



SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT

Agenda Item Summary

Meeting Date: January 20, 2021

Purpose:  Presentation/Report  Recognition  Discussion/ Possible Action

Closed/Executive Session  Work Session  Discussion Only  Consent

From: Jeff Baum, Deputy Superintendent of Finance & Operations

Item Title: 2019-2020 Audit

Description: Richard Galindo with Garza, Gonzalez and Associates, CPAs will present the results of the 2019-2020 Comprehensive Annual Financial Review for the Board’s information and approval.

Historical Data: The Texas Education Agency requires that District’s receive an audit of their annual financial data. Upon the Board’s acceptance of the audit, the District is required to electronically submit the audit report to TEA. Both actions are required to be completed prior to the end of January 2021.

Recommendation: Approve the 2019-2020 Audit as presented.

District Goal/Strategy:

Strategy 1 We will engage all school community members through transparency and effective communication to promote a positive perception and create a strong brand.

Funding Budget Code and Amount:

APPROVED BY:

SIGNATURE

DATE

Chief Officer:

\_\_\_\_\_

\_\_\_\_\_

CFO Funding Approval:

\_\_\_\_\_

\_\_\_\_\_

Superintendent:

\_\_\_\_\_

\_\_\_\_\_

**SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT**  
San Antonio, Texas

**AUDIT SUMMARY**

For the Year Ended August 31, 2020

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**SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
2020 Audit Summary**

**Annual Financial Report**

**1. Auditor’s Report – Financial Statements (FS)**

a. *Unmodified* Opinion (pgs. 2-4)

**2. Auditor’s Report – Federal Awards**

a. Internal Control Over Financial Reporting and Compliance and Other Matters in Accordance with *Government Auditing Standards* (pgs. 93-94)

- No Material Weaknesses
- No Significant Deficiencies
- No Noncompliance Required to be Reported in FS

b. *Unmodified* Opinion – Compliance on Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance (pgs. 95-96)

- No—
  - Material Weaknesses
  - Significant Deficiencies
  - Noncompliance Required to be Reported in FS
  - No Questioned Costs

**3. Major Programs (pg. 97)**

a. District qualified as a Low Risk Auditee – Required to have 20% of federal funds expended audited as major programs

Major Programs	
Fiscal Year Ended August 31, 2020	Fiscal Year Ended August 31, 2019
Child Nutrition Cluster— <input type="checkbox"/> School Breakfast Program <input type="checkbox"/> National School Lunch Program	Child Nutrition Cluster— <input type="checkbox"/> School Breakfast Program <input type="checkbox"/> National School Lunch Program
Elementary and Secondary School Emergency Relief Fund	Head Start

**4. Fund Balance for the General Fund at August 31, 2020**

a. \$27.7M (pg. 15)

b. Decrease of \$2.8M from current year activity (pg. 18)

Category	Amount	%-age of Total Fund Balance
Unassigned (1)	\$ 26.5M	96%
Committed	1.2M	4%
<b>Total</b>	<b>\$ 27.7M</b>	<b>100%</b>

(1) Represents about 124 days of operation; 143 in 2019.

# SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT

## 2020 Audit Summary

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### 5. General Fund Budget/Actual (pg. 63)

- a. Final Amended Budget for Revenues = \$79.9M;  
Actual Revenues 78.4M;  
Variance – Revenues \$ 1.5M.
- b. Final Amended Budget for Expenditures = \$87.4M;  
Actual Expenditures 81.3M;  
Variance – Expenditures \$ 6.1M.
- c. Expected to use \$7.4M of Fund Balance, actually used \$2.8M a \$4.6M variance. (Line 1200);

### 6. Long-Term Debt

- a. Total Outstanding Debt of \$164,400,704 at August 31, 2020 comprised of the following (pg. 44)
- |                                  |               |
|----------------------------------|---------------|
| ▪ Bonds – (principal balance)    | \$141,294,843 |
| ▪ Unamortized Premiums –         | 10,436,214    |
| ▪ Accreted Interest –            | 11,324,472    |
| ▪ Compensated Absences Liability | 1,345,175     |
- b. In October 2019 the District issued the South San Antonio Independent School District Unlimited Tax Refunding Bonds, Series 2019 (Series 2019 A; B and C) bonds in the amount of \$39,005,000 issued with a premium of \$3,803,876.
- c. In August 2020 the District issued the South San Antonio Independent School District Unlimited Tax Refunding Bonds, Series 2020, bonds in the amount of \$5,340,000 issued with a premium of \$1,183,182
- d. The total amount of bonds refunded with the Series 2019 and Series 2020 bonds was \$46,085,000.
- e. Net TRS Pension Liability (pgs. 46-52) and Net TRS Other Post Employment Benefit (OPEB) Liability (pgs. 53-58)
- Pension- GASB Statement No. 68 adopted in FY2015 requires state and local government agencies to report the actuarially determined net TRS Pension liability in its financial statements. The TRS Pension plan is a cost-sharing multiple employer defined benefit pension plan with a special funding situation.
    - District’s Net Pension Liability at August 31, 2020 – (\$30,284,965)
    - District’s net deferred outflows and inflows related to Pension \$7,844,305
    - Net effect to District’s net position (\$22,440,660)

# **SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT**

## **2020 Audit Summary**

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- OPEB – GASB Statement No. 75 adopted in FY2018 requires state and local government agencies to report the actuarially determined net other postemployment benefit (OPEB) liability in its financial statements. The TRS OPEB plan is a medical care program for retirees participating in the TRS Pension Plan.
  - District’s Net OPEB Liability at August 31, 2020 – (\$35,932,429)
  - District’s net deferred outflows and inflows related to OPEB (\$13,740,938)
  - Net effect to District’s net position (\$49,673,367)

### **7. Property Taxes**

- a. M&O Tax Rate decreased to – \$.97 (\$1.04 in PY)
- b. I&S Tax Rate increased to – \$0.48 (\$0.4115 in PY)
- c. Total Tax Rate Decreased by - .0015 from PY.
- d. Property Tax Values Increased – From \$1.83 Billion to \$1.97 Billion

**SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT**  
**2020 Audit Summary**

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**Report On The Conduct of Audit**

- 1. Difficulties Encountered or Disagreements with Management in Performing the Audit (pg. 2)**
  - a. None
  
- 2. Audit Adjustments (pg. 2)**
  - a. Certain audit adjustments, whether prepared by G/G&A or management were adopted and reflected in the audited financial statements. The most significant adjustment was to reclassify the TX Volkswagen Environmental Mitigation Program Grant initially reported as a Federal Grant (Fund 288) to a State Grant (Fund 429). The grant had revenues and expenditures of \$337,336 during the year and a receivable from the State and a payable to the general fund in the same amount.
  
- 3. Internal Control and Other Matters (pgs. 4-5)**
  - a. Workers' Compensation Excess Loss Coverage

Prior year comments:

- a. Information Technology Strategic Planning and Risk Assessment
- b. Accounting for Capital Assets

**4. Immaterial Instances of Non-Compliance with State Requirements (pg. 5)**

No Current Year Comments

Prior year comments:

- a. State Allotment Expenditure Requirements

**SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT**  
San Antonio, Texas

**ANNUAL FINANCIAL AND COMPLIANCE REPORT**

For The Year Ended August 31, 2020

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SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
San Antonio, Texas

ANNUAL FINANCIAL AND COMPLIANCE REPORT

For The Year Ended August 31, 2020

TABLE OF CONTENTS

	<u>PAGE</u>	<u>EXHIBIT</u>
<b>INTRODUCTORY SECTION</b>		
Certificate of Board .....	1	
<b>FINANCIAL SECTION</b>		
Independent Auditor’s Report .....	2-4	
Management’s Discussion and Analysis .....	5-12	
<b>BASIC FINANCIAL STATEMENTS</b>		
Government Wide Financial Statements:		
Statement of Net Position .....	13	A-1
Statement of Activities .....	14	B-1
Governmental Funds Financial Statements:		
Balance Sheet – Governmental Funds .....	15-16	C-1
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position .....	17	C-2
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds .....	18-19	C-3
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities....	20	C-4
Proprietary Funds Financial Statements:		
Statement of Net Position – Proprietary Funds .....	21	D-1
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds .....	22	D-2
Statement of Cash Flows – Proprietary Funds .....	23	D-3
Fiduciary Funds Financial Statements:		
Statement of Fiduciary Net Position – Fiduciary Funds .....	24	E-1
Notes to Financial Statements .....	25-62	
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>		
Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual – General Fund .....	63	G-1
Schedule of the District’s Proportionate Share of the Net Pension Liability – Teacher Retirement System of Texas .....	64-65	G-6

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SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
San Antonio, Texas

ANNUAL FINANCIAL AND COMPLIANCE REPORT

For The Year Ended August 31, 2020

TABLE OF CONTENTS

	PAGE	EXHIBIT
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>		
Schedule of the District’s Contributions for Pensions – Teacher Retirement System of Texas.....	66-67	G-7
Schedule of the District’s Proportionate Share of the Net OPEB Liability – Teacher Retirement System of Texas.....	68	G-8
Schedule of the District’s Contributions for Other Postemployment Benefits – (OPEB) Teacher Retirement System of Texas.....	69	G-9
Notes to Required Supplementary Information .....	70-71	
<b>COMBINING STATEMENTS</b>		
<b>Nonmajor Governmental Funds:</b>		
Combining Balance Sheet .....	72-77	H-1
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances .....	78-83	H-2
<b>Internal Service Funds</b>		
Combining Statement of Net Position – Internal Funds.....	84	H-3
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position.....	85	H-4
Combining Statement of Cash Flows .....	86	H-5
<b>Agency Fund</b>		
Statement of Changes in Assets and Liabilities – Agency Fund .....	87	H-9
<b>Private Purpose Trust Funds</b>		
Combining Statement of Net Position – Private Purpose Trust Funds.....	88	H-11
<b>REQUIRED TEA SCHEDULES</b>		
Schedule of Delinquent Taxes Receivable .....	89-90	J-1
Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual – Child Nutrition Program.....	91	J-4
Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual – Debt Service Fund.....	92	J-5

***DRAFT***

SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
San Antonio, Texas

ANNUAL FINANCIAL AND COMPLIANCE REPORT

For The Year Ended August 31, 2020

TABLE OF CONTENTS

	<u>PAGE</u>	<u>EXHIBIT</u>
FEDERAL AWARDS SECTION		
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	93-94	
Independent Auditor’s Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance	95-96	
Schedule of Findings and Questioned Costs .....	97-98	
Summary Schedule of Prior Audit Findings.....	99	
Schedule of Expenditures of Federal Awards .....	100-101	K-1
Notes to Schedule of Expenditures of Federal Awards .....	102-103	

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## **INTRODUCTORY SECTION**

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SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT

BEXAR

015-908

Name of School District

County

Co. Dist. Number

We, the undersigned, certify that the attached annual financial reports of the above-named school district were reviewed and \_\_\_\_\_ approved \_\_\_\_\_ disapproved for the year ended August 31, 2020 at a meeting of the Board of Trustees of such school district on the \_\_\_\_\_ day of January, 2021.

\_\_\_\_\_  
Signature of Board Secretary

\_\_\_\_\_  
Signature of Board President

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

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**FINANCIAL SECTION**

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## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of South San Antonio Independent School District (the "District") as of and for the year ended August 31, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditors' Responsibility**

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

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

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

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## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of August 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

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

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

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## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated January 8, 2021 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

January 8, 2021

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## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

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SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
San Antonio, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended August 31, 2020

This discussion and analysis of South San Antonio Independent School District's (the "District") financial performance provides an overview of the District's financial activities for the year ended August 31, 2020. It should be read in conjunction with the District's financial statements.

**FINANCIAL HIGHLIGHTS**

- The District's total combined net position reflected in the government-wide Statement of Net Position was a deficit of (\$36,696,083) at August 31, 2020. This balance reflects a decrease in net position of \$6,055,804 from the prior year's balance. Deficits in net position have resulted primarily due to the recognition of the District's share of net pension liability and other post-employment benefits (OPEB).
- For the fiscal year ended August 31, 2020, the District's general fund reported a total fund balance of \$27,692,374 of which \$26,534,268 is unassigned. This represents a decrease in unassigned fund balance of \$2,127,939 from the prior year. The decrease would be reduced had the District been reimbursed for the Coronavirus Relief Fund costs that are being reviewed by the Texas Division of Emergency Management. The District may be reimbursed \$845,605 when the review is completed in fiscal year 2021.
- At the end of the fiscal year, the District's governmental funds (the general fund plus all state and federal grant funds, the debt service fund, and the capital projects fund) reported combined ending fund balances of \$32,241,490, a decrease of \$5,148,026 from the prior year. Decreases in the debt service fund and in the non-major funds were of \$1,155,172 and \$1,236,711, respectively.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The annual report consists of three parts — *Management's Discussion and Analysis* (this section), the *Basic Financial Statements*, and *Required Supplementary Information*. The basic 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.
- *Proprietary fund* statements offer *short-* and *long-term* financial information about the activities the government operates *like businesses*. The District's proprietary type funds include the worker's compensation self-insurance fund and the medical self-insurance fund.
- *Fiduciary fund* statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others, to whom the fiduciary resources belong. This fund includes student activity funds.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The notes to the financial statements are followed by a section entitled *Required Supplementary Information* that further explains and supports the information in the financial statements.

SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
San Antonio, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended August 31, 2020

**GOVERNMENT-WIDE FINANCIAL 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 year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The government-wide statements report information about the District's *net position* and the changes from the previous year. Net position (the difference between the District's assets, deferred outflows and liabilities and deferred inflows) is one way to measure the District's financial health or position.

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

The governmental-wide financial statements of the District include the *Governmental Activities*. The District's basic services such as instruction, extracurricular activities, curriculum and staff development, health services, general administration, and plant operation and maintenance are included. Locally assessed property taxes, together with State foundation program entitlements, which are based upon student enrollment and attendance, 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 simply accounting devices that are used to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law and other funds are mandated by bond agreements or bond covenants.
- The Board of Trustees establishes other funds to control and manage money set aside for particular purposes or to show that the District is properly using certain funds.
- Fiduciary funds are used to account for assets held by the District in a trust and/or custodial capacity. These assets do not belong to the District, but the District is responsible to properly safeguard and account for them.

SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
San Antonio, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended August 31, 2020

The District has three kinds of funds:

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

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SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
San Antonio, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended August 31, 2020

**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE**

The District's combined net position was (\$36,696,083) at August 31, 2020. *Table 1* focuses on net position while *Table 2* shows the revenues and expenses that changed net position during the fiscal year ended August 31, 2020. The District reported a decrease of \$6,055,804 in net position from the prior year. This change can be attributed primarily to the current year effects of accounting and reporting GASB Statement No. 75 and GASB Statement No. 68 and the overall effects of the pandemic.

Table 1  
Net Position

Description	Governmental Activities		Total Change
	2020	2019	
Current Assets	\$ 48,071,001	\$ 56,517,111	\$ (8,446,110)
Capital Assets	156,773,919	161,863,428	(5,089,509)
Total	<u>204,844,920</u>	<u>218,380,539</u>	<u>(13,535,619)</u>
Deferred Charge on Refunding	6,119,460	6,703,524	(584,064)
Deferred Outflows - OPEB	14,001,609	3,268,079	10,733,530
Deferred Outflows - Pension	4,332,019	17,099,120	(12,767,101)
Total Deferred Outflows of Resources	<u>24,453,088</u>	<u>27,070,723</u>	<u>(2,617,635)</u>
Current Liabilities	11,145,732	15,353,751	(4,208,019)
Long-Term Liabilities	230,618,098	244,553,939	(13,935,841)
Total Liabilities	<u>241,763,830</u>	<u>259,907,690</u>	<u>(18,143,860)</u>
Deferred Inflows - Pension	6,157,304	2,328,505	3,828,799
Deferred Inflows - OPEB	18,072,957	13,855,346	4,217,611
Total Deferred Inflows of Resources	<u>24,230,261</u>	<u>16,183,851</u>	<u>8,046,410</u>
Net Position:			
Net Investment in Capital Assets	11,162,322	8,295,844	2,866,478
Restricted	2,024,915	3,629,665	(1,604,750)
Unrestricted	(49,883,320)	(42,565,788)	(7,317,532)
Total Net Pension	<u>\$ (36,696,083)</u>	<u>\$ (30,640,279)</u>	<u>\$ (6,055,804)</u>

SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
San Antonio, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended August 31, 2020

Table 2  
Changes in Net Position

Description	Governmental Activities		Total Change
	2020	2019	
<b>Revenues</b>			
Program revenues			
Charges for services	\$ 693,183	\$ 1,330,378	\$ (637,195)
Operating grants and contributions	29,468,576	34,201,736	(4,733,160)
General revenues			
Property taxes	26,418,619	24,915,767	1,502,852
Grants and contributions not restricted	55,569,631	49,661,972	5,907,659
Investment earnings	606,156	1,129,666	(523,510)
Miscellaneous	681,329	945,930	(264,601)
<b>Total Revenue</b>	<b>113,437,494</b>	<b>112,185,449</b>	<b>1,252,045</b>
<b>Expenses</b>			
Instruction	62,841,679	58,458,583	4,383,096
Instructional resources and media services	1,687,533	1,277,428	410,105
Curriculum and staff development	3,865,104	3,606,426	258,678
Instructional leadership	2,052,505	2,268,716	(216,211)
School leadership	6,760,711	6,498,559	262,152
Guidance, counseling, and evaluation services	3,952,678	3,604,957	347,721
Social work services	300,139	317,037	(16,898)
Health services	1,677,903	1,493,355	184,548
Student transportation	2,305,323	2,486,670	(181,347)
Food services	6,349,741	7,245,711	(895,970)
Co-curricular/extracurricular activities	1,976,906	2,143,391	(166,485)
General administration	3,753,503	2,931,578	821,925
Plant maintenance and operations	11,663,541	10,646,746	1,016,795
Security and monitoring	1,397,285	1,243,407	153,878
Data processing services	1,846,758	1,970,751	(123,993)
Community services	953,530	872,658	80,872
Interest on long-term debt	5,187,358	7,328,859	(2,141,501)
Bond issuance costs and fees	720,564	22,746	697,818
Capital Outlay	-	43,606	(43,606)
Payments to juvenile justice alternative education program	-	7,743	(7,743)
Payments related to Shared Services Arrangements	77,985		
Other intergovernmental charges	122,552	116,060	6,492
<b>Total Expenses</b>	<b>119,493,298</b>	<b>114,584,987</b>	<b>4,830,326</b>
<b>Changes in Net Position</b>	<b>(6,055,804)</b>	<b>(2,399,538)</b>	<b>(3,578,281)</b>
<b>Beginning Net Position</b>	<b>(30,640,279)</b>	<b>(28,240,741)</b>	<b>(2,399,538)</b>
<b>Ending Net Position</b>	<b>\$ (36,696,083)</b>	<b>\$ (30,640,279)</b>	<b>\$ (5,977,819)</b>

SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
San Antonio, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended August 31, 2020

**Financial Analysis of the District' Funds**

At the close of the fiscal year ending August 31, 2020, the District's governmental funds reported a combined fund balance of \$32,241,490. This compares to a combined fund balance of \$37,389,516 at August 31, 2019. The fund balance in the general fund decreased (\$2,756,143) primarily due to increased operating costs due to the Pandemic. The debt service fund decreased (\$1,155,172) primarily due to a decrease in state revenues. The non-major fund balance decreased by (\$1,236,711) due primarily to decreased federal revenue earned as the pandemic limited activities.

**Budgetary Highlights**

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

During the period ended August 31, 2020, the District amended its budget as required by State law and to reflect current levels of revenue and anticipated expenses. There were no material changes between the original budget and the final amended budget. The general fund's actual revenues were less than the budgeted revenues by \$1,457,200 and the budgeted expenditures exceeded actual expenditures by \$6,071,262.

**Capital Assets**

The District, at the end of the fiscal year, had a historical capital asset valuation of \$307,392,828 which represents an increase of \$4,793,364 due to the addition of equipment purchased in the current year and construction in progress. Depreciation expense for the year of \$9,882,873 was also recognized together with the capital asset additions resulted in a net decrease to capital assets of (\$5,089,509). For capital asset activity, please refer to Note III (D) of the notes to the basic financial statements on page 39.

Table 3  
District's Capital Assets

	Governmental Activities	
	2020	2019
Land, Land Improvements and CIP	\$ 3,412,257	\$ 3,265,042
Buildings and Improvements	283,529,942	280,435,708
Furniture and Equipment	20,450,629	18,898,714
Total at Historical Cost	307,392,828	302,599,464
Less Accumulated Depreciation for:		
Buildings and Improvements	(134,605,496)	(126,044,163)
Furniture and Equipment	(16,013,413)	(14,691,873)
Total Accumulated Depreciation for:	(150,618,909)	(140,736,036)
Governmental Activities Capital Assets, net	\$ 156,773,919	\$ 161,863,428

SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
San Antonio, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended August 31, 2020

**Long-Term Debt**

At year end the District had \$164,400,704 in long-term debt outstanding as shown in table 4. For detailed information of the District's long term debt refer to Note III (G) on pages 39-40.

Table 4  
District's Long-Term Debt

	Governmental Activities	
	2020	2019
Bonds Payable	\$ 141,294,843	\$ 150,031,030
Unamortized Premium	10,436,214	10,240,078
Accreted Interest	11,324,472	10,546,667
Compensated Absences	1,345,175	1,240,291
Total Long-Term Debt	\$ 164,400,704	\$ 172,058,066

In addition, the District reports a net pension liability of \$30,284,965 a decrease of \$3,189,847 from the prior year and a net OPEB liability of \$35,932,429 a decrease of \$3,088,632.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

The following factors were considered in establishing the District's budget for 2020-2021:

- The District budgeted revenues of \$75,501,654 and expenditures of \$74,984,057 for a surplus budget of \$517,597 in the general fund.
- The District estimated ADA to be 7,128 in the development of the 2020-2021 budget which was well below the 7,203 hold harmless that was granted by the State.
- The District's Board of Trustees adopted a Maintenance & Operation tax rate of \$0.9112 and an Interest & Sinking tax rate of \$0.48 for a total of \$1.3912 per \$100 of property valuation.
- The District has implemented staffing standards that will allow administration to be more prescriptive in their staffing allotments. This should ensure that staffing moves in correlation with enrollment.
- The District has issued a call for quality schools in order to form some targeted partnerships. This should spawn innovation and aid in recruitment and retention.



SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
San Antonio, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended August 31, 2020

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, students, and creditors with a general overview of the District's finances and to demonstrate the District's commitment to accountability for the money it receives. If you have questions about this report or need additional financial information, contact the South San Antonio Independent School District business office at 1450 Gillette Blvd., San Antonio, Texas.

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## **BASIC FINANCIAL STATEMENTS**

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## **Government-Wide Financial Statements**

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SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
AUGUST 31, 2020

EXHIBIT A-1

Data Control Codes	Primary Government Governmental Activities
<b>ASSETS</b>	
1110 Cash and Cash Equivalents	\$ 36,813,025
1220 Property Taxes - Delinquent	2,255,696
1230 Allowance for Uncollectible Taxes	(225,570)
1240 Due from Other Governments	8,890,380
1290 Other Receivables, Net	273,086
1300 Inventories	64,384
Capital Assets:	
1510 Land	2,796,842
1520 Buildings, Net	148,924,446
1530 Furniture and Equipment, Net	4,437,216
1580 Construction in Progress	615,415
1000 Total Assets	204,844,920
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
1701 Deferred Charge for Refunding	6,119,460
1705 Deferred Outflow Related to TRS Pension	14,001,609
1706 Deferred Outflow Related to TRS OPEB	4,332,019
1700 Total Deferred Outflows of Resources	24,453,088
<b>LIABILITIES</b>	
2110 Accounts Payable	1,484,254
2140 Interest Payable	232,816
2150 Payroll Deductions and Withholdings	821,096
2160 Accrued Wages Payable	3,820,382
2180 Due to Other Governments	3,965,976
2200 Accrued Expenses	648,941
2300 Unearned Revenue	172,267
Noncurrent Liabilities:	
2501 Due Within One Year	7,945,194
2502 Due in More Than One Year	156,455,510
2540 Net Pension Liability (District's Share)	30,284,965
2545 Net OPEB Liability (District's Share)	35,932,429
2000 Total Liabilities	241,763,830
<b>DEFERRED INFLOWS OF RESOURCES</b>	
2605 Deferred Inflow Related to TRS Pension	6,157,304
2606 Deferred Inflow Related to TRS OPEB	18,072,957
2600 Total Deferred Inflows of Resources	24,230,261
<b>NET POSITION</b>	
3200 Net Investment in Capital Assets	11,162,322
3820 Restricted for Federal and State Programs	1,065,657
3860 Restricted for Capital Projects	341,517
3890 Restricted for Other Purposes	617,741
3900 Unrestricted	(49,883,320)
3000 Total Net Position	\$ (36,696,083)

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

SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED AUGUST 31, 2020

EXHIBIT B-1

Data Control Codes	1	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		3	4	6
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Gov. Governmental Activities
<b>Primary Government:</b>				
GOVERNMENTAL ACTIVITIES:				
11 Instruction	\$ 62,841,679	\$ 183,109	\$ 13,191,673	\$ (49,466,897)
12 Instructional Resources and Media Services	1,687,533	36,808	142,832	(1,507,893)
13 Curriculum and Instructional Staff Development	3,865,104	4,090	2,968,041	(892,973)
21 Instructional Leadership	2,052,505	-	946,347	(1,106,158)
23 School Leadership	6,760,711	98,154	709,978	(5,952,579)
31 Guidance, Counseling and Evaluation Services	3,952,678	-	754,968	(3,197,710)
32 Social Work Services	300,139	-	34,865	(265,274)
33 Health Services	1,677,903	-	954,200	(723,703)
34 Student (Pupil) Transportation	2,305,323	-	685,861	(1,619,462)
35 Food Services	6,349,741	146,212	4,909,827	(1,293,702)
36 Extracurricular Activities	1,976,906	215,426	114,427	(1,647,053)
41 General Administration	3,753,503	1,205	901,418	(2,850,880)
51 Facilities Maintenance and Operations	11,663,541	8,179	1,085,920	(10,569,442)
52 Security and Monitoring Services	1,397,285	-	138,482	(1,258,803)
53 Data Processing Services	1,846,758	-	404,066	(1,442,692)
61 Community Services	953,530	-	557,685	(395,845)
72 Debt Service - Interest on Long-Term Debt	5,187,358	-	967,986	(4,219,372)
73 Debt Service - Bond Issuance Cost and Fees	720,564	-	-	(720,564)
93 Payments Related to Shared Services Arrangements	77,985	-	-	(77,985)
99 Other Intergovernmental Charges	122,552	-	-	(122,552)
[TP] TOTAL PRIMARY GOVERNMENT:	\$ 119,493,298	\$ 693,183	\$ 29,468,576	(89,331,539)

Data Control Codes	General Revenues: Taxes:	
MT	Property Taxes, Levied for General Purposes	17,672,760
DT	Property Taxes, Levied for Debt Service	8,745,859
GC	Grants and Contributions not Restricted	55,569,631
IE	Investment Earnings	606,156
MI	Miscellaneous Local and Intermediate Revenue	681,329
TR	Total General Revenues	83,275,735
CN	Change in Net Position	(6,055,804)
NB	Net Position - Beginning	(30,640,279)
NE	Net Position - Ending	\$ (36,696,083)

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

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## **Governmental Funds Financial Statements**

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SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
AUGUST 31, 2020

Data Control Codes	General Fund	Emergency Relief Fund	Debt Service Fund
<b>ASSETS</b>			
1110 Cash and Cash Equivalents	\$ 27,884,650	\$ -	\$ 2,928,644
1220 Property Taxes - Delinquent	1,511,316	-	744,380
1230 Allowance for Uncollectible Taxes	(151,132)	-	(74,438)
1240 Due from Other Governments	4,226,950	2,663,999	-
1260 Due from Other Funds	4,185,139	-	42,633
1290 Other Receivables	18,927	-	-
1300 Inventories	-	-	-
1000 Total Assets	<u>\$ 37,675,850</u>	<u>\$ 2,663,999</u>	<u>\$ 3,641,219</u>
<b>LIABILITIES</b>			
2110 Accounts Payable	\$ 1,087,206	\$ -	\$ -
2150 Payroll Deductions and Withholdings Payable	821,096	-	-
2160 Accrued Wages Payable	3,619,549	-	-
2170 Due to Other Funds	42,736	2,663,999	-
2180 Due to Other Governments	3,107,442	-	858,534
2200 Accrued Expenditures	10,750	-	-
2300 Unearned Revenue	-	-	-
2000 Total Liabilities	<u>8,688,779</u>	<u>2,663,999</u>	<u>858,534</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
2601 Unavailable Revenue - Property Taxes	1,294,697	-	639,909
2600 Total Deferred Inflows of Resources	<u>1,294,697</u>	<u>-</u>	<u>639,909</u>
<b>FUND BALANCES</b>			
Nonspendable Fund Balance:			
3410 Inventories	-	-	-
Restricted Fund Balance:			
3450 Federal or State Funds Grant Restriction	-	-	-
3470 Capital Acquisition and Contractual Obligation	-	-	-
3480 Retirement of Long-Term Debt	-	-	2,142,776
3490 Other Restricted Fund Balance	-	-	-
Committed Fund Balance:			
3545 Other Committed Fund Balance	1,158,106	-	-
Assigned Fund Balance:			
3590 Other Assigned Fund Balance	-	-	-
3600 Unassigned Fund Balance	26,534,268	-	-
3000 Total Fund Balances	<u>27,692,374</u>	<u>-</u>	<u>2,142,776</u>
4000 Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 37,675,850</u>	<u>\$ 2,663,999</u>	<u>\$ 3,641,219</u>

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

Other Funds	Total Governmental Funds
\$ 2,615,395	\$ 33,428,689
-	2,255,696
-	(225,570)
1,999,431	8,890,380
103	4,227,875
-	18,927
64,384	64,384
<u>\$ 4,679,313</u>	<u>\$ 48,660,381</u>
\$ 379,657	\$ 1,466,863
-	821,096
200,833	3,820,382
1,520,216	4,226,951
-	3,965,976
-	10,750
172,267	172,267
<u>2,272,973</u>	<u>14,484,285</u>
-	1,934,606
<u>-</u>	<u>1,934,606</u>
64,384	64,384
1,065,657	1,065,657
341,517	341,517
-	2,142,776
617,741	617,741
-	1,158,106
317,041	317,041
-	26,534,268
<u>2,406,340</u>	<u>32,241,490</u>
<u>\$ 4,679,313</u>	<u>\$ 48,660,381</u>

SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE  
 STATEMENT OF NET POSITION  
 AUGUST 31, 2020

EXHIBIT C-2

<b>Total Fund Balances - Governmental Funds</b>	<b>\$ 32,241,490</b>
The District uses internal service funds to charge the costs of certain activities, such as self-insurance, 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. The net effect of this consolidation is to increase net position.	2,981,989
Capital assets used in governmental activities are not financial resources, and; therefore, are not reported in governmental funds. At the beginning of the year, the cost of these assets was \$302,599,464 and the accumulated depreciation was (\$140,736,036). In addition, long-term liabilities, including bonds payable, are not due and payable in the current period, and; therefore, are not reported as liabilities in the funds. At the beginning of the year, bonds payable, other long-term liabilities, and compensated absences were (\$161,817,988), interest payable was (\$256,663), the unamortized balances of premium and deferred charge on refunding were (\$10,240,078) and \$6,703,524, respectively. In addition, the net pension liability was (\$33,474,812) and the related deferred outflows and inflows of resources were \$17,099,120 and (\$2,328,505), respectively; and, the net OPEB liability was (\$39,021,061) and the related deferred outflows and inflows of resources were \$3,268,079 and (\$13,855,346), respectively. The net effect of recognizing the government-wide beginning balances is to (decrease) net position.	(72,060,302)
Transactions related to current year capital outlay, bonds payable, and other long-term liabilities, and changes in interest payable and compensated absences are necessary to convert from the modified accrual basis of accounting to the accrual basis of accounting, as follows:	11,890,509
<ul style="list-style-type: none"> <li>● Acquisition of capital assets of \$4,793,364.</li> <li>● Issuance of refunding bonds was (\$44,345,000) with associated premium of (\$4,987,059) and resulted in a deferred charge on refunding of \$2,540,786.</li> <li>● Bond refunding transactions resulted in the payment of bonds outstanding of \$46,085,000 and the write-off of unamortized premium of \$3,662,793.</li> <li>● Principal payments on bonds payable of \$6,996,187 and changes in interest payable of \$23,847.</li> <li>● Accretion on capital appreciation bonds of (\$777,805).</li> <li>● Amortization of bond premium of \$1,128,130 and deferred charge on refunding was (\$3,124,850).</li> <li>● Changes in compensated absences of (\$104,884).</li> </ul>	
The net effect is to increase net position.	
Transactions in the current year related to the District's net pension liability were as follows:	(3,736,463)
<ul style="list-style-type: none"> <li>● Recognize a net decrease in the District's proportionate share of the net pension liability of \$3,189,847.</li> <li>● Recognize a net (decrease) in deferred outflows of resources in the amount of (\$3,097,511).</li> <li>● Recognize a net (increase) in deferred inflows of resources in the amount of (\$3,828,799).</li> </ul>	
The net effect is to (decrease) net position.	
Transactions in the current year related to the District's net OPEB liability were as follows:	(65,039)
<ul style="list-style-type: none"> <li>● Recognize a net decrease in the District's proportionate share of the net OPEB liability of \$3,088,632.</li> <li>● Recognize a net increase in deferred outflows of resources in the amount of \$1,063,940.</li> <li>● Recognize a net (increase) in deferred inflows of resources in the amount of (\$4,217,611).</li> </ul>	
The net effect is to (decrease) net position.	
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to (decrease) net position.	(9,882,873)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unavailable revenue from the current year tax levy as revenue in the amount of \$603,995 and from prior year tax levies in the amount of \$1,330,611. The net effect of these reclassifications and recognitions is to increase net position.	1,934,606
<b>Net Position of Governmental Activities</b>	<b>\$ (36,696,083)</b>

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

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SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2020

Data Control Codes		General Fund	Emergency Relief Fund	Debt Service Fund
REVENUES:				
5700	Total Local and Intermediate Sources	\$ 18,914,181	\$ -	\$ 8,793,806
5800	State Program Revenues	56,911,508	-	3,160,973
5900	Federal Program Revenues	2,616,280	2,519,760	-
5020	Total Revenues	<u>78,441,969</u>	<u>2,519,760</u>	<u>11,954,779</u>
EXPENDITURES:				
Current:				
0011	Instruction	44,456,865	2,519,760	-
0012	Instructional Resources and Media Services	1,384,499	-	-
0013	Curriculum and Instructional Staff Development	578,955	-	-
0021	Instructional Leadership	866,862	-	-
0023	School Leadership	5,518,815	-	-
0031	Guidance, Counseling, and Evaluation Services	2,931,588	-	-
0032	Social Work Services	279,436	-	-
0033	Health Services	1,444,457	-	-
0034	Student (Pupil) Transportation	2,091,428	-	-
0035	Food Services	-	-	-
0036	Extracurricular Activities	1,671,589	-	-
0041	General Administration	3,272,665	-	-
0051	Facilities Maintenance and Operations	9,729,634	-	-
0052	Security and Monitoring Services	1,207,299	-	-
0053	Data Processing Services	1,886,610	-	-
0061	Community Services	341,586	-	-
Debt Service:				
0071	Principal on Long-Term Debt	-	-	6,996,187
0072	Interest on Long-Term Debt	-	-	6,099,473
0073	Bond Issuance Cost and Fees	-	-	720,564
Capital Outlay:				
0081	Facilities Acquisition and Construction	3,454,440	-	-
Intergovernmental:				
0093	Payments to Fiscal Agent/Member Districts of SSA	77,985	-	-
0099	Other Intergovernmental Charges	122,552	-	-
6030	Total Expenditures	<u>81,317,265</u>	<u>2,519,760</u>	<u>13,816,224</u>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,875,296)</u>	<u>-</u>	<u>(1,861,445)</u>
OTHER FINANCING SOURCES (USES):				
7901	Refunding Bonds Issued	-	-	44,345,000
7915	Transfers In	120,797	-	-
7916	Premium or Discount on Issuance of Bonds	-	-	4,987,059
8911	Transfers Out (Use)	(1,644)	-	-
8940	Payment to Bond Refunding Escrow Agent (Use)	-	-	(48,625,786)
7080	Total Other Financing Sources (Uses)	<u>119,153</u>	<u>-</u>	<u>706,273</u>
1200	Net Change in Fund Balances	(2,756,143)	-	(1,155,172)
0100	Fund Balance - September 1 (Beginning)	<u>30,448,517</u>	<u>-</u>	<u>3,297,948</u>
3000	Fund Balance - August 31 (Ending)	<u>\$ 27,692,374</u>	<u>\$ -</u>	<u>\$ 2,142,776</u>

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

Other Funds	Total Governmental Funds
\$ 500,599	\$ 28,208,586
2,644,743	62,717,224
14,108,870	19,244,910
<u>17,254,212</u>	<u>110,170,720</u>
5,946,529	52,923,154
41,933	1,426,432
2,905,078	3,484,033
860,929	1,727,791
174,423	5,693,238
432,982	3,364,570
-	279,436
2,926	1,447,383
509,525	2,600,953
6,105,761	6,105,761
62,846	1,734,435
95,419	3,368,084
738,759	10,468,393
54,567	1,261,866
-	1,886,610
539,249	880,835
-	6,996,187
-	6,099,473
-	720,564
-	3,454,440
-	77,985
-	122,552
<u>18,470,926</u>	<u>116,124,175</u>
<u>(1,216,714)</u>	<u>(5,953,455)</u>
-	44,345,000
-	120,797
-	4,987,059
(19,997)	(21,641)
-	(48,625,786)
<u>(19,997)</u>	<u>805,429</u>
(1,236,711)	(5,148,026)
<u>3,643,051</u>	<u>37,389,516</u>
<u>\$ 2,406,340</u>	<u>\$ 32,241,490</u>

SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
 RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED AUGUST 31, 2020

EXHIBIT C-4

<b>Total Net Change in Fund Balances - Governmental Funds</b>	\$ (5,148,027)
The District uses internal service funds to charge the costs of certain activities, such as self-insurance, to appropriate functions in other funds. The net income (loss) of internal service funds are reported with governmental activities. The net effect of this consolidation is an increase to the change in net position.	630,900
Transactions related to current year capital outlay, bonds payable, and other long-term liabilities, and changes in interest payable and compensated absences are necessary to convert from the modified accrual basis of accounting to the accrual basis of accounting, as follows:	11,890,509
<ul style="list-style-type: none"> <li>● Acquisition of capital assets of \$4,793,364.</li> <li>● Issuance of refunding bonds was (\$44,345,000) with associated premium of (\$4,987,059) and resulted in a deferred charge on refunding of \$2,540,786.</li> <li>● Bond refunding transactions resulted in the payment of bonds outstanding of \$46,085,000 and the write-off of unamortized premium of \$3,662,793.</li> <li>● Principal payments on bonds payable of \$6,996,187.</li> <li>● Accretion on capital appreciation bonds of (\$777,805).</li> <li>● Amortization of bond premium of \$1,128,130 and deferred charge on refunding was (\$3,124,850).</li> <li>● Changes in interest payable of \$23,847.</li> <li>● Changes in compensated absences of (\$104,884).</li> </ul>	
The net effect is to increase net position.	
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is a (decrease) to the change in net position.	(9,882,873)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unavailable revenue from property taxes as revenue, and adjusting current year revenue to show the revenue earned from the current year's tax levy. The net effect of these reclassifications and recognitions is an increase to the change in net position.	255,187
Current year changes due to GASB 68 increased revenues in the amount of \$2,608,929 and (increased) expenditures in the amount of (\$6,345,392). The net effect is a (decrease) to the change in net position.	(3,736,463)
Current year changes due to GASB 75 (decreased) revenues in the amount of (\$467,696) and decreased expenditures in the amount of \$402,657. The net effect is a (decrease) to the change in net position.	(65,039)
<b>Change in Net Position of Governmental Activities</b>	\$ (6,055,806)

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



## **Proprietary Funds Financial Statements**

***DRAFT***

SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
AUGUST 31, 2020

	Governmental Activities -
	Total Internal Service Funds
<b>ASSETS</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 3,384,336
Other Receivables	<u>254,159</u>
Total Assets	<u>3,638,495</u>
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts Payable	17,391
Due to Other Funds	924
Accrued Expenses	<u>638,191</u>
Total Liabilities	<u>656,506</u>
<b>NET POSITION</b>	
Unrestricted Net Position	<u>2,981,989</u>
Total Net Position	<u><u>\$ 2,981,989</u></u>

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

SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2020

	Governmental Activities -
	Total Internal Service Funds
<b>OPERATING REVENUES:</b>	
Local and Intermediate Sources	\$ 6,495,838
Total Operating Revenues	6,495,838
<b>OPERATING EXPENSES:</b>	
Payroll Costs	141,030
Professional and Contracted Services	1,318,280
Other Operating Costs	4,306,472
Total Operating Expenses	5,765,782
Income Before Transfers	730,056
Transfer In	1,644
Transfers Out	(100,800)
Change in Net Position	630,900
Total Net Position - September 1 (Beginning)	2,351,089
Total Net Position - August 31 (Ending)	\$ 2,981,989

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

SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2020

	Governmental Activities -
	Total Internal Service Funds
<u>Cash Flows from Operating Activities:</u>	
Cash Received from User Charges	\$ 6,495,838
Cash Payments to Employees for Services	(141,030)
Cash Payments for Insurance Claims	(5,812,735)
Net Cash Provided by Operating Activities	542,073
<u>Cash Flows from Non-Capital Financing Activities:</u>	
Operating Transfer Out	(100,800)
Operating Transfer In	1,644
Net Cash Used for Non-Capital Activities	(99,156)
Net Increase in Cash and Cash Equivalents	442,917
Cash and Cash Equivalents at Beginning of Year	2,941,419
Cash and Cash Equivalents at End of Year	\$ 3,384,336
<u>Reconciliation of Operating Income to Net Cash</u>	
<u>Provided by Operating Activities:</u>	
Operating Income:	\$ 730,056
Effect of Increases and Decreases in Current Assets and Liabilities:	
(Increase) in Other Receivables	(84,411)
(Decrease) in Accounts Payable	(95,973)
Increase (Decrease) in Due to Other Funds	678
Increase (Decrease) in Accrued Expenses	(8,277)
Net Cash Provided by Operating Activities	\$ 542,073

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

## **Fiduciary Funds Financial Statements**

***DRAFT***

SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
 STATEMENT OF FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 AUGUST 31, 2020

	Private Purpose Trust Funds	Agency Fund
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 29,600	\$ 227,628
Total Assets	29,600	\$ 227,628
<b>LIABILITIES</b>		
Due to Student Groups	-	\$ 227,628
Payable from Restricted Assets	29,600	-
Total Liabilities	29,600	\$ 227,628

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

SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
San Antonio, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended August 31, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Reporting Entity

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

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

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

2. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e. statement of net position and the statement of activities) displays the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the effect of internal activities. All interfund transactions between governmental funds and internal service funds are eliminated in the government-wide statements. 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. Charges for services consist of charges to customers or applicants that purchase, use, or directly benefit from goods or services provided by a given function or segment of the District. Operating grants and contributions include amounts paid by organizations outside the District that are restricted to meeting the operational requirements of a particular program. Property taxes, State aid-formula grants, and other items not included in program revenues are presented as general revenues. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. Fiduciary funds are excluded

SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
San Antonio, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended August 31, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

from the government-wide financial statements since the District cannot use those funds for District operations. Major individual governmental funds are reported as separate columns in the fund financial statements. Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses result from providing services in connection with the internal service funds of the worker's compensation fund and medical insurance fund. Operating expenses for the internal service funds include the related administrative expenses. All other revenues and expenses are nonoperating.

The District reports the following major governmental funds:

**General Fund:** This is the District's primary operating fund. This fund accounts for all financial resources of the District except those required to be accounted for in another fund. It is a budgeted fund, and fund balances are considered resources available for current operations. General Fund primary revenue sources include property taxes and state foundation funds.

**Debt Service Fund:** The Debt Service Fund accounts for the accumulation of resources for, and the payment of, bonded debt principal and interest. The primary revenue source is local property taxes levied specifically for debt service and state funding. The fund balance of this fund represents amounts that will be used for retirement of bonds and payment of interest in the future. The Debt Service Fund is a budgeted fund.

**Emergency Relief Fund:** This special revenue fund was established to account for the Elementary and Secondary Emergency Relief federal grant funds passed through Texas Education Agency (TEA) in response to the pandemic.

In addition, the District reports the following fund types:

**Special Revenue Funds:** These funds are used to account for the majority of federal and state funded grants. These grants are awarded to the District with the purpose of accomplishing specific educational tasks. Unused balances in reimbursement type grant programs are returned to the grantor at the close of specified project periods.

**Capital Projects Fund:** The Capital Projects Fund was established to account for the proceeds from the sale of bonds including earnings on investments of the fund. Proceeds are used for acquiring school sites, constructing and equipping new school facilities, and renovating existing facilities.

**The Internal Service Fund:** This fund is used to account for the financing of services provided by one fund to other funds of the District, on a cost-reimbursement basis. This activity includes the worker's compensation fund and the medical insurance fund of the District.



SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
San Antonio, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended August 31, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fiduciary funds are reported in the fiduciary fund financial statements. However, because their assets are held in a trustee or agent capacity and are therefore not available to support District programs, these funds are not included in the government-wide statements. Included in the Fiduciary Fund type is the Private Purpose Trust fund used to account for assets acquired for purposes of awarding scholarships to qualified students pursuing attendance at institutions of higher education.

Agency Funds: These funds are reported in the fiduciary fund statements and are used to report student activity funds and other resources held in a purely custodial capacity (assets equal liabilities). The agency fund consists of funds set aside from fund raising activities of the school sponsored groups (student activities).

3. Measurement Focus Basis of Accounting and Financial Statement Presentation

The government-wide and the proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The Fiduciary Funds utilize the accrual basis of accounting and the economic resources measurement focus; however, agency funds do not have a measurement focus as they report only assets and liabilities. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange 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. Revenue from property taxes is recognized on the accrual basis in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when they are both measurable and available. For this purpose, the District considers all revenues to be available if the revenues are collected within sixty (60) days after year-end. Expenditures generally are recorded when the related fund liability is incurred, if measurable, except for debt service expenditures, claims and judgments, and compensated absences, which are recognized as expenditures only when payment is due. Property tax revenue and revenues received from the State are recognized under the susceptible to accrual concept. Miscellaneous revenues are recorded as revenues 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. General capital asset acquisitions are reported as expenditures in governmental funds.

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

SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
San Antonio, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended August 31, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Other Accounting Policies

a. Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition. Investments are reported at fair value or when applicable at amortized cost as allowed by GASB Statement No. 31 (GASB 31) and Statement No. GASB 72 (GASB 72).

For the purposes of the Statement of Cash Flows for the Internal Service Funds, funds held in the District's depository accounts and in local government pools are considered cash and cash equivalents.

b. Property Taxes

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

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

c. Inventories and Prepaid Items

Inventories of food commodities are recorded at market values supplied by the Texas Department of Agriculture Services but are provided at no cost to the District. Food commodities are used only in the food service program and are recorded as inventory and unearned revenue when received. When requisitioned, inventory and unearned revenue are relieved, expenditures are charged, and revenue is recognized for an equal amount based on the values provided.

d. Capital Assets

Capital assets, which include land, buildings and improvements, furniture and equipment, and construction in progress, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than \$5,000 and an estimated useful life of more than one year. Such assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
San Antonio, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended August 31, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Asset Class	Estimated Useful Lives
Building Improvements	15-30
Furniture & Equipment	3-7

e. Indirect Expenses

School districts are required to report all expenses by function. General administration and other intergovernmental expenditures reported in functions 41 and 99, respectively, and data processing service expenditures reported in function 53 include indirect expenses of other functions.

f. Compensated Absences

An employee who separates from employment with the District is eligible for reimbursement for state leave after they have been employed with the District for 10 years.

g. Use of Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect certain report amounts and disclosures. Accordingly, actual results could differ from those estimates.

h. Data Control Codes

Data Control Codes refer to the account code structure prescribed by the Texas Education Agency (TEA) in the resource guide. TEA requires the display of these codes in the financial statements to ensure accuracy in building a state-wide database for policy development and funding plans for Texas school districts.

i. Fund Balance

In the fund financial statements, the District uses the following criteria when classifying fund balance amounts:

Nonspendable – amounts not available for appropriation or legally earmarked for a specific use. Examples include inventories and prepaid items. At August 31, 2020, the amount of \$64,384 disclosed as nonspendable fund balance related to inventory.

Restricted – amounts that have been legally separated for a specific purpose; such as, grants and long-term debt. Bond proceeds not spent are restricted for the intended purpose, similarly grant funds and program income are restricted for the purpose of the programs.

SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
San Antonio, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended August 31, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Committed – amounts that require Board action to be used for a specific purpose; such as, certain amounts for construction and capital acquisition. Formal action to commit funds must occur prior to fiscal year end and can only be modified or removed by the same formal action.

Assigned – amounts that do not require Board approval but are intended to be used for a specific purpose, as determined by an official or body to which the Board has delegated authority; such as, the Superintendent. These amounts do not meet the criteria to be classified as restricted or committed.

Unassigned – residual amount in the general fund that is available to finance operating expenditures.

j. Spending Order

Fund balance amounts that are restricted, committed, or assigned are considered to have been spent when an expenditure is incurred for the respective purpose. If an expenditure is incurred that meets the criteria in more than one fund balance category, then the District considers fund balance to be relieved in the following order: restricted, committed, assigned, and then unassigned.

k. Restricted/Unrestricted Resources

Under the terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenditures are incurred, there are both restricted and unrestricted resources available. It is the District's policy to first apply cost-reimbursement grant (restricted) resources to such programs.

l. Pensions

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

m. Other Post Employment Benefit (OPEB) Plan

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

SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
San Antonio, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended August 31, 2020

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budget Data

The official budget was prepared for adoption for the General Fund, Debt Service Fund and the Child Nutrition Program, a special revenue fund of the District. The following procedures are followed in establishing the budgetary data reflected in the basic financial statements:

- 1) Prior to August 20 of the preceding fiscal year, the District prepares a budget for the next succeeding fiscal year beginning September 1. The operating budget includes proposed expenditures and the means of financing them.
- 2) A meeting of the Board is then called for the purpose of adopting the proposed budget. Ten days of public notice of the meeting is required.
- 3) Prior to September 1, the budget is legally enacted through passage of a resolution by the Board.

The legal level of budgetary control is at the major functional expenditure level by fund type. As required by TEA, annual budgets are adopted for the General Fund, Debt Service and the Child Nutrition Program, on a basis consistent with generally accepted accounting principles. All budget appropriations lapse at year end. Encumbrances are commitments to purchase goods or services that were not fully executed at year end. Encumbrance accounting is used to ensure effective budgetary control and accountability. While encumbrances lapse at year end, valid, outstanding encumbrances are re-appropriated and become part of the subsequent year's budget.

The original budget was approved by the Board on August 21, 2019. The budget may be amended by management without Board approval within a major functional expenditure category and can be amended at the function and fund level only by approval of a majority of the members of the Board. Amendments at the function and fund level are presented to the Board at its regular meetings. Such amendments, required to be made before the fact, are reflected in the official minutes of the Board and are made before the fiscal year end as required by law.

The budget amounts included in this report reflect various amendments made by management or adopted by the Board throughout the year through the final amended budget, which was approved by the Board on August 19, 2020.

B. Excess of Expenditures over Appropriations

During the year, the budget was properly amended in accordance with the above procedures; however, the District exceeded the budget in the debt service fund for function 73 Bond Issuance Cost and Fees by \$680,564.

SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
San Antonio, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended August 31, 2020

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Cash and cash equivalents of \$36,813,025 are comprised of the following:

	Governmental Funds					
	Major Funds			Total	Proprietary Funds	Grand Total
	General Fund	Debt Service Fund	Other Non-Major Funds			
Cash and Cash Equivalents:						
Demand Accounts	\$ (1,039,626)	\$ 33,207	\$ 2,389,201	\$ 1,382,782	\$ 856,596	\$ 2,239,378
Cash on Hand	-	-	1,110	1,110	-	1,110
Investment Pools	28,924,276	2,895,437	225,084	32,044,797	2,527,740	34,572,537
Total	<u>\$ 27,884,650</u>	<u>\$ 2,928,644</u>	<u>\$ 2,615,395</u>	<u>\$ 33,428,689</u>	<u>\$ 3,384,336</u>	<u>\$ 38,813,025</u>

Deposits

The District's funds are required to be deposited under the terms of a depository contract or invested under the terms of the Public Funds Investment Act (PFIA). The depository bank places approved pledged securities for safekeeping and trust with the District's agent bank in an amount sufficient to protect District funds on a day-to-day basis. The pledge of approved securities is waived only to the extent of the depository bank's Federal Deposit Insurance Corporation (FDIC) insurance. Deposits were held with the contracted depository bank in demand and interest-bearing accounts. Deposits were secured at the balance sheet date by FDIC coverage and pledged U.S. Government securities held by the Bank of New York Mellon in the District's name. Funds were properly secured with pledged collateral at all times during the year.

The following is disclosed:

- a. Name of Contracted Depository Bank: Wells Fargo
- b. The highest combined balances of cash, savings, and time deposit accounts at the Wells Fargo Bank amounted to \$14,433,598 and occurred during July 2020.
- c. Total amount of FDIC coverage at the time of largest combined balance was \$384,953.
- d. The amount of securities pledged as of the date of the highest combined balance on deposit was \$15,914,813.

SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
San Antonio, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended August 31, 2020

I. DETAILED NOTES ON ALL FUNDS

At August 31, 2020, the carrying amount of the District's deposits was \$2,239,379 and the bank balance was \$3,202,277. The District's cash deposits at August 31, 2020 and during the year ended August 31, 2020 were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name.

The fiduciary funds report the following balances as of August 31, 2020:

	Fiduciary Funds		
	Fiduciary Funds Agency Funds	Agency Funds	
	Private Purpose Trust	Student Activity Funds	Total
Cash and Cash Equivalents:			
Demand Accounts	\$ 29,600	\$ 227,628	\$ 257,228
Total	\$ 29,600	\$ 227,628	\$ 257,228

Investments

The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the District to adopt, implement, and publicize an investment policy. The policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date of the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit. Statutes authorize the District to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas, (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) Mutual Funds, (8) Investment pools, (9) guaranteed investment contracts, (10) and common trust funds. The Act also requires the District to have independent auditors perform test procedures related to investment practices as provided by the Act. The District is in substantial compliance with the requirements of the Act and with local policies.

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

SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
San Antonio, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended August 31, 2020

III. DETAILED NOTES ON ALL FUNDS (Continued)

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

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

Texas Local Government Investment Pool (TexPool): operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Accordingly, the fair value of the District's position in TexPool is the same as the value of TexPool shares and does not include any unrealized gains and losses.

TexPool is organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. The Texas Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The Advisory Board members review the investment policy and management fee structure. TexPool is rated AAAM by Standard & Poors. As a requirement to maintain the rating weekly portfolio, information must be submitted to Standard & Poors, as well as the Office of the Comptroller of Public Accounts for review. Financial information for TexPool can be accessed on the Internet (<http://www.texpool.com>).

Lone Star Investment Pool (the Lone Star Pool): The Lone Star Pool's Corporate overnight plus and Government overnight fund operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Accordingly, the fair value of the District's position in the Lone Star Pool is the same as the value of the Lone Star Pool's shares and does not include any unrealized gains and losses.

The Lone Star Pool is governed by an eleven-member Board of Trustees (Board) made up of active participants in the Lone Star Pool. The Board has the responsibility of adopting and monitoring compliance with the investment policy, appointing investment officers, overseeing the selection of an investment advisor, custodian, investment consultant, administrator, and other service providers. The Board is also responsible for monitoring performance of the Lone Star Pool. Standard and Poor's has assigned its "AAA" bond fund risk rating and "AAAF" credit quality rating to the Lone Star Pool's Corporate overnight and Government overnight fund, respectively.



SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
San Antonio, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended August 31, 2020

III. DETAILED NOTES ON ALL FUNDS (Continued)

The "AAA" rating is the highest possible ranking and indicates each fund's low sensitivity to changing market conditions. The "AAAF" credit quality rating reflects the high credit quality of the corporate overnight plus and the government overnight fund's eligible investments and counterparts. Standard and Poor's reviews investments of the corporate overnight plus and government overnight fund monthly. Financial information for the Lone Star Pool can be obtained by writing 12007 Research Blvd., Austin, TX 78759 or by calling 1-800-558-8875.

The Texas Term Local Government Investment Pool (TexasTERM): TexasTERM is a local government investment pool organized under the authority of the interlocal Cooperation Act, Chapter 791, Texas Government Code, and the Public Funds Investment Act, Chapter 2256, Texas Government Code. TexasTERM is administered by PFM Asset Management LLC which also serves as the investment advisor. The reported value of the pool is the same as the fair value of the pool shares. The District's investments are held in the Texas DAILY fund, a money market portfolio. Texas DAILY is rated "AAAm" by Standard & Poor's.

Interest Rate Risk – Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. In accordance with its policy, one of the ways the District manages its exposure to interest rate risk is by investing in investment pools which have no stated maturity date; therefore, the funds are available to meet operational needs. Information about the District's investments is provided by the table below that shows the specific investments and their maturity as of August 31, 2020.

Credit Risk – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized financial rating organization. Presented below is the minimum rating required (where applicable) by the District's investment policy and the Act and the actual rating as of August 31, 2020 for each investment.

As of August 31, 2020, the District had the following investments:

Investment	Fair Value	Weighted Average Maturity (Days)	** Standard & Poors Rating
The Lone Star Pool	\$ 34,371,988	1	AAA
Texpool	163,513	1	AAAm
Texas TERM	37,036	1	AAAm
Total	<u>\$ 34,572,537</u>		

\*\* – Minimum Legal Rating Requirement is AAA

SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
San Antonio, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended August 31, 2020

III. DETAILED NOTES ON ALL FUNDS (Continued)

Custodial Credit Risk – Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Act, the District's investment policy, and Government Code Chapter 2257, Collateral for Public Funds, contain legal or policy requirements that would limit the exposure to custodial risk for deposits or investments. To be eligible to receive funds from and invest funds on behalf of an entity under this Chapter, a public funds investment pool created to function as a money market mutual fund must mark its portfolio to market daily and, to the extent reasonably possible, stabilize at a \$1 net asset value. If the ratio of the market value of the portfolio divided by the book value of the portfolio is less than 0.995 or greater than 1.005, portfolio holdings shall be sold as necessary to maintain the ratio between 0.995 and 1.005.

GASB Statement No. 72 regarding Fair Value Measurement and Application for financial reporting purposes categorizes financial instruments within three different levels of risk dependent upon the measure of their fair value and pricing.

Because the investments are restricted by Policy and state law to active secondary market, when applicable the market approach is being used for valuation. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets, liabilities, or a group of assets and liabilities.

The exit or fair market prices used for these fair market valuations when applicable represent unadjusted quoted prices in active markets for identical assets and liabilities that have been accessed at the measurement date.

The District has adopted GASB 72. As of August 31, 2020; however, in accordance with GASB 72 as amended, the District reports its investments in local government pools at amortized cost.

SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
San Antonio, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended August 31, 2020

III. DETAILED NOTES ON ALL FUNDS (Continued)

B. Due To/From Other Funds and Interfund Transfers

1. Balances due to and due from other funds at August 31, 2020 consisted of the following:

	Due From	Due To	
General Fund:			
Debt Service Fund	\$ -	\$ (42,633)	
Emergency Relief Fund	2,663,999	-	
Non-Major Funds	1,520,216	(103)	
Internal Service Fund	924	-	
Total	4,185,139	(42,736)	
Debt Service Fund:			
General Fund	42,633	-	
Total	42,633	-	
Emergency Relief Fund:			
General Fund	-	(2,663,999)	
Total	-	(2,663,999)	
Non-Major Funds:			
General Fund	103	(1,520,216)	
Total	103	(1,520,216)	
Total Governmental Funds	\$ 4,227,875	\$ (4,226,951)	
Internal Service Fund:			
General Fund	\$ -	\$ (924)	
Total	\$ -	\$ (924)	
Grand Total	\$ 4,227,875	\$ (4,227,875)	

The Due From balances in the General Fund are the result of utilizing a pooled cash account. As funds are expended for the benefit of the Emergency Relief Fund and the Non-Major Special Revenue Funds, the District subsequently submits, a reimbursement from the grantor and funds are reimbursed. The Due From balances in the General Fund from the internal service fund are the result of temporary lending between funds.

The Due From balances in the Debt Service and the non-major funds are the result of temporary lending between funds.

SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
San Antonio, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended August 31, 2020

III. DETAILED NOTES ON ALL FUNDS (Continued)

2. Interfund Transfers

The District transferred \$100,800 from the Worker’s Compensation Fund to the General Fund for 2019-2020 proposed stipends which were approved by the Board of Trustees on August 20, 2019. In addition, the District transferred \$19,997 of the Life Skills Program Non-Major fund to the General Fund, to appropriately close the fund. The General Fund transferred \$1,644 to the Worker’s Compensation Fund to appropriately close out remaining Worker’s Compensation funds held by the General Fund.

	Transfers In	Transfers Out
General Fund:		
Non-Major Funds	\$ 19,997	\$ -
Internal Service Fund	100,800	(1,644)
Total	120,797	(1,644)
Non-Major Funds:		
General Fund	-	(19,997)
Total	-	(19,997)
Total Governmental Funds	120,797	(21,641)
Internal Service Fund:		
General Fund	1,644	(100,800)
Total	1,644	(100,800)
Grand Total	\$ 122,441	\$ (122,441)

C. Receivables from Other Governments

The District participates in a variety of local and state programs from which it receives grants to partially or fully finance certain activities. In addition, the District receives entitlements from the State through the School Foundation and the per Capita Programs in the General Fund and the Instructional Facilities and Existing Debt Allotment programs for the Debt Service Fund. Amounts due from state, federal and local governments as of August 31, 2020 are summarized below.

	General Fund	Emergency Relief Fund	Other Non- Major Funds	Total
State Funds	\$ 3,682,238	\$ -	\$ 190,105	\$ 3,872,343
Federal Grants	483,993	2,663,999	1,809,326	4,957,318
Other	60,719	-	-	60,719
	\$ 4,226,950	\$ 2,663,999	\$ 1,999,431	\$ 8,890,380

SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
San Antonio, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended August 31, 2020

III. DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

Capital asset activity for the year ended August 31, 2020 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Governmental Activities</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 2,796,842	\$ -	\$ -	\$ 2,796,842
Construction in Progress	468,200	615,415	(468,200)	615,415
Total Capital Assets, Not Being Depreciated	<u>3,265,042</u>	<u>615,415</u>	<u>(468,200)</u>	<u>3,412,257</u>
Capital Assets, Being Depreciated:				
Buildings and Improvements	280,435,708	3,094,234	-	283,529,942
Equipment and Vehicles	18,898,714	1,551,915	-	20,450,629
Total Capital Assets, Being Depreciated	<u>299,324,422</u>	<u>4,646,149</u>	<u>-</u>	<u>303,980,571</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	(126,044,163)	(8,561,333)	-	(134,605,496)
Equipment and Vehicles	(14,691,873)	(1,321,540)	-	(16,013,413)
Total Accumulated Depreciation	<u>(140,736,036)</u>	<u>(9,882,873)</u>	<u>-</u>	<u>(150,618,909)</u>
Total Capital Assets, Being Depreciated, Net	<u>158,598,386</u>	<u>(5,236,724)</u>	<u>-</u>	<u>153,361,662</u>
Governmental Activities Capital Assets, Net	<u>\$ 161,863,428</u>	<u>\$ (4,621,309)</u>	<u>\$ (468,200)</u>	<u>\$ 156,773,919</u>

Depreciation expense of the governmental activities was charged to the functions as follows:

Function	Amount
Instruction	\$ 6,454,216
Instructional Resources and Media Services	176,662
Curriculum and Instructional Staff Development	22,186
Instructional Leadership	168,825
School Leadership	655,233
Guidance, Counseling and Evaluation Services	339,411
Health Services	121,110
Student (Pupil) Transportation	411,329
Food Services	238,560
Extracurricular Activities	158,074
General Administration	219,009
Plant Maintenance and Operations	781,714
Security and Monitoring Services	57,324
Data Processing Services	75,290
Community Services	3,930
Total Depreciation Expense	<u>\$ 9,882,873</u>

SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
San Antonio, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended August 31, 2020

IV. DETAILED NOTES ON ALL FUNDS (Continued)

E. Deferred Outflows / Inflows of Resources

Deferred Outflows of Resources represents a consumption of net position that applies to a future period(s) and; therefore, will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred Inflows of Resources represents an acquisition of net position that applies to a future period(s) and accordingly will not be recognized as an inflow of resources (revenues) until that time.

The District reports Deferred Resource Outflows and Deferred Resource Inflows in the Statement of Net Position as of August 31, 2020 as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred Charge for Refunding of Debt	\$ 6,119,460	\$ -
District's Share of Resources related to TRS Pension	14,001,609	(6,157,304)
District's Share of Resources related to TRS OPEB	4,332,019	(18,072,957)
Reported by the District as of August 31, 2020	<u>\$ 24,453,088</u>	<u>\$ (24,230,261)</u>

At August 31, 2020, unavailable revenues reported as deferred inflows of resources in the governmental funds were as follows:

	Major Funds		Total Governmental Funds
	General Fund	Debt Service Fund	
Property Tax Receivable	\$ 1,511,316	\$ 744,380	\$ 2,255,696
Allowance for Uncollectible Taxes	(151,132)	(74,438)	(225,570)
Sixty Day Tax Accrual	(65,487)	(30,033)	(95,520)
Deferred Inflows of Resources related to Property Taxes	<u>\$ 1,294,697</u>	<u>\$ 639,909</u>	<u>\$ 1,934,606</u>

The unavailable revenue of \$1,934,606 relates to uncollected property taxes, which are not susceptible to accrual based on the modified accrual basis of accounting.

SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
San Antonio, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended August 31, 2020

III. DETAILED NOTES ON ALL FUNDS (Continued)

F. Due to Other Governments

The District participates in a variety of local and state programs from which it receives grants to partially or fully finance certain activities.

Amounts due to state and local governments as of August 31, 2020 are summarized below:

	General Fund	Debt Service Fund	Total
State	\$ 2,853,249	\$ 735,446	\$ 3,588,695
Other	254,193	123,088	377,281
	\$ 3,107,442	\$ 858,534	\$ 3,965,976

G. Long-Term Obligations

In October 2019, the District issued the South San Antonio Independent School District Unlimited Tax Refunding Bonds, Series 2019 (Series 2019 A; B and C) bonds in the amount of \$39,005,000 issued with a premium of \$3,803,876. These bonds were issued pursuant to an Order of the Board of Trustees adopted on October 16, 2019. Interest on the bonds accrue from the closing date of October 31, 2019 and are payable on each February 15 and August 15 thereafter, commencing on February 15, 2020 until maturity or prior redemption. The District reserves the right, at its option, to redeem Series 2019B Bonds having stated maturities on and after August 15, 2031, in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof, on August 15, 2030 or any date thereafter, at par value thereof plus accrued interest to the date of redemption.

Series 2019A \$11,460,000 Serial Bonds are due on August 15, 2029 with an interest rate of 4%. The proceeds were issued to refund a portion of the Unlimited Tax Taxable Refunding Series 2012A outstanding in the amount of \$12,140,000 in order to reduce the annual debt service requirements of the District and pay costs of issuing the Series 2019A Bonds. The District irrevocably deposited \$12,997,872 with an escrow agent in trust and in an amount sufficient to make the debt service payments on the refunded bonds and for the proper fees and compensation and expenses of the paying agent. The refunding resulted in reducing the cash flows required to service the old debt and complete the refunding by \$901,562 and resulted in a net present value savings of \$819,717. The District recognized an accounting gain of \$1,022,518 as a result of the refunding.

SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
San Antonio, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended August 31, 2020

III. DETAILED NOTES ON ALL FUNDS (Continued)

The Series 2019B \$18,360,000 Term Bonds are due on August 15, 2034 with an interest rate of 4%. The proceeds were issued to refund a portion of the Unlimited Tax Taxable Refunding Series 2011; 2012 and 2013 bonds outstanding in the amount of \$7,560,000; \$2,025,000 and \$8,790,000; respectively, in order to reduce the annual debt service requirements of the District and to pay costs of issuing the Series 2019B Bonds. The District irrevocably deposited \$19,841,811 with an escrow agent in trust and in an amount sufficient to make the debt service payments on the refunded bonds and for the proper fees and compensation and expenses of the paying agent. The refunding resulted in reducing the cash flows required to service the old debt and complete the refunding by \$962,967 and resulted in a net present value savings of \$773,100. The District recognized an accounting gain of \$1,842,968 as a result of the refunding.

The Series 2019C \$9,185,000 Term Bonds are due on August 15, 2029 with an interest rate starting at 3.5% then increasing to 4% in 2022. The proceeds were issued to refund the Unlimited Tax Taxable Refunding Series 2010 bonds outstanding in the amount of \$9,205,000 in order to reduce the annual debt service requirements of the District and to pay costs of issuing the Series 2019C Bonds. The District irrevocably deposited \$9,396,620 with an escrow agent in trust and in an amount sufficient to make the debt service payments on the refunded bonds and for the proper fees and compensation and expenses of the paying agent. The refunding resulted in reducing the cash flows required to service the old debt and complete the refunding by \$357,422 and resulted in a net present value savings of \$333,766. The District recognized an accounting gain of \$548,273 as a result of the refunding.

On August 27, 2020, the District issued the South San Antonio Independent School District Unlimited Tax Refunding Bonds, Series 2020, bonds in the amount of \$5,340,000 issued with a premium of \$1,183,182. These bonds were issued pursuant to an Order of the Board of Trustees adopted on June 17, 2020. Interest on the bonds accrue from the closing date of August 27, 2020 and are payable on each February 15 and August 15 thereafter, commencing on February 15, 2021 until maturity or prior redemption. The Series 2020 \$5,340,000 bonds are due on August 15, 2031 with an interest rate ranging from 3% to 4%. The proceeds were issued to refund a portion of the Unlimited Tax Refunding Series 2012 bonds outstanding in the amount of \$6,365,000; in order to reduce the annual debt service requirements of the District and to pay costs of issuing the Series 2020 Bonds. The District irrevocably deposited \$6,389,483 with an escrow agent in trust and in an amount sufficient to make the debt service payments on the refunded bonds and for the proper fees and compensation and expenses of the paying agent. The refunding resulted in reducing the cash flows required to service the old debt and complete the refunding by \$1,191,892 and resulted in a net present value savings of \$1,093,870. The District recognized an accounting gain of \$118,151 as a result of the refunding.



SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
San Antonio, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended August 31, 2020

III. DETAILED NOTES ON ALL FUNDS (Continued)

1. Long-Term Obligation Activity

Description	Original Issue Amount	Final Maturity	Interest Rate Payable	Amount Outstanding 09/01/19	Issued	Retired	Amount Outstanding 08/31/20	Amount Due Within One Year
Unlimited Tax School Building Bonds:								
Series 2005	\$ 40,500,000	2022	3.25 - 5%	\$ 7,510,000	\$ -	\$ -	\$ 7,510,000	\$ -
Series 2010- BA	26,095,000	2027	4.607-5.29%	26,095,000	-	-	26,095,000	-
Unlimited Tax Qualified School Construction Bonds								
Series 2010	9,785,000	2027	5.19%	9,785,000	-	-	9,785,000	-
Unlimited Tax School Refunding Bonds:								
Series 2010	23,475,000	2029	4 - 5%	9,205,000	-	(9,205,000)	-	-
Series 2011	8,680,000	2028	3 - 3.6%	8,185,000	-	(7,695,000)	490,000	140,000
Series 2012	8,390,000	2032	3 - 3.5%	8,390,000	-	(8,390,000)	-	-
Series 2012A	24,815,000	2029	3 - 4.25%	16,490,000	-	(13,540,000)	2,950,000	1,450,000
Series 2013	18,465,000	2035	2 - 5%	18,465,000	-	(8,790,000)	9,675,000	-
Series 2014	25,835,000	2034	4 - 5%	25,380,000	-	-	25,380,000	-
Series 2019A	11,460,000	2029	4%	-	11,460,000	-	11,460,000	-
Series 2019B	18,360,000	2034	4%	-	18,360,000	(120,000)	18,240,000	-
Series 2019C	9,185,000	2029	3.5 - 4%	-	9,185,000	(3,670,000)	5,515,000	3,710,000
Series 2020	5,340,000	2031	3 - 4%	-	5,340,000	-	5,340,000	-
Total Bonds Issued				129,505,000	44,345,000	(51,410,000)	122,440,000	5,300,000
Capital Appreciation Bonds:								
Series 2010	22,116,909	2035	3.25 - 5.02%	20,391,040	-	(1,671,187)	18,719,853	1,621,515
Series 2014	455,000	2022	2.44%	130,000	-	-	130,000	-
Series 2011	4,990	2023	3.50%	4,990	-	-	4,990	-
Total Capital Appreciation Bonds				20,526,030	-	(1,671,187)	18,854,843	1,621,515
Grand Total				\$ 150,031,030	\$44,345,000	\$ (53,081,187)	\$ 141,294,843	\$ 6,921,515

SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
San Antonio, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended August 31, 2020

III. DETAILED NOTES ON ALL FUNDS (Continued)

2. Debt Service Requirements

Debt service requirements on long-term debt at August 31, 2020, are as follows:

Year Ending August 31,	Governmental Activities		
	Principal	Interest	Total
2021	\$ 6,921,515	\$ 6,343,026	\$ 13,264,541
2022	6,043,475	7,377,171	13,420,646
2023	5,870,144	7,518,152	13,388,296
2024	8,433,000	4,981,196	13,414,196
2025	8,758,000	4,722,896	13,480,896
2026-2030	42,320,728	24,623,462	66,944,190
2031-2035	39,902,981	29,714,909	69,617,890
2036-2037	23,045,000	1,780,780	24,825,780
Total Payments	<u>\$ 141,294,843</u>	<u>\$ 87,061,592</u>	<u>\$ 228,356,435</u>

3. Changes in Long-Term Liabilities

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Bonds Payable	\$ 150,031,030	\$ 44,345,000	\$ (53,081,187)	\$ 141,294,843	\$ 6,921,515
Net Issuance Premiums (Discounts)	10,240,078	4,987,059	(4,790,923)	10,436,214	1,023,679
Accreted Interest	10,546,667	777,805	-	11,324,472	-
Compensated Absences	1,240,291	176,929	(72,045)	1,345,175	-
Total Governmental Activities	<u>\$ 172,058,066</u>	<u>\$ 50,286,793</u>	<u>\$ (57,944,155)</u>	<u>\$ 164,400,704</u>	<u>\$ 7,945,194</u>

Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities in the governmental funds. Interest on long-term debt is not accrued in the governmental funds, but rather recognized as an expenditure when due.

Current requirements for principal and interest expenditures are accounted for in the Debt Service Fund. Interest expense was \$6,099,473 for the year ended August 31, 2020.

The general fund is typically used to liquidate other long-term liabilities.

SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
San Antonio, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended August 31, 2020

III. DETAILED NOTES ON ALL FUNDS (Continued)

4. Defeased Bonds Outstanding

As a result of the refunding transactions, the District reports defeased bonds outstanding as of August 31, 2020 of \$46,085,000 as follows:

Bond Issue	Amount
Unlimited Tax Taxable Refunding Bonds Series 2012A	\$ 12,140,000
Unlimited Tax Taxable Refunding Bonds Series 2011	7,560,000
Unlimited Tax Taxable Refunding Bonds Series 2012	8,390,000
Unlimited Tax Taxable Refunding Bonds Series 2013	8,790,000
Unlimited Tax Taxable Refunding Bonds Series 2010	9,205,000
	\$ 46,085,000

H. Commitments Under Noncapitalized Leases

Commitments under operating (noncapitalized) lease agreements for facilities and equipment provide for minimum future rental payments of \$137,658 as of August 31, 2020.

I. Revenues from Local and Intermediate Sources

Revenues from local and intermediate sources consisted of the following:

	General Fund	Debt Service Fund	Other Funds	Total Governmental Funds	Internal Service Fund
Property Taxes	\$ 17,470,628	\$ 8,626,277	\$ -	\$ 26,096,905	\$ -
Penalties and Interest	175,709	87,081	-	262,790	-
Tuition and Fees	1,325	-	-	1,325	-
Investment Income	522,976	80,448	2,732	606,156	29,653
Food Sales	-	-	146,212	146,212	-
Athletic Activities	109,093	-	-	109,093	-
Rent	25,374	-	-	25,374	-
Insurance Recovery	393,460	-	-	393,460	-
Gifts and Bequests	-	-	6,000	6,000	-
Other Revenue	215,616	-	345,655	561,271	6,466,185
Total Governmental Activities	\$ 18,914,181	\$ 8,793,806	\$ 500,599	\$ 28,208,586	\$ 6,495,838

SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
San Antonio, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended August 31, 2020

III. DETAILED NOTES ON ALL FUNDS (Continued)

J. Revenues from Federal Sources

For the year ended August 31, 2020, revenues from federal programs included in the General Fund consisted of the following:

Program or Source	CFDA Number	Amount
Junior ROTC Program	12, Unknown	\$ 38,678
School Health & Related Services Program	N/A	744,194
Medicaid Administrative Claiming Program	93.778	47,726
E-Rate Program	N/A	306,712
Tax Bond Subsidy	N/A	967,986
Summer School LEP	84.369A	5,343
Indirect Costs		
Head Start	93.600	123,432
Title I, Part A	84.010A	162,870
Title I, Part C Migrant	84.011A	2,709
IDEA Part B Formula	84.027A	42,675
IDEA Part B Preschool	84.173A	668
Elementary and Secondary School Emergency Relief Fund	84.425D	144,239
Title II, Supporting Effective Instruction	84.367A	21,969
Title III, A English Language Acquisition	84.365A	7,079
Total		<u>\$ 2,616,280</u>

Indirect cost revenues were determined by applying approved indirect cost rates to actual applicable expenditures of federally funded grant programs.

K. Pension Plan

**Plan Description.** The District participates in a cost-sharing multiple-employer defined benefit pension plan (Plan) that has a special funding situation. The Plan is administered by the Teacher Retirement System of Texas (TRS). TRS's Plan is established and administered in accordance with the Texas Constitution, Article XVI, Section 67 and Texas Government Code, Title 8, Subtitle C. The pension trust fund is a qualified pension trust under Section 401(a) of the Internal Revenue Code. The Texas Legislature establishes benefits and contribution rates within the guidelines of the Texas Constitution. The Plan'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 Plan.

SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
San Antonio, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended August 31, 2020

III. DETAILED NOTES ON ALL FUNDS (Continued)

**Pension Plan Fiduciary Net Position.** Detailed information about the TRS’s fiduciary net position is available in a separately-issued Comprehensive Annual Financial Report (CAFR) that includes financial statements and required supplementary information. That report may be obtained on the Internet at <http://www.trs.state.tx.us/about/documents/cafr.pdf#CAFR>; by writing to TRS at 1000 Red River Street, Austin, TX 78701-2698; or by calling (512) 542-6592. The information provided in the Notes to the Financial Statements in the TRS 2019 CAFR provides the following information regarding the Plan’s fiduciary net position at August 31, 2019.

Net Pension Liability	Total
Total Pension Liability	\$ 209,961,325,288
Less: Plan Fiduciary Net Position	(157,978,199,075)
Net Pension Liability	\$ 51,983,126,213
Net Position as a percentage of Total Pension Liability	75.24%

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

Texas Government Code section 821.006 prohibits benefit improvements, if, as a result of the particular action, the time required to amortize TRS’ unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action.

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

SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
San Antonio, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended August 31, 2020

III. DETAILED NOTES ON ALL FUNDS (Continued)

**Contributions.** Contribution requirements are established or amended pursuant to Article 16, section 67 of the Texas Constitution which requires the Texas Legislature to establish a member contribution rate of not less than 6% of the member’s annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to TRS members during the fiscal year. Texas Government Code section 821.006 prohibits benefit improvements, if as a result of the particular action, the time required to amortize TRS’s unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action.

Employee contribution rates are set in state statute, Texas Government Code 825.402. Senate Bill 1458 of the 83<sup>rd</sup> Texas Legislature amended Texas Government Code 825.402 for member contributions and established employee contribution rates for fiscal years 2020 through 2025.

	Contribution Rates & Amounts	
	2020	2019
Member	7.7%	7.7%
Non-Employer Contributing Entity (NECE) (State)	7.5%	6.8%
Employer	7.5%	6.8%
Employer (District) Contributions (2)	\$ 2,209,438	\$ 2,039,143
Member (Employee) Contributions (1)	\$ 4,813,922	\$ 4,456,889
NECE On-Behalf Contributions (2)	\$ 3,279,979	\$ 2,524,061

(1) Amounts obtained from District’s records.

(2) 2019 amounts provided by TRS; 2020 amounts obtained from District’s records.

Contributions to the Plan include members, employers, and the State of Texas, as the only NECE. The State contributes to the Plan in accordance with state statutes and the GAA.

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

- On the portion of the member’s salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During 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 school, the employer shall contribute 1.5% of covered payroll to the pension fund beginning in fiscal year 2020. This contribution rate called the Public Education Employer Contribution will replace the Non (OASDI) surcharge that was in effect in fiscal year 2019.

SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
San Antonio, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended August 31, 2020

III. DETAILED NOTES ON ALL FUNDS (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 Plan, the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.
- When a school district does not contribute to the Federal Old-Age, Survivors and Disability Insurance (OASDI) Program for certain employees, they must contribute 1.5% of the state contribution rate for certain instructional or administrative employees, and 100% of the state contribution rate for all other employees.

**Actuarial Assumptions.** The total pension liability in the August 31, 2018 actuarial valuation rolled forward to August 31, 2019 was determined using the following actuarial assumptions:

Valuation Date	August 31, 2018 rolled forward to August 31, 2019
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Single Discount Rate	7.25%
Long-term Expected Investment Rate of Return	7.25%
Municipal Bond Rate*	2.63%
Inflation	2.30%
Salary Increases	3.05% to 9.05% including inflation
Benefit Changes During the Year	None
Ad hoc Post-Employment Benefit Changes	None

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

The actuarial methods and assumptions used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2018.

**Discount Rate.** A single discount rate of 7.25% was used to measure the total pension liability. The single discount rate was based on the expected rate of return on 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 legislative session. It is assumed that future employer and state contributions will be 8.50% of payroll in fiscal year 2020 gradually increasing to 9.55% of payroll over the next several years. This includes all employer and State contributions for active and rehired retirees.

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

SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
San Antonio, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended August 31, 2020

III. DETAILED NOTES ON ALL FUNDS (Continued)

The long-term rate of return on pension plan investments is 7.25%. On September 19, 2019, the TRS Board of Trustees approved an amended Investment Policy Statement effective October 1, 2019. The amendments include revised asset class target weights, establishing benchmark for Asset Allocation Leverage, and updating asset class ranges. The target asset allocation set forth in the Investment Policy Statement dated October 1, 2018 is shown as of August 31, 2019. Additionally, the target asset allocation set forth in the amended Investment Policy Statement dated October 1, 2019 and the expected long-term portfolio returns resulting from the updated asset allocation set forth in the amended Investment Policy Statement is shown for comparison and relevance. 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, 2019 (see page 52 of the TRS CAFR) are summarized below:

Asset Class	FY 2019 Target Allocation*	New Target Allocation**	Long-Term Expected Geometric Real Rate of Return***
<b>Global Equity</b>			
U.S.	18.0%	18.0%	6.4%
Non-U.S. Developed	13.0%	13.0%	6.3%
Emerging Markets	9.0%	9.0%	7.3%
Directional Hedge Funds	4.0%	-	-
Private Equity	13.0%	14.0%	8.4%
<b>Stable Value</b>			
U.S. Treasuries ****	11.0%	16.0%	3.1%
Stable Value Hedge Funds	4.0%	5.0%	4.5%
Absolute Return	-	-	-
<b>Real Return</b>			
Global Inflation Linked Bonds ****	3.0%	-	-
Real Estate	14.0%	15.0%	8.5%
Energy, Natural Resources and Infrastructure	5.0%	6.0%	7.3%
Commodities	-	-	-
<b>Risk Parity</b>			
Risk Parity	5.0%	8.0%	5.8% / 6.5%*****
<b>Leverage</b>			
Cash	1.0%	2.0%	2.5%
Asset Allocation Leverage	-	-6.0%	2.7%

\* Target Allocation are based on the Strategic Asset Allocation as of FY2019

\*\* New allocations are based on the Strategic Asset Allocation dated to be implemented FY2020

\*\*\* 10-Year annualized geometric nominal returns include the real rate of return and inflation of 2.1%

\*\*\*\* New Target Allocation group Government Bonds within the stable value allocation. This includes global sovereign nominal and inflation-linked bonds

\*\*\*\*\* 5.8% (6.5%) return expectation corresponds to Risk Parity with a 10% (12%) target volatility



SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
San Antonio, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended August 31, 2020

III. DETAILED NOTES ON ALL FUNDS (Continued)

**Discount Rate Sensitivity Analysis.** The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (7.25%) in measuring the 2019 Net Pension Liability.

	1% Decrease in Discount Rate (6.25%)	Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
District's proportionate share of the net pension liability:	\$ 46,552,391	\$ 30,284,965	\$ 17,105,210

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.** At August 31, 2020, the District reported a liability of \$30,284,965 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	\$ 30,284,965
State's proportionate share that is associated with the District	<u>37,488,457</u>
Total	<u>\$ 67,773,422</u>

The net pension liability was measured as of August 31, 2018 and rolled forward to August 31, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of August 31, 2018 rolled forward to August 31, 2019. The employer's proportion of the net pension liability was based on the employer's contributions to the Plan relative to the contributions of all employers to the Plan for the period September 1, 2018 through August 31, 2019.

At August 31, 2019, the District's proportion of the collective net pension liability was .0582592224% which was a decrease of (.0025571581%) from its proportion measured as of August 31, 2018.

**Changes Since the Prior Actuarial Valuation -** The changes to the actuarial assumptions or other inputs that affected measurement of the total pension liability since the prior measurement period.

- The single discount rate as of August 31, 2018 was a blended rate of 6.907% and that has changed to the long-term rate of return of 7.25% as of August 31, 2019.
- With the enactment of SB 3 by the 2019 Texas Legislature, an assumption has been made about how this would impact future salaries. It is assumed that eligible active members will each receive a \$2,700 increase in fiscal year 2020. This is an addition to the salary increase expected based on actuarial assumptions.

SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
San Antonio, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended August 31, 2020

III. DETAILED NOTES ON ALL FUNDS (Continued)

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

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

For the year ended August 31, 2020, the District recognized pension expense of \$5,888,908 and \$3,279,979 for support (revenue/expenditures) provided by the State.

At August 31, 2020, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Amount
Differences between expected and actual economic experience	\$ 127,224	\$ (1,051,542)	\$ (924,318)
Changes in actuarial assumptions	9,395,884	(3,882,824)	5,513,060
Differences between projected and actual investment earnings	304,096	-	304,096
Changes in proportion and difference in proportionate share	1,964,967	(1,222,938)	742,029
Amount to be recognized in pension expense (see table below)	11,792,171	(6,157,304)	5,634,867
Contributions paid to TRS subsequent to the measurement date	2,209,438	-	2,209,438
Total as reported at August 31, 2020	<u>\$ 14,001,609</u>	<u>\$ (6,157,304)</u>	<u>\$ 7,844,305</u>

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

Year Ending August 31,	Pension Expense Amount
2020	\$ 1,479,836
2021	1,147,777
2022	1,635,259
2023	1,417,068
2024	288,991
Thereafter	(334,064)
Total	<u>\$ 5,634,867</u>

SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
San Antonio, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended August 31, 2020

III. DETAILED NOTES ON ALL FUNDS (Continued)

N. DEFINED OTHER POST EMPLOYMENT BENEFIT PLAN

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

**OPEB Plan Fiduciary Net Position.** Detail information about the TRS-Care's fiduciary net position is available in the separately-issued TRS Comprehensive Annual Financial Report (CAFR) that includes financial statements and required supplementary information. That report may be obtained on the Internet at <http://www.trs.state.tx.us/about/documents/cafr.pdf#CAFR>; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

Components of the net OPEB liability of the TRS-Care plan as of August 31, 2019 are as follows:

Net OPEB Liability	Total
Total OPEB Liability	\$ 48,583,247,239
Less: Plan Fiduciary Net Position	<u>(1,292,022,349)</u>
Net OPEB Liability	<u>\$ 47,291,224,890</u>
Net Position as a percentage of Total OPEB Liability	2.66%

**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. 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. There are no automatic post-employment benefit changes; including automatic COLAs.

SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
San Antonio, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended August 31, 2020

**III. DETAILED NOTES ON ALL FUNDS (Continued)**

The premium rates for the optional health insurance are based on the member's years of service. The schedule below shows the monthly rates for a retiree with 20 to 29 years of service; and, with and without Medicare coverage.

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

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

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

	Contribution Rates & Amounts	
	2020	2019
Member	0.65%	0.65%
Non-Employer Contributing Entity (NECE) (State)	1.25%	1.25%
Employer	0.75%	0.75%
Federal/Private Funding remitted by Employers	1.25%	1.25%
Employer Contributions (2)	\$ 569,468	\$ 539,256
Member Contributions (1)	\$ 406,371	\$ 376,231
NECE On-behalf Contributions (2)	\$ 858,379	\$ 716,507

(1) Amounts obtained from District's records.

(2) 2019 amounts provided by TRS; 2020 amounts obtained from District's records.

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

SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
San Antonio, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended August 31, 2020

**III. DETAILED NOTES ON ALL FUNDS (Continued)**

TRS-Care received supplemental appropriations from the State of Texas as the Non-Employer Contributing Entity in the amount of \$73.6 million in fiscal year 2019. The 86<sup>th</sup> Texas Legislature, House Bill 1 provided an additional \$231 million in one-time supplemental funding for fiscal years 2019-2020 biennium to continue to support the program.

**Actuarial Assumptions.** The total OPEB liability in the August 31, 2018 actuarial valuation was rolled forward to August 31, 2019. The actuarial valuation was determined using the following actuarial assumptions and other inputs used for members of TRS-Care and are identical to the assumptions used in the August 31, 2018 TRS pension actuarial valuation that was rolled forward to August 31, 2019:

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

*Additional Actuarial Methods and Assumptions:*

Valuation Date	August 31, 2018 rolled forward to August 31, 2019
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Discount Rate	2.63% as of August 31, 2019
Aging Factors	Based on plan specific experience
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
Salary Increases	3.05% to 9.05% including inflation
Healthcare Trend Rates	Initial medical trend rates of 10.25% for Medicare retirees and 7.50% for non-Medicare retirees. There was an Initial prescription drug trend rate of 10.25% for all retirees. The initial trend rates decrease to an ultimate trend rate of 4.50% over a period of 13 years.
Election Rates	Normal Retirement: 65% participation prior to age 65 and 50% after age 65. 25% of pre-65 retirees are assumed to discontinue coverage at age 65
Ad hoc Post-Employment Benefit Charges	None

SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
San Antonio, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended August 31, 2020

III. DETAILED NOTES ON ALL FUNDS (Continued)

**Discount Rate.** A single discount rate of 2.63% was used to measure the total OPEB liability. There was a decrease of 1.06 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.

**Discount Rate Sensitivity Analysis.** The following schedule shows the impact of the Net OPEB Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (2.63%) in measuring the Net OPEB Liability.

	1% Decrease in Discount Rate (1.63%)	Current Single Discount Rate (2.63%)	1% Increase in Discount Rate (3.63%)
District’s proportionate share of the net OPEB liability:	\$ 43,381,969	\$ 35,932,429	\$ 30,104,643

**OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs.** At August 31, 2020, the District reported a liability of \$35,932,429 for its proportionate share of the TRS’s Net OPEB Liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District’s proportionate share of the collective Net OPEB Liability	\$ 35,932,429
State’s proportionate share that is associated with the District	47,746,158
Total	\$ 83,678,587

The Net OPEB Liability was measured as of August 31, 2018 and rolled forward to August 31, 2019 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 the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2018 through August 31, 2019.

At August 31, 2020, the District’s proportion of the collective Net OPEB Liability was 0.0759811722% which was a decrease of (.0021689295%) from its proportion measured as of August 31, 2019.

SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
San Antonio, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended August 31, 2020

III. DETAILED NOTES ON ALL FUNDS (Continued)

**Healthcare Cost Trend Rate Sensitivity Analysis.** The following schedule shows the impact of the Net OPEB Liability if the assumed healthcare cost trend rate used was 1% less than and 1% greater than the assumed healthcare cost trend rate of 8.5%.

	1% Decrease in Healthcare Cost Trend Rate (7.5%)	Current Healthcare Cost Trend Rate (8.5%)	1% Increase in Healthcare Cost Trend Rate (9.5%)
District's proportionate share of the net OPEB liability:	\$ 29,312,414	\$ 35,932,429	\$ 44,800,205

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

- The discount rate changed from 3.69% as of August 31, 2018 to 2.63%, as of August 31, 2019. This change increased the total OPEB liability (TOL).
- The health care trend rates were reset to better reflect the plan's anticipated experience. This change increased the TOL.
- The participation rate for pre-65 retirees was lowered from 70% to 65%. The participation rate for post-65 retirees was lowered from 75% to 50%. 25% of pre-65 retirees are assumed to discontinue their coverage at age 65. There was no lapse assumption in the prior valuation. These changes decreased the TOL.
- The percentage of retirees who are assumed to have two-person coverage was lowered from 20% to 15%. In addition, the participation assumption for the surviving spouses of employees that die while actively employed was lowered from 20% to 10%. These changes decreased the TOL.
- Change of Benefit Terms Since the Prior Measurement Date – There were no changes in benefit terms since the prior measurement date.

For the year ended August 31, 2020, the District recognized OPEB expense of \$1,258,393 and revenue of \$853,379 for support provided by the State.

At August 31, 2020, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Amount
Differences between expected and actual economic experience	\$ 1,762,791	\$ (5,879,961)	\$ (4,117,170)
Changes in actuarial assumptions	1,995,766	(9,664,941)	(7,669,175)
Differences between projected and actual investment earnings	3,876	-	3,876
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	118	(2,528,055)	(2,527,937)
Amount to be recognized in OPEB expense in subsequent years (see table below)	3,762,551	(18,072,957)	(14,310,406)
Contributions paid to TRS subsequent to the measurement date	569,468	-	569,468
Total as of August 31, 2020	\$ 4,332,019	\$ (18,072,957)	\$ (13,740,938)

SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
San Antonio, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended August 31, 2020

III. DETAILED NOTES ON ALL FUNDS (Continued)

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

Year Ending August 31,	OPEB Expense Amount
2020	\$ (2,320,607)
2021	(2,302,607)
2022	(2,321,861)
2023	(2,322,579)
2024	(2,322,383)
Thereafter	(2,702,369)
Total	<u>\$ (14,310,406)</u>

L. Medicare Part D Subsidies

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, which was effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the fiscal years ended August 31, 2020, 2019, and 2018, the subsidy payments received by TRS-Care on behalf of the District were \$296,537, \$228,947, and \$194,067, respectively.

N. Employee Health Care Coverage

As of November 1, 2018, the District’s employee health benefits, including medical and pharmacy became partially self-funded. To protect the self-funded medical and pharmacy benefit plan assets, the District has in place a stop-loss coverage with the contracted administrator of the plan (Blue Cross Blue Shield of Texas). The Individual Stop Loss (ISL) policy protects the District from catastrophic claims that exceed \$200,000 per covered person and aggregate protection at 115% of expected claims through October 31, 2019.

As of November 1, 2019, the District’s employee health benefits, including medical and pharmacy were contracted with a new administrator (Aetna Life Insurance, of Hartford Connecticut). An Individual Stop Loss (ISL) policy to protect the District from catastrophic claims that exceed \$200,000 per covered person and aggregate protection at 115% of expected claims through October 31, 2020.

The provision for unpaid self-funded medical losses at August 31, 2020, in the amount of \$400,000 is reported in current liabilities as part of claims payable in the Internal Service funds Statement of Net Position. The estimated liability is based upon actual prior claims cost experience and projected time lags (less than 60 days) in settling such claims and actual claims paid after year end attributable to the year ended August 31, 2020. All premiums collected are accounted for as expenditures in the operating funds affected.



SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
San Antonio, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended August 31, 2020

III. DETAILED NOTES ON ALL FUNDS (Continued)

The following table discloses the claims activity for the year ended August 31, 2019 and 2020:

Fiscal Year	Beginning of Year Liability	Current Year Claims	Claims Payments and Changes in Estimates	End of Year Liability
2018-2019	\$ -	\$ 4,432,559	\$ 4,158,759	\$ 273,800
2019-2020	\$ 273,800	\$ 6,060,410	\$ 5,934,210	\$ 400,000

O. 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. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying basic financial statements for such contingencies.

2. Litigation

The District is the defendant in a number of lawsuits arising principally in the normal course of operations. In the opinion of management, the outcome of these lawsuits will not have a material adverse effect on the accompanying combined financial statements and accordingly, no provisions for losses have been recorded.

3. Construction Contracts

The District is obligated under certain construction contracts in the amount of \$103,495 as of August 31, 2020.

P. Shared Services Arrangement

The District participates in a shared services arrangement (SSA) which provides services to the District and other member districts. All services are provided by the fiscal agent. The member districts provide the funds to the fiscal agent for the purpose of the SSA. The District has neither a joint ownership interest in capital assets purchased by the fiscal agent nor a net equity interest in the fiscal agent. The fiscal agent is neither accumulating significant financial resources nor fiscal exigencies that would give rise to a future additional benefit or burden to the District.

SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
San Antonio, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended August 31, 2020

III. DETAILED NOTES ON ALL FUNDS (Continued)

Q. Risk Management

1. Auto, Liability, and Property Programs

During the year ended August 31, 2020, the District participated in the TASB Risk Management Fund (the "Fund") programs: Auto Liability, Auto Physical Damage, Legal Liability, Privacy & Information Security, and Property.

The Fund was created and is operated under the provisions of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. All members participating in the Fund execute Interlocal Agreements that define the responsibilities of the parties.

The Fund purchases stop loss coverage for protection against catastrophic and larger than anticipated claims for its Auto, Liability and Property Programs. The terms and limits of the stop loss program vary by line of coverage. The Fund uses the services of an independent actuary to determine the adequacy of reserves and fully funds those reserves. For the year ended August 31, 2020, the Fund anticipates that the District has no additional liability beyond the contractual obligation for payment of contributions.

The Fund engages the services of an independent auditor to conduct a financial audit after the close of each plan year on August 31. The audit is accepted by the Fund's Board of Trustees in February of the following year. The Fund's audited financial statements as of August 31, 2019, are available on the TASB Risk Management Fund website and have been filed with the Texas Department of Insurance in Austin.

2. Unemployment Compensation Pool

During the year ended August 31, 2020, the District provided unemployment compensation coverage to its employees through participation in the Texas Association of School Board's Risk Management Fund (the "Fund"). The Fund was created and is operated under the provisions of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. The Fund's Unemployment Compensation Program is authorized by Section 22.005 of the Texas Education Code and Chapter 172 of the Texas Local Government Code. All members participating in the Fund execute Interlocal Agreements that define the responsibilities of the parties.

The Fund meets its quarterly obligation to the Texas Workforce Commission. Expenses are accrued monthly until the quarterly payment has been made. Expenses can be reasonably estimated; therefore, there is no need for specific or aggregate stop loss coverage for the Unemployment Compensation pool.

For the year ended August 31, 2020, the Fund anticipates the District has no additional liability beyond the contractual obligation for payment of contributions.

SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
San Antonio, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended August 31, 2020

III. DETAILED NOTES ON ALL FUNDS (Continued)

The Fund engages the services of an independent auditor to conduct a financial audit after the close of each plan year on August 31. The audit is accepted by the Fund's Board of Trustees in February of the following year. The Fund's audited financial statements as of August 31, 2019, are available on the TASB Risk Management Fund website and have been filed with the Texas Department of Insurance in Austin.

The District reports risk management activities in the general fund.

There were no significant reductions in coverage from the past fiscal year and settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

R. Worker's Compensation

The District utilizes an internal service fund to account for the worker's compensation self-insurance fund. During fiscal year 2020, a total of \$182,002 was incurred in benefits and operating costs. An excess coverage insurance policy covers individual claims in excess of \$400,000 up to a maximum limit of \$1,000,000 for any one event, this policy was in effect as of November 1, 2019 through November 1, 2020.

The District policy related to the aggregate excess insurance is as follows:

Self-Insured Retention per Occurrence \$400,000

Maximum Limit of Indemnity for the Liability Period: \$1,000,000

Claims payable reported in the amount of \$238,191 was actuarially determined based on the requirements of GASB Statement No. 10 as amended by GASB Statement No. 30 which requires that a liability for claims be reported if information prior to the issuance of the financial statements and the amount of the loss can be reasonably estimated. Since claim payments and current year changes in estimates approximate the claims payable liability, the claim liability is reported as a current liability. The liability includes provisions for the following:

- Reserves on open claims on an individual case basis
- The expected ultimate value of future development on reported claims
- The expected ultimate value of claims yet to be reported
- The expected ultimate value of reopened claims
- The allocated loss adjustment expenses; and
- Net of projected recoveries from excess insurance, salvage, and subrogation.

SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
San Antonio, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended August 31, 2020

III. DETAILED NOTES ON ALL FUNDS (Continued)

The estimated liability includes an estimate of claims that have been incurred but not reported. At year end, the amount of the liability for the self-insurance program is \$238,191.

Fiscal Year	Beginning of Year Liability	Current Year Claims	Claims Payments and Changes in Estimates	End of Year Liability
2018-2019	\$ 503,035	\$ 165,321	\$ 295,688	\$ 372,668
2019-2020	\$ 372,668	\$ 102,462	\$ 236,939	\$ 238,191

S. Deficit Unrestricted Net Position/Deficit Fund Balances

The deficit unrestricted net position of \$36,696,083 in the governmental activities results from the effects of the recognition of GASB Statement No. 68 and GASB Statement No. 75.

**REQUIRED SUPPLEMENTARY INFORMATION**

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SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED AUGUST 31, 2020

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
<b>REVENUES:</b>				
5700 Total Local and Intermediate Sources	\$ 18,609,760	\$ 18,609,760	\$ 18,914,181	\$ 304,421
5800 State Program Revenues	59,943,637	58,514,509	56,911,508	(1,603,001)
5900 Federal Program Revenues	2,774,900	2,774,900	2,616,280	(158,620)
5020 Total Revenues	81,328,297	79,899,169	78,441,969	(1,457,200)
<b>EXPENDITURES:</b>				
Current:				
0011 Instruction	47,665,926	47,636,888	44,456,865	3,180,023
0012 Instructional Resources and Media Services	1,198,290	1,422,374	1,384,499	37,875
0013 Curriculum and Instructional Staff Development	679,902	841,953	578,955	262,998
0021 Instructional Leadership	864,552	935,444	866,862	68,582
0023 School Leadership	6,246,432	5,558,071	5,518,815	39,256
0031 Guidance, Counseling, and Evaluation Services	2,918,057	3,079,968	2,931,588	148,380
0032 Social Work Services	331,250	332,240	279,436	52,804
0033 Health Services	1,715,285	1,494,221	1,444,457	49,764
0034 Student (Pupil) Transportation	2,244,130	2,478,872	2,091,428	387,444
0036 Extracurricular Activities	2,040,113	1,787,341	1,671,589	115,752
0041 General Administration	2,338,930	3,366,279	3,272,665	93,614
0051 Facilities Maintenance and Operations	8,612,043	10,331,019	9,729,634	601,385
0052 Security and Monitoring Services	1,241,973	1,212,609	1,207,299	5,310
0053 Data Processing Services	1,586,090	2,075,814	1,886,610	189,204
0061 Community Services	323,133	381,748	341,586	40,162
Capital Outlay:				
0081 Facilities Acquisition and Construction	1,295,119	4,232,829	3,454,440	778,389
Intergovernmental:				
0093 Payments to Fiscal Agent/Member Districts of SSA	-	77,985	77,985	-
0095 Payments to Juvenile Justice Alternative Ed. Prg.	17,872	17,872	-	17,872
0099 Other Intergovernmental Charges	110,000	125,000	122,552	2,448
6030 Total Expenditures	81,429,097	87,388,527	81,317,265	6,071,262
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	(100,800)	(7,489,358)	(2,875,296)	4,614,062
<b>OTHER FINANCING SOURCES (USES):</b>				
7915 Transfers In	100,800	100,800	120,797	19,997
8911 Transfers Out (Use)	-	-	(1,644)	(1,644)
7080 Total Other Financing Sources (Uses)	100,800	100,800	119,153	18,353
1200 Net Change in Fund Balances	-	(7,388,558)	(2,756,143)	4,632,415
0100 Fund Balance - September 1 (Beginning)	30,448,517	30,448,517	30,448,517	-
3000 Fund Balance - August 31 (Ending)	\$ 30,448,517	\$ 23,059,959	\$ 27,692,374	\$ 4,632,415

SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
TEACHER RETIREMENT SYSTEM OF TEXAS  
FOR THE YEAR ENDED AUGUST 31, 2020

	FY 2020 Plan Year 2019	FY 2019 Plan Year 2018	FY 2018 Plan Year 2017
District's Proportion of the Net Pension Liability (Asset)	0.058259222%	0.060816381%	0.062447817%
District's Proportionate Share of Net Pension Liability (Asset)	\$ 30,284,965	\$ 33,474,812	\$ 19,967,448
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	37,488,457	43,435,411	29,289,547
Total	<u>\$ 67,773,422</u>	<u>\$ 76,910,223</u>	<u>\$ 49,256,995</u>
District's Covered Payroll	\$ 57,881,610	\$ 59,240,180	\$ 62,046,102
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	52.32%	56.51%	32.18%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.24%	73.74%	82.17%

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

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



FY 2017 Plan Year 2016	FY 2016 Plan Year 2015	FY 2015 Plan Year 2014
0.059475179%	0.0581993%	0.0449481%
\$ 22,474,786	\$ 20,572,678	\$ 12,006,259
36,147,509	34,992,059	30,308,470
<u>\$ 58,622,295</u>	<u>\$ 55,564,737</u>	<u>\$ 42,314,729</u>
\$ 60,094,300	\$ 56,912,759	\$ 56,694,241
37.40%	36.15%	21.18%
78.00%	78.43%	83.25%

SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR PENSIONS  
TEACHER RETIREMENT SYSTEM OF TEXAS  
FOR THE YEAR ENDED AUGUST 31, 2020

	2020	2019	2018
Contractually Required Contribution	\$ 2,209,438	\$ 2,040,584	\$ 2,077,722
Contribution in Relation to the Contractually Required Contribution	2,209,438	2,040,584	2,077,722
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 62,518,405	\$ 57,881,610	\$ 59,240,180
Contributions as a Percentage of Covered Payroll	3.53%	3.53%	3.51%

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

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

	2017	2016	2015
\$	1,977,312	\$ 1,889,677	\$ 1,817,619
	1,977,312	1,889,677	1,817,619
\$	-	\$ -	\$ -
\$	62,046,102	\$ 60,094,300	\$ 56,912,759
	3.19%	3.14%	3.19%

SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY  
TEACHER RETIREMENT SYSTEM OF TEXAS  
FOR THE YEAR ENDED AUGUST 31, 2020

	FY 2020 Plan Year 2019	FY 2019 Plan Year 2018	FY 2018 Plan Year 2017
District's Proportion of the Net Liability (Asset) for Other Postemployment Benefits	0.075981172%	0.078150102%	0.080911732%
District's Proportionate Share of Net OPEB Liability (Asset)	\$ 35,932,429	\$ 39,021,061	\$ 35,185,477
State's Proportionate Share of the Net OPEB Liability (Asset) Associated with the District	47,746,158	47,571,974	47,559,318
Total	<u>\$ 83,678,587</u>	<u>\$ 86,593,035</u>	<u>\$ 82,744,795</u>
District's Covered Payroll	\$ 57,881,610	\$ 59,240,180	\$ 62,046,102
District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	62.08%	65.87%	56.71%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	2.66%	1.57%	0.91%

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

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

SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR OTHER POSTEMPLOYMENT BENEFITS (OPEB)  
TEACHER RETIREMENT SYSTEM OF TEXAS  
FOR THE YEAR ENDED AUGUST 31, 2020

	2020	2019	2018
Contractually Required Contribution	\$ 569,468	\$ 539,256	\$ 477,293
Contribution in Relation to the Contractually Required Contribution	569,468	539,256	477,293
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 62,518,405	\$ 57,881,610	\$ 59,240,180
Contributions as a Percentage of Covered Payroll	0.91%	0.93%	0.81%

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

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

SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
San Antonio, Texas

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

For The Year Ended August 31, 2020

Following are notes to Exhibit G-6 at pages 64-65:

*Changes of Benefit Terms*

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

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

*Changes of Assumptions*

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

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

SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
San Antonio, Texas

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

For The Year Ended August 31, 2020

Following are notes to Exhibit G-8 at page 68:

*Changes of Benefit Terms*

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

*Changes of Assumptions*

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

- The discount rate changed from 3.69 percent as of August 31, 2018 to 2.63 percent, as of August 31, 2019. This change increased the total OPEB liability (TOL).
- The participation rate for pre-65 retirees was lowered from 70 percent to 65 percent. The participation rate for post-65 retirees was lowered from 75 percent to 50 percent. 25 percent of pre-65 retirees are assumed to discontinue their coverage at age 65. There was no lapse assumption in the prior valuation. These changes decreased the TOL.
- The trend rates were reset to better reflect the plan's anticipated experience. This change increased the TOL.
- The percentage of retirees who are assumed to have two-person coverage was lowered from 20 percent to 15 percent. In addition, the participation assumption for the surviving spouses of employees that die while actively employed was lowered from 20 percent to 10 percent. These changes decreased the TOL.

The impact of the Cadillac Tax that is returning in fiscal year 2023 has been calculated as a portion of the trend assumption. Assumptions and methods used to determine the impact of the Cadillac Tax include:

- 2018 thresholds of \$850/\$2,292 were indexed annually by 2.30 percent.
- Premium data submitted was not adjusted for permissible exclusions to the Cadillac Tax.
- There were no special adjustments to the dollar limit other than those permissible for non-Medicare retirees over 55.

Results indicate that the value of the excise tax would be reasonably represented by a 25-basis point addition to the long-term trend rate assumption.

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## **COMBINING STATEMENTS**

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## **Nonmajor Governmental Funds**

SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 AUGUST 31, 2020

Data Control Codes	205  Head Start	206 Title X, Part C Homeless	211 Title I, A Improving Basic Program	212 Title I Part C Migrant
<b>ASSETS</b>				
1110 Cash and Cash Equivalents	\$ -	\$ 5,386	\$ -	\$ -
1240 Due from Other Governments	324,917	-	533,384	7,022
1260 Due from Other Funds	-	-	-	-
1300 Inventories	-	-	-	-
1000 Total Assets	<u>\$ 324,917</u>	<u>\$ 5,386</u>	<u>\$ 533,384</u>	<u>\$ 7,022</u>
<b>LIABILITIES</b>				
2110 Accounts Payable	\$ 491	\$ 5,386	\$ 6,008	\$ -
2160 Accrued Wages Payable	70,073	-	25,124	-
2170 Due to Other Funds	254,353	-	502,252	7,022
2300 Unearned Revenue	-	-	-	-
2000 Total Liabilities	<u>324,917</u>	<u>5,386</u>	<u>533,384</u>	<u>7,022</u>
<b>FUND BALANCES</b>				
Nonspendable Fund Balance:				
3410 Inventories	-	-	-	-
Restricted Fund Balance:				
3450 Federal or State Funds Grant Restriction	-	-	-	-
3470 Capital Acquisition and Contractual Obligation	-	-	-	-
3490 Other Restricted Fund Balance	-	-	-	-
Assigned Fund Balance:				
3590 Other Assigned Fund Balance	-	-	-	-
3000 Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000 Total Liabilities and Fund Balances	<u>\$ 324,917</u>	<u>\$ 5,386</u>	<u>\$ 533,384</u>	<u>\$ 7,022</u>

224	225	240	244	255	263	274	276
IDEA - Part B Formula	IDEA - Part B Preschool	National Breakfast and Lunch Program	Career and Technical - Basic Grant	Title II,A Training and Recruiting	Title III, A English Lang. Acquisition	GEAR UP	Instructional Continuity
\$ -	\$ -	\$ 982,433	\$ -	\$ -	\$ -	\$ -	\$ -
206,613	5,723	183,525	4,260	57,519	15,206	74,426	46,133
-	-	-	-	-	-	-	-
-	-	64,384	-	-	-	-	-
<u>\$ 206,613</u>	<u>\$ 5,723</u>	<u>\$ 1,230,342</u>	<u>\$ 4,260</u>	<u>\$ 57,519</u>	<u>\$ 15,206</u>	<u>\$ 74,426</u>	<u>\$ 46,133</u>
\$ 4,800	\$ -	\$ 42,569	\$ -	\$ 995	\$ -	\$ -	\$ -
101,710	2,196	-	1,730	-	-	-	-
100,103	3,527	7,996	2,530	56,524	15,206	74,426	46,133
-	-	49,772	-	-	-	-	-
<u>206,613</u>	<u>5,723</u>	<u>100,337</u>	<u>4,260</u>	<u>57,519</u>	<u>15,206</u>	<u>74,426</u>	<u>46,133</u>
-	-	64,384	-	-	-	-	-
-	-	1,065,621	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>1,130,005</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 206,613</u>	<u>\$ 5,723</u>	<u>\$ 1,230,342</u>	<u>\$ 4,260</u>	<u>\$ 57,519</u>	<u>\$ 15,206</u>	<u>\$ 74,426</u>	<u>\$ 46,133</u>

SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 AUGUST 31, 2020

Data Control Codes	289 Other Federal Special Revenue Funds	340 SSA - IDEA C Deaf - Early Intervention	385 Visually Impaired SSVI	393 Texas Successful Schools Prog.	
<b>ASSETS</b>					
1110	Cash and Cash Equivalents	\$ -	\$ 9	\$ -	\$ 6,833
1240	Due from Other Governments	13,261	-	-	-
1260	Due from Other Funds	-	-	-	-
1300	Inventories	-	-	-	-
1000	<b>Total Assets</b>	<u>\$ 13,261</u>	<u>\$ 9</u>	<u>\$ -</u>	<u>\$ 6,833</u>
<b>LIABILITIES</b>					
2110	Accounts Payable	\$ -	\$ -	\$ -	\$ -
2160	Accrued Wages Payable	-	-	-	-
2170	Due to Other Funds	13,261	-	-	6,135
2300	Unearned Revenue	-	-	-	-
2000	<b>Total Liabilities</b>	<u>13,261</u>	<u>-</u>	<u>-</u>	<u>6,135</u>
<b>FUND BALANCES</b>					
Nonspendable Fund Balance:					
3410	Inventories	-	-	-	-
Restricted Fund Balance:					
3450	Federal or State Funds Grant Restriction	-	-	-	-
3470	Capital Acquisition and Contractual Obligation	-	-	-	-
3490	Other Restricted Fund Balance	-	9	-	698
Assigned Fund Balance:					
3590	Other Assigned Fund Balance	-	-	-	-
3000	<b>Total Fund Balances</b>	<u>-</u>	<u>9</u>	<u>-</u>	<u>698</u>
4000	<b>Total Liabilities and Fund Balances</b>	<u>\$ 13,261</u>	<u>\$ 9</u>	<u>\$ -</u>	<u>\$ 6,833</u>

394	397	404	410	429	435	461	487
Life Skills Program	Advanced Placement Incentives	Student Success Initiative	State Textbook Fund	Other State Special Revenue Funds	SSA Regional Day School - Deaf	Campus Activity Funds	SA Sports Foundation
\$ -	\$ 36	\$ -	\$ 705,057	\$ -	\$ 53,402	\$ 320,788	\$ 110,867
-	-	136,187	-	391,255	-	-	-
-	-	-	-	3	100	-	-
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 36</u>	<u>\$ 136,187</u>	<u>\$ 705,057</u>	<u>\$ 391,258</u>	<u>\$ 53,502</u>	<u>\$ 320,788</u>	<u>\$ 110,867</u>
\$ -	\$ -	\$ -	\$ 315,661	\$ -	\$ -	\$ 3,747	\$ -
-	-	-	-	-	-	-	-
-	-	136,187	-	294,561	-	-	-
-	-	-	30,111	78,000	-	-	-
<u>-</u>	<u>-</u>	<u>136,187</u>	<u>345,772</u>	<u>372,561</u>	<u>-</u>	<u>3,747</u>	<u>-</u>
-	-	-	-	-	-	-	-
-	36	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	359,285	18,697	53,502	-	110,867
-	-	-	-	-	-	317,041	-
<u>-</u>	<u>36</u>	<u>-</u>	<u>359,285</u>	<u>18,697</u>	<u>53,502</u>	<u>317,041</u>	<u>110,867</u>
<u>\$ -</u>	<u>\$ 36</u>	<u>\$ 136,187</u>	<u>\$ 705,057</u>	<u>\$ 391,258</u>	<u>\$ 53,502</u>	<u>\$ 320,788</u>	<u>\$ 110,867</u>

SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 AUGUST 31, 2020

Data Control Codes	499 Other Local Special Revenue Funds	Total Nonmajor Special Revenue Funds	616 Public Property Finance Fund	617 Facilities Emergency Grant	
<b>ASSETS</b>					
1110	Cash and Cash Equivalents	\$ 89,067	\$ 2,273,878	\$ 997	\$ 1,668
1240	Due from Other Governments	-	1,999,431	-	-
1260	Due from Other Funds	-	103	-	-
1300	Inventories	-	64,384	-	-
1000	Total Assets	<u>\$ 89,067</u>	<u>\$ 4,337,796</u>	<u>\$ 997</u>	<u>\$ 1,668</u>
<b>LIABILITIES</b>					
2110	Accounts Payable	\$ -	\$ 379,657	\$ -	\$ -
2160	Accrued Wages Payable	-	200,833	-	-
2170	Due to Other Funds	-	1,520,216	-	-
2300	Unearned Revenue	14,384	172,267	-	-
2000	Total Liabilities	<u>14,384</u>	<u>2,272,973</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>					
Nonspendable Fund Balance:					
3410	Inventories	-	64,384	-	-
Restricted Fund Balance:					
3450	Federal or State Funds Grant Restriction	-	1,065,657	-	-
3470	Capital Acquisition and Contractual Obligation	-	-	997	1,668
3490	Other Restricted Fund Balance	74,683	617,741	-	-
Assigned Fund Balance:					
3590	Other Assigned Fund Balance	-	317,041	-	-
3000	Total Fund Balances	<u>74,683</u>	<u>2,064,823</u>	<u>997</u>	<u>1,668</u>
4000	Total Liabilities and Fund Balances	<u>\$ 89,067</u>	<u>\$ 4,337,796</u>	<u>\$ 997</u>	<u>\$ 1,668</u>



618 School Facilities Assist Prgm	699 Capital Projects Fund	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
\$ 1,231	\$ 337,621	\$ 341,517	\$ 2,615,395
-	-	-	1,999,431
-	-	-	103
-	-	-	64,384
<u>\$ 1,231</u>	<u>\$ 337,621</u>	<u>\$ 341,517</u>	<u>\$ 4,679,313</u>
\$ -	\$ -	\$ -	\$ 379,657
-	-	-	200,833
-	-	-	1,520,216
-	-	-	172,267
<u>-</u>	<u>-</u>	<u>-</u>	<u>2,272,973</u>
-	-	-	64,384
-	-	-	1,065,657
1,231	337,621	341,517	341,517
-	-	-	617,741
-	-	-	317,041
<u>1,231</u>	<u>337,621</u>	<u>341,517</u>	<u>2,406,340</u>
<u>\$ 1,231</u>	<u>\$ 337,621</u>	<u>\$ 341,517</u>	<u>\$ 4,679,313</u>

SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED AUGUST 31, 2020

Data Control Codes	205  Head Start	206 Title X, Part C Homeless	211 Title I, A Improving Basic Program	212 Title I Part C Migrant
<b>REVENUES:</b>				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800 State Program Revenues	-	-	-	-
5900 Federal Program Revenues	2,187,491	1,296	3,081,896	52,932
5020 Total Revenues	2,187,491	1,296	3,081,896	52,932
<b>EXPENDITURES:</b>				
Current:				
0011 Instruction	1,042,380	1,296	933,745	3,737
0012 Instructional Resources and Media Services	-	-	-	-
0013 Curriculum and Instructional Staff Development	192,485	-	1,896,770	48,243
0021 Instructional Leadership	403,608	-	161,162	952
0023 School Leadership	(6)	-	73,628	-
0031 Guidance, Counseling, and Evaluation Services	-	-	2,805	-
0033 Health Services	2,926	-	-	-
0034 Student (Pupil) Transportation	-	-	-	-
0035 Food Services	-	-	-	-
0036 Extracurricular Activities	-	-	-	-
0041 General Administration	45,344	-	-	-
0051 Facilities Maintenance and Operations	-	-	-	-
0052 Security and Monitoring Services	-	-	-	-
0061 Community Services	500,754	-	13,786	-
6030 Total Expenditures	2,187,491	1,296	3,081,896	52,932
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
<b>OTHER FINANCING SOURCES (USES):</b>				
8911 Transfers Out (Use)	-	-	-	-
1200 Net Change in Fund Balance	-	-	-	-
0100 Fund Balance - September 1 (Beginning)	-	-	-	-
3000 Fund Balance - August 31 (Ending)	\$ -	\$ -	\$ -	\$ -

224	225	240	244	255	263	274	276
IDEA - Part B Formula	IDEA - Part B Preschool	National Breakfast and Lunch Program	Career and Technical - Basic Grant	Title II,A Training and Recruiting	Title III, A English Lang. Acquisition	GEAR UP	Instructional Continuity
\$ -	\$ -	\$ 146,337	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	31,616	-	-	-	-	-
1,913,160	34,452	5,359,637	122,574	423,226	135,064	531,687	46,133
1,913,160	34,452	5,537,590	122,574	423,226	135,064	531,687	46,133
1,496,369	34,452	-	84,322	-	26,856	134,033	46,133
-	-	-	-	10,440	-	-	-
-	-	-	6,648	396,097	101,962	62,572	-
208,714	-	-	-	13,796	4,041	50,090	-
-	-	-	-	1,398	2,035	-	-
35,653	-	-	31,604	1,495	-	282,751	-
-	-	-	-	-	-	-	-
172,189	-	-	-	-	-	-	-
-	-	6,105,761	-	-	-	-	-
-	-	-	-	-	-	-	-
75	-	-	-	-	-	-	-
-	-	738,759	-	-	-	-	-
-	-	-	-	-	-	-	-
160	-	-	-	-	170	2,241	-
1,913,160	34,452	6,844,520	122,574	423,226	135,064	531,687	46,133
-	-	(1,306,930)	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	(1,306,930)	-	-	-	-	-
-	-	2,436,935	-	-	-	-	-
\$ -	\$ -	\$ 1,130,005	\$ -	\$ -	\$ -	\$ -	\$ -

SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED AUGUST 31, 2020

Data Control Codes	289 Other Federal Special Revenue Funds	340 SSA - IDEA C Deaf - Early Intervention	385 Visually Impaired SSVI	393 Texas Successful Schools Prog.
<b>REVENUES:</b>				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ 73
5800 State Program Revenues	-	-	7,800	-
5900 Federal Program Revenues	219,322	-	-	-
5020 Total Revenues	219,322	-	7,800	73
<b>EXPENDITURES:</b>				
Current:				
0011 Instruction	122,607	-	7,800	-
0012 Instructional Resources and Media Services	-	-	-	-
0013 Curriculum and Instructional Staff Development	-	-	-	-
0021 Instructional Leadership	18,566	-	-	-
0023 School Leadership	-	-	-	-
0031 Guidance, Counseling, and Evaluation Services	78,149	-	-	-
0033 Health Services	-	-	-	-
0034 Student (Pupil) Transportation	-	-	-	-
0035 Food Services	-	-	-	-
0036 Extracurricular Activities	-	-	-	-
0041 General Administration	-	-	-	-
0051 Facilities Maintenance and Operations	-	-	-	-
0052 Security and Monitoring Services	-	-	-	-
0061 Community Services	-	-	-	-
6030 Total Expenditures	219,322	-	7,800	-
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	73
<b>OTHER FINANCING SOURCES (USES):</b>				
8911 Transfers Out (Use)	-	-	-	-
1200 Net Change in Fund Balance	-	-	-	73
0100 Fund Balance - September 1 (Beginning)	-	9	-	625
3000 Fund Balance - August 31 (Ending)	\$ -	\$ 9	\$ -	\$ 698

394	397	404	410	429	435	461	487
Life Skills Program	Advanced Placement Incentives	Student Success Initiative	State Textbook Fund	Other State Special Revenue Funds	SSA Regional Day School - Deaf	Campus Activity Funds	SA Sports Foundation
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 303,655	\$ 42,000
-	36	805,978	1,388,793	408,904	-	-	-
-	-	-	-	-	-	-	-
-	36	805,978	1,388,793	408,904	-	303,655	42,000
-	-	523,464	1,388,793	17,000	-	81,152	-
-	-	-	-	-	-	31,493	-
-	-	192,629	-	2,592	-	3,890	-
-	-	-	-	-	-	-	-
-	-	18,760	-	-	-	78,608	-
-	-	525	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	337,336	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	52,671	9,623
-	-	50,000	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	54,567	-	-	-
-	-	20,600	-	-	-	-	-
-	-	805,978	1,388,793	411,495	-	247,814	9,623
-	36	-	-	(2,591)	-	55,841	32,377
(19,997)	-	-	-	-	-	-	-
(19,997)	36	-	-	(2,591)	-	55,841	32,377
19,997	-	-	359,285	21,288	53,502	261,200	78,490
\$ -	\$ 36	\$ -	\$ 359,285	\$ 18,697	\$ 53,502	\$ 317,041	\$ 110,867

SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED AUGUST 31, 2020

Data Control Codes	499 Other Local Special Revenue Funds	Total Nonmajor Special Revenue Funds	616 Public Property Finance Fund	617 Facilities Emergency Grant
<b>REVENUES:</b>				
5700 Total Local and Intermediate Sources	\$ 6,000	\$ 498,065	\$ 11	\$ 17
5800 State Program Revenues	1,616	2,644,743	-	-
5900 Federal Program Revenues	-	14,108,870	-	-
5020 Total Revenues	<u>7,616</u>	<u>17,251,678</u>	<u>11</u>	<u>17</u>
<b>EXPENDITURES:</b>				
Current:				
0011 Instruction	2,390	5,946,529	-	-
0012 Instructional Resources and Media Services	-	41,933	-	-
0013 Curriculum and Instructional Staff Development	1,190	2,905,078	-	-
0021 Instructional Leadership	-	860,929	-	-
0023 School Leadership	-	174,423	-	-
0031 Guidance, Counseling, and Evaluation Services	-	432,982	-	-
0033 Health Services	-	2,926	-	-
0034 Student (Pupil) Transportation	-	509,525	-	-
0035 Food Services	-	6,105,761	-	-
0036 Extracurricular Activities	552	62,846	-	-
0041 General Administration	-	95,419	-	-
0051 Facilities Maintenance and Operations	-	738,759	-	-
0052 Security and Monitoring Services	-	54,567	-	-
0061 Community Services	1,538	539,249	-	-
6030 Total Expenditures	<u>5,670</u>	<u>18,470,926</u>	<u>-</u>	<u>-</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	1,946	(1,219,248)	11	17
<b>OTHER FINANCING SOURCES (USES):</b>				
8911 Transfers Out (Use)	-	(19,997)	-	-
1200 Net Change in Fund Balance	1,946	(1,239,245)	11	17
0100 Fund Balance - September 1 (Beginning)	<u>72,737</u>	<u>3,304,068</u>	<u>986</u>	<u>1,651</u>
3000 Fund Balance - August 31 (Ending)	<u>\$ 74,683</u>	<u>\$ 2,064,823</u>	<u>\$ 997</u>	<u>\$ 1,668</u>

618 School Facilities Assist Prgm	699 Capital Projects Fund	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
\$ 13	\$ 2,493	\$ 2,534	\$ 500,599
-	-	-	2,644,743
-	-	-	14,108,870
13	2,493	2,534	17,254,212
-	-	-	5,946,529
-	-	-	41,933
-	-	-	2,905,078
-	-	-	860,929
-	-	-	174,423
-	-	-	432,982
-	-	-	2,926
-	-	-	509,525
-	-	-	6,105,761
-	-	-	62,846
-	-	-	95,419
-	-	-	738,759
-	-	-	54,567
-	-	-	539,249
-	-	-	18,470,926
13	2,493	2,534	(1,216,714)
-	-	-	(19,997)
13	2,493	2,534	(1,236,711)
1,218	335,128	338,983	3,643,051
\$ 1,231	\$ 337,621	\$ 341,517	\$ 2,406,340

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## **Internal Service Funds**

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SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF NET POSITION  
 INTERNAL SERVICE FUNDS  
 AUGUST 31, 2020

	753 Workers Compensation Fund	770 Medical Insurance Fund	Total Internal Service Funds
<b>ASSETS</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 2,548,425	\$ 835,911	\$ 3,384,336
Other Receivables	-	254,159	254,159
Total Assets	<u>2,548,425</u>	<u>1,090,070</u>	<u>3,638,495</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable	17,391	-	17,391
Due to Other Funds	104	820	924
Accrued Expenses	238,191	400,000	638,191
Total Liabilities	<u>255,686</u>	<u>400,820</u>	<u>656,506</u>
<b>NET POSITION</b>			
Unrestricted Net Position	<u>2,292,739</u>	<u>689,250</u>	<u>2,981,989</u>
Total Net Position	<u>\$ 2,292,739</u>	<u>\$ 689,250</u>	<u>\$ 2,981,989</u>

SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
 INTERNAL SERVICE FUNDS  
 FOR THE YEAR ENDED AUGUST 31, 2020

	753 Workers Compensation Fund	770 Medical Insurance Fund	Total Internal Service Funds
<b>OPERATING REVENUES:</b>			
Local and Intermediate Sources	\$ 29,653	\$ 6,466,185	\$ 6,495,838
Total Operating Revenues	<u>29,653</u>	<u>6,466,185</u>	<u>6,495,838</u>
<b>OPERATING EXPENSES:</b>			
Payroll Costs	57,574	83,456	141,030
Professional and Contracted Services	48,778	1,269,502	1,318,280
Other Operating Costs	75,650	4,230,822	4,306,472
Total Operating Expenses	<u>182,002</u>	<u>5,583,780</u>	<u>5,765,782</u>
Income (Loss) Before Transfers	(152,349)	882,405	730,056
Transfer In	1,644	-	1,644
Transfers Out	(100,800)	-	(100,800)
Change in Net Position	<u>(251,505)</u>	<u>882,405</u>	<u>630,900</u>
Total Net Position - September 1 (Beginning)	<u>2,544,244</u>	<u>(193,155)</u>	<u>2,351,089</u>
Total Net Position August 31 (Ending)	<u><u>\$ 2,292,739</u></u>	<u><u>\$ 689,250</u></u>	<u><u>\$ 2,981,989</u></u>

SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF CASH FLOWS  
 INTERNAL SERVICE FUNDS  
 FOR THE YEAR ENDED AUGUST 31, 2020

	753	770	
	Workers	Medical	Total
	Compensation	Insurance	Internal
	Fund	Fund	Service Funds
<u>Cash Flows from Operating Activities:</u>			
Cash Received from User Charges	\$ 29,653	\$ 6,466,185	\$ 6,495,838
Cash Payments to Employees for Services	(57,574)	(83,456)	(141,030)
Cash Payments for Insurance Claims	(259,914)	(5,552,821)	(5,812,735)
Net Cash Provided by (Used for) Operating Activities	<u>(287,835)</u>	<u>829,908</u>	<u>542,073</u>
<u>Cash Flows from Non-Capital Financing Activities:</u>			
Operating Transfer Out	(100,800)	-	(100,800)
Operating Transfer In	1,644	-	1,644
Net Cash Used For Non-Capital Financing Activities	<u>(99,156)</u>	<u>-</u>	<u>(99,156)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(386,991)	829,908	442,917
Cash and Cash Equivalents at Beginning of Year	2,935,416	6,003	2,941,419
Cash and Cash Equivalents at End of Year	<u>\$ 2,548,425</u>	<u>\$ 835,911</u>	<u>\$ 3,384,336</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>			
<u>Provided by (Used for) Operating Activities:</u>			
Operating Income (Loss):	\$ (152,349)	\$ 882,405	\$ 730,056
Effect of Increases and Decreases in Current Assets and Liabilities:			
(Increase) in Other Receivables	-	(84,411)	(84,411)
(Decrease) in Accounts Payable	(1,004)	(94,969)	(95,973)
Increase (Decrease) in Due to Other Funds	(5)	683	678
Increase (Decrease) in Accrued Expenses	(134,477)	126,200	(8,277)
Net Cash Provided by (Used for) Operating Activities	<u>\$ (287,835)</u>	<u>\$ 829,908</u>	<u>\$ 542,073</u>

**Agency Fund**

SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 ALL AGENCY FUNDS  
 AUGUST 31, 2020

	BALANCE SEPTEMBER 1 2019	ADDITIONS	DEDUCTIONS	BALANCE AUGUST 31 2020
<b>STUDENT ACTIVITY CUSTODIAL FUND</b>				
Assets:				
Cash and Cash Equivalents	\$ 262,917	\$ 168,453	\$ 203,742	\$ 227,628
Liabilities:				
Accounts Payable	\$ 3,516	\$ -	\$ 3,516	\$ -
Due to Other Funds	6,766	-	6,766	-
Due to Student Groups	252,635	391,086	416,093	227,628
Total Liabilities	\$ 262,917	\$ 391,086	\$ 426,375	\$ 227,628

## **Private Purpose Trust Funds**

SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF FIDUCIARY NET POSITION  
 PRIVATE PURPOSE TRUST FUNDS  
 AUGUST 31, 2020

	810 Private Purpose Trust Fund	820 Foundation Grant Funds	Total Private Purpose Trust Funds
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 14,600	\$ 15,000	\$ 29,600
Total Assets	<u>14,600</u>	<u>15,000</u>	<u>29,600</u>
<b>LIABILITIES</b>			
Payable from Restricted Assets	<u>14,600</u>	<u>15,000</u>	<u>29,600</u>
Total Liabilities	<u>14,600</u>	<u>15,000</u>	<u>29,600</u>



## **REQUIRED TEA SCHEDULES**

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SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
 SCHEDULE OF DELINQUENT TAXES RECEIVABLE  
 FOR THE YEAR ENDED AUGUST 31, 2020

Last 10 Years Ended August 31	(1)                      (2) Tax Rates		(3) Assessed/Appraised Value for School Tax Purposes
	Maintenance	Debt Service	
2011 and prior years	Various	Various	\$ Various
2012	1.040000	0.414900	1,207,596,467
2013	1.040000	0.414900	1,311,710,609
2014	1.040000	0.414900	1,334,190,093
2015	1.040000	0.411500	1,398,872,137
2016	1.040000	0.411500	1,435,618,939
2017	1.040000	0.411500	1,487,464,313
2018	1.040000	0.411500	1,600,484,459
2019	1.040000	0.411500	1,830,493,894
2020 (School year under audit)	0.970000	0.480000	1,968,397,218
1000            TOTALS			

(10) Beginning Balance 9/1/2019	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 8/31/2020
\$ 542,780	\$ -	\$ 11,413	\$ 2,962	\$ (40,014)	\$ 488,391
73,669	-	1,645	656	-	71,368
66,850	-	2,151	858	-	63,841
81,071	-	2,453	979	-	77,639
95,223	-	3,618	1,432	(385)	89,788
92,388	-	5,818	2,302	(145)	84,123
129,857	-	12,938	5,119	2,405	114,205
283,560	-	42,221	16,706	(36,478)	188,155
680,671	-	197,570	78,173	(103,981)	300,947
-	27,157,067	17,491,717	8,655,695	(232,416)	777,239
<u>\$ 2,046,069</u>	<u>\$ 27,157,067</u>	<u>\$ 17,771,544</u>	<u>\$ 8,764,882</u>	<u>\$ (411,014)</u>	<u>\$ 2,255,696</u>

SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - CHILD NUTRITION PROGRAM  
 FOR THE YEAR ENDED AUGUST 31, 2020

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
<b>REVENUES:</b>				
5700 Total Local and Intermediate Sources	\$ 213,708	\$ 213,708	\$ 146,337	\$ (67,371)
5800 State Program Revenues	422,439	35,000	31,616	(3,384)
5900 Federal Program Revenues	6,771,575	7,159,014	5,359,637	(1,799,377)
5020 Total Revenues	<u>7,407,722</u>	<u>7,407,722</u>	<u>5,537,590</u>	<u>(1,870,132)</u>
<b>EXPENDITURES:</b>				
Current:				
0035 Food Services	7,304,878	7,304,878	6,105,761	1,199,117
0051 Facilities Maintenance and Operations	752,546	752,546	738,759	13,787
6030 Total Expenditures	<u>8,057,424</u>	<u>8,057,424</u>	<u>6,844,520</u>	<u>1,212,904</u>
1200 Net Change in Fund Balances	(649,702)	(649,702)	(1,306,930)	(657,228)
0100 Fund Balance - September 1 (Beginning)	<u>2,436,935</u>	<u>2,436,935</u>	<u>2,436,935</u>	<u>-</u>
3000 Fund Balance - August 31 (Ending)	<u>\$ 1,787,233</u>	<u>\$ 1,787,233</u>	<u>\$ 1,130,005</u>	<u>\$ (657,228)</u>

SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - DEBT SERVICE FUND  
FOR THE YEAR ENDED AUGUST 31, 2020

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
<b>REVENUES:</b>				
5700 Total Local and Intermediate Sources	\$ 8,976,026	\$ 8,976,026	\$ 8,793,806	\$ (182,220)
5800 State Program Revenues	4,036,700	4,036,700	3,160,973	(875,727)
5020 Total Revenues	13,012,726	13,012,726	11,954,779	(1,057,947)
<b>EXPENDITURES:</b>				
Debt Service:				
0071 Principal on Long-Term Debt	13,328,237	6,996,377	6,996,187	190
0072 Interest on Long-Term Debt	-	6,291,860	6,099,473	192,387
0073 Bond Issuance Cost and Fees	-	40,000	720,564	(680,564)
6030 Total Expenditures	13,328,237	13,328,237	13,816,224	(487,987)
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	(315,511)	(315,511)	(1,861,445)	(1,545,934)
<b>OTHER FINANCING SOURCES (USES):</b>				
7901 Refunding Bonds Issued	-	-	44,345,000	44,345,000
7916 Premium or Discount on Issuance of Bonds	-	-	4,987,059	4,987,059
8940 Payment to Bond Refunding Escrow Agent (Use)	-	-	(48,625,786)	(48,625,786)
7080 Total Other Financing Sources (Uses)	-	-	706,273	706,273
1200 Net Change in Fund Balances	(315,511)	(315,511)	(1,155,172)	(839,661)
0100 Fund Balance - September 1 (Beginning)	3,297,948	3,297,948	3,297,948	-
3000 Fund Balance - August 31 (Ending)	\$ 2,982,437	\$ 2,982,437	\$ 2,142,776	\$ (839,661)

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**FEDERAL AWARDS SECTION**

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of South San Antonio Independent School District (the District), as of and for the year ended August 31, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 8, 2021.

**Internal Control Over Financial Reporting**

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

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

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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance 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*.

### **Other Matters**

We noted certain matters that we reported to management of the District in a separate letter dated January 8, 2021.

### **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.

January 8, 2021

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

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

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

We have audited South San Antonio Independent School District's (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended August 31, 2020. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditors' Responsibility***

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

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

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

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2020.

### **Report on Internal Control Over Compliance**

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

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

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

We noted a certain matter that we reported to management in a separate letter dated January 8, 2021.

### **Purpose of this Report**

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

January 8, 2021

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SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
San Antonio, Texas

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For The Year Ended August 31, 2020

**SECTION I --- SUMMARY OF AUDITOR'S RESULTS**

<i>Financial Statements</i>			
	Type of auditor's report issued:	<u>Unmodified</u>	
	Internal control over financial reporting: • Material weakness (es) identified?	<u>    </u> Yes	<u>X</u> No
	• Significant deficiencies identified not considered to be material weaknesses?	<u>    </u> Yes	<u>X</u> None Reported
	Noncompliance material to financial statements noted?	<u>    </u> Yes	<u>X</u> No

<i>Federal Awards</i>			
	Internal control over major programs: • Material weakness (es) identified?	<u>    </u> Yes	<u>X</u> No
	• Significant deficiencies identified not considered to be material weaknesses?	<u>    </u> Yes	<u>X</u> None Reported
	Type of auditor's report issued on compliance for Major programs	<u>Unmodified</u>	
	Any audit findings disclosed that are required to be reported in accordance with 2 CFR, Section. 200.516?	<u>    </u> Yes	<u>X</u> No

<i>Identification of Major Programs</i>		
CFDA Numbers(s)	Name of Federal Program or Cluster	
10.553 10.555	Child Nutrition Cluster: School Breakfast Program National School Lunch Program	
84.425D	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?		<u>X</u> Yes <u>    </u> No

(Continued)

SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
San Antonio, Texas

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For The Year Ended August 31, 2020

**SECTION II – FINANCIAL STATEMENT FINDINGS**

There were no financial statement findings required to be reported in accordance with *Government Auditing Standards*.

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

There were no federal award findings and questioned costs required to be reported by the Uniform Guidance, Section 200.516(a).

SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
San Antonio, Texas

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For The Year Ended August 31, 2020

There were no prior audit findings reported.

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**Schedule of Expenditures of Federal Awards**

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SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED AUGUST 31, 2020

(1)	(2)	(3)	(4)
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<b>U.S. DEPARTMENT OF DEFENSE</b>			
<u>Direct Programs</u>			
JROTC	12.xxx	N/A	\$ 38,678
Total Direct Programs			<u>38,678</u>
<b>TOTAL U.S. DEPARTMENT OF DEFENSE</b>			<u>38,678</u>
<b>U.S. DEPARTMENT OF EDUCATION</b>			
<u>Direct Programs</u>			
School Climate Transformation Project	84.184	S184G140167-18	18,075
Total Direct Programs			<u>18,075</u>
<u>Passed Through ESC Region 20</u>			
McKinney Vento - Techcy	84.196	295662011	1,296
Total Passed Through ESC Region 20			<u>1,296</u>
<u>Passed Through University of Texas at Austin</u>			
GEAR UP	84.334S	N/A	160,178
GEAR UP	84.334S	N/A	371,509
Total CFDA Number 84.334S			<u>531,687</u>
Total Passed Through University of Texas at Austin			<u>531,687</u>
<u>Passed Through State Department of Education</u>			
Title I, Part A - Improving Basic Programs	84.010A	19610101015908	67,391
Title I, Part A - Improving Basic Programs	84.010A	20610101015908	3,057,998
Title I 1003 School Improvement	84.010A	19610141015908	119,376
Total CFDA Number 84.010A			<u>3,244,765</u>
Title I, Part C - Migratory Children	84.011A	19615001015908	2,409
Title I, Part C - Migratory Children	84.011A	20615001015908	53,231
Total CFDA Number 84.011A			<u>55,640</u>
*IDEA - Part B, Formula	84.027A	186600010159086000	7,326
*IDEA - Part B, Formula	84.027A	196600010159086000	(28,934)
*IDEA - Part B, Formula	84.027A	206600010159086000	1,977,444
Total CFDA Number 84.027A			<u>1,955,836</u>
*IDEA - Part B, Preschool	84.173A	196610010159086000	765
*IDEA - Part B, Preschool	84.173A	206610010159086000	34,355
Total CFDA Number 84.173A			<u>35,120</u>
Total Special Education Cluster (IDEA)			<u>1,990,956</u>
Career and Technical - Basic Grant	84.048A	20420006015908	120,667
Career and Technical - Basic Grant	84.048A	21420006015908	1,908
Total CFDA Number 84.048A			<u>122,575</u>
Title III, Part A - English Language Acquisition	84.365A	19671001015908	4,447
Title III, Part A - English Language Acquisition	84.365A	20671001015908	137,696
Total CFDA Number 84.365A			<u>142,143</u>
Title II, Part A, Supporting Effective Instruction	84.367A	19694501015908	14,657
Title II, Part A, Supporting Effective Instruction	84.367A	20694501015908	430,537
Total CFDA Number 84.367A			<u>445,194</u>
Summer School LEP	84.369A	69551902	5,343
Instructional Continuity	84.377A	17610740015908	46,133

See Accompanying Notes to the Schedule of Expenditures of Federal Awards

SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED AUGUST 31, 2020

(1)	(2)	(3)	(4)
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Title IV, Part A Student Support & Academic Enrich Elementary & Secondary School Emergency Relief Fd	84.424A 84.425D	20680101015908 S425D200042	201,247 <u>2,663,999</u>
Total Passed Through State Department of Education			<u>8,917,995</u>
<b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>			<u><u>9,469,053</u></u>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
<u>Direct Programs</u>			
Head Start	93.600	06CH010831/01	965,951
Head Start	93.600	06CH010831/02/01	<u>1,344,972</u>
Total CFDA Number 93.600			<u>2,310,923</u>
Total Direct Programs			<u>2,310,923</u>
<u>Passed Through TX Dept of Health &amp; Human Svcs</u>			
Medicaid Administrative Claiming Program - MAC	93.778	529-08-0177-00014	<u>47,726</u>
Total Passed Through TX Dept of Health & Human Svcs			<u>47,726</u>
<b>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			<u>2,358,649</u>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
<u>Passed Through the State Department of Agriculture</u>			
Child & Adult Care Food Program - Cash Assistance	10.558	N/A	423,965
Fresh Fruit and Vegetable Program	10.582	N/A	<u>44,353</u>
Total Passed Through the State Department of Agriculture			<u>468,318</u>
<u>Passed Through State Department of Education</u>			
*School Breakfast Program	10.553	71401901	1,434,928
*National School Lunch Program - Cash Assistance	10.555	71302001	3,251,138
*National School Lunch Prog. - Non-Cash Assistance	10.555	71302001	<u>205,254</u>
Total CFDA Number 10.555			<u>3,456,392</u>
Total Child Nutrition Cluster			<u>4,891,320</u>
Total Passed Through State Department of Education			<u>4,891,320</u>
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>			<u>5,359,638</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u><u>\$ 17,226,018</u></u>

\*Clustered Programs

See Accompanying Notes to the Schedule of Expenditures of Federal Awards

SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
San Antonio, Texas

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For The Year Ended August 31, 2020

1. The District utilizes the fund types specified in the Texas Education Agency's Financial Accountability System Resource Guide (FASRG). Special Revenue Funds are used to account for resources restricted to, or designated for, specific purposes by a grantor. Federal and state financial assistance generally is accounted for in a Special Revenue Fund. Generally, unused balances are returned to the grantor at the close of specified project periods.
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. Federal grant funds are primarily accounted for in the Special Revenue Funds. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used for the Governmental Fund types. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual (i.e., both measurable and available), and expenditures in the accounting period in which the fund liability is incurred, if measurable, except for certain compensated absences, which are recognized when the obligations are expected to be liquidated with expendable, available financial resources.

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

3. The period of availability for federal grant funds for the purpose of liquidation of outstanding obligations made on or before the ending date of the federal project period extended 90 days beyond the federal project period ending date, in accordance with 2 CFR Part 200 Period of Performance.
4. Expenditures for the Junior ROTC Program, the Medicaid Administrative Claiming Program, and the National School Lunch and Breakfast Program are not specifically attributed to the revenue source and are shown on this schedule in an amount equal to revenue. Commodity Supplemental Food Program receipts represent USDA donated commodities received during the year. The related expenditures relate to the issuance of the commodities to the District's campuses.
5. The School Health and Related Services (SHARS) revenues are reported as federal revenues in the general fund; however, in accordance with TEA requirements, SHARS revenue is not considered federal financial assistance and is therefore not included in the schedule.
6. The District has elected not to use the 10% de minimis indirect cost rate as provided by the Uniform Guidance.



SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT  
San Antonio, Texas

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For The Year Ended August 31, 2020

7. Reconciliation of the total expenditures of federal awards as reported in the Schedule of Expenditures of Federal Awards to total federal revenues reported in Exhibit C-3.

- Total Federal Program Revenues (Exhibit C-3)	\$ 19,244,910
Less: SHARS Revenue (excluded from Exhibit K-1)	(744,194)
Less: Government Subsidized Debt (excluded from Exhibit K-1)	(967,986)
Less: E-Rate Program Revenue (excluded from Exhibit K-1)	<u>(306,712)</u>
Total Expenditures of Federal Awards (Exhibit K-1)	<u>\$ 17,226,018</u>

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