2020.

At August 31, 2020, the District’s proportion of the collective Net OPEB Liability was 0.3306% which was a decrease of 0.0094% from its proportion measured as of August 31, 2019.

Note 12 - Defined Other Post-Employment Benefit Plans (continued)

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

Healthcare Cost Trend Rates – 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 assumed.

	Healthcare Cost Trend Rate		
	1% Decrease	Current Rate	1% Increase
District proportionate share	\$102,666,616	\$125,682,642	\$156,336,735

Changes Since the Prior Actuarial Valuation

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

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

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

For the year ended June 30, 2021, the District recognized negative OPEB expense of \$2,676,095. The District also recognized negative on-behalf OPEB expense and revenue of \$1,172,690 for support provided by the State.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 6,580,693	\$ (57,518,803)
Changes in actuarial assumptions	7,752,006	(34,513,103)
Difference between projected and actual investment earnings	40,842	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	1,569,316	(8,922,244)
Contributions paid to TRS subsequent to the measurement date	2,193,167	-
Total	\$ 18,136,024	\$ (100,954,150)

Note 12 - Defined Other Post-Employment Benefit Plans (continued)

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

Changes Since the Prior Actuarial Valuation (continued)

The \$2,193,167 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2022. The net amounts of the District's balances of deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year	OPEB Expense Amount
2022	\$ (13,852,235)
2023	(13,857,695)
2024	(13,860,817)
2025	(13,859,962)
2026	(10,502,931)
Thereafter	(19,077,653)
	<u>\$ (85,011,293)</u>

I. Medicare Part D

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the fiscal years ended June 30, 2021, 2020, and 2019, the subsidy payments received by TRS-Care on-behalf of the District were \$1,323,816, \$1,262,460, and \$1,078,032, respectively. These payments are recorded as equal revenues and expenditures in the governmental funds financial statements of the District.

Note 13 - Risk Management

Property/Liability

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. The District's risk management program encompasses various means of protecting the District against loss by obtaining property, casualty, and liability coverage through commercial insurance carriers, self-insurance, and from participation in a risk pool. The District's participation in the risk pool is limited to payment of premiums.

Self-Insurance

The District provides health benefits to its employees and dependents through a self-insured employee health benefit plan, which is accounted for in the Internal Service Fund and is principally supported by contributions from the District and employees. The District makes contributions to cover a portion of the employees' premiums, and the employees at their option, authorize payroll withholdings to pay contributions to cover their dependents or increased coverage. The District obtains stop loss coverage through a third-party insurance company for claims in excess of \$300,000 per year and an unlimited lifetime maximum for aggregate loss, which is based on a factor determined monthly by the third-party insurance company. The Internal Service Fund charges the General Fund and other funds for the District's portion of premiums for employees whose salaries are charged to those funds. Claims are paid by a third-party administrator acting on behalf of the District. The Plan was authorized by Section 22.005 Texas Education Code and is documented by contractual agreement.

The District also provides workers' compensation to its employees through a self-insured plan which is accounted for in the Internal Service Fund. The Internal Service Fund charges the General Fund and other funds for premiums for the District's contribution. The District does not purchase coverage for unanticipated catastrophic claims and aggregate loss. However, the District has an excess workers' compensation insurance policy that takes over after the District reaches its \$600,000 self-insured retention level and covers the District up to the statutory required limit. The District established the self-insurance plan for workers' compensation benefits as authorized by Section 504.011 of the Labor Code.

Settled claims have not exceeded insurance coverage in any of the previous three years. There has not been any significant reduction in insurance coverage from that of the previous year.

The costs associated with these self-insurance plans are reported as interfund transactions to the extent of amounts determined by the third-party administrators. Accordingly, they are treated as operating revenues of the Internal Service Funds and operating expenditures of the governmental and proprietary funds.

Estimates of claims payable and of claims incurred but not reported at June 30, 2021, are reflected as accrued expenses of the Fund. The liabilities include an amount for claims that have been incurred but were not reported until after June 30, 2021. Liability for claims is reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines and damage awards, the process used in computing the liabilities is an estimate. Claims liabilities are reevaluated periodically to take into consideration recently settled claims, the frequency of claims and other economic and social factors.

Changes in the balances of claims liabilities are as follows:

Fiscal Year	Beginning of Year Accrual	Current Year Estimates	Claims Payments	End of Year Accrual
Health Insurance	\$ 3,012,000	\$ 47,186,507	\$ 45,821,507	\$ 4,377,000
Workers' Compensation	2,091,000	991,859	1,481,859	1,601,000

Note 14 - Shared Service Arrangements

The District is fiscal agent for a Shared Service Arrangement (“SSA”), which provides services for Adult Basic Education (ABE) to adult students, including those qualifying under the Temporary Assistance for Needy Families (TANF) program, to the member Districts: Ysleta ISD, Socorro ISD and El Paso ISD. All member districts are service providers. Funds are received from the Texas Workforce Commission. According to guidance provided in TEA’s Resource Guide, the District has accounted for the fiscal agent’s activities of the SSA in the appropriate Special Revenue Funds and has accounted for these funds using Model 2 in the SSA section of the Resource Guide. Expenditures of the SSA are summarized below:

SSA - ABE - Federal

Revenues	
5900 Federal revenue	\$ 2,178,986
	<u>\$ 2,178,986</u>
Expenditures	
6400 Miscellaneous operating costs	\$ 2,178,986
	<u>\$ 2,178,986</u>

SSA - TANF

Revenues	
5900 Federal revenue	\$ 194,267
	<u>\$ 194,267</u>
Expenditures	
6400 Miscellaneous operating costs	\$ 194,267
	<u>\$ 194,267</u>

SSA - ABE - State /Educational Technology (Ed Tech) Pilot

Revenues	
5800 State revenue	\$ 290,951
	<u>\$ 290,951</u>
Expenditures	
6400 Miscellaneous operating costs	\$ 290,951
	<u>\$ 290,951</u>

The District is a member district of a SSA, which provides services to deaf and hard of hearing students within the boundaries of ESC Region 19. Member districts pay El Paso Independent School District Regional Day School Program for the Deaf (“EPISD RDSPD”) on a per student basis, for any student residing within the boundary of the District who are enrolled in EPISD RDSPD. The total amount paid during the fiscal year ended June 30, 2021 is \$133,492.

Note 15 - Contingent Liabilities

In 2008, the District entered into an Interlocal Agreement with the City of El Paso in which the District would lease 7.8662 acres from the City for 99 years for \$1 per year. The District agreed to construct a school and related facilities and would grant the City use of certain facilities within that school and related areas. Upon the termination of the lease, the land and any improvements shall be surrendered to and become the property of the City. Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the District expects such amounts, if any, to be immaterial. The District is a defendant in various lawsuits arising in the normal course of operations. Although the outcome of these lawsuits is not presently determinable, in the opinion of management and the District's counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the District. However, administration has established a provision for losses in the amount of \$1,000,000.

Note 16 - Arbitrage

In accordance with the provisions of Section 148(f) of the Internal Revenue Code of 1986, as amended, bonds must satisfy certain arbitrage rebate requirements. Positive arbitrage is the excess of (1) the amount earned on investments purchased with bond proceeds over (2) the amount that such investments would have earned had such investments been invested at a rate equal to the yield on the bond issue. In order to comply with the arbitrage rebate requirements, positive arbitrage must be paid to the U.S. Treasury at the end of each five-year anniversary date of the bond issue. The District has estimated that it has no arbitrage liability as of June 30, 2021.

Note 17 - Encumbrances

The District utilizes encumbrance accounting in its governmental funds. Encumbrances represent commitments related to contracts not yet performed (executory contracts) and are used to control expenditures for the year and to enhance cash management. A school district often issues purchase orders or signs contracts for the purchase of goods and services to be received in the future. At the time these commitments are made, which in its simplest form means that when a purchase order is prepared, the appropriate account is checked for available funds. If an adequate balance exists, the amount of the order is immediately charged to the account to reduce the available balance for control purposes. The encumbrance account does not represent an expenditure for the period, only a commitment to expend resources.

At June 30, 2021, certain amounts which are restricted, committed, or assigned for specific purposes have been encumbered in the governmental funds. Significant encumbrances included in governmental fund balances are as follows:

	Encumbrances included in:			
	Restricted Fund Balance	Committed Fund Balance	Assigned Fund Balance	Total Encumbrances
General Fund	\$ -	\$ -	\$ 8,992,642	\$ 8,992,642
Capital Projects Fund	134,541,706	-	-	134,541,706
Nonmajor Governmental Funds	174,779	4,643	-	179,422
Totals	\$ 134,716,485	\$ 4,643	\$ 8,992,642	\$ 143,713,770

Note 18 – Prior Period Adjustment

During the current fiscal year, the District implemented GASB Statement No. 84, *Fiduciary Activities*. As a result, the beginning net position of the District’s custodial fund has been restated as follows:

	<u>Custodial Fund</u>
Beginning net position, as restated	<u>\$ 1,504,232</u>

Note 19 - Subsequent Events

Management has evaluated subsequent events through November 2, 2021, which is the date the financial statements were available to be issued.

As of September 2, 2021, the Texas Education Agency informed local education agencies (LEAs) that it has no plans to issue missed school day waivers due to COVID-19 during the 2021-2022 school year when the LEA or its campuses are closed. Each LEA will need to plan to make up time for school closures during the school year and may need to add additional instructional days and/or minutes to their calendar to meet the 75,600 operational minute requirement.

LEAs have reported to TEA that attendance rate declines continue to occur due to COVID-19. As a result, TEA is exploring options to ensure school systems will not experience significant financial difficulties. Additionally, LEAs had varying daily rates of attendance during the 2020-2021 school year due to the impact of virtual learning options. Once TEA receives this local information in a PEIMS upload this fall, it will be equipped to analyze, understand, and determine potential changes to the rules around waivers, particularly low attendance waivers. As of the date of this report, the District has not determined the impact.

REQUIRED SUPPLEMENTARY INFORMATION



YSLETA INDEPENDENT SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended June 30, 2021

Exhibit G-1

		Budgeted Amounts			Variance with Final Budget -
Data Control Codes		Original	Final	Actual Amounts, Budgetary Basis	Positive (Negative)
Revenues					
5700	Local revenues	\$ 78,142,000	\$ 77,842,000	\$ 77,928,369	\$ 86,369
5800	State program revenues	326,397,811	325,397,811	320,945,650	(4,452,161)
5900	Federal program revenues	11,950,000	6,425,000	11,407,318	4,982,318
5020	Total revenues	416,489,811	409,664,811	410,281,337	616,526
Expenditures					
Current:					
0011	Instruction	238,865,019	240,882,200	238,355,142	2,527,058
0012	Instruction resources and media services	5,497,312	3,494,833	1,507,118	1,987,715
0013	Curriculum and instructional staff development	6,456,294	6,021,032	4,618,518	1,402,514
0021	Instructional leadership	6,195,648	6,565,966	6,094,819	471,147
0023	School leadership	29,292,492	29,069,170	28,480,946	588,224
0031	Guidance, counseling and evaluation services	16,283,978	16,487,619	16,176,784	310,835
0032	Social work services	1,350,134	1,599,034	1,377,693	221,341
0033	Health services	5,242,480	5,274,374	4,777,197	497,177
0034	Student transportation	12,362,626	12,354,186	9,981,055	2,373,131
0035	Food services	686,544	786,544	603,184	183,360
0036	Extracurricular activities	11,107,803	11,092,194	8,945,519	2,146,675
0041	General administration	11,309,706	11,763,540	11,239,852	523,688
0051	Facilities maintenance and operations	50,124,693	47,780,888	47,761,601	19,287
0052	Security and monitoring services	5,907,989	5,881,442	5,185,218	696,224
0053	Data processing services	6,651,221	6,877,948	6,525,304	352,644
0061	Community services	261,490	354,582	43,307	311,275
Debt Service:					
0071	Principal on long-term debt	4,018,329	4,766,506	3,386,111	1,380,395
0072	Interest on long-term debt	2,302,539	1,669,014	1,696,428	(27,414)
0073	Debt issuance costs and fees	13,000	148,348	6,763	141,585
Capital Outlay:					
0081	Facilities acquisition and construction	1,000,000	6,599,045	733,375	5,865,670
Intergovernmental:					
0093	Payments to fiscal agent/member districts of SSA	140,000	240,000	133,492	106,508
0099	Other intergovernmental charges	1,215,000	1,365,000	1,154,882	210,118
6030	Total Expenditures	416,284,297	421,073,465	398,784,308	22,289,157
1100	Excess (deficiency) of revenues over expenditures	205,514	(11,408,654)	11,497,029	22,905,683
Other Financing Sources (Uses)					
7915	Transfers in	1,573,365	1,573,365	-	(1,573,365)
8911	Transfers out	(1,778,879)	(1,778,879)	(3,696,968)	(1,918,089)
7080	Total Other Financing Sources (Uses)	(205,514)	(205,514)	(3,696,968)	(3,491,454)
1200	Net change in fund balances	-	(11,614,168)	7,800,061	19,414,229
0100	Fund Balances - Beginning	100,585,990	100,585,990	100,585,990	-
3000	Fund Balances - Ending	\$ 100,585,990	\$ 88,971,822	\$ 108,386,051	\$ 19,414,229

YSLETA INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE

A. Budgets and Budgetary Accounting

The District adopts annual appropriations type budgets for the General Fund, Child Nutrition Program Special Revenue Fund, and the Debt Service Fund using the same method of accounting as for financial reporting, as required by law. The remaining Special Revenue Funds (primarily federal grant programs) utilize a managerial type budget approved at the fund level by the Board of Trustees upon acceptance of the grants. These grants are subject to Federal, State and locally imposed project length budgets and monitoring through submission of reimbursement reports. The General Fund Budget report is presented on Exhibit G-1, the Child Nutrition Program Special Revenue fund budget report and the Debt Service Fund budget report appear on Exhibit J-2 and J-3, respectively.

Expenditures may not legally exceed budgeted appropriations at the function or activity level. Expenditure requests which would require an increase in total budgeted appropriations must be approved by the Trustees through a normal budget amendment. State law prohibits trustees from making budget appropriations in excess of funds available and estimated revenues. State law also prohibits amendment of the budget after fiscal year end. Supplemental appropriations were made to the General Fund during the fiscal year June 30, 2021. The Board of Trustees approved budget amendments to decrease or supplement appropriations as follows:

	<u>General Fund</u>	<u>Child Nutrition Program</u>	<u>Debt Service</u>
Amendments Approved	\$ 4,789,168	\$ -	\$ 2,906,687

The budget amendments approved in the General Fund were to allocate funds to support new classroom furniture for elementary schools, replacement of the district fueling station, the purchase of white fleet vehicles, and various campus renovation projects.

The administrative level at which responsibility for control of budgeted appropriations begins is at the organizational level within each function of operations. The finance department reviews closely the expenditure requests submitted by the various organizational heads (principal and department heads) throughout the year to ensure proper spending compliance. No public funds of the District shall be expended in any manner other than as provided for in the budget adopted by the Board of Trustees.

The official school budget was prepared for adoption for budgeted governmental fund types by June 30, 2020. The budget was formally adopted by the Board of Trustees at a duly advertised public meeting prior to the expenditure of funds. The final amended budget is filed with the Texas Education Agency (TEA) through inclusion in the annual financial and compliance report. Encumbrance accounting is utilized in all government fund types. Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under Texas law, appropriations lapse at year-end and encumbrances outstanding at that time are appropriately provided for in the subsequent year's budget.

B. Expenditures in Excess of Appropriations

At the end of the current fiscal year, the District had the following expenditures in excess of appropriations for the legally adopted budgets:

	<u>General Fund</u>	<u>Debt Service Fund</u>
Current:		
Interest on long-term debt	\$ 27,414	\$ 1,140,602
Bond issuance costs and fees		1,904,712

The proceeds from refunding bonds were placed in escrow to refund bonds. No disbursements were made by the District nor actual proceeds were placed in the District's account.

YSLETA INDEPENDENT SCHOOL DISTRICT
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY
Teacher Retirement System of Texas
For the Last Seven Measurement Years Ended August 31

Exhibit G-2

	2020	2019	2018	2017
District's proportion of the net pension liability	0.2213%	0.2392%	0.2465%	0.2553%
District's proportionate share of the net pension liability	\$ 118,540,699	\$ 124,356,659	\$ 135,697,729	\$ 81,634,756
State's proportionate share of the net pension liability associated with the District	215,534,201	206,360,184	226,648,067	136,826,004
Total	<u>\$ 334,074,900</u>	<u>\$ 330,716,843</u>	<u>\$ 362,345,796</u>	<u>\$ 218,460,760</u>
District's covered payroll (for Measurement Year)	\$ 294,629,672	\$ 281,809,867	\$ 278,469,194	\$ 275,977,992
District's proportionate share of the net pension liability as a percentage of its covered payroll	40.2%	44.1%	48.7%	29.6%
Plan's fiduciary net position as a percentage of the total pension liability *	75.54%	75.24%	73.74%	82.17%
Plan's net pension liability as a percentage of covered payroll *	110.36%	114.93%	126.11%	75.93%

	2016	2015	2014
District's proportion of the net pension liability	0.2575%	0.2742%	0.1976%
District's proportionate share of the net pension liability	\$ 97,290,151	\$ 96,930,327	\$ 52,780,544
State's proportionate share of the net pension liability associated with the District	166,026,955	162,030,094	163,222,182
Total	<u>\$ 263,317,106</u>	<u>\$ 258,960,421</u>	<u>\$ 216,002,726</u>
District's covered payroll (for Measurement Year)	\$ 271,988,317	\$ 267,689,396	\$ 269,416,257
District's proportionate share of the net pension liability as a percentage of its covered payroll	35.8%	36.2%	19.6%
Plan's fiduciary net position as a percentage of the total pension liability *	78.00%	78.43%	83.25%
Plan's net pension liability as a percentage of covered payroll *	92.75%	91.94%	72.89%

The amounts presented are for each Plan year which ends the preceding August 31 of the District's fiscal year.

Note: Ten years of data should be presented in this schedule, but data is unavailable prior to 2014.
Net Pension Liability and related ratios will be presented prospectively as data becomes available

* Per Teacher Retirement System of Texas' Comprehensive Annual Financial Report.

YSLETA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S PENSION CONTRIBUTIONS
Teacher Retirement System of Texas
For the Last Nine Years Ended June 30

Exhibit G-3

	2021	2020	2019	2018	2017
Contractually required contributions	\$ 10,409,816	\$ 8,983,963	\$ 8,368,063	\$ 8,272,927	\$ 8,277,745
Contributions in relation to the contractually required contributions	10,409,816	8,983,963	8,368,063	8,272,927	8,277,745
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered employee payroll	\$ 310,580,567	\$ 293,433,317	\$ 280,580,254	\$ 276,898,100	\$ 275,643,403
Contributions as a percentage of covered employee payroll	3.35%	3.06%	2.98%	2.99%	3.00%
	2016	2015	2014	2013	
Contractually required contributions	\$ 7,998,199	\$ 7,677,705	\$ 4,954,171	\$ 4,494,199	
Contributions in relation to the contractually required contributions	7,998,199	7,677,705	4,954,171	4,494,199	
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	
District's covered employee payroll	\$ 270,867,867	\$ 268,001,219	\$ 269,021,697	\$ 266,793,672	
Contributions as a percentage of covered employee payroll	2.95%	2.86%	1.84%	1.68%	

YSLETA INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY PENSION INFORMATION
TEACHER RETIREMENT SYSTEM OF TEXAS
For the Fiscal Year Ended June 30, 2021

Changes of Assumptions

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

Changes in Benefit Terms

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

Other Information

Effective September 1, 2014, employers who did not contribute to Social Security for TRS-eligible employees were required to contribute an additional 1.5% of TRS-eligible compensation which nearly doubled the District's contributions into the Plan. Because the District's proportional share of the plan is determined by its proportional share of contributions, the District recognized a corresponding increase in its share of net pension liability.

YSLETA INDEPENDENT SCHOOL DISTRICT
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF
THE NET OPEB LIABILITY
Teacher Retirement System of Texas
For the Last Four Measurement Years Ended August 31

Exhibit G-4

	2020	2019	2018
District's proportion of the net OPEB liability	0.3306%	0.3400%	0.3476%
District's proportionate share of the net OPEB liability	\$ 125,682,642	\$ 160,768,518	\$ 173,554,349
State's proportionate share of the net pension liability associated with the District	168,887,344	213,625,401	208,436,444
Total	<u>\$ 294,569,986</u>	<u>\$ 374,393,919</u>	<u>\$ 381,990,793</u>
District's covered payroll (for Measurement Year)	\$ 294,629,672	\$ 281,809,867	\$ 278,469,194
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	42.7%	57.0%	62.3%
Plan's fiduciary net position as a percentage of the total OPEB liability *	4.99%	2.66%	1.57%
Plan's net OPEB liability as a percentage of covered payroll*	101.46%	135.21%	146.64%
	2017		
District's proportion of the net OPEB liability	0.3438%		
District's proportionate share of the net OPEB liability	\$ 149,493,006		
State's proportionate share of the net pension liability associated with the District	208,436,444		
Total	<u>\$ 357,929,450</u>		
District's covered payroll (for Measurement Year)	\$ 275,977,992		
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	54.2%		
Plan's fiduciary net position as a percentage of the total OPEB liability *	0.91%		
Plan's net OPEB liability as a percentage of covered payroll*	132.55%		

Note: Ten years of data should be presented in this schedule but data is unavailable prior to 2017
Net OPEB liability and related ratios will be presented prospectively as data becomes available.

* Per Teacher Retirement System of Texas' Comprehensive Annual Financial Report.

YSLETA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S OPEB CONTRIBUTIONS
Teacher Retirement System of Texas
For the Last Eight Fiscal Years Ended June 30

Exhibit G-5

	2021	2020	2019	2018	2017
Contractually required contributions	\$ 2,609,238	\$ 2,214,028	\$ 2,401,318	\$ 2,230,167	\$ 1,771,371
Contributions in relation to the contractually required contributions	<u>2,609,238</u>	<u>2,214,028</u>	<u>2,401,318</u>	<u>2,230,167</u>	<u>1,771,371</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered employee payroll	\$ 310,580,567	\$ 293,433,317	\$ 280,580,254	\$ 276,898,100	\$ 275,643,403
Contributions as a percentage of covered employee payroll	0.84%	0.75%	0.86%	0.81%	0.64%
	2016	2015	2014		
Contractually required contributions	\$ 1,766,679	\$ 1,750,351	\$ 1,479,838		
Contributions in relation to the contractually required contributions	<u>1,766,679</u>	<u>\$ 1,750,351</u>	<u>\$ 1,479,838</u>		
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		
District's covered employee payroll	\$ 270,867,867	\$ 268,001,219	\$ 269,021,697		
Contributions as a percentage of covered employee payroll	0.65%	0.65%	0.55%		

YSLETA INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY OPEB INFORMATION
TEACHER RETIREMENT SYSTEM OF TEXAS
For the Fiscal Year Ended June 30, 2021

Changes of Assumptions

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

Changes in Benefit Terms

There were no changes in benefit terms since the prior measurement date. TRS created a single Medicare Advantage plan and Medicare prescription drug plan for all Medicare-eligible participants.

OTHER SUPPLEMENTARY INFORMATION

YSLETA INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
ALL NONMAJOR GOVERNMENTAL FUNDS
June 30, 2021

Exhibit H-1
Page 1 of 10

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Data Control Codes		ESEA, Title III-B, Education for Homeless Children and Youth	ESEA Title I, A - Improving Basic Ed.	ESEA Title I, Part C - Education of Migratory Children
Assets				
1110	Cash and temporary investments	\$ -	\$ -	\$ -
	Receivables:			
1240	Receivables from other governments	14,654	1,934,151	5,764
1260	Due from other funds	-	-	-
1290	Other receivables	-	-	-
1000	Total Assets	\$ 14,654	\$ 1,934,151	\$ 5,764
Liabilities and Fund Balances				
Liabilities:				
Current Liabilities:				
2110	Accounts payable	\$ -	\$ 171,369	\$ -
2170	Due to other funds	14,654	1,762,782	5,764
2180	Due to other governments	-	-	-
2200	Accrued expenditures	-	-	-
2300	Unearned revenue	-	-	-
2000	Total Liabilities	14,654	1,934,151	5,764
Fund Balance:				
Restricted:				
3450	Federal/State funds grant restrictions	-	-	-
Committed:				
3545	Other purposes	-	-	-
3000	Total Fund Balances	-	-	-
4000	Total Liabilities and Fund Balance	\$ 14,654	\$ 1,934,151	\$ 5,764

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COMBINING BALANCE SHEET
ALL NONMAJOR GOVERNMENTAL FUNDS
June 30, 2021

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		220	223	224
Data Control Codes		Adult Basic Education (ABE)	Temporary Assistance for Needy Families (TANF)	IDEA B - Formula
Assets				
1110	Cash and temporary investments	\$ -	\$ -	\$ -
	Receivables:			
1240	Receivables from other governments	94,520	7,803	1,114,504
1260	Due from other funds	-	-	-
1290	Other receivables	-	-	-
1000	Total Assets	\$ 94,520	\$ 7,803	\$ 1,114,504
Liabilities and Fund Balances				
Liabilities:				
Current Liabilities:				
2110	Accounts payable	\$ 10,998	\$ -	\$ -
2170	Due to other funds	80,576	7,803	1,114,504
2180	Due to other governments	2,946	-	-
2200	Accrued expenditures	-	-	-
2300	Unearned revenue	-	-	-
2000	Total Liabilities	94,520	7,803	1,114,504
Fund Balance:				
Restricted:				
3450	Federal/State funds grant restrictions	-	-	-
Committed:				
3545	Other purposes	-	-	-
3000	Total Fund Balances	-	-	-
4000	Total Liabilities and Fund Balance	\$ 94,520	\$ 7,803	\$ 1,114,504

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ALL NONMAJOR GOVERNMENTAL FUNDS
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		225	240	242
Data Control Codes		IDEA B - Preschool	Child Nutrition	Summer Feeding Program
Assets				
1110	Cash and temporary investments	\$ -	\$ 3,818,504	\$ -
	Receivables:			
1240	Receivables from other governments	26,006	2,275,026	1,034,649
1260	Due from other funds	-	-	-
1290	Other receivables	-	-	-
1000	Total Assets	\$ 26,006	\$ 6,093,530	\$ 1,034,649
Liabilities and Fund Balances				
Liabilities:				
Current Liabilities:				
2110	Accounts payable	\$ -	\$ 72,385	\$ -
2170	Due to other funds	26,006	3,835,150	1,034,649
2180	Due to other governments	-	-	-
2200	Accrued expenditures	-	-	-
2300	Unearned revenue	-	-	-
2000	Total Liabilities	26,006	3,907,535	1,034,649
Fund Balance:				
Restricted:				
3450	Federal/State funds grant restrictions	-	2,185,995	-
Committed:				
3545	Other purposes	-	-	-
3000	Total Fund Balances	-	2,185,995	-
4000	Total Liabilities and Fund Balance	\$ 26,006	\$ 6,093,530	\$ 1,034,649

YSLETA INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
ALL NONMAJOR GOVERNMENTAL FUNDS
June 30, 2021

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		244	255	263
Data Control Codes		Career and Technical Education - Basic	ESEA Title II, A - Training and Recruiting	English Language Acquisition and Language Enhancement
Assets				
1110	Cash and temporary investments	\$ -	\$ -	\$ -
	Receivables:			
1240	Receivables from other governments	100,468	639,191	330,857
1260	Due from other funds	-	-	-
1290	Other receivables	-	-	-
1000	Total Assets	\$ 100,468	\$ 639,191	\$ 330,857
Liabilities and Fund Balances				
	Liabilities:			
	Current Liabilities:			
2110	Accounts payable	\$ 16,698	\$ 94,513	\$ 12,290
2170	Due to other funds	83,770	191,360	318,567
2180	Due to other governments	-	353,318	-
2200	Accrued expenditures	-	-	-
2300	Unearned revenue	-	-	-
2000	Total Liabilities	100,468	639,191	330,857
	Fund Balance:			
	Restricted:			
3450	Federal/State funds grant restrictions	-	-	-
	Committed:			
3545	Other purposes	-	-	-
3000	Total Fund Balances	-	-	-
4000	Total Liabilities and Fund Balance	\$ 100,468	\$ 639,191	\$ 330,857

YSLETA INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
ALL NONMAJOR GOVERNMENTAL FUNDS
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Data Control Codes		265	266	272
		Title IV, Part B - 21st Century Community Learning Centers	ESSER	Medicaid Administrative Claiming Program - MAC
	Assets			
1110	Cash and temporary investments	\$ -	\$ -	\$ -
	Receivables:			
1240	Receivables from other governments	275,739	2,804,329	138,443
1260	Due from other funds	-	-	-
1290	Other receivables	-	-	-
1000	Total Assets	<u>\$ 275,739</u>	<u>\$ 2,804,329</u>	<u>\$ 138,443</u>
	Liabilities and Fund Balances			
	Liabilities:			
	Current Liabilities:			
2110	Accounts payable	\$ 23,118	\$ 463,206	\$ -
2170	Due to other funds	252,621	2,332,537	138,443
2180	Due to other governments	-	8,586	-
2200	Accrued expenditures	-	-	-
2300	Unearned revenue	-	-	-
2000	Total Liabilities	<u>275,739</u>	<u>2,804,329</u>	<u>138,443</u>
	Fund Balance:			
	Restricted:			
3450	Federal/State funds grant restrictions	-	-	-
	Committed:			
3545	Other purposes	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities and Fund Balance	<u>\$ 275,739</u>	<u>\$ 2,804,329</u>	<u>\$ 138,443</u>

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COMBINING BALANCE SHEET
ALL NONMAJOR GOVERNMENTAL FUNDS
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		277	281	289
Data Control Codes		Coronavirus Relief Fund (CARES Act)	ESSER II	Federally Funded Special Revenue
Assets				
1110	Cash and temporary investments	\$ -	\$ -	\$ -
	Receivables:			
1240	Receivables from other governments	-	2,231,693	134,716
1260	Due from other funds	-	-	-
1290	Other receivables	-	-	-
1000	Total Assets	\$ -	\$ 2,231,693	\$ 134,716
Liabilities and Fund Balances				
	Liabilities:			
	Current Liabilities:			
2110	Accounts payable	\$ -	\$ -	\$ 31,395
2170	Due to other funds	-	2,231,693	96,052
2180	Due to other governments	-	-	-
2200	Accrued expenditures	-	-	-
2300	Unearned revenue	-	-	7,269
2000	Total Liabilities	-	2,231,693	134,716
	Fund Balance:			
	Restricted:			
3450	Federal/State funds grant restrictions	-	-	-
	Committed:			
3545	Other purposes	-	-	-
3000	Total Fund Balances	-	-	-
4000	Total Liabilities and Fund Balance	\$ -	\$ 2,231,693	\$ 134,716

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ALL NONMAJOR GOVERNMENTAL FUNDS
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		309	312	381
Data Control Codes		SSA- Adult Basic Education (ABE)	SSA- Temporary Assistance for Needy Families (TANF)	Adult Basic Education (ABE)
Assets				
1110	Cash and temporary investments	\$ -	\$ -	\$ -
	Receivables:			
1240	Receivables from other governments	243,359	11,943	2,827
1260	Due from other funds	4,690	11,451	-
1290	Other receivables	-	-	-
1000	Total Assets	\$ 248,049	\$ 23,394	\$ 2,827
Liabilities and Fund Balances				
Liabilities:				
Current Liabilities:				
2110	Accounts payable	\$ 248,049	\$ 23,394	\$ -
2170	Due to other funds	-	-	2,823
2180	Due to other governments	-	-	4
2200	Accrued expenditures	-	-	-
2300	Unearned revenue	-	-	-
2000	Total Liabilities	248,049	23,394	2,827
Fund Balance:				
Restricted:				
3450	Federal/State funds grant restrictions	-	-	-
Committed:				
3545	Other purposes	-	-	-
3000	Total Fund Balances	-	-	-
4000	Total Liabilities and Fund Balance	\$ 248,049	\$ 23,394	\$ 2,827

YSLETA INDEPENDENT SCHOOL DISTRICT
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ALL NONMAJOR GOVERNMENTAL FUNDS
June 30, 2021

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		397	410	429
Data Control Codes		Advanced Placement Incentive	Instructional Materials Allotment	State Funded Special Revenue Fund
Assets				
1110	Cash and temporary investments	\$ -	\$ -	\$ -
	Receivables:			
1240	Receivables from other governments	-	412,686	145,467
1260	Due from other funds	228,628	492,548	-
1290	Other receivables	-	-	-
1000	Total Assets	<u>\$ 228,628</u>	<u>\$ 905,234</u>	<u>\$ 145,467</u>
Liabilities and Fund Balances				
	Liabilities:			
	Current Liabilities:			
2110	Accounts payable	\$ -	\$ 57,547	\$ 19,103
2170	Due to other funds	-	-	91,269
2180	Due to other governments	-	-	-
2200	Accrued expenditures	-	-	-
2300	Unearned revenue	228,628	847,687	35,095
2000	Total Liabilities	<u>228,628</u>	<u>905,234</u>	<u>145,467</u>
	Fund Balance:			
	Restricted:			
3450	Federal/State funds grant restrictions	-	-	-
	Committed:			
3545	Other purposes	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities and Fund Balance	<u>\$ 228,628</u>	<u>\$ 905,234</u>	<u>\$ 145,467</u>

YSLETA INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
ALL NONMAJOR GOVERNMENTAL FUNDS
June 30, 2021

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		431	461	483
Data				
Control				
Codes				
	Assets			
1110	Cash and temporary investments	\$ -	\$ 3,607,859	\$ -
	Receivables:			
1240	Receivables from other governments	16,428	-	-
1260	Due from other funds	-	-	17,069
1290	Other receivables	-	1,644	-
1000	Total Assets	<u>\$ 16,428</u>	<u>\$ 3,609,503</u>	<u>\$ 17,069</u>
	Liabilities and Fund Balances			
	Liabilities:			
	Current Liabilities:			
2110	Accounts payable	\$ 285	\$ 32,175	\$ 474
2170	Due to other funds	16,143	2,179,934	-
2180	Due to other governments	-	-	-
2200	Accrued expenditures	-	28,019	-
2300	Unearned revenue	-	-	-
2000	Total Liabilities	<u>16,428</u>	<u>2,240,128</u>	<u>474</u>
	Fund Balance:			
	Restricted:			
3450	Federal/State funds grant restrictions	-	-	16,595
	Committed:			
3545	Other purposes	-	1,369,375	-
3000	Total Fund Balances	<u>-</u>	<u>1,369,375</u>	<u>16,595</u>
4000	Total Liabilities and Fund Balance	<u>\$ 16,428</u>	<u>\$ 3,609,503</u>	<u>\$ 17,069</u>

YSLETA INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
ALL NONMAJOR GOVERNMENTAL FUNDS
June 30, 2021

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Data Control Codes		Locally Defined Special Revenue Fund	Total Nonmajor Governmental Funds
Assets			
1110	Cash and temporary investments	\$ -	\$ 7,426,363
	Receivables:		
1240	Receivables from other governments	1,019	13,996,242
1260	Due from other funds	352,820	1,107,206
1290	Other receivables	-	1,644
1000	Total Assets	\$ 353,839	\$ 22,531,455
Liabilities and Fund Balances			
	Liabilities:		
	Current Liabilities:		
2110	Accounts payable	\$ 941	\$ 1,277,940
2170	Due to other funds	-	15,817,100
2180	Due to other governments	-	364,854
2200	Accrued expenditures	-	28,019
2300	Unearned revenue	352,898	1,471,577
2000	Total Liabilities	353,839	18,959,490
	Fund Balance:		
	Restricted:		
3450	Federal/State funds grant restrictions	-	2,202,590
	Committed:		
3545	Other purposes	-	1,369,375
3000	Total Fund Balances	-	3,571,965
4000	Total Liabilities and Fund Balance	\$ 353,839	\$ 22,531,455

YSLETA INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2021

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		206	211	212
		ESEA, Title III-B, Education for Homeless Children and Youth	ESEA Title I, A - Improving Basic Ed.	ESEA Title I, Part C - Education of Migratory Children
Data Control Codes				
	Revenues			
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-
5900	Federal program revenues	119,341	16,866,824	101,625
5020	Total Revenues	<u>119,341</u>	<u>16,866,824</u>	<u>101,625</u>
	Expenditures			
	Current:			
0011	Instruction	88,175	15,198,378	38,037
0012	Instruction resources and media services	-	-	-
0013	Curriculum and instructional staff development	-	404,274	-
0021	Instructional leadership	50	108,729	61,893
0023	School leadership	-	-	-
0031	Guidance, counseling and evaluation services	-	-	-
0032	Social work services	31,116	880,390	-
0033	Health services	-	-	-
0035	Food service	-	-	-
0036	Extracurricular activities	-	-	-
0041	General administration	-	-	-
0051	Facilities maintenance and operations	-	-	-
0052	Security and monitoring services	-	-	-
0053	Data processing services	-	-	-
0061	Community services	-	275,053	1,695
	Intergovernmental:			
0093	Payments related to shared services arrangement	-	-	-
6030	Total Expenditures	<u>119,341</u>	<u>16,866,824</u>	<u>101,625</u>
1100	Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>
	Other Financing Sources (Uses)			
7915	Transfers in	-	-	-
7080	Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
1200	Net change in fund balances	-	-	-
0100	Fund Balance - July 1 (Beginning)	<u>-</u>	<u>-</u>	<u>-</u>
3000	Fund Balance - June 30 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

YSLETA INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2021

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		220	223	224
Data Control Codes		Adult Basic Education (ABE)	Temporary Assistance for Needy Families (TANF)	IDEA B - Formula
Revenues				
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-
5900	Federal program revenues	857,168	70,864	7,156,674
5020	Total Revenues	857,168	70,864	7,156,674
Expenditures				
Current:				
0011	Instruction	555,410	38,192	6,884,091
0012	Instruction resources and media services	-	-	-
0013	Curriculum and instructional staff development	62,202	3,904	-
0021	Instructional leadership	-	-	-
0023	School leadership	74,455	8,716	-
0031	Guidance, counseling and evaluation services	92,966	11,118	-
0032	Social work services	-	-	272,583
0033	Health services	-	-	-
0035	Food service	-	-	-
0036	Extracurricular activities	-	-	-
0041	General administration	-	-	-
0051	Facilities maintenance and operations	72,135	8,934	-
0052	Security and monitoring services	-	-	-
0053	Data processing services	-	-	-
0061	Community services	-	-	-
Intergovernmental:				
0093	Payments related to shared services arrangement	-	-	-
6030	Total Expenditures	857,168	70,864	7,156,674
1100	Excess (deficiency) of revenues over expenditures	-	-	-
Other Financing Sources (Uses)				
7915	Transfers in	-	-	-
7080	Total Other Financing Sources (Uses)	-	-	-
1200	Net change in fund balances	-	-	-
0100	Fund Balance - July 1 (Beginning)	-	-	-
3000	Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ -

YSLETA INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2021

Exhibit H-2
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		225	240	242
Data Control Codes		IDEA B - Preschool	Child Nutrition	Summer Feeding Program
Revenues				
5700	Local, intermediate, and out-of-state	\$ -	\$ 17,561	\$ -
5800	State program revenues	-	111,199	-
5900	Federal program revenues	120,101	4,024,180	11,532,667
5020	Total Revenues	<u>120,101</u>	<u>4,152,940</u>	<u>11,532,667</u>
Expenditures				
Current:				
0011	Instruction	9,230	-	-
0012	Instruction resources and media services	-	-	-
0013	Curriculum and instructional staff development	-	-	-
0021	Instructional leadership	-	-	-
0023	School leadership	-	-	-
0031	Guidance, counseling and evaluation services	110,871	-	-
0032	Social work services	-	-	-
0033	Health services	-	-	-
0035	Food service	-	6,418,599	11,532,667
0036	Extracurricular activities	-	-	-
0041	General administration	-	-	-
0051	Facilities maintenance and operations	-	-	-
0052	Security and monitoring services	-	-	-
0053	Data processing services	-	-	-
0061	Community services	-	-	-
Intergovernmental:				
0093	Payments related to shared services arrangement	-	-	-
6030	Total Expenditures	<u>120,101</u>	<u>6,418,599</u>	<u>11,532,667</u>
1100	Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(2,265,659)</u>	<u>-</u>
Other Financing Sources (Uses)				
7915	Transfers in	-	2,265,659	-
7080	Total Other Financing Sources (Uses)	<u>-</u>	<u>2,265,659</u>	<u>-</u>
1200	Net change in fund balances	-	-	-
0100	Fund Balance - July 1 (Beginning)	<u>-</u>	<u>2,185,995</u>	<u>-</u>
3000	Fund Balance - June 30 (Ending)	<u>\$ -</u>	<u>\$ 2,185,995</u>	<u>\$ -</u>

YSLETA INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2021

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		244	255	263
		Career and Technical Education - Basic	ESEA Title II, A - Training and Recruiting	English Language Acquisition and Language Enhancement
Data Control Codes				
	Revenues			
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-
5900	Federal program revenues	663,444	2,202,572	1,199,097
5020	Total Revenues	<u>663,444</u>	<u>2,202,572</u>	<u>1,199,097</u>
	Expenditures			
	Current:			
0011	Instruction	376,000	1,033,350	742,061
0012	Instruction resources and media services	-	-	-
0013	Curriculum and instructional staff development	35,936	1,010,370	455,945
0021	Instructional leadership	149,287	63,050	104
0023	School leadership	-	4,797	-
0031	Guidance, counseling and evaluation services	92,901	25,007	184
0032	Social work services	-	-	-
0033	Health services	-	-	-
0035	Food service	-	-	-
0036	Extracurricular activities	9,320	-	-
0041	General administration	-	65,998	-
0051	Facilities maintenance and operations	-	-	-
0052	Security and monitoring services	-	-	-
0053	Data processing services	-	-	-
0061	Community services	-	-	803
	Intergovernmental:			
0093	Payments related to shared services arrangement	-	-	-
6030	Total Expenditures	<u>663,444</u>	<u>2,202,572</u>	<u>1,199,097</u>
1100	Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>
	Other Financing Sources (Uses)			
7915	Transfers in	-	-	-
7080	Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
1200	Net change in fund balances	-	-	-
0100	Fund Balance - July 1 (Beginning)	<u>-</u>	<u>-</u>	<u>-</u>
3000	Fund Balance - June 30 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

YSLETA INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2021

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Data Control Codes		265	266	272
		Title IV, Part B - 21st Century Community Learning Centers	ESSER	Medicaid Administrative Claiming Program - MAC
	Revenues			
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-
5900	Federal program revenues	1,401,441	9,208,516	-
5020	Total Revenues	<u>1,401,441</u>	<u>9,208,516</u>	<u>-</u>
	Expenditures			
	Current:			
0011	Instruction	442,682	4,720,700	-
0012	Instruction resources and media services	-	3,603,425	-
0013	Curriculum and instructional staff development	5,862	-	-
0021	Instructional leadership	685,807	-	-
0023	School leadership	-	-	-
0031	Guidance, counseling and evaluation services	24,000	69,897	-
0032	Social work services	-	-	-
0033	Health services	-	143,900	-
0035	Food service	-	-	-
0036	Extracurricular activities	149,405	-	-
0041	General administration	-	-	-
0051	Facilities maintenance and operations	-	12,644	-
0052	Security and monitoring services	18,069	-	-
0053	Data processing services	-	638,340	-
0061	Community services	75,616	19,610	-
	Intergovernmental:			
0093	Payments related to shared services arrangement	-	-	-
6030	Total Expenditures	<u>1,401,441</u>	<u>9,208,516</u>	<u>-</u>
1100	Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>
	Other Financing Sources (Uses)			
7915	Transfers in	-	-	-
7080	Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
1200	Net change in fund balances	-	-	-
0100	Fund Balance - July 1 (Beginning)	<u>-</u>	<u>-</u>	<u>-</u>
3000	Fund Balance - June 30 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

YSLETA INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2021

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		277	281	289
Data Control Codes		Coronavirus Relief Fund (CARES Act)	ESSER II	Federally Funded Special Revenue
Revenues				
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-
5900	Federal program revenues	493,842	2,231,693	1,175,130
5020	Total Revenues	<u>493,842</u>	<u>2,231,693</u>	<u>1,175,130</u>
Expenditures				
Current:				
0011	Instruction	493,842	2,228,262	611,331
0012	Instruction resources and media services	-	-	3,550
0013	Curriculum and instructional staff development	-	532	50,404
0021	Instructional leadership	-	-	-
0023	School leadership	-	2,899	-
0031	Guidance, counseling and evaluation services	-	-	114,117
0032	Social work services	-	-	-
0033	Health services	-	-	345,745
0035	Food service	-	-	-
0036	Extracurricular activities	-	-	-
0041	General administration	-	-	-
0051	Facilities maintenance and operations	-	-	-
0052	Security and monitoring services	-	-	-
0053	Data processing services	-	-	37,501
0061	Community services	-	-	12,482
Intergovernmental:				
0093	Payments related to shared services arrangement	-	-	-
6030	Total Expenditures	<u>493,842</u>	<u>2,231,693</u>	<u>1,175,130</u>
1100	Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses)				
7915	Transfers in	-	-	-
7080	Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
1200	Net change in fund balances	-	-	-
0100	Fund Balance - July 1 (Beginning)	<u>-</u>	<u>-</u>	<u>-</u>
3000	Fund Balance - June 30 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

YSLETA INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2021

Exhibit H-2
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		309	312	381
Data Control Codes		SSA- Adult Basic Education (ABE)	SSA- Temporary Assistance for Needy Families (TANF)	Adult Basic Education (ABE)
Revenues				
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ -
5800	State program revenues	-	-	89,322
5900	Federal program revenues	2,178,986	194,267	-
5020	Total Revenues	2,178,986	194,267	89,322
Expenditures				
Current:				
0011	Instruction	-	-	45,192
0012	Instruction resources and media services	-	-	-
0013	Curriculum and instructional staff development	-	-	11,028
0021	Instructional leadership	-	-	-
0023	School leadership	-	-	10,245
0031	Guidance, counseling and evaluation services	-	-	10,363
0032	Social work services	-	-	-
0033	Health services	-	-	-
0035	Food service	-	-	-
0036	Extracurricular activities	-	-	-
0041	General administration	-	-	-
0051	Facilities maintenance and operations	-	-	12,494
0052	Security and monitoring services	-	-	-
0053	Data processing services	-	-	-
0061	Community services	-	-	-
Intergovernmental:				
0093	Payments related to shared services arrangement	2,178,986	194,267	-
6030	Total Expenditures	2,178,986	194,267	89,322
1100	Excess (deficiency) of revenues over expenditures	-	-	-
Other Financing Sources (Uses)				
7915	Transfers in	-	-	-
7080	Total Other Financing Sources (Uses)	-	-	-
1200	Net change in fund balances	-	-	-
0100	Fund Balance - July 1 (Beginning)	-	-	-
3000	Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ -

YSLETA INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2021

Exhibit H-2
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		397	410	429
Data Control Codes		Advanced Placement Incentive	Instructional Materials Allotment	State Funded Special Revenue Fund
Revenues				
5700	Local, intermediate, and out-of-state	\$ -	\$ 5,887	\$ -
5800	State program revenues	2,760	5,289,592	700,730
5900	Federal program revenues	-	-	-
5020	Total Revenues	<u>2,760</u>	<u>5,295,479</u>	<u>700,730</u>
Expenditures				
Current:				
0011	Instruction	-	5,288,199	41,031
0012	Instruction resources and media services	-	-	-
0013	Curriculum and instructional staff development	2,760	-	212
0021	Instructional leadership	-	-	95,839
0023	School leadership	-	-	-
0031	Guidance, counseling and evaluation services	-	-	59,902
0032	Social work services	-	-	-
0033	Health services	-	-	-
0035	Food service	-	-	-
0036	Extracurricular activities	-	-	-
0041	General administration	-	7,280	-
0051	Facilities maintenance and operations	-	-	503,746
0052	Security and monitoring services	-	-	-
0053	Data processing services	-	-	-
0061	Community services	-	-	-
Intergovernmental:				
0093	Payments related to shared services arrangement	-	-	-
6030	Total Expenditures	<u>2,760</u>	<u>5,295,479</u>	<u>700,730</u>
1100	Excess (deficiency) of revenues over expenditures	-	-	-
Other Financing Sources (Uses)				
7915	Transfers in	-	-	-
7080	Total Other Financing Sources (Uses)	-	-	-
1200	Net change in fund balances	-	-	-
0100	Fund Balance - July 1 (Beginning)	-	-	-
3000	Fund Balance - June 30 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

YSLETA INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2021

Exhibit H-2
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		431	461	483
Data Control Codes		Advanced Placement Incentive	Instructional Materials Allotment	State Funded Special Revenue Fund
Revenues				
5700	Local, intermediate, and out-of-state	\$ -	\$ 378,897	\$ 7,166
5800	State program revenues	290,951	-	-
5900	Federal program revenues	-	-	-
5020	Total Revenues	<u>290,951</u>	<u>378,897</u>	<u>7,166</u>
Expenditures				
Current:				
0011	Instruction	-	137,230	-
0012	Instruction resources and media services	-	1,162	-
0013	Curriculum and instructional staff development	-	27,826	-
0021	Instructional leadership	-	-	-
0023	School leadership	-	291,553	-
0031	Guidance, counseling and evaluation services	-	54	-
0032	Social work services	-	-	-
0033	Health services	-	1,704	9,189
0035	Food service	-	-	-
0036	Extracurricular activities	-	181,003	-
0041	General administration	-	-	-
0051	Facilities maintenance and operations	-	37,453	9,267
0052	Security and monitoring services	-	4,870	-
0053	Data processing services	-	-	-
0061	Community services	-	4,836	-
Intergovernmental:				
0093	Payments related to shared services arrangement	290,951	-	-
6030	Total Expenditures	<u>290,951</u>	<u>687,691</u>	<u>18,456</u>
1100	Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(308,794)</u>	<u>(11,290)</u>
Other Financing Sources (Uses)				
7915	Transfers in	-	4,296	-
7080	Total Other Financing Sources (Uses)	<u>-</u>	<u>4,296</u>	<u>-</u>
1200	Net change in fund balances	-	(304,498)	(11,290)
0100	Fund Balance - July 1 (Beginning)	<u>-</u>	<u>1,673,873</u>	<u>27,885</u>
3000	Fund Balance - June 30 (Ending)	<u>\$ -</u>	<u>\$ 1,369,375</u>	<u>\$ 16,595</u>

YSLETA INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2021

Exhibit H-2
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Data Control Codes		Locally Defined Special Revenue Fund	Total Nonmajor Governmental Funds
Revenues			
5700	Local, intermediate, and out-of-state	\$ 385,625	\$ 795,136
5800	State program revenues	642	6,485,196
5900	Federal program revenues	-	61,798,432
5020	Total Revenues	386,267	69,078,764
Expenditures			
Current:			
0011	Instruction	233,849	39,205,242
0012	Instruction resources and media services	8,132	3,616,269
0013	Curriculum and instructional staff development	1,778	2,073,033
0021	Instructional leadership	-	1,164,759
0023	School leadership	-	392,665
0031	Guidance, counseling and evaluation services	-	611,380
0032	Social work services	184	1,184,273
0033	Health services	4,462	505,000
0035	Food service	199	17,951,465
0036	Extracurricular activities	126,049	465,777
0041	General administration	1,998	75,276
0051	Facilities maintenance and operations	430	657,103
0052	Security and monitoring services	7,140	30,079
0053	Data processing services	-	675,841
0061	Community services	2,046	392,141
Intergovernmental:			
0093	Payments related to shared services arrangement	-	2,664,204
6030	Total Expenditures	386,267	71,664,507
1100	Excess (deficiency) of revenues over expenditures	-	(2,585,743)
Other Financing Sources (Uses)			
7915		-	2,269,955
7080	Total Other Financing Sources (Uses)	-	2,269,955
1200	Net change in fund balances	-	(315,788)
0100	Fund Balance - July 1 (Beginning)	-	3,887,753
3000	Fund Balance - June 30 (Ending)	\$ -	\$ 3,571,965

YSLETA INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2021

Exhibit H-3
Page 1 of 2

	753	770	776
	<u>Health Insurance</u>	<u>Workers' Compensation</u>	<u>Speech Therapy</u>
Assets			
Current Assets:			
Due from other funds	\$ 5,582,517	\$ 3,534,234	\$ 3,058
Total Current Assets	<u>5,582,517</u>	<u>3,534,234</u>	<u>3,058</u>
Noncurrent Assets:			
Capital Assets:			
Furniture and equipment	-	-	-
Accumulated depreciation -			
Furniture and Equipment	-	-	-
Total Noncurrent Assets	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>5,582,517</u>	<u>3,534,234</u>	<u>3,058</u>
Liabilities			
Current Liabilities:			
Accounts payable	\$ 2,160	\$ -	\$ -
Accrued wages payable	-	-	26,388
Due to other funds	-	-	-
Accrued expenses	<u>4,377,000</u>	<u>1,601,000</u>	<u>-</u>
Total Current Liabilities	<u>4,379,160</u>	<u>1,601,000</u>	<u>26,388</u>
Total Liabilities	<u>4,379,160</u>	<u>1,601,000</u>	<u>26,388</u>
Net Position			
Net investment in capital assets	-	-	-
Unrestricted net position	<u>1,203,357</u>	<u>1,933,234</u>	<u>\$ (23,330)</u>
Total Net Position	<u>\$ 1,203,357</u>	<u>\$ 1,933,234</u>	<u>\$ (23,330)</u>

YSLETA INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2021

Exhibit H-3
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	777	
	Print Shop Services	Total Internal Service Funds
Assets		
Current Assets:		
Due from other funds	\$ -	\$ 9,119,809
Total Current Assets	-	9,119,809
Noncurrent Assets:		
Capital Assets:		
Furniture and equipment	306,162	306,162
Accumulated depreciation - Furniture and Equipment	(291,222)	(291,222)
Total Noncurrent Assets	14,940	14,940
Total Assets	14,940	9,134,749
Liabilities		
Current Liabilities:		
Accounts payable	\$ 5,053	\$ 7,213
Accrued wages payable	-	26,388
Due to other funds	31,450	31,450
Accrued expenses	-	5,978,000
Total Current Liabilities	36,503	6,043,051
Total Liabilities	36,503	6,043,051
Net Position		
Net investment in capital assets	14,940	14,940
Unrestricted net position	(36,503)	3,076,758
Total Net Position	\$ (21,563)	\$ 3,091,698

YSLETA INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2021

Exhibit H-4
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	753	770	776
	<u>Health Insurance</u>	<u>Workers' Compensation</u>	<u>Speech Therapy</u>
Operating Revenues			
Miscellaneous revenue from local sources	\$ 1,418,269	\$ -	\$ -
Interfund service provided	44,918,342	2,305,574	4,263,780
Total Operating Revenues	<u>46,336,611</u>	<u>2,305,574</u>	<u>4,263,780</u>
Operating Expenses			
Payroll costs	204,073	144,841	4,287,110
Purchased and contracted services	2,220,126	159,965	-
Supplies and materials	-	-	-
Claims expense and other operating expenses	47,736,200	1,575,365	-
Depreciation	-	-	-
Total Operating Expenses	<u>50,160,399</u>	<u>1,880,171</u>	<u>4,287,110</u>
Change in net position	(3,823,788)	425,403	(23,330)
Net Position - Beginning	<u>5,027,145</u>	<u>1,507,831</u>	<u>-</u>
Net Position - Ending	<u>\$ 1,203,357</u>	<u>\$ 1,933,234</u>	<u>\$ (23,330)</u>

YSLETA INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2021

Exhibit H-4
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	777	
	Print Shop Services	Total Internal Service Funds
Operating Revenues		
Miscellaneous revenue from local sources	\$ -	\$ 1,418,269
Interfund service provided	407,854	51,895,550
Total Operating Revenues	407,854	53,313,819
Operating Expenses		
Payroll costs	303,970	4,939,994
Purchased and contracted services	172,906	2,552,997
Supplies and materials	83,458	83,458
Claims expense and other operating expenses	-	49,311,565
Depreciation	609	609
Total Operating Expenses	560,943	56,888,623
Change in net position	(153,089)	(3,574,804)
Net Position - Beginning	131,526	6,666,502
Net Position - Ending	\$ (21,563)	\$ 3,091,698

YSLETA INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2021

Exhibit H-5
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	753	770	776
	Health Insurance	Workers' Compensation	Speech Therapy
Increase (Decrease) in Cash and Cash Equivalents			
Cash Flows from Operating Activities:			
Cash received from user charges	\$ 48,843,836	\$ 2,370,171	\$ 4,562,646
Cash payments to employees	(204,073)	(144,841)	(4,562,646)
Cash payments to suppliers for goods and services	(2,268,563)	(159,965)	-
Cash payments for insurance claims	(45,821,507)	(1,481,859)	-
Cash payments for other operating expenses	(549,693)	(583,506)	-
Net Cash Provided by (Used for) Operating Activities	<u>-</u>	<u>-</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	-	-	-
Cash and Cash Equivalents at Beginning of Year	-	-	-
Cash and Cash Equivalents at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation to Balance Sheet			
Cash and Cash Equivalents Per Cash Flow	\$ -	\$ -	\$ -
Cash and Cash Equivalents per Balance Sheet	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of Operating Income to Net Cash			
Provided by Operating Activities:			
Operating income (loss)	\$ (3,823,788)	\$ 425,403	\$ (23,330)
Adjustments to reconcile operating income to net cash			
Provided by Operating Activities:			
Depreciation	-	-	-
Change in Assets and Liabilities:			
Decrease (increase) in interfund receivables	2,507,225	64,597	298,866
Increase (decrease) in accounts payable	(48,437)	-	-
Increase in accrued wages payable	-	-	(275,536)
Decrease in claims payable	1,365,000	(490,000)	-
Net Cash Provided by (Used for) Operating Activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

YSLETA INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2021

Exhibit H-5
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	777	
	Print Shop	Total Internal
	Services	Service Funds
Increase (Decrease) in Cash and Cash Equivalents		
Cash Flows from Operating Activities:		
Cash received from user charges	\$ 580,511	\$ 56,357,164
Cash payments to employees	(322,808)	(5,234,368)
Cash payments to suppliers for goods and services	(257,703)	(2,686,231)
Cash payments for insurance claims	-	(47,303,366)
Cash payments for other operating expenses	-	(1,133,199)
Net Cash Provided by (Used for) Operating Activities	<u>-</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>-</u>	<u>-</u>
Cash and Cash Equivalents at Beginning of Year	<u>-</u>	<u>-</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Reconciliation to Balance Sheet		
Cash and Cash Equivalents Per Cash Flow	<u>\$ -</u>	<u>\$ -</u>
Cash and Cash Equivalents per Balance Sheet	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Reconciliation of Operating Income to Net Cash		
Provided by Operating Activities:		
Operating income (loss)	\$ (153,089)	\$ (3,574,804)
Adjustments to reconcile operating income to net cash		
Provided by Operating Activities:		
Depreciation	609	609
Change in Assets and Liabilities:		
Decrease (increase) in interfund receivables	172,657	3,043,345
Increase (decrease) in accounts payable	(1,339)	(49,776)
Increase in accrued wages payable	(18,838)	(294,374)
Decrease in claims payable	-	875,000
Net Cash Provided by (Used for) Operating Activities	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

YSLETA INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
June 30, 2021

Exhibit H-6
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	712	717	721
	Teachers Network Technology	Regional Wrestling Meet	Employee Daycare Collaborative
Assets			
Current Assets:			
Cash and cash equivalents	\$ -	\$ -	\$ 200
Due from other funds	31,717	875	-
Total Current Assets	<u>31,717</u>	<u>875</u>	<u>200</u>
Total Assets	<u>31,717</u>	<u>875</u>	<u>200</u>
Liabilities			
Current Liabilities:			
Accounts payable	-	875	-
Due to other funds	-	-	200
Total Current Liabilities	<u>-</u>	<u>875</u>	<u>200</u>
Total Liabilities	<u>-</u>	<u>875</u>	<u>200</u>
Net Position			
Unrestricted net position	31,717	-	-
Total Net Position	<u>\$ 31,717</u>	<u>\$ -</u>	<u>\$ -</u>

YSLETA INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
June 30, 2021

Exhibit H-6
Page 2 of 2

	722	726	
	Oasis Program	District Events	Total
Assets			
Current Assets:			
Cash and cash equivalents	\$ -	\$ -	\$ 200
Due from other funds	34,961	7,680	75,233
Total Current Assets	34,961	7,680	75,433
Total Assets	34,961	7,680	75,433
Liabilities			
Current Liabilities:			
Accounts payable	741	-	1,616
Due to other funds	-	-	200
Total Current Liabilities	741	-	1,816
Total Liabilities	741	-	1,816
Net Position			
Unrestricted net position	34,220	7,680	73,617
Total Net Position	\$ 34,220	\$ 7,680	\$ 73,617

YSLETA INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS
For the Year Ended June 30, 2021

Exhibit H-7
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	712	717	721
	Teachers Network Technology	Regional Wrestling Meet	Employee Daycare Collaborative
Operating Revenues			
Miscellaneous revenue from local sources	\$ 410	\$ 14,898	\$ 15,984
Total Operating Revenues	<u>410</u>	<u>14,898</u>	<u>15,984</u>
Operating Expenses			
Payroll costs	-	9,796	195,659
Purchased and contracted services	-	9,438	-
Supplies and materials	-	1,367	-
Other operating expenses	-	3,307	-
Total Operating Expenses	<u>-</u>	<u>23,908</u>	<u>195,659</u>
Operating income (loss)	<u>410</u>	<u>(9,010)</u>	<u>(179,675)</u>
Other Financing Sources (Uses)			
Transfers in	-	9,010	179,675
Total Other Financing Sources (Uses)	<u>-</u>	<u>9,010</u>	<u>179,675</u>
Change in net position	410	-	-
Net Position - Beginning	<u>31,307</u>	<u>-</u>	<u>-</u>
Net Position - Ending	<u>\$ 31,717</u>	<u>\$ -</u>	<u>\$ -</u>

YSLETA INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS
For the Year Ended June 30, 2021

Exhibit H-7
Page 2 of 2

	722	726	
	Oasis Program	District Events	Total
Operating Revenues			
Miscellaneous revenue from local sources	\$ 410	\$ -	\$ 31,702
Total Operating Revenues	<u>410</u>	<u>-</u>	<u>31,702</u>
Operating Expenses			
Payroll costs	857	-	206,312
Purchased and contracted services	-	-	9,438
Supplies and materials	1,156	-	2,523
Other operating expenses	-	-	3,307
Total Operating Expenses	<u>2,013</u>	<u>-</u>	<u>221,580</u>
Operating income (loss)	<u>(1,603)</u>	<u>-</u>	<u>(189,878)</u>
Other Financing Sources (Uses)			
Transfers in	-	-	188,685
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>188,685</u>
Change in net position	(1,603)	-	(1,193)
Net Position - Beginning	<u>35,823</u>	<u>7,680</u>	<u>74,810</u>
Net Position - Ending	<u>\$ 34,220</u>	<u>\$ 7,680</u>	<u>\$ 73,617</u>

YSLETA INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the Year Ended June 30, 2021

Exhibit H-8
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	712 Teachers Network Technology	717 Regional Wrestling Meet	721 Employee Daycare Collaborative
Increase (Decrease) in Cash and Cash Equivalents			
Cash Flows from Operating Activities:			
Cash received from user charges	\$ -	\$ 14,023	\$ 27,259
Cash payments to employees	-	(9,796)	(206,934)
Cash payments to suppliers for goods and services	-	(9,930)	-
Cash payments for other operating expenses	-	(3,307)	-
Net Cash Used for Operating Activities	-	(9,010)	(179,675)
Cash Flows from Non-Capital Financing Activities:			
Transfers in	-	9,010	179,675
Net Cash Provided by Non-Capital Financing Activities	-	9,010	179,675
Net Increase (Decrease) in Cash and Cash Equivalents	-	-	-
Cash and Cash Equivalents at Beginning of Year	-	-	200
Cash and Cash Equivalents at End of Year	\$ -	\$ -	\$ 200
Reconciliation to Balance Sheet			
Cash and Cash Equivalents Per Cash Flow	\$ -	\$ -	\$ 200
Cash and Cash Equivalents per Balance Sheet	\$ -	\$ -	\$ 200
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Operating Income (Loss)	\$ 410	\$ (9,010)	\$ (179,675)
Change in Assets and Liabilities:			
Decrease (increase) in Interfund Receivables	(410)	(875)	11,075
Decrease in Accounts Payable	-	875	-
Decrease in Accrued Wages Payable	-	-	(11,275)
Net Cash Provided by Operating Activities	\$ -	\$ (9,010)	\$ (179,675)

YSLETA INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the Year Ended June 30, 2021

Exhibit H-8
Page 2 of 2

	722	726	
	<u>Oasis Program</u>	<u>District Events</u>	<u>Total Nonmajor Enterprise Funds</u>
Increase (Decrease) in Cash and Cash Equivalents			
Cash Flows from Operating Activities:			
Cash received from user charges	\$ 1,272	\$ -	\$ 42,554
Cash payments to employees	(857)	-	(217,587)
Cash payments to suppliers for goods and services	(415)	-	(10,345)
Cash payments for other operating expenses	-	-	(3,307)
Net Cash Used for Operating Activities	<u>-</u>	<u>-</u>	<u>(188,685)</u>
Cash Flows from Non-Capital Financing Activities:			
Transfers in	-	-	188,685
Net Cash Provided by Non-Capital Financing Activities	<u>-</u>	<u>-</u>	<u>188,685</u>
Net Increase (Decrease) in Cash and Cash Equivalents	-	-	-
Cash and Cash Equivalents at Beginning of Year	<u>-</u>	<u>-</u>	<u>200</u>
Cash and Cash Equivalents at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 200</u>
Reconciliation to Balance Sheet			
Cash and Cash Equivalents Per Cash Flow	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 200</u>
Cash and Cash Equivalents per Balance Sheet	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 200</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Operating Income (Loss)	\$ (1,603)	\$ -	\$ (189,878)
Change in Assets and Liabilities:			
Decrease (increase) in Interfund Receivables	862	-	10,652
Decrease in Accounts Payable	741	-	1,616
Decrease in Accrued Wages Payable	-	-	(11,275)
Net Cash Provided by Operating Activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (188,685)</u>



THE DISTRICT
YSLETA INDEPENDENT SCHOOL DISTRICT

REQUIRED TEA SCHEDULES

YSLETA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
For the Year Ended June 30, 2021

Exhibit J-1
Page 1 of 2

	1	2	3	10
	Tax Rates		Net Assessed/Appraised Value For School Tax Purposes	Beginning Balance 7/1/2020
Last Ten Fiscal Years	Maintenance	Debt Service		
2012 and prior	Various	Various	Various	\$ 2,829,361
2013	1.170000	0.160000	6,364,228,566	400,757
2014	1.170000	0.190000	6,534,718,648	405,934
2015	1.170000	0.190000	6,508,882,059	416,658
2016	1.170000	0.190000	6,333,026,395	507,868
2017	1.170000	0.305000	6,431,324,778	694,192
2018	1.170000	0.285000	6,485,677,251	818,179
2019	1.170000	0.285000	6,804,056,014	1,206,843
2020	1.068300	0.285000	7,064,650,115	2,822,180
2021	1.054100	0.392500	7,255,042,142	-
1000 Totals				\$ 10,101,972

Penalty and interest receivable on taxes

Total taxes receivable per Exhibit C-1

YSLETA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
For the Year Ended June 30, 2021

Exhibit J-1
Page 2 of 2

	20	31	32	40	50
Last Ten Fiscal Years	Current Year's Total Levy	Maintenance Total Collections	Debt Service Total Collections	Entire Year's Adjustments	Ending Balance 6/30/2021
2012 and prior	\$ -	\$ 96,754	\$ 21,239	\$ (105,601)	\$ 2,605,767
2013	-	29,566	4,043	(2,665)	364,483
2014	-	38,329	6,224	(3,857)	357,524
2015	-	40,800	6,626	(3,970)	365,262
2016	-	51,709	8,397	(4,991)	442,771
2017	-	74,927	19,532	(2,259)	597,474
2018	-	134,095	32,664	342	651,762
2019	-	81,849	19,937	(232,446)	872,611
2020	-	730,185	194,798	(688,355)	1,208,842
2021	<u>104,951,440</u>	<u>74,526,589</u>	<u>27,750,390</u>	<u>-</u>	<u>2,674,461</u>
1000 Totals	\$ 104,951,440	\$ 75,804,803	\$ 28,063,850	\$ (1,043,802)	10,140,957
Penalty and interest receivable on taxes					<u>6,787,676</u>
Total taxes receivable per Exhibit C-1					\$ 16,928,633

YSLETA INDEPENDENT SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
CHILD NUTRITION PROGRAM FUND
For the Year Ended June 30, 2021

Exhibit J-2

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts, Budgetary Basis	
Revenues				
Local revenues	\$ 1,837,424	\$ 1,837,424	\$ 17,561	\$ (1,819,863)
State program revenues	120,000	120,000	111,199	(8,801)
Federal program revenues	24,206,226	24,206,226	4,024,180	(20,182,046)
Total Revenues	<u>26,163,650</u>	<u>26,163,650</u>	<u>4,152,940</u>	<u>(22,010,710)</u>
Expenditures				
Current:				
Food services	26,163,650	26,163,650	6,418,599	19,745,051
Total Expenditures	<u>26,163,650</u>	<u>26,163,650</u>	<u>6,418,599</u>	<u>19,745,051</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(2,265,659)</u>	<u>(2,265,659)</u>
Other Financing Sources (Uses)				
Transfers in	-	-	2,265,659	(2,265,659)
Total other financing sources and use:	<u>-</u>	<u>-</u>	<u>2,265,659</u>	<u>(2,265,659)</u>
Net change in fund balances	-	-		(4,531,318)
Fund Balances - Beginning	<u>2,185,995</u>	<u>2,185,995</u>	<u>2,185,995</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 2,185,995</u>	<u>\$ 2,185,995</u>	<u>\$ 2,185,995</u>	<u>\$ (4,531,318)</u>

YSLETA INDEPENDENT SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
For the Year Ended June 30, 2021

Exhibit J-3

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts, Budgetary Basis	
Revenues				
Local and intermediate sources	\$ 27,948,894	\$ 25,042,207	\$ 28,594,794	\$ 3,552,587
State program revenues	16,030,096	16,030,096	10,919,351	(5,110,745)
Federal program revenues	176,198	176,198	-	(176,198)
Total Revenues	<u>44,155,188</u>	<u>41,248,501</u>	<u>39,514,145</u>	<u>(1,734,356)</u>
Expenditures				
Debt Service:				
Principal on long-term debt	10,710,000	17,081,392	16,583,111	498,281
Interest on long-term debt	34,696,403	25,413,324	26,553,926	(1,140,602)
Bond issuance costs and fees	30,000	35,000	1,939,712	(1,904,712)
Total Expenditures	<u>45,436,403</u>	<u>42,529,716</u>	<u>45,076,749</u>	<u>(2,547,033)</u>
Excess (deficiency) of revenues over expenditures	<u>(1,281,215)</u>	<u>(1,281,215)</u>	<u>(5,562,604)</u>	<u>(4,281,389)</u>
Other Financing Sources (Uses)				
Capital-related Debt Issued (Regular Bonds)	-	-	290,424,596	(290,424,596)
Transfers in	1,281,215	1,281,215	1,238,328	(42,887)
Premium on issuance of bonds	-	-	70,045,256	70,045,256
Payment to bond refunding escrow	-	-	-	-
Agent	-	-	(357,898,344)	(357,898,344)
Total Other Financing Sources (Uses)	<u>1,281,215</u>	<u>1,281,215</u>	<u>3,809,836</u>	<u>(578,320,571)</u>
Net change in fund balances	-	-	(1,752,768)	(1,752,768)
Fund Balances - Beginning	<u>56,419,192</u>	<u>56,419,192</u>	<u>56,419,192</u>	<u>-</u>
Fund Balances - Ending	<u>\$56,419,192</u>	<u>\$56,419,192</u>	<u>\$ 54,666,424</u>	<u>\$ (1,752,768)</u>



THE DISTRICT
YSLETA INDEPENDENT SCHOOL DISTRICT

FEDERAL AWARDS SECTION



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

To the Board of Trustees
Ysleta Independent School District
El Paso, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Ysleta Independent School District (the "District"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 2, 2021.

Internal Control Over Financial Reporting

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

To the Board of Trustees
Ysleta Independent School District

Purpose of this Report

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

Whitley Penn LLP

Houston, Texas
November 2, 2021

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE *UNIFORM GUIDANCE***

To the Board of Trustees
Ysleta Independent School District
El Paso, Texas

Report on Compliance for Each Major Federal Program

We have audited Ysleta Independent School District's (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2021. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

Opinion on Each Major Federal Program

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

To the Board of Trustees
Ysleta Independent School District

Report on Internal Control over Compliance

Management of the 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 the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the 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 a 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.

A handwritten signature in black ink that reads "Whitley Penn LLP". The signature is written in a cursive, flowing style.

Houston, Texas
November 2, 2021

YSLETA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2021

I. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued	Unmodified
Internal control over financial reporting:	
Material weakness (es) identified?	No
Significant deficiency (ies) identified that is not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness (es) identified?	No
Significant deficiency (ies) identified that are not considered to be material weaknesses?	None reported
Type of auditors' report issued on compliance with major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?	No
Identification of major programs	

Name of Federal Program or Cluster	Assistance Listing Number (ALN)
U.S. Department of Education	
<i>Special Education Cluster</i>	
<i>IDEA-B - Formula</i>	84.027A
<i>IDEA-B – Preschool</i>	84.173A
<i>ESEA, Title II, Part A -Supporting Effective Instruction</i>	84.367A
<i>CARES Act, Elementary and Secondary School Emergency Relief Fund (ESSER) Grant (COVID-19)</i>	84.425D
<i>CRRSAA, ESSER II Prior Purchase Reimbursement Program (PPRP) (COVID-19)</i>	84.425D
<i>Adult Education (ABE) – Federal, EL Civics, PD, Workforce Integration</i>	84.002A
<i>SSA - Adult Education (ABE) – Federal, EL Civics, PD, Workforce Integration</i>	84.002A
U.S Department of the Treasury	
<i>Coronavirus Relief Fund (COVID-19)</i>	21.019
<i>County of El Paso - Operation Connectivity (COVID-19)</i>	21.019
<i>CRF Operation Connectivity Local Match (COVID-19)</i>	21.019
Dollar Threshold Considered Between Type A and Type B Federal Programs	\$1,996,222
Auditee qualified as low-risk auditee?	Yes

YSLETA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
For the Year Ended June 30, 2021

II. Financial Statement Findings

There are no financial statement findings during the current fiscal year.

III. Federal Awards Findings and Questioned Costs

There are no federal awards findings during the current fiscal year

YSLETA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2021

Exhibit K-1
Page 1 of 2

(2A) Pass Through Entity Identifying Number	(1) Federal Grantor/ Pass-Through Grantor/ Program Title	(2) Federal Assistance Listing Number*	(3) Federal Expenditures and Indirect Costs	(4) Passed Through to Subrecipients
	U.S. Department of Defense			
	Direct Award:			
N/A	<i>Army JROTC</i>	12.000	\$ 502,213	\$ -
	Total U.S. Department of Defense		502,213	-
	U.S. Department of Education			
53-TX-2020-0022	<i>Impact Aid</i>	84.041	145,717	-
5060A182185	<i>Indian Education</i>	84.060	29,789	-
	Passed Through Texas Workforce Commission:			
1018ALAB00	<i>Adult Education (ABE) - Federal</i>	84.002A	685,102	-
1018ALAB00	<i>Adult Education (ABE) - El Civics</i>	84.002A	19,158	-
1018ALAB00	<i>Adult Education (ABE) - El Civics</i>	84.002A	112,807	-
1018ALAB00	<i>Adult Education (ABE) - PD</i>	84.002A	16,549	-
1020AEL001	<i>Adult Education (ABE) - Workforce Integration</i>	84.002A	23,552	-
1018ALAB00	<i>SSA - Adult Education (ABE) - Federal</i>	84.002A	1,760,527	1,075,425
1018ALAB00	<i>SSA - Adult Education (ABE) - El Civics</i>	84.002A	330,657	198,692
1018ALAB00	<i>SSA - Adult Education (ABE) - PD</i>	84.002A	40,698	24,149
1020AEL001	<i>SSA - Adult Education (ABE) - Workforce Integration</i>	84.002A	47,104	23,552
	<i>Total ALN 84.002</i>		3,036,154	1,321,818
	Passed Through Texas Education Agency:			
21610101071905	<i>ESEA Title I Part A - Improving Basic Programs</i>	84.010A	15,003,148	-
20610101071905	<i>ESEA Title I Part A - Improving Basic Programs</i>	84.010A	2,632,466	-
	<i>Total ALN 84.010</i>		17,635,614	-
216600010719056600	<i>IDEA B - Formula</i>	84.027A	7,482,875	-
216610010719056000	<i>IDEA B - Preschool</i>	84.173A	16,805	-
206610010719056000	<i>IDEA B - Preschool</i>	84.173A	108,771	-
	Total Special Education Cluster (ALN 84.027, 84.173)		7,608,451	-
21615001071905	<i>ESEA Title I Part C - Migrant</i>	84.011A	63,169	-
20615001071905	<i>ESEA Title I Part C - Migrant</i>	84.011A	43,089	-
	<i>Total ALN 84.011</i>		106,258	-
214600057110076	<i>Texas Education for Homeless Children & Youth</i>	84.196A	119,680	-
204600057110076	<i>Texas Education for Homeless Children & Youth</i>	84.196A	5,026	-
	<i>Total ALN 84.196</i>		124,706	-
21420006071905	<i>Career and Technical - Basic Grant</i>	84.048A	673,023	-
20420006071905	<i>Career and Technical - Basic Grant</i>	84.048A	20,661	-
	<i>Total ALN 84.048</i>		693,684	-
216950247110032	<i>Title IV, Part B - 21st Century Community Learning Centers</i>	84.287C	1,313,910	-
206950247110032	<i>Title IV, Part B - 21st Century Community Learning Centers</i>	84.287C	151,409	-
	<i>Total ALN 84.287</i>		1,465,319	-
20521001071905	<i>CARES Act, Elementary and Secondary School Emergency Relief Fund (ESSER) Grant (COVID-19)</i>	84.425D	10,074,485	-
52102135	<i>CRRSAA, ESSER II Prior Purchase Reimbursement Program (PPRP) (COVID-19)</i>	84.425D	2,231,693	-
	<i>Total ALN 84.425</i>		12,306,178	-
21671001071905	<i>Title III, Part A - English Language Acquisition and Language Enhancement</i>	84.365A	176,496	-
20671001071905	<i>Title III, Part A - English Language Acquisition and Language Enhancement</i>	84.365A	1,046,583	-
	<i>Total ALN 84.365</i>		1,223,079	-
21694501071905	<i>ESEA, Title II, Part A -Supporting Effective Instruction</i>	84.367A	53,373	-
21694501071905	<i>ESEA, Title II, Part A -Supporting Effective Instruction Transferred to Title I Part A</i>	84.367A	1,031,598	-
20694501071905	<i>ESEA, Title II, Part A -Supporting Effective Instruction</i>	84.367A	1,217,994	-
	<i>Total ALN 84.367</i>		2,302,965	-
69551902	<i>Summer School LEP</i>	84.369A	1,327	-
	<i>Total ALN 84.369</i>		1,327	-
21680101071905	<i>Title IV, Part A - Subpart 1</i>	84.424A	246,500	-
20680101071905	<i>Title IV, Part A - Subpart 1</i>	84.424A	917,000	-
	<i>Total ALN 84.424</i>		1,163,500	-
	Total U.S. Department of Education		47,842,741	1,321,818

*ALN formerly know as CFDA #.

YSLETA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2021

Exhibit K-1
Page 2 of 2

(2A) Pass Through Entity Identifying Number	(1) Federal Grantor/ Pass-Through Grantor/ Program Title	(2) Federal Assistance Listing Number*	(3) Federal Expenditures and Indirect Costs	(4) Passed Through to Others
	U.S. Department of Health and Human Services			
	Passed Through Texas Workforce Commission:			
1018ALAB00	Temporary Assistance for Needy Families (TANF)	93.558	\$ 70,864	\$ -
1018ALAB00	SSA - Temporary Assistance for Needy Families (TANF)	93.558	194,267	123,403
	Total ALN 93.558		<u>265,131</u>	<u>123,403</u>
	Passed Through Texas Health and Human Services Commission:			
N/A	Medicaid Administrative Claiming Program – MAC	93.778	284,206	-
	Total U.S. Department of Health and Human Services		<u>549,337</u>	<u>123,403</u>
	U.S. Department of Treasury			
	Passed Through Texas Division of Emergency Management:			
1018ALAB00	Coronavirus Relief Fund (COVID-19)	21.019	1,595,756	-
	Passed Through the Office of the Governor of the State of Texas:			
52202002	Operation Connectivity Bulk Purchase Program Local Match Reimbursement Program, Texas Education Agency (COVID-19)	21.019	246,921	-
	Passed Through the County of El Paso			
N/A	Operation Connectivity Bulk Purchase Program Local Match Reimbursement Program (COVID-19)	21.019	246,921	-
	Total ALN 21.019		<u>2,089,598</u>	<u>-</u>
	Total U.S. Department of Treasury		<u>2,089,598</u>	<u>-</u>
	U.S. Department of Agriculture			
	Passed Through Texas Department of Agriculture:			
	Cash Assistance:			
	Child and Adult Care Food Program (CACFP) Emergency Operational Costs			
00349	Reimbursement Program (COVID-19)	10.558	104,724	-
00349	Child and Adult Care Food Program	10.558	1,933	-
	Total ALN 10.558		<u>106,657</u>	<u>-</u>
00349	State Administrative Expense for Child Nutrition Programs - storage and delivery	10.560	28,640	-
00349	Summer Food Service Program for Children	10.559	11,532,667	-
	Non Cash Assistance (Commodities):			
00349	National School Lunch Program	10.555	1,231,987	-
00349	School Programs Emergency Operational Cost Reimbursement Program (COVID-19)	10.555	2,141,663	-
	Passed Through Texas Education Agency:			
	Cash Assistance:			
00349	School Breakfast Program	10.553	198,872	-
00349	National School Lunch Program	10.555	316,361	-
	Total Child Nutrition Cluster (ALN 10.555, 10.559, 10.553)		<u>15,421,550</u>	<u>-</u>
	Total U.S. Department of Agriculture		<u>15,556,847</u>	<u>-</u>
	Total Expenditures of Federal Awards		<u>\$ 66,540,736</u>	<u>\$ 1,445,221</u>

*ALN formerly know as CFDA #.

Note 1 -Basis of Accounting

The District accounts for all awards under federal programs in the General and Certain Special Revenue Funds in accordance with the Texas Education Agency's *Financial Accountability System Resource Guide*.

These programs are accounted for using a current financial resources measurement focus. 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 these 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 liability is incurred, if measurable, except for certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources. Expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited to reimbursement. Pass-through entity identifying numbers are presented where available.

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. Generally, unused balances are returned to the grantor at the close of specified project periods. The District has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 2 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the District under programs of the federal government for the year ended June 30, 2021. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position or cash flows of the District.

Note 3 - Reconciliation to Basic Financial Statements

The following is a reconciliation of expenditures of federal awards program per Exhibit K-1 and expenditures reported on Exhibit C-3:

Total Expenditures of Federal Awards - Exhibit K-1	\$ 66,540,736
SHARS	6,133,895
QSCB Federal Subsidy	531,119
Total Federal Revenue - Exhibit C-3	<u>\$ 73,205,750</u>

Note 4 - Title I, Part A Transferability

As described in the U.S. Department of Education Cross-Cutting Section (ALN 84.000), Sections III.A.3 *Activities Allowed or Unallowed - Transferability (SEAs and LEAs)* and IV.3 *Other Information - Transferability* of the 2021 OMB Compliance Supplement, expenditures of funds should be included in the audit universe and total expenditures of the receiving program. For fiscal year 2021, the District transferred Title II, Part A (ALN 84.367A) expenditures in the amount of \$1,031,598 to its Title I, Part A (ALN 84.010A) program as submitted to the Texas Education Agency in its consolidated application and as denoted on the Schedule of Expenditures of Federal Awards. As such, the expenditures transferred from Title II, Part A (ALN 84.367A) were included as part of Title I, Part A (ALN 84.010).

Note 5 - General Fund Expenditures

Federal Awards reported in the general fund are summarized as follows:

SHARS	\$	6,133,895
Army JROTC		502,213
Impact Aid		145,717
QSCB III		531,119
Coronavirus Relief Fund (COVID-19) - TDEM		1,595,756
Medicaid Administrative Claiming Program – MAC		284,206
Indirect Costs:		
ESEA Title I, Part A - Improving Basic Programs		768,790
CARES Act, Section 18003 - Elementary and Secondary School		
Emergency Relief Fund (ESSER) Grant (COVID-19)		865,969
Texas Education for Homeless Children & Youth		5,365
ESEA Title I Part C - Migrant		4,633
IDEA Part B - Formula		326,201
IDEA Part B - Preschool		5,475
Career and Technical - Basic Grant		30,240
Title IV, Part B - 21st Century Community Learning Centers		63,878
Title III, Part A - English Language Acquisition and Language Enhancement		23,982
ESEA, Title II, Part A -Supporting Effective Instruction		100,393
Title IV, Part A - Subpart 1		19,486
	<u>\$</u>	<u>11,407,318</u>

YSLETA INDEPENDENT SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended June 30, 2021

Federal regulations, Title 2 U.S. Code of Federal Regulations Section 200.511 states, "The auditee is responsible for follow-up and corrective action on all audit findings. As part of this responsibility, the auditee must prepare a summary schedule of prior audit findings." The summary schedule of prior audit findings must report the status of the following:

- All audit findings included in the prior audit's schedule of findings and questioned costs and
- All audit findings reported in the prior audit's summary schedule of prior audit findings except audit findings listed as corrected.

I. Prior Audit Findings

There were no findings reported during the prior fiscal year.

YSLETA INDEPENDENT SCHOOL DISTRICT

CORRECTIVE ACTION PLAN

For the Year Ended June 30, 2021

Federal regulations, Title 2 U.S. Code of Federal Regulations §200.511 states, "At the completion of the audit, the auditee must prepare, in a document separate from the auditor's findings described in §200.516 Audit findings, a corrective action plan to address each audit finding included in the current year auditor's reports."

I. Corrective Action Plan

Not Applicable

Schedule L-1 – Required Responses to Selected School FIRST Indicators

SF1	Was there an unmodified opinion in the Annual Financial Report on the financial statements as a whole?	Yes
SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement at fiscal year end?	No
SF3	<p>Did the school district make timely payments to the Teacher Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies?</p> <p>(If the school district was issued a warrant hold and the warrant hold was not cleared within 30 days from the date the warrant hold was issued, the school district is considered to not have made timely payments.) Payments to the TRS and TWC are considered timely if a warrant hold that was issued in connection to the untimely payment was cleared within 30 days from the date the warrant hold was issued.</p> <p>Payments to the IRS are considered timely if a penalty or delinquent payment notice was cleared within 30 days from the date the notice was issued.</p>	Yes
SF4	Was the school district issued a warrant hold? Even if the issue surrounding the initial warrant hold was resolved and cleared within 30 days, the school district is considered to have been issued a warrant hold.	No
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds?	No
SF6	Was there any disclosure in the Annual Financial Report of material noncompliance for grants, contracts, and laws related to local, state, or federal funds?	No
SF7	Did the school district post the required financial information on its website in accordance with Government Code, Local Government Code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules that were in effect at the school district's fiscal year end?	Yes
SF8	Did the school board members discuss the school district's property values at a board meeting within 120 days before the school district adopted its budget?	Yes
SF9	Total accumulated accretion on CABs included in government-wide financial statements at fiscal year-end.	\$55,949,156

NOTE: This schedule is to be included as part of the annual financial audit report (AFR) submission on the required due date and published as a part of the school district's AFR. This schedule should be submitted in the data feed file and submitted as an Adobe Acrobat portable document file (pdf).