



**ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED AUGUST 31, 2022**



ROBSTOWN INDEPENDENT SCHOOL DISTRICT
ANNUAL FINANCIAL REPORT
TABLE OF CONTENTS

	<u>Page</u>	<u>Exhibit</u>
CERTIFICATE OF BOARD	1	
INDEPENDENT AUDITOR'S REPORT	2	
MANAGEMENT'S DISCUSSION AND ANALYSIS	5	
BASIC FINANCIAL STATEMENTS	11	
STATEMENT OF NET POSITION.....	12	A-1
STATEMENT OF ACTIVITIES.....	13	B-1
BALANCE SHEET – GOVERNMENTAL FUNDS	14	C-1
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION.....	15	C-1R
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS.....	16	C-2
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	17	C-3
STATEMENT OF NET POSITION – INTERNAL SERVICE FUNDS.....	18	D-1
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION - INTERNAL SERVICE FUNDS	19	D-2
STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS.....	20	D-3
STATEMENT OF FIDUCIARY NET POSITION	21	E-1
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION	22	E-2
NOTES TO THE FINANCIAL STATEMENTS	23	
REQUIRED SUPPLEMENTARY INFORMATION	47	
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND.....	48	G-1
SCHEDULE OF THE DISTRICT’S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY	49	G-2
SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS	50	G-3
SCHEDULE OF THE DISTRICT’S PROPORTIONATE SHARE OF THE NET OTHER POST-EMPLOYMENT BENEFIT LIABILITY.....	51	G-4
SCHEDULE OF DISTRICT OPEB CONTRIBUTIONS.....	52	G-5
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION	53	
SUPPLEMENTARY INFORMATION	55	
COMBINING BALANCE SHEETS – NONMAJOR GOVERNMENTAL FUNDS.....	56	H-1
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – NONMAJOR GOVERNMENTAL FUNDS.....	60	H-2
BUDGETARY COMPARISON SCHEDULES		
NATIONAL SCHOOL BREAKFAST AND LUNCH PROGRAM.....	64	J-2
DEBT SERVICE FUND	65	J-3
COMBINING STATEMENT OF NET POSITION - INTERNAL SERVICE FUNDS	66	H-3
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - INTERNAL SERVICE FUNDS	67	H-4
COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS.....	68	H-5

OTHER INFORMATION	69	
SCHEDULE OF DELINQUENT TAXES RECEIVABLE.....	70	J-1
SPECIAL PROGRAM COMPLIANCE SCHEDULE.....	72	J-4
SCHEDULE OF REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS	73	L-1
COMPLIANCE SECTION	74	
REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	75	
REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH UNIFORM GUIDANCE.....	77	
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	80	
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	81	
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS.....	83	K-1

CERTIFICATE OF BOARD

Robstown Independent School District
Name of School District

Nueces
County

178-909
Co.-Dist. Number

We, the undersigned, certify that the attached annual financial reports of the above named school district were reviewed and (check one) _____ approved _____ disapproved for the Year ended August 31, 2022, at a meeting of the board of trustees of such school district on the _____ day of _____, _____.

Signature of Board Secretary

Signature of Board President



Armstrong, Vaughan & Associates, P. C.

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Robstown Independent School District
Robstown, TX

Report on the Audit of the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Robstown Independent School District, as of and for the year ended August 31, 2022, and the related notes to the financial statements, which collectively comprise Robstown Independent School 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 Robstown Independent School District, as of August 31, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 Robstown Independent School 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.

Responsibilities of Management for the Financial Statements

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

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 Robstown Independent School 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 Responsibility 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 Robstown Independent School 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 Robstown Independent School 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 required supplementary information (consisting of management's discussion and analysis and the required supplementary information section 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Robstown Independent School District's basic financial statements. The supplementary information (as listed in the table of contents) and schedule of expenditures of federal awards (SEFA) as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*) are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Information

Management is responsible for the other information included in the annual report. The other information (as listed in the table of contents) 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 December 2, 2022 on our consideration of Robstown Independent School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Robstown Independent School District's internal control over financial reporting and compliance.

Respectfully submitted,



Armstrong, Vaughan & Associates, P.C.

December 2, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Robstown Independent School District's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal period ended August 31, 2022. Please read it in conjunction with the Independent Auditor's Report, which precedes this Analysis and the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The District's net position increased by \$7.6 million as a result of this period's operations, leaving a net position of \$12.9 million. Adding back the Teacher Retirement System liabilities and related accruals, leaves a positive net position of \$44.1 million.
- Total cost of all of the District's programs decreased \$4.9 million or 13.1%. The decrease is attributable to cost savings across the District and post-employment benefit cost savings through Teacher Retirement System.
- Governmental fund balance increased \$3.1 million, primarily in the General Fund. The District experienced cost savings throughout and received significant federal grant funding for pandemic support, reported in nonmajor funds.
- In the 2021-2022 fiscal year, the District also issued \$6.4 million in refunding bonds with gross and net savings of \$962 thousand and \$742 thousand, respectively.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the District's overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the government, reporting the District's operations in more detail than the government-wide statements.
- The *governmental funds* statements tell how *general government* services were financed in the *short term* as well as what remains for future spending.
- The *internal service funds* statements show services and premiums charged to other funds as an enterprise activity.

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

The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Government-Wide Statements

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

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

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

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

Fund Financial Statements

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

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

The District has the following kinds of funds:

- *Governmental funds*—All of the District's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* can readily be converted to cash flow in and out and (2) the balances left at period-end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explain the relationship (or differences) between them.
- *Internal Service funds*—Workers compensation is charged to all funds of the District based on payroll and recorded in an internal service fund. This simplifies the recording for the District by having only one fund to account for the actual costs of the modified self-insurance program. The District also operates a print shop that charges other funds for printing services.
- *Custodial fund*—Student activity funds are held by the district for the benefit of the various student groups. The fiduciary fund segregates those funds from the rest of the District's operations.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position

The District's net position was \$12.9 million at August 31, 2022 (See Table A-1). The unrestricted net position improved \$5.7 million from August 31, 2021.

Table A-1
Robstown Independent School District's Net Position

	Governmental Activities		Percentage
	8/31/22	8/31/21	Change
<i>Assets:</i>			
Cash and Investments	\$ 18,328,629	\$ 12,448,991	47.2%
Other Current Assets	3,603,609	6,484,372	-44.4%
Capital Assets (net)	82,067,229	83,556,954	-1.8%
<i>Total Assets</i>	<u>103,999,467</u>	<u>102,490,317</u>	1.5%
 <i>Deferred Outflows</i>	 <u>6,738,287</u>	 <u>8,176,384</u>	 -17.6%
 <i>Liabilities</i>			
Current Liabilities	7,509,796	8,129,002	-7.6%
Long-term Liabilities	68,382,667	78,802,292	-13.2%
<i>Total Liabilities</i>	<u>75,892,463</u>	<u>86,931,294</u>	-12.7%
 <i>Deferred Inflows</i>	 <u>21,972,825</u>	 <u>18,417,264</u>	 19.3%
 <i>Net Position:</i>			
Net Investment in Capital Assets	31,250,884	29,879,003	4.6%
Restricted	957,074	429,445	122.9%
Unrestricted	(19,335,492)	(24,990,305)	-22.6%
<i>Total Net Position</i>	<u>\$ 12,872,466</u>	<u>\$ 5,318,143</u>	142.0%

Changes in Net Position

The District's total revenues were \$40.3 million, a decrease of \$562 thousand. The majority of the decrease was the result of state formula funding based on attendance and reduced State contributions to the Teacher Retirement System. Most of this revenue, \$29.4 million or 73% comes from state, federal and local grants.

The total cost of all programs and services decreased \$4.9 million to \$32.7 million. A large portion of the decrease can be attributed cost savings across the District and post-employment benefit cost savings through Teacher Retirement System.

Table A-2 presents the cost of each of the District's functions with a comparison to the prior period.

Table A-2
Changes in Robstown Independent School District's Net Position

	Governmental Activities		Percentage
	2022	2021	Change
<i>Program Revenues:</i>			
Charges for Services	\$ 255,546	\$ 97,597	161.8%
Operating Grants & Contributions	11,919,503	10,753,016	10.8%
Capital Grants & Contributions	-	-	0.0%
<i>General Revenues:</i>			
Property Taxes	10,206,852	9,841,542	3.7%
General Grants	17,487,561	19,754,603	-11.5%
Investment Earnings	120,594	20,632	484.5%
Miscellaneous	282,504	367,542	-23.1%
<i>Total Revenues</i>	<u>40,272,560</u>	<u>40,834,932</u>	-1.4%
<i>Expenses:</i>			
Instruction	15,549,440	18,271,083	-14.9%
Instructional Resources & Media	358,484	397,743	-9.9%
Curriculum & Staff Development	510,433	619,557	-17.6%
Instructional Leadership	636,342	1,202,132	-47.1%
School Leadership	1,620,520	2,045,803	-20.8%
Guidance, Counseling, Evaluation	1,012,984	1,101,094	-8.0%
Social Work Services	249,255	341,123	-26.9%
Health Services	365,914	553,962	-33.9%
Student Transportation	400,434	344,568	16.2%
Food Service	1,810,184	1,891,812	-4.3%
Extracurricular Activities	1,414,765	1,411,265	0.2%
General Administration	1,554,852	1,799,806	-13.6%
Plant Maintenance & Operations	4,118,962	4,193,270	-1.8%
Security Services	183,707	190,155	-3.4%
Data Processing Services	668,369	500,438	33.6%
Community Services	182,647	281,025	-35.0%
Interest on Long-Term Debt	1,778,611	1,968,971	-9.7%
Bond Issuance Costs and Fees	152,369	345,440	-55.9%
Facility Acquisition	15,570	36,859	-57.8%
Payments for SSA	-	31,248	-100.0%
Payments for JJAEP	20,184	16,808	20.1%
Other Intergovernmental Charges	114,211	108,144	5.6%
<i>Total Expenses</i>	<u>32,718,237</u>	<u>37,652,306</u>	-13.1%
<i>Increase (Decrease) in Net Position</i>	7,554,323	3,182,626	137.4%
<i>Beginning Net Position</i>	5,318,143	2,135,517	
<i>Ending Net Position</i>	<u>\$ 12,872,466</u>	<u>\$ 5,318,143</u>	

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Revenues from governmental fund types totaled \$41.5 million, a increase of 3% over the preceding period. Decreases in state formula grants were offset by increases in federal pandemic grants. Total governmental fund expenditures decreased \$3.0 million to \$38.6 million. The decrease is primarily the \$3.1 million in athletic field improvements performed in 20-21.

BUDGETARY HIGHLIGHTS

The General Fund's expenditures were \$4.1 million less and revenues were \$1.4 million less than the final budgeted amounts. Significant covid related grants shifted planned expenditures from the general fund to other grants funds. Attendance and enrollment was lower than anticipated, leaving state formula grants less than budgeted. The General Fund balance increased \$2.8 million compared to a balanced budget.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At August 31, 2022, the District had invested \$125 million in a broad range of capital assets, including land, equipment, and buildings (See Table A-3). In 2022, the District began construction of a new welding lab, including the equipment needed to lead that program.

Table A-3
Changes in Robstown Independent School District's Capital Assets

	Beginning Balance	Additions	Transfers/ Disposals	Ending Balance
Land	\$ 352,488	\$ -	\$ -	\$ 352,488
Construction in Progress	-	615,512	-	615,512
Buildings and Improvements	120,766,407	-	-	120,766,407
Vehicles	758,937	85,112	(95,203)	748,846
Equipment	2,904,626	337,566	(238,509)	3,003,683
Less: Accumulated Depreciation	(41,225,504)	(2,525,555)	331,352	(43,419,707)
Total Capital Assets	<u>\$ 83,556,954</u>	<u>\$ (1,487,365)</u>	<u>\$ (2,360)</u>	<u>\$ 82,067,229</u>

Long Term Debt

At period-end the District owed \$49 million for outstanding bonds (not including unamortized premiums and accreted interest), notes and leases. See Table A-4. In 2022, the District issued \$6.4 million in refunding bonds. More detailed information about the District's debt is presented in the notes to the financial statements.

Table A-4
Changes in Robstown Independent School District's Debt

	Beginning Balance	Additions	Retirements	Ending Balance
Bonds	\$ 44,917,871	\$ 6,395,000	\$ (7,727,936)	\$ 43,584,935
Notes	6,072,918	-	(638,487)	5,434,431
Lease Payable	58,456	-	(58,456)	-
Total Debt	<u>\$ 51,049,245</u>	<u>\$ 6,395,000</u>	<u>\$ (8,424,879)</u>	<u>\$ 49,019,366</u>

ECONOMIC FACTORS AND NEXT PERIOD'S BUDGETS AND TAX RATES

The District's 2022-2023 budget projects General Fund expenditures will increase \$2.6 million to \$26.3 million. Significant raises were given to staff to become more competitive in the market. The tax rate will be decreasing from \$1.5636 to \$1.5032 however increasing tax appraisals will lead to an increase in tax revenue.. The District has been awarded significant amounts of covid relief grants that will be used the next 2 to 3 years to address learning loss during the pandemic and help retain quality teachers.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, we invite you to contact the District's Business Office, 801 North Street, Robstown, TX 78380.

BASIC FINANCIAL STATEMENTS

ROBSTOWN INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
AUGUST 31, 2022

Data Control Codes		1 Governmental Activities
	ASSETS:	
1110	Cash and Cash Equivalents	\$ 1,780,258
1120	Investments	16,548,371
1225	Property Taxes Receivable (Net)	1,981,936
1240	Due from Other Governments	1,182,960
1290	Other Receivables	15,544
1310	Inventories	35,483
1410	Prepaid Expenses	387,686
	<i>Capital Assets:</i>	
1510	Land	352,488
1520	Buildings and Improvements, Net	80,270,367
1531	Vehicles, Net	83,590
1539	Furniture and Equipment, Net	745,272
1580	Construction in Progress	615,512
1000	TOTAL ASSETS:	<u>103,999,467</u>
	DEFERRED OUTFLOW OF RESOURCES:	
	Deferred Refunding Losses	275,213
	Deferred Pension Related Outflows	3,577,934
	Deferred OPEB Related Outflows	2,885,140
1700	TOTAL DEFERRED OUTFLOWS:	<u>6,738,287</u>
	LIABILITIES:	
2110	Accounts Payable	393,898
2140	Interest Payable	64,433
2160	Accrued Wages	1,172,948
2180	Due to Other Governments	2,398,760
2300	Unearned Revenue	140,500
	<i>Noncurrent Liabilities:</i>	
2501	Due Within One Year	3,339,257
2502	Due in More Than One Year	52,655,910
2540	Net Pension Liability	4,526,576
2545	Net OPEB Liability	11,200,181
2000	TOTAL LIABILITIES:	<u>75,892,463</u>
	DEFERRED INFLOW OF RESOURCES:	
	Deferred Pension Related Inflows	6,823,940
	Deferred OPEB Related Inflows	15,148,885
2600	TOTAL DEFERRED INFLOWS:	<u>21,972,825</u>
	NET POSITION:	
3200	Net Investment in Capital Assets	31,250,884
3820	Restricted For Federal or State Funds Grant Restriction	957,074
3900	Unrestricted	(19,335,492)
3000	TOTAL NET POSITION:	<u>\$ 12,872,466</u>

The accompanying notes are an integral part of this statement

ROBSTOWN INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2022

		1	3	4	6
					Net Revenue (Expense) and Changes in Net Position
			Program Revenues		
				Operating	
			Charges for	Grants and	Governmental
Data					
Control					
Codes	Functions/Programs	Expenses	Services	Contributions	Activities
GOVERNMENTAL ACTIVITIES:					
11	Instruction	\$ 15,549,440	\$ -	\$ 3,776,600	\$ (11,772,840)
12	Instructional Resources and Media	358,484	-	208,211	(150,273)
13	Curriculum and Staff Development	510,433	-	164,700	(345,733)
21	Instructional Leadership	636,342	-	389,333	(247,009)
23	School Leadership	1,620,520	-	652,758	(967,762)
31	Guidance, Counseling, & Evaluation	1,012,984	-	381,785	(631,199)
32	Social Work Services	249,255	-	171,071	(78,184)
33	Health Services	365,914	-	380,533	14,619
34	Student transportation	400,434	-	95,359	(305,075)
35	Food Services	1,810,184	40,633	2,486,554	717,003
36	Cocurricular/Extracurricular Activities	1,414,765	214,913	8,448	(1,191,404)
41	General Administration	1,554,852	-	186,695	(1,368,157)
51	Plant Maintenance and Operations	4,118,962	-	702,352	(3,416,610)
52	Security and Monitoring Services	183,707	-	32,783	(150,924)
53	Data Processing Services	668,369	-	430,206	(238,163)
61	Community Services	182,647	-	241,350	58,703
72	Interest on Long-Term Debt	1,778,611	-	1,071,934	(706,677)
73	Bond Issuance Costs and Fees	152,369	-	-	(152,369)
81	Facilities Acquisition	15,570	-	538,831	523,261
95	Payments to Juvenile Justice Programs	20,184	-	-	(20,184)
99	Other Intergovernmental Charges	114,211	-	-	(114,211)
TG	Total Governmental Activities	32,718,237	255,546	11,919,503	(20,543,188)
TP	Total Primary Government	\$ 32,718,237	\$ 255,546	\$ 11,919,503	(20,543,188)
<i>General Revenues:</i>					
MT	Property Taxes, Levied for General Purposes				6,830,274
DT	Property Taxes, Levied for Debt Service				3,376,578
IE	Investment Earnings				120,594
GC	General Grants and Contributions				17,487,561
MI	Miscellaneous				282,504
TR	Total General Revenues				28,097,511
CN	Change in Net Position				7,554,323
NB	Net Position - Beginning				5,318,143
NE	Net Position - Ending				\$ 12,872,466

The accompanying notes are an integral part of this statement

ROBSTOWN INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
AUGUST 31, 2022

Data Control Codes	10 General Fund	50 Debt Service Fund	Other Nonmajor Governmental Funds	98 Total Governmental Funds
ASSETS				
1110 Cash and Cash Equivalents	\$ 696,796	\$ 4,693	\$ 890,156	\$ 1,591,645
1120 Investments	15,626,979	550,469	-	16,177,448
1225 Taxes Receivable, Net	1,372,959	608,976	-	1,981,935
1240 Due from Other Governments	10	-	1,182,949	1,182,959
1260 Due from Other Funds	781,317	-	-	781,317
1290 Other Receivables	4,413	-	-	4,413
1310 Inventories	-	-	35,483	35,483
1410 Prepaid Items	387,686	-	-	387,686
1000 TOTAL ASSETS:	<u>\$ 18,870,160</u>	<u>\$ 1,164,138</u>	<u>\$ 2,108,588</u>	<u>\$ 22,142,886</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:				
<i>LIABILITIES:</i>				
2110 Accounts Payable	\$ 55,633	\$ -	\$ 324,756	\$ 380,389
2160 Accrued Wages Payable	1,127,506	-	45,441	1,172,947
2170 Due to Other Funds	-	-	781,317	781,317
2180 Due to Other Governments	2,119,650	279,110	-	2,398,760
2300 Unearned Revenues	140,500	-	-	140,500
2000 TOTAL LIABILITIES:	<u>3,443,289</u>	<u>279,110</u>	<u>1,151,514</u>	<u>4,873,913</u>
<i>DEFERRED INFLOWS OF RESOURCES:</i>				
2600 Unavailable Property Tax Revenue	1,372,959	608,976	-	1,981,935
2600 TOTAL DEFERRED INFLOWS:	<u>1,372,959</u>	<u>608,976</u>	<u>-</u>	<u>1,981,935</u>
<i>FUND BALANCES:</i>				
<i>Nonspendable:</i>				
3410 Inventories	-	-	35,483	35,483
3430 Prepaid Items	387,686	-	-	387,686
<i>Restricted:</i>				
3450 Federal or State Funds Grant Restriction	-	-	921,591	921,591
3480 Retirement of Long-Term Debt	-	276,052	-	276,052
<i>Committed:</i>				
3510 Construction	500,000	-	-	500,000
<i>Assigned:</i>				
3550 Renovations, HVAC and Maintenance	1,750,000	-	-	1,750,000
3510 Vehicles, Equipment and Technology	350,000	-	-	350,000
3590 Other - Insurance Deductibles	250,000	-	-	250,000
3600 <i>Unassigned</i>	10,816,226	-	-	10,816,226
3000 TOTAL FUND BALANCES:	<u>14,053,912</u>	<u>276,052</u>	<u>957,074</u>	<u>15,287,038</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
4000	<u>\$ 18,870,160</u>	<u>\$ 1,164,138</u>	<u>\$ 2,108,588</u>	<u>\$ 22,142,886</u>

The accompanying notes are an integral part of this statement.

ROBSTOWN INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
AUGUST 31, 2022

TOTAL FUND BALANCE - TOTAL GOVERNMENTAL FUNDS	\$ 15,287,038
Amounts reported for governmental activities in the Statement of Net Position ("SNP") are different because:	
The District uses internal service funds to charge the costs of certain activities, such as self-insurance and printing, to appropriate functions in other funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	557,159
Capital Assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	82,067,229
Other long-term assets are not available to pay for current-period expenditures and therefore, are deferred in the funds.	1,981,935
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, not reported in the funds.	(55,719,954)
Net pension liabilities and other post-employment liabilities (and related deferred inflows and outflows of resources) do not consume current financial resources and are not reported in the funds.	
Net Pension Liability	(4,526,576)
Pension Related Deferred Inflows	(6,823,940)
Pension Related Deferred Outflows	3,577,934
Net Other Post-Employment (OPEB) Liability	(11,200,181)
OPEB Related Deferred Inflows	(15,148,885)
OPEB Related Deferred Outflows	2,885,140
	(31,236,508)
Accrued interest payable on long-term bonds is not due and payable in the current period, and therefore, not reported in the funds.	(64,433)
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES	\$ 12,872,466

The accompanying notes are an integral part of this statement.

ROBSTOWN INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2022

Data Control Codes	Functions/Programs	10 General Fund	50 Debt Service Fund	Other Nonmajor Governmental Funds	98 Total Governmental Funds
REVENUES:					
5700	Local and Intermediate Sources	\$ 7,073,587	\$ 3,325,770	\$ 132,655	\$ 10,532,012
5800	State Program Revenues	18,217,392	757,993	292,233	19,267,618
5900	Federal Program Revenues	1,227,499	306,224	10,204,690	11,738,413
5020	<i>Total Revenues</i>	<u>26,518,478</u>	<u>4,389,987</u>	<u>10,629,578</u>	<u>41,538,043</u>
EXPENDITURES:					
0011	Instruction	11,725,714	-	3,792,303	15,518,017
0012	Instructional Resources and Media Services	222,761	-	208,211	430,972
0013	Curriculum and Staff Development	400,703	-	164,700	565,403
0021	Instructional Leadership	389,130	-	389,333	778,463
0023	School Leadership	1,321,748	-	652,758	1,974,506
0031	Guidance, Counseling, & Evaluation Services	817,344	-	381,785	1,199,129
0032	Social Work	141,859	-	171,071	312,930
0033	Health Services	364,548	-	49,065	413,613
0034	Student Transportation	358,129	-	95,359	453,488
0035	Food Service	-	-	2,011,937	2,011,937
0036	Cocurricular/Extracurricular Activities	1,331,925	-	93,405	1,425,330
0041	General Administration	1,361,726	-	186,695	1,548,421
0051	Plant Maintenance and Operations	3,760,197	-	702,352	4,462,549
0052	Security and Monitoring Services	163,022	-	32,783	195,805
0053	Data Processing Services	332,878	-	430,206	763,084
0061	Community Services	10,593	-	241,885	252,478
0071	Principal on Long-Term Debt	696,943	1,332,939	-	2,029,882
0072	Interest on Long-Term Debt	188,742	3,233,680	-	3,422,422
0073	Bond Issuance Costs and Fees	-	152,369	-	152,369
0081	Facilities Acquisition and Construction	14,500	-	541,613	556,113
0095	Payments to Juvenile Justice Programs	20,184	-	-	20,184
0099	Other Intergovernmental Charges	114,211	-	-	114,211
6030	<i>Total Expenditures</i>	<u>23,736,857</u>	<u>4,718,988</u>	<u>10,145,461</u>	<u>38,601,306</u>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,781,621</u>	<u>(329,001)</u>	<u>484,117</u>	<u>2,936,737</u>
OTHER FINANCING SOURCES (USES):					
7911	Bonds Issued	-	6,395,000	-	6,395,000
7912	Sale of Property and Equipment	21,860	-	1,803	23,663
7915	Transfers In	-	-	16,777	16,777
7916	Premiums on Bonds Issued	-	951,336	-	951,336
8911	Transfers Out	(16,777)	-	-	(16,777)
8940	Payment to Refunding Escrow Agent	-	(7,190,361)	-	(7,190,361)
7080	<i>Total Other Financing Sources (Uses)</i>	<u>5,083</u>	<u>155,975</u>	<u>18,580</u>	<u>179,638</u>
1200	Net Change in Fund Balances	2,786,704	(173,026)	502,697	3,116,375
0100	Fund Balances - Beginning	11,267,208	449,078	454,377	12,170,663
3000	Fund Balances - Ending	<u>\$ 14,053,912</u>	<u>\$ 276,052</u>	<u>\$ 957,074</u>	<u>\$ 15,287,038</u>

The accompanying notes are an integral part of this statement.

ROBSTOWN INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2022

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS **\$ 3,116,375**

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlay as expenditures. However in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital Outlay	1,038,190	
Depreciation	<u>(2,525,555)</u>	(1,487,365)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenue in the funds. This is the net change in those revenues over the year.

Unavailable Property Tax Revenues		136,328
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Governmental funds report the proceeds from the sale of capital assets. On the statement of activities, the proceeds are reduced by the net book value.

(2,360)

The issuance of long-term debt (e.g. bonds & notes payable) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.

Bonds Issued	(6,395,000)	
Premiums on Bonds Issued	(951,336)	
Payments to Refunding Escrow Agent	7,190,361	
Principal Payments on Bonds and Notes	2,029,882	
Payments of Accreted Interest	<u>1,782,064</u>	3,655,971

Internal service funds are presented separately from governmental funds. However, their revenues and expenses are combined with governmental activities. This represents the net change in net position of internal services funds.

52,800

Governmental funds report required contributions to employee pensions and other post employment liabilities as expenditures. However in the Statement of Activities the cost of these benefits are recorded at the actuarially determined cost of the plan. This is the amount that the actuarially determined costs exceeded the contributions.

Pension	551,127	
Other Post Employment Benefits	<u>1,693,321</u>	2,244,448

Some expenses reported in the Statement of Activities (including accreted and accrued interest expense) do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. Governmental funds report the net effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.

Change in Accrued Interest	7,794	
Change in Accrued Compensated Absences	(23,620)	
Accretion of Interest on Capital Appreciation Bonds	(1,158,679)	
Amortization of Refunding Differences	(10,361)	
Amortization of Bond Premiums	<u>1,022,992</u>	(161,874)

CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES **\$ 7,554,323**

The accompanying notes are an integral part of this statement.

ROBSTOWN INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION – INTERNAL SERVICE FUNDS
AUGUST 31, 2022

	Nonmajor Internal Service Funds
<i>ASSETS:</i>	
<i>Current Assets:</i>	
Cash and Cash Equivalents	\$ 188,614
Investments	370,923
Other Receivables	11,131
<i>Total Assets</i>	<u>570,668</u>
<i>LIABILITIES:</i>	
<i>Current Liabilities</i>	
Accounts Payable	13,509
<i>Total Liabilities</i>	<u>13,509</u>
<i>NET POSITION:</i>	
Unrestricted Net Position	557,159
<i>Total Net Position</i>	<u><u>\$ 557,159</u></u>

The accompanying notes are an integral part of this statement.

ROBSTOWN INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2022

	Nonmajor Internal Service Funds
<i>OPERATING REVENUES:</i>	
Charges for Premiums and Services	\$ 195,986
<i>Total Operating Revenues</i>	<u>195,986</u>
<i>OPERATING EXPENSES:</i>	
Services	131,376
Supplies	14,074
Other Operating Costs	281
<i>Total Operating Expenses</i>	<u>145,731</u>
Operating Income	50,255
<i>OTHER INCOME AND TRANSFERS:</i>	
Interest Income	2,545
<i>Total Other Income and Transfers</i>	<u>2,545</u>
Change in Net Position	52,800
Total Net Position - Beginning	504,359
Total Net Position - Ending	<u><u>\$ 557,159</u></u>

The accompanying notes are an integral part of this statement.



ROBSTOWN INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2022

	Nonmajor Internal Service Funds
Cash Flows from Operating Activities:	
Cash Receipts (Payments) for Quasi-external Operating Transactions with Other Funds	\$ 195,986
Cash Payments to Suppliers for Goods and Services	(159,532)
Net Cash Provided (Used) by Operating Activities	<u>36,454</u>
Cash Flows from Investing Activities:	
Interest Income	2,545
Purchase of Investments	(2,335)
Net Cash Provided (Used) by Investing Activities	<u>210</u>
Net Increase (Decrease) in Cash and Cash Equivalents	36,664
Cash and Cash Equivalents at Beginning of Year	151,950
Cash and Cash Equivalents at End of Year	<u><u>\$ 188,614</u></u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating Income (Loss)	\$ 50,255
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Change in Assets and Liabilities:	
Increase (Decrease) in Other Receivables	(11,131)
Increase (Decrease) in Accounts Payable	(2,670)
<i>Total Adjustments</i>	<u>(13,801)</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ 36,454</u></u>

The accompanying notes are an integral part of this statement.

ROBSTOWN INDEPENDENT SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUND
AUGUST 31, 2022

	Custodial Fund <hr/> Student Activity Fund <hr/>
<i>ASSETS:</i>	
Cash and Cash Equivalents	\$ 131,785
<i>Total Assets</i>	<hr/> 131,785 <hr/>
<i>LIABILITIES:</i>	
<i>Current Liabilities</i>	
Accounts Payable	<hr/> -
<i>Total Liabilities</i>	<hr/> - <hr/>
<i>NET POSITION:</i>	
<i>Total Net Position</i>	<hr/> \$ 131,785 <hr/>

The accompanying notes are an integral part of this statement.

ROBSTOWN INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUND
FOR THE YEAR ENDED AUGUST 31, 2022

	Custodial Fund <hr/> Student Activity Fund <hr/>
<i>ADDITIONS:</i>	
Enterprising Revenues	\$ 146,420
Interest Income	400
<i>Total Additions</i>	<hr/> 146,820 <hr/>
<i>DEDUCTIONS:</i>	
Payroll	6,383
Services	18,296
Supplies	7,656
Other Operating Costs	110,945
<i>Total Deductions</i>	<hr/> 143,280 <hr/>
<i>Net Increase in Fiduciary Net Position</i>	3,540
<i>BEGINNING NET POSITION</i>	<hr/> 128,245 <hr/>
<i>ENDING NET POSITION</i>	<hr/> \$ 131,785 <hr/>

The accompanying notes are an integral part of this statement.

ROBSTOWN INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2022

A. Summary of Significant Accounting Policies

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

1. Reporting Entity

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

2. Basis of Presentation, Basis of Accounting

a. Basis of Presentation

Government-wide Financial Statements: The statement of net position and the statement of activities include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

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

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

ROBSTOWN INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AUGUST 31, 2022

A. Summary of Significant Accounting Policies (Continued)

2. Basis of Presentation, Basis of Accounting (Continued)

a. Basis of Presentation (Continued)

The District reports the following major governmental funds:

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

Debt Service Fund: Is used to account for property taxes and grants restricted for the payment of debt service on the District's outstanding bonds.

b. Measurement Focus, Basis of Accounting

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

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

3. Financial Statement Amounts

a. Cash and Cash Equivalents

Highly liquid investments are considered to be cash equivalents if they have a maturity of three months or less when purchased. However, the District does not include local government investment pools.

ROBSTOWN INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AUGUST 31, 2022

A. Summary of Significant Accounting Policies (Continued)

3. Financial Statement Amounts (Continued)

b. Investments

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

The District's investments in Pools are reported at an amount determined by the fair value per share of the pool's underlying portfolio, unless the pool maintains a consistent net asset value per share that approximates the fair value of the underlying securities. These investments are reported at net asset value.

c. Property Taxes

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

Allowances for uncollectible tax receivables within the General and Debt Service Funds are based upon historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature. Taxes Receivable in the governmental funds are reduced by allowances for uncollectible tax receivables in the amount of \$616,837 and \$273,598 for the General and Debt Service Funds, respectively.

d. Inventories and Prepaid Items

The District records purchases of supplies as expenditures, utilizing the purchase method of accounting for inventory. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. This includes insurance that extends beyond the end of a reporting period.

e. Receivable and Payable Balances

The District believes that sufficient detail of receivable and payable balances is provided in the financial statements to avoid the obscuring of significant components by aggregation. Therefore, no disclosure is provided which disaggregates those balances. There are no significant receivables which are not scheduled for collection within one year of period end.

ROBSTOWN INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AUGUST 31, 2022

A. Summary of Significant Accounting Policies (Continued)

3. Financial Statement Amounts (Continued)

f. Deferred Inflows and Outflows of Resources

A deferred outflow of resources is a consumption of net position by the government that is applicable to a future reporting period while a deferred inflow of resources is an acquisition of net position. These items are presented in separate sections following assets (deferred outflows) or liabilities (deferred inflows) on the statement of net position.

g. Capital Assets

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

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

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings and Improvements	30-50
Furniture, Equipment, and Vehicles	7-8

h. Interfund Activity

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

ROBSTOWN INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AUGUST 31, 2022

A. Summary of Significant Accounting Policies (Continued)

3. Financial Statement Amounts (Continued)

i. Pensions

The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teacher Retirement System of Texas (TRS) and additions to/ deductions from TRS's fiduciary net position have been determined on the same basis as they are reported by TRS. For this purpose, 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.

j. Other Post-Employment Benefits

The fiduciary net position of the Teacher Retirement System of Texas (TRS) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, OPEB expense, and information about assets, liabilities and additions to/deductions from TRS'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.

k. Net Position - Government-wide Statement of Net Position

Net position is classified as follows:

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

Net Investment in Capital Assets - represents the balances of capital assets less the outstanding balances of debt related to the acquisition of the capital assets. This amount is separated from unrestricted net position so that the unrestricted classification represents net position more readily available to fund operations.

Unrestricted - Represents the residual net position that is not restricted or capital in nature.

ROBSTOWN INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AUGUST 31, 2022

A. Summary of Significant Accounting Policies (Continued)

3. Financial Statement Amounts (Continued)

1. Fund Balances - Governmental Funds

Fund balances of the governmental funds are classified as follows:

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

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

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

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

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

When an expenditure is incurred for a purpose for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

ROBSTOWN INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AUGUST 31, 2022

A. Summary of Significant Accounting Policies (Continued)

3. Financial Statement Amounts (Continued)

m. Use of Estimates

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

n. Data Control Codes

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

B. Deposits and Investments

1. Cash Deposits:

The District's funds are required to be deposited and invested under the terms of a depository contract. The District's cash deposits at August 31, 2022 and during the period ended August 31, 2022, were entirely covered by FDIC insurance and securities pledged by the District's depository.

2. Investments:

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

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

ROBSTOWN INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AUGUST 31, 2022

B. Deposits and Investments (Continued)

2. Investments (Continued):

The Act determines the types of investments which are allowable for the District. These include, with certain restrictions, 1) obligations of the U.S. Treasury, U.S. agencies, and the State of Texas, 2) certificates of deposit, 3) certain municipal securities, 4) securities lending program, 5) repurchase agreements, 6) bankers acceptances, 7) mutual funds, 8) investment pools, 9) guaranteed investment contracts, and 10) commercial paper. The District's investments at August 31, 2022 are as follows:

<u>Investment or Investment Type</u>	<u>Maturity (Days)</u>	<u>Rating</u>	<u>Reported Value</u>
Lonestar Investment Pool	Demand	AAAm	\$ 16,548,371
Total Investments			<u>\$ 16,548,371</u>

These pools are not registered with the SEC as investment companies, but they operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. The pools are recorded at net asset value which approximates the fair value of the underlying securities.

The District was not exposed to significant credit, custodial credit, concentration of credit, interest rate or foreign currency risk.

C. Interfund Balances and Activities

Balances due to and from other funds at August 31, 2022 consisted of the following:

<u>Due To Fund</u>	<u>Due From Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Nonmajor Governmental	\$ 781,317	Short-term pooled cash loans

Transfers during the year ended August 31, 2022 were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Nonmajor Governmental	\$ 16,777	Supplement Other Funding

D. Due from (to) Other Governments

As of August 31, 2022, the District was owed grant funding and reimbursements. \$941 thousand of the total balance was due from the Texas Education Agency (TEA) for formula and reimbursement grants. In addition, the District owed \$2.4 million back to TEA for overpayments on formula grants, which is reported as a liability.

ROBSTOWN INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AUGUST 31, 2022

E. Capital Assets

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

	Beginning Balances	Additions	Disposals / Transfers	Ending Balances
Governmental Activities:				
<i>Capital Assets Not Being Depreciated:</i>				
Land	\$ 352,488	\$ -	\$ -	\$ 352,488
Construction in Progress	-	615,512	-	615,512
<i>Total Capital Assets Not Being Depreciated</i>	<u>352,488</u>	<u>615,512</u>	<u>-</u>	<u>968,000</u>
<i>Capital Assets Being Depreciated:</i>				
Buildings and Improvements	120,766,407	-	-	120,766,407
Vehicles	758,937	85,112	(95,203)	748,846
Equipment	<u>2,904,626</u>	<u>337,566</u>	<u>(238,509)</u>	<u>3,003,683</u>
<i>Total Capital Assets Being Depreciated</i>	<u>124,429,970</u>	<u>422,678</u>	<u>(333,712)</u>	<u>124,518,936</u>
<i>Less Accumulated Depreciation For:</i>				
Buildings and Improvements	(38,167,706)	(2,328,334)	-	(40,496,040)
Vehicles	(740,311)	(20,148)	95,203	(665,256)
Equipment	<u>(2,317,487)</u>	<u>(177,073)</u>	<u>236,149</u>	<u>(2,258,411)</u>
<i>Total Accumulated Depreciation</i>	<u>(41,225,504)</u>	<u>(2,525,555)</u>	<u>331,352</u>	<u>(43,419,707)</u>
Total Capital Assets Being Depreciated, Net	<u>83,204,466</u>	<u>(2,102,877)</u>	<u>(2,360)</u>	<u>81,099,229</u>
<i>Governmental Activities Capital Assets, Net</i>	<u>\$83,556,954</u>	<u>\$(1,487,365)</u>	<u>\$ (2,360)</u>	<u>\$82,067,229</u>

Depreciation was charged to functions as follows:

11 Instruction	\$ 2,158,786
35 Food Services	53,036
36 Extracurricular Activities	139,198
41 General Administration	82,740
51 Facilities Maintenance	35,182
53 Data Processing	<u>56,613</u>
	<u>\$ 2,525,555</u>

ROBSTOWN INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AUGUST 31, 2022

F. Long-Term Obligations

1. Long-Term Debt

Changes in long-term obligations for the period ended August 31, 2022, are as follows:

	Beginning Balances	Increases	Decreases	Ending Balances	Amounts Due Within One Year
Governmental Activities:					
<i>Private Placement Notes</i>					
2020 (2.94%)	\$ 3,105,000	\$ -	\$ (255,000)	\$ 2,850,000	\$ 260,000
2013 (3.24-3.42%)	2,967,918	-	(383,487)	2,584,431	396,254
<i>Public Offering Bonds</i>					
1994 (Zero Coupon)	67,936	-	(67,936)	-	-
1997 (Zero Coupon)	499,935	-	-	499,935	137,808
2011 (2-4%)	380,000	-	(125,000)	255,000	135,000
2013 (3-4.375%)	580,000	-	-	580,000	185,000
2013 QSCB (5%)	6,145,000	-	(50,000)	6,095,000	50,000
2014 (2-3%)	75,000	-	(75,000)	-	-
2015 (2-4.5%)	7,310,000	-	(6,445,000)	865,000	50,000
2016 (2-4%)	6,455,000	-	(105,000)	6,350,000	280,000
2017 (3-4%)	6,465,000	-	-	6,465,000	-
2020 (2-4%)	4,960,000	-	(675,000)	4,285,000	700,000
2020B (2-3%)	6,625,000	-	-	6,625,000	-
2021 (1.48-4%)	5,355,000	-	-	5,355,000	-
2021B (2.5-4%)	-	6,395,000	(185,000)	6,210,000	85,000
Accreted Interest	5,434,981	1,158,679	(1,782,064)	4,811,596	1,037,192
Unamortized Premiums	2,939,212	78,501	(945,521)	2,072,192	-
Lease Payable	58,456	-	(58,456)	-	-
<i>Total Bonds and Notes</i>	<u>59,423,438</u>	<u>7,632,180</u>	<u>(11,152,464)</u>	<u>55,903,154</u>	<u>3,316,254</u>
Other Long-term Liabilities					
Compensated Absences	68,393	40,718	(17,098)	92,013	23,003
Net Pension Liability	10,513,945	288,504	(6,275,873)	4,526,576	-
Net OPEB Liability	12,440,557	183,223	(1,423,599)	11,200,181	-
<i>Total</i>	<u>\$ 82,446,333</u>	<u>\$ 8,144,625</u>	<u>\$ (18,869,034)</u>	<u>\$ 71,721,924</u>	<u>\$ 3,339,257</u>

2. Bonds Outstanding:

The District issues general obligation bonds for the governmental activities to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the District. Current principal and interest requirements are payable from future revenues of the debt service fund which consists principally of property taxes and State grants.

The outstanding bonds include both serial bonds and capital appreciation bonds. The interest shown above with respect to the capital appreciation bonds includes interest to be paid on the bonds maturing in the respective years and does not include accrued interest on bonds not maturing in those years.

ROBSTOWN INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AUGUST 31, 2022

F. Long-Term Obligations (Continued)

2. Bonds Outstanding (Cont.):

In accordance with Securities and Exchange Act of 1934 Rule 15c2-12, the District has entered into a continuing disclosure agreement with the Municipal Securities Rulemaking Board. The District has complied with these continuing disclosures.

In November 2020, the District issued Refunding Bonds, Series, 2021B for a face amount of \$6.4 million to refund a portion of the Series 2015 bonds. The refunding resulting in gross savings of \$962 thousand and net present value savings of \$742 thousand.

3. Tax Notes and Notes Payable:

Both obligations were private placements and neither contain subjective acceleration clauses or termination events.

Future debt service on the bonds and notes are as follows:

Year Ending August 31,	Bonds Payable		Notes Payable		Total
	Principal	Interest	Principal	Interest	
2023	\$ 1,622,808	\$ 2,503,618	\$ 656,254	\$ 166,019	\$ 4,948,699
2024	1,694,031	2,485,595	744,447	144,080	5,068,153
2025	2,194,977	1,965,499	773,080	120,377	5,053,933
2026	1,948,119	2,147,707	797,166	95,854	4,988,846
2027	2,260,000	1,474,701	821,721	70,567	4,626,989
2028-2032	14,375,000	5,034,175	1,641,763	67,948	21,118,886
2033-2037	11,375,000	5,432,714	-	-	16,807,714
2038-2042	7,715,000	415,336	-	-	8,130,336
2043	400,000	5,800	-	-	405,800
Totals	<u>\$ 43,584,935</u>	<u>\$ 21,465,145</u>	<u>\$ 5,434,431</u>	<u>\$ 664,845</u>	<u>\$ 71,149,356</u>

ROBSTOWN INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AUGUST 31, 2022

G. Pension Plan

1. Plan Description

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

2. Pension Plan Fiduciary Net Position

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

3. Benefits Provided

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

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

ROBSTOWN INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AUGUST 31, 2022

G. Pension Plan (Cont.)

4. Contributions

Contribution requirements are established or amended pursuant to Article 16, section 67 of the Texas Constitution which requires the Texas legislature to establish a member contribution rate of not less than 6% of the member's annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to members of the system during the fiscal year. Employee contribution rates are set in state statute, Texas Government Code 825.402. The TRS Pension Reform Bill (Senate Bill 12) of the 86th Texas Legislature amended Texas Government Code 825.402 for member contributions and increased employee and employer contribution rates for fiscal years 2020 thru 2025.

	Contribution Rates		Contributions
	Years Ending August 31,		Required and
	2021	2022	Made
Member (Employee)	7.70%	8.00%	\$ 1,345,964
Non-employer Contributing Entity (State)	7.50%	7.75%	1,012,507
Employer	7.50%	7.75%	810,529

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

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

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

ROBSTOWN INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AUGUST 31, 2022

G. Pension Plan (Continued)

4. Contributions (Continued)

In addition to the employer contributions listed above, there are two additional 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.
- All public schools, charter schools, and regional educational service centers must contribute 1.5 percent of the member's salary beginning in fiscal year 2020, gradually increasing to 2 percent in fiscal year 2025.

5. Actuarial Assumptions

The total pension liability in the August 31, 2021 was determined using the following actuarial assumptions:

Valuation Date	August 31, 2020, Rolled forward
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Fair Value
Single Discount Rate	7.25%
Long-term Expected Rate	7.25%
Municipal Bond Rate	1.95% Fidelity 20-Year AA
Last Year in Projection Period	2120
Inflation	2.30%
Salary Increases	3.05-9.05% including inflation
Ad-hoc post-employment benefit changes	none

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

6. Discount Rate

The discount rate used to measure the total pension liability was 7.25%. 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 this single discount rate assumed that contributions from active members, employers and the non-employer contributing entity will be made at the rates set by the legislature during the 2019 session. It is assumed that future employer and state contributions will be 8.50 percent of payroll in fiscal year 2020 gradually increasing to 9.55 percent of payroll over the next several years. This includes all employer and state contributions for active and rehired retirees.

ROBSTOWN INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AUGUST 31, 2022

G. Pension Plan (Continued)

6. Discount Rate (Continued)

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term rate of return on pension plan investments is 7.25%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2021 are summarized below:

Asset Class	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return	Expected Contribution to Portfolio Return
Global Equity			
U.S.	18%	3.6%	0.94%
Non-U.S. Developed	13%	4.4%	0.83%
Emerging Markets	9%	4.6%	0.74%
Private Equity	14%	6.3%	1.36%
Stable Value			
Government Bonds	16%	-0.2%	0.01%
Absolute Return	0%	1.1%	0.00%
Stable Value Hedge Funds	5%	2.2%	0.12%
Real Return			
Real Estate	15%	4.6%	1.00%
Energy and Natural Resources	6%	6.0%	0.35%
Commodities	0%	1.7%	0.00%
Risk Parity			
Risk Parity	8%	2.8%	0.28%
Leverage			
Cash	2%	-0.7%	-0.01%
Asset Allocation Leverage	-6%	-0.5%	0.03%
Inflation Expectation			2.20%
Volatility Drag			-0.95%
Total	<u>100%</u>		<u>6.90%</u>

ROBSTOWN INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AUGUST 31, 2022

G. Pension Plan (Continued)

7. Discount Rate Sensitivity Analysis

The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used in measuring the Net Pension Liability.

	Discount Rate		
	1% Decrease	7.250%	1% Increase
District's Proportionate Share of			
Net Pension Liability	\$ 9,891,288	\$ 4,526,576	\$ 174,167

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

At August 31, 2022, the District reported a liability of \$4,526,576 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District Proportionate Share	\$ 4,526,576
State's Proportionate Share	6,042,208
	<u>\$ 10,568,784</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 of that date. The employer's proportion of the net pension liability was based on the employer's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2020 thru August 31, 2021.

At August 31, 2021 the employer's proportion of the collective net pension liability was 0.0177746578% which was a decrease of 0.0018563077% from its proportion measured as of August 31, 2020.

There were no changes changes to the actuarial assumptions or other inputs that affected measurement of the total pension liability since the prior measurement date.

For the year ended August 31, 2022, the District recognized pension expense of \$283,558, including \$24,156 in support provided by the State.

ROBSTOWN INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AUGUST 31, 2022

G. Pension Plan (Continued)

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

At August 31, 2022, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 7,575	\$ 318,675
Changes in actuarial assumptions	1,881,214	978,645
Difference between projected and actual investment earnings	-	3,795,476
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	878,616	1,731,144
Contributions paid to TRS subsequent to the measurement date	810,529	-
	<u>\$ 3,577,934</u>	<u>\$ 6,823,940</u>

The \$810,529 in deferred outflows of resources related to pensions from District contributions after the measurement date will be recognized as a reduction of the net pension liability in the plan year ended August 31, 2022. The net amounts of the employer's balances of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending August 31,	Pension Expense Amount
2023	\$ (686,276)
2024	(807,510)
2025	(1,076,717)
2026	(1,252,889)
2027	(182,062)
Thereafter	(51,081)
	<u>\$ (4,056,535)</u>

ROBSTOWN INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AUGUST 31, 2022

H. Other Post-Employment Benefits - Retiree Health Care Plan

1. Plan Description

The District participates in the Texas Public School Retired Employees Group Insurance Program (TRS-Care). It is a multiple-employer, cost-sharing defined Other Post-Employment Benefit (OPEB) plan with a special funding situation. The TRS-Care program was established in 1986 by the Texas Legislature. The TRS Board of Trustees administers the TRS-Care program and the related fund in accordance with Texas Insurance Code Chapter 1575. The Board of Trustees is granted the authority to establish basic and optional group insurance coverage for participants as well as to amend benefit terms as needed under Chapter 1575.052. The Board may adopt rules, plans, procedures, and orders reasonably necessary to administer the program, including minimum benefits and financing standards.

2. OPEB Plan Fiduciary Net Position

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

3. Benefits Provided

TRS-Care provides a basic health insurance coverage (TRS-Care 1), at no cost to all retirees from public schools, charter schools, regional education service centers and other educational districts who are members of the TRS pension plan. Optional dependent coverage is available for an additional fee.

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

	TRS-Care Plan Premiums	
	Medicare	Non-medicare
Retiree (or Surviving Spouse)	\$ 135	\$ 200
Retiree and Spouse	529	689
Retiree and Children	468	408
Retiree and Family	1,020	999

ROBSTOWN INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AUGUST 31, 2022

H. Other Post-Employment Benefits - Retiree Health Care Plan (Continued)

4. Contributions

Contribution rates for the TRS-Care plan are established in state statute by the Texas Legislature, and there is no continuing obligation to provide benefits beyond each fiscal year. The TRS-Care plan is currently funded on a pay-as-you-go basis and is subject to change based on available funding. Funding for TRS-Care is provided by retiree premium contributions and contributions made from the state, active employees, and school districts based upon public school district payroll. The TRS Board of Trustees does not have the authority to set or amend contribution rates. Texas Insurance Code, section 1575.202 establishes the state's contribution rate which is 1.25 percent of the employee's salary. Section 1575.203 establishes the active employee's rate which is .65 percent of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25 percent or not more than 0.75 percent of the salary of each active employee of the public. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act. The following table shows contributions to the TRS-Care plan by type of contributor.

	Contribution Rates		Contributions
	Years Ending August 31,		Required and
	2021	2022	Made
Member (Employee)	0.65%	0.65%	\$ 109,361
Non-employer Contributing Entity (State)	1.25%	1.25%	303,903
Employer	0.75-1.25%	0.75-1.25%	183,223

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 employers hire a TRS retiree, they are required to pay to TRS-Care a monthly surcharge of \$535 per retiree.

5. Actuarial Assumptions

The actuarial valuation of the OPEB plan offered through TRS-Care is similar to the actuarial valuation performed for the pension plan, except that the OPEB valuation is more complex. The demographic assumptions were developed in the experience study performed for TRS for the period ending August 31, 2017. The following assumptions and other inputs used for members of TRS-Care are based on an established pattern of practice and are identical to the assumptions used in the August 31, 2020 TRS pension actuarial valuation that was rolled forward to August 31, 2021:

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

The active mortality rates were based on 90 percent of the RP-2014 Employee Mortality Tables for males and females. 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 mortality projection scale MP-2018.

ROBSTOWN INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AUGUST 31, 2022

H. Other Post-Employment Benefits - Retiree Health Care Plan (Continued)

5. Actuarial Assumptions (Cont.)

Valuation Date	August 31, 2020, Rolled forward
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Single Discount Rate	1.95%
Aging Factors	Based on plan specific experience
Election Rates	65% participation prior to age 65 50% participation after age 65 25% of pre-65 assumed to discontinue at age 65
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims cost.
Projected Salary Increases	3.05% to 9.05%, including inflation
Ad hoc post-employment benefit changes	None

6. Discount Rate

A single discount rate of 1.95% was used to measure the total OPEB liability. There was a decrease of 0.38% percent in the discount rate since the previous year. Because the plan is essentially a “pay-as-you-go” plan, the single discount rate is equal to the prevailing municipal bond rate. The projection of cash flows used to determine the discount rate assumed that contributions from active members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to *not be able to* make all future benefit payments of current plan members. Therefore, the municipal bond rate was applied to all periods of projected benefit payments to determine the total OPEB liability.

The source of the municipal bond rate is the Fidelity “20-year Municipal GO AA Index” as of August 31, 2021 using the fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds.

The following schedule shows the impact of the Net OPEB Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used in measuring the Net OPEB Liability.

	Discount Rate		
	1% Decrease	1.95%	1% Increase
District's Proportionate Share			
Net OPEB Liability	\$ 13,509,999	\$ 11,200,181	\$ 9,382,279

ROBSTOWN INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AUGUST 31, 2022

H. Other Post-Employment Benefits - Retiree Health Care Plan (Continued)

7. Healthcare Cost Trend Rate Sensitivity Analysis

The following presents the net OPEB liability of the plan using the assumed healthcare cost trend rate, as well as what the net OPEB liability would be if it were calculated using a trend rate that is 1% point lower or 1% point higher than the assumed healthcare cost trend rate.

	Healthcare Cost Trend Rate		
	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
District's Proportionate Share			
Net OPEB Liability	\$ 9,071,776	\$ 11,200,181	\$ 14,055,973

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

At August 31, 2022, the District reported a liability of \$11,200,181 for its proportionate share of the TRS's net OPEB liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District Proportionate Share	\$11,200,181
State's Proportionate Share	<u>15,005,747</u>
	<u>\$26,205,928</u>

The Net OPEB Liability was measured as of August 31, 2020 and rolled forward to August 31, 2021 and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of that date. The employer's proportion of the Net OPEB Liability was based on the employer's contributions to OPEB relative to the contributions of all employers to the plan for the period September 1, 2020 thru August 31, 2021.

At August 31, 2021, the employer's proportion of the collective net OPEB liability was 0.0290352186%, which was a decrease of 0.0036905886% as of August 31, 2020.

Changes Since the Prior Actuarial Valuation – The following were changes to the actuarial assumptions or other inputs that affected the measurement of the total OPEB liability since the prior measurement period:

- The discount rate changed from 2.33 percent as of August 31, 2020 to 1.95 percent as of August 31, 2021. This change increased the TOL.
- There were no changes in benefit terms since the prior measurement date.

For the year ended August 31, 2022, the District recognized OPEB expense of (\$2,063,925), including \$553,827 in cost reductions absorbed by the State.

ROBSTOWN INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AUGUST 31, 2022

H. Other Post-Employment Benefits - Retiree Health Care Plan (Continued)

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

At August 31, 2022, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 482,221	\$ 5,421,671
Changes in actuarial assumptions	1,240,702	2,368,781
Difference between projected and actual investment earnings	12,160	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	966,834	7,358,433
Contributions paid to TRS subsequent to the measurement date	183,223	-
	<u>\$ 2,885,140</u>	<u>\$ 15,148,885</u>

The \$183,223 in deferred outflows of resources related to OPEB from District contributions after the measurement date will be recognized as a reduction of the net OPEB liability in the plan year ended August 31, 2022.

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

Year Ending August 31,	OPEB Expense Amount
2023	\$ (2,304,167)
2024	(2,304,441)
2025	(2,304,366)
2026	(2,009,555)
2027	(1,610,420)
Thereafter	(1,914,019)
	<u>\$ (12,446,968)</u>

I. Medicare Part D Coverage

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, which was effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the fiscal years ended August 31, 2022, 2021 and 2020, the subsidy payments received by TRS-Care on behalf of the District were \$70,033, \$84,084, and \$82,190, respectively.

ROBSTOWN INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AUGUST 31, 2022

J. Employee Health Care Coverage

During the period ended August 31, 2022, employees of the District were covered by a health insurance plan (the Plan). The District paid premiums of \$351 per month per employee to the Plan. Employees, at their option, authorized payroll withholdings to pay premiums for dependents. All premiums were paid to a third party administrator, acting on behalf of the licensed insurer. The Plan was authorized by Section 21.922, Texas Education Code and was documented by contractual agreement. The contract between the District and the third party administrator is renewable September 1, and terms of coverage and premium costs are included in the contractual provisions. Latest financial statements for the Plan are available for the year ended August 31, 2021, have been filed with the Texas State Board of Insurance, Austin, Texas, and are public records.

K. Risk Management

1. Property and Liability Program

The District is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. During fiscal period 2022, the District purchased commercial insurance to cover general liabilities. There were no significant reductions in coverage in the past fiscal period and there were no settlements exceeding insurance coverage for each of the past three fiscal periods.

2. Workers' Compensation

During the period ended August 31, 2022, the District met its statutory workers' compensation obligations through a modified self-funded program. The District (through a third-party administrator) pays all workers' compensation claims up to a maximum stop-loss amount. The District records claims as they are incurred. The District has incurred the following claims with corresponding stop-loss amounts:

	Fiscal Year August 31,		
	2022	2021	2020
Claims Incurred (Including IBNR)	\$ 44,328	\$ 26,266	\$ 49,907
Stop Loss Amount	400,000	400,000	400,000

L. Commitments and Contingencies

1. Contingencies

The District participates in grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable may be impaired.

ROBSTOWN INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AUGUST 31, 2022

L. Commitments and Contingencies (Continued)

2. Litigation

A federal grantor is seeking refund of an amount awarded several years ago. Management believes no amounts are owed, but the matter is in legal proceedings. If decided adversely to the District, up to \$94 thousand could be refunded to the grantor.

The District is subject to various claims through its normal course of business and employment practices. Management and legal counsel are not aware of any pending or threatened litigation against the District that would have a material financial impact on the District.

M. Tax Incentives

The District has received two applications from businesses seeking chapter 313 tax incentives. The applications are pending as of the date of this report, but may impact property tax revenues in future periods.

N. Accounting Changes

The District implemented GASB 87 as of September 1, 2021, which changed accounting for leases (contracts that convey the right to use an asset). The change resulting in terminology and disclosure changes, but no changes to the financial statements.



REQUIRED SUPPLEMENTARY INFORMATION

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



ROBSTOWN INDEPENDENT SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
FOR THE YEAR ENDED AUGUST 31, 2022

Data Control Codes		1	2	3	Variance with Final Budget
		Budgeted Amounts		Actual	
		Original	Final		
	REVENUES				
5700	Local and Intermediate Sources	\$ 7,020,788	\$ 7,109,288	\$ 7,073,587	\$ (35,701)
5800	State Program Revenues	19,282,691	19,282,691	18,217,392	(1,065,299)
5900	Federal Program Revenues	1,500,000	1,500,000	1,227,499	(272,501)
5020	Total Revenues	<u>27,803,479</u>	<u>27,891,979</u>	<u>26,518,478</u>	<u>(1,373,501)</u>
	EXPENDITURES				
0011	Instruction	14,012,728	13,823,845	11,725,714	2,098,131
0012	Instructional Resources and Media Services	242,062	252,062	222,761	29,301
0013	Curriculum and Staff Development	469,049	549,331	400,703	148,628
0021	Instructional Leadership	502,334	519,334	389,130	130,204
0023	School Leadership	1,381,592	1,433,352	1,321,748	111,604
0031	Guidance, Counseling and Evaluation Services	944,873	937,605	817,344	120,261
0032	Social Work Services	268,499	271,499	141,859	129,640
0033	Health Services	399,865	429,865	364,548	65,317
0034	Student (Pupil) Transportation	400,947	405,947	358,129	47,818
0036	Cocurricular/Extracurricular Activities	1,504,570	1,502,209	1,331,925	170,284
0041	General Administration	1,293,191	1,512,191	1,361,726	150,465
0051	Plant Maintenance and Operations	4,682,787	4,507,787	3,760,197	747,590
0052	Security and Monitoring Services	230,960	239,014	163,022	75,992
0053	Data Processing Services	383,603	387,528	332,878	54,650
0061	Community Services	12,369	12,148	10,593	1,555
0071	Debt Service	886,050	888,050	885,685	2,365
0081	Debt Service	-	14,500	14,500	-
0093	Payments for Shared Service Arrangements	38,000	38,000	-	38,000
0095	Payments for Juvenile Justice Programs	25,000	25,000	20,184	4,816
0099	Other Intergovernmental Charges	125,000	125,000	114,211	10,789
6030	Total Expenditures	<u>27,803,479</u>	<u>27,874,267</u>	<u>23,736,857</u>	<u>4,137,410</u>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>17,712</u>	<u>2,781,621</u>	<u>2,763,909</u>
	OTHER FINANCING SOURCES (USES):				
7915	Sale of Property and Equipment	-	-	21,860	21,860
8911	Transfers Out	-	(17,712)	(16,777)	935
7080	Total Other Financing Sources (Uses)	<u>-</u>	<u>(17,712)</u>	<u>5,083</u>	<u>22,795</u>
1200	Net Change in Fund Balance	-	-	2,786,704	2,786,704
0100	Fund Balance - Beginning	<u>11,267,208</u>	<u>11,267,208</u>	<u>11,267,208</u>	<u>-</u>
3000	Fund Balance - Ending	<u>\$ 11,267,208</u>	<u>\$ 11,267,208</u>	<u>\$ 14,053,912</u>	<u>\$ 2,786,704</u>

ROBSTOWN INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
AUGUST 31, 2022

Measurement Period Ending August 31,	District's Proportion of Net Pension Liability	District's Proportionate Share of the Net Pension Liability	State's Proportion of Net Pension Liability	Total Net Pension Liability	District's Covered Payroll for the Measurement Period	District's Proportionate Share of the Net Pension Liability as a % of Payroll	Plan Fiducary Net Position as a % of Total Pension Liability
2021	0.0177747%	\$ 4,526,576	\$ 6,042,208	\$ 10,568,784	\$ 18,414,104	24.58%	88.79%
2020	0.0196310%	\$ 10,513,945	\$ 13,051,144	\$ 23,565,089	\$ 18,781,633	55.98%	75.54%
2019	0.0203194%	\$ 10,562,682	\$ 13,042,295	\$ 23,604,977	\$ 17,718,316	59.61%	75.24%
2018	0.0169680%	\$ 9,346,233	\$ 16,354,555	\$ 25,700,788	\$ 18,303,104	51.06%	73.74%
2017	0.0226894%	\$ 7,254,837	\$ 8,634,474	\$ 15,889,311	\$ 18,127,417	40.02%	82.17%
2016	0.0212845%	\$ 8,043,103	\$ 10,683,966	\$ 18,727,069	\$ 17,507,737	45.94%	78.00%
2015	0.0198982%	\$ 7,033,749	\$ 11,760,348	\$ 18,794,097	\$ 17,873,653	39.35%	78.43%
2014	0.0138484%	\$ 3,699,099	\$ 9,898,247	\$ 13,597,346	\$ 18,036,882	20.51%	83.25%

Note: Information is being accumulated until ten years are presented.

ROBSTOWN INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS – TEACHER RETIREMENT SYSTEM
FOR THE YEAR ENDED AUGUST 31, 2022

<u>Fiscal Year</u> <u>Ending</u> <u>August 31,</u>	<u>Contractually</u> <u>Required</u> <u>Contribution</u>	<u>Contributions</u> <u>Made</u>	<u>Contribution</u> <u>Deficiency</u> <u>(Excess)</u>	<u>District's</u> <u>Covered</u> <u>Payroll</u>	<u>Contributions</u> <u>as a Percent</u> <u>Covered</u> <u>Payroll</u>
2022	\$ 810,529	\$ 810,529	\$ -	\$ 16,824,554	4.8%
2021	\$ 729,427	\$ 729,427	\$ -	\$ 18,414,104	4.0%
2020	\$ 806,701	\$ 806,701	\$ -	\$ 18,781,633	4.3%
2019	\$ 782,374	\$ 782,374	\$ -	\$ 17,718,316	4.4%
2018	\$ 593,929	\$ 593,929	\$ -	\$ 18,303,104	3.2%
2017	\$ 743,625	\$ 743,625	\$ -	\$ 18,127,417	4.1%
2016	\$ 675,272	\$ 675,272	\$ -	\$ 17,507,737	3.9%
2015	\$ 589,194	\$ 589,194	\$ -	\$ 17,873,653	3.3%

Note: Information is being accumulated until ten years are presented.

ROBSTOWN INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET
OTHER POST-EMPLOYMENT BENEFIT LIABILITY – RETIREE INSURANCE
AUGUST 31, 2022

Measurement Period Ending August 31,	District's Proportion Of Net OPEB Liability	District's Proportionate Share of the Net OPEB Liability	State's Proportion Of Net OPEB Liability	Total Net OPEB Liability	District's Covered Payroll for the Measurement Period	District's Proportionate Share of the Net OPEB Liability As a % of Payroll	Plan Fiduciary Net Position As a % of Total OPEB Liability
2021	0.0290352%	\$ 11,200,181	\$ 15,005,747	\$ 26,205,928	\$ 18,414,104	60.82%	6.18%
2020	0.0327258%	\$ 12,440,557	\$ 16,717,127	\$ 29,157,684	\$ 18,781,633	66.24%	4.99%
2019	0.0335584%	\$ 15,870,194	\$ 21,087,940	\$ 36,958,134	\$ 17,718,316	89.57%	2.66%
2018	0.0312321%	\$ 15,594,484	\$ 15,649,049	\$ 31,243,533	\$ 18,303,104	85.20%	1.57%
2017	0.0455656%	\$ 19,814,765	\$ 12,345,264	\$ 32,160,029	\$ 18,127,417	109.31%	0.91%

Note: Information is being accumulated until ten years are presented.

ROBSTOWN INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT OPEB CONTRIBUTIONS – RETIREE INSURANCE
FOR THE YEAR ENDED AUGUST 31, 2022

<u>Fiscal Year</u> <u>Ending</u> <u>August 31,</u>	<u>Contractually</u> <u>Required</u> <u>Contribution</u>	<u>Contributions</u> <u>Made</u>	<u>Contribution</u> <u>Deficiency</u> <u>(Excess)</u>	<u>District's</u> <u>Covered</u> <u>Payroll</u>	<u>Contributions</u> <u>as a Percent</u> <u>Covered</u> <u>Payroll</u>
2022	\$ 183,223	\$ 183,223	\$ -	\$ 16,824,554	1.09%
2021	\$ 214,796	\$ 214,796	\$ -	\$ 18,414,104	1.17%
2020	\$ 248,742	\$ 248,742	\$ -	\$ 18,781,633	1.32%
2019	\$ 273,060	\$ 273,060	\$ -	\$ 17,718,316	1.54%
2018	\$ 249,028	\$ 249,028	\$ -	\$ 18,303,104	1.36%

Note: Information is being accumulated until ten years are presented.

ROBSTOWN INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED AUGUST 31, 2022

BUDGETARY INFORMATION

The budget is prepared in accordance with accounting principles generally accepted in the United States of America. The District maintains strict budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of Trustees and as such is a good management control device. The following funds have legally adopted budgets: General Fund, National School Breakfast and Lunch Program, and Debt Service.

Budgetary preparation and control is exercised at the function level. Actual expenditures may not legally exceed appropriations at the fund level.

PENSION INFORMATION

The following actuarial assumptions were applied for the most recent valuation:

Valuation Date	August 31, 2020, Rolled forward
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Fair Value
Single Discount Rate	7.25%
Long-term Expected Rate	7.25%
Municipal Bond Rate	1.95% Fidelity 20-Year AA
Last Year in Projection Period	2120
Inflation	2.30%
Salary Increases	3.05-9.05% including inflation
Ad-hoc post-employment benefit changes	none

The following changes to the actuarial assumptions or other inputs affected the measurement of the pension liability during the years presented in the schedule:

2021	Municipal bond rate reduced from 2.3 to 1.95%
2020	Municipal bond rate reduced from 2.6% to 2.3%
2019	Municipal bond rate reduced from 3.7% to 2.6%
2018	Inflation rate reduced from 2.5% to 2.3%
2017	None
2016	None

There have been no changes in benefit terms impacting the schedule.

ROBSTOWN INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED AUGUST 31, 2022

OTHER POST-EMPLOYMENT BENEFIT INFORMATION

The following actuarial assumptions were applied for the most recent valuation:

Valuation Date	August 31, 2020, Rolled forward
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Single Discount Rate	1.95%
Aging Factors	Based on plan specific experience
Election Rates	65% participation prior to age 65 50% participation after age 65 25% of pre-65 assumed to discontinue at age 65
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims cost.
Projected Salary Increases	3.05% to 9.05%, including inflation
Ad hoc post-employment benefit changes	None

The following changes to the actuarial assumptions or other inputs affected the measurement of the OPEB liability during the years presented in the schedule:

2021	Discount rate decreased from 2.33% to 1.95%
2020	Discount rate decreased from 2.63% to 2.33%
	Participation rate for post-65 retirees lowered from 50% to 40%
	Health care trend rate lowered from 4.5% to 4.25%
2019	Discount rate decreased from 3.69% to 2.63%
	Election rates reduced from 70% to 65%
2018	Inflation rate reduced from 2.5% to 2.3%
	Discount rate increased from 3.42% to 3.69%
	Salary increases reduced from 3.5-9.5% to 3.05-9.05%



SUPPLEMENTARY INFORMATION

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

ROBSTOWN INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEETS
NONMAJOR GOVERNMENTAL FUNDS
AUGUST 31, 2022

Data Control Codes		211 Title I Part A	224 IDEA Part B Formula	225 IDEA Part B Preschool	240 National School Lunch
	ASSETS:				
1110	Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ 785,798
1240	Receivables from Other Governments	153,496	1,229	-	150,012
1310	Inventories	-	-	-	35,483
1000	<i>Total Assets</i>	<u>\$ 153,496</u>	<u>\$ 1,229</u>	<u>\$ -</u>	<u>\$ 971,293</u>
	LIABILITIES:				
2110	Accounts Payable	\$ 17,612	\$ -	\$ -	\$ 73,136
2160	Accrued Wages Payable	-	-	-	45,441
2170	Due to Other Funds	135,884	1,229	-	-
2000	<i>Total Liabilities</i>	<u>153,496</u>	<u>1,229</u>	<u>-</u>	<u>118,577</u>
	FUND BALANCES:				
	<i>Nonspendable:</i>				
3410	Inventories	-	-	-	35,483
	<i>Restricted Fund Balances:</i>				
3450	Federal and State Grants	-	-	-	817,233
3000	<i>Total Fund Balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>852,716</u>
4000	Total Liabilities and Fund Balance	<u>\$ 153,496</u>	<u>\$ 1,229</u>	<u>\$ -</u>	<u>\$ 971,293</u>

See Independent Auditor's Report.

EXHIBIT H-1

242 Summer Feeding Program	244 Carl Perkins	255 ESEA Title II Part A	266 ESSER	279 TCLAS	281 ESSER II	282 ESSER III	284 IDEA Part B ARP
\$ 66,399	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	6,721	28,554	74,363	-	87,537	404,143	-
-	-	-	-	-	-	-	-
<u>\$ 66,399</u>	<u>\$ 6,721</u>	<u>\$ 28,554</u>	<u>\$ 74,363</u>	<u>\$ -</u>	<u>\$ 87,537</u>	<u>\$ 404,143</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 215,491	\$ -
-	-	-	-	-	-	-	-
-	6,721	28,554	74,363	-	87,537	188,652	-
-	6,721	28,554	74,363	-	87,537	404,143	-
-	-	-	-	-	-	-	-
66,399	-	-	-	-	-	-	-
<u>66,399</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 66,399</u>	<u>\$ 6,721</u>	<u>\$ 28,554</u>	<u>\$ 74,363</u>	<u>\$ -</u>	<u>\$ 87,537</u>	<u>\$ 404,143</u>	<u>\$ -</u>

ROBSTOWN INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEETS (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
AUGUST 31, 2022

Data Control Codes		285 IDEA B ARP Preschool	289 Summer School	397 Advanced Placement Initiative	410 State Textbook
	ASSETS:				
1110	Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -
1240	Receivables from Other Governments	3,349	30,082	-	-
1310	Inventories	-	-	-	-
1000	<i>Total Assets</i>	<u>\$ 3,349</u>	<u>\$ 30,082</u>	<u>\$ -</u>	<u>\$ -</u>
	LIABILITIES:				
2110	Accounts Payable	\$ -	\$ -	\$ -	\$ -
2160	Accrued Wages Payable	-	-	-	-
2170	Due to Other Funds	3,349	30,082	-	-
2000	<i>Total Liabilities</i>	<u>3,349</u>	<u>30,082</u>	<u>-</u>	<u>-</u>
	FUND BALANCES:				
	<i>Nonspendable:</i>				
3410	Inventories	-	-	-	-
	<i>Restricted Fund Balances:</i>				
3450	Federal and State Grants	-	-	-	-
3000	<i>Total Fund Balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities and Fund Balance	<u>\$ 3,349</u>	<u>\$ 30,082</u>	<u>\$ -</u>	<u>\$ -</u>

See Independent Auditor's Report.

427 JET Grant	428 State Special Education	429 Other State Programs	461 Campus Activity Fund	491 Foundation Grants	699 Capital Projects Fund	Total Nonmajor Funds
\$ -	\$ -	\$ -	\$ 37,959	\$ -	\$ -	\$ 890,156
242,168	-	1,295	-	-	-	1,182,949
-	-	-	-	-	-	35,483
<u>\$ 242,168</u>	<u>\$ -</u>	<u>\$ 1,295</u>	<u>\$ 37,959</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,108,588</u>
\$ 18,517	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 324,756
-	-	-	-	-	-	45,441
223,651	-	1,295	-	-	-	781,317
<u>242,168</u>	<u>-</u>	<u>1,295</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,151,514</u>
-	-	-	-	-	-	35,483
-	-	-	37,959	-	-	921,591
-	-	-	37,959	-	-	957,074
<u>\$ 242,168</u>	<u>\$ -</u>	<u>\$ 1,295</u>	<u>\$ 37,959</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,108,588</u>

ROBSTOWN INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE – NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2022

Data Control Codes		211 Title I Part A	224 IDEA Part B Formula	225 IDEA Part B Preschool	240 National School Lunch
REVENUES					
5700	Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ 40,636
5800	State Program Revenues	-	-	-	23,283
5900	Federal Program Revenues	1,614,895	519,109	15,910	2,346,644
5020	Total Revenues	<u>1,614,895</u>	<u>519,109</u>	<u>15,910</u>	<u>2,410,563</u>
EXPENDITURES					
<i>Current:</i>					
0011	Instruction	857,299	189,993	15,910	-
0012	Instructional Resources	175,647	-	-	-
0013	Curriculum and Staff Development	129,975	-	-	-
0021	Instructional Leadership	120,396	82,631	-	-
0023	School Leadership	34,388	-	-	-
0031	Guidance and Counseling	71,731	246,485	-	-
0032	Social Work Services	6,999	-	-	-
0033	Health Services	-	-	-	-
0034	Transportation	-	-	-	-
0035	Food Service	-	-	-	1,895,310
0036	Extracurricular	332	-	-	-
0041	General Administration	-	-	-	-
0051	Plant Maintenance	-	-	-	-
0052	Security and Monitoring	-	-	-	-
0053	Data Processing	-	-	-	-
0061	Community Service	218,128	-	-	-
0081	Facilities Acquisition	-	-	-	-
6030	Total Expenditures	<u>1,614,895</u>	<u>519,109</u>	<u>15,910</u>	<u>1,895,310</u>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>515,253</u>
OTHER FINANCING SOURCES (USES)					
7912	Sale of Capital Assets	-	-	-	1,803
7915	Transfer In	-	-	-	727
7080	Total Other Financing	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,530</u>
1200	Net Change in Fund Balances	-	-	-	517,783
0100	Fund Balances - Beginning	-	-	-	334,933
3000	Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 852,716</u>

See Independent Auditor's Report.

EXHIBIT H-2

242 Summer Feeding Program	244 Carl Perkins	255 ESEA Title II Part A	266 ESSER	279 TCLAS	281 ESSER II	282 ESSER III	284 IDEA Part B ARP
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	61,857	113,373	85,542	1,474	1,948,113	2,958,859	21,416
-	61,857	113,373	85,542	1,474	1,948,113	2,958,859	21,416
-	61,857	103,738	73,441	1,474	271,754	1,656,502	21,416
-	-	-	-	-	6,087	23,980	-
-	-	7,569	-	-	1,015	23,551	-
-	-	1,107	-	-	146,515	38,309	-
-	-	959	-	-	531,136	86,275	-
-	-	-	-	-	11,160	42,487	-
-	-	-	-	-	72,551	89,827	-
-	-	-	-	-	8,116	31,345	-
-	-	-	-	-	54,944	40,415	-
-	-	-	-	-	33,479	83,148	-
-	-	-	-	-	2,029	6,087	-
-	-	-	-	-	130,242	56,453	-
-	-	-	-	-	584,118	118,234	-
-	-	-	3,111	-	9,867	19,805	-
-	-	-	5,439	-	81,042	118,325	-
-	-	-	3,551	-	4,058	11,123	-
-	-	-	-	-	-	512,993	-
-	61,857	113,373	85,542	1,474	1,948,113	2,958,859	21,416
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
66,399	-	-	-	-	-	-	-
\$ 66,399	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

ROBSTOWN INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
FOR THE YEAR ENDED AUGUST 31, 2022

Data Control Codes		285 IDEA B ARP Preschool	289 Other Federal Grants	397 Advanced Placement Initiative	410 State Textbook
REVENUES					
5700	Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800	State Program Revenues	-	-	237	101,822
5900	Federal Program Revenues	4,187	430,419	-	-
5020	Total Revenues	<u>4,187</u>	<u>430,419</u>	<u>237</u>	<u>101,822</u>
EXPENDITURES					
<i>Current:</i>					
0011	Instruction	4,187	183,959	237	101,822
0012	Instructional Resources	-	-	-	-
0013	Curriculum and Staff Development	-	-	-	-
0021	Instructional Leadership	-	375	-	-
0023	School Leadership	-	-	-	-
0031	Guidance and Counseling	-	4,897	-	-
0032	Social Work Services	-	1,694	-	-
0033	Health Services	-	9,604	-	-
0034	Transportation	-	-	-	-
0035	Food Service	-	-	-	-
0036	Extracurricular	-	-	-	-
0041	General Administration	-	-	-	-
0051	Plant Maintenance	-	-	-	-
0052	Security and Monitoring	-	-	-	-
0053	Data Processing	-	225,400	-	-
0061	Community Service	-	4,490	-	-
0081	Facilities Acquisition	-	-	-	-
6030	Total Expenditures	<u>4,187</u>	<u>430,419</u>	<u>237</u>	<u>101,822</u>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)					
7912	Sale of Capital Assets	-	-	-	-
7915	Transfer In	-	-	-	-
7080	Total Other Financing	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1200	Net Change in Fund Balances	-	-	-	-
0100	Fund Balances - Beginning	-	-	-	-
3000	Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Independent Auditor's Report.

EXHIBIT H-2

427 JET Grant	428 State Special Education	429 Other State Programs	461 Campus Activity Fund	491 Foundation Grants	699 Capital Projects Fund	Total Nonmajor Funds
\$ -	\$ -	\$ -	\$ 72,675	\$ 19,178	\$ 166	\$ 132,655
159,276	5,025	2,590	-	-	-	292,233
82,892	-	-	-	-	-	10,204,690
<u>242,168</u>	<u>5,025</u>	<u>2,590</u>	<u>72,675</u>	<u>19,178</u>	<u>166</u>	<u>10,629,578</u>
230,668	-	-	1,365	16,681	-	3,792,303
-	-	-	-	2,497	-	208,211
-	-	2,590	-	-	-	164,700
-	-	-	-	-	-	389,333
-	-	-	-	-	-	652,758
-	5,025	-	-	-	-	381,785
-	-	-	-	-	-	171,071
-	-	-	-	-	-	49,065
-	-	-	-	-	-	95,359
-	-	-	-	-	-	2,011,937
-	-	-	60,929	-	24,028	93,405
-	-	-	-	-	-	186,695
-	-	-	-	-	-	702,352
-	-	-	-	-	-	32,783
-	-	-	-	-	-	430,206
-	-	-	535	-	-	241,885
27,550	-	-	-	-	1,070	541,613
<u>258,218</u>	<u>5,025</u>	<u>2,590</u>	<u>62,829</u>	<u>19,178</u>	<u>25,098</u>	<u>10,145,461</u>
(16,050)	-	-	9,846	-	(24,932)	484,117
-	-	-	-	-	-	1,803
16,050	-	-	-	-	-	16,777
<u>16,050</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,580</u>
-	-	-	9,846	-	(24,932)	502,697
-	-	-	28,113	-	24,932	454,377
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,959</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 957,074</u>

ROBSTOWN INDEPENDENT SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
NATIONAL SCHOOL BREAKFAST AND LUNCH PROGRAM
FOR THE YEAR ENDED AUGUST 31, 2022

Data Control Codes		1	2	3	
		Budgeted Amounts			Variance with Final Budget
		Original	Final	Actual	
	REVENUES				
5700	Local and Intermediate Sources	\$ 80,549	\$ 80,549	\$ 40,636	\$ (39,913)
5800	State Program Revenues	9,672	9,672	23,283	13,611
5900	Federal Program Revenues	2,461,198	2,514,198	2,346,644	(167,554)
5020	Total Revenues	2,551,419	2,604,419	2,410,563	(193,856)
	EXPENDITURES				
0035	Food Services	2,386,419	2,440,147	1,895,310	544,837
0051	Plant Maintenance	165,000	165,000	-	165,000
6030	Total Expenditures	2,551,419	2,605,147	1,895,310	709,837
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(728)	515,253	515,981
	OTHER FINANCING SOURCES (USES):				
7912	Sale of Capital Assets	-	-	1,803	1,803
7915	Transfer In	-	728	727	(1)
7080	Total Other Financing Sources	-	728	2,530	1,802
1200	Net Change in Fund Balance	-	-	517,783	517,783
0100	Fund Balance - Beginning	334,933	334,933	334,933	-
3000	Fund Balance - Ending	\$ 334,933	\$ 334,933	\$ 852,716	\$ 517,783

See Independent Auditor's Report.

ROBSTOWN INDEPENDENT SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE YEAR ENDED AUGUST 31, 2022

Data Control Codes		1	2	3	
		Budgeted Amounts			Variance with Final Budget
		Original	Final	Actual	
	REVENUES				
5700	Local and Intermediate Sources	\$ 3,255,425	\$ 3,255,425	\$ 3,325,770	\$ 70,345
5800	State Program Revenues	866,964	866,964	757,993	(108,971)
5900	Federal Revenues	306,240	306,240	306,224	(16)
5020	Total Revenues	4,428,629	4,428,629	4,389,987	(38,642)
	EXPENDITURES				
0071	Principal on Long-Term Debt	1,332,939	1,332,939	1,332,939	-
0072	Interest on Long-Term Debt	3,240,567	3,240,567	3,233,680	6,887
0073	Bond Issuance Costs and Fees	-	155,974	152,369	3,605
6030	Total Expenditures	4,573,506	4,729,480	4,718,988	10,492
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	(144,877)	(300,851)	(329,001)	(28,150)
	OTHER FINANCING SOURCES				
7911	Bonds Issued	-	6,395,000	6,395,000	-
7916	Premiums on Bonds Issued	-	951,336	951,336	-
8949	Payment to Refunding Escrow Agent	-	(7,190,361)	(7,190,361)	-
7080	Total Other Financing	-	155,975	155,975	-
1200	Net Change in Fund Balance	(144,877)	(144,876)	(173,026)	(28,150)
0100	Fund Balance - Beginning	449,078	449,078	449,078	-
3000	Fund Balance - Ending	\$ 304,201	\$ 304,202	\$ 276,052	\$ (28,150)

See Independent Auditor's Report.

ROBSTOWN INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF NET POSITION
 INTERNAL SERVICE FUNDS
 AUGUST 31, 2022

	752 Print Shop	753 Insurance	Total Internal Service Funds
ASSETS:			
<i>Current Assets:</i>			
Cash and Cash Equivalents	\$ 41,324	\$ 147,290	\$ 188,614
Investments	-	370,923	370,923
Other Receivables	11,131	-	11,131
<i>Total Assets</i>	<u>52,455</u>	<u>518,213</u>	<u>570,668</u>
LIABILITIES:			
<i>Current Liabilities</i>			
Accounts Payable	1,509	12,000	13,509
<i>Total Liabilities</i>	<u>1,509</u>	<u>12,000</u>	<u>13,509</u>
NET POSITION:			
Unrestricted Net Position	50,946	506,213	557,159
<i>Total Net Position</i>	<u>\$ 50,946</u>	<u>\$ 506,213</u>	<u>\$ 557,159</u>

ROBSTOWN INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2022

	752 Print Shop	753 Insurance	Total Internal Service Funds
OPERATING REVENUES:			
Charges for Premiums and Services	\$ 14,267	\$ 181,719	\$ 195,986
<i>Total Operating Revenues</i>	<u>14,267</u>	<u>181,719</u>	<u>195,986</u>
OPERATING EXPENSES:			
Services	8,110	123,266	131,376
Supplies	14,074	-	14,074
Other Operating Costs	281	-	281
<i>Total Operating Expenses</i>	<u>22,465</u>	<u>123,266</u>	<u>145,731</u>
Operating Income	(8,198)	58,453	50,255
OTHER INCOME AND TRANSFERS:			
Interest Income	-	2,545	2,545
<i>Total Other Income and Transfers</i>	<u>-</u>	<u>2,545</u>	<u>2,545</u>
Change in Net Position	(8,198)	60,998	52,800
Total Net Position - Beginning	59,144	445,215	504,359
Total Net Position - Ending	<u>\$ 50,946</u>	<u>\$ 506,213</u>	<u>\$ 557,159</u>

See Independent Auditor's Report.

ROBSTOWN INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2022

	752 Print Shop	753 Insurance	Nonmajor Internal Service Fund
Cash Flows from Operating Activities:			
Cash Receipts (Payments) for Quasi-external Operating Transactions with Other Funds	\$ 14,267	\$ 181,719	\$ 195,986
Cash Payments to Suppliers for Goods and Services	(32,753)	(126,779)	(159,532)
Net Cash Provided (Used) by Operating Activities	<u>(18,486)</u>	<u>54,940</u>	<u>36,454</u>
Cash Flows from Investing Activities:			
Interest Income	-	2,545	2,545
Purchase of Investments	-	(2,335)	(2,335)
Net Cash Provided (Used) by Investing Activities	<u>-</u>	<u>210</u>	<u>210</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(18,486)	55,150	36,664
Cash and Cash Equivalents at Beginning of Year	59,810	92,140	151,950
Cash and Cash Equivalents at End of Year	<u>\$ 41,324</u>	<u>\$ 147,290</u>	<u>\$ 188,614</u>
Reconciliation of Operating Income to Net Cash			
Provided by Operating Activities			
Operating Income (Loss)	\$ (8,198)	\$ 58,453	\$ 50,255
Adjustments to Reconcile Operating Income to Net Cash			
Provided by Operating Activities			
Change in Assets and Liabilities:			
Increase (Decrease) in Other Receivables	(11,131)	-	(11,131)
Increase (Decrease) in Accounts Payable	843	(3,513)	(2,670)
Total Adjustments	<u>(10,288)</u>	<u>(3,513)</u>	<u>(13,801)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (18,486)</u>	<u>\$ 54,940</u>	<u>\$ 36,454</u>

OTHER INFORMATION

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

ROBSTOWN INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
FOR THE YEAR ENDED AUGUST 31, 2022

Year Ended August 31,	1	2	3
	Tax Rates		Assessed/Appraised
	Maintenance	Debt Service	Value for School Tax Purposes*
	\$ Various	\$ Various	\$ Various
2013 and Prior Years			
2014	1.1700	0.4600	494,093,489
2015	1.1700	0.4754	533,949,784
2016	1.1700	0.4800	538,704,625
2017	1.1700	0.4800	543,612,338
2018	1.1700	0.4950	559,344,056
2019	1.1700	0.4950	614,283,481
2020	1.0683	0.5000	622,915,796
2021	1.0440	0.5000	622,694,560
2022 (School Year Under Audit)*	1.0436	0.5200	636,181,504

1000 Totals

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

*Net taxable value before applicable exemptions, freeze adjustments and discounts.

EXHIBIT J-1

10 Beginning Balance 9/1/21	20 Current Year's Total Levy	31 Maintenance Collections	32 Debt Service Collections	40 Entire Year's Adjustments	50 Ending Balance 8/31/22
\$ 551,800	\$ -	\$ 17,561	\$ 6,904	\$ (25,985)	\$ 501,350
95,001	-	3,238	1,273	(832)	89,658
145,738	-	6,018	2,445	(842)	136,433
144,218	-	7,592	3,115	(973)	132,538
210,307	-	15,097	6,194	599	189,615
254,314	-	22,397	9,476	8,333	230,774
303,945	-	45,319	19,173	16,942	256,395
354,244	-	63,544	29,741	23,659	284,618
615,226	-	140,623	67,348	12,272	419,527
-	9,947,334	6,217,731	3,098,141	-	631,462
\$ 2,674,793	\$ 9,947,334	\$ 6,539,120	\$ 3,243,810	\$ 33,173	\$ 2,872,370
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

ROBSTOWN INDEPENDENT SCHOOL DISTRICT
SPECIAL PROGRAM COMPLIANCE SCHEDULE
FOR THE YEAR ENDED AUGUST 31, 2022

Data Control Codes		Responses
	<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.	\$ 3,570,997
AP4	List the actual direct program expenditures for state compensatory education during the LEA's fiscal year (PICs 24, 26, 28, 29, 30, 34)	\$ 1,981,635
	<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.	\$ 53,918
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PICs 25, 35)	\$ 31,356

ROBSTOWN INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS
AS OF AUGUST 31, 2022

Data Control Codes		Responses
SF1	Was there an unmodified opinion in the Annual Financial Report on the financial statements as a whole?	Yes
SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement at fiscal year-end?	No
SF3	Did the school district make timely payments to the Teacher Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies?	Yes
SF4	Was the school district 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	\$ 4,811,596



COMPLIANCE SECTION



Armstrong, Vaughan & Associates, P. C.

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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

Board of Trustees
Robstown Independent School District
Robstown, TX

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 Robstown Independent School District as of and for the year ended August 31, 2022, and the related notes to the financial statements, which collectively comprise Robstown Independent School District's basic financial statements, and have issued our report thereon dated December 2, 2022.

Report on Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District'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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting 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 may exist that have not been identified.

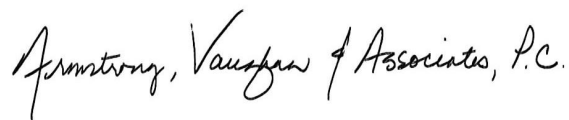
Report on Compliance and Other Matters

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

We noted certain matters that we have reported to management of the District in a separate letter dated December 2, 2022.

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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Armstrong, Vaughan & Associates, P.C.".

Armstrong, Vaughan & Associates, P.C.

December 2, 2022



Armstrong, Vaughan & Associates, P. C.

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH UNIFORM GUIDANCE

Board of Trustees
Robstown Independent School District
Robstown, TX 78380

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Robstown Independent School District's compliance with the types of compliance requirements described in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2022. Robstown Independent School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Robstown Independent School District complied, in all material respects, with the 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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) 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 Robstown Independent School 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 Robstown Independent School 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 Robstown Independent School District's federal programs.

Auditor's Responsibilities 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 Robstown Independent School 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 Robstown Independent School 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 Robstown Independent School 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 Robstown Independent School 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 Robstown Independent School 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 combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Armstrong, Vaughan & Associates, P.C.".

Armstrong, Vaughan & Associates, P.C.

December 2, 2022

ROBSTOWN INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED AUGUST 31, 2022

A. Summary of Auditor's Results

1. Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Any material weaknesses identified? Yes X No

Any significant deficiencies identified? Yes X No

Noncompliance material to financial Statements noted? Yes X No

2. Federal Awards

Internal control over major programs:

Any material weaknesses identified? Yes X No

Any significant deficiencies identified? Yes X No

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes X No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.553, 10.555	Child Nutrition Cluster
84.425D, 84.425U	Elementary and Secondary School Emergency Relief Fund

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

Auditee qualified as low-risk auditee? X Yes No

B. Financial Statement Findings
NONE

C. Federal Award Findings and Questioned Costs
NONE

D. Prior Audit Findings Related to Federal Awards
NONE

ROBSTOWN INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2022

(1) Federal Grantor/ Pass-Through Grantor/ Program Title	(2) Federal Assistance Listing	(2A) Pass-Through Entity Identifying Number	(3) Federal Expenditures
U.S. DEPARTMENT OF EDUCATION			
<i>Direct Programs</i>			
Impact Aid	84.041		\$ 9,647
<i>Passed Through Texas Workforce Commission</i>			
Career and Technical Guidance - Basic Grant	84.048A		82,892
<i>Passed Through Texas Education Agency</i>			
ESEA, Title I, Part A - Improving Basic Programs	84.010A	22610101178909	1,701,630
*IDEA - Part B, Formula	84.027A	226600011789096000	547,435
*IDEA - Part B, Preschool	84.173A	226610011789096000	15,910
*IDEA - Part B, Formula - ARP	84.027X	225350011789095000	21,416
*IDEA - Part B, Preschool - ARP	84.173X	225360011789095000	4,187
Career and Technical Guidance - Basic Grant	84.048A	22420006178909	61,857
ESEA, Title II, Part A, Teacher/Principal Training	84.367A	22694501178909	119,386
LEP Summer School	84.369A	69552002	1,475
Title IV, Part A, Subpart 1	84.424A	22680101178909	108,729
Elementary and Secondary School Emergency Relief Fund			
ESSER I	84.425D	20521001178909	99,066
CRRSA ESSER II	84.425D	21521001178909	2,258,818
Texas COVID Learning Acceleration Support	84.425U	21528042178909	1,474
ARP ESSER III	84.425U	21528001178909	3,318,660
<i>Total Passed Through Texas Education Agency</i>			<u>8,260,043</u>
TOTAL U.S. DEPARTMENT OF EDUCATION			<u>8,352,582</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<i>Passed Through Texas Education Agency</i>			
ELC Reopening Schools	93.323	39352201	100,321
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>100,321</u>
U.S. DEPARTMENT OF TREASURY			
<i>Direct</i>			
Corona-virus Relief Fund	21.019		7,717
<i>Passed Through Texas Education Agency</i>			
Corona-virus Relief Fund	21.019	52202002	38,119
TOTAL U.S. DEPARTMENT OF TREASURY			<u>45,836</u>
FEDERAL COMMUNICATIONS COMMISSION			
<i>Direct</i>			
Emergency Connectivity Fund	32.009		225,400
TOTAL FEDERAL COMMUNICATIONS COMMISSION			<u>\$ 225,400</u>

ROBSTOWN INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED AUGUST 31, 2022

(1) Federal Grantor/ Pass-Through Grantor/ Program Title	(2) Federal Assistance Listing	(2A) Pass-Through Entity Identifying Number	(3) Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
<i>Passed Through Texas Department of Agriculture:</i>			
School Breakfast Program ^	10.553	71402201	\$ 585,826
National School Lunch ^	10.555	71302201	1,482,861
Commodities ^ (Non-cash)	10.555		155,458
Child and Adult Care Food	10.558		55,923
Fresh Fruit and Vegetables	10.582		66,576
TOTAL U.S. DEPARTMENT OF AGRICULTURE			<u>2,346,644</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ 11,070,783</u></u>
<i>Cluster Totals</i>			
* IDEA			588,948
^ Child Nutrition			2,224,145
<i>Program Totals</i>			
National School Lunch	10.555		1,638,319
ESSER	84.425		5,678,018
Corona-virus Relief Fund	21.019		45,836
Career and Technical Guidance - Basic Grant	84.048A		144,749

ROBSTOWN INDEPENDENT SCHOOL DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2022

1. For all Federal programs, the District uses the fund types specified in Texas Education Agency's Financial Accountability System Resource Guide. Special revenue funds are used to account for resources restricted, or designated for, specific purposes by a grantor. Federal and state financial assistance generally is accounted for in a Special Revenue Fund.
2. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Governmental Fund types are accounted for using a current financial resources measurement focus. All Federal grant funds were accounted for in the General Fund or Special Revenue Fund, which are Governmental Fund types. With this measurement focus, only current assets and current liabilities and the fund balance are included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets.

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

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

3. According to AAG-SLG Appendix D, Questions and Answers, most Medicaid arrangements between states and providers (SHARS) are contracts for services and not Federal assistance, they should not appear on the Schedule of Expenditures of Federal Awards.
4. The District charges indirect costs in accordance with a negotiated rate with the Texas Education Agency and has not elected to use the 10% de minimis indirect cost rate as allowed by Uniform Guidance.
5. Reconciliation of the Schedule of Expenditures of Federal Awards to Exhibit C-2 is as follows:

Federal Program Revenues and Expenditures:

General Fund	\$ 1,227,499
Debt Service Funds	306,224
Special Revenue Funds	<u>10,204,690</u>
	<u>11,738,413</u>

Less:

Qualified School Construction Bonds Subsidy	(306,224)
E-Rate reimbursement	(29,938)
Shared Health and Related Services (SHARS)	<u>(331,468)</u>

Total per Schedule of Expenditures of Federal Awards (See Exhibit K-1)	<u><u>\$ 11,070,783</u></u>
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See Independent Auditor's Report.

