Notice of Regular Meeting
Board of Trustees
December 14, 2021

A Regular Meeting of the Board of Trustees will be held on December 14, 2021, beginning at 6:00 PM, in the Administration Building, 400 East Loop 340, Waco, TX 76705.

The subjects to be discussed or considered or upon which any formal action may be taken are listed below. Items do not have to be taken in the same order as shown on this meeting notice. For more information about public comment, see Policy BED. Unless removed from the consent agenda, items identified within the consent agenda will be acted on at one time.

I. Roll Call, Establishment of Quorum, and Call to Order -- Board President
II. Opening Ceremony -- Board President
III. Consider Listing of Agenda Items -- Board President
IV. Recognition Items -- Board President and Dr. Sharon M. Shields
    A. Dr. Sharon M. Shields, Superintendent - Recipient of the Citizen of the Year Award Sponsored by the Omicron Upsilon Chapter of The Omega Psi Phi Fraternity, Inc. -- Board President
    B. Dr. Sharon M. Shields, Superintendent - Finalist for the Leading Waco Women's 2021 Athena Leadership Award -- Board President
V. Public Participation -- Board President
VI. Special Reports -- Board President
    A. Superintendent's Report -- Dr. Sharon M. Shields
        1. District Updates -- Dr. Sharon M. Shields
        2. Calendar of Events -- Dr. Sharon M. Shields
VII. Consider Consent Agenda Items -- Board President
    A. Minutes for Meetings Held -- Ms. Lori Mynarcik
    B. Budget Amendments -- Mr. James Garrett
    C. Personnel Items -- Mr. Todd Gooden
        1. Additional Special Education Employee Position -- Mr. Todd Gooden
VIII. Action and Discussion Items -- Board President
    A. Consider 2020-2021 Fiscal Year Financial Audit Report -- Mr. James D. Garrett
    B. Monthly Budget Analysis Report -- Mr. James Garrett
    C. Consider Teacher and Professional Employee Contract Recommendations -- Mr. Todd Gooden
IX. Closed Meeting -- Board President
X. Adjournment -- Board President

If, during the course of the meeting, discussion of any item on the agenda should be held in a closed meeting, the board will conduct a closed meeting in accordance with the Texas Open Meetings Act, Texas Government Code, Chapter 551, Subchapters D and E or Texas Government Code section 418.183(f). Before any closed meeting is convened, the presiding officer will publicly identify the section or sections of the Act authorizing the closed meeting. All final votes, actions, or decisions will be taken in open meeting. [See TASB Policy BEC(LEGAL)]

For the Board of Trustees

ROLL CALL, ESTABLISHMENT OF QUORUM, AND CALL TO ORDER

The meeting was called to order at _____ m.

Board of Trustees Members Present: _____

_____

Board of Trustees Members Absent: _____

_____

School Personnel Present: _____

_____

_____

_____

Others Present: _____

_____

_____

BOARD PRESIDENT:

THE OPENING CEREMONY CONSISTING OF THE PLEDGE OF ALLEGIANCE

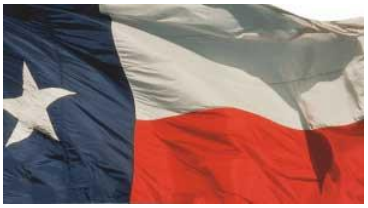
TO THE AMERICAN FLAG AND TO THE TEXAS FLAG WILL BE PROVIDED BY:

_____

(NAME, TITLE, POSITION, LVISD CAMPUS/DEPT.)



PLEDGE TO UNITED STATES FLAG. I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.



PLEDGE TO TEXAS FLAG: "Honor the Texas flag; I pledge allegiance to thee, Texas, one state under God, one and indivisible."

APPROVE LISTING OF AGENDA ITEMS

Presented for:
Board action ☒ Report/Review Only ☐

Supporting documents:
None ☒ Attached ☐ Provided Later ☐

Contact Person:
Dr. Sharon M. Shields and Board President

Background Information:
Board Members are asked to review the listing of agenda items.

Fiscal Implication:
N/A

Administrative Recommendation:
N/A

Motion:

Second:

For:

Against

Abstain:

RECOGNITION ITEMS

A. Dr. Sharon M. Shields, Superintendent – Recipient of the Citizen of the Year Award Sponsored by the Omicron Chapter of the Omega Psi Phi Fraternity, Inc.
B. Dr. Sharon M. Shields, Superintendent – Finalist for the Leading Waco Women's 2021 Athena Leadership Award

Presented for:
Board action ☒ Report/Review Only ☐ Consent Agenda Item ☐

Supporting documents:
None ☒ Attached ☐ Provided Later ☐

Contact Person:
Board President

Background Information:
This portion of the board meeting is reserved to recognize students, staff, and Board Members for exemplary accomplishments beyond the District Level.

Fiscal Implication:
N/A

Administrative Recommendation:
N/A

PUBLIC PARTICIPATION

Presented for:
Board action ☐ Report/Review Only ☒

Supporting documents:
None ☒ Attached ☐ Provided Later ☐

Contact Person(s):
Board President and Dr. Sharon M. Shields

Background Information:
LVISD POLICY BED (LOCAL) -- Public Participation: At regular meetings the Board shall allot 30 minutes to hear persons who desire to make comments to the Board. Persons who wish to participate in this portion of the meeting shall sign up with the presiding officer or designee before the meeting begins and shall indicate the topic about which they wish to speak.

Limit on Participation: Audience participation is limited to the portion of the meeting designated for that purpose. At all other times during a Board meeting, the audience shall not enter into discussion or debate on matters being considered by the Board, unless recognized by the presiding officer. No presentation shall exceed five (5) minutes. Delegations of more than five persons shall appoint one person to present their views before the Board.

Board's Response—Specific factual information or recitation of existing policy may be furnished in response to inquiries, but the Board shall not deliberate or decide regarding any subject that is not included on the agenda posted with notice of the meeting.

Complaints and Concerns—Complaints and concerns for which other resolution channels are provided shall be directed through those channels. The presiding officer or designee shall determine whether a person who wishes to address the Board has attempted to solve a matter administratively. If not, the person shall be directed to the appropriate policy to seek resolution before bringing the matter to the Board at a subsequent meeting.

Fiscal Implication:
N/A

Administrative Recommendation:
N/A

SPECIAL REPORTS

Presented for:
Board action ☐ Report/Review Only ☒

Supporting documents:
None ☐ Attached ☒ Provided Later ☐

Contact Person:
N/A

Background Information:
This portion of the meeting is to provide special reports to the Board of Trustees.

Fiscal Implication:
N/A

Administrative Recommendation:
This report is being provided for informational purposes.

Superintendent's Report

1. **District Updates**
2. **Calendar of Events**

Presented for:
Board action ☐ Report/Review Only ☒

Supporting documents:
None ☐ Attached ☐ Provided Later ☒

Contact Person:
Dr. Sharon M. Shields

Background Information:
This portion of the board meeting is reserved to update the Board of Trustees on calendar and miscellaneous items.

Fiscal Implication:
N/A

Administrative Recommendation:
N/A

CONSENT AGENDA ITEMS

Presented for:
Board action ☒ Report/Review Only ☒

Supporting documents:
None ☐ Attached ☒ Provided Later ☐

Contact Person:
N/A

Background Information:
The consent agenda shall include items of a routine and/or recurring nature grouped together under one action item. For each item listed as part of a consent agenda, the Board shall be furnished with background material. All such items shall be acted upon by one vote without separate discussion, unless a Board member requests that an item be withdrawn for individual consideration. The remaining items shall be adopted under a single motion and vote.

Fiscal Implication:
N/A

Administrative Recommendation:
N/A

Motion:

Second:

For:

Against

Abstain:

Approve Minutes for Meeting(s) Held

Presented for:
Board action ☒ Report/Review Only ☐

Supporting documents:
None ☐ Attached ☒ Provided Later ☐

Contact Person:
Dr. Sharon M. Shields or Ms. Lori Mynarcik

Background Information:
The Board shall prepare and retain minutes or make a tape recording of each of its open meetings. The minutes shall state the subject matter of each deliberation and shall indicate each vote, order, decision, or other action taken by the Board. The minutes or tapes are public records and shall be made available for public inspection and copying on request to the Superintendent or designee.

Fiscal Implication:
None.

Administrative Recommendation:
Board review and approval.

Motion: _____

Second: _____

For: _____

Against: _____

Abstain: _____

La Vega Independent School District
400 East Loop 340, Waco, Texas 76705
254-299-6700 ♦ 254-799-8642 FAX

Office of the Superintendent

La Vega I.S.D. Board of Trustees
Minutes of the Regular Meeting
November 16, 2021

BOARD MEMBERS PRESENT – Mildred Watkins, Henry C. Jennings, Raymond Koon, Rev. Larry Carpenter, and Brenda Rocha

BOARD MEMBERS ABSENT – Phil Bancale and Randy Devorsky

SCHOOL PERSONNEL PRESENT – Dr. Sharon M. Shields, Todd Gooden, Dr. Charla Rudd, James D. Garrett, Chief Kerry Blakemore, Robyn Ammons, Dede Moore, Sandra Gibson, and Lori Mynarcik

OTHERS PRESENT – Ruben Alarcon, Karina Gallegos, Nancy Meza, Daisy Davila, Tarah Roddy, Aalyssiah Vasquez, Brittney Sandoval, Damian Magdaleno, Eduardo Cordero, Ivan Magdaleno, Jorge Sandoval, and Chloe McLellan

CALLED TO ORDER – Board President Mildred Watkins established a quorum and brought the board meeting to order at 6:00 p.m.

OPENING CEREMONY – The Pledges of Allegiance to the United States Flag and the Texas Flag were led by Mr. Todd Gooden, Assistant Superintendent for Personnel and Administration.

APPROVED LISTING OF AGENDA ITEMS - On a motion by Mr. Koon and seconded by Mrs. Rocha, the Board unanimously approved the listing of agenda items.

RECOGNITION ITEMS – The Board of Trustees recognized the following individuals or groups for exemplary accomplishments beyond the District level.

- LVHS VITA Income Tax Program – Named New Recruit of the Year by the IRS
- LVHS Students Who Advanced to the UIL Regional Cross Country Meet
- LVHS Student Chloe McLellan for Advancing to the State Cross Country Meet

PUBLIC PARTICIPATION – None

SPECIAL REPORTS – Board Members received the following special report(s).

Superintendent's Information to the Board – Dr. Sharon M. Shields, Superintendent, updated the Board Members on upcoming calendar items and other miscellaneous information.

House Bill 3 (HB3) Literacy, Math, and College, Career, and Military Readiness (CCMR) Progress Report – Board Members were presented with a progress report on the HB3 Literacy, Math, and CCMR goals for the first quarter.

APPROVED CONSENT AGENDA ITEMS - Motioned by Mr. Jennings and seconded by Mr. Koon, the Board unanimously approved the following consent agenda items:

- the minutes for the October 19, 2021 regular board meeting
- the monthly tax collection recap and report
- the budget amendments as presented
- the job description for General Maintenance II
- the job description for Chief Academic Officer for Acceleration
- revisions to the La Vega ISD 2021-2022 Professional Paygrades
- Policy Manual Update 118

ACTION AND DISCUSSION ITEMS - The following items were considered, discussed, and/or approved by the Board of Trustees.

Approved the Resolution of Votes Cast to Elect Director(s) for the McLennan County Appraisal District for 2022-2023 – Motioned by Mr. Koon and seconded by Mr. Jennings, the Board Members unanimously approved the resolution to cast the District's 137 votes for Ms. Mildred Watkins for the McLennan County Appraisal District Board of Directors for the Years 2022-2023.

Approved the Monthly Budget Analysis Report – On a motion by Mr. Jennings and seconded by Rev. Carpenter, the Board Members unanimously approved the monthly budget analysis report.

Approved Teacher and Professional Employee Contract Recommendations – Motioned by Mr. Jennings and seconded by Mr. Koon, the Board Members unanimously approved the employee contract recommendation for Derrick Keller.

CLOSED MEETING – None

ADJOURNMENT - On a motion by Mr. Jennings and seconded by Mrs. Rocha, the Board of Trustees unanimously agreed to adjourn the meeting at 7:08 p.m. on November 16, 2021.

_____
Date of Board Approval

_____
President, La Vega I.S.D. Board of Trustees

_____
Secretary, La Vega I.S.D. Board of Trustees

La Vega Independent School District
400 East Loop 340, Waco, Texas 76705
254-299-6700 ♦ 254-799-8642 FAX

Office of the Superintendent

La Vega I.S.D. Board of Trustees
Minutes of the Special Meeting
December 7, 2021

BOARD MEMBERS PRESENT – Mildred Watkins, Henry C. Jennings, Raymond Koon, Rev. Larry Carpenter, Randy Devorsky, and Brenda Rocha

BOARD MEMBERS ABSENT – Phil Bancale

SCHOOL PERSONNEL PRESENT – Dr. Sharon M. Shields, Todd Gooden, Dr. Charla Rudd, James Garrett, and Lori Mynarcik

OTHERS PRESENT – Jesse Watkins, Kyle Devorsky, and Danny Mynarcik

CALLED TO ORDER – Board President Mildred Watkins established a quorum and brought the board meeting to order at 6:00 p.m.

OPENING CEREMONY – The Pledges of Allegiance to the United States Flag and the Texas Flag were led by Mr. Todd Gooden, Assistant Superintendent for Personnel and Administration.

APPROVED THE LISTING OF AGENDA ITEMS – Motioned by Mr. Jennings and seconded by Mr. Koon, the Board Members unanimously approved the listing of agenda items.

PUBLIC PARTICIPATION – None

SUPERINTENDENT'S REPORT – Dr. Shields asked for prayers for Mr. Bancale and his family.

ACTION AND DISCUSSION ITEMS - The following items were considered, discussed, and/or approved by the Board of Trustees.

Approved Teacher and Professional Employee Contract Recommendations – On a motion by Mr. Jennings and seconded by Mrs. Rocha, the Board Members unanimously approved the employee contract recommendations for Ernestina Sandoval and Brandy Stratton.

ADJOURNMENT - On a motion by Mrs. Rocha and seconded by Mr. Jennings, the Board of Trustees unanimously agreed to adjourn the meeting at 6:04 p.m. on December 7, 2021.

_____
Date of Board Approval

_____
President, La Vega I.S.D. Board of Trustees

_____
Secretary, La Vega I.S.D. Board of Trustees

Consider Budget Amendments

Presented for:
Board action ☒ Report/Review Only ☐

Supporting documents:
None Attached X Provided Later

Contact Person:
Mr. James Garrett

Background Information:
Section 2.10.6 of the Financial Accountability System Resource Guide, version 14.0, dated January 2010, states that budget amendments are mandated by the state for budgeted funds reallocated from one function level, and state and/or federal project to another. These budget changes are usually the result of unexpected levels of expenditures in certain categories and must be amended in the budget for legal compliance.

All budget amendments are required to be adopted by the last day of the fiscal year. All necessary budget amendments must be formally adopted by the school board and recorded in the board minutes.

Fiscal Implication:
Budgeting receipt of insurance proceeds and related expenditures.

Administrative Recommendation:
N/A

Motion: _____

Second: _____

For: _____

Against: _____

Abstain: _____

Amendment Nbr	Amendment Number Description	Originator	Campus/Dept	Board Approval
121376	BUDGET CHANGE	JAMES GARRETT (JGARRETT)	733 - BUSINESS SERVICES	☑

Note:

Detail Information

Account Code	Description	Reason	Increase Amt	Decrease Amt	Trans Date	User ID
199-00-5745.00-000-200000	INSURANCE RECOVERY	BUDGET CHANGE	4,079.54	.00	12-09-2021	JGARRETT
199-51-6249.00-851-299000	CONTRACTED MAINT & REPAIR	BUDGET CHANGE	4,079.54	.00	12-09-2021	JGARRETT
		Total:	**8,159.08**	**.00**		

Summary Information

Account Code	Description	Original Budget Amt	Current Approved Amt	Increase Amt	Decrease Amt	Amended Amt	Current Balance
199-00-5745.00-000-200000	INSURANCE RECOVERY	.00	.00	4,079.54	.00	4,079.54	-4,079.54
199-51-6249.00-851-299000	CONTRACTED MAINT & REP	-7,000.00	-7,000.00	4,079.54	.00	-11,079.54	-7,000.00
	Total:	**-7,000.00**	**-7,000.00**	**8,159.08**	**.00**	**-7,000.00**	**-11,079.54**

End of Report

Personnel Items

Presented for:
Board action ☒ Report/Review Only ☐

Supporting documents:
None ☐ Attached ☒ Provided Later ☐

Contact Person:
Mr. Todd Gooden

Background Information:
The following personnel items are submitted for board approval.

Fiscal Implication:
N/A

Administrative Recommendation:
N/A

BUSINESS SERVICES CLERK/ PART TIME

Reports To: Asst. Superintendent for Finance

Dept / Campus: Business Office

Pay Grade: S-108

Board Approval: December 2021

PRIMARY PURPOSE / FUNCTION:

Provide assistance for prompt and accurate payment of all expenses incurred by the district. Work under limited supervision and follow established procedures to process purchase orders and invoices, maintain accounting records, and assist with bid/purchasing documents and purchasing law compliance.

QUALIFICATIONS:

Education/Certification:
High School Diploma or GED

Special Knowledge/Skills:
Knowledge of basic accounting procedures
Ability to use personal computer and software to develop spreadsheets, databases and do word processing
Proficiency in keyboarding, 10-key numerical data entry, and file maintenance
Knowledge of basic accounting and purchasing procedures
Ability to communicate effectively

Experience:
One year of accounting-related experience at a clerical level (preferred).

MAJOR RESPONSIBILITIES AND DUTIES:

1. Assist with receiving and processing for payment all accounts payable invoices, requisitions, purchase orders, etc., including the issuance of computer generated and/or manually prepared checks.

2. Match invoices and receiving reports with proper purchase orders; ensure completeness and accuracy of invoices and shipments received.

3. Detect and resolve problems with incorrect orders, invoices, shipments, backorders and taxes charged.

4. Contact District personnel and vendors to obtain information as needed.

5. File office copies of checks, requisitions, invoices, and purchase orders.

6. Communicate current status of invoices with campus staff.
7. Assist with requisitions for the business office.
8. Assist with reviewing and processing District requests and reimbursements.
9. Maintain a working knowledge of and comply with state and district policies and regulations concerning primary job functions.
10. Research items previously processed as needed.
11. Cover front desk duties.
12. Perform other duties as assigned.

EQUIPMENT USED:

Standard office equipment including personal computer and peripherals

WORKING CONDITIONS:

Mental Demands:
Work with frequent interruptions
Maintain emotional control under stress

Physical Demands:
Prolonged sitting; repetitive hand motions, frequent keyboarding and use of mouse
Occasional light lifting and carrying

This document describes the general purpose and responsibilities to this job and is not an exhaustive list of all responsibilities and duties that may be assigned or skills that may be required.

_____ _____
Employee Date

_____ _____
Supervisor Date

Additional Special Education Employee Position

Presented for:
Board action ☒ Report/Review Only ☐

Supporting documents:
None ☒ Attached ☐ Provided Later ☐

Contact Person:
Angela Ward, Director of Special Education, Assessment and Student Support

Background Information:
Currently, students requiring Dyslexia evaluations are predominately processed by the Dyslexia specialist. New legislation will require that all Dyslexia evaluations are processed through the Special Education Department. This would increase the Special Education evaluation caseload by approximately 80 evaluations. This significant increase cannot be absorbed by the current Special Education evaluation staff; therefore, an additional Educational Diagnostician or Licensed Specialist in School Psychology (LSSP) is required.

Fiscal Implication:
Budgeted from federal funds

Administrative Recommendation:
Approve as recommended

Motion: _____

Second: _____

For: _____

Against: _____

Abstain: _____

ACTION / DISCUSSION ITEMS

Presented for:
Board action ☒ Report/Review Only ☐

Supporting documents:
None ☐ Attached ☒ Provided Later ☐

Contact Person:
N/A

Background Information:
The following items are included for board discussion and possible action.

Fiscal Implication:
N/A

Administrative Recommendation:
N/A

Consider 2020-2021 Fiscal Year Financial Audit Report

Presented for:
Board action X Report/Review Only ☐

Supporting documents:
None ☐ Attached X Provided Later

Contact Person:
Mr. James Garrett

Background Information:
Section 44.008, Texas Education Code, requires that school districts have an annual financial audit conducted by an independent audit firm. This year, La Vega ISD retained the firm of Jaynes, Reitmeier, Boyd and Therrell, P.C. of Waco to conduct the 2020-2021 annual financial audit for our District. Representatives of this firm will present the audit report to the Board and answer any questions which the Board or Administration may have. There is no requirement in the Texas Education Code or Financial Accountability System Resource Guide that a public hearing on the audit report be held. Once the audit is approved, the Board President and Board Secretary will need to sign the Certificate of Board found in the audit report. The District has 150 days from the end of the fiscal year to submit a signed copy to TEA in electronic format. The Business Office will file the required reports.

Fiscal Implication:
Included in the audit report provided.

Administrative Recommendation:
The Administration recommends the Board approve the 2020-2021 Fiscal Year Audit as presented.

Motion: _____

Second: _____

For: _____

Against: _____

Abstain: _____

La Vega Independent School District

Annual Financial Report

August 31, 2021

Discussion Draft

La Vega Independent School District

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Discussion Draft

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Discussion Draft

Certificate of Board

La Vega Independent School District	McLennan County	161-906

We, the undersigned, certify that the attached annual financial and compliance reports of the above-named independent school district were reviewed and approved for the year ended August 31, 2021 at a meeting of the Board of School Trustees of such independent school district on the 15th day of December 2021.

Discussion Draft

Board Secretary

Board President

JAYNES REITMEIER BOYD & THERRELL, P.C.
Certified Public Accountants
5400 Bosque Blvd., Ste. 600 | Waco, TX 76710
P.O. Box 7616 | Waco, TX 76714
Main 254.776.4190 | Fax 254.776.8489 | jrbt.com

INDEPENDENT AUDITOR'S REPORT

The Board of School Trustees
La Vega Independent School District:

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Discussion Draft

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the La Vega Independent School District as of August 31, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principles

As discussed in Note 20 to the financial statements, the District adopted Governmental Accounting Standards Board ("GASB") Statement No. 84, *Fiduciary Activities,* effective September 1, 2020. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages vii through xii, the budgetary comparison information on pages 43 through 44, the schedules of the District's proportionate share of the net pension and total OPEB liabilities on pages 45-46 and 49; and the schedules of District contributions to Teachers Retirement System of Texas ("TRS") and TRS-Care on pages 47-48 and 50 (collectively, "the required supplementary information") be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

Discussion Draft

Other Matters (continued)

Other Information (continued)

The other supplementary information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 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 or other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2021, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

December 6, 2021

Discussion Draft

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the annual financial report for La Vega Independent School District (the "District") presents our discussion and analysis of the District's financial performance during the fiscal year ended August 31, 2021. Please read it in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The liabilities and deferred inflows of resources of the District exceeded its assets and deferred outflows at the close of the most recent fiscal year by $9.4 million, a reduction in the deficit net position of $1.7 million from prior year. The unrestricted net position of the District at August 31, 2021 is a deficit of $15.3 million, which results primarily from the District's recognition of net pension and other postemployment benefits ("OPEB") liabilities of $18.7 million.
- As of the close of 2021, the District's governmental funds reported combined ending fund balances of $12.8 million, an increase of $2.0 million in comparison with the prior year increase of $0.7 million. The increase in governmental funds combined ending fund balance resulted primarily from a decrease in overall operating expenses of $0.9 million for the District as a whole as students were partially remote from the start of the 2020/2021 school year until April 12, 2021, when all students returned to campus. Additionally, property tax revenues increased $0.9 million due to an increase in assessed values of $43.9 million. State revenues decreased $0.5 million due to a reduction in state grant revenue for instructional materials, as additional instructional materials for remote learning were purchased in the prior year, and a slight decline in average daily attendance.
- At the end of the current fiscal year, unassigned fund balance for the general fund was $7.9 million, or approximately 25% of the total 2021 general fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis provided here are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements.

Government-wide Financial Statements

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

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

Discussion Draft

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

The governmental activities of the District include all of the District's basic services, such as instruction, curriculum and staff development, student services, extracurricular activities, general administration, and plant maintenance and operations. Property taxes, state aid, and federal and state grants finance most of these activities.

Fund Financial Statements

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

Governmental Funds

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

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

The District maintains approximately twenty-one individual governmental funds. Information is presented in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the instructional materials allotment special revenue fund, and the debt service fund, which are considered to be major funds. Data from the other governmental funds are combined into a single aggregated presentation.

The District adopts an annual appropriated budget for its general fund, child nutrition fund, and debt service fund. Budgetary comparison statements are included in supplemental information to demonstrate compliance with these budgets.

Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are not reported in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The private purpose trust fund is used to report resources held in trust for scholarships. The custodial fund reports resources held by the District in a custodial capacity for student groups.

Discussion Draft

Notes to the Financial Statements and Other Information

The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the District's progress in funding its obligation to provide pension and OPEB benefits. Additional supplementary information is presented as required by the Texas Education Agency.

GOVERNMENT-WIDE OVERALL FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, liabilities and deferred inflows exceeded assets and deferred outflows by $9,405,280 at the close of the most recent fiscal year.

La Vega Independent School District
Net Position
August 31, 2021 and 2020

	Governmental Activities	
	2021	2020
Current and other assets	$ 16,193,654	14,599,950
Capital assets	38,257,598	39,701,721
Total assets	54,451,252	54,301,671
Deferred outflows of resources:	5,742,253	7,594,788
Current liabilities	3,061,728	3,432,216
Long-term liabilities	56,956,521	61,895,090
	60,018,249	65,327,306
Deferred inflows of resources:	9,580,536	7,587,324
Net position:		
Net investment in capital assets	1,161,016	1,178,279
Restricted	4,715,105	3,703,731
Unrestricted	(15,281,401)	(15,900,181)
	$ (9,405,280)	(11,018,171)

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The District has a net investment in capital assets of $1,161,016 at August 31, 2021, which reflects its net investment in capital assets (e.g., land, buildings and improvements, and furniture and equipment) less any outstanding debt that was used to acquire those assets. The District uses these capital assets to provide public educational services to its students. Accordingly, these assets are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the District's net position ($4,715,105) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* is a deficit of $15,281,401.

La Vega Independent School District
Changes in Net Position
Years Ended August 31, 2021 and 2020

	Governmental Activities	
	2021	2020
Revenues:		
Program revenues:		
Charges for services	$ 315,376	349,322
Operating grants and contributions	8,537,684	11,229,567
General revenues:		
Maintenance and operations property taxes	10,888,323	10,262,432
Debt service property taxes	2,524,753	2,131,860
State aid formula grants	19,408,143	19,633,425
Grants and contributions not restricted	184,832	11,770
Investment revenue	230,421	213,419
Miscellaneous	308,860	205,019
Total revenue	42,398,392	44,036,814
Expenses:		
Instruction and instructional-related services	21,652,410	24,052,212
Instructional and school leadership	3,501,526	3,825,246
Support services - students	7,098,530	7,731,952
Administrative support services	1,500,911	1,670,993
Support services - non-student based	5,577,684	5,998,435
Ancillary services	44,081	84,554
Interest on long-term debt	1,035,960	601,927
Debt issuance costs and other fees	161,114	151,309
Payments to other governments	129,879	166,814
Total expenses	40,702,095	44,283,442
Increase (decrease) in net position	1,696,297	(246,628)
Net position, beginning of year, as previously reported	(11,018,171)	(10,771,543)
Prior period adjustment	(83,406)	-
Net position, beginning of year	(11,101,577)	(10,771,543)
Net position, end of year	$ (9,405,280)	(11,018,171)

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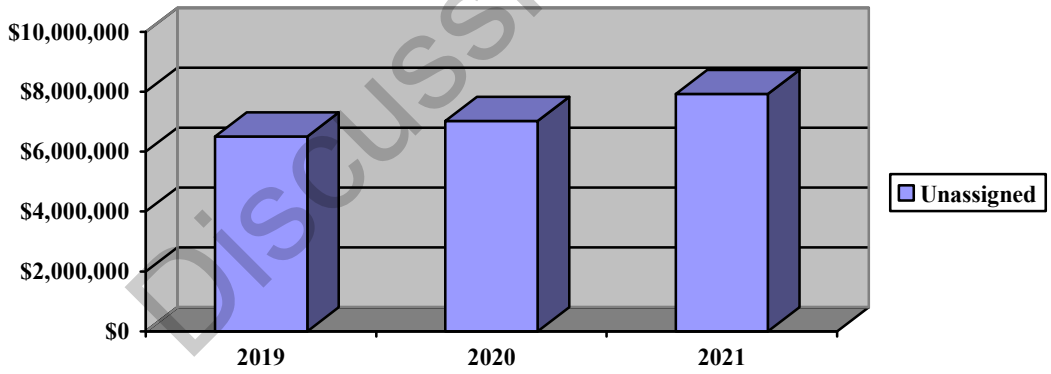
The District recognized an increase in net position of $1.7 million, compared to a decrease of $0.3 million in the prior year, as a result of the following:

- Property taxes increased approximately $1.0 million primarily due to increases in assessed values. State aid decreased $0.2 million due to the state funding formula. Operating grants and contributions decreased $2.7 million due to a decline in on-behalf pension and OPEB contributions of approximately $1.5 million and a decrease in federal and state grant revenues of approximately $1.0 million due to purchases of additional instructional materials in the prior year, as more fully discussed below.

- The cost of all governmental activities this year was $40.7 million, a decrease of approximately $3.6 million from the prior year. The decrease was primarily attributed to increases in salaries due to annual step increases offset by a decrease in pension and OPEB expense of approximately $1.0 million. Additionally, in the prior year, the District purchased additional instructional materials related to implementation of remote learning in March 2020 and for the 2021 school year as a result of COVID-19 that were not acquired during the current year.

FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

The District's Board of School Trustees annually monitors the relative unassigned fund balance in the District's general fund. Most districts have an unassigned fund balance goal of 15% of the budget, or two to three months of operations costs for their fund balance. The unassigned fund balance in the general fund increased in 2021 from $7,027,037 to $7,926,963. The graph below reflects the historical trend fund balance for unassigned fund balance of the general fund.



Discussion Draft

The fund balance of the general fund increased by $903,661 during the current fiscal year, compared to an increase of $515,185 in the prior year. Key factors in this change are as follows:

- Property taxes increased approximately $0.5 million primarily due to increases in assessed values. State aid decreased approximately $0.1 million due to the state funding formula.

- Total expenditures were $31.7 million and $31.6 million in 2021 and 2020, respectively. The increase was primarily attributed to increases in salaries and benefits due to annual step increases, offset by a decrease in instructional materials purchased in the prior year related to implementation of remote learning in March 2020 and for 2021 school year as a result of COVID-19 that were not purchased in the current year.

The fund balance of the debt service fund increased by $710,291 during the current fiscal year, compared to an increase of $282,639 in the prior year. Key factors in this change are an increase in property tax revenue of $368,871 (17%) due to an increase in the I&S property tax rate of $0.023336 per $100 valuation and increased assessed values.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget for expenditures amounted to $533,940, and included the following increases: (1) $238,000 for improvements to the track; (2) $131,271 for additional instructional materials and other supplies; (3) $90,900 for technology equipment and supplies; (4) $46,975 for the purchase of new percussion instruments; and (5) $26,794 for the purchase of a new tractor.

CAPITAL ASSETS AND LONG-TERM DEBT

Capital Assets

The District's investment in capital assets for its governmental activities as of August 31, 2021 amounts to $38.3 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, and furniture and equipment.

Major capital asset events during the current fiscal year included $237,189 for improvements to the track, $47,655 for new LED signs at the high school and elementary school, $26,794 for a new tractor, and $13,408 for new maintenance and audio visual equipment.

Additional information on the District's capital assets can be found in Note 9.

Long-term Debt

The State of Texas backs the District's bonds with its "AAA/stable" rating. This bond rating helps the District by reducing the costs of any debt issued. At the end of the current fiscal year, the District had total bonded debt outstanding of $36.6 million. During the current year, the District issued $7,995,000 series 2021 refunding bonds to refund portions of the series 2012 refunding bonds. Reductions in long-term debt were the result of scheduled principal payments.

Additional information on the District's long-term debt can be found in Note 10.

Economic Factors and Next Year's Budget

For 2022, the District adopted a budget of approximately $34.2 million. The tax rate adopted for 2022 is $1.261350 per $100 valuation and is a $0.038605 decrease from the 2021 tax rate of $1.299955. The decrease in the tax rate results from a lower M&O tax rate due to increases in the assessed values within the District.

Requests for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the District's Administration Building, La Vega Independent School District, 400 E. Loop 340, Waco, Texas 76705.

Discussion Draft

Basic Financial Statements

Discussion Draft

Exhibit A-1

La Vega Independent School District

Statement of Net Position

August 31, 2021

Data Control Codes		Governmental Activities
	Assets	
1110	Cash and cash equivalents	$ 9,967,755
1225	Property taxes receivable, net of allowance for uncollectibles of $286,270	428,984
1240	Due from other governments	2,667,010
1290	Other receivables	6,705
1300	Inventories	87,529
1900	Long-term investment	3,035,671
	Capital assets, not depreciated:	
1510	Land	431,650
	Capital assets, net of accumulated depreciation:	
1520	Buildings, net	36,675,562
1530	Furniture and equipment, net	1,150,386
	Total assets	54,451,252
	Deferred Outflows of Resources	
1700	Deferred ouflows of resources	5,742,253
	Liabilities	
2110	Accounts payable	218,681
2140	Accrued interest payable	56,132
2150	Payroll deductions and withholdings	298,906
2160	Accrued wages payable	1,454,801
2180	Due to other governments	897,844
2200	Other accrued expenses	37,997
2300	Unearned revenue	97,367
	Noncurrent liabilities:	
2501	Due within one year	1,499,861
	Due after one year:	
2502	Bonds and loans payable	36,184,401
2512	Accumulation accretion on capital appreciation bonds	545,580
2540	Net pension liability	8,764,340
2545	Other postemployment benefits liability	9,962,339
	Total due after one year	55,456,660
	Total liabilities	60,018,249
	Deferred Inflows of Resources	
2600	Deferred inflows of resources	9,580,536
	Net Position	
3200	Net investment in capital assets	1,161,016
	Restricted for:	
3820	Grant requirements	868,360
3850	Debt service	3,846,745
3900	Unrestricted	(15,281,401)
	Total net position	$ (9,405,280)

Discussion Draft

See accompanying notes to financial statements.

Exhibit B-1

La Vega Independent School District

Statement of Activities

Year Ended August 31, 2021

Data Control Codes	Functions/Programs	1 Expenses	Program Revenues 3 Charges for Services	Program Revenues 4 Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position 6 Governmental Activities
	Governmental activities:				
11	Instruction	$ 20,534,224	10,200	3,677,174	(16,846,850)
12	Instructional resources and media services	334,494	-	33,111	(301,383)
13	Curriculum and instructional staff development	783,692	-	379,574	(404,118)
21	Instructional leadership	822,357	-	90,684	(731,673)
23	School leadership	2,679,169	-	275,965	(2,403,204)
31	Guidance, counseling, and evaluation services	937,927	-	159,454	(778,473)
32	Social work services	310,090	-	174,905	(135,185)
33	Health services	292,676	-	40,133	(252,543)
34	Student transportation	1,608,167	-	164,216	(1,443,951)
35	Food services	2,247,384	107,366	2,403,264	263,246
36	Extracurricular activities	1,702,286	197,810	108,967	(1,395,509)
41	General administration	1,500,911	-	123,240	(1,377,671)
51	Facilities maintenance and operations	3,639,005	-	279,510	(3,359,495)
52	Security and monitoring services	576,358	-	54,109	(522,249)
53	Data processing services	1,362,321	-	150,215	(1,212,106)
61	Community services	44,081	-	43,051	(1,030)
72	Interest on long-term debt	1,035,960	-	380,112	(655,848)
73	Debt issuance cost and fees	161,114	-	-	(161,114)
95	Payment to JJAEP	20,380	-	-	(20,380)
99	Payment to county appraisal district	109,499	-	-	(109,499)
	Total governmental activities	$ 40,702,095	315,376	8,537,684	(31,849,035)

Data Control Codes		
	General revenues:	
	Taxes:	
MT	Property taxes, levied for general purposes	10,888,323
DT	Property taxes, levied for debt service	2,524,753
SF	State aid-formula grants	19,408,143
GC	Grants and contributions not restricted	184,832
IE	Investment earnings	230,421
MI	Miscellaneous local and intermediate revenue	308,860
TR	Total general revenues	33,545,332
CN	Change in net position	1,696,297
	Net position, beginning of year, as previously reported	(11,018,171)
	Prior period adjustment	(83,406)
NB	Net position, beginning of year, as restated	(11,101,577)
NE	Net position, end of year	$ (9,405,280)

Discussion Draft

See accompanying notes to financial statements.

Exhibit C-1

La Vega Independent School District

Balance Sheet – Governmental Funds

August 31, 2021

Data Control Codes		10 General Fund	410 Instructional Materials Allotment	50 Debt Service Fund	Other Governmental Funds	Total Governmental Funds
	Assets					
1110	Cash and cash equivalents	$ 8,396,715	-	714,637	856,403	9,967,755
1225	Taxes receivable, net of allowance for uncollectibles of $286,270	355,463	-	73,521	-	428,984
1240	Due from other governments	1,650,230	414,742	-	602,038	2,667,010
1260	Due from other funds	648,874	-	22,916	-	671,790
1290	Other receivables	-	-	-	6,705	6,705
1300	Inventories	87,529	-	-	-	87,529
1900	Other assets	-	-	3,035,671	-	3,035,671
	Total assets	$ 11,138,811	414,742	3,846,745	1,465,146	16,865,444
	Liabilities					
2110	Accounts payable	$ 216,633	-	-	2,048	218,681
2150	Payroll deductions and withholdings	298,906	-	-	-	298,906
2160	Accrued wages payable	1,295,749	-	-	159,052	1,454,801
2170	Due to other funds	22,916	413,581	-	235,293	671,790
2180	Due to other governments	897,844	-	-	-	897,844
2200	Accrued expenses	26,808	-	-	11,189	37,997
2300	Unearned revenues	10,000	-	-	87,367	97,367
	Total liabilities	2,768,856	413,581	-	494,949	3,677,386
	Deferred Inflows of Resources					
2600	Unavailable property tax revenue	355,463	-	73,521	-	428,984
	Fund Balances					
	Nonspendable:					
3410	Inventories	87,529	-	-	-	87,529
	Restricted for:					
3450	Grant requirements	-	1,161	-	867,199	868,360
3480	Retirement of long-term debt	-	-	3,773,224	-	3,773,224
	Committed for:					
3545	Campus activities	-	-	-	102,998	102,998
3600	Unassigned	7,926,963	-	-	-	7,926,963
	Total fund balances	8,014,492	1,161	3,773,224	970,197	12,759,074
	Total liabilities, deferred inflows of resources, and fund balances	$ 11,138,811	414,742	3,846,745	1,465,146	16,865,444

Discussion Draft

See accompanying notes to financial statements.

Exhibit C-2

La Vega Independent School District

Reconciliation of the Governmental Funds Balance Sheet to
the Statement of Net Position for Governmental Activities

August 31, 2021

Data Control Codes		
	Total fund balances - governmental funds (Exhibit C-1)	$ 12,759,074
1	Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	38,257,598
2	Other long-term assets are not available to pay for current period expenditures and therefore are unavailable revenue in the funds	428,984
3	Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	(60,850,936)
19	Net positon of governmental activities (Exhibit A-1)	$ (9,405,280)

Discussion Draft

See accompanying notes to financial statements.

Exhibit C-3

La Vega Independent School District

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds

Year Ended August 31, 2021

Data Control Codes		10 General Fund	410 Instructional Materials Allotment	50 Debt Service Fund	Other Governmental Funds	Total Governmental Funds
	Revenues:					
5700	Local and intermediate sources	$ 11,288,255	-	2,738,783	230,261	14,257,299
5800	State program revenues	21,099,165	121,007	107,613	211,606	21,539,391
5900	Federal program revenues	184,832	-	272,499	4,294,984	4,752,315
5020	Total revenues	32,572,252	121,007	3,118,895	4,736,851	40,549,005
	Expenditures:					
	Current:					
0011	Instruction	16,546,184	51,987	-	1,502,263	18,100,434
0012	Instructional resources and media services	297,249	-	-	-	297,249
0013	Curriculum and staff development	380,978	67,859	-	265,030	713,867
0021	Instructional leadership	727,285	-	-	9,621	736,906
0023	School leadership	2,358,596	-	-	2,900	2,361,496
0031	Guidance, counseling, and evaluation services	749,589	-	-	66,430	816,019
0032	Social work services	123,065			174,905	297,970
0033	Health services	246,581	-	-	4,245	250,826
0034	Student transportation	1,608,167	-	-	-	1,608,167
0035	Food service	28,669	-	-	2,087,796	2,116,465
0036	Extracurricular activities	1,475,381	-	-	109,134	1,584,515
0041	General administration	1,349,671	-	-	-	1,349,671
0051	Facilities maintenance and operations	3,358,395	-	-	9,338	3,367,733
0052	Security and monitoring services	526,782	-	-	-	526,782
0053	Data processing services	1,252,199	-	-	99,568	1,351,767
0061	Community services	1,030			43,051	44,081
0095	Payments to JJAEP	20,380	-	-	-	20,380
0099	Payments to county appraisal district	109,499	-	-	-	109,499
	Debt service:				-	
0071	Principal on long-term debt	217,536	-	1,171,361	-	1,388,897
0072	Interest on long-term debt	45,275	-	1,237,741	-	1,283,016
0073	Other fees	-	-	161,114	-	161,114
	Capital outlay:					
0081	Facilities acquistion and construction	237,189	-	-	-	237,189
6030	Total expenditures	31,659,700	119,846	2,570,216	4,374,281	38,724,043
1100	Excess of revenues over expenditures	912,552	1,161	548,679	362,570	1,824,962
	Other financing sources (uses):					
7911	Issuance of refunding bonds	-	-	7,995,000	-	7,995,000
7915	Transfers in	-	-	-	8,891	8,891
7916	Premiums on bonds	-	-	1,112,106	-	1,112,106
8911	Transfers out	(8,891)	-	-	-	(8,891)
8949	Payment to bond agent	-	-	(8,945,494)	-	(8,945,494)
	Total other financing sources (uses)	(8,891)	-	161,612	8,891	161,612
1200	Net change in fund balance	903,661	1,161	710,291	371,461	1,986,574
0100	Fund balances, beginning of year, as previously reported	7,110,831	-	3,146,339	598,736	10,855,906
	Prior period adjustment	-	-	(83,406)	-	(83,406)
	Fund balances, beginning of year, as restated	7,110,831	-	3,062,933	598,736	10,772,500
3000	Fund balances, end of year	$ 8,014,492	1,161	3,773,224	970,197	12,759,074

Discussion Draft

See accompanying notes to financial statements.

Exhibit C-4

La Vega Independent School District

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

Year Ended August 31, 2021

Net change in fund balances - total governmental funds (Exhibit C-2)	$	1,986,574
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense ($1,769,169) exceeded capital expenditures ($325,046) in the current period.		(1,444,123)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		31,130
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued; whereas, these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		1,474,341
Governmental funds report contributions to pension/OPEB plans as expenditures, whereas pension/OPEB expense is recognized in the statement of activities. This is the amount by which pension/OPEB expense ($1,217,900) in the current period exceeded contributions to pension/OPEB plans ($866,275).		(351,625)
Change in net position of governmental activities (Exhibit B-1)	$	1,696,297

Discussion Draft

See accompanying notes to financial statements.

Exhibit E-1

La Vega Independent School District

Statement of Fiduciary Net Position -
Fiduciary Funds

August 31, 2021

	Private Purpose Trust Fund	Custodial Fund
Assets		
Cash and cash equivalents	$ 5,750	73,540
Total assets	5,750	73,540
Liabilities		
Accounts payable	-	2,940
Total liabilities	-	2,940
Net Position		
Restricted for individuals and organizations	$ 5,750	70,600

Discussion Draft

See accompanying notes to financial statements.

Exhibit E-2

La Vega Independent School District

Statement Changes in Fiduciary Net Position -
Fiduciary Funds

August 31, 2021

	Private Purpose Trust Fund	Custodia1 Fund
Additions		
Contributions	$ 2,000	-
Collections for student organizations	-	58,372
Total additions	2,000	58,372
Deductions		
Scholarships awarded	1,000	-
Payment of expenses for student organizations	-	59,322
Total deductions	1,000	59,322
Change in net position	1,000	(950)
Net position, beginning of year	4,750	71,550
Net position, end of year	$ 5,750	70,600

Discussion Draft

See accompanying notes to financial statements.

(1) Summary of Significant Accounting Policies

The Board of School Trustees (the "Board"), a seven-member group, has governance responsibilities over all activities related to public elementary and secondary education within the jurisdiction of the La Vega Independent School District (the "District"). Because members of the Board are elected by the public; have the authority to make decisions, appoint administrators and managers, and significantly influence operations; and have the primary accountability for fiscal matters; the District is not included in any other governmental "reporting entity". Also, no component units were identified or included within the reporting entity.

The accounting policies of the District substantially comply with the rules prescribed in the Texas Education Agency's ("TEA") Financial Accountability System Resource Guide. These accounting policies generally conform to generally accepted accounting principles applicable to governmental units.

(a) Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements.

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

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

(b) Measurement focus, basis of accounting and financial statement presentation

The government-wide financial statements and the fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting.

Discussion Draft

(1) Summary of Significant Accounting Policies (continued)

(b) Measurement focus, basis of accounting and financial statement presentation (continued)

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due.

Property taxes, intergovernmental revenue and interest associated with the current fiscal period are considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental funds:

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

The instructional materials allotment special revenue fund is used to account for resources provided by the state to purchase textbooks and other instructional materials.

The debt service fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

Discussion Draft

(1) Summary of Significant Accounting Policies (continued)

(b) Measurement focus, basis of accounting and financial statement presentation (continued)

Additionally, the District reports the following fund types:

The private purpose trust fund accounts for resources legally held in trust for scholarships to be awarded to current and former students for post-secondary education. All resources of the fund, including any earnings on invested resources, may be used to support the activities listed in the preceding sentence. Additionally, the District accounts for resources held for others in a custodial capacity in custodial funds. The District's custodial fund consists of the student activity funds.

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

(c) Investments

State statutes authorize the District to invest in obligations of the United States or its agencies and instrumentalities and state or local governments, commercial paper, guaranteed investment contracts, repurchase agreements, and certain governmental investment pools. The District's local investment policy limits the District to invest in obligations of the United States or its agencies and instrumentalities, certificates of deposit, fully collateralized repurchase agreements by obligations of the United States or its agencies and instrumentalities, money market mutual funds, and local government investment pools.

Investments are reported at fair value, except for governmental investment pools. The governmental investment pools operate in accordance with appropriate state laws and regulations, and are reported at amortized cost.

For its investment in a repurchase agreement carried at fair value, the District uses valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The District determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market.

When considering market participant assumptions in fair value measurements for its investment in a repurchase agreement, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorized in one of the following levels:

Discussion Draft

(1) Summary of Significant Accounting Policies (continued)

(c) Investments (continued)

Level 1 Inputs: Unadjusted quoted prices in active markets for identical assets or liabilities accessible to the reporting entity at the measurement date.

Level 2 Inputs: Other than quoted prices included in Level 1 inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 Inputs: Unobservable inputs for the asset or liability used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date.

(d) Receivables and payables

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

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

(e) Supplies and inventory

All inventories are valued at cost using the first in/first out method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

(f) Capital assets

Capital assets, which include land, buildings and improvements, and furniture and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Discussion Draft

(1) Summary of Significant Accounting Policies (continued)

(f) Capital assets (continued)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Buildings and improvements, and furniture and equipment are depreciated using the straight-line method over their estimated useful lives:

	Years
Buildings and improvements	6 – 40
Furniture and equipment	4 – 15

(g) Compensated absences

District employees are entitled to vacation and sick leave days earned by them for services performed. Vacation days lapse at the end of the year and have not been accrued. Sick days do accumulate, but employees are not paid the benefits on termination or retirement if they are not used. Consequently, the benefits have not been accrued.

(h) Long-term obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective-interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when incurred.

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

Discussion Draft

(1) Summary of Significant Accounting Policies (continued)

(i) Pensions

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

(j) Other Postemployment Benefits ("OPEB")

The fiduciary net position of the Teacher Retirement System of Texas ("TRS") TRS Care Plan ("TRS-Care") has been determined using the flow of economic resources measurement focus and the full accrual basis of accounting. This includes for purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, OPEB expense, and information about assets, liabilities, and additions to/deductions from TRS-Care's fiduciary net position. Benefit payments are recognized when due and payable in accordance with 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) Deferred outflows and deferred inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources,* represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources,* represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Discussion Draft

(1) Summary of Significant Accounting Policies (continued)

(l) Fund equity

Governmental fund balances classified as restricted are balances with constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments. Fund balances classified as committed can only be used for specific purposes pursuant to constraints imposed by the Board of School Trustees (the "Board") through an ordinance. Assigned fund balances are constrained by an intent to be used for specific purposes but are neither restricted nor committed. Assignments are made by District management based upon Board direction.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed. The order of spending available resources is as follows: restricted, committed, assigned, and unassigned.

(m) Data control codes

Data control codes refer to the account code structure prescribed by the TEA in the Resource Guide.

(2) Reconciliation of Government-Wide and Fund Financial Statements

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains, "long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds." The details of this $60,850,936 difference are as follows:

Bonds payable	$ (33,358,282)
Add: Premium on issuance (to be amortized as interest expense)	(3,252,651)
Less: Deferred charge on refunding (to be amortized as interest expense)	587,680
Accumulated accretion on bonds	(545,580)
Loans payable	(1,073,329)
Accrued interest payable	(56,132)
Net pension/OPEB liabilities, and related deferred inflows of $9,580,536 and deferred outflows of $5,154,573 (to be amortized as pension expense)	(23,152,642)
	$ (60,850,936)

Discussion Draft

(2) Reconciliation of Government-Wide and Fund Financial Statements (continued)

The governmental statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net change in fund balances of total governmental funds and changes in net position of governmental activities as reported in the government-wide financial statements. An element of that reconciliation states that "the issuance of long-term debt (e.g., bonds and leases) provides current financial resources to the governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position." The details of this $1,474,341 difference are as follows:

Proceeds from issuance of refunding bonds	$ (7,995,000)
Premiums on refunding bonds	(1,112,106)
Payment to bond agent	8,945,494
Principal repayments:	
General obligation and refunding bonds	1,171,361
Loans payable	217,536
Amortization of premiums received on issuance of bonds	242,589
Amortization of deferred charge on refunding of bonds	(43,014)
Accumulated accretion on capital appreciation bonds	17,588
Accrued interest payable	29,893
	$ 1,474,341

(3) Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund, the child nutrition special revenue fund, and the debt service fund. There is no legal requirement to adopt a budget for the instructional materials allotment special revenue fund; therefore, presentation of budgetary comparison information is not required. Budgets are not legally adopted for capital projects funds; however, specific projects are individually approved by the Board of School Trustees. All annual appropriations lapse at fiscal year-end. By August 20, the budget is legally adopted through passage of an appropriate ordinance by the Board of School Trustees.

The appropriated budget is prepared by fund, function, object code, program intent code, and location. The District's management may make transfers of appropriations within a function. Transfers or appropriations between functions require the approval of the Board of Trustees. The legal level of budgetary control (i.e. the level at which expenditures may not legally exceed appropriations) is the function level.

Discussion Draft

(3) Budgetary Information (continued)

Differences between the original budget and the final amended budget for general fund expenditures amounted to $533,940, and included the following increases: (1) $238,000 for improvements to the track; (2) $131,271 for additional instructional materials and other supplies; (3) $90,900 for technology equipment and supplies; (4) $46,975 for the purchase of new percussion instruments; and (5) $26,794 for the purchase of a new tractor.

Encumbrance accounting is employed in the governmental funds. Encumbrances (i.e. purchase orders, contracts) outstanding at year-end do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year. There were no significant encumbrances outstanding at August 31, 2021.

(4) Deposits and Investments

Investments of the District at August 31, 2021, consist of the following:

Investments	Amount	Weighted Average Maturity (in Days)
Public funds investment pools - reported at amortized cost:		
Texas CLASS Local Government Investment Pool ("Texas CLASS")	$ 6,969,225	53
TexTerm Local Government Investment Pool ("TexTerm")	43,573	53
Total public funds investment pools	7,012,798	
Repurchase agreement - reported at fair value	3,035,671	
	$ 10,048,469	

Public Funds Investment Pools

The public funds investment pool has been created pursuant to the Interlocal Corporation Act of the State of Texas. The District has delegated the authority to hold legal title to TexPool and, as custodian, to make investment purchases with the District's funds.

Texas CLASS. The Texas Cooperative Liquid Assets Securities System Trust ("Texas CLASS") was created as a local government investment pool pursuant under state law. The Texas CLASS Trust Agreement is an agreement of indefinite term regarding the investment, reinvestment, and withdrawal of local government funds. The parties to the Trust Agreement are Texas local governments that choose to participate in the trust ("participants"), Public Trust Advisors, LLC as program administrator, and UMB Bank,

Discussion Draft

(4) Deposits and Investments (continued)

N.A. as custodian. Texas CLASS is overseen by a Board of Trustees ("the Board") comprised of active members of the pool and elected by the participants. The Board is guided by an Advisory Board and is responsible for selecting the program administrator and program administrator. There are no maximum transaction amounts and withdrawals from Texas CLASS that may be made daily. Texas CLASS uses amortized cost rather than fair value to report net assets share price.

TexTERM. The TexasTERM Local Government Investment Pool ("TexasTERM") was estabalished by the TexasTERM Common Investment Contract, in conformity with Chapters 791 (Interlocal Cooperation Act) and 2256 (Public Funds Investment Act) of the Texas Government Code. TexasTERM is an agreement of indefinite term regarding the investment, reinvestment, and withdrawal of local government funds. The parties to the Interlocal Agreement are PFM Asset Management, LLC as investment advisor and administrator, and U.S. Bank, N.A.. as custodian. TexasTERM is guided by an Advisory Board which is made up of experienced local government finance directors and treasurers. There are no maximum transaction amounts and withdrawals from TexTERM that may be made daily. TexTERM uses amortized cost rather than fair value to report net assets share price.

Repurchase Agreement

In July 2010, the District invested in a repurchase agreement with a financial institution in connection with the issuance of $5,190,000 Series 2010B Unlimited Tax Qualified School Construction Bonds. Under the terms of the repurchase agreement, annual sinking fund requirements of $234,789 are deposited with the paying agent and are invested in eligible securities. Interest earned on the sinking fund deposits is 3.16% per annum under the terms of the repurchase agreement, which has a maturity date of February 15, 2027. The maturity date of the repurchase agreement coincides with the maturity date of the bonds, as more fully described in Note 10. At August 31, 2021, the fair value of the repurchase agreement was $3,035,671, which is based upon estimated future cash flows (Level 3).

Interest Rate Risk

In accordance with its investment policy, the District manages its exposure to declines in fair values by limiting the maturity of its investment portfolio. The term of any collateralized mortgage obligation is limited to ten years, repurchase agreements may not exceed 90 days, banker's acceptances and commercial paper must have a stated maturity of 270 days or less, no-load money market mutual funds must have a dollar-weighted averaged stated maturity of 90 days or less, and no-load mutual funds must have an average weighted average maturity of less than two years. Except for the repurchase agreement described above, the maximum allowable stated maturity of any other individual investment owned by the District cannot exceed one year.

Discussion Draft

(4) Deposits and Investments (continued)

Credit Risk

It is the District's policy to limit its investments in a manner that ensures the preservation of capital in the overall portfolio. Specifically, repurchase agreements must be secured by obligations of the United States or its agencies, commercial paper must be rated not less than A-1 or P-1, no-load mutual funds must be rated not less than AAA or its equivalent, and public funds investment pools must be continuously rated no lower than AAA or AAAm or at an equivalent rating. At August 31, 2021, Texas CLASS and TexTERM are rated AAAm by Standard & Poor's.

Custodial Credit Risk - Deposits

In the case of deposits, custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District has a depository contract with a financial institution and monitors its deposits to ensure its bank deposits are insured or fully collateralized with securities held by the pledging financial institution's agent in the District's name.

In addition, the following is disclosed regarding coverage of combined balances on the date of the highest combined deposit during 2021:

(a) Depository: American Bank

(b) The market value of securities pledged as of the date of the highest combined balance on deposit was $5,329,691.

(c) The highest combined balance of cash, savings, and time deposit accounts amounted to $4,981,738 and occurred during the month of July 2021.

(d) Total amount of FDIC coverage at the time of largest combined balance was $250,000.

(5) Property Taxes

Property taxes are levied by October 1 on the assessed value as of the prior January 1 for all real and business personal property located in the District in conformity with Subtitle E, Texas Property Tax Code.

Discussion Draft

(5) Property Taxes (continued)

The assessed value at January 1, 2020, on which the 2020 levy was based, was $1,013,174,995. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 31 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed.

The District's maximum legal maintenance and operations tax rate is $1.068350 per $100 valuation; the current maintenance and operations tax rate is $1.054700 per $100 valuation.

Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. Allowances for uncollectible taxes 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. The allowance for uncollectible amounts was $286,270 at August 31, 2021.

(6) Due from Other Governments

The District participates in a variety of federal and state programs from which it receives grants to partially or fully finance certain activities. In addition, the District receives entitlements from the State of Texas through the school foundation and per capita programs. Amounts due from federal and state governments as of August 31, 2021 are summarized below:

Fund	State Aid	Federal/State Programs	Other	Total
General	$ 1,631,098	-	19,132	1,650,230
Instructional materials allotment	-	414,742	-	414,742
Other governmental	-	602,038	-	602,038
Totals	$ 1,631,098	1,016,780	19,132	2,667,010

Discussion Draft

(7) Interfund Balances and Transfers

Interfund receivable and payable balances at August 31, 2021 are as follows:

Fund	Receivable	Payable
General	$ 648,874	22,916
Instructional materials allotment	-	413,581
Debt service	22,916	-
Other governmental funds	-	235,293
	$ 671,790	671,790

Interfund balances resulted from the time lag between the dates that payments between funds are made.

In the year ended August 31, 2021, the general fund made an operating transfer to a nonmajor governmental fund in the amount of $8,891 for excess expenditures over the approved federal grant amount for the Title IV, B Community Learning special revenue fund.

(8) Unearned Revenue

Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned. Unearned revenue at August 31, 2021 consisted of the following:

	General	Other Governmental	Total
Unearned:			
Grant drawdowns prior to meeting all eligibility requirements	$ 10,000	87,367	97,367

Discussion Draft

(9) Capital Assets

Capital asset activity for governmental activities for the year ended August 31, 2021 was as follows:

	Balance September 1, 2020	Increases	Decreases	Balance August 31, 2021
Capital assets not being depreciated:				
Land	$ 431,650	-	-	431,650
Total capital assets not being depreciated	431,650	-	-	431,650
Capital assets being depreciated:				
Buildings and improvements	63,973,945	284,845	-	64,258,790
Furniture and equipment	3,515,204	40,201	-	3,555,405
Total capital assets being depreciated	67,489,149	325,046	-	67,814,195
Less accumulated depreciation for:				
Buildings and improvements	$ (25,982,530)	(1,600,698)	-	(27,583,228)
Furniture and equipment	(2,236,548)	(168,471)		(2,405,019)
Total accumulated depreciation	(28,219,078)	(1,769,169)	-	(29,988,247)
Total capital assets being depreciated, net	39,270,071	(1,444,123)	-	37,825,948
	$ 39,701,721	(1,444,123)	-	38,257,598

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

Governmental activities:	
Instruction	$ 1,083,862
Instructional resources and media services	16,102
Curriculum and staff development	40,014
Instructional leadership	33,688
School leadership	143,306
Guidance, counseling, and evaluation	62,507
Social work services	12,120
Health services	18,933
Food services	58,056
Extracurricular activities	48,189
General administration	72,545
Plant maintenance and operations	138,954
Security and monitoring services	15,025
Data processing services	25,868
Total depreciation expense	$ 1,769,169

Discussion Draft

(10) Long-Term Debt

Long-term debt consists of bonded indebtedness, loans payable, a net pension liability, and a total OPEB liability. The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities and enters into loans payable to provide funds for the acquisition of various types of equipment. Loans payable, the net pension liability, and the total OPEB liability are generally liquidated by the general fund and certain special revenue funds.

Current refunding of debt

On December 30, 2020, the District issued $7,995,000 Unlimited Tax Refunding Bonds, Series 2021, which was used to refund $8,794,998 of existing general obligation debt on the call date of February 15, 2021. The true interest cost of the refunding bonds is 1.373% with a final maturity of February 15, 2034. The carrying value of the old debt exceeded the reacquisition price by $445,490. This amount is being amortized over the life of the new bonds. The refunding transaction was undertaken to reduce total debt service payments over the next fourteen years by $1,562,531 and resulted in an economic gain of $1,412,352.

The following is a summary of changes in long-term debt for the year ended August 31, 2021:

	Balance September 1, 2020	Additions	Deletions	Balance August 31, 2021	Due Within One Year
General obligation and refunding bonds	$ 35,329,641	7,995,000	9,966,359	33,358,282	1,275,689
Premiums	2,979,120	1,112,106	838,575	3,252,651	-
Total bonds payable	38,308,761	9,107,106	10,804,934	36,610,933	1,275,689
Accumulated accretion on bonds	563,168	-	17,588	545,580	-
Loans payable	1,290,865	-	217,536	1,073,329	224,172
Net pension liability	9,367,616	-	603,276	8,764,340	-
Total OPEB liability	12,364,681	-	2,402,342	9,962,339	-
	$ 61,895,091	9,107,106	14,045,676	56,956,521	1,499,861

Discussion Draft

(10) Long-Term Debt (continued)

General obligation and refunding bonds at August 31, 2021 consist of the following individual issues:

$5,190,000 Unlimited tax qualified school construction bonds, series 2010B with annual sinking fund payments of $234,789 through maturity in February 2027, at which time all principal and accrued interest at 5.39% are due in full	$ 5,190,000
$8,974,995 Unlimited tax refunding bonds, series 2012 due in annual installments of $50,000 to $200,000 through February 2023, interest at 3.125% to 3.5%	3,283
$4,020,000 Unlimited tax refunding bonds, series 2013 due in annual installments of $355,000 to $490,000 through February 2023, interest at 1.5% to 3%	845,000
$5,705,000 Unlimited tax refunding bonds, series 2015 due in annual installments of $330,000 to $485,000 through February 2031, interest at 3% to 4%	4,050,000
$8,500,000 Unlimited tax refunding bonds, series 2017 due in annual installments of $35,000 to $1.610,000 through February 2039, interest at 2% to 4%	8,429,999
$7,380,000 Unlimited tax refunding bonds, series 2020 due in annual installments of $170,000 to $1,655,000 through February 2040, interest at 1% to 2.28%	7,005,000
$7,995,000 Unlimited tax refunding bonds, series 2021 due in annual installments of $160,000 to $990,000 through February 2034, interest at 2% to 3%	7,835,000
	$ 33,358,282

The bond indentures contain certain restrictions for the maintenance of and flow of monies through various restricted accounts. The District is in compliance with all such significant financial limitations and restrictions.

Discussion Draft

(10) Long-Term Debt (continued)

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

Year Ending August 31,	Principal	Interest	Total Requirements
2022	$ 1,275,689	1,001,975	2,277,664
2023	1,167,172	1,117,517	2,284,689
2024	1,399,789	886,663	2,286,452
2025	1,434,789	851,100	2,285,889
2026	1,469,789	811,363	2,281,152
2027-2031	12,161,055	3,244,275	15,405,330
2032-2036	8,149,999	1,820,825	9,970,824
2037-2040	6,300,000	457,475	6,757,475
Totals	$ 33,358,282	10,191,193	43,549,475

Loans Payable

Loans payable at August 31, 2021 consist of the following individual issues:

$1,565,000 Maintenance tax note, series 2011, prinicipal and interest due in quarterly installments of $41,942 through May 2023, interest at 4.25%	$ 281,329
$990,000 Time warrant note, series 2018, interest at 3.292% is due semi-annually, annual principal payments of $66,000 are due through maturity in March 2033	792,000
	$ 1,073,329

Discussion Draft

(10) Long-Term Debt (continued)

Annual debt service payment requirements to maturity for loans payable are as follows:

Year Ending August 31,	Principal	Interest	Total Requirements
2022	$ 224,172	35,670	259,842
2023	189,157	23,900	213,057
2024	66,000	21,727	87,727
2025	66,000	19,554	85,554
2026	66,000	17,382	83,382
2027-2031	330,000	54,318	384,318
2032-2033	132,000	6,518	138,518
Totals	$ 1,073,329	179,069	1,252,398

(11) Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the District carries commercial insurance. There were no significant reductions in coverage in the past fiscal year, and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

(12) Revenues from Local and Intermediate Sources

During the year ended August 31, 2021, revenues from local and intermediate sources reported in the governmental fund financial statements consisted of the following:

	General	Instructional Materials Allotment	Debt Service	Other Govern-mental	Totals
Property taxes	$ 10,657,221	-	2,474,315	-	13,131,536
Penalties, interest and other tax-related income	204,876	-	45,534	-	250,410
Tuition and fees	10,200	-	-	-	10,200
Foundations, gifts & bequests	47,694	-	-	20,696	68,390
Food sales	-	-	-	107,366	107,366
Investment income	11,459	-	218,934	28	230,421
Extracurricular activities	47,945	-	-	102,171	150,116
Other	308,860	-	-	-	308,860
	$ 11,288,255	-	2,738,783	230,261	14,257,299

Discussion Draft

(13) Deferred Outflows and Inflows of Resources

The statement of financial position and the balance sheet include the following deferred outflows / inflows of resources at August 31, 2021:

	Statement of Net Position	Balance Sheet	
	Governmental Activities	General Fund	Debt Service Fund
Deferred outflows of resources:			
Deferred charge on refunding	$ 587,680	-	-
Pension/OPEB related:			
District contributions subsequent to the measurement date	866,275	-	-
Differences between expected and actual experience	537,627	-	-
Changes in assumptions	2,648,108	-	-
Net differences between projected and actual earnings	180,665	-	-
Changes in proportion	921,898	-	-
	$ 5,742,253	-	-
Deferred inflows of resources:			
Unavailable property taxes	$ -	355,463	73,521
Pension/OPEB related:			
Differences between expected and actual experience	4,803,865	-	-
Changes in assumptions	3,600,399	-	-
Changes in proportion	1,176,272	-	-
	$ 9,580,536	355,463	73,521

Discussion Draft

(14) Defined Benefit Pension Plan

Plan Description. The District participates in a cost-sharing multiple-employer defined benefit pension plan 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 ("IRC"). 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 TRS.

Pension Plan Fiduciary Net Position: Detail information about TRS's fiduciary net position is available in a separately-issued Annual Comprehensive Financial Report that includes financial statements and required supplementary information. That report may be obtained on the internet at https://www.trs.texas.gov/Pages/about_publications.aspx; by writing to TRS at 1000 Red River Street, Austin, Texas 78701-2698, or by calling (512) 542-6592.

Benefits Provided: TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using 2.3 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 credited service or earlier than 55 with 30 years of credited service. 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 cost-of-living adjustments ("COLAs"). Ad-hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan description above.

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

Discussion Draft

(14) Defined Benefit Pension Plan (continued)

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

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 through 2025.

	Contributions Rates Plan Fiscal Year	
	2020	2021
Member (employees)	7.7%	7.7%
Non-employer contributing entity (state of Texas)	7.5%	7.5%
Employer (the District)	7.5%	7.5%

	Contributions Required and Made
Member (Employees)	$ 1,679,170
Non-employer contributing entity (State)	1,272,569
District	686,135

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).

Discussion Draft

(14) Defined Benefit Pension Plan (continued)

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

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.

- During a new member's first 90 days of employment.

- When any part or all of an employee's salary is paid by federal funding sources, a privately sponsored source, from non-educational and general, or local funds.

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

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

- All public schools, charter schools, and regional educational service centers must contribute 1.5% of the member's salary beginning in fiscal year 2020, gradually increasing to 2% in fiscal year 2025.

- When employing a retiree of TRS, the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.

Discussion Draft

(14) Defined Benefit Pension Plan (continued)

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

Valuation date	August 31, 2019 rolled forward to August 31, 2020
Actuarial cost method	Individual entry age normal
Asset valuation method	Market value
Single discount rate	7.25%
Long-term expected investment rate of return	7.25%
Municipal bond rate at August 31, 2020	2.33%
Inflation	2.30%
Salary increases, including inflation	3.05% to 9.05% including inflation
Benefit changes during the year	None
Ad hoc post-employment benefit changes	None

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

Discount Rate: A single discount rate of 7.25% was used to measure the total pension liability. The single discount rate was based on the expected rate of return on pension plan investments of 7.25%. The projection of cash flows used to determine the 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% of payroll in fiscal year 2020 gradually increasing to 9.55% of payroll over the next several years. This includes all employer and state contributions for active and rehired retirees.

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

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.

Discussion Draft

(14) Defined Benefit Pension Plan (continued)

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of August 31, 2020 are summarized below:

Asset Class	Target Allocation *	Long-Term Expected Arithmetic Real Rate of Return **	Expected Contribution to Long-term Portfolio Returns
Global Equity:			
U.S.	18.0%	3.90%	0.99%
Non-U.S. Developed	13.0%	5.10%	0.92%
Emerging Markets	9.0%	5.60%	0.83%
Private Equity	14.0%	6.70%	1.41%
Stable Value:			
Government Bonds	16.0%	-0.70%	-0.05%
Stable Value Hedge Funds	5.0%	1.90%	0.11%
Real Return:			
Real Estate	15.0%	4.60%	1.01%
Energy, Natural Resources and Infrastructure	6.0%	6.00%	0.42%
Risk Parity:			
Risk Parity	8.0%	3.00%	0.30%
Leverage			
Cash	2.0%	-1.50%	-0.03%
Asset Allocation Leverage	-6.0%	-1.30%	0.08%
Inflation Expectation			2.00%
Volatility Drag ***			-0.66%
Expected Return	100%		7.33%

* Target allocations are based on the FY 2020 policy model.

** Capital Market Assumptions come from Aon Hewitt (as of 8/31/2020).

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

Discussion Draft

(14) Defined Benefit Pension Plan (continued)

Discount Rate Sensitivity Analysis: The following schedule shows the impact of the net pension liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (7.25%) in measuring the 2020 net pension liability:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
District's proportionate share of the net pension liability	$ 13,514,455	8,764,340	4,904,975

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 $8,764,340 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for the State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	$ 8,764,340
State's proportionate share of the net pension liability associated with the District	15,889,972
Total	$ 24,654,312

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

At August 31, 2020, the District's proportion of the collective net pension liability was 0.000163642, which was a decrease of 0.000016563 from its proportion measured as of August 31, 2019.

Changes Since the Prior Actuarial Valuation: There were no changes in assumptions since the prior measurement date.

Discussion Draft

(14) Defined Benefit Pension Plan (continued)

For the year ended August 31, 2021, the District recognized total pension expense of $3,232,203. Of the total pension expense, for the measurement period ended August 31, 2020, the District recognized pension expense of $1,911,211 and revenue of $1,224,138 for support provided by the State.

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
District contributions subsequent to the measurement date	$ 686,135	-
Differences between expected and actual experience	16,003	244,589
Changes in assumptions	2,033,639	864,689
Net difference between projected and actual earnings on pension plan investments	177,427	-
Changes in proportion	419,631	860,785
Total	$ 3,332,835	1,970,063

The $686,135 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in year ended August 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended August 31,	
2021	$ 278,441
2022	285,069
2023	302,366
2024	48,212
2025	(201,359)
Thereafter	(36,092)

Discussion Draft

(15) Defined Other Post-Employment Benefit Plans

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 authority to establish basic and optional group insurance coverage for participants as well as 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.

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

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

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

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

TRS-Care Monthly Premium Rates

	Medicare	Non-Medicare
Retiree or Surviving Spouse	$ 135	200
Retiree and Spouse	529	689
Retiree or Surviving Spouse and Children	468	408
Retireee and Family	1,020	999

Discussion Draft

(15) Defined Other Post-Employment Benefit Plans (continued)

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

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

	Contributions Rates Plan Fiscal Year 2020	2021
Active Employee (Members)	0.65%	0.65%
Non-Employer Contributing Entity (State)	1.25%	1.25%
Employers (District)	0.75%	0.75%
Federal/Private Funding Remitted by Employers	1.25%	1.25%

	Contributions Required and Made
Member (Employees)	$ 141,748
Non-Employer Contributiong Agency (State)	272,592
District	180,140

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

Discussion Draft

(15) Defined Other Post-Employment Benefit Plans (continued)

TRS-Care received supplemental appropriations from the State of Texas as the Non-Employer Contributing Entity in the amount of $230.8 million in fiscal year 2020 to maintain premiums and benefit levels in the 2020-2021 biennium..

Actuarial Assumptions. The actuarial valuation was performed as of August 31, 2019. The Update procedures were used to roll forward the total OPEB liability to August 31, 2020. The actuarial valuation was determined using the following actuarial assumptions:

The following actuarial assumptions and other inputs used for members of TRS-Care are based on an established pattern of practice and are identical to the assumptions used in the August 31, 2019 TRS pension actuarial valuation that was rolled forward to August 31, 2020: rates of mortality, retirement, termination and disability; general inflation, wage inflation, and expected payroll growth.

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

***Additional Actuarial Methods and Assumptions*:**

Valuation date	August 31, 2019 rolled forward to August 31, 2020
Actuarial cost method	Individual entry age normal
Inflation	2.30%
Single discount rate	2.33% as of August 31, 2020
Aging Factors	Based upon plan specific experience.
Expenses	Third party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claim costs.
Projected salary increases	3.05% to 9.05%, including inflation
Healthcare trend rates	4.25% to 9.00%
Election rates	Normal retirement: 65% participation prior to age 65 and 40% participation after age 65 25% of pre-65 retirees are assumed to discontinue coverage at age 65.
Ad hoc post-employment benefit changes	None

Discussion Draft

(15) Defined Other Post-Employment Benefit Plans (continued)

Discount Rate. A single discount rate of 2.33% was used to measure the total OPEB liability. There was a decrease of 0.30% 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.

Discount Rate Sensitivity Analysis. The following schedule shows the impact of the net OPEB liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (2.33%) in measuring the total OPEB liability.

	1% Decrease (1.33%)	Current Discount Rate (2.33%)	1% Increase (3.33%)
District's proportionate share of the net OPEB liability	$ 11,954,784	9,962,339	8,388,593

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 $9,962,339 for its proportionate shares of the TRS's total 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 total OPEB liability, the related State support, and the total portion of the total OPEB liability that was associated with the District were as follows:

District's proportionate share of the collective total OPEB liability	$ 9,962,339
State's proportionate share of the total OPEB liablity that is associated with the District	13,386,995
Total	$ 23,349,334

Discussion Draft

(15) Defined Other Post-Employment Benefit Plans (continued)

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

At August 31, 2020, the employer's proportion of the collective net OPEB liability was 0.000262067, compared to 0.000261458 as of August 31, 2019.

The following schedule shows the impact of the net OPEB liability if a healthcare trend rate that is 1% less than and 1% greater than the health trend rates assumed.

	1% Decrease	Current Single Healthcare Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	$ 8,137,954	9,962,339	12,392,161

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

- The discount rate was changed from 2.63% as of August 31, 2019 to 2.33% as of August 31, 2020. This change increased the total OPEB liability.
- The participation rate for post-65 retirees was lowered from 50% to 40%. This change lowered the total OPEB liability.
- The ultimate health care trend rate assumption was lowered from 4.5% to 4.25% as a result of Congress' repeal of the excise (Cadillac) tax on high-cost employer health plans in December 2019. This change lowered the total OPEB liability.

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

For the year ended August 31, 2021, the District recognized an OPEB benefit of $196,046. Of the total OPEB benefit, for the measurement period ended August 31, 2020, the District recognized OPEB benefit of $92,954 and revenue of $267,659 for support provided by the State.

Discussion Draft

(15) Defined Other Post-Employment Benefit Plans (continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
District contributions subsequent to the measurment date	$ 180,140	-
Differences between expected and actual experience	521,624	4,559,276
Changes in assumptions	614,469	2,735,710
Net differences between projected and actual investment earnings	3,238	-
Changes in proportion	502,267	315,487
Total	$ 1,821,738	7,610,473

The $180,140 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in year ended August 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended August 31,	
2021	$ (988,961)
2022	(989,393)
2023	(989,641)
2024	(989,573)
2025	(723,477)
Thereafter	(1,287,830)

(16) Retiree Medicare Part D Coverage

Federal legislation enacted in January 2006 established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One provision of the law allows TRS-Care to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible participants. Federal contributions to TRS made on behalf of the employees for the years ended August 31, 2021, 2020 and 2019, were $99,594; $91,731; and $74,884; respectively.

Discussion Draft

(17) Contingencies

The District participates in a number of federal award programs. Although the programs have been audited in accordance with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* through August 31, 2021, these programs are still subject to financial and compliance audits by grantor agencies. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

The District is involved in various claims and legal actions in the ordinary course of business. In the opinion of management, the ultimate outcome of these claims will not have a material adverse effect on the District's financial position.

(18) Economic Dependency

During the year ended August 31, 2021, the District received 53% of its revenues from the State of Texas.

(19) Prior Period Adjustment

During the current year, the District determined that certain amounts due from other governments reported in the debt service fund were overstated. Accordingly, fund balance and net position at September 1, 2020 were reduced by $83,406 for the debt service fund and governmental activities.

(20) Adoption of Accounting Pronouncement

During the current year, the District adopted the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 84, *Fiduciary Activities*. Accordingly, the District's agency fund is now reported as a custodial fund, and the net position for the custodial fund at September 1, 2020 was increased by $71,550.

(21) Authoritative Pronouncements Not Yet Effective

A summary of pronouncements issued by the Government Accounting Standards Board ("GASB") which may impact the District but are not yet effective follows. The District has not yet determined the effects of the adoption of these pronouncements on the financial statements.

Discussion Draft

(21) Authoritative Pronouncements Not Yet Effective

GASB Statement No. 87, *Leases* (issued June 2017) – the objective of this statement is to increase the usefulness of governments' financial statements by requiring reporting of certain lease liabilities that currently are not reported. It will enhance comparability of financial statements among governments by requiring lessees and lessors to report leases under a single model. The statement will also require notes to financial statements related to the timing, significance, and purpose of a government's leasing arrangements. The requirements of this statement are effective for financial statements for periods beginning September 1, 2021.

GASB Statement No. 91, *Conduit Debt Obligations* (issued May 2019) – the objective of this statement is to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this statement are effective for the District's financial statements beginning September 1, 2022.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (issued May 2020) – the objective of this statement is to provide guidance for subscription based technology arrangements ("SBITA"). It will define SBITA contracts, provide guidance on accounting for SBITAs, and require disclosures regarding the SBITAs. The requirements of this statement are effective for the District's financial statements beginning September 1, 2022.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code ("IRC") Section 457 Deferred Compensation Plans* (issued June 2020) – the objectives of this statement are to (1) increase consistency and comparability of the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board; (2) mitigate costs associated with the reporting of certain defined benefit and defined contribution plans as fiduciary component units, and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for IRC section 457 plans. Certain provisions relating to component unit criteria are effective upon issuance. The remaining requirements of this statement are effective for the District's financial statements beginning September 1, 2021.

Discussion Draft

Required Supplementary Information

Discussion Draft

Exhibit G-1

La Vega Independent School District

Schedule of Revenues, Expenditures, and Changes in
Fund Balance – Budget and Actual – General Fund

Year Ended August 31, 2021

Data Control Codes		Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance with Final Budget
	Revenues:				
5700	Local and intermediate sources	$ 10,687,292	10,756,744	11,288,255	531,511
5800	State program revenues	21,725,296	21,731,899	21,099,165	(632,734)
5900	Federal program revenues	100,000	100,000	184,832	84,832
5020	Total revenues	32,512,588	32,588,643	32,572,252	(16,391)
	Expenditures:				
	Current:				
0011	Instruction	17,156,860	17,306,465	16,546,184	760,281
0012	Instructional resources and media services	308,819	310,119	297,249	12,870
0013	Curriculum and instructional staff development	584,499	560,214	380,978	179,236
0021	Instructional leadership	794,065	815,065	727,285	87,780
0023	School leadership	2,451,466	2,448,981	2,358,596	90,385
0031	Guidance, counseling and evaluation services	829,062	835,412	749,589	85,823
0032	Social work services	124,625	123,630	123,065	565
0033	Health services	295,677	295,677	246,581	49,096
0034	Student transportation	1,942,000	1,942,000	1,608,167	333,833
0035	Food services	30,000	30,000	28,669	1,331
0036	Extracurricular activities	1,588,171	1,646,626	1,475,381	171,245
0041	General administration	1,558,322	1,558,322	1,349,671	208,651
0051	Facilities maintenance and operations	3,642,676	3,697,676	3,358,395	339,281
0052	Security services	546,188	546,188	526,782	19,406
0053	Data processing services	1,203,819	1,294,719	1,252,199	42,520
0061	Community services	3,050	3,050	1,030	2,020
	Debt service:				
0071	Principal on long-term debt	220,000	220,000	217,536	2,464
0072	Interest on long-term debt	60,820	60,820	45,275	15,545
	Intergovernmental:				
0095	Payments to JJAEP	55,255	48,350	20,380	27,970
0099	Payments to county appraisal district	194,000	142,000	109,499	32,501
	Capital outlay:				
0081	Facilities acquisition and construction	-	238,000	237,189	811
6000	Total expenditures	33,589,374	34,123,314	31,659,700	2,463,614
1100	Excess (deficiency) of revenues over (under) expenditures	(1,076,786)	(1,534,671)	912,552	2,447,223
	Other financing sources (uses):				
8911	Transfers out	-	-	(8,891)	(8,891)
1200	Net change in fund balance	(1,076,786)	(1,534,671)	903,661	2,438,332
0100	Fund balance, at beginning of year	7,110,831	7,110,831	7,110,831	-
3000	Fund balance, at end of year	$ 6,034,045	5,576,160	8,014,492	2,438,332

Discussion Draft

See accompanying independent auditor's report.

La Vega Independent School District

Note to Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund

Year Ended August 31, 2021

(1) Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund, the child nutrition fund, and the debt service fund. Budgets are not legally adopted for capital projects funds; however, specific projects are individually approved by the Board of School Trustees. There is no legal requirement to adopt a budget for the instructional materials allotment special revenue fund; therefore, presentation of budgetary comparison information is not required.

Differences between the original budget and the final amended budget for general fund expenditures amounted to $533,940, and included the following increases: (1) $238,000 for improvements to the track; (2) $131,271 for additional instructional materials and other supplies; (3) $90,900 for technology equipment and supplies; (4) $46,975 for the purchase of new percussion instruments; and (5) $26,794 for the purchase of a new tractor.

Discussion Draft

La Vega Independent School District

Schedule of the District's Proportionate Share of the Net Pension Liability
Teacher Retirement System of Texas

Last 10 Measurement Years

	2020	2019	2018	2017
District's proportion of the net pension liability	0.000163642	0.000180205	0.000180987	0.000173360
District's proportionate share of the net pension liability	$ 8,764,340	9,367,616	9,961,973	5,543,129
State's proportionate share of the net pension liability associated with the District	15,889,972	14,471,192	15,561,882	9,114,273
Total	$ 24,654,312	23,838,808	25,523,855	14,657,402
District's covered payroll (for measurement year)	$ 21,509,240	20,131,701	19,343,449	18,347,740
District's proportionate share of the net pension liability as a percentage of it's covered payroll	40.75%	46.53%	51.50%	30.21%
Plan's fiduciary net position as a percentage of the total pension liability	75.54%	75.24%	73.74%	82.17%

Note: The District implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions, An Amendment of GASB Statement No. 27,* effective September 1, 2014. Information for years prior to 2014 is not available.

Discussion Draft

See accompanying independent auditor's report.

2016	2015	2014
0.000186812	0.000201719	0.000122961
7,059,347	7,130,498	3,284,458
10,621,490	10,172,207	8,356,957
17,680,837	17,302,705	11,641,415
18,104,748	17,654,926	15,967,238
38.99%	40.39%	20.57%
78.00%	78.43%	83.25%

Discussion Draft

La Vega Independent School District

Schedule of the District's Contributions to the
Teacher Retirement System of Texas

Last 10 Fiscal Years

	2021	2020	2019	2018
Contractually required contributions	$ 686,135	675,192	633,703	609,700
Contributions in relation to the contractually required contributions	(686,135)	(675,192)	(633,703)	(609,700)
Contribution deficiency (excess)	$ -	-	-	-
District's covered payroll	$ 21,807,398	21,509,240	20,131,701	19,343,449
Contractually required contributions as a percentage of the District's covered payroll	3.15%	3.14%	3.15%	3.15%

Note: The District implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions, An Amendment of GASB Statement No. 27,* effective September 1, 2014. Information for years prior to 2015 is not available.

Discussion Draft

See accompanying independent auditor's report.

2017	2016	2015
568,455	593,550	597,299
(568,455)	(593,550)	(597,299)
-	-	-
18,347,740	18,104,748	17,654,926
3.10%	3.28%	3.38%

Discussion Draft

Exhibit G-4

La Vega Independent School District

Schedule of the District's Proportionate Share of the Total OPEB Liability
TRS-Care

Last 10 Measurement Years

	2020	2019	2018	2017
District's proportion of the total OPEB liability	0.000262067	0.000261458	0.000267967	0.000256591
District's proportion share of the total OPEB liability	$ 9,962,339	12,364,681	13,379,843	11,158,184
State's proportionate share of the total OPEB liability associated with the District	13,386,995	16,429,897	15,891,994	13,628,759
Total	$ 23,349,334	28,794,578	29,271,837	24,786,943
District's covered payroll (for measurement year)	$ 21,509,240	20,131,701	19,343,449	18,347,740
District's proportionate share of the total OPEB liability as a percentage of it's covered payroll	46.32%	61.42%	69.17%	60.82%
Plan's fiduciary net position as a percentage of the total OPEB liability	4.99%	2.66%	1.57%	0.91%

Note: The District implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions,* effective September 1, 2017. Information for years prior to 2017 is not available.

Discussion Draft

See accompanying independent auditor's report.

Exhibit G-5

La Vega Independent School District

Schedule of the District's Contributions
TRS-Care

Last 10 Fiscal Years

	2021	2020	2019	2018
Contractually required contributions	$ 180,140	199,189	188,808	167,738
Contributions in relation to the contractually required contributions	(180,140)	(199,189)	(188,808)	(167,738)
Contribution deficiency (excess)	$ -	-	-	-
District's covered payroll	$ 21,807,398	21,509,240	20,131,701	19,343,449
Contractually required contributions as a percentage of the District's covered payroll	0.83%	0.93%	0.94%	0.87%

Note: The District implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions,* effective September 1, 2017. Information for years prior to 2018 is not available.

Discussion Draft

See accompanying independent auditor's report.

Other Supplementary Schedules

Discussion Draft

Exhibit H-1

La Vega Independent School District

Combining Schedule
Balance Sheet – Nonmajor Funds

August 31, 2021

Data Control Codes		211 ESEA Title I, Part A	224 IDEA-B Formula	225 IDEA-B Preschool	240 Child Nutrition Program	244 Career and Technical-Basic	255 ESEA Title II, Part A	263 Title III, A English Lang Acquisition	265 Title IV, B Community Learning	266 ESSER I
	Assets									
1110	Cash and cash equivalents	$ -	-	2,603	662,630	-	-	-	-	-
1240	Due from other governments	173,188	68,396	-	237,763	9,863	16,458	-	39,330	-
1290	Other receivables	-	-	-	-	-	-	-	-	-
	Total assets	$ 173,188	68,396	2,603	900,393	9,863	16,458	-	39,330	-
	Liabilities and Fund Balances									
2110	Accounts payable	$ 684	-	-	23	-	-	-	-	-
2160	Accrued wages payable	60,801	25,163	1,411	47,902	-	-	-	-	-
2170	Due to other funds	104,968	40,454	-	-	9,863	16,458	-	39,330	-
2200	Accrued expenses	6,735	2,779	158	993	-	-	-	-	-
2300	Unearned revenue	-	-	1,034	-	-	-	-	-	-
	Total liabilities	173,188	68,396	2,603	48,918	9,863	16,458	-	39,330	-
	Restricted for:									
3450	Grant requirements	-	-	-	851,475	-	-	-	-	-
	Committed for:									
3545	Campus activities	-	-	-	-	-	-	-	-	-
	Total fund balances	-	-	-	851,475	-	-	-	-	-
	Total liabilities and fund balances	$ 173,188	68,396	2,603	900,393	9,863	16,458	-	39,330	-

Discussion Draft

See accompanying independent auditor's report.

La Vega Independent School District

Combining Schedule
Balance Sheet – Nonmajor Funds
(continued)

Data Control Codes		276 Instructional Continuity	277 Corna-virus Relief	282 ESSER III	289 LEP Summer School	429 Achievement Stipend	461 Campus Activities	492 Prosper Waco Grant	496 Rapoport Foundation Grant	497 Cooper Foundation Grant	Total Other Nonmajor Funds
	Assets										
1110	Cash and cash equivalents	$ -	13,642	-	-	1,820	103,017	-	71,580	1,111	856,403
1240	Due from other governments	-	-	25,621	17,515	13,904	-	-	-	-	602,038
1290	Other receivables	-	-	-	-	-	-	6,705	-	-	6,705
	Total assets	$ -	13,642	25,621	17,515	15,724	103,017	6,705	71,580	1,111	1,465,146
	Liabilities and Fund Balances										
2110	Accounts payable	$ -	-	1,322	-	-	19	-	-	-	2,048
2160	Accrued wages payable	-	-	23,775	-	-	-	-	-	-	159,052
2170	Due to other funds	-	-	-	17,515	-	-	6,705	-	-	235,293
2200	Accrued expenses	-	-	524	-	-	-	-	-	-	11,189
2300	Unearned revenue	-	13,642	-	-	-	-	-	71,580	1,111	87,367
	Total liabilities	-	13,642	25,621	17,515	-	19	6,705	71,580	1,111	494,949
	Restricted for:										
3450	Grant requirements	-	-	-	-	15,724	-	-	-	-	867,199
	Committed for:										
3545	Campus activities	-	-	-	-	-	102,998	-	-	-	102,998
	Total fund balances	-	-	-	-	15,724	102,998	-	-	-	970,197
	Total liabilities and fund balances	$ -	13,642	25,621	17,515	15,724	103,017	6,705	71,580	1,111	1,465,146

Discussion Draft

See accompanying independent auditor's report.

La Vega Independent School District

Combining Schedule
Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Funds

Year Ended August 31, 2021

Data Control Codes		211 ESEA Title I, Part A	224 IDEA-B Formula	225 IDEA-B Preschool	240 Child Nutrition Program	244 Career and Technical-Basic Grant	255 ESEA Title II, Part A	263 Title III, A English Lang Acquisition	265 Title IV, B Community Learning	266 ESSER I
	Revenues:									
5700	Local and intermediate sources	$ -	-	-	107,394	-	-	-	-	-
5800	State program revenues	-	-	-	63,283	-	-	-	-	-
5900	Federal program revenues	1,017,956	474,145	7,901	2,289,157	42,994	94,191	41,440	88,819	143,003
5020	Total revenues	1,017,956	474,145	7,901	2,459,834	42,994	94,191	41,440	88,819	143,003
	Expenditures:									
	Current:									
0011	Instruction	661,834	407,715	7,901	-	42,994	6,199	35,736	97,710	110,535
0013	Curriculum and staff development	135,254	-	-	-	-	87,142	4,250	-	30,000
0021	Instructional leadership	1,966		-	-	-	-	350	-	-
0023	School leadership	1,700	-	-	-	-	850	350	-	-
0031	Guidance, counseling, and evaluation services	-	66,430	-	-	-	-	-	-	-
0032	Social work services	174,905	-	-	-	-	-	-	-	
0033	Health services	-	-	-	-	-	-	-	-	2,468
0035	Food service	-	-	-	2,087,796	-	-	-	-	-
0036	Extracurricular activities	-	-	-	-	-	-	-	-	-
0051	Facilities maintenance and operations		-	-	9,338	-	-	-	-	-
0053	Data processing services	-	-	-	-	-	-	-	-	-
0061	Community services	42,297	-	-	-	-	-	754	-	-
6000	Total expenditures	1,017,956	474,145	7,901	2,097,134	42,994	94,191	41,440	97,710	143,003
1100	Excess (deficiency) of revenues over (under) expenditures	-	-	-	362,700	-	-	-	(8,891)	-
	Other financing sources:									
7915	Transfers in	-	-	-	-	-	-	-	8,891	-
	Net change in fund balance	-	-	-	362,700	-	-	-	-	-
0100	Fund balance, at beginning of year	-	-	-	488,775	-	-	-	-	-
3000	Fund balance, at end of year	$ -	-	-	851,475	-	-	-	-	-

Discussion Draft

See accompanying independent auditor's report.

La Vega Independent School District

Combining Schedule
Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Funds
(continued)

Data Control Codes		276 Instructional Continuity	277 Corna-virus Relief	282 ESSER III	289 LEP Summer School	429 Achievement Stipend	461 Campus Activities	492 Prosper Waco Grant	496 Rapoport Foundation Grant	497 Cooper Foundation Grant	Total Other Nonmajor Funds
	Revenues:										
5700	Local and intermediate sources	$ -	-	-	-	-	102,171	6,705	13,991	-	230,261
5800	State program revenues	-	-	-	-	148,323	-	-	-	-	211,606
5900	Federal program revenues	15,344	-	25,621	54,413	-	-	-	-	-	4,294,984
5020	Total revenues	15,344	-	25,621	54,413	148,323	102,171	6,705	13,991	-	4,736,851
	Expenditures:										
	Current:										
0011	Instruction	15,344	-	25,244	52,063	24,997	-	-	13,991	-	1,502,263
0013	Curriculum and staff development	-	-	-	350	8,034	-	-	-	-	265,030
0021	Instructional leadership	-	-	-	600	-	-	6,705	-	-	9,621
0023	School leadership	-	-	-	-	-	-	-	-	-	2,900
0031	Guidance, counseling, and evaluation services	-	-	-	-	-	-	-	-	-	66,430
0032	Social work services	-	-	-	-	-	-	-	-	-	174,905
0033	Health services	-	-	377	1,400	-	-	-	-	-	4,245
0035	Food service	-	-	-	-	-	-	-	-	-	2,087,796
0036	Extracurricular activities	-	-	-	-	-	109,134	-	-	-	109,134
0051	Facilities maintenance and operations	-	-	-	-	-	-	-	-	-	9,338
0053	Data processing services	-	-	-	-	99,568	-	-	-	-	99,568
0061	Community services	-	-	-	-	-	-	-	-	-	43,051
6000	Total expenditures	15,344	-	25,621	54,413	132,599	109,134	6,705	13,991	-	4,374,281
1100	Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	15,724	(6,963)	-	-	-	362,570
	Other financing sources:										
7915	Transfers in	-	-	-	-	-	-	-	-	-	8,891
	Net change in fund balance	-	-	-	-	15,724	(6,963)	-	-	-	371,461
0100	Fund balance, at beginning of year	-	-	-	-	-	109,961	-	-	-	598,736
3000	Fund balance, at end of year	$ -	-	-	-	15,724	102,998	-	-	-	970,197

Discussion Draft

See accompanying independent auditor's report.

Exhibit J-1

La Vega Independent School District

Schedule of Delinquent Taxes Receivable

Year Ended August 31, 2021

Last Ten Years Ended August 31,	1 Tax Rates Maintenance	2 Tax Rates Debt Service	3 Assessed Appraised Value For School Tax Purposes	10 Beginning Balance September 1, 2020	20 Current Year's Total Levy	31 Maintenance Total Collections	32 Debt Service Total Collections	40 Entire Year's Adjustments	50 Ending Balance August 31, 2021
2012 and prior years	various	various	various	$ 175,093	-	4,669	618	(13,367)	156,439
2013	1.170000	0.250000	627,720,141	22,788	-	1,331	284	(268)	20,905
2014	1.170000	0.250000	652,726,127	30,898	-	2,577	551	(510)	27,260
2015	1.170000	0.295000	678,231,195	36,380	-	2,871	724	(517)	32,268
2016	1.170000	0.289000	694,269,568	35,678	-	2,688	664	(506)	31,820
2017	1.170000	0.252100	741,815,976	44,576	-	4,820	1,039	(567)	38,150
2018	1.170000	0.243532	752,470,959	53,289	-	9,003	1,873	(623)	41,790
2019	1.170000	0.224040	867,621,230	95,645	-	28,274	5,414	(382)	61,575
2020	1.068350	0.221919	969,263,309	212,797	-	90,737	18,848	(13,458)	89,754
2021 (school year under audit)	1.054700	0.245255	1,013,174,995	-	13,170,819	10,511,281	2,444,244	(1)	215,293
100 Totals				$ 707,144	13,170,819	10,658,251	2,474,259	(30,199)	715,254

Discussion Draft

See accompanying independent auditor's report.

Exhibit J-2

La Vega Independent School District

Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual – Child Nutrition Program

Year Ended August 31, 2021

Data Control Codes		Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance with Final Budget
	Revenues:				
5700	Local and intermediate sources	$ 61,500	61,500	107,394	45,894
5800	State program revenues	63,079	63,079	63,283	204
5900	Federal program revenues	1,785,000	1,785,000	2,289,157	504,157
5000	Total revenues	1,909,579	1,909,579	2,459,834	550,255
	Expenditures:				
0035	Food service	2,278,117	2,278,117	2,087,796	190,321
0051	Facilities maintenance and operations	22,000	22,000	9,338	12,662
6030	Total expenditures	2,300,117	2,300,117	2,097,134	202,983
1100	Excess of revenues over expenditures	(390,538)	(390,538)	362,700	753,238
0100	Fund balance, at beginning of year	488,775	488,775	488,775	-
3000	Fund balance, at end of year	$ 98,237	98,237	851,475	753,238

Discussion Draft

See accompanying independent auditor's report.

Exhibit J-3

La Vega Independent School District

Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual – Debt Service Fund

Year Ended August 31, 2021

Data Control Codes		Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance with Final Budget
	Revenues:				
5700	Local and intermediate sources	$ 2,378,843	2,378,843	2,738,783	359,940
5800	State program revenues	75,936	75,936	107,613	31,677
5900	Federal program revenues	279,741	279,741	272,499	(7,242)
5000	Total revenues	2,734,520	2,734,520	3,118,895	384,375
	Expenditures:				
0071	Debt service	2,410,167	2,410,167	2,570,216	(160,049)
6030	Total expenditures	2,410,167	2,410,167	2,570,216	(160,049)
1100	Excess of revenues over expenditures	324,353	324,353	548,679	224,326
	Other financing sources (uses):				
7911	Issuance of refunding bonds	-	-	7,995,000	7,995,000
7916	Premiums on bonds	-	-	1,112,106	1,112,106
8949	Payment to bond agent	-	-	(8,945,494)	(8,945,494)
		-	-	161,612	161,612
1200	Net change in fund balance	324,353	324,353	710,291	385,938
0100	Fund balance, at beginning of year, as previously reported	3,146,339	3,146,339	3,146,339	-
	Prior period adjustment	-	-	(83,406)	(83,406)
0100	Fund balance, at beginning of year, as restated	3,146,339	3,146,339	3,062,933	(83,406)
3000	Fund balance, at end of year	$ 3,470,692	3,470,692	3,773,224	302,532

Discussion Draft

See accompanying independent auditor's report.

Compliance, Internal Control and Federal Awards

Discussion Draft

JAYNES REITMEIER BOYD & THERRELL, P.C.
Certified Public Accountants
5400 Bosque Blvd., Ste. 600 | Waco, TX 76710
P.O. Box 7616 | Waco, TX 76714
Main 254.776.4190 | Fax 254.776.8489 | jrbt.com

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

The Board of School Trustees
La Vega Independent School District:

Discussion Draft

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of governmental activities, each major fund, and the aggregate remaining fund information of La Vega Independent School District (the "District") as of and for the year ended August 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 6, 2021.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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 was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

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.

December 6, 2021

Discussion Draft

JAYNES REITMEIER BOYD & THERRELL, P.C.
Certified Public Accountants
5400 Bosque Blvd., Ste. 600 | Waco, TX 76710
P.O. Box 7616 | Waco, TX 76714
Main 254.776.4190 | Fax 254.776.8489 | jrbt.com

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

The Board of School Trustees
La Vega Independent School District:

Report on Compliance for Each Major Federal Program

We have audited the compliance of La Vega Independent School District (the "District") 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 the District's major federal programs for the year ended August 31, 2021. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Discussion Draft

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

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

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or 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 the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

December 6, 2021

Discussion Draft

La Vega Independent School District

Schedule of Findings and Questioned Costs

Year Ended August 31, 2021

(1) Summary of Auditors' Results

Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

- o Material weakness(es) identified? ___ yes x no
- o Significant deficiency(ies) identified that are not considered to be material weaknesses? ___ yes x none reported

Noncompliance material to financial statements noted? ___ yes x no

Federal Awards

Internal control over major programs:

- o Material weakness(es) identified? ___ yes x no
- o Significant deficiency(ies) identified that are not considered to be material weaknesses? ___ yes x none reported

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 section 200.516 of Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) ___ yes x no

Identification of major programs:

CFDA Number	*Name of Federal Program or Cluster*
	Child Nutrition Cluster:
10.553	School Breakfast Program
10.555	National School Lunch Program

Dollar threshold used to distinguish between type A and type B programs: $ 750,000

Auditee qualified as federal low-risk auditee? x yes ___ no

Discussion Draft

La Vega Independent School District

Schedule of Findings and Questioned Costs
(Continued)

(2) Financial Statement Findings

None

(3) Federal Award Findings and Questioned Costs

None

Discussion Draft

La Vega Independent School District

Summary Schedule of Prior Audit Findings

August 31, 2021

None

Discussion Draft

Exhibit K-1

La Vega Independent School District

Schedule of Expenditures of Federal Awards

Year Ended August 31, 2021

(1) Federal Grantor / Pass-Through Grantor / Program or Cluster Title	(2) Federal Assistance Listing Number	(3) Pass-Through Entity Identifying Number	(3) Passed Through to Subrecipients	(3) Total Federal Expenditures
U.S. Department of Education				
Passed Through State Department of Education:				
Title I, Part A - Grants to Local Education Agencies	84.010A	21610101161906	-	944,628
Title I, Part D - Grants to Local Education Agencies	84.010A	21610103161906	-	73,328
			$ -	1,017,956
IDEA - Part B, Formula	84.027A	206600011619066600	-	321,651
IDEA - Part B, Formula	84.027A	216600011619066600	-	152,494
IDEA - Part B, Preschool	84.173A	206610011619066610	-	7,901
Total Special Education Cluster			-	482,046
Career & Technical - Basic Grant	84.048	214200006161906	-	42,994
ESEA, Title IV- Part B, Community Learning	84.287	216950267110039	-	88,819
ESEA, Title III, English Language	84.365A	21671001161906	-	41,440
ESEA, Title II, Part A, Teacher/Principal Training	84.367A	21694501161906	-	94,191
LEP Summer School	84.368	69551902	-	3,458
ESEA, Title IV, Part A	84.369A	21680101161906	-	50,955
ESEA, Title 1, School Improvement	84.377A	17610740161906	-	15,344
COVID-19 - Elementary and Secondary School Emergency Relief Fund:				
ESSER I	84.425D	20521001161906	-	143,003
ESSER III	84.425D	21528001161906	-	25,621
			-	168,624
Total U.S. Department of Education			$ -	2,005,827
U.S. Department of Agriculture				
Passed Through State Department of Agriculture:				
School Breakfast Program	10.553	00783	$ -	595,987
National School Lunch Program	10.555	00783	-	1,349,381
Total Child Nutrition Cluster			-	1,945,368
Child & Adult Care Food Program	10.553	00783	-	21,445
Child & Adult Care Food Program	10.553	00783	-	179,779
Total Child & Adult Care Food Program			-	201,224
U.S.D.A. Commodities	10.565	00783	-	130,810
Fresh Fruit and Vegetable Program	10.582	00783	-	11,755
Total U.S. Department of Agriculture			$ -	2,289,157
Total Expenditures of Federal Awards			$ -	4,294,984

Discussion Draft

See accompanying independent auditor's report and notes to schedule of federal awards.

La Vega Independent School District

Notes to Schedule of Expenditures of Federal Awards

August 31, 2021

(1) Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of La Vega Independent School District (the "District") under programs of the federal government for the year ended August 31, 2021. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position or cash flows of the District.

(2) Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

(3) Indirect Cost Rate

No indirect costs were claimed by the District for the year ended August 31, 2021.

(4) Reconciliation to Financial Statements

Following is a reconciliation of the schedule of expenditures of federal awards to total federal program revenues per the statement of revenues, expenditures and changes in fund balances – governmental funds for the year ended August 31, 2021:

Expenditures per Schedule of Expenditures of Federal Awards	$	4,294,984
SHARS revenue		184,832
Federal subsidy for debt service		272,499
Total federal program revenues per Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	$	4,752,315

Discussion Draft

Monthly Budget Analysis Report

Presented for:
Board action ☒ Report/Review Only ☐

Supporting documents:
None ☐ Attached X Provided Later

Contact Person:
Mr. James Garrett

Background Information:
The District compiles and reports revenue and expenditure data for all funds on a monthly basis. The attached monthly budget analysis reports compare year-to-date revenue and expenditures to the same period from last fiscal year.

Fiscal Implication:
N/A

Administrative Recommendation:
It is recommended that the Board approve the Monthly Budget Analysis Report as submitted.

Motion: _____

Second: _____

For: _____

Against: _____

Abstain: _____

La Vega Independent School District
Statement of Unaudited Revenues and Expenditures - Budget vs. Actual

For the Period Ended 11/30/2021
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GENERAL FUND - 199

DATA CONTROL CODES	REVENUES	(1) 2021-2022 ORIGINAL BUD	(2) 2021-2022 AMEND BUD	(3) MONTHLY CURRENT 11/30/2021	(3) MONTHLY PRIOR YR 11/30/2020	(4) YEAR-TO-DATE CURRENT 11/30/2021	(4) YEAR-TO-DATE PRIOR YR 11/30/2020	(5) DIFFERENCE AMEND BUD TO YTD CURR	(6) CY YTD AS % OF BUDGET	(7) PY YTD AS % OF BUDGET	(8) % OF YEAR ELAPSED AS OF 11/30/2021
5700	LOCAL	11,457,480	11,542,426	417,046	499,769	1,904,496	813,478	9,637,930	16.50%	7.42%	25.00%
5800	STATE	20,472,204	20,472,204	1,919,545	1,864,179	9,809,229	9,442,804	10,662,975	47.91%	42.81%	25.00%
5900	FEDERAL	150,000	150,000	38,797	11,749	101,152	26,905	48,848	67.43%	179.36%	25.00%
5020	TOTAL REVENUES	$ 32,079,684	32,164,630	$ 2,375,388	$ 2,375,698	$ 11,814,877	$ 10,283,187	$ 20,349,753	36.73%	37.14%	25.00%
	EXPENDITURES						$0				
0011	Instruction	17,502,918	17,574,876	1,302,789	1,219,190	4,054,883	3,994,092	13,519,993	23.07%	22.35%	25.00%
0012	Instr Resources/Media Services	302,757	302,757	17,944	20,916	54,377	80,283	248,380	17.96%	28.09%	25.00%
0013	Curriculum & Staff Development	567,484	569,484	28,023	18,758	84,221	71,601	485,263	14.79%	13.72%	25.00%
0021	Instructional Leadership	785,799	783,799	64,399	53,297	183,879	161,597	599,920	23.46%	20.54%	25.00%
0023	School Leadership	2,463,633	2,476,633	199,702	183,358	588,820	545,307	1,887,813	23.78%	23.40%	25.00%
0031	Guidance, Counseling & Evaluation	824,101	824,101	66,361	69,330	181,963	194,466	642,138	22.08%	21.87%	25.00%
0032	Attendance & Social Services	94,625	94,625	-	-	-	120,000	94,625	0.00%	112.51%	25.00%
0033	Health Services	296,777	296,777	24,304	20,755	69,253	62,836	227,524	23.34%	17.89%	25.00%
0034	Student Transportation	2,037,842	2,037,842	179,742	181,534	382,297	181,534	1,655,545	18.76%	11.45%	25.00%
0035	Food Services	30,000	30,000	-	-	-	-	30,000	0.00%	0.00%	25.00%
0036	Extracurricular Activities	1,769,792	1,769,792	120,573	173,695	387,450	399,629	1,382,342	21.89%	24.42%	25.00%
0041	General Administration	1,571,317	1,571,317	123,799	96,100	381,503	339,776	1,189,814	24.28%	22.99%	25.00%
0051	Plant Maintenance & Operations	3,618,547	3,618,547	256,632	221,343	744,098	662,012	2,874,449	20.56%	18.22%	25.00%
0052	Security & Monitoring Services	546,854	546,854	39,587	44,930	120,365	121,614	426,489	22.01%	20.86%	25.00%
0053	Data Processing Services	1,253,982	1,253,982	108,533	144,456	303,610	372,179	950,372	24.21%	31.65%	25.00%
0061	Community Services	4,550	4,550	-	-	-	-	4,550	0.00%	0.00%	25.00%
0071	Debt Service	281,000	281,000	42,086	42,194	55,062	56,286	225,938	19.60%	21.12%	25.00%
0095	Payment to JJAEP	38,000	38,000	-	-	814	1,500	37,186	2.14%	2.08%	25.00%
0099	Other Intergovernmental Charges	194,000	194,000	-	29,477	-	29,477	194,000	0.00%	24.16%	25.00%
6030	TOTAL EXPENDITURES	$ 34,183,978	$ 34,268,936	$ 2,574,474	$ 2,519,333	$ 7,592,595	$ 7,394,190	$26,676,341	22.16%	21.92%	25.00%
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	$ (2,104,294)	$ (2,104,306)	$ (199,086)	$ (143,635)	$ 4,222,282	$ 2,888,997				
	OTHER FINANCING SOURCES (USES)	(9)	(9)			(9)					
7910	Transfers In										
8910	Transfers Out (10)	$ -	$ -	$ -			$ -				
	TOTAL OTHER FINANCING SOURCES (USES)										
1200	Net Change in Fund Balance (11)	$ (2,104,294)	$ (2,104,306)		(11)	$ 4,222,282					
100	Fund Balance - Sept. 1 (12)	$ 8,014,492	$ 8,014,492		(12)	$ 8,014,492					
3000	Fund Balance - Aug 31 (projected and unaditied) (13)	$ 5,910,198	$ 5,910,186		(14)	$ 12,236,774					

(1) 2020-2021 Approved Budget - The original budget approved by the Board for the 2020-2021 Fiscal Year

(2) 2020-2021 Amend 05/31/2021
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(3) Monthly Current Year vs. Prior Year Revenues and Expenditures - **C**ash received(revenues)/disbursed(expenditures) for the current month compared with the same period last year

(4) Year To Date Current Year vs. Prior Year Revenues and Expenditures - Cash received(revenues)/disbursed(expenditures) for the current year compared with the same period last year

(5) Difference Between Amended Budget and Current Year To Date -365
left to receive(revenues)/disburse(expenditures) for the remainder of the Fiscal Year

(6) Current Year To Date as A Percent of The 2020-2021 Amended Budget - The percent of Current Year To Date revenues/expenditures to the 2020-2021 Amended Budget

(7) Prior Year To Date as A Percent of The 2020-2021 Budget - Ther percent of Prior Year To Date revenues/expenditures from the 2020-2021 Budget

(8) Percent of Fiscal Year Elapsed as of The Date of The Report - The percent of the Fiscal Year which has elapsed for the as of date of the report

(9) Excess of Revenues Over Expenditures - The excess (deficiency) of Revenues over (under) expenditures for the Original Budget, Amended Budget and Current Year To Date columns

(10) Transfers In/Out - The amount of any transfers made to the Approved Budget, Amended Budget or Current Year To Date Columns

(11) Net Change In Fund Balance - The excess or deficiency of revenues over expenditures which would add to or take away from the beginning fund balance

(12) Fund Balance - September 1 - The District's audited General Fund Balance as of September 1 of the current fiscal year.

(13) Fund Balance - August 31 - The projected and unaditied General Fund Balance the District would have if revenue and expenditures are equal to the 2020-2021 Approved Budget or Amended Budget

(14) Fund Balance - August 31 - The projected and unaudited General Fund Balance the District would have if the fiscal year ended on the last day of the month of the report.

La Vega Independent School District
Statement of Unaudited Revenues and Expenditures - Budget vs. Actual

For the Period Ended 11/30/2021
11

CHILD NUTRITION FUND - 240

		(1)	(2)	(3)		(4)		(5)	(6)	(7)	(8)
				MONTHLY		YEAR-TO-DATE		DIFFERENCE	CY YTD	PY YTD	% OF YEAR
DATA CONTROL CODES	REVENUES	2021-2022 ORIGINAL BUD	2021-2022 AMEND BUD	CURRENT 11/30/2021	PRIOR YR 11/30/2020	CURRENT 11/30/2021	PRIOR YR 11/30/2020	AMEND BUD TO YTD CURR	AS % OF BUDGET	AS % OF BUDGET	ELAPSED AS OF 11/30/2021
5700	LOCAL	84,237	84,237	10,550	10,550	39,659	9,750	44,578	47.08%	6.51%	25.00%
5800	STATE	12,000	12,000	4,351	4,351	13,675	-	(1,675)	113.96%	0.00%	25.00%
5900	FEDERAL	2,250,322	2,250,322	17,017	17,017	233,657	350,621	2,016,665	10.38%	15.24%	25.00%
7900	OTHER			-	-	-	-	-	#DIV/0!		25.00%
5020	TOTAL REVENUES	$2,346,559	$2,346,559	$31,918	$31,918	$286,991	360,371	$2,059,568	12.23%	15.84%	25.00%
	EXPENDITURES										
0011	Instruction			-	-	-	-	-	#DIV/0!		25.00%
0012	Instr Resources/Media Services			-	-	-	-	-	#DIV/0!		25.00%
0013	Curriculum & Staff Development			-	-	-	-	-	#DIV/0!		25.00%
0021	Instructional Leadership			-	-	-	-	-	#DIV/0!		25.00%
0023	School Leadership			-	-	-	-	-	#DIV/0!		25.00%
0031	Guidance, Counseling & Evaluation			-	-	-	-	-	#DIV/0!		25.00%
0032	Attendance & Social Services			-	-	-	-	-	#DIV/0!		25.00%
0033	Health Services			-	-	-	-	-	#DIV/0!		25.00%
0034	Student Transportation			-	-	-	-	-	#DIV/0!		25.00%
0035	Food Services	2,316,559	2,316,559	212,544	212,544	558,992	334,392	1,757,567	24.13%	13.50%	25.00%
0036	Extracurricular Activities			-	-	-	-	-	#DIV/0!		25.00%
0041	General Administration			-	-	-	-	-	#DIV/0!		25.00%
0051	Plant Maintenance & Operations	30,000	30,000	529	529	2,482	1,730	27,518	8.27%	6.29%	25.00%
0052	Security & Monitoring Services			-	-	-	-	-	#DIV/0!		25.00%
0053	Data Processing Services			-	-	-	-	-	#DIV/0!		25.00%
0061	Community Services			-	-	-	-	-	#DIV/0!		25.00%
0071	Debt Service			-	-	-	-	-	#DIV/0!		25.00%
0081	Facility Acquisition & Construction			-	-	-	-	-	#DIV/0!		25.00%
0095	Payment to JJAEP			-	-	-	-	-	#DIV/0!		25.00%
0099	Other Intergovernmental Charges			-	-	-	-	-	#DIV/0!		25.00%
6030	TOTAL EXPENDITURES	$2,346,559	$2,346,559	$213,073	$213,073	$561,474	$336,122	$1,785,085	23.93%	14.66%	25.00%
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	$0	$0	($181,155)	($181,155)	($274,483)	$24,249				
	OTHER FINANCING SOURCES (USES)	(9)	(9)			(9)					
7910	Transfers In										
8910	Transfers Out (10)			$0	$0	$0	$0				
	TOTAL OTHER FINANCING SOURCES (USES)										
1200	Net Change in Fund Balance (11)	$0	$0		(11)	($274,483)					
100	Fund Balance - Sept. 1 (12)	$851,475	$851,475		(12)	$851,475					
3000	Fund Balance - Aug 31 (projected and unaditied) (13)		$851,475		(14)	$576,992					

La Vega Independent School District
Statement of Unaudited Revenues and Expenditures - Budget vs. Actual

For the Period Ended 11/30/2021

11

DEBT SERVICE FUND - 511

DATA CONTROL CODES	REVENUES	(1) 2021-2022 ORIGINAL BUD	(2) 2021-2022 AMEND BUD	(3) MONTHLY CURRENT 11/30/2021	(3) MONTHLY PRIOR YR 11/30/2020	(4) YEAR-TO-DATE CURRENT 11/30/2021	(4) YEAR-TO-DATE PRIOR YR 11/30/2020	(5) DIFFERENCE AMEND BUD TO YTD CURR	(6) CY YTD AS % OF BUDGET	(7) PY YTD AS % OF BUDGET	(8) % OF YEAR ELAPSED AS OF 11/30/2021
5700	LOCAL	2,549,803	2,549,803	105,502	107,696	438,965	209,524	2,110,838	17.22%	9.26%	25.00%
5800	STATE	-	-	116,628	-	116,628	-	(116,628)	#DIV/0!	0.00%	25.00%
5900	FEDERAL	279,750	279,750	-	-	-	132,629	279,750	0.00%	47.41%	25.00%
7900	OTHER		-	-	-	-	-	-	#DIV/0!	#DIV/0!	25.00%
5020	TOTAL REVENUES	$ 2,829,553	$ 2,829,553	$ 222,130	$ 107,696	555,593	$ 342,153	$ 2,273,960	19.64%	11.63%	25.00%
	EXPENDITURES										
0011	Instruction		-	-	-	-	-	-	#DIV/0!	#DIV/0!	25.00%
0012	Instr Resources/Media Services		-	-	-	-	-	-	#DIV/0!	#DIV/0!	25.00%
0013	Curriculum & Staff Development		-	-	-	-	-	-	#DIV/0!	#DIV/0!	25.00%
0021	Instructional Leadership		-	-	-	-	-	-	#DIV/0!	#DIV/0!	25.00%
0023	School Leadership		-	-	-	-	-	-	#DIV/0!	#DIV/0!	25.00%
0031	Guidance, Counseling & Evaluation		-	-	-	-	-	-	#DIV/0!	#DIV/0!	25.00%
0032	Attendance & Social Services		-	-	-	-	-	-	#DIV/0!	#DIV/0!	25.00%
0033	Health Services		-	-	-	-	-	-	#DIV/0!	#DIV/0!	25.00%
0034	Student Transportation		-	-	-	-	-	-	#DIV/0!	#DIV/0!	25.00%
0035	Food Services		-	-	-	-	-	-	#DIV/0!	#DIV/0!	25.00%
0036	Extracurricular Activities		-	-	-	-	-	-	#DIV/0!	#DIV/0!	25.00%
0041	General Administration		-	-	-	-	-	-	#DIV/0!	#DIV/0!	25.00%
0051	Plant Maintenance & Operations		-	-	-	-	-	-	#DIV/0!	#DIV/0!	25.00%
0052	Security & Monitoring Services		-	-	-	-	-	-	#DIV/0!	#DIV/0!	25.00%
0053	Data Processing Services		-	-	-	-	-	-	#DIV/0!	#DIV/0!	25.00%
0061	Community Services		-	-	-	-	-	-	#DIV/0!	#DIV/0!	25.00%
0071	Debt Service	2,557,414	2,557,414	806	806	806	133,435	2,556,608	0.03%	4.99%	25.00%
0081	Facility Acquisition & Construction		-	-	-	-	-	-	#DIV/0!	#DIV/0!	25.00%
0095	Payment to JJAEP		-	-	-	-	-	-	#DIV/0!	#DIV/0!	25.00%
0099	Other Intergovernmental Charges		-	-	-	-	-	-	#DIV/0!	#DIV/0!	25.00%
6030	TOTAL EXPENDITURES	$ 2,557,414	$ 2,557,414	$ 806	$ 806	$ 806	$ 133,435	$ 2,556,608	0.03%	4.93%	25.00%
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	$ 272,139	$ 272,139	$ 221,324	$ 106,890	$ 554,787	$ 208,718				
	OTHER FINANCING SOURCES (USES)	(9)	(9)			(9)					
7910	Transfers In		$ -	$ -	$ -	$ -	$ -				
8910	Transfers Out (10)		$ -	$ -	$ -	$ -	$ -				
	TOTAL OTHER FINANCING SOURCES (USES)										
1200	Net Change in Fund Balance (11)	$ 272,139	$ 272,139		(11)	$ 554,787					
100	Fund Balance - Sept. 1 (12)	$ 3,773,224	$ 3,773,224		(12)	$ 3,773,224					
100	Less: Committed Fund Balance - Sept. 1		$ (3,184,490)			$ (3,184,490)					
3000	Fund Balance - Aug 31 (projected and unaudited) (13)	$ 4,045,363	$ 860,873		(14)	$ 1,143,521					
3000	Less: Committed Fund Balance-Aug 31										
	Available Fund Balance (projected and unaudited) (14)	$ 4,045,363	$ 860,873			$ 1,143,521					

Consider Teacher and Professional Employee Contract Recommendations

Presented for:
Board action ☒ Report/Review Only ☐

Supporting documents:
None ☒ Attached ☐ Provided Later ☒

Note: There were no teacher or professional employee contract recommendations pending board approval at the time board agendas were finalized.

Contact Person:
Mr. Todd Gooden

Background Information:
The Board of Trustees of any independent school district may employ by contract a superintendent, a principal or principals, teachers, or other executive officers for a term not to exceed the maximum specified in this section. In those independent school districts with a scholastic population of fewer than 5,000, the term of such contracts shall not exceed three years. The personnel department, campus principals, and management teams interview and check references on each applicant who makes application to become a member of the staff of the La Vega Independent School District.

Fiscal Implication:
Personnel salaries are a budgeted item.

Administrative Recommendation:
Board approval of the contract recommendations as presented.

Motion: _____

Second: _____

For: _____

Against: _____

Abstain: _____

CLOSED MEETING

Presented for:
Board action ☐ Report/Review Only ☒

Supporting documents:
None ☒ Attached ☐ Provided Later ☒

Contact Person:
Board President

Background Information:
The Board may enter into a closed meeting after the following requirements have been met:

1. A quorum of the Board has first been convened in open meeting for which notice has been given.
2. The presiding officer has publicly announced in open meeting that a closed meeting will be held.
3. The presiding officer has identified the section or sections of the Open Meetings Act or other applicable statutes that authorize the holding of such closed meeting.

Fiscal Implication:
N/A

Administrative Recommendation:
N/A

A closed meeting was declared:

_____ Beginning Time

_____ Date

_____ Sections of the Texas Government Code

_____ Ending Time

ADJOURNMENT

Motion: _____

Second: _____

For: _____

Against: _____

Abstain: _____

Date and Time: _____