

**ROBSTOWN INDEPENDENT SCHOOL DISTRICT
AGENDA ACTION SHEET**

Date: January 10, 2022

Subject: **DISCUSS AND CONSIDER APPROVAL OF RISD ANNUAL FINANCIAL AUDIT REPORT FOR
SEPTEMBER 1, 2020 TO AUGUST 31, 2021**

Administrator Responsible: Vanessa R. Riggs

Position: Chief Financial Officer

A. Purpose of Agenda Item:

Information Only Action Needed

B. Authority for this Action:

Local Policy _____ Law or Rule TEC 44.008

C. Strategic Objective, Goal, or Need Addressed:

The objective is to approve the annual financial audit for fiscal year 2021.

D. Summary:

Each year, a school district, charter school or education service center (ESC) must take the following steps: 1. Prepare its annual financial statements; 2. Have its annual financial statements audited by a licensed independent certified public accountancy (CPA) firm; and finally 3. Submit the resulting audited annual financial and compliance report (AFR) and additional data to the Texas Education Agency for review. An AFR is due by no later than 150 days after the close of a district's fiscal year.

Armstrong, Vaughan and Associates has completed the district audit and has provided an unmodified opinion. This means the statements met the requirements demanded by the regulations and they were prepared in accordance with accounting principles, criteria and standards.

E. Alternatives Considered:

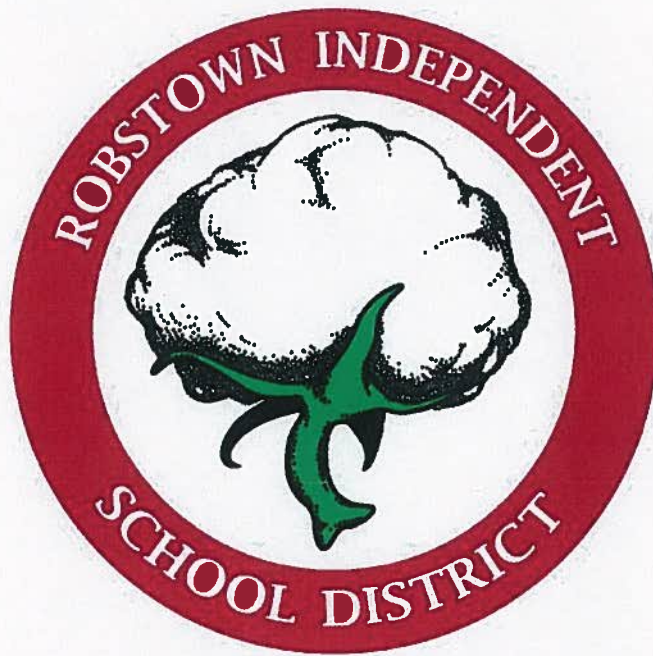
F. Comments Received:

G. Administrative Recommendation:

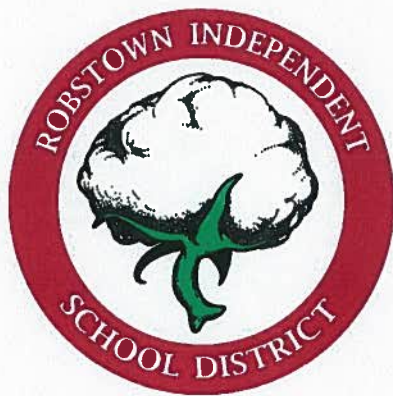
The board approve the annual financial report as presented by our external auditor, Mr. Phil Vaughan.

H. Fiscal Impact and Cost:

I. Monitoring and Reporting Time-Line: Fiscal Year 2021



**ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED AUGUST 31, 2021**



ROBSTOWN INDEPENDENT SCHOOL DISTRICT
ANNUAL FINANCIAL REPORT
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CERTIFICATE OF BOARD

Robstown Independent School District
Name of School District

Nueces
County

178-909
Co.-Dist. Number

We, the undersigned, certify that the attached annual financial reports of the above named school district were reviewed and (check one) _____ approved _____ disapproved for the Year ended August 31, 2021, at a meeting of the board of trustees of such school district on the _____ day of _____, _____.

Signature of Board Secretary

Signature of Board President



Armstrong, Vaughan & Associates, P. C.

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Robstown Independent School District
Robstown, TX

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Robstown Independent School District, as of and for the year ended August 31, 2021, and the related notes to the financial statements, which collectively comprise Robstown Independent School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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.

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 Robstown Independent School District, as of August 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Robstown Independent School District's basic financial statements. The supplementary information (combining nonmajor fund financial statements, individual budgetary comparison statements), schedule of expenditures of federal awards (SEFA) as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*) and other information (schedule of delinquent taxes receivable and schedule of required responses to selected school first indicators) are presented for purposes of additional analysis and are not a required part of the basic financial statements.

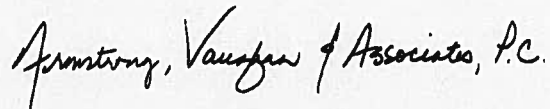
The supplementary information, including the SEFA, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the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

The other information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 3, 2022 on our consideration of Robstown Independent School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Robstown Independent School District's internal control over financial reporting and compliance.

Respectfully submitted,

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

Armstrong, Vaughan & Associates, P.C.

January 3, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Robstown Independent School District's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal period ended August 31, 2021. Please read it in conjunction with the Independent Auditor's Report, which precedes this Analysis and the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The District's net position increased by \$3.2 million as a result of this period's operations, leaving a net position of \$5.3 million. Adding back the Teacher Retirement System liabilities and related accruals, leaves a positive net position of \$38.8 million.
- Total cost of all of the District's programs decreased \$6.1 million or 13.9%. The decrease is attributable to cost savings across the District and ending the District's shared service arrangement with neighboring districts for autism and dyslexia services.
- Governmental fund balance increased \$2.1 million, primarily in the General Fund. The District experienced cost savings throughout and received significant federal grant funding for pandemic support, reported in nonmajor funds.
- In the 2020-2021 fiscal year, the District also issued \$12.1 million in refunding bonds with gross and net savings of \$2.2 million and \$1.9 million, respectively.
- The District also issued \$3.1 million in tax notes for athletic field improvements that were completed by August 31, 2021.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

Government-Wide Statements

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

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

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

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

Fund Financial Statements

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

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

The District has the following kinds of funds:

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

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position

The District's net position was \$5.3 million at August 31, 2021 (See Table A-1). The unrestricted net position improved \$6.2 million from August 31, 2020.

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

	Governmental Activities		Percentage Change
	8/31/21	8/31/20*	
<i>Assets:</i>			
Cash and Investments	\$ 12,448,991	\$ 10,756,415	15.7%
Other Current Assets	6,484,372	4,931,027	31.5%
Capital Assets (net)	83,556,954	82,951,887	0.7%
<i>Total Assets</i>	<u>102,490,317</u>	<u>98,639,329</u>	3.9%
<i>Deferred Outflows</i>	<u>8,176,384</u>	<u>9,514,774</u>	-14.1%
<i>Liabilities</i>			
Current Liabilities	8,129,002	5,663,337	43.5%
Long-term Liabilities	78,802,292	83,486,948	-5.6%
<i>Total Liabilities</i>	<u>86,931,294</u>	<u>89,150,285</u>	-2.5%
<i>Deferred Inflows</i>	<u>18,417,264</u>	<u>16,868,301</u>	9.2%
<i>Net Position:</i>			
Net Investment in Capital Assets	29,879,003	32,914,223	-9.2%
Restricted	429,445	432,021	-0.6%
Unrestricted	(24,990,305)	(31,210,727)	-19.9%
<i>Total Net Position</i>	<u>\$ 5,318,143</u>	<u>\$ 2,135,517</u>	149.0%

*Restated for the effects of a prior period adjustment

Changes in Net Position

The District's total revenues were \$40.8 million, a decrease of \$1.7 million. The majority of the decrease was the result of state formula funding based on attendance and stopping the District's autism and dyslexia program with other districts. Most of this revenue, \$30.5 million or 75% comes from state, federal and local grants.

The total cost of all programs and services decreased \$6.0 million to \$37.7 million. A large portion of the decrease can be attributed to ending the shared service arrangement for autism and dyslexia.

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

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

	Governmental Activities		Percentage Change
	2021	2020*	
<i>Program Revenues:</i>			
Charges for Services	\$ 97,597	\$ 249,240	-60.8%
Operating Grants & Contributions	10,753,016	10,492,642	2.5%
Capital Grants & Contributions	-	-	0.0%
<i>General Revenues:</i>			
Property Taxes	9,841,542	9,389,578	4.8%
General Grants	19,754,603	21,712,645	-9.0%
Investment Earnings	20,632	126,589	-83.7%
Miscellaneous	367,542	529,952	-30.6%
<i>Total Revenues</i>	<u>40,834,932</u>	<u>42,500,646</u>	-3.9%
<i>Expenses:</i>			
Instruction	18,271,083	18,183,568	0.5%
Instructional Resources & Media	397,743	423,523	-6.1%
Curriculum & Staff Development	619,557	609,701	1.6%
Instructional Leadership	1,202,132	1,405,520	-14.5%
School Leadership	2,045,803	2,358,486	-13.3%
Guidance, Counseling, Evaluation	1,101,094	1,360,530	-19.1%
Social Work Services	341,123	288,849	18.1%
Health Services	553,962	533,740	3.8%
Student Transportation	344,568	430,065	-19.9%
Food Service	1,891,812	2,079,456	-9.0%
Extracurricular Activities	1,411,265	1,364,714	3.4%
General Administration	1,799,806	2,048,122	-12.1%
Plant Maintenance & Operations	4,193,270	6,932,890	-39.5%
Security Services	190,155	329,598	-42.3%
Data Processing Services	500,438	467,663	7.0%
Community Services	281,025	291,583	-3.6%
Interest on Long-Term Debt	1,968,971	3,336,963	-41.0%
Bond Issuance Costs and Fees	345,440	151,216	128.4%
Facility Acquisition	36,859	-	100.0%
Payments for SSA	31,248	1,005,276	-96.9%
Payments for JJAEP	16,808	19,001	-11.5%
Other Intergovernmental Charges	108,144	105,379	2.6%
<i>Total Expenses</i>	<u>37,652,306</u>	<u>43,725,843</u>	-13.9%
<i>Increase (Decrease) in Net Position</i>	3,182,626	(1,225,197)	-359.8%
<i>Beginning Net Position</i>	<u>2,135,517</u>	<u>3,360,714</u>	
<i>Ending Net Position</i>	<u>\$ 5,318,143</u>	<u>\$ 2,135,517</u>	

*Restated to Reflect the Results of a Prior Period Adjustment

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Revenues from governmental fund types totaled \$40.3 million, a decrease of 2% over the preceding period. Total governmental fund expenditures increased \$0.4 million to \$41.6 million. Savings across departments and from stopping the autism/dyslexia program with other districts were offset by the athletic field improvements.

BUDGETARY HIGHLIGHTS

The General Fund's expenditures were \$5.3 million less and revenues were \$3.2 million less than the final budgeted amounts. Significant covid related grants shifted planned expenditures from the general fund. This also led to a reduction in state formula grants. The General Fund balance increased \$2.1 million compared to a budgeted decrease of \$0.4 million.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At August 31, 2021, the District had invested \$125 million in a broad range of capital assets, including land, equipment, and buildings (See Table A-3). In 2021, the District completed improvements to the athletic fields.

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

	Beginning Balance	Additions	Transfers/ Disposals	Ending Balance
Land	\$ 352,488	\$ -	\$ -	\$ 352,488
Buildings and Improvements	117,743,252	3,023,155	-	120,766,407
Vehicles	1,295,360	-	(536,423)	758,937
Equipment	2,849,236	73,663	(18,273)	2,904,626
Less: Accumulated Depreciation	(39,288,449)	(2,477,651)	540,596	(41,225,504)
Total Capital Assets	<u>\$ 82,951,887</u>	<u>\$ 619,167</u>	<u>\$ (14,100)</u>	<u>\$ 83,556,954</u>

Long Term Debt

At period-end the District owed \$51.0 million for outstanding bonds (not including unamortized premiums and accreted interest), notes and capital leases. See Table A-4. In 2021, the District issued \$12.1 million in refunding bonds and \$3.1 million in tax notes for the athletic upgrades. More detailed information about the District's debt is presented in the notes to the financial statements.

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

	Beginning Balance	Additions	Retirements	Ending Balance
Bonds	\$ 47,123,992	\$ 12,195,000	\$ (14,401,121)	\$ 44,917,871
Notes	3,337,887	3,130,000	(394,969)	6,072,918
Capital Leases	114,464	-	(56,008)	58,456
Total Debt	<u>\$ 50,576,343</u>	<u>\$ 15,325,000</u>	<u>\$ (14,852,098)</u>	<u>\$ 51,049,245</u>

ECONOMIC FACTORS AND NEXT PERIOD'S BUDGETS AND TAX RATES

The District's 2021-2022 budget projects General Fund expenditures will increase \$2.0 million to \$27.0 million. The tax rate will be increasing from \$1.5444 to \$1.5636; the increase will go towards debt service. The District has been awarded significant amounts of covid relief grants that will be used the next 2 to 3 years to address learning loss during the pandemic and help retain quality teachers.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

ROBSTOWN INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
AUGUST 31, 2021

Data Control Codes		1 Governmental Activities
	ASSETS:	
1110	Cash and Cash Equivalents	\$ 783,231
1120	Investments	11,665,760
1225	Property Taxes Receivable (Net)	1,845,607
1240	Due from Other Governments	4,311,236
1290	Other Receivables	6,471
1310	Inventories	29,494
1410	Prepaid Expenses	291,564
	<i>Capital Assets:</i>	
1510	Land	352,488
1520	Buildings and Improvements, Net	82,598,701
1531	Vehicles	18,626
1539	Furniture and Equipment, Net	587,139
1000	TOTAL ASSETS:	<u>102,490,317</u>
	DEFERRED OUTFLOW OF RESOURCES:	
	Deferred Refunding Losses	285,574
	Deferred Pension Related Outflows	5,125,948
	Deferred OPEB Related Outflows	2,764,862
1700	TOTAL DEFERRED OUTFLOWS:	<u>8,176,384</u>
	LIABILITIES:	
2110	Accounts Payable	290,177
2140	Interest Payable	72,227
2160	Accrued Wages	1,291,104
2180	Due to Other Governments	2,809,285
2300	Unearned Revenue	22,168
	<i>Noncurrent Liabilities:</i>	
2501	Due Within One Year	3,644,041
2502	Due in More Than One Year	55,847,790
2540	Net Pension Liability	10,513,945
2545	Net OPEB Liability	12,440,557
2000	TOTAL LIABILITIES:	<u>86,931,294</u>
	DEFERRED INFLOW OF RESOURCES:	
	Deferred Pension Related Inflows	2,935,712
	Deferred OPEB Related Inflows	15,481,552
2600	TOTAL DEFERRED INFLOWS:	<u>18,417,264</u>
	NET POSITION:	
3200	Net Investment in Capital Assets	29,879,003
3820	Restricted For Federal or State Funds Grant Restriction	429,445
3900	Unrestricted	(24,990,305)
3000	TOTAL NET POSITION:	<u>\$ 5,318,143</u>

The accompanying notes are an integral part of this statement

**ROBSTOWN INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2021**

Data	1	3	4	6
Control	<u>Program Revenues</u>			Net Revenue (Expense) and Changes in Net Position
Codes Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
GOVERNMENTAL ACTIVITIES:				
11 Instruction	\$ 18,271,083	\$ -	\$ 2,945,432	\$ (15,325,651)
12 Instructional Resources and Media	397,743	-	166,264	(231,479)
13 Curriculum and Staff Development	619,557	-	173,568	(445,989)
21 Instructional Leadership	1,202,132	-	794,786	(407,346)
23 School Leadership	2,045,803	-	349,848	(1,695,955)
31 Guidance, Counseling, & Evaluation	1,101,094	-	445,386	(655,708)
32 Social Work Services	341,123	-	125,993	(215,130)
33 Health Services	553,962	-	837,552	283,590
34 Student transportation	344,568	-	51,077	(293,491)
35 Food Services	1,891,812	10,063	1,768,278	(113,471)
36 Cocurricular/Extracurricular Activities	1,411,265	87,534	5,427	(1,318,304)
41 General Administration	1,799,806	-	109,686	(1,690,120)
51 Plant Maintenance and Operations	4,193,270	-	727,361	(3,465,909)
52 Security and Monitoring Services	190,155	-	24,055	(166,100)
53 Data Processing Services	500,438	-	82,528	(417,910)
61 Community Services	281,025	-	11,661	(269,364)
72 Interest on Long-Term Debt	1,968,971	-	1,883,747	(85,224)
73 Bond Issuance Costs and Fees	345,440	-	-	(345,440)
81 Facilities Acquisition	36,859	-	250,367	213,508
93 Payments to Agent of Shared Services	31,248	-	-	(31,248)
95 Payments to Juvenile Justice Programs	16,808	-	-	(16,808)
99 Other Intergovernmental Charges	108,144	-	-	(108,144)
TG Total Governmental Activities	<u>37,652,306</u>	<u>97,597</u>	<u>10,753,016</u>	<u>(26,801,693)</u>
TP Total Primary Government	<u>\$ 37,652,306</u>	<u>\$ 97,597</u>	<u>\$ 10,753,016</u>	<u>(26,801,693)</u>
General Revenues:				
MT Property Taxes, Levied for General Purposes				6,629,997
DT Property Taxes, Levied for Debt Service				3,211,545
IE Investment Earnings				20,632
GC General Grants and Contributions				19,754,603
MI Miscellaneous				367,542
TR Total General Revenues				<u>29,984,319</u>
CN Change in Net Position				3,182,626
NB Net Position - Beginning				(1,734,882)
PA Prior Period Adjustment				3,870,399
NE Net Position - Ending				<u>\$ 5,318,143</u>

The accompanying notes are an integral part of this statement

ROBSTOWN INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
AUGUST 31, 2021

Data	10	50	Other	98	
Control	General	Debt	Nonmajor	Total	
Codes	Fund	Service	Governmental	Governmental	
	Fund	Fund	Funds	Funds	
ASSETS					
1110	Cash and Cash Equivalents	\$ 222,684	\$ 11,799	\$ 396,798	\$ 631,281
1120	Investments	10,729,333	387,761	180,078	11,297,172
1225	Taxes Receivable, Net	1,292,957	552,650	-	1,845,607
1240	Due from Other Governments	864,405	123,803	3,323,029	4,311,237
1260	Due from Other Funds	3,142,828	-	-	3,142,828
1290	Other Receivables	2,960	-	3,511	6,471
1310	Inventories	-	-	29,494	29,494
1410	Prepaid Items	291,564	-	-	291,564
1000	TOTAL ASSETS:	<u>\$ 16,546,731</u>	<u>\$ 1,076,013</u>	<u>\$ 3,932,910</u>	<u>\$ 21,555,654</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:					
LIABILITIES:					
2110	Accounts Payable	\$ 42,903	\$ -	\$ 231,096	\$ 273,999
2160	Accrued Wages Payable	1,246,782	-	44,322	1,291,104
2170	Due to Other Funds	-	-	3,142,828	3,142,828
2180	Due to Other Governments	2,696,881	74,285	38,119	2,809,285
2300	Unearned Revenues	-	-	22,168	22,168
2000	TOTAL LIABILITIES:	<u>3,986,566</u>	<u>74,285</u>	<u>3,478,533</u>	<u>7,539,384</u>
DEFERRED INFLOWS OF RESOURCES:					
2600	Unavailable Property Tax Revenue	1,292,957	552,650	-	1,845,607
2600	TOTAL DEFERRED INFLOWS:	<u>1,292,957</u>	<u>552,650</u>	<u>-</u>	<u>1,845,607</u>
FUND BALANCES:					
Nonspendable					
3410	Inventories	-	-	29,494	29,494
3430	Prepaid Items	291,564	-	-	291,564
Restricted:					
3450	Federal or State Funds Grant Restriction	-	-	399,951	399,951
3480	Retirement of Long-Term Debt	-	449,078	-	449,078
3470	Capital Projects	-	-	24,932	24,932
Committed:					
3510	Construction	500,000	-	-	500,000
3600	Unassigned	10,475,644	-	-	10,475,644
3000	TOTAL FUND BALANCES:	<u>11,267,208</u>	<u>449,078</u>	<u>454,377</u>	<u>12,170,663</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
4000		<u>\$ 16,546,731</u>	<u>\$ 1,076,013</u>	<u>\$ 3,932,910</u>	<u>\$ 21,555,654</u>

The accompanying notes are an integral part of this statement.

ROBSTOWN INDEPENDENT SCHOOL DISTRICT
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
 STATEMENT OF NET POSITION
 AUGUST 31, 2021

TOTAL FUND BALANCE - TOTAL GOVERNMENTAL FUNDS	\$ 12,170,663
 Amounts reported for governmental activities in the Statement of Net Position ("SNP") are different because:	
The District uses internal service funds to charge the costs of certain activities, such as self-insurance and printing, to appropriate functions in other funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	504,359
Capital Assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	83,556,954
Other long-term assets are not available to pay for current-period expenditures and therefore, are deferred in the funds.	1,845,607
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, not reported in the funds.	(59,206,257)
Net pension liabilities and other post-employment liabilities (and related deferred inflows and outflows of resources) do not consume current financial resources and are not reported in the funds.	
Net Pension Liability	(10,513,945)
Pension Related Deferred Inflows	(2,935,712)
Pension Related Deferred Outflows	5,125,948
Net Other Post-Employment (OPEB) Liability	(12,440,557)
OPEB Related Deferred Inflows	(15,481,552)
OPEB Related Deferred Outflows	2,764,862
	(33,480,956)
Accrued interest payable on long-term bonds is not due and payable in the current period, and therefore, not reported in the funds.	(72,227)
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES	\$ 5,318,143

The accompanying notes are an integral part of this statement.

ROBSTOWN INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2021

Data Control Codes	10 General Fund	50 Debt Service Fund	Other Nonmajor Governmental Funds	98 Total Governmental Funds	
REVENUES:					
5700	Local and Intermediate Sources	\$ 6,828,556	\$ 3,141,925	\$ 55,050	\$ 10,025,531
5800	State Program Revenues	18,770,639	1,402,865	247,877	20,421,381
5900	Federal Program Revenues	1,565,977	307,051	7,946,322	9,819,350
5020	<i>Total Revenues</i>	<u>27,165,172</u>	<u>4,851,841</u>	<u>8,249,249</u>	<u>40,266,262</u>
EXPENDITURES:					
0011	Instruction	13,131,489	-	2,985,119	16,116,608
0012	Instructional Resources and Media Services	232,631	-	166,264	398,895
0013	Curriculum and Staff Development	446,911	-	173,568	620,479
0021	Instructional Leadership	411,807	-	794,786	1,206,593
0023	School Leadership	1,699,566	-	349,848	2,049,414
0031	Guidance, Counseling, & Evaluation Services	658,077	-	445,386	1,103,463
0032	Social Work	215,525	-	125,993	341,518
0033	Health Services	374,551	-	180,894	555,445
0034	Student Transportation	293,726	-	51,077	344,803
0035	Food Service	-	-	1,842,029	1,842,029
0036	Cocurricular/Extracurricular Activities	1,306,028	-	28,328	1,334,356
0041	General Administration	1,474,752	-	109,686	1,584,438
0051	Plant Maintenance and Operations	3,450,066	-	732,735	4,182,801
0052	Security and Monitoring Services	166,234	-	24,055	190,289
0053	Data Processing Services	372,853	-	82,528	455,381
0061	Community Services	19,459	-	262,716	282,175
0071	Principal on Long-Term Debt	452,138	1,701,121	-	2,153,259
0072	Interest on Long-Term Debt	185,424	3,034,779	-	3,220,203
0073	Bond Issuance Costs and Fees	-	295,503	49,937	345,440
0081	Facilities Acquisition and Construction	-	-	3,096,728	3,096,728
0093	Payments to Agent of Shared Services	31,248	-	-	31,248
0095	Payments to Juvenile Justice Programs	16,808	-	-	16,808
0099	Other Intergovernmental Charges	108,144	-	-	108,144
6030	<i>Total Expenditures</i>	<u>25,047,437</u>	<u>5,031,403</u>	<u>11,501,677</u>	<u>41,580,517</u>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,117,735</u>	<u>(179,562)</u>	<u>(3,252,428)</u>	<u>(1,314,255)</u>
OTHER FINANCING SOURCES (USES):					
7911	Bonds Issued	-	12,195,000	3,130,000	15,325,000
7912	Sale of Property and Equipment	11,200	-	-	11,200
7915	Transfers In	-	-	200,000	200,000
7916	Premiums on Bonds Issued	-	1,406,773	-	1,406,773
8911	Transfers Out	-	-	(200,000)	(200,000)
8940	Payment to Refunding Escrow Agent	-	(13,288,504)	-	(13,288,504)
7080	<i>Total Other Financing Sources (Uses)</i>	<u>11,200</u>	<u>313,269</u>	<u>3,130,000</u>	<u>3,454,469</u>
1200	Net Change in Fund Balances	2,128,935	133,707	(122,428)	2,140,214
0100	Fund Balances - Beginning	8,883,762	315,371	576,805	9,775,938
1300	Prior Period Adjustment	254,511	-	-	254,511
3000	Fund Balances - Ending	<u>\$ 11,267,208</u>	<u>\$ 449,078</u>	<u>\$ 454,377</u>	<u>\$ 12,170,663</u>

The accompanying notes are an integral part of this statement.

ROBSTOWN INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION – INTERNAL SERVICE FUNDS
AUGUST 31, 2021

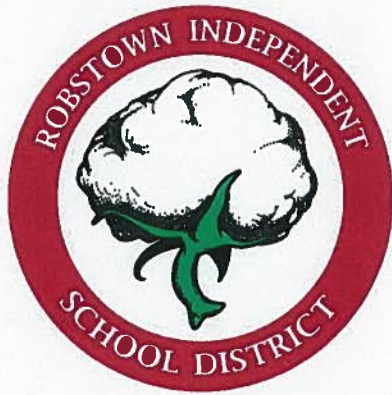
	<u>Nonmajor Internal Service Funds</u>
ASSETS:	
<i>Current Assets:</i>	
Cash and Cash Equivalents	\$ 151,950
Investments	<u>368,588</u>
<i>Total Assets</i>	<u>520,538</u>
 LIABILITIES:	
<i>Current Liabilities</i>	
Accounts Payable	<u>16,179</u>
<i>Total Liabilities</i>	<u>16,179</u>
 NET POSITION:	
Unrestricted Net Position	<u>504,359</u>
<i>Total Net Position</i>	<u>\$ 504,359</u>

The accompanying notes are an integral part of this statement.

ROBSTOWN INDEPENDENT SCHOOL DISTRICT
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2021

	Nonmajor Internal Service Funds
OPERATING REVENUES:	
Charges for Premiums and Services	\$ 228,917
<i>Total Operating Revenues</i>	228,917
 OPERATING EXPENSES:	
Services	145,731
Supplies	12,364
Other Operating Costs	1,201
<i>Total Operating Expenses</i>	159,296
 Operating Income	 69,621
 OTHER INCOME AND TRANSFERS:	
Interest Income	594
<i>Total Other Income and Transfers</i>	594
 Change in Net Position	 70,215
 Total Net Position - Beginning	 434,144
Total Net Position - Ending	\$ 504,359

The accompanying notes are an integral part of this statement.



ROBSTOWN INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2021

	<u>Nonmajor Internal Service Funds</u>
Cash Flows from Operating Activities:	
Cash Receipts (Payments) for Quasi-external Operating Transactions with Other Funds	\$ 228,917
Cash Payments to Suppliers for Goods and Services	(143,117)
Net Cash Provided (Used) by Operating Activities	<u>85,800</u>
Cash Flows from Investing Activities:	
Interest Income	594
Purchase of Investments	(458)
Net Cash Provided (Used) by Investing Activities	<u>136</u>
Cash Flows from Noncapital Financing Activities:	
Repayment of Loan from Other Funds	(125,000)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(125,000)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(39,064)
Cash and Cash Equivalents at Beginning of Year	<u>191,014</u>
Cash and Cash Equivalents at End of Year	<u>\$ 151,950</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating Income (Loss)	\$ 69,621
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Change in Assets and Liabilities:	
Increase (Decrease) in Accounts Payable	16,179
<i>Total Adjustments</i>	<u>16,179</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 85,800</u>

The accompanying notes are an integral part of this statement.

ROBSTOWN INDEPENDENT SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUND
AUGUST 31, 2021

	Custodial Fund
	Student Activity Fund
ASSETS:	
Cash and Cash Equivalents	\$ 128,245
<i>Total Assets</i>	128,245
LIABILITIES:	
<i>Current Liabilities</i>	
Accounts Payable	-
<i>Total Liabilities</i>	-
NET POSITION:	
<i>Total Net Position</i>	\$ 128,245

The accompanying notes are an integral part of this statement.

ROBSTOWN INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUND
FOR THE YEAR ENDED AUGUST 31, 2021

	Custodial Fund
	Student Activity Fund
<i>ADDITIONS:</i>	
Enterprising Revenues	\$ 25,494
Interest Income	273
<i>Total Additions</i>	25,767
<i>DEDUCTIONS:</i>	
Payroll	170
Services	5,671
Supplies	3,996
Other Operating Costs	33,386
<i>Total Deductions</i>	43,223
<i>Net Increase in Fiduciary Net Position</i>	(17,456)
<i>BEGINNING NET POSITION</i>	-
<i>Prior Period Adjustment</i>	145,701
<i>ENDING NET POSITION</i>	\$ 128,245

The accompanying notes are an integral part of this statement.

ROBSTOWN INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2021

A. Summary of Significant Accounting Policies

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

1. Reporting Entity

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

2. Basis of Presentation, Basis of Accounting

a. Basis of Presentation

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

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

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

ROBSTOWN INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AUGUST 31, 2021

A. Summary of Significant Accounting Policies (Continued)

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

a. Basis of Presentation (Continued)

The District reports the following major governmental funds:

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

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

b. Measurement Focus, Basis of Accounting

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

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

3. Financial Statement Amounts

a. Cash and Cash Equivalents

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

ROBSTOWN INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AUGUST 31, 2021

A. Summary of Significant Accounting Policies (Continued)

3. Financial Statement Amounts (Continued)

b. Investments

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

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

c. Property Taxes

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

Allowances for uncollectible tax receivables within the General and Debt Service Funds are based upon historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature. Taxes Receivable in the governmental funds are stated net of allowance for uncollectible tax receivables in the amount of \$580,894 and \$248,292 for the General and Debt Service Funds, respectively.

d. Inventories and Prepaid Items

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

e. Receivable and Payable Balances

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

ROBSTOWN INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 AUGUST 31, 2021

A. Summary of Significant Accounting Policies (Continued)

3. Financial Statement Amounts (Continued)

f. Deferred Inflows and Outflows of Resources

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

g. Capital Assets

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

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

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

h. Interfund Activity

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

ROBSTOWN INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AUGUST 31, 2021

A. Summary of Significant Accounting Policies (Continued)

3. Financial Statement Amounts (Continued)

i. Pensions

The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teacher Retirement System of Texas (TRS) and additions to/ deductions from TRS's fiduciary net position have been determined on the same basis as they are reported by TRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

j. Other Post-Employment Benefits

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

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

Net position is classified as follows:

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

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

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

ROBSTOWN INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AUGUST 31, 2021

A. Summary of Significant Accounting Policies (Continued)

3. Financial Statement Amounts (Continued)

1. Fund Balances - Governmental Funds

Fund balances of the governmental funds are classified as follows:

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

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

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

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

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

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

ROBSTOWN INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AUGUST 31, 2021

A. Summary of Significant Accounting Policies (Continued)

3. Financial Statement Amounts (Continued)

m. Use of Estimates

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

n. Data Control Codes

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

B. Deposits and Investments

1. Cash Deposits:

The District's funds are required to be deposited and invested under the terms of a depository contract. The District's cash deposits at August 31, 2021 and during the period ended August 31, 2021, were entirely covered by FDIC insurance and securities pledged by the District's depository.

2. Investments:

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

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

ROBSTOWN INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 AUGUST 31, 2021

B. Deposits and Investments (Continued)

2. Investments (Continued):

The Act determines the types of investments which are allowable for the District. These include, with certain restrictions, 1) obligations of the U.S. Treasury, U.S. agencies, and the State of Texas, 2) certificates of deposit, 3) certain municipal securities, 4) securities lending program, 5) repurchase agreements, 6) bankers acceptances, 7) mutual funds, 8) investment pools, 9) guaranteed investment contracts, and 10) commercial paper. The District's investments at August 31, 2021 are as follows:

<u>Investment or Investment Type</u>	<u>Maturity (Days)</u>	<u>Rating</u>	<u>Reported Value</u>	<u>Fair Value</u>
Lonestar Investment Pool	Demand	AAAm	11,665,760	\$ 11,665,760
Total Investments			<u>\$ 11,665,760</u>	<u>\$ 11,665,760</u>

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

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

C. Interfund Balances and Activities

Balances due to and from other funds at August 31, 2021 consisted of the following:

<u>Due To Fund</u>	<u>Due From Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Nonmajor Funds	\$ 3,142,828	Short-term pooled cash loans

Transfers during the year ended August 31, 2021 were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Purpose</u>
Nonmajor Governmental	Nonmajor Governmental	\$ 200,000	Supplement Other Funding

D. Due from (to) Other Governments

As of August 31, 2021, the District was owed grant funding and reimbursements. \$4.3 million of the total balance was due from the Texas Education Agency (TEA) for formula and reimbursement grants. In addition, the District owed \$2.8 million back to TEA for overpayments on formula grants, which is reported as a liability.

ROBSTOWN INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 AUGUST 31, 2021

E. Capital Assets

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

	Beginning Balances	Additions	Disposals / Transfers	Ending Balances
Governmental Activities:				
<i>Capital Assets Not Being Depreciated:</i>				
Land	\$ 352,488	\$ -	\$ -	\$ 352,488
<i>Total Capital Assets Not Being Depreciated</i>	<u>352,488</u>	<u>-</u>	<u>-</u>	<u>352,488</u>
<i>Capital Assets Being Depreciated:</i>				
Buildings and Improvements	117,743,252	3,023,155	-	120,766,407
Vehicles	1,295,360	-	(536,423)	758,937
Equipment	2,849,236	73,663	(18,273)	2,904,626
<i>Total Capital Assets Being Depreciated</i>	<u>121,887,848</u>	<u>3,096,818</u>	<u>(554,696)</u>	<u>124,429,970</u>
<i>Less Accumulated Depreciation For:</i>				
Buildings and Improvements	(35,869,604)	(2,298,102)	-	(38,167,706)
Vehicles	(733,199)	(22,663)	15,551	(740,311)
Equipment	(2,685,646)	(156,886)	525,045	(2,317,487)
<i>Total Accumulated Depreciation</i>	<u>(39,288,449)</u>	<u>(2,477,651)</u>	<u>540,596</u>	<u>(41,225,504)</u>
Total Capital Assets Being Depreciated, Net	<u>82,599,399</u>	<u>619,167</u>	<u>(14,100)</u>	<u>83,204,466</u>
<i>Governmental Activities Capital Assets, Net</i>	<u>\$ 82,951,887</u>	<u>\$ 619,167</u>	<u>\$ (14,100)</u>	<u>\$ 83,556,954</u>

Depreciation was charged to functions as follows:

11 Instruction	\$ 2,161,561
35 Food Services	54,123
36 Extracurricular Activities	98,802
41 General Administration	87,937
51 Facilities Maintenance	29,873
53 Data Processing	45,355
	<u>\$ 2,477,651</u>

ROBSTOWN INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 AUGUST 31, 2021

F. Long-Term Obligations

1. Long-Term Debt

Changes in long-term obligations for the period ended August 31, 2021, are as follows:

	Beginning Balances	Increases	Decreases	Ending Balances	Amounts Due Within One Year
Governmental Activities:					
<i>Private Placement Notes</i>					
2020 (2.94%)	\$ -	\$ 3,130,000	\$ (25,000)	\$ 3,105,000	\$ 255,000
2013 (3.24-3.42%)	3,337,887	-	(369,969)	2,967,918	383,487
<i>Public Offering Bonds</i>					
1994 (Zero Coupon)	144,057	-	(76,121)	67,936	67,936
1997 (Zero Coupon)	499,935	-	-	499,935	-
2011 (2-4%)	7,755,000	-	(7,375,000)	380,000	125,000
2013 (3-4.375%)	6,005,000	-	(5,425,000)	580,000	-
2013 QSCB (5%)	6,195,000	-	(50,000)	6,145,000	50,000
2014 (2-3%)	530,000	-	(455,000)	75,000	75,000
2015 (2-4.5%)	7,355,000	-	(45,000)	7,310,000	50,000
2016 (2-4%)	6,550,000	-	(95,000)	6,455,000	105,000
2017 (3-4%)	6,465,000	-	-	6,465,000	-
2020 (2-4%)	5,625,000	-	(665,000)	4,960,000	675,000
2020B (2-3%)	-	6,770,000	(145,000)	6,625,000	-
2021 (1.48-4%)	-	5,425,000	(70,000)	5,355,000	-
Accreted Interest	6,049,010	794,850	(1,408,879)	5,434,981	1,782,064
Unamortized Premiums	2,456,411	1,406,775	(923,974)	2,939,212	-
Capital Lease	114,464	-	(56,008)	58,456	58,456
<i>Total Bonds and Notes</i>	<u>59,081,764</u>	<u>17,526,625</u>	<u>(17,184,951)</u>	<u>59,423,438</u>	<u>3,626,943</u>
Other Long-term Liabilities					
Compensated Absences	74,521	12,502	(18,630)	68,393	17,098
Net Pension Liability	10,562,682	761,242	(809,979)	10,513,945	-
Net OPEB Liability	15,870,194	-	(3,429,637)	12,440,557	-
<i>Total</i>	<u>\$ 85,589,161</u>	<u>\$ 18,300,369</u>	<u>\$ (21,443,197)</u>	<u>\$ 82,446,333</u>	<u>\$ 3,644,041</u>

2. Bonds Outstanding:

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

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

**ROBSTOWN INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AUGUST 31, 2021**

F. Long-Term Obligations (Continued)

2. Bonds Outstanding (Cont.):

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

In November 2020, the District issued Refunding Bonds, Series, 2020B for a face amount of \$6.77 million to refund a portion of the Series 2011 bonds. The refunding resulting in gross savings of \$1.433 million and net present value savings of \$1.3 million.

In April 2021, the District issued Refunding Bonds, Series, 2021 for a face amount of \$5.425 million to refund a portion of the Series 2013 bonds. The refunding resulting in gross savings of \$733 thousand and net present value savings of \$571 thousand.

3. Tax Notes and Notes Payable:

In November 2020, the District issued Maintenance Tax Notes, Series, 2020 for a face amount of \$3.13 million to perform improvements to athletic fields. The notes will be repaid from general fund resources and mature serially through 2025.

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

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

Year Ending August 31,	Bonds Payable		Notes Payables		Total
	Principal	Interest	Principal	Interest	
2022	\$ 1,147,936	\$ 3,415,567	\$ 638,487	\$ 186,322	\$ 5,388,312
2023	1,537,808	2,642,273	656,116	165,988	5,002,185
2024	1,604,031	2,627,750	744,304	144,054	5,120,139
2025	2,099,977	2,111,354	772,932	120,356	5,104,619
2026	1,853,119	2,297,362	797,013	95,838	5,043,332
2027-2031	13,050,000	6,477,655	2,464,066	138,498	22,130,219
2032-2036	13,320,000	5,210,559	-	-	18,530,559
2037-2041	9,520,000	847,694	-	-	10,367,694
2042-2043	785,000	22,983	-	-	807,983
Totals	<u>\$ 44,917,871</u>	<u>\$ 25,653,197</u>	<u>\$ 6,072,918</u>	<u>\$ 851,056</u>	<u>\$ 77,495,042</u>

4. Capital Lease

The District has one payment remaining scheduled for 2022 on a capital lease of \$61,010, which includes interest.

ROBSTOWN INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AUGUST 31, 2021

G. Pension Plan

1. Plan Description

The District participates in a cost-sharing multiple-employer defined benefit pension that has a special funding situation. The plan is administered by the Teacher Retirement System of Texas (TRS) and is established and administered in accordance with the Texas Constitution, Article XVI, Section 67 and Texas Government Code, Title 8, Subtitle C. The pension trust fund is a qualified pension trust under Section 401(a) of the Internal Revenue Code. The Texas Legislature establishes benefits and contribution rates within the guidelines of the Texas Constitution. The pension's Board of Trustees does not have the authority to establish or amend benefit terms. All employees of public, state-supported educational institutions in Texas who are employed for one-half or more of the standard work load and who are not exempted from membership under Texas Government Code, Title 8, Section 822.002 are covered by the system.

2. Pension Plan Fiduciary Net Position

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

3. Benefits Provided

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

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

ROBSTOWN INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 AUGUST 31, 2021

G. Pension Plan (Cont.)

3. Benefits Provided (Cont.)

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.

4. Contributions

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

	Contribution Rates	
	Years Ending August 31,	
	2020	2021
Member (Employee)	7.7%	7.7%
Non-employer Contributing Entity (State)	7.5%	7.5%
Employer	7.5%	7.5%

	Contributions Required and Made
Member (Employee)	\$ 1,417,886
Non-employer contributing agency (State)	1,005,440
District	729,427

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

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

**ROBSTOWN INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AUGUST 31, 2021**

G. Pension Plan (Continued)

Employers (public school, junior college, other entities or the State of Texas as the employer for senior universities and medical schools) are required to pay the employer contribution rate in the following instances:

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

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

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

5. Actuarial Assumptions

The total pension liability in the August 31, 2020 was determined using the following actuarial assumptions:

Valuation Date	August 31, 2019, Rolled forward
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Single Discount Rate	7.25%
Long-term Expected Rate	7.25%
Municipal Bond Rate	2.33% Fidelity 20-Year AA
Last Year in Projection Period	2119
Inflation	2.30%
Salary Increases	3.05-9.05% including inflation
Ad-hoc post-employment benefit changes	none

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

**ROBSTOWN INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AUGUST 31, 2021**

G. Pension Plan (Continued)

6. Discount Rate

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

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

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

Best estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2020 are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Arithmetic Real Rate of Return</u>	<u>Expected Contribution to Portfolio Return</u>
Global Equity			
U.S.	18%	3.9%	0.99%
Non-U.S. Developed	13%	5.1%	0.92%
Emerging Markets	9%	5.6%	0.83%
Private Equity	14%	6.7%	1.41%
Stable Value			
U.S. Treasuries	16%	-0.7%	-0.05%
Stable Value Hedge Funds	5%	1.9%	0.11%
Real Return			
Real Estate	15%	4.6%	1.01%
Energy and Natural Resources	6%	6.0%	0.42%
Risk Parity			
Risk Parity	8%	3.0%	0.30%
Leverage			
Cash	2%	-1.5%	-0.03%
Asset Allocation Leverage	-6%	-1.3%	0.08%
Inflation Expectation			2.00%
Volatility Drag			-0.67%
Total	<u>100%</u>		<u>7.33%</u>

ROBSTOWN INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 AUGUST 31, 2021

G. Pension Plan (Continued)

7. Discount Rate Sensitivity Analysis

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

	Discount Rate		
	1% Decrease	7.250%	1% Increase
District's Proportionate Share of Net Pension Liability	\$ 16,212,314	\$ 10,513,945	\$ 5,844,144

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

At August 31, 2021, the District reported a liability of \$10,513,945 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District Proportionate Share	\$ 10,513,945
State's Proportionate Share	13,051,144
	\$ 23,565,089

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

At August 31, 2020 the employer's proportion of the collective net pension liability was 0.0196309655% which was a decrease of 0.0006884777% from its proportion measured as of August 31, 2019.

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

For the year ended August 31, 2021, the District recognized pension expense of \$3,261,855, including \$1,569,763 in support provided by the State.

ROBSTOWN INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 AUGUST 31, 2021

G. Pension Plan (Continued)

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 19,198	\$ 293,416
Changes in actuarial assumptions	2,695,133	1,292,829
Difference between projected and actual investment earnings	212,845	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	1,469,345	1,349,467
Contributions paid to TRS subsequent to the measurement date	729,427	-
	<u>\$ 5,125,948</u>	<u>\$ 2,935,712</u>

The \$729,427 in deferred outflows of resources related to pensions from District contributions after the measurement date will be recognized as a reduction of the net pension liability in the plan year ended August 31, 2021. The net amounts of the employer's balances of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending August 31,	Pension Expense Amount
2022	\$ 454,173
2023	549,951
2024	426,682
2025	124,222
2026	(77,656)
Thereafter	(16,563)
	<u>\$ 1,460,809</u>

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

1. Plan Description

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

ROBSTOWN INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 AUGUST 31, 2021

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

2. OPEB Plan Fiduciary Net Position

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

3. Benefits Provided

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

Eligible retirees and their dependents not enrolled in Medicare may pay premiums to participate in one of two optional insurance plans with more comprehensive benefits (TRS-Care 2 and TRS-Care 3). Eligible retirees and dependents enrolled in Medicare may elect to participate in one of the two Medicare health plans for an additional fee. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in the TRS pension system.

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

4. Contributions

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

ROBSTOWN INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 AUGUST 31, 2021

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

4. Contributions (Cont.)

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

	Contribution Rates	
	Years Ending August 31,	
	2020	2021
Member (Employee)	0.65%	0.65%
Non-employer Contributing Entity (State)	1.25%	1.25%
Employer	0.75-1.25%	0.75-1.25%

	Contributions Required and Made
Member (Employee)	\$ 119,690
Non-employer contributing agency (State)	334,241
District	214,796

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

5. Actuarial Assumptions

The total OPEB liability in the August 31, 2020 actuarial valuation was determined using the following actuarial assumptions. The following assumptions and other inputs used for members of TRS-Care are identical to the assumptions used in the August 31, 2020 TRS pension actuarial valuation:

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

**ROBSTOWN INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 AUGUST 31, 2021**

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

5. Actuarial Assumptions (Cont.)

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

The actuarial valuation of the OPEB plan offered through TRS-Care is similar to the actuarial valuation performed for the pension plan, except that the OPEB valuation is more complex. All the demographic assumptions, including rates of retirement, termination, and disability, and most of the economic assumptions, including general inflation and salary increases, used in the OPEB valuation were identical to those used in the respective TRS pension valuation. The demographic assumptions were developed in the experience study performed for TRS for the period ending August 31, 2017.

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

ROBSTOWN INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 AUGUST 31, 2021

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

6. Discount Rate

A single discount rate of 2.33% was used to measure the total OPEB liability. There was a decrease of 0.3 percent in the discount rate since the previous year. Because the plan is essentially a “pay-as-you-go” plan, the single discount rate is equal to the prevailing municipal bond rate. The projection of cash flows used to determine the discount rate assumed that contributions from active members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, the municipal bond rate was applied to all periods of projected benefit payments to determine the total OPEB liability.

The source of the municipal bond rate is the Fidelity “20-year Municipal GO AA Index” as of August 31, 2020 using the fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds.

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

	Discount Rate		
	1% Decrease	2.33%	1% Increase
District's Proportionate Share			
Net OPEB Liability	\$ 14,928,640	\$ 12,440,557	\$ 10,475,329

7. Healthcare Cost Trend Rate Sensitivity Analysis

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

	Healthcare Cost Trend Rate		
	1% Decrease	Current	1% Increase
District's Proportionate Share			
Net OPEB Liability	\$ 10,162,341	\$ 12,440,557	\$ 15,474,819

ROBSTOWN INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 AUGUST 31, 2021

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

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

At August 31, 2021, the District reported a liability of \$12,440,557 for its proportionate share of the TRS's net OPEB liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District Proportionate Share	\$12,440,557
State's Proportionate Share	<u>16,717,127</u>
	<u>\$29,157,684</u>

The Net OPEB Liability was measured as of August 31, 2018 and rolled forward to August 31, 2020 and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of that date. The employer's proportion of the Net OPEB Liability was based on the employer's contributions to OPEB relative to the contributions of all employers to the plan for the period September 1, 2019 thru August 31, 2020.

At August 31, 2020, the employer's proportion of the collective net OPEB liability was 0.0327258072%, which was a decrease of 0.0008326284% as of August 31, 2019.

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

- The discount rate changed from 2.63 percent as of August 31, 2019 to 2.33 percent as of August 31, 2020. This change increased the TOL.
- The participation rate for post-65 retirees was lowered from 50 percent to 40 percent. This change decreased the TOL.
- The ultimate health care trend rate assumption was lowered from 4.5 percent to 4.25 percent. This change decreased the TOL.
- There were no changes in benefit terms since the prior measurement date.

For the year ended August 31, 2021, the District recognized OPEB expense of (\$1,166,097), including \$116,077 in cost reductions absorbed by the State.

ROBSTOWN INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 AUGUST 31, 2021

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

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 651,383	\$ 5,693,435
Changes in actuarial assumptions	767,578	3,416,495
Difference between projected and actual investment earnings	4,043	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	1,127,062	6,371,622
Contributions paid to TRS subsequent to the measurement date	214,796	-
	\$ 2,764,862	\$ 15,481,552

The \$214,796 in deferred outflows of resources related to OPEB from District contributions after the measurement date will be recognized as a reduction of the net OPEB liability in the plan year ended August 31, 2021.

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

Year Ending August 31,	OPEB Expense Amount
2022	\$ (2,156,279)
2023	(2,156,819)
2024	(2,157,128)
2025	(2,157,044)
2026	(1,824,759)
Thereafter	(2,479,457)
	\$ (12,931,486)

I. Medicare Part D Coverage

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, which was effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the fiscal years ended August 31, 2021, 2020 and 2019, the subsidy payments received by TRS-Care on behalf of the District were \$90,881, \$82,190, and \$69,596, respectively.

ROBSTOWN INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 AUGUST 31, 2021

J. Employee Health Care Coverage

During the period ended August 31, 2021, employees of the District were covered by a health insurance plan (the Plan). The District paid premiums of \$351 per month per employee to the Plan. Employees, at their option, authorized payroll withholdings to pay premiums for dependents. All premiums were paid to a third party administrator, acting on behalf of the licensed insurer. The Plan was authorized by Section 21.922, Texas Education Code and was documented by contractual agreement. The contract between the District and the third party administrator is renewable September 1, and terms of coverage and premium costs are included in the contractual provisions. Latest financial statements for the Plan are available for the year ended August 31, 2020, have been filed with the Texas State Board of Insurance, Austin, Texas, and are public records.

K. Risk Management

1. Property and Liability Program

The District is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. During fiscal period 2021, the District purchased commercial insurance to cover general liabilities. There were no significant reductions in coverage in the past fiscal period and there were no settlements exceeding insurance coverage for each of the past three fiscal periods.

2. Workers' Compensation

During the period ended August 31, 2021, the District met its statutory workers' compensation obligations through a modified self-funded program. The District (through a third-party administrator) pays all workers' compensation claims up to a maximum stop-loss amount. The District records claims as they are incurred. The District has incurred the following claims with corresponding stop-loss amounts:

	Fiscal Year August 31,		
	2021	2020	2019
Claims Incurred (Including IBNR)	\$ 26,266	\$ 49,907	\$ 69,603
Stop Loss Amount	400,000	400,000	400,000

L. Commitments and Contingencies

1. Contingencies

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

ROBSTOWN INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 AUGUST 31, 2021

L. Commitments and Contingencies (Continued)

2. Litigation

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

The District is subject to a claim for back pay of a former employee. Management believes the claims are not accurate and does not anticipate any significant impact on these financial statements if decided adversely to the District.

M. Accounting Changes

The District implemented GASB 84 as of September 1, 2020, which added a statement of changes in fiduciary net position and changed the timing of when liabilities are reported. This resulted in a prior period adjustment of \$145,701 to convert the balance previously reported as due to student groups to net position.

The District also changed its accounting method for property and liability insurance from expensing the full amount at the beginning of the premium term to recognizing the expenditure over the term. This change resulted in a prior period adjustment of \$254,511.

N. Corrections to Prior Periods

The District previously over stated bond related premiums and accreted interest. The corrections resulted in a prior period adjustment for the governmental activities as follows:

Beginning Governmental Activities Net Position, Previously Reported	\$ (1,734,882)
Unrecorded Prepaid Insurance (See Note M)	254,511
Unrecorded Accrued Interest	(88,386)
Overstated Unamortized Bond Premiums	2,584,248
Overstated Accreted Interest	1,120,026
Beginning Governmental Activities Net Position, Restated	\$ 2,135,517

L. Subsequent Event

In December 2021, the District issued \$6.395 million in refunding bonds to refund a portion of the outstanding Series 2015 bonds.

REQUIRED SUPPLEMENTARY INFORMATION

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

ROBSTOWN INDEPENDENT SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
FOR THE YEAR ENDED AUGUST 31, 2021

Data Control Codes		1		2	3	Variance with Final Budget
		Budgeted Amounts		Final	Actual	
		Original				
	REVENUES					
5700	Local and Intermediate Sources	\$ 7,014,493	\$ 7,081,892	\$ 6,828,556	\$ (253,336)	
5800	State Program Revenues	22,045,241	22,045,241	18,770,639	(3,274,602)	
5900	Federal Program Revenues	1,200,000	1,229,000	1,565,977	336,977	
5020	Total Revenues	<u>30,259,734</u>	<u>30,356,133</u>	<u>27,165,172</u>	<u>(3,190,961)</u>	
	EXPENDITURES					
0011	Instruction	15,575,569	15,351,832	13,131,489	2,220,343	
0012	Instructional Resources and Media Services	239,214	252,514	232,631	19,883	
0013	Curriculum and Staff Development	458,560	449,615	446,911	2,704	
0021	Instructional Leadership	610,170	600,888	411,807	189,081	
0023	School Leadership	2,238,763	2,223,093	1,699,566	523,527	
0031	Guidance, Counseling and Evaluation Services	939,028	950,173	658,077	292,096	
0032	Social Work Services	281,166	281,615	215,525	66,090	
0033	Health Services	388,291	421,791	374,551	47,240	
0034	Student (Pupil) Transportation	439,641	439,641	293,726	145,915	
0036	Cocurricular/Extracurricular Activities	1,354,183	1,357,294	1,306,028	51,266	
0041	General Administration	1,715,607	1,789,157	1,474,752	314,405	
0051	Plant Maintenance and Operations	4,633,942	4,637,148	3,450,066	1,187,082	
0052	Security and Monitoring Services	199,371	207,078	166,234	40,844	
0053	Data Processing Services	470,612	538,611	372,853	165,758	
0061	Community Services	19,467	34,333	19,459	14,874	
0071	Debt Service	546,150	644,550	637,562	6,988	
0093	Payments for Shared Service Arrangements	-	38,000	31,248	6,752	
0095	Payments for Juvenile Justice Programs	25,000	25,000	16,808	8,192	
0099	Other Intergovernmental Charges	125,000	125,000	108,144	16,856	
6030	Total Expenditures	<u>30,259,734</u>	<u>30,367,333</u>	<u>25,047,437</u>	<u>5,319,896</u>	
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(11,200)	2,117,735	2,128,935	
	OTHER FINANCING SOURCES (USES):					
7915	Sale of Property and Equipment	-	-	11,200	11,200	
8911	Transfers Out	-	(376,308)	-	376,308	
7080	Total Other Financing Sources (Uses)	-	(376,308)	11,200	387,508	
1200	Net Change in Fund Balance	-	(387,508)	2,128,935	2,516,443	
0100	Fund Balance - Beginning	8,883,762	8,883,762	8,883,762	-	
1300	Prior Period Adjustment	-	-	254,511	254,511	
3000	Fund Balance - Ending	<u>\$ 8,883,762</u>	<u>\$ 8,496,254</u>	<u>\$ 11,267,208</u>	<u>\$ 2,770,954</u>	

**ROBSTOWN INDEPENDENT SCHOOL DISTRICT
NOTES TO BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED AUGUST 31, 2021**

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

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

ROBSTOWN INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
AUGUST 31, 2021

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

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

ROBSTOWN INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF DISTRICT CONTRIBUTIONS – TEACHER RETIREMENT SYSTEM
 FOR THE YEAR ENDED AUGUST 31, 2021

<u>Fiscal Year Ending August 31,</u>	<u>Contractually Required Contribution</u>	<u>Contributions Made</u>	<u>Contribution Deficiency (Excess)</u>	<u>District's Covered Payroll</u>	<u>Contributions as a Percent Covered Payroll</u>
2021	\$ 729,427	\$ 729,427	\$ -	\$ 20,255,514	3.6%
2020	\$ 806,701	\$ 806,701	\$ -	\$ 18,781,633	4.3%
2019	\$ 782,374	\$ 782,374	\$ -	\$ 17,718,316	4.4%
2018	\$ 593,929	\$ 593,929	\$ -	\$ 18,303,104	3.2%
2017	\$ 743,625	\$ 743,625	\$ -	\$ 18,127,417	4.1%
2016	\$ 675,272	\$ 675,272	\$ -	\$ 17,507,737	3.9%
2015	\$ 589,194	\$ 589,194	\$ -	\$ 17,873,653	3.3%

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

ROBSTOWN INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION ON PENSIONS
AUGUST 31, 2021

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

Changes of assumptions – There were no changes in actuarial assumptions during the measurement period.

**ROBSTOWN INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET
OTHER POST-EMPLOYMENT BENEFIT LIABILITY – RETIREE INSURANCE
AUGUST 31, 2021**

Measurement Period Ending August 31,	District's Proportion Of Net OPEB Liability	District's Proportionate Share of the Net OPEB Liability	State's Proportion Of Net OPEB Liability	Total Net OPEB Liability	District's Covered Payroll for the Measurement Period	District's Proportionate Share of the Net OPEB Liability As a % of Payroll	Plan Fiducary Net Position As a % of Total OPEB Liability
2020	0.3272581%	\$ 12,440,557	\$ 16,717,127	\$ 29,157,684	\$ 18,781,633	66.24%	4.99%
2019	0.0335584%	\$ 15,870,194	\$ 21,087,940	\$ 36,958,134	\$ 17,718,316	89.57%	2.66%
2018	0.0312321%	\$ 15,594,484	\$ 15,649,049	\$ 31,243,533	\$ 18,303,104	85.20%	1.57%
2017	0.0455656%	\$ 19,814,765	\$ 12,345,264	\$ 32,160,029	\$ 18,127,417	109.31%	0.91%

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

**ROBSTOWN INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT OPEB CONTRIBUTIONS – RETIREE INSURANCE
FOR THE YEAR ENDED AUGUST 31, 2021**

<u>Fiscal Year Ending August 31,</u>	<u>Contractually Required Contribution</u>	<u>Contributions Made</u>	<u>Contribution Deficiency (Excess)</u>	<u>District's Covered Payroll</u>	<u>Contributions as a Percent Covered Payroll</u>
2021	\$ 214,796	\$ 214,796	\$ -	\$ 20,255,514	1.06%
2020	\$ 248,742	\$ 248,742	\$ -	\$ 18,781,633	1.32%
2019	\$ 273,060	\$ 273,060	\$ -	\$ 17,718,316	1.54%
2018	\$ 249,028	\$ 249,028	\$ -	\$ 18,303,104	1.36%

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

ROBSTOWN INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION ON OPEB
AUGUST 31, 2021

Changes in Benefit terms – None.

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

- The discount rate changed from 2.63 percent as of August 31, 2019 to 2.33 percent as of August 31, 2020. This change increased the TOL.
- The participation rate for post-65 retirees was lowered from 50 percent to 40 percent. This change decreased the TOL.
- The ultimate health care trend rate assumption was lowered from 4.5 percent to 4.25 percent. This change decreased the TOL.



SUPPLEMENTARY INFORMATION

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

ROBSTOWN INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEETS
 NONMAJOR GOVERNMENTAL FUNDS
 AUGUST 31, 2021

Data Control Codes	211 Title I Part A	212 Title I Part C	224 IDEA Part B Formula	225 IDEA Part B Preschool
ASSETS:				
1110	\$ -	\$ -	\$ -	\$ -
1120	-	-	-	-
1240	130,717	2,539	36,226	107
1290	-	-	-	-
1310	-	-	-	-
1000	<u>\$ 130,717</u>	<u>\$ 2,539</u>	<u>\$ 36,226</u>	<u>\$ 107</u>
LIABILITIES:				
2110	\$ -	\$ -	\$ -	\$ -
2160	-	-	-	-
2170	130,717	2,539	36,226	107
2180	-	-	-	-
2300	-	-	-	-
2000	<u>130,717</u>	<u>2,539</u>	<u>36,226</u>	<u>107</u>
FUND BALANCES:				
<i>Nonspendable:</i>				
3410	-	-	-	-
<i>Restricted Fund Balances:</i>				
3450	-	-	-	-
3470	-	-	-	-
3000	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	<u>\$ 130,717</u>	<u>\$ 2,539</u>	<u>\$ 36,226</u>	<u>\$ 107</u>

See Independent Auditor's Report.

EXHIBIT H-1

240 National School Lunch	242 Summer Feeding Program	244 Carl Perkins	255 ESEA Title II Part A	263 Title III Part A	265 21st Century	266 ESSER	276 Instructional Continuity
\$ 282,671	\$ 66,399	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
142,082	-	-	7,596	-	275,450	864	-
-	-	-	-	-	-	-	-
29,494	-	-	-	-	-	-	-
<u>\$ 454,247</u>	<u>\$ 66,399</u>	<u>\$ -</u>	<u>\$ 7,596</u>	<u>\$ -</u>	<u>\$ 275,450</u>	<u>\$ 864</u>	<u>\$ -</u>
\$ 74,992	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
44,322	-	-	-	-	-	-	-
-	-	-	7,596	-	275,450	864	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>119,314</u>	<u>-</u>	<u>-</u>	<u>7,596</u>	<u>-</u>	<u>275,450</u>	<u>864</u>	<u>-</u>
29,494	-	-	-	-	-	-	-
305,439	66,399	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>334,933</u>	<u>66,399</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 454,247</u>	<u>\$ 66,399</u>	<u>\$ -</u>	<u>\$ 7,596</u>	<u>\$ -</u>	<u>\$ 275,450</u>	<u>\$ 864</u>	<u>\$ -</u>

**ROBSTOWN INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEETS (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
AUGUST 31, 2021**

Data Control Codes	397 Local	410 State	428 State Special Education	429 Other State Programs	277 Corona Virus Relief	401 Campus	281 Foundation	493 ESSER II	282 ESSER III	699 Capital Projects	289 Summer School	Total
ASSETS:												
1110	Cash and Cash Equivalents			\$	\$	\$ 24,600	\$	\$ -	\$ -	\$ 95	\$	\$ -396,798
1120	Investments					-				10,078		-180,878
1240	Receivables from Other Governments						1,972,124		755,324			3,331,029
1290	Other Receivables					3,511						3,511
1310	Inventories											79,494
1000	Total Assets		\$ 22,168	\$	\$ -	\$ -	\$ 1,972,124	\$ 755,324	\$	\$ -	\$ -	\$ -312,910
LIABILITIES:												
2110	Accounts Payable			\$	\$	\$ -	\$ -	\$ -	\$ -	\$ 6,318	\$	\$ -21,096
2160	Accrued Wages Payable											44,302
2170	Due to Other Funds						1,934,005	755,324				3,123,228
2180	Due to Other Governments						38,119					38,119
2300	Unearned Revenue		22,168									22,168
2000	Total Liabilities		22,168	\$	\$ -	\$ -	1,972,124	755,324	\$ 6,318	\$ -	\$ -	\$ -21,096
FUND BALANCES:												
<i>Nonspendable:</i>												
3410	Inventories											79,494
<i>Restricted Fund Balances:</i>												
3450	Federal and State Grants					28,113						28,113
3470	Capital Projects									24,932		24,932
3000	Total Fund Balances					28,113				24,932		53,045
4000	Total Liabilities and Fund Balance		\$ 22,168	\$	\$ -	\$ 28,113	\$ 1,972,124	\$ 755,324	\$ 6,318	\$ -	\$ -	\$ -312,910

See Independent Auditor's Report.

ROBSTOWN INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE – NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2021

Data Control Codes	211 Title I Part A	212 Title I Part C	224 IDEA Part B Formula	225 IDEA Part B Preschool
REVENUES				
5700 Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800 State Program Revenues	-	-	-	-
5900 Federal Program Revenues	1,470,351	38,407	596,399	18,467
5020 Total Revenues	<u>1,470,351</u>	<u>38,407</u>	<u>596,399</u>	<u>18,467</u>
EXPENDITURES				
<i>Current:</i>				
0011 Instruction	772,834	5,583	98,743	18,467
0012 Instructional Resources	155,045	-	-	-
0013 Curriculum and Staff Development	158,905	-	-	-
0021 Instructional Leadership	55,294	32,824	35,522	-
0023 School Leadership	-	-	-	-
0031 Guidance and Counseling	93,072	-	307,817	-
0032 Social Work Services	-	-	-	-
0033 Health Services	9,448	-	154,317	-
0034 Transportation	-	-	-	-
0035 Food Service	-	-	-	-
0036 Extracurricular	795	-	-	-
0041 General Administration	-	-	-	-
0051 Plant Maintenance	-	-	-	-
0052 Security and Monitoring	-	-	-	-
0053 Data Processing	-	-	-	-
0061 Community Service:	224,958	-	-	-
0081 Facilities Acquisition	-	-	-	-
<i>Debt Service:</i>				
0073 Bond Issuance Cost and Fees	-	-	-	-
6030 Total Expenditures	<u>1,470,351</u>	<u>38,407</u>	<u>596,399</u>	<u>18,467</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
7911 Bonds Issued	-	-	-	-
7915 Transfer In	-	-	-	-
8911 Transfer Out	-	-	-	-
7080 Total Other Financing	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1200 Net Change in Fund Balances	-	-	-	-
0100 Fund Balances - Beginning	-	-	-	-
3000 Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Independent Auditor's Report.

EXHIBIT H-2

240 National School Lunch	242 Summer Feeding Program	244 Carl Perkins	255 ESEA Title II Part A	263 Title III Part A	265 21st Century	266 ESSER	276 Instructional Continuity
\$ 10,063	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9,107	-	-	-	-	-	-	-
1,430,275	32,102	55,992	95,383	3,166	1,229,093	745	16,754
<u>1,449,445</u>	<u>32,102</u>	<u>55,992</u>	<u>95,383</u>	<u>3,166</u>	<u>1,229,093</u>	<u>745</u>	<u>16,754</u>
-	-	55,192	94,983	2,716	541,559	745	16,754
-	-	-	-	-	-	-	-
-	-	-	-	-	11,575	-	-
-	-	-	400	-	638,629	-	-
-	-	-	-	-	-	-	-
-	-	800	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	4,776	-	-
-	-	-	-	-	-	-	-
1,528,203	17,033	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
5,374	-	-	-	-	7,595	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	450	24,959	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>1,533,577</u>	<u>17,033</u>	<u>55,992</u>	<u>95,383</u>	<u>3,166</u>	<u>1,229,093</u>	<u>745</u>	<u>16,754</u>
<u>(84,132)</u>	<u>15,069</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-	-
200,000	-	-	-	-	-	-	-
-	(200,000)	-	-	-	-	-	-
<u>200,000</u>	<u>(200,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
115,868	(184,931)	-	-	-	-	-	-
219,065	251,330	-	-	-	-	-	-
<u>\$ 334,933</u>	<u>\$ 66,399</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ROBSTOWN INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
FOR THE YEAR ENDED AUGUST 31, 2021

Data Control Codes	277 Corona Virus Relief	281 ESSER II	282 ESSER III	289 Summer School
REVENUES				
5700	Local and Intermediate Sources	\$ -	\$ -	\$ -
5800	State Program Revenues	-	-	-
5900	Federal Program Revenues	188,154	2,054,073	65,835
5020	Total Revenues	<u>188,154</u>	<u>2,054,073</u>	<u>65,835</u>
EXPENDITURES				
<i>Current:</i>				
0011	Instruction	188,154	544,620	353,372
0012	Instructional Resources	-	-	7,721
0013	Curriculum and Staff Development	-	-	3,088
0021	Instructional Leadership	-	-	13,853
0021	School Leadership	-	295,847	54,001
0031	Guidance and Counseling	-	-	18,530
0032	Social Work Services	-	115,713	6,177
0033	Health Services	-	-	12,353
0034	Transportation	-	35,636	15,441
0035	Food Service	-	247,381	49,412
0036	Extracurricular	-	-	4,632
0041	General Administration	-	86,700	22,986
0051	Plant Maintenance	-	648,736	71,030
0052	Security and Monitoring	-	-	7,721
0053	Data Processing	-	79,440	3,088
0061	Community Service:	-	-	7,721
0081	Facilities Acquisition	-	-	-
<i>Debt Service:</i>				
0073	Bond Issuance Cost and Fees	-	-	-
6030	Total Expenditures	<u>188,154</u>	<u>2,054,073</u>	<u>651,126</u>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
7911	Bonds Issued	-	-	-
7915	Transfer In	-	-	-
8911	Transfer Out	-	-	-
7080	Total Other Financing	<u>-</u>	<u>-</u>	<u>-</u>
1200	Net Change in Fund Balances	-	-	-
0100	Fund Balances - Beginning	-	-	-
3000	Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Independent Auditor's Report.

EXHIBIT H-2

397 Advanced Placement Initiative	410 State Textbook	428 State Special Education	429 Other State Programs	461 Campus Activity Fund	491 Foundation Grants	699 Capital Projects Fund	Total Nonmajor Funds
\$ -	\$ -	\$ -	\$ -	\$ 24,947	\$ 18,411	\$ 1,629	\$ 55,050
-	182,673	46,832	9,265	-	-	-	247,877
-	-	-	-	-	-	-	7,946,322
-	182,673	46,832	9,265	24,947	18,411	1,629	8,249,249
11	219,383	21,665	2,000	2,966	14,913	-	2,985,119
-	-	-	-	-	3,498	-	166,264
-	-	-	-	-	-	-	173,568
-	-	-	-	-	-	-	794,786
-	-	-	-	-	-	-	349,848
-	-	25,167	-	-	-	-	445,386
-	-	-	-	-	-	-	125,993
-	-	-	-	-	-	-	180,894
-	-	-	-	-	-	-	51,077
-	-	-	-	-	-	-	1,842,029
-	-	-	-	22,901	-	-	28,328
-	-	-	-	-	-	-	109,686
-	-	-	-	-	-	-	732,735
-	-	-	7,265	-	-	-	24,055
-	-	-	-	-	-	-	82,528
-	-	-	-	688	-	-	262,716
-	-	-	-	-	-	3,096,728	3,096,728
-	-	-	-	-	-	49,937	49,937
11	219,383	46,832	9,265	26,555	18,411	3,146,665	11,501,677
(11)	(36,710)	-	-	(1,608)	-	(3,145,036)	(3,252,428)
-	-	-	-	-	-	3,130,000	3,130,000
-	-	-	-	-	-	-	200,000
-	-	-	-	-	-	-	(200,000)
-	-	-	-	-	-	3,130,000	3,130,000
(11)	(36,710)	-	-	(1,608)	-	(15,036)	(122,428)
11	36,710	-	-	29,721	-	39,968	576,805
\$ -	\$ -	\$ -	\$ -	\$ 28,113	\$ -	\$ 24,932	\$ 454,377

ROBSTOWN INDEPENDENT SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
NATIONAL SCHOOL BREAKFAST AND LUNCH PROGRAM
FOR THE YEAR ENDED AUGUST 31, 2021

Data Control Codes		1		2	3	Variance with Final Budget
		Budgeted Amounts		Final	Actual	
		Original				
	REVENUES					
5700	Local and Intermediate Sources	\$ 133,437	\$ 133,437	\$ 10,063	\$ (123,374)	
5800	State Program Revenues	12,000	12,000	9,107	(2,893)	
5900	Federal Program Revenues	2,635,653	2,635,653	1,430,275	(1,205,378)	
5020	Total Revenues	<u>2,781,090</u>	<u>2,781,090</u>	<u>1,449,445</u>	<u>(1,331,645)</u>	
	EXPENDITURES					
0035	Food Services	2,409,340	2,409,340	1,528,203	881,137	
0051	Plant Maintenance	371,750	371,750	5,374	366,376	
6030	Total Expenditures	<u>2,781,090</u>	<u>2,781,090</u>	<u>1,533,577</u>	<u>1,247,513</u>	
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(84,132)	(84,132)	
	OTHER FINANCING SOURCES (USES):					
7915	Transfer In	-	200,000	200,000	-	
7080	Total Other Financing Sources	-	<u>200,000</u>	<u>200,000</u>	-	
1200	Net Change in Fund Balance	-	200,000	115,868	(84,132)	
0100	Fund Balance - Beginning	219,065	219,065	219,065	-	
3000	Fund Balance - Ending	<u>\$ 219,065</u>	<u>\$ 419,065</u>	<u>\$ 334,933</u>	<u>\$ (84,132)</u>	

See Independent Auditor's Report.

ROBSTOWN INDEPENDENT SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 DEBT SERVICE FUND
 FOR THE YEAR ENDED AUGUST 31, 2021

Data Control Codes		1		2	3	Variance with Final Budget
		Budgeted Amounts		Final	Actual	
		Original				
	REVENUES					
5700	Local and Intermediate Sources	\$ 3,340,553	\$ 3,340,553	\$ 3,141,925	\$ (198,628)	
5800	State Program Revenues	1,130,000	1,130,000	1,402,865	272,865	
5900	Federal Revenues	278,000	278,000	307,051	29,051	
5020	Total Revenues	<u>4,748,553</u>	<u>4,748,553</u>	<u>4,851,841</u>	<u>103,288</u>	
	EXPENDITURES					
0071	Principal and Long-Term Debt	1,701,121	1,701,121	1,701,121	-	
0072	Interest on Long-Term Debt	3,047,432	3,047,432	3,034,779	12,653	
0073	Bond Issuance Costs and Fees	-	313,269	295,503	17,766	
6030	Total Expenditures	<u>4,748,553</u>	<u>5,061,822</u>	<u>5,031,403</u>	<u>30,419</u>	
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(313,269)	(179,562)	133,707	
	OTHER FINANCING SOURCES					
7911	Bonds Issued	-	12,195,000	12,195,000	-	
7916	Premiums on Bonds Issued	-	1,406,773	1,406,773	-	
8949	Payment to Refunding Escrow Agent	-	(13,288,504)	(13,288,504)	-	
7080	Total Other Financing	<u>-</u>	<u>313,269</u>	<u>313,269</u>	<u>-</u>	
1200	Net Change in Fund Balance	-	-	133,707	133,707	
0100	Fund Balance - Beginning	<u>315,371</u>	<u>315,371</u>	<u>315,371</u>	<u>-</u>	
3000	Fund Balance - Ending	<u>\$ 315,371</u>	<u>\$ 315,371</u>	<u>\$ 449,078</u>	<u>\$ 133,707</u>	

See Independent Auditor's Report.

ROBSTOWN INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF NET POSITION
 INTERNAL SERVICE FUNDS
 AUGUST 31, 2021

	752 Print Shop	753 Insurance	Total Internal Service Funds
ASSETS:			
<i>Current Assets:</i>			
Cash and Cash Equivalents	\$ 59,810	\$ 92,140	\$ 151,950
Investments	-	368,588	368,588
<i>Total Assets</i>	<u>59,810</u>	<u>460,728</u>	<u>520,538</u>
LIABILITIES:			
<i>Current Liabilities</i>			
Accounts Payable	666	15,513	16,179
<i>Total Liabilities</i>	<u>666</u>	<u>15,513</u>	<u>16,179</u>
NET POSITION:			
Unrestricted Net Position	59,144	445,215	504,359
<i>Total Net Position</i>	<u>\$ 59,144</u>	<u>\$ 445,215</u>	<u>\$ 504,359</u>

ROBSTOWN INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2021

	752 Print Shop	753 Insurance	Total Internal Service Funds
OPERATING REVENUES:			
Charges for Premiums and Services	\$ 47,229	\$ 181,688	\$ 228,917
<i>Total Operating Revenues</i>	<u>47,229</u>	<u>181,688</u>	<u>228,917</u>
OPERATING EXPENSES:			
Services	8,729	137,002	145,731
Supplies	12,364	-	12,364
Other Operating Costs	1,201	-	1,201
<i>Total Operating Expenses</i>	<u>22,294</u>	<u>137,002</u>	<u>159,296</u>
Operating Income	24,935	44,686	69,621
OTHER INCOME AND TRANSFERS:			
Interest Income	-	594	594
<i>Total Other Income and Transfers</i>	<u>-</u>	<u>594</u>	<u>594</u>
Change in Net Position	24,935	45,280	70,215
Total Net Position - Beginning	34,209	399,935	434,144
Total Net Position - Ending	<u>\$ 59,144</u>	<u>\$ 445,215</u>	<u>\$ 504,359</u>

See Independent Auditor's Report.

ROBSTOWN INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2021

EXHIBIT H-5

	752 Print Shop	753 Insurance	Nonmajor Internal Service Fund
Cash Flows from Operating Activities:			
Cash Receipts (Payments) for Quasi-external Operating Transactions with Other Funds	\$ 47,229	\$ 181,688	\$ 228,917
Cash Payments to Suppliers for Goods and Services	(21,628)	(121,489)	(143,117)
Net Cash Provided (Used) by Operating Activities	25,601	60,199	85,800
Cash Flows from Investing Activities:			
Interest Income	-	594	594
Purchase of Investments	-	(458)	(458)
Net Cash Provided (Used) by Investing Activities	-	136	136
Cash Flows from Noncapital Financing Activities:			
Repayment of Loan from Other Funds	-	(125,000)	(125,000)
Net Cash Provided (Used) by Noncapital Financing Activities	-	(125,000)	(125,000)
Net Increase (Decrease) in Cash and Cash Equivalents	25,601	(64,665)	(39,064)
Cash and Cash Equivalents at Beginning of Year	34,209	156,805	191,014
Cash and Cash Equivalents at End of Year	\$ 59,810	\$ 92,140	\$ 151,950
Reconciliation of Operating Income to Net Cash Provided by Operating Activities			
Operating Income (Loss)	\$ 24,935	\$ 44,686	\$ 69,621
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities			
Change in Assets and Liabilities:			
Increase (Decrease) in Accounts Payable	666	15,513	16,179
<i>Total Adjustments</i>	666	15,513	16,179
Net Cash Provided (Used) by Operating Activities	\$ 25,601	\$ 60,199	\$ 85,800

See Independent Auditor's Report.

EXHIBIT J-1

10 Beginning Balance 9/1/20	20 Current Year's Total Levy	31 Maintenance Collections	32 Debt Service Collections	40 Entire Year's Adjustments	50 Ending Balance 8/31/21
\$ 494,634	\$ -	\$ 11,840	\$ 4,453	\$ (20,581)	\$ 457,760
101,876	-	2,510	944	(4,382)	94,040
106,137	-	4,989	1,961	(4,186)	95,001
161,660	-	7,767	3,156	(4,999)	145,738
163,566	-	9,472	3,886	(5,990)	144,218
245,906	-	21,976	9,016	(4,607)	210,307
296,479	-	35,300	14,934	8,069	254,314
385,847	-	64,786	27,409	10,293	303,945
582,156	-	143,849	67,327	(16,736)	354,244
-	9,614,404	6,085,691	2,913,486	(1)	615,226
<u>\$ 2,538,261</u>	<u>\$ 9,614,404</u>	<u>\$ 6,388,180</u>	<u>\$ 3,046,572</u>	<u>\$ (43,120)</u>	<u>\$ 2,674,793</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -



COMPLIANCE SECTION



Armstrong, Vaughan & Associates, P. C.

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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

Board of Trustees
Robstown Independent School District
Robstown, TX

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Robstown Independent School District as of and for the year ended August 31, 2021, and the related notes to the financial statements, which collectively comprise Robstown Independent School District's basic financial statements, and have issued our report thereon dated January 3, 2022.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

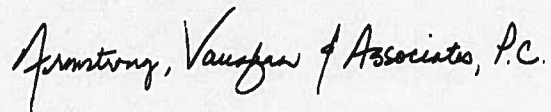
As part of obtaining reasonable assurance about whether Robstown Independent School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have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

We noted certain matters that we have reported to management of the District in a separate letter dated January 3, 2022.

Purpose of this Report

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

Respectfully submitted,



Armstrong, Vaughan & Associates, P.C.

January 3, 2022



Armstrong, Vaughan & Associates, P. C.

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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

Board of Trustees
Robstown Independent School District
801 North Street
Robstown, TX 78380

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Robstown Independent School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) 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 Robstown Independent School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

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

Report on Internal Control over Compliance

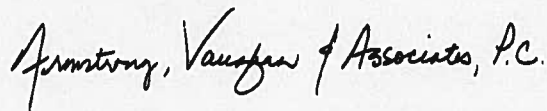
The management of Robstown Independent School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Robstown Independent School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

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

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

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

Respectfully submitted,



Armstrong, Vaughan & Associates, P.C.

January 3, 2022

**ROBSTOWN INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED AUGUST 31, 2021**

A. Summary of Auditor's Results

1. Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Any material weaknesses identified? Yes X No

Any significant deficiencies identified? Yes X No

Noncompliance material to financial Statements noted? Yes X No

2. Federal Awards

Internal control over major programs:

Any material weaknesses identified? Yes X No

Any significant deficiencies identified? Yes X No

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

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

Identification of major programs:

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

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

Auditee qualified as low-risk auditee? X Yes No

**B. Financial Statement Findings
NONE**

**C. Federal Award Findings and Questioned Costs
NONE**

**D. Prior Audit Findings Related to Federal Awards
NONE**

**ROBSTOWN INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2021**

(1) Federal Grantor/ Pass-Through Grantor/ Program Title	(2) Federal Assistance Listing	(2A) Pass-Through Entity Identifying Number	(3) Federal Expenditures
U.S. DEPARTMENT OF EDUCATION			
<i>Direct Programs</i>			
Impact Aid	84.041		\$ 19,840
<i>Passed Through Texas Education Agency</i>			
ESEA, Title I, Part A - Improving Basic Programs	84.010A	21610101178909	1,553,479
*IDEA - Part B, Formula	84.027	216600011789096000	630,141
*IDEA - Part B, Preschool	84.173	216610011789096000	19,512
ESEA, Title I, Part C - Migratory Children	84.011A	20615001178909	40,580
Career and Technical Guidance - Basic Grant	84.048A	21420006178909	58,426
Title III, Part A - English Language Acquisition	84.365A	21671001178909	3,346
ESEA, Title II, Part A, Teacher/Principal Training	84.367A	21694501178909	100,776
Instructional Continuity	84.377A	17610740178909	17,705
Student Support and Academic Enrichment Program	84.424A	21680101178909	69,570
Twenty-First Century Community Learning Centers	84.287C	216950247110023	1,298,464
CRRSA Elementary and Secondary School Emergency Relief Fund	84.425D	52102135	147,184
CRRSA Elementary and Secondary School Emergency Relief Fund	84.425D	21521001178909	2,286,993
ARPA Elementary and Secondary School Emergency Relief Fund	84.425U	21528001178909	755,324
<i>Total Passed Through Texas Education Agency</i>			<u>6,981,500</u>
TOTAL U.S. DEPARTMENT OF EDUCATION			<u>7,001,340</u>
U.S. DEPARTMENT OF TREASURY			
<i>Passed Through Texas Division of Emergency Management</i>			
Corona-virus Relief Fund	21.019	19LEA200006073	173,831
<i>Passed Through Texas Education Agency</i>			
Corona-virus Relief Fund	21.019	52202002	94,077
<i>Passed Through Nueces County</i>			
Corona-virus Relief Fund	21.019		94,077
TOTAL U.S. DEPARTMENT OF TREASURY			<u>361,985</u>
U.S. DEPARTMENT OF AGRICULTURE			
<i>Passed Through Texas Department of Agriculture:</i>			
School Breakfast Program ^	10.553	71402101	358,072
National School Lunch ^	10.555	71302101	850,202
Commodities ^ (Non-cash)	10.555		127,337
Summer Food Service^	10.559		32,102
Child and Adult Care Food	10.558		27,615
Fresh Fruit and Vegetables	10.582		67,050
<i>Total Passed Through Texas Department of Agriculture</i>			<u>1,462,378</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE			<u>1,462,378</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 8,825,703</u>
<i>Cluster Totals</i>			
* IDEA			649,653
^ Child Nutrition			1,367,713
<i>Program Totals</i>			
National School Lunch	10.555		977,539
ESSER	84.425		3,189,501
Corona-virus Relief Fund	21.019		361,985

**ROBSTOWN INDEPENDENT SCHOOL DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2021**

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

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

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

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

Federal Program Revenues and Expenditures:	
General Fund	\$ 1,565,977
Debt Service Funds	307,051
Special Revenue Funds	7,946,322
	<u>9,819,350</u>
 Less:	
Qualified School Construction Bonds Subsidy	(307,051)
E-Rate reimbursement	(29,938)
Shared Health and Related Services (SHARS)	(656,658)
	<u>(1,000,647)</u>
Total per Schedule of Expenditures of Federal Awards (See Exhibit K-1)	\$ 8,825,703

See Independent Auditor's Report.

ROBSTOWN INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS
AS OF AUGUST 31, 2021

<u>Data Control Codes</u>		<u>Responses</u>
SF1	Was there an unmodified opinion in the Annual Financial Report on the financial statements as a whole?	Yes
SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement at fiscal year-end?	No
SF3	Did the school district make timely payments to the Teacher Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies?	Yes
SF4	Was the school district issued a warrant hold?	No
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds?	No
SF6	Was there any disclosure in the Annual Financial Report of material noncompliance for grants, contracts, and laws related to local, state, or federal funds?	No
SF7	Did the school district post the required financial information on its website in accordance with Government Code, Local Government Code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules that were in effect at the school district's fiscal year end?	Yes
SF8	Did the school board members discuss the school district's property values at a board meeting within 120 days before the school district adopted its budget?	Yes
SF9	Total accumulated accretion on CABs included in government-wide financial statements at fiscal year-end	\$ 5,434,981

