



SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT

Agenda Item Summary

Meeting Date: January 18, 2023

Agenda Section: Discussion/Possible Action

Agenda Item Title: Fiscal Year 2021-2022 Financial Audit Report

From: Tony Kingman, Chief Financial Officer

Additional Presenters if Applicable: N/A

Description: Rebecca Goldstein, CPA, with Weaver and Tidwell, L.L.P will present the results of the 2021-2022 Comprehensive Annual Financial Review for the Board's information and approval.

Historical Data: The Texas Education Agency requires that District's receive an audit of their annual financial data. Upon the Board's acceptance of the audit, the District is required to electronically submit the audit report to TEA. Both actions are required to be completed prior to January 28, 2023.

Recommendation: Approve the 2021-2022 Financial Audit Report as presented.

Funding Budget Code and Amount: N/A

January 13, 2023

To the Board of Trustees of
South San Antonio Independent School District
South San Antonio, Texas 77535

We have audited the financial statements of South San Antonio Independent School District (the District) as of and for the year ended August 31, 2022, and have issued our report thereon dated January 13, 2023. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated May 31, 2022, our responsibility, as described by professional standards, is to form and express an opinion(s) about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the internal control of the District solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

With respect to any nonaudit/nonattest services we perform as previously communicated to you in the engagement letter, the District acknowledges and understands that the District has the responsibility for (a) making all management decisions and performing all management functions; (b) assigning an individual with suitable skills, knowledge, and experience to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) establishing and maintaining internal controls, including monitoring ongoing activities. Such nonaudit/nonattest services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Audit Standards*.

Significant Risks Identified

Our audit process uses a risk-based approach in which we identified potential areas of risk that could lead to a material misstatement of the financial statements. We tailored our audit procedures to specifically address the following areas of risk:

- Management override of internal controls
- Improper revenue recognition – non-exchange transactions (Foundation School Fund)
- Misappropriation of cash through improper or unauthorized expenditures
- Misappropriation of cash through unauthorized employees or improper pay rates

Identification of significant risks is part of our due diligence during our audit process. These risks were addressed by walking through controls in each respective areas and performing substantive detail testing and analytical testing of transactions. Based on the testwork performed in these areas, no material misstatements or significant deficiencies or material weaknesses in internal controls were identified.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the District is included in Note 1 to the financial statements. As described in Note 1 to the financial statements, during the year, the District changed its method of accounting for leases by adopting Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases* (GASB 87). Accordingly, the effect of the accounting change has been reported as an adjustment to right-to-use assets and lease liabilities in the government-wide financial statements.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are:

1. Allowance for uncollectible taxes
2. Foundation School Program state aid revenue
3. Accrual for claims incurred but not reported related to self-insurance workers' compensation and health insurance fund.
4. Net pension liability – actuarial valuation.
5. Net OPEB liability – actuarial valuation.

Management's estimate of the items noted above is based on historical experience or information provided by third parties or the Texas Education Agency. We evaluated the key factors and assumptions used to develop these estimates and determined that these estimates are reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Financial Statement Disclosures

The financial statement disclosures are neutral, consistent, and clear.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. Management has corrected all identified misstatements.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. None of the misstatements identified by us as a result of our audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole or applicable opinion units.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the District's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in a separate letter dated January 13, 2023.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the District, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the District's auditors.

Other Information Included in the Annual Report

Pursuant to professional standards, our responsibility as auditors for other information, whether financial or nonfinancial, included in the District's annual report does not extend beyond the information identified in the audit report, and we are not required to perform any procedures to corroborate such other information. However, in accordance with such standards, we have made certain inquiries of management and evaluated the form, content, and methods of preparing the other information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the other information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. Such other information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and we do not provide any assurance on them.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

Modification of the Auditor's Report

We made the following modification to our auditor's report:

An emphasis of matter paragraph was included regarding the implementation of GASB 87, as described above. Our opinions are not modified with respect to this matter.

This report is intended solely for the information and use of the Board of Trustees and management of the District and is not intended to be and should not be used by anyone other than these specified parties.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Austin, Texas
January 13, 2023

South San Antonio Independent School District

Annual Financial Report
For the Fiscal Year Ended August 31, 2022

South San Antonio Independent School District
 Annual Financial Report
 For the Fiscal Year Ended August 31, 2022
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South San Antonio Independent School District

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Certificate of the Board

South San Antonio Independent School District

Name of School District

Bexar

County

015-908

Co.-Dist Number

We, the undersigned, certify that the attached annual financial reports of the above named school district were reviewed and _____ approved _____ disapproved for the fiscal year ended August 31, 2022 at a meeting of the Board of Trustees of such school district on the ____ day of _____, 2023.

Signature of Board Secretary

Signature of Board President

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

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Financial Section



Independent Auditor's Report

To the Board of Trustees of
South San Antonio Independent School District
San Antonio, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of South San Antonio Independent School District (the District), as of and for the fiscal year ended August 31, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of August 31, 2022, and the respective changes in financial position and where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 1 to the basic financial statements, during the year ended August 31, 2022, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. Beginning balances for right-to-use lease assets and lease liabilities have been restated as a result of the implementation of this statement. Our opinions are not modified with respect to this manner.

Responsibilities of Management for the Financial Statements

The District's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Required Supplementary 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.

The Board of Trustees of
South San Antonio Independent School District

Supplementary 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 Supplementary Information and Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Information Included in the Annual Report

Management is responsible for the other information included in the annual report. The other information comprises the Schedule of Required Responses to Selected School FIRST Indicators but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 13, 2023 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 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.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Austin, Texas
January 13, 2023

Weaver and Tidwell, L.L.P.
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Main: 512.609.1900

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Management's Discussion and Analysis

As management of the South San Antonio Independent School District (the District), we offer readers of the accompanying report this narrative overview and analysis of the financial activities of the District for the fiscal year ended August 31, 2022. In reviewing this report, readers should be mindful that it is often necessary for management to make and use estimates in the preparation of financial statements. Examples of the use of such estimates may be found in amounts reported for depreciation, net taxes receivable, total other postemployment benefit and net pension liability.

Financial Highlights

- Liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources at year-end by \$33,844,460 (net position). Of this amount, unrestricted net position was negative \$40,757,155.
- The District's total net position increased by \$9,753,717.
- As of the close of the year, the District's governmental funds had combined ending fund balances of \$43,576,316, an increase of \$9,274,271 as compared to the preceding year.
- At the end of the year, fund balance of the general fund was \$37,082,131, or 49 percent of the year's total general fund expenditures.
- The District's net bonded debt decreased by \$10,558,363 (7 percent) during the 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 comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains required supplementary information and 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 enterprise.

The *Statement of Net Position* (Exhibit A-1) presents information on all of the District's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as an indicator of how the financial position of the District is changing.

The *Statement of Activities* (Exhibit B-1) presents information showing how the District's net position changed during the year. Changes in net position are reported upon occurrence of the underlying event giving rise to the change, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some transactions that will not result in cash flows until future fiscal periods (e.g., uncollected taxes).

The government-wide financial operations (*governmental activities*) of the District are principally supported by taxes, intergovernmental revenues, and charges for services. 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, Cocurricular/Extracurricular Activities, General Administration, Plant Maintenance and Operations, Security and Monitoring Services, Data Processing Services, Community Services, Interest on Long-term Debt, Issuance Costs and Fees, Payments to Juvenile Justice Alternative Education Programs, Facilities Repair and Maintenance, and Other Intergovernmental Charges.*

The government-wide financial statements can be found as noted in the table of contents of this report.

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, as do 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 cash resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating near-term financing requirements.

Because the focus of governmental funds financial statements 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 effect 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 maintained thirty-three individual governmental funds during the year. 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 and the debt service fund, which are considered to be major funds. Data from the other thirty-one governmental funds are combined into a single, aggregated presentation titled total non-major funds.

The District adopts an annual revenue and appropriations budget for its general fund, debt service fund and national school breakfast and lunch program special revenue fund. All other governmental funds adopt project length budgets. Subsequent to adoption, amendments approved by the governing body are reflected in a revised budget column. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with its budget.

The basic governmental fund financial statements are noted in the table of contents of this report.

Proprietary Fund. The District maintains one type of propriety fund – *Internal Service Funds*.

The District uses internal service funds to account for the management of its workers' compensation and medical insurance. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

The basic proprietary fund financial statements are noted in the table of contents of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of students and other organizations that benefit the students and the District. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the District's own programs and activities. A statement of net position and statement of changes are is presented for fiduciary funds, as noted in the table of contents of this report.

Notes to the Basic 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. The notes to the basic financial statements are noted in the table of contents of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report presents required supplementary information and supplementary information, including schedules required by the Texas Education Agency. Such information is noted in the table of contents of this report.

Government-wide Financial Analysis

As mentioned earlier, net position may, over time, serve as an indicator of a District's changing financial position. At the close of the District's most recent fiscal year, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources at year-end by \$33,844,460.

South San Antonio Independent School District's Net Position

	Governmental Activities	
	2022	2021
Current and other assets	\$ 59,019,624	\$ 47,186,077
Capital assets, net of accumulated depreciation	<u>144,756,976</u>	<u>149,934,510</u>
Total assets	203,776,600	197,120,587
Total deferred outflows of resources	16,130,846	20,157,663
Other liabilities	12,981,356	9,169,737
Long-term liabilities outstanding	<u>200,874,360</u>	<u>221,729,660</u>
Total liabilities	213,855,716	230,899,397
Total deferred inflows of resources	39,896,190	29,977,030
Net position:		
Net investment in capital assets	3,248,748	6,179,548
Restricted	3,663,948	2,270,055
Unrestricted	<u>(40,757,156)</u>	<u>(52,047,780)</u>
Total net position	<u><u>\$ (33,844,460)</u></u>	<u><u>\$ (43,598,177)</u></u>

The largest portion of the District's net position is net investment in capital assets, representing the District's investment in capital assets (e.g., land and improvements, buildings and improvements, and furniture and equipment), less any 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. Net position of \$3,663,948 which is the next largest positive category of net position, is restricted for capital projects, grant expenditures and other purposes. *Unrestricted* net position of negative \$40,757,155 represents the unrestricted net position of the District, which is mainly negative due to the recognition of the District's Pension and OPEB liability following the implementation of GASB Statements No. 68 and No. 75.

Governmental Activities. Governmental activities increased the District's net position by \$9,753,717 from current operations. Key elements of this change may be determined from the table below.

South San Antonio Independent School District Changes in Net Position

	Governmental Activities	
	2022	2021
Revenue:		
Program revenues:		
Charges for services	\$ 370,510	\$ 136,939
Operating grants and contributions	46,910,415	30,425,867
General revenues:		
Property taxes, levied for general purposes	19,093,038	18,206,570
Property taxes, levied for debt service	10,454,411	9,490,914
Grants and contributions not restricted to specific programs	50,206,046	54,286,344
Investment earnings	301,842	51,106
Gain on sale of capital asset	31,103	41,061
Miscellaneous	1,034,150	2,381,127
	<u>128,401,515</u>	<u>115,019,928</u>
Expenses:		
Instruction	59,535,953	60,619,170
Instructional resources and media services	1,505,100	1,511,958
Curriculum and instructional staff development	3,702,303	4,372,058
Instructional leadership	2,234,415	2,298,511
School leadership	6,364,294	6,540,949
Guidance, counseling, and evaluation services	3,745,273	4,007,612
Social work services	393,166	288,016
Health services	1,466,624	1,707,223
Student transportation	2,330,391	2,124,378
Food services	6,754,541	5,780,619
Cocurricular/extracurricular activities	2,760,081	2,215,161
General administration	5,920,382	5,796,898
Plant maintenance and operations	12,735,286	12,119,816
Security and monitoring services	1,035,121	1,098,804
Data processing services	1,470,088	1,880,839
Community services	1,115,173	1,007,403
Interest on long-term debt	4,463,448	8,111,813
Issuance costs and fees	906,284	148,886
Facilities acquisition and construction	4,874	106,380
Payments to related shared service arrangements	74,000	61,512
Other intergovernmental charges	131,001	124,016
	<u>118,647,798</u>	<u>121,922,022</u>
Increase (decrease) in net position before transfers	9,753,717	(6,902,094)
Net position - beginning	<u>(43,598,177)</u>	<u>(36,696,083)</u>
Net positon - ending	<u><u>\$ (33,844,460)</u></u>	<u><u>\$ (43,598,177)</u></u>

Revenues are generated primarily from two sources. Grants and contributions from the state, federal government, and other sources (program and general revenues) totaling \$97,116,461 represent 76 percent of total revenues and property taxes totaling \$29,547,449 represent 23 percent of total revenues. The remaining 1 percent is generated from charges for services, investment earnings, and miscellaneous sources. The overall increase to revenue is a result of additional state funding resulting from the passage of Texas House Bill 3 (HB3), increase in property taxes revenue as a result of an increase in property values, increase in federal grant funding, and an increase in pension contributions from the state.

The primary functional expenses of the District are *Instruction services* \$59,535,953, which represent 50 percent of total expenses while all remaining expense categories are individually 11 percent or less of total expenses.

Financial Analysis of the Government's Funds

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

Governmental Funds. At the end of the fiscal year, the District's governmental funds had combined ending fund balances of \$43,576,316, an increase of \$9,274,271 from the preceding year. Comments as to each individual major fund's change in fund balance follows.

The general fund is the primary operating fund of the District. At year-end, unassigned fund balance of the general fund was \$30,389,191, while total fund balance was \$37,082,131. To evaluate the general fund's liquidity, it may be helpful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 40 percent of total general fund expenditures, while total fund balance represents 49 percent of that same total. The fund balance of the general fund increased \$7,299,254 during the year. The increase in general fund balance was mainly due to the increase in additional revenue from the 2022 series maintenance tax notes and the support from the Education Stabilization Fund - ESSER funds (ESSER). The ESSER special revenue funds were created in the current year to account for emergency relief funds due to the impact that COVID-19 has had, and continues to have, on elementary and secondary schools across the nation.

The debt service fund ended the year with a total fund balance of \$2,720,162, all of which is restricted for the payment of principal and interest on debt. The debt service fund balance increased \$535,415 during the year, primarily due to the increase in property tax revenues from an increase in values.

Governmental funds financial statements may be found by referring to the table of contents.

Proprietary Funds. The District's proprietary funds, comprising of internal service funds, financial statements provide the same type of information found in the government-wide financial statements, but in more detail. The net position of internal service funds decreased by \$1,512,109 in the current year due to expenses exceeding revenue.

Budgetary Highlights

In accordance with State law and generally accepted accounting standards, the District prepares an annual budget for the general fund, the food service special revenue fund, and the debt service fund for board approval. Special revenue funds have budgets approved by the funding agency and are amended throughout the year as required.

During the period ended August 31, 2022, the District amended its budget as required by State law and to reflect current levels of revenue and anticipated expenses. There were no material changes between the original budget and the final amended budget, with the exception of the increase in capital outlay budget as result of the 2021 and 2022 series maintenance tax notes. The general fund's actual revenues were more that the budgeted revenues by \$319,993 and the budgeted expenditures exceeded actual expenditures by \$8,375,617. The majority of the difference comes from the budgeted amount for the 2021 and 2022 series maintenance tax notes.

The budget was adopted using the \$0.8948 maintenance and operations rate in addition to the debt service rate of \$.4900.

Capital Assets and Long-term Liabilities

Capital Assets. The District's investment in capital assets for its governmental activities as of August 31, 2022 was \$144,756,976 (net of accumulated depreciation and amortization). Depreciation and amortization expense for the year of \$10,111,067 was also recognized together with the capital asset additions resulted in a net decrease to capital assets of (\$5,793,280) This investment in capital assets includes land and improvements, buildings and improvements, furniture and equipment, construction in progress and the right-to-use lease assets.

South San Antonio Independent School District's Capital Assets (Net of Depreciation and Amortization)

	Governmental Activities	
	2022	2021
	Amount	Amount
Land and improvements	\$ 2,796,842	\$ 2,796,842
Buildings and improvements	137,324,262	142,446,620
Furniture and equipment	3,373,471	3,838,227
Construction in progress	799,088	852,821
Right-to-use lease assets	463,313	615,746
Totals	\$ 144,756,976	\$ 150,550,256

Additional information on the District's capital assets can be found in the notes to the financial statements as per the table of contents of this report.

Long-term Liabilities. At year-end, the District had the following long-term liabilities:

South San Antonio Independent School District's Outstanding Long-term Liabilities

	Governmental Activities					
	2022		2021		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
General obligation bonds (net)	\$ 126,454,853	62	\$ 134,373,328	59	\$ (7,918,475)	(6)
Notes payable	10,555,000	5	5,975,000	3	4,580,000	77
Leases payable	471,692	-	615,746	-	(144,054)	(23)
Compensated absences	1,316,592	1	1,146,041	1	170,551	15
Unamortized premium	7,513,256	4	9,412,535	4	(1,899,279)	(20)
Accreted interest	13,067,498	7	13,661,455	6	(593,957)	(4)
Net pension liability	13,530,887	7	28,679,643	13	(15,148,756)	(53)
Net OPEB liability	27,964,581	14	28,481,658	13	(517,077)	(2)
Totals	\$ 200,874,359	100	\$ 222,345,406	99	\$ (21,471,047)	

The District's net bonded debt, which include general obligation bonds, unamortized premiums and accreted interest, decreased by \$10,411,710 (7 percent) during the current fiscal year, which resulted primarily from required payments. The debt is supported by the full faith and credit of the District, as further guaranteed by the Permanent School Fund of the State of Texas.

State statutes do not limit the tax rate or amount of local tax support of school districts' bonded indebtedness. However, approval of the Attorney General of the State of Texas is required prior to the sale of bonds.

Additional information on the District's long-term debt can be found in the notes to the financial statements as per the table of contents of this report.

Economic Factors and Next Year's Budgets and Rates

The South San Antonio Independent School District is located in the well-established south and southwest portion of San Antonio, covering 21 square miles. The economic growth in line with the broader metropolitan area, with upcoming developments including several hundreds of new single-family homes, and 260 apartment complex units coming online in the next several years.

The District's Board of Trustees adopted a Maintenance & Operation tax rate of \$0.8546 and an Interest & Sinking tax rate of \$0.4990 for a total of \$1.3536 per \$100 of property valuation.

The District estimated ADA to be 6,567 in the development of the 2022-2023 budget which was consistent with the recent year's enrollment trends

Fitch Ratings and S&P Global Ratings affirmed its 'A' underlying rating on South San Antonio Independent School District (ISD), Texas' general obligation (GO) debt outstanding.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, students, and creditors with a general overview of the District's finances and to demonstrate the District's commitment to accountability for the money it receives.

If you have questions about this report or need additional financial information, contact the South San Antonio Independent School District business office at 1450 Gillette Boulevard., San Antonio, Texas.

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Basic Financial Statements

South San Antonio Independent School District
Statement of Net Position
August 31, 2022

Exhibit A-1

Data Control Codes		Governmental Activities
ASSETS		
1110	Cash and cash equivalents	\$ 9,727,650
1120	Current investments	36,496,878
1220	Property taxes receivables	2,360,588
1230	Allowance for uncollectible taxes	(236,059)
1240	Due from other governments	10,432,244
1290	Other receivables	72,197
1300	Inventories	118,974
1410	Prepaid items	47,152
1800	Restricted assets	-
	Capital assets, not being depreciated:	
1510	Land and improvements	2,796,842
1580	Construction in progress	799,088
	Capital assets, net of depreciation:	
1520	Buildings and improvements (net)	137,324,262
1530	Furniture and equipment (net)	3,373,471
1550	Right to use lease assets	463,313
		<hr/>
1000	Total assets	203,776,600
DEFERRED OUTFLOWS OF RESOURCES		
1705	Deferred outflows - pension	7,977,170
1706	Deferred outflows - OPEB	4,964,189
1710	Deferred charge on refunding	3,189,487
		<hr/>
1700	Total deferred outflows of resources	16,130,846
LIABILITIES		
2110	Accounts payable	2,355,843
2140	Interest payable	215,131
2150	Payroll deductions and withholdings	803,807
2160	Accrued wages payable	4,284,639
2180	Due to other governments	4,198,632
2200	Accrued liabilities	777,920
2300	Unearned revenue	345,384
	Noncurrent liabilities:	
2501	Due within one year	7,507,845
2502	Due in more than one year	151,871,047
2540	Net pension liabilities	13,530,887
2545	Net OPEB liability	27,964,581
		<hr/>
2000	Total liabilities	213,855,716
DEFERRED INFLOWS OF RESOURCES		
2605	Deferred inflows - pension	16,689,440
2606	Deferred inflows - OPEB	23,152,264
2610	Deferred gain on refunding	54,486
		<hr/>
2600	Total deferred inflows of resources	39,896,190
NET POSITION		
3200	Net investment in capital assets	3,248,748
3820	Restricted for grants	2,481,326
3860	Restricted for capital projects	343,193
3890	Restricted for other purposes	839,429
3850	Restricted for debt service	-
3900	Unrestricted	(40,757,156)
		<hr/>
3000	TOTAL NET POSITION	\$ (33,844,460)

The Notes to the Financial Statements are an integral part of this statement.

South San Antonio Independent School District

Statement of Activities

For the Fiscal Year Ended August 31, 2022

Exhibit B-1

Data Control Codes	Functions/Programs	1	3	4	Net (Expense) Revenue and Changes in Net Position
		Expenses	Program Revenues		Governmental Activities
			Charges for Services	Operating Grants and Contributions	
PRIMARY GOVERNMENT					
Governmental activities:					
0011	Instruction	\$ 59,535,953	\$ 1,275	\$ 18,463,500	\$ (41,071,178)
0012	Instructional resources and media services	1,505,100	-	144,604	(1,360,496)
0013	Curriculum and instructional staff development	3,702,303	-	3,362,392	(339,911)
0021	Instructional leadership	2,234,415	-	1,202,866	(1,031,549)
0023	School leadership	6,364,294	-	813,595	(5,550,699)
0031	Guidance, counseling, and evaluation services	3,745,273	-	1,014,818	(2,730,455)
0032	Social work services	393,166	-	135,167	(257,999)
0033	Health services	1,466,624	-	354,395	(1,112,229)
0034	Student transportation	2,330,391	-	926,864	(1,403,527)
0035	Food services	6,754,541	150,958	7,827,972	1,224,389
0036	Cocurricular/extracurricular activities	2,760,081	125,459	341,602	(2,293,020)
0041	General administration	5,920,382	-	2,429,417	(3,490,965)
0051	Plant maintenance and operations	12,735,286	92,756	4,479,236	(8,163,294)
0052	Security and monitoring services	1,035,121	-	128,298	(906,823)
0053	Data processing services	1,470,088	-	126,374	(1,343,714)
0061	Community services	1,115,173	-	961,431	(153,742)
0072	Interest on long-term debt	4,463,448	62	3,347,972	(1,115,414)
0073	Issuance costs and fees	906,284	-	-	(906,284)
0081	Facilities acquisition and construction	4,874	-	841,252	836,378
0091	Contracted instructional services between schools	-	-	-	-
0095	Payments to juvenile justice alternative education program:	-	-	-	-
0093	Payments related to shared services arrangements	74,000	-	3,126	(70,874)
0099	Other intergovernmental charges	131,001	-	5,534	(125,467)
TG	Total governmental activities	118,647,798	370,510	46,910,415	(71,366,873)
TP	TOTAL PRIMARY GOVERNMENT	<u>\$ 118,647,798</u>	<u>\$ 370,510</u>	<u>\$ 46,910,415</u>	(71,366,873)
General revenues:					
MT	Property taxes, levied for general purposes				19,093,038
DT	Property taxes, levied for debt service				10,454,411
GC	Grants and contributions not restricted to specific programs				50,206,046
IE	Investment earnings				301,842
GS	Gain on sale of capital asset				31,103
MI	Miscellaneous				1,034,150
TR	Total general revenues and extraordinary items				81,120,590
CN	Change in net position				9,753,717
	Net position - beginning				(43,598,177)
NE	NET POSITION - ENDING				<u>\$ (33,844,460)</u>

The Notes to the Financial Statements are an integral part of this statement.

South San Antonio Independent School District
 Balance Sheet
 Governmental Funds
 August 31, 2022

199

Data Control Codes		General Fund
	ASSETS	
1110	Cash and cash equivalents	\$ 5,620,277
1120	Current investments	32,094,376
1220	Property taxes receivables	1,620,719
1230	Allowance for uncollectable taxes	(162,072)
1240	Due from other governments	6,239,626
1260	Due from other funds	2,038,924
1290	Other receivables	43,708
1300	Inventories	8,899
1410	Prepaid items	39,050
		<hr/>
1000	Total assets	47,543,507
		<hr/>
1000a	TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 47,543,507
		<hr/>
	LIABILITIES	
2110	Accounts payable	\$ 1,366,885
2150	Payroll deductions and withholdings	803,807
2160	Accrued wages payable	3,755,889
2170	Due to other funds	165,324
2180	Due to other governments	2,832,524
2200	Accrued liabilities	19,645
2300	Unearned revenue	-
		<hr/>
2000	Total liabilities	8,944,074
		<hr/>
	DEFERRED INFLOWS OF RESOURCES	
2600	Unavailable revenue - property taxes	1,517,302
		<hr/>
	Total deferred inflows of resources	1,517,302
		<hr/>
	FUND BALANCES	
3410	Nonspendable - inventories	8,899
3430	Nonspendable - prepaid items	39,050
3450	Restricted - grants	-
3470	Restricted - capital acquisitions and contractual obligations	-
3480	Restricted - debt service	-
3490	Restricted - other	-
3545	Committed - other	733,441
3550	Assigned - construction	5,911,550
3590	Assigned - other	-
3600	Unassigned	30,389,191
		<hr/>
3000	Total fund balances	37,082,131
		<hr/>
4000	TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 47,543,507
		<hr/>

The Notes to the Financial Statements are an integral part of this statement.

599	Total	98
Debt Service	Nonmajor	Total
Fund	Funds	Governmental
Funds	Funds	Funds
\$ 27,520	\$ 3,270,670	\$ 8,918,467
3,767,881	207,712	36,069,969
739,869	-	2,360,588
(73,987)	-	(236,059)
270,826	3,921,792	10,432,244
50,263	-	2,089,187
-	28,489	72,197
-	110,075	118,974
-	5,091	44,141
4,782,372	7,543,829	59,869,708
\$ 4,782,372	\$ 7,543,829	\$ 59,869,708
\$ -	\$ 970,050	\$ 2,336,935
-	-	803,807
-	528,750	4,284,639
-	1,923,714	2,089,038
1,364,201	1,907	4,198,632
-	-	19,645
-	345,385	345,385
1,364,201	3,769,806	14,078,081
698,009	-	2,215,311
698,009	-	2,215,311
-	110,075	118,974
-	5,091	44,141
-	2,481,326	2,481,326
-	343,193	343,193
2,720,162	-	2,720,162
-	839,429	839,429
-	-	733,441
-	-	5,911,550
-	-	-
-	(5,091)	30,384,100
2,720,162	3,774,023	43,576,316
\$ 4,782,372	\$ 7,543,829	\$ 59,869,708

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South San Antonio Independent School District
 Reconciliation of the Governmental Funds Balance
 Sheet to the Statement of Net Position
 August 31, 2022

Exhibit C-1R

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS (EXHIBIT C-1) \$ 43,576,316

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. The governmental capital assets, excluding those capital assets reported in the internal service funds, at year-end consists of:

Governmental capital assets costs	\$ 315,000,667	
Accumulated depreciation of governmental capital assets	<u>(170,243,691)</u>	144,756,976

Property taxes receivable, which will be collected subsequent to year-end, but are not available soon enough to pay expenditures are deferred in the funds.		2,215,311
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Long-term liabilities, including bonds payable, notes payable, leases payable compensated absences, and net pension and OPEB liability, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Liabilities at year-end related to such items consist of:

Bonds payable, at original par	\$ (126,454,853)	
Premiums on bonds payable	(7,366,602)	
Discounts on bonds payable	-	
Deferred gain on refunding adjustment	(54,486)	
Deferred charge on refunding adjustment	3,189,487	
Accreted interest on capital appreciation bonds	(13,067,498)	
Accrued interest on bonds	(199,035)	
Leases payable	(471,692)	
Compensated absences	(1,316,592)	
Notes payable	(10,555,000)	
Premium on notes payable	(146,654)	
Accrued interest on notes	(16,096)	
Net pension liability	(13,530,887)	
Net OPEB liability	<u>(27,964,581)</u>	(197,954,489)

The internal service funds are used by the District to charge the costs of various services to the individual funds. The assets and liabilities of the internal service fund are included with governmental activities:

Group benefits - health care	\$ 280,020	
Workers' compensation fund	<u>181,751</u>	461,771

Deferred outflows of resources for pension represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expenses/expenditures) until then.		7,977,170
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Deferred inflows of resources for pension represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.		(16,689,440)
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Deferred outflows of resources for OPEB represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expenses/expenditures) until then.		4,964,189
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Deferred inflows of resources for OPEB represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.		<u>(23,152,264)</u>
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TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES (EXHIBIT A-1) \$ (33,844,460)

The Notes to the Financial Statements are an integral part of this statement.

South San Antonio Independent School District
Statement of Revenues, Expenditures, and Changes
in Fund Balances – Governmental Funds
For the Fiscal Year Ended August 31, 2022

199

<u>Data Control Codes</u>		<u>General Fund</u>
REVENUES		
5700	Local and intermediate sources	\$ 19,783,877
5800	State program revenues	52,308,634
5900	Federal program revenues	4,661,422
		<hr/>
5020	Total revenues	76,753,933
 EXPENDITURES		
Current:		
0011	Instruction	39,832,228
0012	Instructional resources and media services	1,270,161
0013	Curriculum and instructional staff development	641,508
0021	Instructional leadership	1,059,710
0023	School leadership	5,457,555
0031	Guidance, counseling, and evaluation services	2,794,900
0032	Social work services	306,374
0033	Health services	1,125,202
0034	Student transportation	1,660,897
0035	Food services	-
0036	Cocurricular/extracurricular activities	2,581,687
0041	General administration	3,250,548
0051	Plant maintenance and operations	8,543,651
0052	Security and monitoring services	1,008,808
0053	Data processing services	1,397,829
0061	Community services	231,448
Debt service:		
0071	Principal on long-term debt	697,580
0072	Interest on long-term debt	77,801
0073	Issuance costs and fees	-
Capital outlay:		
0081	Facilities acquisition and construction	3,092,878
Intergovernmental:		
0093	Payments related shares services arrangements	74,000
0099	Other intergovernmental charges	131,001
		<hr/>
6030	Total expenditures	75,235,766
		<hr/>
1100	Excess (deficiency) of revenues over (under) expenditures	1,518,167
 OTHER FINANCING SOURCES (USES)		
7901	Refunding bonds issued	-
7912	Sale of real and personal property	31,103
7913	Proceeds from right to use leased assets	615,746
7914	Loan proceeds	5,134,238
7916	Premium or discount on issuance of bonds	-
7917	Prepaid interest	-
8940	Payment to refunded bonds escrow agent	-
		<hr/>
7080	Total other financing sources (uses)	5,781,087
		<hr/>
1200	Net change in fund balances	7,299,254
		<hr/>
0100	Fund balances - beginning	29,782,877
		<hr/>
3000	FUND BALANCES - ENDING	\$ 37,082,131
		<hr/> <hr/>

The Notes to the Financial Statements are an integral part of this statement.

599		
Debt Service Fund	Total Nonmajor Funds	Total Governmental Funds
\$ 10,424,167	\$ 941,813	\$ 31,149,857
2,554,638	476,735	55,340,007
755,848	35,520,336	40,937,606
13,734,653	36,938,884	127,427,470
-	14,609,229	54,441,457
-	105,202	1,375,363
-	3,034,538	3,676,046
-	1,032,041	2,091,751
-	452,568	5,910,123
-	733,366	3,528,266
-	102,240	408,614
-	265,190	1,390,392
-	787,563	2,448,460
-	6,549,931	6,549,931
-	111,147	2,692,834
-	2,167,042	5,417,590
-	3,715,704	12,259,355
-	51,935	1,060,743
-	40,935	1,438,764
-	882,875	1,114,323
6,043,475	4,254	6,745,309
7,131,817	-	7,209,618
372,263	-	372,263
-	853,522	3,946,400
-	-	74,000
-	-	131,001
13,547,555	35,499,282	124,282,603
187,098	1,439,602	3,144,867
24,220,000	-	24,220,000
-	-	31,103
-	-	615,746
-	-	5,134,238
2,287,399	-	2,287,399
-	-	-
(26,159,082)	-	(26,159,082)
348,317	-	6,129,404
535,415	1,439,602	9,274,271
2,184,747	2,334,421	34,302,045
\$ 2,720,162	\$ 3,774,023	\$ 43,576,316

South San Antonio Independent School District
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
For the Fiscal Year Ended August 31, 2022

Exhibit C-2R

TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS (EXHIBIT C-2)	\$	9,274,271
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the costs of those assets are capitalized and allocated over their estimated useful lives as depreciation expense.		
Capital assets increased	\$	3,823,061
Depreciation expense		<u>(9,616,341)</u>
		(5,793,280)
Because some property taxes will not be collected for several months after the District's fiscal year ends, they are not considered "available" revenues and are deferred in the governmental funds. Deferred tax revenues increased (decreased) by this amount this year.		
		231,574
Issuance of bonds provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position.		
Par value	\$	(24,220,000)
Premium		<u>(2,287,399)</u>
		(26,507,399)
Payment to the escrow agent to refund bonds reduces long-term liabilities.		
		26,095,000
Repayment of principal on long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Repayment of bonds payable principle	\$	6,043,475
Repayment of notes payable principle		405,000
Repayment of leases payable principle		<u>144,054</u>
		6,592,529
Issuance of note payable provides current financial resources to governmental funds and deferred inflow of resources for funds not received within the availability period, but issuing debt increases long-term liabilities in the statement of net position.		
Par value	\$	(4,985,000)
Premium		<u>(149,238)</u>
		(5,134,238)
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. The change reported in the statement of activities consists of the following:		
Accrued interest on bonds payable (increased) decreased	\$	38,995
Interest accreted on the capital appreciation bonds		(1,427,568)
Accreted interest on the capital appreciation bonds paid		2,021,525
Amortization of bond and note premium		4,335,914
Amortization of deferred gain on refunding		(54,486)
Amortization of deferred charge on refunding		(2,474,566)
Accrued interest on notes payable increased		<u>(10,802)</u>
		2,429,012
The (increase) decrease in compensated absences is reported in the statement of activities but does not require the use of current financial resources and, therefore, is not reported as expenditures in the governmental funds.		
		(170,551)
An internal service fund is used by the District to charge the costs of various services to the individual funds. The net activity of the following internal service funds is reported in the government-wide statements:		
Group benefits - health care	\$	(400,654)
Workers' compensation fund		<u>(1,111,455)</u>
		(1,512,109)
The net change in net pension liability, deferred outflows, and deferred inflows is reported in the statement of activities but does not require the use of current financial resources and, therefore, is not reported as expenditures in the governmental funds. The net change consists of the following:		
Deferred outflows increased (decreased)	\$	(2,696,608)
Deferred inflows (increased) decreased		(10,350,252)
Net pension liability (increased) decreased		<u>15,148,756</u>
		2,101,896
The net change in net OPEB liability, deferred outflows, and deferred inflows is reported in the statement of activities but does not require the use of current financial resources and, therefore, is not reported as expenditures in the governmental funds. The net change consists of the following:		
Deferred outflows increased (decreased)	\$	1,144,357
Deferred inflows (increased) decreased		485,578
Net OPEB liability (increased) decreased		<u>517,077</u>
		2,147,012
CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES (EXHIBIT B-1)	\$	<u>9,753,717</u>

The Notes to the Financial Statements are an integral part of this statement.

South San Antonio Independent School District
 Statement of Net Position
 Proprietary Funds
 August 31, 2022

Exhibit D-1

<u>Data Control Codes</u>		<u>Governmental Activities</u> <u>Total Internal Service Funds</u>
	ASSETS	
	Current assets:	
1110	Cash and cash equivalents	\$ 809,183
1120	Current investments	426,909
1410	Prepaid items	<u>3,011</u>
1000	Total assets	1,239,103
	LIABILITIES	
	Current liabilities:	
2110	Accounts payable	18,908
2170	Due to other funds	149
2200	Accrued liabilities	<u>758,275</u>
	Total current liabilities	<u>777,332</u>
2000	Total liabilities	777,332
	NET POSITION	
3900	Unrestricted	<u>461,771</u>
3000	TOTAL NET POSITION	<u>\$ 461,771</u>

The Notes to the Financial Statements are an integral part of this statement.

South San Antonio Independent School District
Statement of Revenues, Expenses, and Changes
in Net Position – Proprietary Funds
For the Fiscal Year Ended August 31, 2022

Exhibit D-2

<u>Data Control Codes</u>		<u>Governmental Activities Total Internal Service Funds</u>
	OPERATING REVENUES	
5700	Local and Intermediate Sources	\$ 6,423,178
5020	Total operating revenues	6,423,178
	OPERATING EXPENSES	
6100	Payroll costs	155,305
6200	Professional and contracted services	1,324,146
6400	Other operating costs	6,455,836
6030	Total operating expenses	7,935,287
1100	Operating income (loss)	(1,512,109)
1200	Change in net position	(1,512,109)
	Net position - beginning	1,973,880
3000	NET POSITION - ENDING	<u>\$ 461,771</u>

The Notes to the Financial Statements are an integral part of this statement.

South San Antonio Independent School District
Statement of Cash Flows - Proprietary Funds
For the Fiscal Year Ended August 31, 2022

Exhibit D-3

	Governmental Activities
	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from services provided	\$ 6,594,360
Cash payments for claims and administrative services	(7,603,753)
Cash payments to employees for services	(155,305)
	<u>(1,164,698)</u>
Net cash used by operating activities	
CASH FLOWS FROM INVESTING ACTIVITIES	
Sale of investments	<u>367,051</u>
Net cash provided by investing activities	<u>367,051</u>
Net decrease in cash and cash equivalents	(797,647)
Cash and cash equivalents - beginning	<u>1,606,830</u>
CASH AND CASH EQUIVALENTS - ENDING	<u>\$ 809,183</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES	
Operating loss	\$ (1,512,109)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Change in:	
Other receivables	171,281
Prepaid items	16,871
Accounts payable	13,211
Claims payable	146,147
Due to other funds	(99)
	<u>(99)</u>
NET CASH USED BY OPERATING ACTIVITIES	<u>\$ (1,164,698)</u>

The Notes to the Financial statements are an integral part of this statement.

South San Antonio Independent School District
 Statement of Net Position
 Fiduciary Funds
 August 31, 2022

Exhibit E-1

	Trust Funds	Custodial Funds
	Total Private Purpose Trust Funds	Total Custodial Funds
ASSETS		
Cash and cash equivalents	\$ 14,600	\$ 252,204
Total assets	14,600	252,204
LIABILITIES		
Accounts payable	-	10,462
Due to student groups	-	-
Payable from restricted assets	-	-
Total liabilities	-	10,462
NET POSITION		
Net Position Held in Trust	14,600	241,742
TOTAL NET POSITION	\$ 14,600	\$ 241,742

The Notes to the Financial statements are an integral part of this statement.

South San Antonio Independent School District
Statement of Changes in Net Position
Fiduciary Funds
August 31, 2022

Exhibit E-2

	Trust Funds	Custodial Funds
	Total Private Purpose Trust FundS	Total Custodial Funds
ADDITIONS		
Contributions or gifts	\$ -	\$ 18,336
Fundraising activity	-	150,300
Student club fees	-	11,437
Investment earnings	-	-
Other	-	6,369
	<hr/>	<hr/>
Total additions	-	186,442
DEDUCTIONS		
Student activities	-	196,088
Administrative expense	-	1,328
Beneficiary payments	-	-
Other	15,000	2,442
	<hr/>	<hr/>
Total deductions	15,000	199,858
	<hr/>	<hr/>
Net change in fiduciary net position	(15,000)	(13,416)
Net position - beginning of year	29,600	255,158
	<hr/>	<hr/>
NET POSITION - ENDING	<u>\$ 14,600</u>	<u>\$ 241,742</u>

The Notes to the Financial statements are an integral part of this statement.

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South San Antonio Independent School District

Notes to the Financial Statements

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The South San Antonio Independent School District (District) is a public educational agency operating under the applicable laws and regulations of the State of Texas. The District serves over 8,000 students in 10 elementary schools, 4 middle schools, and 2 high schools.

The Board of School Trustees (Board), a seven-member group, has governance responsibilities over all activities related to public elementary and secondary education within the jurisdiction of the South San Antonio Independent School District, San Antonio, Texas. Members of the Board of Trustees are elected by the public, and have the authority to make decisions, appoint administrators and managers, significantly influence operations, and have the primary accountability for fiscal matters. Accordingly, the District is not included in any other governmental "reporting entity" as defined by Governmental Accounting Standards Board (GASB), Statement No. 61, "The Financial Reporting Entity: omnibus – an amendment of GASB Statements No. 14 and No. 34".

The District prepares its basic financial statements in conformity with generally accepted accounting principles (GAAP) promulgated by the Governmental Accounting Standards Board (GASB), and it complies with the requirements of the appropriate version of Texas Education Agency's Financial Accountability System Resource Guide (FASRG) and the requirements of contracts and grants of agencies from which it receives funds.

B. Description of Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government (the District). All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which are normally supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support.

C. Basis of Presentation – Government-wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the government's enterprise funds. 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.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

D. Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column.

South San Antonio Independent School District

Notes to the Financial Statements

The District reports the following major governmental funds:

The *general fund* is the District's primary operating fund. It accounts for all financial resources of the District, except those accounted for in another fund.

The *debt service fund* is used to account for the accumulation of resources that are restricted, committed, or assigned for the payment of principal and interest on long-term obligations of governmental funds.

Additionally, the District reports the following fund types:

The *special revenue funds* are used to account for the proceeds of specific revenue sources (other than those identified as a major fund) that are restricted for committed to expenditures for specific purposes.

The *capital projects funds* account for the acquisition and construction of the District's major capital facilities, other than those financed by proprietary funds.

Internal service funds are used to account for revenues and expenses related to health care and workers' compensation services provided to parties inside the District. These funds facilitate distribution of support costs to the users or support services on a cost-reimbursement basis. Because the principal users of the internal services are the District's governmental activities, this fund type is included in the "Governmental Activities" column of the government-wide financial statements.

Custodial and trust funds are reported in the fiduciary fund financial statements. However, because their assets are held in an agent capacity and are therefore not available to support District programs, these funds are not included in the government-wide statements.

During the course of operations the District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

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

E. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources or economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

South San Antonio Independent School District

Notes to the Financial Statements

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

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as required under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Interest associated with the current fiscal period is considered to be susceptible to accrual and has been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 120 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the District.

The proprietary funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*.

F. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand and bank demand or time deposits with original maturities of three months or less from the date of acquisition.

2. Deposits and Investments

Investments for the District, except for certain investment pools and non-negotiable certificates of deposit, are reported at fair value. The investment pools operate in accordance with appropriate state laws and regulations and are reported at amortized cost or fair value.

3. Inventories and Prepaid Items

Inventories are valued at cost using the weighted average cost and consist of expendable supplies. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

South San Antonio Independent School District

Notes to the Financial Statements

4. Capital Assets

Capital assets, which include land and improvements, construction in progress, buildings and improvements, furniture and equipment, and right-to-use lease assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. The District's infrastructure includes parking lots and sidewalks associated with various buildings. The cost of the infrastructure was initially capitalized with the building cost and is being depreciated over the same useful life as the building. 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.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities), the District chose to include all such items regardless of their acquisition date or amount. The District was able to estimate the historical cost for the initial reporting of these assets through back trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the District constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

Land and improvements and construction in progress are not depreciated. The buildings and improvements and furniture and equipment of the District are depreciated using the straight line method over the following estimated useful lives:

<u>Capital Asset Classes</u>	<u>Lives</u>
Buildings and improvements	15-30
Furniture and equipment	3-7

5. Leases

Lessee

The District is a lessee for noncancellable leases of property and equipment. The District recognizes a lease liability, reported with long-term debt, and a right-to-use lease asset (lease asset), reported with other capital assets, in the government-wide financial statements. The District recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of the lease term or its useful life.

South San Antonio Independent School District

Notes to the Financial Statements

Key estimates and judgments related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease payments included in the measurement of the lease liability are composed of fixed payments, variable payments fixed in substance or that depend on an index or a rate, purchase option price that the District is reasonably certain to exercise, lease incentives receivable from the lessor, and any other payments that are reasonably certain of being required based on an assessment of all relevant factors.

The District monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

6. Deferred Outflows/Inflows of Resources

Deferred outflows of resources represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditures) until then. Deferred inflows of resources represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.

Deferred outflows/inflows of resources are amortized as follows:

- Deferred outflows/inflows from pension and OPEB activities are amortized over the weighted average remaining service life of all participants in the respective qualified pension plan and OPEB plan, except for projected and actual earnings differences on investments which are amortized on a closed basis over a 5-year period.
- District contributions to the pension and OPEB plans after the measurement date of each plan are recognized in the subsequent fiscal year.
- Deferred charge/gain on refunding is amortized over the shorter of the life of the refunded or refunding debt.
- Property taxes and other unavailable revenues are recognized in the period the amount becomes available.

7. Compensated Absences

It is the District's policy to pay an employee who separates from employment with the District for accumulated state leave given that the employee's separation from employment is voluntary, the employee provides written notice of intent to separate from employment two weeks prior to separation, and the employee has at least ten years of service with the District. The employee shall receive payment for each day of accumulated state leave, to a maximum of 100 days, at a rate established by the Board. All compensated absences are accrued when incurred under the applicable policies in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employees' separation from the District.

South San Antonio Independent School District

Notes to the Financial Statements

8. Net Position Flow Assumption

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

It is the District's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

9. Fund Balance Flow Assumptions

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

10. Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The District itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision-making authority. The board of trustees (the Board) is the highest level of decision-making authority for the District that can, by board action or adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the board action or resolution remains in place until a similar action is taken (the board action or adoption of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as committed. The Board has, by policy, authorized the superintendent or designee to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

11. Pension

The fiduciary net position of the Teacher Retirement System of Texas (TRS) Pension 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 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 Pension Plan 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.

South San Antonio Independent School District

Notes to the Financial Statements

12. Other Postemployment Benefits

The fiduciary net position of the Teacher Retirement System of Texas (TRS) TRS-Care Plan has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other postemployment 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.

G. Revenues and Expenditures/Expenses

1. Program Revenues

Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

2. Property Taxes

Property values are determined by the Bexar County Appraisal District as of January 1 of each year. Prior to September 1 of each year, the District adopts its annual budget and as soon thereafter as practicable, shall adopt a tax rate thus creating the tax levy. Property taxes for the current calendar year are levied on approximately October 1 of each year and are payable by January 31 of the following year. Property tax receivables are recorded as of the date levied. Unpaid taxes become delinquent on February 1 and a tax lien on real property is created as of January 1 of each year. Additionally, the District offers taxpayers the option of paying taxes in two installments. If this option is elected, the first half must be paid by November 30 and the final payment is due by June 30. Under this option, taxes are not delinquent until July 1.

3. Proprietary Funds Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are sales of services provided. Operating expenses for the enterprise funds include payroll cost, professional and contracted services, and other operating costs. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

H. 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.

I. Data Control Codes

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

South San Antonio Independent School District

Notes to the Financial Statements

J. Implementation of New Accounting Standards

GASB Statement No. 87, *Leases* (GASB 87), establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under GASB 87, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this statement were originally effective for reporting periods beginning after December 15, 2019; however, issuance of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance* (GASB 95), extended the effective date of GASB 87 to reporting periods beginning after June 15, 2021, with earlier application encouraged. GASB 87 was implemented in the District's 2022 financial statements, resulting in recognition of \$615,746 in lease liabilities and lease assets as of September 1, 2021 to conform to the new standard, with no impact to beginning net position in the government-wide financial statements.

K. Recent Accounting Pronouncements

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (GASB 96), provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. This statement 1) defines a SBITA; 2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset - and a corresponding subscription liability; 3) provides the capitalization criteria for outlays other than subscription payments; and 4) requires note disclosures regarding a SBITA. The requirements of this statement are effective for reporting periods beginning after June 15, 2022, with earlier application encouraged. GASB 96 will be implemented in the District's fiscal year 2023 financial statements and the impact has not yet been determined.

Note 2. Stewardship, Compliance, and Accountability

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund, debt service fund and *National School Breakfast/Lunch Program* special revenue fund. All annual appropriations lapse at fiscal year end. The following procedures are followed in establishing the budgetary data reflected in the financial statements.

1. Prior to August 20 of the preceding fiscal year, the District prepares a budget for the next succeeding fiscal year beginning September 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Board is then called for the purpose of adopting the proposed budget after ten days' public notice of the meeting has been given.
3. Prior to September 1, the budget is formally approved and adopted by the Board.

The appropriated budget is prepared by fund, function, and campus/department. The District's campus/department heads may make transfers of appropriations within a department. Transfers of appropriations between campus/departments require the approval of the District's management. Transfers of appropriations between functions require the approval of the Board. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the function level within a fund.

South San Antonio Independent School District

Notes to the Financial Statements

B. Encumbrances

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as restricted, committed, or assigned fund balances as appropriate. The encumbrances do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year. As of August 31, 2022, the District does not have any outstanding encumbrances.

Note 3. Detailed Notes on All Funds

A. Deposits and Investments

Cash Deposits

The District's funds are required to be deposited and invested under the terms of a depository contract pursuant to the Texas School Depository Act. The depository bank pledges securities which comply with state law and these securities are held for safekeeping and trust with the District's and the depository banks' agent bank. The pledged securities shall be 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.

Investments

The District's investment policy is in accordance with the Public Funds Investment Act, the Public Funds Collateral Act, and federal and state laws. State law and District policy limits credit risk by allowing investing in 1) Obligations of the United States or its agencies which are backed by the full faith and credit of the United States, obligations of the State of Texas or its agencies, counties, cities and other political subdivisions of any state rated as to investment quality by a nationally recognized statistical rating organization (NRSRO) not less than A or its equivalent; 2) Certificates of deposit issued by a broker or depository located in Texas which is insured by the FDIC or purchased through a broker who has an office located in Texas; 3) Fully collateralized repurchase agreements secured by obligations of the United States or its agencies not to exceed 90 days to maturity from the date of purchase; 4) Securities lending program as permitted by Government Code 2256.0115; 5) Bankers acceptances with a stated maturity of 270 days or fewer which are eligible for collateral for borrowing from a Federal Reserve Bank; 6) Commercial paper if it has a stated maturity of 270 days or fewer from the date of its issuance and is rated not less than A-1 or P-1 or an equivalent rating by at least: two nationally recognized credit rating agencies or one nationally recognized agency and is fully secured by an irrevocable letter of credit issued by a bank organized and existing under the laws of the United States or any state; 7) No-load money market mutual funds which shall be registered with the Securities and Exchange Commission and have an dollar-weighted average stated maturity of 90 days or fewer; 8) No-load mutual funds which shall be registered with the Securities and Exchange Commission, have an average weighted maturity of less than two years, include investments that comply with the Public Funds Investment Act and are continuously rated not less than AAA by at least one NRSRO; 9) A guaranteed investment contract (for bond proceeds only) which meets the criteria and eligibility requirements established by the Public Funds Investment Act; 10) Public funds investment pools which meet the requirements of the Public Funds Investment Act.

South San Antonio Independent School District

Notes to the Financial Statements

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. GASB Statement No. 72, *Fair Value Measurement and Application* provides a framework for measuring fair value which establishes a three-level fair value hierarchy that describes the inputs that are used to measure assets and liabilities.

- Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- Level 2 inputs are inputs—other than quoted prices included within Level 1—that are observable for an asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for an asset or liability.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. If the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

The District's investments are in investment pools, are measured at amortized cost or Net Asset Value (NAV), and are not required to be categorized in the fair value hierarchy as presented in the table below. The District's investment balances, weighted average maturity, and credit risk of such investments are as follows:

All District Funds' Investment Type	Primary Government	Percent of Total Investments	Weighted Average Maturity (Days)	Weighted Average Credit Risk
Investments measured at amortized cost:				
Investment pools:				
Lone Star - Government Overnight Fund	\$ 15,031	0%	87	AAAm*
TexPool	37,246	0%	23	AAAm*
Texas Range - Texas DAILY	164,423	0%	23	AAAmf**
Investments measured at Net Asset Value (NAV):				
Investment pools:				
Lone Star - Corporate Overnight Plus Fund	\$ 35,276,064	97%	65	AAAf/S1+*
Texas CLASS	1,004,114	3%	68	AAAm*
Total value	\$ 36,496,878	100%		
Portfolio weighted average maturity			65	

* Standard & Poor's rating

** Fitch rating

The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the District to adopt, implement, and publicize an investment policy. The policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date of the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit. 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. The Act also requires the District to have independent auditors perform test procedures related to investment practices as provided by the Act. The District is in substantial compliance with the requirements of the Act and with local policies.

South San Antonio Independent School District

Notes to the Financial Statements

Temporary investments consist of funds invested in local government investment pools. The investment pools used by the District are organized under the authority of the Interlocal Cooperation Act, Chapter 791, Texas Government Code, and the Public Funds Investment Act, Chapter 2256, Texas Government Code. The investment pools are public funds investment pools created to provide a safe environment for the placement of local government funds in authorized short-term investments.

The District's investments in investment pools, which are exempt from regulation by the Securities and Exchange Commission, have as one of their objectives the maintenance of a stable net asset value of \$1.00. The book value of the position in the pools is the same as the number of shares in each pool; the market value of a share should approximate the book value of a share.

GASB Statement No. 31 provides an exception to the fair value reporting for investments in external pools that operate as "2a7-like" pools. The exception applies to portfolio securities held by external investment pools and allows the use of amortized cost rather than market value to report net assets and to compute share prices.

TexPool is duly chartered and overseen by the State Comptroller's Office, administered and managed by Federated Hermes, Inc. State Street Bank serves as the custodial bank. The portfolio consists of U.S. Government securities; collateralized repurchase and reverse repurchase agreements; and AAA rated money market mutual funds.

The investment pool transacts at a net asset value of \$1.00 per share, has a weighted average maturity of 60 days or less and weighted average life of 120 days or less, investments held are highly rated by a nationally recognized statistical rating organization, have no more than 5% of portfolio with one issuer (excluding US government securities), and can meet reasonably foreseeable redemptions. The investment pool has a redemption notice period of one day and no maximum transaction amounts. The investment pools' authorities may only impose restrictions on redemptions in the event of a general suspension of trading on major securities market, general banking moratorium or national or state emergency that affects the pools' liquidity.

Lone Star is duly chartered by the State of Texas Interlocal Cooperation Act, is administered by First Public, LLC, a subsidiary of the Texas Association of School Boards, and managed by Mellon Investments Corporation and American Beacon Advisors. State Street Bank and Trust Company is the custodial bank.

The investment pool has a redemption notice period of one day and no maximum transaction amounts. The investment pools' authorities may only impose restrictions on redemptions in the event of a general suspension of trading on major securities market, general banking moratorium or national or state emergency that affects the pools' liquidity.

The objective of the Lone Star Government Overnight Fund is to provide safety of principal, daily liquidity, and the highest possible rate of return. The fund seeks to maintain a net asset value of one dollar, and its dollar-weighted average maturity is 60 days or fewer. The fund may invest in obligations of the U.S. or its agencies and instrumentalities; other obligations guaranteed or insured by the U.S. or its agencies and instrumentalities; fully collateralized repurchase agreements having a defined termination date and secured by obligations of the U.S. or its agencies and instrumentalities; reverse repurchase agreements authorized under the Public Funds Investment Act; and SEC-regulated no-load money market mutual funds.

South San Antonio Independent School District

Notes to the Financial Statements

The objective of the Lone Star Corporate Overnight Plus Fund is to provide safety of principal, daily liquidity, and the highest possible rate of return. This fund seeks to maintain a net asset value of one dollar, and its dollar-weighted average maturity is 120 days or fewer. The fund may invest in all securities authorized under the Public Funds Investment Act; however, the fund has additional restrictions for SEC regulated money market mutual funds and fully collateralized repurchase agreements.

Texas CLASS was created in accordance with the requirements contained in section 2256.016 of the Public Funds Investment Act (PFIA). The Texas CLASS Trust Agreement is an agreement of indefinite term regarding the investment, reinvestment, and withdrawal of local government funds. The parties to the Trust Agreement are Texas local government entities that choose to participate in the Trust (the Participants), Public Trust Advisors, LLC (Public Trust) as Program Administrator, and UMB Bank, N.A. as Custodian.

Texas CLASS is an external investment pool measured at fair value, i.e. net asset value. The investment pool's strategy is to seek preservation of principal, liquidity and current income through investment in a diversified portfolio of short term marketable securities. There are no unfunded commitments related to the investment pool. Texas CLASS has a redemption notice period of one day and may redeem daily. The investment pool's authorities may only impose restrictions on redemptions in the event of a general suspension of trading on major securities market, general banking moratorium or national or state emergency that affects the pool's liquidity. The Texas CLASS portfolio consists of U.S. Government securities; collateralized repurchase and reverse repurchase agreements; AAA rated money market mutual funds; and commercial paper.

The Texas Range Investment Program "the Pool" was organized as the TexasTERM Local Government Investment Pool in conformity with the State of Texas Interlocal Cooperation Act and is administered by PFM Asset Management, LLC. U.S. Bank serves at the Pool's custodial bank. The Pool operates three separate investment Portfolios, Texas DAILY, Texas DAILY Select and Texas TERM.

The primary objective of the Texas DAILY portfolio is to produce the highest income consistent with preserving principal and maintaining liquidity. The portfolio will maintain a dollar-weighted average maturity that does not exceed 60 days and seeks to maintain a net asset value of \$1.00 per share. Texas DAILY may invest in securities including: obligations of the United States or its agencies and instrumentalities, obligations that are fully guaranteed or insured by the FDIC or the United States, certificates of deposit issued by FDIC insured banks, money-market mutual funds, and repurchase agreements involving obligations of the United States or its agencies and instrumentalities which meet the requirements of the Public Funds Investment Act.

The Texas DAILY portfolio has a redemption notice period of one day and no maximum transaction amounts. The investment pools' authorities may only impose restrictions on redemptions in the event of a general suspension of trading on major securities market, general banking moratorium or national or state emergency that affects the pools' liquidity.

Credit Risk

At year-end, the District's investments were rated as noted in the table on the previous page. All credit ratings met acceptable levels required by legal guidelines prescribed in both the PFIA and the District's investment policy.

South San Antonio Independent School District

Notes to the Financial Statements

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates may adversely affect the value of the investments. The District monitors interest rate risk utilizing weighted average maturity analysis and specific identification. In accordance with its investment policy, the District reduces its exposure to declines in fair values by limiting the weighted average maturity of any internally created pool to no more than 180 days, and any other individual investment not to exceed two years from the time of purchase, unless specifically authorized by the Board of Trustees.

Concentration of Credit Risk

The District's investment policy does not limit an investment in any one issuer. The investment portfolio shall be diversified in terms of investment instruments, maturity scheduling, and financial institutions to reduce risk of loss resulting from over-concentration of assets in a specific class of investments, specific maturity, or specific issuer.

Custodial Credit Risk – Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. As of August 31, 2022, District's deposits were not exposed to custodial credit risk because such balances were insured and collateralized with securities held by the District's agent in the District's name.

Custodial Credit Risk – Investments

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

B. Receivables

Tax revenues of the general and debt service funds are reported net of estimated uncollectible amounts. Total change in uncollectible amounts related to revenues of the current period increased (decreased) revenues as follows:

Change in uncollectibles related to general fund property taxes	\$	(7,674)
Change in uncollectibles related to debt service property taxes		<u>(6,504)</u>
Total change in uncollectibles of the current fiscal year	\$	<u>(14,178)</u>

Approximately 69% of the delinquent outstanding balance of property taxes receivable is not anticipated to be collected within the next year.

South San Antonio Independent School District

Notes to the Financial Statements

C. Interfund Receivables, Payables, and Transfers

1. Receivables/Payables

The composition of interfund balances as of August 31, 2022, is as follows:

	Interfund Receivables	Interfund Payables
Governmental funds:		
General fund	\$ 2,038,924	\$ 165,324
Debt service fund	50,263	-
Internal service funds	-	149
Nonmajor governmental funds	-	1,923,714
	<u>\$ 2,089,187</u>	<u>\$ 2,089,187</u>

The Due From balances in the General Fund from the Non-Major Governmental Funds are the result of utilizing a pooled cash account. As funds are expended for the benefit of the Non-Major Governmental Funds, the District subsequently submits a reimbursement from the grantor and funds are reimbursed. The Due From balances in the General Fund from the Internal Service Funds and the Due From balances in the Debt Service from the General Fund are the result of temporary lending between funds.

2. Transfers

Interfund transfers are defined as "flows of assets without equivalent flow of assets in return and without a requirement for repayment." Transfers are the use of funds collected in one fund and are transferred to finance various programs accounted for in other funds. The District reported no transfers for the fiscal year ended August 31, 2022.

D. Capital Assets

Capital asset activity for the fiscal year ended August 31, 2022 was as follows:

	Beginning Balance	Additions	Transfers, Adjustments and Dispositions	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated and amortized:				
Land and improvements	\$ 2,796,842	\$ -	\$ -	\$ 2,796,842
Construction in progress	852,821	799,088	(852,821)	799,088
Total capital assets, not being depreciated and amortized	3,649,663	799,088	(852,821)	3,595,930
Capital assets, being depreciated and amortized:				
Buildings and improvements	285,703,830	3,600,865	-	289,304,695
Furniture and equipment	21,208,367	770,655	(494,726)	21,484,296
Equipment and vehicles, right-to-use assets	615,746	-	-	615,746
Total capital assets, being depreciated and amortized	307,527,943	4,371,520	(494,726)	311,404,737
Less accumulated depreciation and amortization for:				
Buildings and improvements	(143,257,210)	(8,723,223)	-	(151,980,433)
Furniture and equipment	(17,370,140)	(1,235,411)	494,726	(18,110,825)
Equipment and vehicles, right-to-use assets	-	(152,433)	-	(152,433)
Total accumulated depreciation and amortization	(160,627,350)	(10,111,067)	494,726	(170,243,691)
Total capital assets, being depreciated and amortized, net	146,900,593	(5,739,547)	-	141,161,046
Governmental activities capital assets, net	<u>\$ 150,550,256</u>	<u>\$ (4,940,459)</u>	<u>\$ (852,821)</u>	<u>\$ 144,756,976</u>

South San Antonio Independent School District

Notes to the Financial Statements

Depreciation and amortization expense of the governmental activities was charged to functions/programs of the District as follows:

Governmental activities:	
11 Instruction	\$ 6,583,778
12 Instructional resources and media services	178,016
13 Curriculum and instructional staff development	22,356
21 Instructional leadership	176,429
23 School leadership	702,053
31 Guidance, counseling, and evaluation services	342,421
33 Health services	122,446
34 Student transportation	423,876
35 Food services	242,621
36 Cocurricular/extracurricular activities	161,518
41 General administration	226,176
51 Plant maintenance and operations	788,523
52 Security and monitoring services	59,395
53 Data processing services	77,499
61 Community services	3,960
	<hr/>
Total depreciation and amortization expense-governmental activities	\$ 10,111,067

Construction Commitments

The District has active construction projects as of August 31, 2022. The projects include the construction and equipment of school facilities. At year-end, the District did not have additional commitments with contractors as the ongoing projects were either in the planning phase or near completion.

E. Long-term Liabilities

The District's long-term liabilities consist of bond indebtedness, maintenance tax notes, leases payable, compensated absences, and net pension and OPEB liability. The current requirements for general obligation bonds principal and interest expenditures are accounted for in the debt service fund. Other long-term liabilities are generally liquidated with resources of the general fund.

Changes in Long-term Liabilities

Long-term liability activity for the fiscal year ended August 31, 2022, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 134,373,328	\$ 24,220,000	\$ (32,138,475)	\$ 126,454,853	\$ 5,870,144
Accreted interest on capital appreciation bonds	13,661,455	1,427,568	(2,021,525)	13,067,498	-
Issuance premiums	9,412,535	2,287,399	(4,333,330)	7,366,604	1,051,332
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total bonds payable, net	157,447,318	27,934,967	(38,493,330)	146,888,955	6,921,476
Maintenance tax notes	5,975,000	4,985,000	(405,000)	10,555,000	428,000
Issuance premiums	-	149,238	(2,584)	146,654	7,731
Leases payable	615,746	-	(144,054)	471,692	150,638
Compensated absences	1,146,041	177,029	(6,478)	1,316,592	-
Net pension liability	28,679,643	-	(15,148,756)	13,530,887	-
Net OPEB liability	28,481,658	-	(517,077)	27,964,581	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Governmental activities					
total long-term liabilities	\$ 222,345,406	\$ 33,246,234	\$ (54,717,279)	\$ 200,874,361	\$ 7,507,845

South San Antonio Independent School District

Notes to the Financial Statements

General Obligation Bonds

The District issues general obligation bonds to provide funds for the construction and equipment of school buildings (BLDG) and to refund general obligation bonds (REF).

General obligation bonds are direct obligations and pledge the full faith and credit of the District. These bonds are issued as 11-25 year current interest or capital appreciation bonds (CAB) with various amounts of principal maturing each year. Rates may be fixed or variable.

The following is a summary of changes in the general obligation bonds for the fiscal year:

Series	Interest Rate	Amounts Original Issue	Maturity Date	Beginning Balance	Additions	Reductions	Ending Balance
Unlimited Tax School Building Bonds							
Series 2005	3.25 - 5%	\$ 40,500,000	2022	\$ 7,510,000	\$ -	\$ -	\$ 7,510,000
Series 2010-BA	4.607 - 5.29%	26,095,000	2027	26,095,000	-	(26,095,000)	-
Unlimited Tax Qualified School Construction Bonds							
Series 2010	5.19%	9,785,000	2027	9,785,000	-	-	9,785,000
Unlimited Tax School Refunding Bonds							
Series 2011	3 - 3.6%	8,680,000	2028	350,000	-	(145,000)	205,000
Series 2012A	3 - 4.25%	24,815,000	2029	1,500,000	-	(1,500,000)	-
Series 2013	2 - 5%	18,815,000	2035	9,675,000	-	(1,310,000)	8,365,000
Series 2014	4 - 5%	25,380,000	2034	25,380,000	-	-	25,380,000
Series 2019A	4%	11,460,000	2029	11,460,000	-	-	11,460,000
Series 2019B	4%	18,360,000	2034	18,240,000	-	-	18,240,000
Series 2019C	3.5 - 4%	9,185,000	2029	1,805,000	-	(1,375,000)	430,000
Series 2020	3 - 4%	5,340,000	2031	5,340,000	-	-	5,340,000
Series 2022	3 - 4%	24,220,000	2032	-	24,220,000	-	24,220,000
Capital Appreciation Bonds							
Series 2010	3.25 - 5.02%	22,116,909	2035	17,098,338	-	(1,583,475)	15,514,863
Series 2014	2.44%	455,000	2022	130,000	-	(130,000)	-
Series 2011	3.50%	4,990	2023	4,990	-	-	4,990
Grand total				\$ 134,373,328	\$ 24,220,000	\$ (32,138,475)	\$ 126,454,853

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending August 31,	Principal Value At Maturity	Interest	Total Requirements
2023	\$ 5,870,144	\$ 6,818,148	\$ 12,688,292
2024	8,208,000	4,281,192	12,489,192
2025	8,523,000	4,033,592	12,556,592
2026	8,842,000	3,789,192	12,631,192
2027	9,252,000	3,534,792	12,786,792
2027-2031	39,109,021	24,684,555	63,793,576
2032-2036	46,650,688	16,800,162	63,450,850
Totals	\$ 126,454,853	\$ 63,941,633	\$ 190,396,486

South San Antonio Independent School District

Notes to the Financial Statements

On February 1, 2022, the District issued \$24,220,000 Unlimited Tax Refunding Bonds, Series 2022. Net of premiums, issuance costs, and accrued interest, the proceeds were used to refund the \$26,095,000 balance of the Unlimited Tax School Building Bonds, Series 2010 which were called for full redemption on April 8, 2022.

As of August 31, 2022, the District had no authorized but unissued bonds.

In prior years, the District defeased certain outstanding bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust accounts and the liability for the defeased bonds are not included in the District's financial statements. At August 31, 2022, the District had \$8.8 million in outstanding defeased bonds.

Maintenance Tax Notes

The District has entered into various Maintenance Tax Notes to pay for energy conservation measures such as lighting upgrades, EMS optimization, ventilation control and power conditioning. The following is a summary of changes in the maintenance tax notes for the fiscal year.

Series	Interest Rate	Amounts Original Issue	Maturity Date	Beginning Balance	Additions	Reductions	Ending Balance
Maintenance Tax Notes:							
Series 2020	0.81 - 1.452%	2,000,000	2030	\$ 1,975,000	\$ -	\$ (25,000)	\$ 1,950,000
Series 2021	0.86 - 1.83%	4,000,000	2031	4,000,000	-	(380,000)	3,620,000
Series 2022	3.00 - 3.880%	4,985,000	2041	-	4,985,000	-	4,985,000
Grand total				\$ 5,975,000	\$ 4,985,000	\$ (405,000)	\$ 10,555,000

Annual debt service requirements to maturity for maintenance tax notes are as follows:

Year Ending August 31,	Principal Value At Maturity	Interest	Total Requirements
2023	\$ 428,000	\$ 317,431	\$ 745,431
2024	717,000	268,431	985,431
2025	726,000	260,173	986,173
2026	735,000	251,068	986,068
2027	745,000	240,971	985,971
2028-2032	3,404,000	1,017,105	4,421,105
2033-2037	1,945,000	614,350	2,559,350
2038-2041	1,855,000	189,200	2,044,200
Totals	\$ 10,555,000	\$ 3,158,729	\$ 13,713,729

On May 1, 2022, the District issued \$4,985,000 Maintenance Tax Notes, Series 2022. Net of premiums and issuance costs, this resulted in proceeds of \$5,000,000 in the General Fund.

South San Antonio Independent School District

Notes to the Financial Statements

Leases Payable

The District has entered into a lease agreement as lessee. The leases allow the right to use vehicles and copiers over the term of the lease. The District is required to make monthly payments at its incremental borrowing rate or the interest rate stated or implied within the leases. The lease rate, term and ending lease liability are as follows:

	Interest Rate(s)	Liability at Commencement	Lease Term in Years	Ending Balance
Governmental activities				
Copiers	7%	469,791	3.0	\$ 334,795
Vehicles	6.63 - 6.64%	145,955	2.0	136,897
Total governmental activities				<u>\$ 471,692</u>

The future principal and interest lease payments as of fiscal year end are as follows:

Year Ending August 31,	Principal	Interest	Total Requirements
2023	\$ 223,180	\$ 25,560	\$ 248,740
2024	234,165	9,673	243,838
2025	14,347	84	14,431
Totals	<u>\$ 471,692</u>	<u>\$ 35,317</u>	<u>\$ 507,009</u>

The value of the right-to-use assets as of the end of the current fiscal year was \$615,746 and had accumulated amortization of \$152,433.

F. Fund Balance

Other committed fund balance includes the following commitments of funds:

General fund:	
Tax subsidy	<u>\$ 733,441</u>
Total committed for other purposes	<u>\$ 733,441</u>

G. Revenues from Local and Intermediate Sources

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

	General	Debt Service	Nonmajor Funds	Totals
Property taxes	\$ 18,955,806	\$ 10,360,442	\$ -	\$ 29,316,248
Charges for services	179,151	-	167,663	346,814
Investment earnings	231,173	63,725	1,346	296,244
Other	417,747	-	772,804	1,190,551
Totals	<u>\$ 19,783,877</u>	<u>\$ 10,424,167</u>	<u>\$ 941,813</u>	<u>\$ 31,149,857</u>

South San Antonio Independent School District

Notes to the Financial Statements

Note 4. Other Information

A. Risk Management

Property/Liability

The District is exposed to various risks related to torts: theft of, damage to and destruction of assets; errors and omissions; 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 the participation in a risk pool. Settled claims have not exceeded insurance coverage in any of the three previous fiscal years. There has not been any significant reduction in insurance coverage from that of the previous year.

Health Insurance

During the period ended August 31, 2022, employees of the District were covered by a self-insured health insurance plan (The Health Plan). The Health Plan is accounted for through an internal service fund. The District made contributions to cover the employees and the employees, at their option, authorized payroll withholdings to pay contributions for dependents. All contributions were paid to a third party administrator acting on behalf of the District. The Health Plan was authorized by state statute and was documented by contractual agreement. The contract between the District and the third party administrator is renewable annually.

In accordance with state statute, the District was protected against unanticipated catastrophic individual or aggregate loss by stop-loss coverage up to \$200,000 per individual carried through a commercial insurer licensed to do business in Texas in accordance with the Texas Insurance Code. Estimates of claims payable and of claims incurred but not reported at August 31, 2022, are reflected as accrued expenses of the respective internal service fund. The liabilities include an amount for claims that have been incurred but were not reported until after August 31, 2022. Because actual claims liabilities depend on such complex factors as inflation, changes in legal requirements and damage awards, the process used in computing claims liability is an estimate.

Changes in the balances of claims liabilities during the past two years are as follows:

	Year Ended 8/31/2022	Year Ended 8/31/2021
Unpaid claims, beginning of fiscal year	\$ 342,548	\$ 400,000
Provision for claims		
Incurred claims, including provision (adjustment) for IBNR	8,217,166	7,583,023
Claim payments	(8,115,953)	(7,640,475)
Unpaid claims, end of fiscal year	\$ 443,761	\$ 342,548

Workers' Compensation

During the period ended August 31, 2022, employees of the District were covered by a self-funded workers' compensation insurance plan (the Plan). The District currently utilizes an internal service fund's fund balance to pay for the workers' compensation claims. A third party administrator acts on behalf of the District to administer claims filed against the self-funded pool. The contract was authorized under the rules of the Texas Insurance Code and was documented by contractual agreement. This contract between the District and the third party administrator is renewable annually and terms of coverage and premium costs are included in the contractual provision.

South San Antonio Independent School District

Notes to the Financial Statements

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities also include an estimated amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other non-incremental claims adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example for subrogation, are another component of the claims liability estimate. An excess coverage insurance policy covers individual claims in excess of \$500,000 and an annual employer's maximum limit of \$1,000,000.

Changes in the balances of claims liabilities during the past two years are as follows:

	Year Ended 8/31/2022	Year Ended 8/31/2021
Unpaid claims, beginning of fiscal year	\$ 269,580	\$ 238,191
Provision for claims		
Incurred claims, including provision (adjustment) for IBNR	220,685	194,455
Claim payments	(175,751)	(163,066)
Unpaid claims, end of fiscal year	\$ 314,514	\$ 269,580

B. Litigation and Contingencies

The District is a defendant in various legal claims arising principally in its normal course of operations. In the opinion of the District's management, such claims will not have a material effect of the District's financial position, results of operations or liquidity.

The District participates in a number of federal and state financial assistance programs. Although the District's grant programs have been audited in accordance with the provisions of the Single Audit Act through August 31, 2022, these programs are subject to financial and compliance audits by the grantor agencies. The District is also subject to audit by the TEA of the attendance data upon which payments from the agency are based. These audits could result in questioned costs or refunds to be paid back to the granting agencies.

C. Defined Benefit Pension Plan

Plan Description

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

South San Antonio Independent School District

Notes to the Financial Statements

Pension Plan Fiduciary Net Position

Detailed information about the TRS's fiduciary net position is available in a separately issued Annual Financial Report Comprehensive (ACFR) that includes financial statements and required supplementary information. That report may be obtained on the Internet at http://www.trs.texas.gov/Pages/about_archive_cafr.aspx; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

Benefits Provided

TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using 2.3% (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 where 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 cost of living adjustments (COLAs). Ad hoc postemployment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as previously noted in the Plan Description above.

Contributions

Contribution requirements are established or amended pursuant to Article XVI, 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. 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.

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.

Rates for such plan fiscal years are as follows:

	Contribution Rates	
	2022	2021
Member	8.00%	7.70%
Non-employer contribution entity (State)	7.75%	7.50%
Employers (District)	7.75%	7.50%

South San Antonio Independent School District

Notes to the Financial Statements

The contribution amounts for the District's fiscal year 2022 are as follows:

District contributions	\$	2,788,156
Member contributions		4,818,507
NECE on-behalf contributions (State)		2,759,041

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.

As the non-employer contributing entity, 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 the 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, local or non-educational and general funds.
- When the employing district is a public junior college or junior college district, the employer shall contribute to the retirement system an amount equal to 50% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.

In addition to the employer contributions listed above, there are two surcharges an employer is subject to:

- When employing a retiree of the Teacher Retirement System, the employer shall pay both the member contribution and the state contribution as an employment-after-retirement surcharge.
- Public education employer contribution - all public schools, charter schools and regional education service centers must contribute 1.5% of the member's salary beginning in September 1, 2019, gradually increasing to 2.0% on September 1, 2024.

South San Antonio Independent School District

Notes to the Financial Statements

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

At August 31, 2022, the District reported a liability of \$13,530,887 for its proportionate share of the TRS's net pension liability. 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	\$ 13,530,887
State's proportionate share of the net pension liability associated with the District	<u>19,605,959</u>
Total	<u>\$ 33,136,846</u>

The net pension liability was measured as of August 31, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as August 31, 2020 rolled forward to August 31, 2021. The District's proportion of the net pension liability was based on the District's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2020 through August 31, 2021.

At the measurement date of August 31, 2021, the District's proportion of the collective net pension liability was 0.0531321846%, which was a decrease of 0.0004166126% from its proportion measured as of August 31, 2020.

For the fiscal year ended August 31, 2022, the District recognized pension expense and revenue of \$3,285,417 for support provided by the State.

At August 31, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 22,644	\$ 952,585
Changes of assumptions	4,782,904	2,084,936
Difference between projected and actual earnings on pension plan investments	-	11,345,473
Changes in proportion and difference between District's contributions and the proportionate share of contributions	383,466	2,306,446
District contributions paid subsequent to the measurement date	<u>2,788,156</u>	<u>-</u>
Totals	<u>\$ 7,977,170</u>	<u>\$ 16,689,440</u>

South San Antonio Independent School District

Notes to the Financial Statements

\$2,788,156 reported as deferred outflows of resources resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended August 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (revenue) as follows:

Year Ending August 31,	
2023	\$ (1,988,631)
2024	(2,201,204)
2025	(3,237,438)
2026	(3,818,961)
2027	(218,678)
Thereafter	<u>(35,514)</u>
Total	<u>\$ (11,500,426)</u>

Actuarial Methods and Assumptions

The actuarial valuation of the total pension liability was performed as of August 31, 2020. Update procedures were used to roll forward the total pension liability to August 31, 2021 and was determined using the following actuarial methods and assumptions:

Actuarial cost method	Individual entry age normal
Asset valuation method	Fair value
Single discount rate	7.25%
Long-term expected rate of return	7.25%
Municipal bond rate as of August 2020	1.95%. 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)	2120
Inflation	2.30%
Salary increases	3.05% to 9.05% including inflation
Ad hoc postemployment benefit changes	None
Active mortality rates	Based on 90% of the RP 2014 Employee Mortality Tables for males and females with full generational mortality. The post-retirement mortality rates for healthy lives were based on the 2018 TRS of Texas Healthy Pensioner Mortality Tables with full generational projection using the ultimate improvement rates from the most recently published projection scale U-MP.

The actuarial methods and assumptions are primarily based on a study of actual experience for the three year period ending August 31, 2017 and adopted in July 2018.

South San Antonio Independent School District

Notes to the Financial Statements

Discount Rate and Long-Term Expected Rate of Return

A single discount rate of 7.25% 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%. The projection of cash flows used to determine the single discount rate assumed that contributions from active members and those of the contributing employers and the non-employer contributing entity will be made at the statutorily required rates. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. 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 arithmetic real rates of return for each major asset class included in TRS's target asset allocation as of August 31, 2021 are summarized below:

Asset Class*	Target Allocation**	Long-term Expected Geometric Real Rate of Return***	Expected Contribution to Long-Term Portfolio Returns
Global equity:			
U.S.	18.00%	3.60%	0.94%
Non-U.S. developed	13.00%	4.40%	0.83%
Emerging markets	9.00%	4.60%	0.74%
Private equity	14.00%	6.30%	1.36%
Stable value:			
Government bonds	16.00%	-0.20%	0.01%
Absolute return	-	1.10%	-
Stable value hedge funds	5.00%	2.20%	0.12%
Real return:			
Real estate	15.00%	4.50%	1.00%
Energy, natural resources and infrastructure	6.00%	4.70%	0.35%
Commodities	-	1.70%	-
Risk parity:			
Risk parity	8.00%	2.80%	0.28%
Asset allocation leverage:			
Cash	2.00%	-0.70%	-0.01%
Asset allocation leverage	-6.00%	-0.50%	0.03%
Inflation expectation			2.20%
Volatility drag****			-0.95%
Total	100.00%		6.90%

* Absolute Return includes Credit Sensitive Investments.

** Target allocations are based on the FY 2021 policy model.

*** Capital market assumptions come from Aon Hewitt (as of 8/31/2021).

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

South San Antonio Independent School District

Notes to the Financial Statements

Discount Rate Sensitivity Analysis

The following table presents the District's proportionate share of the TRS net pension liability calculated using the discount rate of 7.25%, as well as what the District's proportionate share of the net pension liability would be if it was calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
District's proportionate share of the net pension liability	\$ 29,567,136	\$ 13,530,887	\$ 520,622

Change of Assumptions Since the Prior Measurement Date

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

Change of Benefit Terms Since the Prior Measurement Date

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

D. Defined Other Postemployment Benefit Plan

Plan Description

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

OPEB Plan Fiduciary Net Position

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

Benefits Provided

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

Eligible non-Medicare retirees and their dependents may enroll in TRS-Care Standard, a high-deductible health plan. Eligible Medicare retirees and their dependents may enroll in the TRS-Care Medicare Advantage medical plan and the TRS-Care Medicare Rx prescription drug plan. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in the TRS pension system. The Board of Trustees of TRS 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.

South San Antonio Independent School District

Notes to the Financial Statements

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

TRS-Care Monthly Plan 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

Contributions

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

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

Rates for such plan fiscal years are as follows:

	Contribution Rates	
	2022	2021
Active employee	0.65%	0.65%
Non-employer contribution entity (State)	1.25%	1.25%
Employers (District)	0.75%	0.75%
Federal/private funding*	1.25%	1.25%

* Contributions paid from federal funds and private grants are remitted by the employer (District) and paid at the State rate.

The contribution amounts for the District's fiscal year 2021 are as follows:

District contributions	\$ 632,341
Member contributions	391,504
NECE on-behalf contributions (State)	585,033

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

The State of Texas also contributed \$254,527, \$525,727, and \$547,987 in 2022, 2021, and 2020, respectively, for on-behalf payments for Medicare Part D.

South San Antonio Independent School District

Notes to the Financial Statements

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

At August 31, 2022, the District reported a liability of \$27,964,581 for its proportionate share of the TRS's net OPEB liability. 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 net OPEB liability	\$ 27,964,581
State's proportionate share of the net OPEB liability associated with the District	<u>37,466,306</u>
Total	<u>\$ 65,430,887</u>

The net OPEB liability was measured as of August 31, 2021 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of August 31, 2020 rolled forward to August 31, 2021. 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, 2020 through August 31, 2021.

At the measurement date of August 31, 2021, the employer's proportion of the collective net OPEB liability was 0.0724950501% which was a decrease of 0.0024280603% from its proportion measured as of August 31, 2020.

For the fiscal year ended August 31, 2022, the District recognized OPEB expense and revenue of \$758,784 for support provided by the State.

At August 31, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,204,008	\$ 13,536,814
Changes of assumptions	3,097,406	5,913,991
Difference between projected and actual earnings on OPEB plan investments	30,360	-
Changes in proportion and difference between District's contributions and the proportionate share of contributions	74	3,701,459
District contributions paid subsequent to the measurement date	<u>632,341</u>	<u>-</u>
Totals	<u>\$ 4,964,189</u>	<u>\$ 23,152,264</u>

South San Antonio Independent School District

Notes to the Financial Statements

\$632,341 reported as deferred outflows of resources resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended August 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB revenue as follows:

Year Ending August 31,	
2022	\$ (3,523,463)
2023	(3,524,148)
2024	(3,523,961)
2025	(2,787,863)
2026	(1,791,308)
Thereafter	<u>(3,669,673)</u>
Total	<u>\$ (18,820,416)</u>

Actuarial Methods and Assumptions

The actuarial valuation of the total OPEB liability was performed as of August 31, 2020. Update procedures were used to roll forward the total OPEB liability to August 31, 2021.

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. The following assumptions used for the valuation of the TRS-Care OPEB liability are identical to the assumptions employed in the August 31, 2021 TRS annual pension actuarial valuation:

<u>Demographic Assumptions</u>	<u>Economic Assumptions</u>
Rates of mortality	General inflation
Rates of retirement	Wage inflation
Rates of termination	Salary increases
Rates of disability	

See Note 4.C. for detail on these assumptions. The demographic assumptions were developed in the experience study performed for TRS for the period ending August 31, 2017.

The initial medical trend rates were 8.50% for Medicare retirees and 7.10% for non-Medicare retirees. There was an initial prescription drug trend rate of 8.50% for all retirees. The initial trend rates decrease to an ultimate trend rate of 4.25 % over a period of 12 years.

South San Antonio Independent School District

Notes to the Financial Statements

The following methods and additional assumptions were used in the TRS-Care OPEB valuation:

Actuarial cost method	Individual entry age normal
Single discount rate	1.95% as of August 31, 2021
Aging factors	Based on plan specific experience
Election rates	Normal retirement: 65% participation rate prior to age 65 and 40% after age 65. 25% of pre-65 retirees are assumed to discontinue coverage at age 65.
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
Ad hoc postemployment benefit changes	None

Discount Rate

A single discount rate of 1.95% was used to measure the total OPEB liability at August 31, 2021. This was a decrease of 0.38% in the discount rate since the August 31, 2020 measurement date. The plan is essentially a “pay-as-you-go” plan, and based on the assumption that contributions are made at the statutorily required rates, the OPEB plan’s fiduciary net position was projected to not be able to make all future benefit payments to current members and therefore, the single discount rate is equal to the prevailing municipal bond rate. The 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” as of August 31, 2021.

Sensitivity Analysis of Rates

Discount Rate

The following table presents the District’s proportionate share of the TRS-Care net OPEB liability, as well as what the District’s proportionate share of the net OPEB liability would be if it were calculated using a discount rate that was 1% less than and 1% greater than the discount rate that was used (1.95%) in measuring the net OPEB liability.

	1% Decrease (0.95%)	Current Discount Rate (1.95%)	1% Increase (2.95%)
District’s proportionate share of the net OPEB liability	\$ 33,731,728	\$ 27,964,581	\$ 23,425,648

South San Antonio Independent School District

Notes to the Financial Statements

Healthcare Cost Trend Rates

The following table presents the District's proportionate share of net OPEB liability using the assumed healthcare cost trend rate, as well as what the net OPEB liability would be if it were calculated using a trend rate that is 1% lower or 1% higher than the assumed health-care cost trend rate:

	<u>1% Decrease</u>	<u>Current Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
District's proportionate share of the net OPEB liability	\$ 22,650,384	\$ 27,964,581	\$ 35,094,913

Change of Assumptions Since the Prior Measurement Date

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

- The discount rate changed from 2.33% as of August 31, 2020 to 1.95% as of August 31, 2021. This change increased the total OPEB liability.

Change of Benefit Terms Since the Prior Measurement Date

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

E. Nonmonetary Transactions

During the year ended August 31, 2022, the District received textbooks purchased by the State of Texas for the benefit of the District for a purchase price of \$114,092. The District receives the textbooks as part of state funding for textbook allotment. The textbooks were recorded in the amount of \$638,737 in a special revenue fund as both state revenues and expenditures, which represents the amount of consideration given by the State of Texas.

During the year ended August 31, 2022, the District received goods purchased by the Texas Department of Agriculture (TDA) through the Food Distribution Program (commodities). These commodities have been recorded in the amount of \$351,356 in a special revenue fund as federal revenues, which represents the amount of consideration given by TDA.

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Required Supplementary Information

South San Antonio Independent School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance – Budget and Actual
General Fund
For the Fiscal Year Ended August 31, 2022

Exhibit G-1

Data Control Codes	Budgeted Amounts			Variance with Final Budget	
	Original	Final	Actual	Positive (Negative)	
REVENUES					
5700	Local and intermediate sources	\$ 18,281,601	\$ 19,740,789	\$ 19,783,877	\$ 43,088
5800	State program revenues	54,516,975	51,610,976	52,308,634	697,658
5900	Federal program revenues	2,947,175	5,082,175	4,661,422	(420,753)
5020	Total revenues	75,745,751	76,433,940	76,753,933	319,993
EXPENDITURES					
Current:					
0011	Instruction	43,029,891	40,151,866	39,832,228	319,638
0012	Instructional resources and media services	1,394,901	1,403,741	1,270,161	133,580
0013	Curriculum and instructional staff development	880,449	922,659	641,508	281,151
0021	Instructional leadership	1,064,141	1,113,523	1,059,710	53,813
0023	School leadership	5,431,406	5,774,929	5,457,555	317,374
0031	Guidance, counseling, and evaluation services	2,839,815	3,051,242	2,794,900	256,342
0032	Social work services	287,522	328,522	306,374	22,148
0033	Health services	1,159,199	1,222,426	1,125,202	97,224
0034	Student transportation	1,527,624	1,894,373	1,660,897	233,476
0036	Cocurricular/extracurricular activities	2,471,959	2,809,252	2,581,687	227,565
0041	General administration	2,597,697	3,408,229	3,250,548	157,681
0051	Plant maintenance and operations	9,828,186	8,721,748	8,543,651	178,097
0052	Security and monitoring services	1,339,682	1,320,731	1,008,808	311,923
0053	Data processing services	1,418,254	1,652,648	1,397,829	254,819
0061	Community services	222,019	294,971	231,448	63,523
Debt service:					
0071	Principal on long-term debt	25,000	757,552	697,580	59,972
0072	Interest on long-term debt	23,006	77,801	77,801	-
Capital outlay:					
0081	Facilities acquisition and construction	10,000	8,457,940	3,092,878	5,365,062
Intergovernmental:					
0093	Payments related shares services arrangements	70,000	74,000	74,000	-
0099	Other intergovernmental charges	125,000	173,230	131,001	42,229
6030	Total expenditures	75,745,751	83,611,383	75,235,766	8,375,617
1100	Excess (deficiency) of revenues over (under) expenditures	-	(7,177,443)	1,518,167	8,695,610
OTHER FINANCING SOURCES (USES)					
7912	Sale of real and personal property	-	31,104	31,103	(1)
7913	Proceeds from right to use leased assets	-	-	615,746	615,746
7914	Loan proceeds	-	5,094,398	5,134,238	39,840
8949	Other uses	-	(47,267)	-	47,267
7080	Total other financing sources (uses)	-	5,078,235	5,781,087	702,852
1200	Net change in fund balance	-	(2,099,208)	7,299,254	9,398,462
0100	Fund balance - beginning	29,782,877	29,782,877	29,782,877	-
3000	FUND BALANCE - ENDING	\$ 29,782,877	\$ 27,683,669	\$ 37,082,131	\$ 9,398,462

The Notes to the Required Supplementary Information are an integral part of this schedule.

South San Antonio Independent School District

Exhibit G-2

Schedule of the District's Proportionate Share of the Net Pension Liability of a Cost-Sharing Multiple-Employer Pension Plan Teacher Retirement System of Texas For the Last Eight Fiscal Years*

Year	District's Proportion of Net Pension Liability	District's Proportionate Share of the Net Pension Liability	State's Proportionate Share of the Net Pension Liability Associated with the District	Total	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2022	0.0531322%	\$ 13,530,887	\$ 19,605,959	\$ 33,136,846	\$ 62,810,123	21.54%	88.79%
2021	0.0535488%	\$ 28,679,643	\$ 42,390,784	\$ 71,070,427	\$ 62,518,405	45.87%	75.54%
2020	0.0582592%	\$ 30,284,965	\$ 37,488,457	\$ 67,773,422	\$ 57,881,610	52.32%	75.24%
2019	0.0608164%	\$ 33,474,812	\$ 43,435,411	\$ 76,910,223	\$ 59,240,180	56.51%	73.74%
2018	0.0624478%	\$ 19,967,448	\$ 29,289,547	\$ 49,256,995	\$ 62,046,102	32.18%	82.17%
2017	0.0594752%	\$ 22,474,786	\$ 36,147,509	\$ 58,622,295	\$ 60,094,300	37.40%	78.00%
2016	0.0581993%	\$ 20,572,678	\$ 34,992,059	\$ 55,564,737	\$ 56,912,759	36.15%	78.43%
2015	0.0449481%	\$ 12,006,259	\$ 30,308,470	\$ 42,314,729	\$ 56,694,241	21.18%	83.25%

* The amounts presented for the fiscal years were determined as of the Plan's fiscal year end, August 31 of the prior year. Ten years of data is not available.

South San Antonio Independent School District**Exhibit G-3**

Schedule of the District's Contributions to the
 Teacher Retirement System of Texas Pension Plan
 For the Last Eight Fiscal Years*

Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2022	\$ 2,788,156	\$ (2,788,156)	\$ -	\$ 60,287,791	4.62%
2021	\$ 2,236,783	\$ (2,236,783)	\$ -	\$ 62,810,123	3.56%
2020	\$ 2,209,438	\$ (2,209,438)	\$ -	\$ 62,518,405	3.53%
2019	\$ 2,040,584	\$ (2,040,584)	\$ -	\$ 57,881,610	3.53%
2018	\$ 2,077,722	\$ (2,077,722)	\$ -	\$ 59,240,180	3.51%
2017	\$ 1,977,312	\$ (1,977,312)	\$ -	\$ 62,046,102	3.19%
2016	\$ 1,889,677	\$ (1,889,677)	\$ -	\$ 60,094,300	3.14%
2015	\$ 1,817,619	\$ (1,817,619)	\$ -	\$ 56,912,759	3.19%

* The amounts presented for the fiscal years were determined as of the District's fiscal year end.
 Ten years of data is not available.

South San Antonio Independent School District

Exhibit G-4

Schedule of the District's Proportionate Share of the Net OPEB Liability of a Cost-Sharing Multiple-Employer OPEB Plan Teacher Retirement System of Texas For the Last Five Fiscal Years*

Year	District's Proportion of Net OPEB Liability	District's Proportionate Share of the Net OPEB Liability	State's Proportionate Share of the Net OPEB Liability Associated with the District	Total	District's Covered Payroll	District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2022	0.0724951%	\$ 27,964,581	\$ 37,466,306	\$ 65,430,887	\$ 62,810,123	44.52%	6.18%
2021	0.0749231%	\$ 28,481,658	\$ 38,272,521	\$ 66,754,179	\$ 62,518,405	45.56%	4.99%
2020	0.0759812%	\$ 35,932,429	\$ 47,746,158	\$ 83,678,587	\$ 57,881,610	62.08%	2.66%
2019	0.0781501%	\$ 39,021,061	\$ 47,571,974	\$ 86,593,035	\$ 59,240,180	65.87%	1.57%
2018	0.0809117%	\$ 35,185,477	\$ 47,559,318	\$ 82,744,795	\$ 62,046,102	56.71%	0.91%

*The amounts presented for the fiscal years were determined as of the Plan's fiscal year end, August 31 of the prior year. Ten years of data is not available.

South San Antonio Independent School District**Exhibit G-5**

Schedule of the District's Contributions to the
Teacher Retirement System of Texas OPEB Plan
For the Last Five Fiscal Years*

Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2022	\$ 632,341	\$ (632,341)	\$ -	\$ 60,287,791	1.05%
2021	\$ 562,466	\$ (562,466)	\$ -	\$ 62,810,123	0.90%
2020	\$ 569,468	\$ (569,468)	\$ -	\$ 62,518,405	0.91%
2019	\$ 539,256	\$ (539,256)	\$ -	\$ 57,881,610	0.93%
2018	\$ 477,293	\$ (477,293)	\$ -	\$ 59,240,180	0.81%

* The amounts presented for the fiscal years were determined as of the District's fiscal year end.
Ten years of data is not available.

The Notes to the Required Supplementary Information are an integral part of this schedule.

South San Antonio Independent School District

Notes to the Required Supplementary Information

Note 1. Budget

A. Budgetary Information

Each school district in Texas is required by law to prepare annually a budget of anticipated revenues and expenditures for the general fund, debt service fund, and the National School Breakfast and Lunch Program special revenue fund. The Texas Education Code requires the budget to be prepared not later than August 20 and adopted by August 31 of each year. The budgets are prepared on a basis of accounting that is used for reporting in accordance with generally accepted accounting principles.

The following procedures are followed in establishing the budgetary data reflected in the fund financial schedules:

1. Prior to August 20 of the preceding fiscal year, the District prepares a budget for the next succeeding fiscal year beginning September 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Board is then called for the purpose of adopting the proposed budget after ten days' public notice of the meeting has been given.
3. Prior to September 1, the budget is formally approved and adopted by the Board.

The appropriated budget is prepared by fund and function. The District's campus/department heads may make transfers of appropriations within a campus or department. Transfers of appropriations between campuses or departments require the approval of the District's management. Increasing any one of the functional spending categories, or revenues object accounts and other resources require the approval of the Board. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the function level within a fund. All annual appropriations lapse at fiscal year end.

Note 2. Net Pension Liability and Net OPEB Liability

The following factors significantly affect trends in the amounts reported for the District's proportionate share of the net pension liability and net OPEB liability:

Changes in actuarial assumptions and inputs

Measurement Date August 31,	Net Pension Liability		Net OPEB Liability
	Discount Rate	Long-term Expected Rate of Return	Discount Rate
2021	7.250%	7.250%	1.950%
2020	7.250%	7.250%	2.330%
2019	7.250%	7.250%	2.630%
2018	6.907%	7.250%	3.690%
2017	8.000%	8.000%	3.420%
2016	8.000%	8.000%	
2015	8.000%	8.000%	
2014	8.000%	8.000%	

South San Antonio Independent School District

Notes to the Required Supplementary Information

Changes in demographic and economic assumptions

For Measurement Date August 31, 2018 – Net Pension Liability and Net OPEB Liability:

- Demographic assumptions including post-retirement mortality, termination rates, and rates of retirement and economic assumptions, including rates of salary increase for individual participants were updated based on the experience study performed for TRS for the period ending August 31, 2017.

Changes in benefit terms

For Measurement Date August 31, 2018 – Net OPEB Liability:

- Changes of benefit terms were made effective September 1, 2017 by the 85th Texas Legislature.

Other changes

For Measurement Date August 31, 2020 – Net OPEB Liability:

- The participation rate for post-65 retirees was lowered from 50% to 40%.
- The ultimate health care trend rate assumption decreased to reflect the repeal of the excise (Cadillac) tax on high-cost employer health plans.

For Measurement Date August 31, 2019 – Net Pension Liability:

- With the enactment of SB3 by the 2019 Texas Legislature, an assumption was made about how this would impact future salaries. It is assumed that eligible active members will each receive a \$2,700 increase in fiscal year 2020. This is in addition to the salary increase expected based on the actuarial assumptions.

For Measurement Date August 31, 2019 – Net OPEB Liability:

- The participation rate for pre-65 retirees was lowered from 70% to 65%. The participation rate for post-65 retirees was lowered from 75% to 50%. 25% of pre-65 retirees are assumed to discontinue their coverage at age 65.
- The trend rates were reset to better reflect the plan's anticipated experience.
- The percentage of retirees who are assumed to have two-person coverage was lowered from 20% to 15%. In addition, the participation assumption for the surviving spouses of employees that die while actively employed was lowered from 20% to 10%.

For Measurement Date August 31, 2018 – Net OPEB Liability:

- Adjustments were made for retirees that were known to have discontinued their health care coverage in fiscal year 2018.
- The health care trend rate assumption was updated to reflect the anticipated return of the Health Insurer Fee (HIF) in 2020.

South San Antonio Independent School District

Notes to the Required Supplementary Information

Changes of Benefit Terms

There were no changes of benefit terms that affected measurement of the total pension liability during the measurement period, except for the following:

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

Changes of Assumptions

The following were changes to the actuarial assumptions or other inputs that affected measurement of the total pension liability since the prior measurement period.

- The single discount rate as of August 31, 2018 was a blend rate of 6.907 percent and that has changed to the long-term rate of return of 7.25 percent as of August 31, 2019.
- With the enactment of SB3 by the 2019 Texas Legislature, an assumption has been made about how this would impact future salaries. It is assumed that eligible active members will each receive a \$2,700 increase in fiscal year 2020. This is in addition to the salary increase expected based on the actuarial assumptions.

Supplementary Information

South San Antonio Independent School District
Combining Balance Sheet
Nonmajor Governmental Funds
August 31, 2022

<u>Data Control Codes</u>	205	206	211
	Head Start	ESSA Title IX, Part A - Education for Homeless Children and Youth	ESEA Title I, Part A - Improving Basic Programs
ASSETS			
1110 Cash and cash equivalents	\$ -	\$ -	\$ -
1120 Current investments	-	-	-
1240 Due from other governments	281,677	-	1,007,497
1290 Other receivables	-	-	-
1300 Inventories	-	-	-
1410 Prepaid items	-	-	5,091
1000 TOTAL ASSETS	\$ 281,677	\$ -	\$ 1,012,588
LIABILITIES			
2110 Accounts payable	\$ 11,792	\$ -	\$ 2,948
2160 Accrued wages payable	83,612	-	-
2170 Due to other funds	186,273	-	1,007,733
2180 Due to other governments	-	-	1,907
2300 Unearned revenue	-	-	-
2000 Total liabilities	281,677	-	1,012,588
FUND BALANCES			
Nonspendable:			
3410 Nonspendable - inventories	-	-	-
3430 Nonspendable - prepaid items	-	-	5,091
3450 Restricted - grants	-	-	-
3470 Restricted - capital acquisitions and contractual obligations	-	-	-
3490 Restricted - other	-	-	-
3545 Committed - other	-	-	-
3600 Unassigned	-	-	(5,091)
3000 Total fund balances	-	-	-
4000 TOTAL LIABILITIES AND FUND BALANCES	\$ 281,677	\$ -	\$ 1,012,588

212	224	225	240	244	255
ESEA Title I, Part C - Education of Migratory Children	IDEA - Part B, Formula	IDEA - Part B, Preschool	National School Breakfast and Lunch Program	Career and Technical - Basic Grant	ESEA, Title II, Part A - Teacher & Principal Training & Recruiting
\$ -	\$ -	\$ -	\$ 1,905,673	\$ -	\$ 2,239
-	-	-	-	-	-
3,443	367,932	8,775	863,359	12,993	801
-	-	-	28,489	-	-
-	-	-	110,075	-	-
-	-	-	-	-	-
<u>\$ 3,443</u>	<u>\$ 367,932</u>	<u>\$ 8,775</u>	<u>\$ 2,907,596</u>	<u>\$ 12,993</u>	<u>\$ 3,040</u>
\$ -	\$ 6,350	\$ -	\$ 192,419	\$ -	\$ -
-	106,625	3,007	-	2,380	-
3,443	254,957	5,768	5,838	10,613	3,040
-	-	-	-	-	-
-	-	-	118,683	-	-
<u>3,443</u>	<u>367,932</u>	<u>8,775</u>	<u>316,940</u>	<u>12,993</u>	<u>3,040</u>
-	-	-	110,075	-	-
-	-	-	-	-	-
-	-	-	2,480,581	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>2,590,656</u>	<u>-</u>	<u>-</u>
<u>\$ 3,443</u>	<u>\$ 367,932</u>	<u>\$ 8,775</u>	<u>\$ 2,907,596</u>	<u>\$ 12,993</u>	<u>\$ 3,040</u>

South San Antonio Independent School District

Combining Balance Sheet

Nonmajor Governmental Funds - Continued

August 31, 2022

Data Control Codes	263	266	274
	Title III, Part A - English Language Acquisition & Enhancement	Elementary and Secondary School Emergency Relief Funds - CARES Act	GEAR UP
ASSETS			
1110 Cash and cash equivalents	\$ -	\$ -	\$ -
1120 Current investments	-	-	-
1240 Due from other governments	59,971	-	75,549
1290 Other receivables	-	-	-
1300 Inventories	-	-	-
1410 Prepaid items	-	-	-
1000 TOTAL ASSETS	\$ 59,971	\$ -	\$ 75,549
LIABILITIES			
2110 Accounts payable	\$ 44	\$ -	\$ 1,877
2160 Accrued wages payable	-	-	-
2170 Due to other funds	59,927	-	73,672
2180 Due to other governments	-	-	-
2300 Unearned revenue	-	-	-
2000 Total liabilities	59,971	-	75,549
FUND BALANCES			
Nonspendable:			
3410 Nonspendable - inventories	-	-	-
3430 Nonspendable - prepaid items	-	-	-
3450 Restricted - grants	-	-	-
3470 Restricted - capital acquisitions and contractual obliga	-	-	-
3490 Restricted - other	-	-	-
3545 Committed - other	-	-	-
3600 Unassigned	-	-	-
3000 Total fund balances	-	-	-
4000 TOTAL LIABILITIES AND FUND BALANCES	\$ 59,971	\$ -	\$ 75,549

281	282	284	285	289	340
Elementary and Secondary School Emergency Relief Fund II - CRRSA	Elementary and Secondary School Emergency Relief Fund III - ARPA	IDEA - Part B, Formula - ARPA	IDEA - Part B, Preschool - ARPA	Other Federal Special Revenue Funds	Shared Service Arrangements - IDEA, Part C
\$ -	\$ 156,823	\$ -	\$ -	\$ 88,432	\$ 9
-	-	-	-	-	-
269,937	581,882	37,603	3,377	59,215	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 269,937</u>	<u>\$ 738,705</u>	<u>\$ 37,603</u>	<u>\$ 3,377</u>	<u>\$ 147,647</u>	<u>\$ 9</u>
\$ -	\$ 672,943	\$ 3,028	\$ 821	\$ -	\$ -
269,936	62,986	-	-	204	-
1	2,776	34,575	2,556	607	-
-	-	-	-	-	-
-	-	-	-	146,836	-
269,937	738,705	37,603	3,377	147,647	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	9
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	9
<u>\$ 269,937</u>	<u>\$ 738,705</u>	<u>\$ 37,603</u>	<u>\$ 3,377</u>	<u>\$ 147,647</u>	<u>\$ 9</u>

South San Antonio Independent School District
Combining Balance Sheet
Nonmajor Governmental Funds - Continued
August 31, 2022

	385	393	397
Data Control Codes	State Supplemental Visually Impaired	Texas Successful Schools Program	Advanced Placement Incentives
ASSETS			
1110 Cash and cash equivalents	\$ -	\$ 700	\$ 5,149
1120 Current investments	-	-	-
1240 Due from other governments	-	-	-
1290 Other receivables	-	-	-
1300 Inventories	-	-	-
1410 Prepaid items	-	-	-
1000 TOTAL ASSETS	\$ -	\$ 700	\$ 5,149
LIABILITIES			
2110 Accounts payable	\$ -	\$ -	\$ -
2160 Accrued wages payable	-	-	-
2170 Due to other funds	-	-	-
2180 Due to other governments	-	-	-
2300 Unearned revenue	-	-	5,113
2000 Total liabilities	-	-	5,113
FUND BALANCES			
Nonspendable:			
3410 Nonspendable - inventories	-	-	-
3430 Nonspendable - prepaid items	-	-	-
3450 Restricted - grants	-	700	36
3470 Restricted - capital acquisitions and contractual obligations	-	-	-
3490 Restricted - other	-	-	-
3545 Committed - other	-	-	-
3600 Unassigned	-	-	-
3000 Total fund balances	-	700	36
4000 TOTAL LIABILITIES AND FUND BALANCES	\$ -	\$ 700	\$ 5,149

410	429	435	461	487
State Instructional Materials Fund	Other State Special Revenue Funds	Shared Service Arrangements - Regional Day School for the Deaf	Campus Activity Funds	SA Sports Foundation
\$ 323,712	\$ -	\$ 53,502	\$ 287,173	\$ 127,917
-	-	-	-	-
-	287,781	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 323,712</u>	<u>\$ 287,781</u>	<u>\$ 53,502</u>	<u>\$ 287,173</u>	<u>\$ 127,917</u>
\$ -	\$ 3,900	\$ -	\$ 13,894	\$ -
-	-	-	-	-
-	271,923	-	-	12
-	-	-	-	-
4,317	-	-	-	-
<u>4,317</u>	<u>275,823</u>	<u>-</u>	<u>13,894</u>	<u>12</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
319,395	11,958	53,502	273,279	127,905
-	-	-	-	-
-	-	-	-	-
<u>319,395</u>	<u>11,958</u>	<u>53,502</u>	<u>273,279</u>	<u>127,905</u>
<u>\$ 323,712</u>	<u>\$ 287,781</u>	<u>\$ 53,502</u>	<u>\$ 287,173</u>	<u>\$ 127,917</u>

South San Antonio Independent School District
Combining Balance Sheet
Nonmajor Governmental Funds - Continued
August 31, 2022

Data Control Codes		499	616	
		Locally Funded Special Revenue Funds	Total Nonmajor Special Revenue Funds	Public Property Finance Fund
ASSETS				
1110	Cash and cash equivalents	\$ 183,860	\$ 3,135,189	\$ 3
1120	Current investments	-	-	994
1240	Due from other governments	-	3,921,792	-
1290	Other receivables	-	28,489	-
1300	Inventories	-	110,075	-
1410	Prepaid items	-	5,091	-
1000	TOTAL ASSETS	<u>\$ 183,860</u>	<u>\$ 7,200,636</u>	<u>\$ 997</u>
LIABILITIES				
2110	Accounts payable	\$ 60,034	\$ 970,050	\$ -
2160	Accrued wages payable	-	528,750	-
2170	Due to other funds	-	1,923,714	-
2180	Due to other governments	-	1,907	-
2300	Unearned revenue	70,436	345,385	-
2000	Total liabilities	130,470	3,769,806	-
FUND BALANCES				
Nonspendable:				
3410	Nonspendable - inventories	-	110,075	-
3430	Nonspendable - prepaid items	-	5,091	-
3450	Restricted - grants	-	2,481,326	-
3470	Restricted - capital acquisitions and contractual obligations	-	-	997
3490	Restricted - other	53,390	839,429	-
3545	Committed - other	-	-	-
3600	Unassigned	-	(5,091)	-
3000	Total fund balances	<u>53,390</u>	<u>3,430,830</u>	<u>997</u>
4000	TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 183,860</u>	<u>\$ 7,200,636</u>	<u>\$ 997</u>

617	618	699		
Facilities Emergency Grant	School Facilities Assistance Program	Nonmajor Capital Projects Fund	Total Nonmajor Capital Projects	Total Nonmajor Funds (See Exhibit C-1)
\$ 1	\$ -	\$ 135,477	\$ 135,481	\$ 3,270,670
1,668	1,231	203,819	207,712	207,712
-	-	-	-	3,921,792
-	-	-	-	28,489
-	-	-	-	110,075
-	-	-	-	5,091
<u>\$ 1,669</u>	<u>\$ 1,231</u>	<u>\$ 339,296</u>	<u>\$ 343,193</u>	<u>\$ 7,543,829</u>
\$ -	\$ -	\$ -	\$ -	\$ 970,050
-	-	-	-	528,750
-	-	-	-	1,923,714
-	-	-	-	1,907
-	-	-	-	345,385
-	-	-	-	3,769,806
-	-	-	-	110,075
-	-	-	-	5,091
-	-	-	-	2,481,326
1,669	1,231	339,296	343,193	343,193
-	-	-	-	839,429
-	-	-	-	-
-	-	-	-	(5,091)
<u>1,669</u>	<u>1,231</u>	<u>339,296</u>	<u>343,193</u>	<u>3,774,023</u>
<u>\$ 1,669</u>	<u>\$ 1,231</u>	<u>\$ 339,296</u>	<u>\$ 343,193</u>	<u>\$ 7,543,829</u>

South San Antonio Independent School District

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended August 31, 2022

Data Control Codes		205	206	211
		Head Start	ESSA Title IX, Part A - Education for Homeless Children and Youth	ESEA Title I, Part A - Improving Basic Programs
REVENUES				
5700	Local and intermediate sources	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-
5900	Federal program revenues	2,423,438	3,515	3,809,936
5020	Total revenues	2,423,438	3,515	3,809,936
EXPENDITURES				
Current:				
0011	Instruction	1,104,847	3,515	1,519,733
0012	Instructional resources and media services	-	-	-
0013	Curriculum and instructional staff development	212,621	-	1,904,394
0021	Instructional leadership	436,395	-	260,286
0023	School leadership	-	-	104,362
0031	Guidance, counseling, and evaluation services	-	-	6,540
0032	Social work services	-	-	-
0033	Health services	40,134	-	-
0034	Student transportation	7,900	-	-
0035	Food services	-	-	-
0036	Cocurricular/extracurricular activities	-	-	-
0041	General administration	37,857	-	-
0051	Plant maintenance and operations	-	-	-
0052	Security and monitoring services	-	-	-
0053	Data processing services	-	-	-
0061	Community services	581,887	-	14,621
Debt service:				
0071	Principal on long-term debt	1,797	-	-
Capital outlay:				
0081	Facilities acquisition and construction	-	-	-
Intergovernmental:				
6030	Total expenditures	2,423,438	3,515	3,809,936
1100	Excess (deficiency) of revenues over (under) expenditures	-	-	-
1200	Net change in fund balances	-	-	-
0100	Fund balances - beginning	-	-	-
3000	FUND BALANCES - ENDING	\$ -	\$ -	\$ -

212	224	225	240	244	255
ESEA Title I, Part C - Education of Migratory Children	IDEA - Part B, Formula	IDEA - Part B, Preschool	National School Breakfast and Lunch Program	Career and Technical - Basic Grant	ESEA, Title II, Part A - Teacher & Principal Training & Recruiting
\$ -	\$ -	\$ -	\$ 167,663	\$ -	\$ -
-	-	-	66,874	-	-
25,185	1,716,619	34,981	7,861,773	163,586	412,244
25,185	1,716,619	34,981	8,096,310	163,586	412,244
15,832	1,317,161	34,981	-	161,743	-
-	-	-	-	-	-
1,274	-	-	-	1,843	400,246
6,309	205,898	-	-	-	11,498
-	-	-	-	-	500
-	54,501	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	139,009	-	-	-	-
-	-	-	5,982,874	-	-
-	-	-	-	-	-
-	50	-	-	-	-
-	-	-	659,589	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,770	-	-	-	-	-
-	-	-	2,457	-	-
-	-	-	-	-	-
25,185	1,716,619	34,981	6,644,920	163,586	412,244
-	-	-	1,451,390	-	-
-	-	-	1,451,390	-	-
-	-	-	1,139,266	-	-
\$ -	\$ -	\$ -	\$ 2,590,656	\$ -	\$ -

South San Antonio Independent School District

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds - Continued
For the Fiscal Year Ended August 31, 2022

Data Control Codes		263	266	274
		Title III, Part A - English Language Acquisition & Enhancement	Elementary and Secondary School Emergency Relief Funds - CARES Act	GEAR UP
REVENUES				
5700	Local and intermediate sources	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-
5900	Federal program revenues	182,581	88,409	355,714
5020	Total revenues	182,581	88,409	355,714
EXPENDITURES				
Current:				
0011	Instruction	59,963	-	67,103
0012	Instructional resources and media services	-	-	-
0013	Curriculum and instructional staff development	119,666	-	8,201
0021	Instructional leadership	2,451	-	27,320
0023	School leadership	344	-	-
0031	Guidance, counseling, and evaluation services	-	-	251,496
0032	Social work services	-	-	-
0033	Health services	-	-	-
0034	Student transportation	-	-	-
0035	Food services	-	-	-
0036	Cocurricular/extracurricular activities	-	-	-
0041	General administration	-	-	-
0051	Plant maintenance and operations	-	88,409	-
0052	Security and monitoring services	-	-	-
0053	Data processing services	-	-	-
0061	Community services	157	-	1,594
Debt service:				
0071	Principal on long-term debt	-	-	-
Capital outlay:				
0081	Facilities acquisition and construction	-	-	-
Intergovernmental:				
6030	Total expenditures	182,581	88,409	355,714
1100	Excess (deficiency) of revenues over (under) expenditures	-	-	-
1200	Net change in fund balances	-	-	-
0100	Fund balances - beginning	-	-	-
3000	FUND BALANCES - ENDING	\$ -	\$ -	\$ -

281	282	284	285	289	340
Elementary and Secondary School Emergency Relief Fund II - CRRSA	Elementary and Secondary School Emergency Relief Fund III - ARPA	IDEA - Part B, Formula - ARPA	IDEA - Part B, Preschool - ARPA	Other Federal Special Revenue Funds	Shared Service Arrangements - IDEA, Part C
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
6,320,470	10,647,556	95,506	3,377	1,375,446	-
6,320,470	10,647,556	95,506	3,377	1,375,446	-
4,558,757	4,121,519	75,331	3,377	1,120,016	-
-	48,696	-	-	-	-
-	149,804	-	-	3,365	-
-	73,001	757	-	3,958	-
-	258,698	-	-	204	-
-	328,431	19,418	-	71,846	-
-	102,240	-	-	-	-
-	136,939	-	-	88,117	-
264,620	371,011	-	-	5,023	-
-	442,051	-	-	-	-
-	24,305	-	-	570	-
-	2,126,650	-	-	-	-
1,497,093	1,410,989	-	-	59,624	-
-	51,740	-	-	-	-
-	40,935	-	-	-	-
-	254,494	-	-	22,723	-
-	-	-	-	-	-
-	706,053	-	-	-	-
6,320,470	10,647,556	95,506	3,377	1,375,446	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	9
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9

South San Antonio Independent School District

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds - Continued
For the Fiscal Year Ended August 31, 2022

		385	393	397
<u>Data Control Codes</u>		<u>State Supplemental Visually Impaired</u>	<u>Texas Successful Schools Program</u>	<u>Advanced Placement Incentives</u>
REVENUES				
5700	Local and intermediate sources	\$ -	\$ -	\$ -
5800	State program revenues	7,415	-	-
5900	Federal program revenues	-	-	-
		<hr/>	<hr/>	<hr/>
5020	Total revenues	7,415	-	-
EXPENDITURES				
Current:				
0011	Instruction	3,377	-	-
0012	Instructional resources and media services	-	-	-
0013	Curriculum and instructional staff development	-	-	-
0021	Instructional leadership	4,038	-	-
0023	School leadership	-	-	-
0031	Guidance, counseling, and evaluation services	-	-	-
0032	Social work services	-	-	-
0033	Health services	-	-	-
0034	Student transportation	-	-	-
0035	Food services	-	-	-
0036	Cocurricular/extracurricular activities	-	-	-
0041	General administration	-	-	-
0051	Plant maintenance and operations	-	-	-
0052	Security and monitoring services	-	-	-
0053	Data processing services	-	-	-
0061	Community services	-	-	-
Debt service:				
0071	Principal on long-term debt	-	-	-
Capital outlay:				
0081	Facilities acquisition and construction	-	-	-
Intergovernmental:				
		<hr/>	<hr/>	<hr/>
6030	Total expenditures	7,415	-	-
		<hr/>	<hr/>	<hr/>
1100	Excess (deficiency) of revenues over (under) expenditures	-	-	-
1200	Net change in fund balances	-	-	-
0100	Fund balances - beginning	-	700	36
		<hr/>	<hr/>	<hr/>
3000	FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ 700</u>	<u>\$ 36</u>

410	429	435	461	487
State Instructional Materials Fund	Other State Special Revenue Funds	Shared Service Arrangements - Regional Day School for the Deaf	Campus Activity Funds	SA Sports Foundation
\$ -	\$ -	\$ -	\$ 345,988	\$ -
114,092	274,565	-	-	-
-	-	-	-	-
114,092	274,565	-	345,988	-
114,092	47,248	-	119,182	-
-	-	-	55,025	-
-	227,317	-	235	-
-	-	-	-	-
-	-	-	88,460	-
-	-	-	1,134	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	67,100	19,172
-	-	-	-	-
-	-	-	195	-
-	-	-	-	-
-	-	-	859	-
-	-	-	-	-
-	-	-	-	-
114,092	274,565	-	332,190	19,172
-	-	-	13,798	(19,172)
-	-	-	13,798	(19,172)
319,395	11,958	53,502	259,481	147,077
<u>\$ 319,395</u>	<u>\$ 11,958</u>	<u>\$ 53,502</u>	<u>\$ 273,279</u>	<u>\$ 127,905</u>

Data Control Codes		499	616	
		Locally Funded Special Revenue Funds	Total Nonmajor Special Revenue Funds	Public Property Finance Fund
REVENUES				
5700	Local and intermediate sources	\$ 426,817	\$ 940,468	\$ -
5800	State program revenues	13,789	476,735	-
5900	Federal program revenues	-	35,520,336	-
5020	Total revenues	440,606	36,937,539	-
EXPENDITURES				
Current:				
0011	Instruction	161,452	14,609,229	-
0012	Instructional resources and media services	1,481	105,202	-
0013	Curriculum and instructional staff development	5,572	3,034,538	-
0021	Instructional leadership	130	1,032,041	-
0023	School leadership	-	452,568	-
0031	Guidance, counseling, and evaluation services	-	733,366	-
0032	Social work services	-	102,240	-
0033	Health services	-	265,190	-
0034	Student transportation	-	787,563	-
0035	Food services	125,006	6,549,931	-
0036	Cocurricular/extracurricular activities	-	111,147	-
0041	General administration	2,485	2,167,042	-
0051	Plant maintenance and operations	-	3,715,704	-
0052	Security and monitoring services	-	51,935	-
0053	Data processing services	-	40,935	-
0061	Community services	4,770	882,875	-
Debt service:				
0071	Principal on long-term debt	-	4,254	-
Capital outlay:				
0081	Facilities acquisition and construction	147,469	853,522	-
Intergovernmental:				
6030	Total expenditures	448,365	35,499,282	-
1100	Excess (deficiency) of revenues over (under) expenditures	(7,759)	1,438,257	-
1200	Net change in fund balances	(7,759)	1,438,257	-
0100	Fund balances - beginning	61,149	1,992,573	997
3000	FUND BALANCES - ENDING	\$ 53,390	\$ 3,430,830	\$ 997

617	618	699		
Facilities Emergency Grant	School Facilities Assistance Program	Nonmajor Capital Projects Fund	Total Nonmajor Capital Projects	Total Nonmajor Funds (See Exhibit C-2)
\$ -	\$ -	\$ 1,345	\$ 1,345	\$ 941,813
-	-	-	-	476,735
-	-	-	-	35,520,336
-	-	1,345	1,345	36,938,884
-	-	-	-	14,609,229
-	-	-	-	105,202
-	-	-	-	3,034,538
-	-	-	-	1,032,041
-	-	-	-	452,568
-	-	-	-	733,366
-	-	-	-	102,240
-	-	-	-	265,190
-	-	-	-	787,563
-	-	-	-	6,549,931
-	-	-	-	111,147
-	-	-	-	2,167,042
-	-	-	-	3,715,704
-	-	-	-	51,935
-	-	-	-	40,935
-	-	-	-	882,875
-	-	-	-	4,254
-	-	-	-	853,522
-	-	-	-	35,499,282
-	-	1,345	1,345	1,439,602
-	-	1,345	1,345	1,439,602
1,669	1,231	337,951	341,848	2,334,421
<u>\$ 1,669</u>	<u>\$ 1,231</u>	<u>\$ 339,296</u>	<u>\$ 343,193</u>	<u>\$ 3,774,023</u>

South San Antonio Independent School District
Combining Statement of Net Position
Internal Service Funds
August 31, 2022

Exhibit H-3

	753	770	Total Internal Service Funds (See Exhibit D-1)
	Workers' Compensation Fund	Medical Insurance Fund	
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 75,483	\$ 733,700	\$ 809,183
Current investments	426,909	-	426,909
Prepaid items	3,011	-	3,011
	<hr/>	<hr/>	<hr/>
Total current assets	505,403	733,700	1,239,103
	<hr/>	<hr/>	<hr/>
Total assets	505,403	733,700	1,239,103
LIABILITIES			
Current liabilities:			
Accounts payable	9,075	9,833	18,908
Due to other funds	63	86	149
Accrued Expenses	314,514	443,761	758,275
	<hr/>	<hr/>	<hr/>
Total current liabilities	323,652	453,680	777,332
	<hr/>	<hr/>	<hr/>
Total liabilities	323,652	453,680	777,332
NET POSITION			
Unrestricted	181,751	280,020	461,771
	<hr/>	<hr/>	<hr/>
TOTAL NET POSITION	\$ 181,751	\$ 280,020	\$ 461,771
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

South San Antonio Independent School District

Exhibit H-4

Combining Statement of Revenues, Expenses,
and Changes in Net Position
Internal Service Funds
For the Fiscal Year Ended August 31, 2022

	753	770	Total Internal Service Funds (See Exhibit D-2)
	Workers' Compensation Fund	Medical Insurance Fund	
OPERATING REVENUES			
Local and Intermediate Sources	\$ 3,126	\$ 6,420,052	\$ 6,423,178
Total operating revenues	3,126	6,420,052	6,423,178
OPERATING EXPENSES			
Payroll costs	65,309	89,996	155,305
Professional and contracted services	47,615	1,276,531	1,324,146
Supplies and materials	-	-	-
Other operating costs	290,856	6,164,980	6,455,836
Total operating expenses	403,780	7,531,507	7,935,287
Operating income (loss)	(400,654)	(1,111,455)	(1,512,109)
Change in net position	(400,654)	(1,111,455)	(1,512,109)
Net position - beginning	582,405	1,391,475	1,973,880
Net position - beginning, as restated	582,405	1,391,475	1,973,880
NET POSITION - ENDING	\$ 181,751	\$ 280,020	\$ 461,771

South San Antonio Independent School District
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended August 31, 2022

Exhibit H-5

	753	770	Total Internal Service Funds (See Exhibit D-3)
	Workers' Compensation Fund	Medical Insurance Fund	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from services provided	\$ 3,081	\$ 6,591,279	\$ 6,594,360
Cash payments for claims and administrative services	(268,371)	(7,335,382)	(7,603,753)
Cash payments for goods and services	-	-	-
Cash payments to employees for services	(65,309)	(89,996)	(155,305)
Net cash used by operating activities	<u>(330,599)</u>	<u>(834,099)</u>	<u>(1,164,698)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Sale of investments	<u>367,051</u>	<u>-</u>	<u>367,051</u>
Net cash provided by investing activities	<u>367,051</u>	<u>-</u>	<u>367,051</u>
Net increase (decrease) in cash and cash equivalents	36,452	(834,099)	(797,647)
Cash and cash equivalents - beginning	<u>39,031</u>	<u>1,567,799</u>	<u>1,606,830</u>
CASH AND CASH EQUIVALENTS - ENDING	<u><u>\$ 75,483</u></u>	<u><u>\$ 733,700</u></u>	<u><u>\$ 809,183</u></u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES			
Operating loss	\$ (400,654)	\$ (1,111,455)	\$ (1,512,109)
Adjustments to reconcile operating loss to net cash used by operating activities:			
Change in:			
Other receivables	-	171,281	171,281
Deferred expenditures	16,871	-	16,871
Accounts payable	8,295	4,916	13,211
Claims payable	44,934	101,213	146,147
Due to other funds	(45)	(54)	(99)
NET CASH USED BY OPERATING ACTIVITIES	<u><u>\$ (330,599)</u></u>	<u><u>\$ (834,099)</u></u>	<u><u>\$ (1,164,698)</u></u>

Private Purpose Trust Funds

South San Antonio Independent School District

Exhibit H-6

Combining Statement Of Fiduciary Net Position

Private Purpose Trust Funds

For the Fiscal Year Ended August 31, 2022

	810	820	Total Private Purpose Trust Funds (See Exhibit E-1)
	Private Purpose Trust Fund	Foundation Grant Fund	
ASSETS			
Cash and cash equivalents	\$ 14,600	\$ -	\$ 14,600
Total assets	14,600	-	14,600
LIABILITIES			
Accounts payable	-	-	-
Due to student groups	-	-	-
Payable from restricted assets	-	-	-
Total liabilities	-	-	-
NET POSITION			
Net position held in trust	14,600	-	14,600
TOTAL NET POSITION	<u>\$ 14,600</u>	<u>\$ -</u>	<u>\$ 14,600</u>

South San Antonio Independent School District
Combining Statement Of Fiduciary Changes In Net Position
Private Purpose Trust Funds
For the Fiscal Year Ended August 31, 2022

Exhibit H-7

	810	820	Total Private Purpose Trust Funds (See Exhibit E-2)
	Private Purpose Trust Fund	Foundation Grant Fund	
ADDITIONS			
Contributions or gifts	\$ -	\$ -	\$ -
Fundraising activity	-	-	-
Student club fees	-	-	-
Investment earnings	-	-	-
Other	-	-	-
Total additions	-	-	-
DEDUCTIONS			
Student activities	-	-	-
Administrative expense	-	-	-
Beneficiary payments	-	-	-
Other	-	15,000	15,000
Total deductions	-	15,000	15,000
Net change in fiduciary net position	-	(15,000)	(15,000)
Net position - beginning of year	14,600	15,000	29,600
NET POSITION - END OF YEAR	\$ 14,600	\$ -	\$ 14,600

South San Antonio Independent School District**Exhibit H-8**

Combining Statement Of Fiduciary Net Position

Custodial Funds

For the Fiscal Year Ended August 31, 2022

	865	876	Total Custodial Funds (See Exhibit E-1)
	Student Activity	Faculty Activity Fund	
ASSETS			
Cash and cash equivalents	\$ 250,941	\$ 1,263	\$ 252,204
Total assets	250,941	1,263	252,204
LIABILITIES			
Accounts payable	10,462	-	10,462
Due to student groups	-	-	-
Payable from restricted assets	-	-	-
Total liabilities	10,462	-	10,462
NET POSITION			
Net position held for individuals and organizations	240,479	1,263	241,742
TOTAL NET POSITION	\$ 240,479	\$ 1,263	\$ 241,742

South San Antonio Independent School District
Combining Statement of Fiduciary Net Position
Private Purpose Trust Funds
For the Fiscal Year Ended August 31, 2022

Exhibit H-9

	865	876	Total Custodial Funds (See Exhibit E-2)
	Student Activity	Faculty Activity Fund	
ADDITIONS			
Contributions or gifts	\$ 15,745	\$ 2,591	\$ 18,336
Fundraising activity	150,300	-	150,300
Student club fees	11,437	-	11,437
Investment earnings	-	-	-
Other	6,369	-	6,369
Total additions	183,851	2,591	186,442
DEDUCTIONS			
Student activities	196,088	-	196,088
Administrative expense	-	1,328	1,328
Beneficiary payments	-	-	-
Other	2,442	-	2,442
Total deductions	198,530	1,328	199,858
Net change in fiduciary net position	(14,679)	1,263	(13,416)
Net position - beginning of year	255,158	-	255,158
NET POSITION - END OF YEAR	\$ 240,479	\$ 1,263	\$ 241,742

South San Antonio Independent School District

Schedule of Delinquent Taxes Receivable

For the Fiscal Year Ended August 31, 2022

Year Ended August 31,	Tax Rates		Assessed/Appraised Value For School Tax Purposes
	Maintenance	Debt Service	
2013 and Prior Years	\$ Various	\$ Various	\$ Various
2014	1.0400	0.4149	1,334,190,093
2015	1.0400	0.4115	1,398,872,137
2016	1.0400	0.4115	1,435,618,939
2017	1.0400	0.4115	1,487,464,313
2018	1.0400	0.4115	1,600,484,459
2019	1.0400	0.4115	1,830,493,894
2020	0.9700	0.4800	1,968,397,218
2021	0.9112	0.4800	2,001,721,888
2022	0.8948	0.4900	2,116,716,781
1000 TOTALS			

Exhibit J-1

Beginning Balance 09/01/21	Current Year's Total Levy	Maintenance Collections	Debt Service Collections	Entire Year's Adjustments	Ending Balance 08/31/22
\$ 390,478	\$ -	\$ 14,182	\$ 5,658	\$ (33,527)	\$ 337,111
66,904	-	2,936	1,171	1	62,798
77,216	-	2,759	1,091	2	73,368
69,886	-	3,105	1,228	(144)	65,409
98,850	-	8,297	3,283	1,652	88,922
161,954	-	15,112	5,980	3,316	144,178
194,280	-	32,838	12,993	12,583	161,032
375,502	-	64,017	31,679	(52,327)	227,479
783,730	-	186,866	98,437	(118,349)	380,078
-	29,312,294	18,443,292	10,099,702	50,913	820,213
<u>\$ 2,218,800</u>	<u>\$ 29,312,294</u>	<u>\$ 18,773,404</u>	<u>\$ 10,261,222</u>	<u>\$ (135,880)</u>	<u>\$ 2,360,588</u>

South San Antonio Independent School District
 Schedule of Revenues, Expenditures and Changes
 in Fund Balance – Budget and Actual
 National School Breakfast and Lunch Program
 For the Fiscal Year Ended August 31, 2022

Exhibit J-2

Data Control Codes		Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
		Original	Final		
REVENUES					
5700	Local and intermediate sources	\$ 97,000	\$ 145,899	\$ 167,663	\$ 21,764
5800	State program revenues	-	66,874	66,874	-
5900	Federal program revenues	7,219,309	7,394,475	7,861,773	467,298
5020	Total revenues	7,316,309	7,607,248	8,096,310	489,062
EXPENSES					
Current:					
0035	Food services	6,609,463	6,058,914	5,982,874	76,040
0051	Plant maintenance and operations	-	723,180	659,589	63,591
0071	Principal on long-term debt	-	2,535	2,457	78
6030	Total expenses	6,609,463	6,784,629	6,644,920	139,709
1100	Excess (deficiency) of revenues over (under) expenditures	706,846	822,619	1,451,390	628,771
OTHER FINANCING SOURCES (USES)					
7912	Sale of real and personal property	-	-	-	-
7915	Transfers in	-	-	-	-
7080	Total nonoperating revenues	-	-	-	-
1200	Net change in fund balance	706,846	822,619	1,451,390	628,771
0100	Fund balance - beginning	1,139,266	1,139,266	1,139,266	-
3000	FUND BALANCE - ENDING	\$ 1,846,112	\$ 1,961,885	\$ 2,590,656	\$ 628,771

South San Antonio Independent School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance – Budget and Actual
Debt Service Fund
For the Fiscal Year Ended August 31, 2022

Exhibit J-3

Data Control Codes	Budgeted Amounts			Variance with Final Budget Positive (Negative)	
	Original	Final	Actual		
REVENUES					
5700	Local and intermediate sources	\$ 9,790,186	\$ 10,381,569	\$ 10,424,167	\$ 42,598
5800	State program revenues	3,040,316	3,596,774	2,554,638	(1,042,136)
5900	Federal program revenues	950,000	950,000	755,848	(194,152)
5020	Total revenues	13,780,502	14,928,343	13,734,653	(1,193,690)
EXPENDITURES					
Debt service:					
0071	Principal on long-term debt	6,043,475	6,043,475	6,043,475	-
0072	Interest on long-term debt	7,377,170	7,209,613	7,131,817	77,796
0073	Issuance costs and fees	35,000	379,839	372,263	7,576
6030	Total expenditures	13,455,645	13,632,927	13,547,555	85,372
1100	Excess (deficiency) of revenues over (under) expenditures	324,857	1,295,416	187,098	(1,108,318)
OTHER FINANCING SOURCES (USES)					
7901	Refunding bonds issued	-	24,220,000	24,220,000	-
7916	Premium or discount on issuance of bonds	-	2,119,842	2,287,399	167,557
7917	Prepaid interest	-	155,000	-	(155,000)
8940	Payment to refunded bonds escrow agent	-	(26,314,082)	(26,159,082)	155,000
7080	Total other financing sources (uses)	-	180,760	348,317	167,557
1200	Net change in fund balance	324,857	1,476,176	535,415	(940,761)
0100	Fund balance - beginning	2,184,747	2,184,747	2,184,747	-
3000	FUND BALANCE - ENDING	\$ 2,509,604	\$ 3,660,923	\$ 2,720,162	\$ (940,761)

South San Antonio Independent School District

Use of Funds Report – Select State Allotment

For the Fiscal Year Ended August 31, 2022

Exhibit J-4

<u>Data Codes</u>		<u>Responses</u>
<u>Section A: Compensatory Education Programs</u>		
AP1	Did your LEA expend any state compensatory education program state allotment funds during the District's fiscal year?	Yes
AP2	Does the LEA have written policies and procedures for its state compensatory education program?	Yes
AP3	List the total state allotment funds received for state compensatory education programs during the District's fiscal year.	\$ 11,405,070
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal year. (PICs 24, 26, 28, 29, 30, 34)	\$ 4,904,743
<u>Section B: Bilingual Education Programs</u>		
AP5	Did your LEA expend any bilingual education program state allotment funds during the LEA's fiscal year?	Yes
AP6	Does the LEA have written policies and procedures for its bilingual education program?	Yes
AP7	List the total state allotment funds received for bilingual education programs during the LEA's fiscal year.	\$ 903,657
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PICs 25, 35)	\$ 452,442

**Overall Compliance, Internal Control Section
and Federal Awards**



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

To the Board of Trustees of
South San Antonio Independent School District

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of South San Antonio Independent School District (the District) as of and for the year ended August 31, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 13, 2023.

Report on 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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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 over financial reporting that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have were not identified.

Report on 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 with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Board of Trustees of
South San Antonio 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.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Austin, Texas
January 13, 2023



**Independent Auditor's Report on Compliance for Each Major Federal
Program and Report on Internal Control over Compliance
in Accordance with the Uniform Guidance**

To the Board of Trustees of
South San Antonio Independent School District

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited South San Antonio Independent School District's (the District) compliance with the types of compliance requirements identified as subject to the audit 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 August 31, 2022. 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.

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 August 31, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditor's Responsibility for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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.

The Board of Trustees of
South San Antonio Independent School District

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Austin, Texas
January 13, 2023

South San Antonio Independent School District

Schedule of Findings and Questioned Costs

For the Fiscal Year Ended August 31, 2022

Section 1. Summary of Auditor's Results

Financial Statements

- a. Type of auditor's report issued Unmodified
- b. Internal control over financial reporting:
 - i. Material weakness(es) identified? No
 - ii. Significant deficiency(ies) identified that are not considered to be material weaknesses? None reported
- c. Noncompliance material to financial statements noted? No

Federal Awards

- d. Internal control over major programs:
 - i. Material weakness(es) identified? No
 - ii. Significant deficiency(ies) identified that are not considered to be material weaknesses? None reported
- e. Type of auditor's report issued on compliance with major programs Unmodified
- f. Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance? No
- g. Identification of major programs Education Stabilization Fund – ESSER – 84.425D and 84.425U
- h. Dollar threshold used to distinguish between Type A and Type B federal programs \$1,162,850
- i. Auditee qualified as a low-risk auditee? Yes

Section 2. Financial Statement Findings

None reported

Section 3. Federal Award Findings and Questioned Costs

None reported

South San Antonio Independent School District

Summary Schedule of Prior Audit Findings
For the Fiscal Year Ended August 31, 2022

Prior Year Findings

There were no prior audit findings reported

South San Antonio Independent School District
 Schedule of Expenditures of Federal Awards
 For the Fiscal Year Ended August 31, 2022

Exhibit K-1

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
Passed Through State Department of Education:			
Child Nutrition Cluster:			
Nat. School Breakfast Program	10.553	71401901	\$ 1,948,197
Nat. School Lunch Program	10.555	71302001	4,797,133
Passed Through State Department of Agriculture:			
COVID-19 Supply Chain Assistance Grant	10.555	N/A	<u>175,166</u>
Total Assistance Listing Number 10.555			<u>4,972,299</u>
Total Child Nutrition Cluster			6,920,496
Passed Through State Department of Agriculture:			
Child & Adult Care Food Program - Cash Assistance	10.558	N/A	506,839
Food Distribution Cluster:			
USDA Food Storage & Delivery Fee Reimbursement	10.565	N/A	24,894
USDA DOD Fresh Allocations	10.565	N/A	83,082
Commodity Supplemental Food Program - Non-Cash Assistance	10.565	N/A	<u>351,356</u>
Total Assistance Listing Number 10.565			<u>459,332</u>
Total Food Distribution Cluster			<u>459,332</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE			7,886,667
U.S. DEPARTMENT OF DEFENSE			
Direct:			
ROTC	12.000	N/A	<u>64,403</u>
TOTAL U.S. DEPARTMENT OF DEFENSE			64,403
FEDERAL COMMUNICATIONS COMMISSION			
Direct:			
COVID-19 Emergency Connectivity Fund (ECF)	32.009	N/A	<u>975,000</u>
TOTAL FEDERAL COMMUNICATIONS COMMISSION			975,000
U.S. DEPARTMENT OF EDUCATION			
Passed Through ESC Region 20:			
McKinney Vento-Techcy	84.196	295662011	3,515
Passed Through University of Texas at Austin:			
Gear Up	84.334S	N/A	47,245
Gear Up	84.334S	N/A	<u>308,469</u>
Total Assistance Listing Number 84.334S			355,714
Passed Through State Department of Education:			
Title I, Improving Basic Programs	84.010A	20610101015908	15,675
Title I, Improving Basic Programs	84.010A	21610101015908	76,080
Title I, Improving Basic Programs	84.010A	21610141015908	3,134
Title I, Improving Basic Programs	84.010A	21610101015908	3,711,661
Title I, Improving Basic Programs	84.010A	21610141015908	<u>191,175</u>
Total Assistance Listing Number 84.010A			3,997,725
Title I, Part C Migrant	84.011A	20615001015908	19,248
Title I, Part C Migrant	84.011A	21615001015908	<u>7,166</u>
Total Assistance Listing Number 84.011A			26,414

South San Antonio Independent School District
Schedule of Expenditures of Federal Awards - Continued
For the Fiscal Year Ended August 31, 2022

Exhibit K-1

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
Special Education Cluster (IDEA)			
IDEA B Formula	84.027A	206600010159086600	7,379
IDEA B Formula	84.027A	216600010159086600	1,752,033
COVID-19 IDEA B Formula ARP	84.027A	225350010159085350	95,506
Total Assistance Listing Number 84.027A			1,854,918
IDEA B Preschool	84.173A	216610010159086610	32,711
COVID-19 IDEA B Preschool ARP	84.173X	225360010159085360	3,377
Total Assistance Listing Number 84.173			36,088
Total Special Education Cluster (IDEA)			1,891,006
Carl D. Perkins Basic Grant Formula for CATE	84.048A	21420006015908	159,935
Carl D. Perkins Basic Grant Formula for CATE	84.048A	22420006015908	3,652
Total Assistance Listing Number 84.048A			163,587
Title III Part A ELA	84.365A	20671001015908	1,374
Title III Part A ELA	84.365A	21671001015908	190,039
Total Assistance Listing Number 84.365A			191,413
Title II Part A Supporting Effective Instruction	84.367A	21694501015908	426,315
Title IV, Part A	84.424A	20680101015908	8,094
Title IV, Part A	84.424A	20680101015908	26,566
Title IV, Part A	84.424A	21680101015908	211,653
Total Assistance Listing Number 84.424A			246,313
COVID-19 ESSER I GRANT	84.425D	20521001015908	88,409
COVID-19 ESSER II Coronavirus Response & Relief Supplemental Appropriations	84.425D	21521001015908	7,364,481
COVID-19 American Relief Plan ESSER III	84.425U	21528001015908	12,247,183
TCLAS-High Quality After-School	84.425U	215280587110138	82,883
Total Assistance Listing Number 84.425			19,782,956
COVID-19 School Health & Support	93.323		171,984
TOTAL U.S. DEPARTMENT OF EDUCATION			27,256,942
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Direct:			
Head Start Cluster:			
Head Start	93.600	06CH010831/02/01	947,240
Head Start	93.600	06CH010831/03/00	1,454,503
COVID-19 Head Start COVID PL116-260	93.600	06HE001211/01/C5	8,166
COVID-19 Head Start ARP American Rescue Plan	93.600	06HE001211/01/C6	125,250
Total Assistance Listing Number 93.600			2,535,159
Total Head Start Cluster			2,535,159
Passed Through Texas Department of Health and Human Services			
Medicaid Administrative Claiming Program - MAC	93.778	529-08-0177-000014	43,484
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			2,578,643
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 38,761,655

South San Antonio Independent School District
 Notes to the Schedule of Expenditures of Federal Awards

Note 1. Summary of Significant Accounting Policies

The accompanying schedule of expenditures of federal awards includes the federal grant activity of South San Antonio Independent School District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Single Audit Act Amendments of 1996 and Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements. National School Lunch Program and Food Distribution Cluster non-cash commodities are recorded at their estimated acquisition value at the time of donation.

Note 2. De Minimis Cost Rate

The District has elected not to use the 10% de minimis indirect cost rate as allowed under Uniform Guidance.

Note 3. Reconciliation to Basic Financial Statements

Presented below is a reconciliation of federal revenues:

Total Expenditures of Federal Awards per Exhibit K-1	\$ 38,761,655
General Fund - Federal Revenue:	
School Health and Related Services (SHARS)	1,382,974
E-Rate Program Revenue	56,498
Government Subsidized Debt	163,399
Other Miscellaneous Federal Receipts	(182,768)
Government Subsidized Debt in Debt Service Fund	<u>755,848</u>
Total federal revenues per Exhibit C-2	<u><u>\$ 40,937,606</u></u>

Other Information

South San Antonio Independent School District
 Schedule of Required Responses to Selected School First Indicators
 For the Fiscal Year Ended August 31, 2022

Exhibit L-1

<u>Data Codes</u>		<u>Responses</u>
SF1	Was there an unmodified opinion in the Annual Financial Report on the financial statements as a whole?	Yes
SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement at fiscal year end?	No
SF3	Did the school district make timely payments to the Teacher Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies? (If the school district was issued a warrant hold and the warrant hold was not cleared within 30 days from the date the warrant hold was issued, the school district is considered to not have made timely payments.)	Yes
	Payments to the TRS and TWC are considered timely if a warrant hold that was issued in connection to the untimely payment was cleared within 30 days from the date the warrant hold was issued.	
	Payments to the IRS are considered timely if a penalty or delinquent payment notice was cleared within 30 days from the date the notice was issued.	
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	\$ (13,067,498)