

**CLINT INDEPENDENT SCHOOL DISTRICT**  
**ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED AUGUST 31, 2021**



# CLINT INDEPENDENT SCHOOL DISTRICT

## ANNUAL FINANCIAL AND COMPLIANCE REPORT FOR THE YEAR ENDED AUGUST 31, 2021

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CERTIFICATE OF BOARD

Clint Independent School District  
Name of School District

El Paso County  
County

071-901  
Co.-Dist. Number

We, the undersigned, certify that the attached annual financial reports of the above named school district were reviewed and (check one) ☒ approved \_\_\_\_\_ disapproved for the year ended August 31, 2021, at a meeting of the board of trustees of such school district on the 20th day of January 2022.

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

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

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

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## **FINANCIAL SECTION**

### Independent Auditor's Report

To the Board of Trustees  
Clint 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 the Clint Independent School District (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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk 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.

## ***Opinions***

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

## ***Emphasis of Matter***

### *Change in Accounting Principle*

As described in Note I.F. to the financial statements, Clint Independent School District adopted new accounting guidance, GASB Statement No. 84, *Fiduciary Activities*. Refer to Note IV.X for discussion of the impact on the fund categories and net position related to the adoption of this statement. 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, the budgetary comparison information, and the pension and other post employment benefits information on pages 7 through 16 and 77 through 88 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary and Other Information*

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

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in



accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The required TEA schedules have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 10, 2022, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's 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.

A handwritten signature in black ink that reads "Gibson Ruddock Patterson LLC". The signature is written in a cursive, flowing style.

Gibson Ruddock Patterson, LLC  
El Paso, Texas  
January 10, 2022

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

## Management's Discussion and Analysis

In this section of the Annual Financial and Compliance Report, we, the management of the Clint Independent School District, discuss and analyze the district's financial performance for the fiscal year ended August 31, 2021. Please read this discussion in conjunction with the independent auditor's report and the district's financial statements, which follow this section.

### Financial Highlights

- The General Fund ended the year with a fund balance of \$79.5 million, or 72 percent of the total general fund expenditures, increasing by \$18.1 million.
- During the year, the district had general fund expenses totaling \$109.5 million, which was less than the \$127.7 million generated in tax and other revenues for the general fund.
- The district's total long-term liabilities decreased by \$6.8 million or 2.7 percent.

The district continues to receive the highest rating attainable on the Financial Integrity Rating System of Texas (FIRST). The primary goal of FIRST is to achieve quality performance in the management of school district resources. The district continues to maintain online financial information to provide transparency and to provide taxpayers with a transparent look at local expenditures and other financial information.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Clint Independent School District's basic financial statements. The Clint Independent School District's basic financial statements are comprised of three components: 1) governmental-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains supplementary information in addition to the basic financial statements themselves.

#### *Government-wide financial statements*

The *government-wide financial statements* are designed to provide readers with a broad overview of the Clint Independent School District's finances in a manner similar to that of a private sector business. The government-wide fund financial statements can be found on pages 18-19 of this report.

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

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 cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows only in future fiscal periods (e.g., uncollected taxes).

Both the *statement of net position* and the *statement of activities* distinguish functions of the Clint Independent School District that are primarily supported by property taxes and federal and state revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through fees and charges. The *governmental activities* of the Clint Independent School District included education, bus transportation, food service, and other services. The district does not have any business-type 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 Clint Independent School District, like other school districts, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the Clint Independent School District funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

### *Governmental funds*

*Governmental funds* are used to account for the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government'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 sheets and the governmental fund statements of revenues, expenditures, and changes in the fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Clint Independent School District maintains four individual governmental fund types. Information is presented separately in the governmental fund balance sheet and in the governmental fund statements of revenues, expenditures, and changes in fund balance for the general fund and debt service fund. The final funds are comprised of the special revenue funds and permanent fund, and such is listed in the "other funds" column.

The Clint Independent School District adopts an annual appropriated budget for its general, child nutrition program, and debt service funds individually. The governmental fund financial statements can be found on pages 21-28 of the report.

### *Proprietary funds*

The Clint Independent School District maintains only one type of proprietary fund, an Internal Service Fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the district's co-sponsored self-funded workers' compensation fund. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide information for the district's workers' compensation fund. The proprietary fund financial statements can be found on pages 29-32 of this report.

### *Fiduciary funds*

Fiduciary funds are used for resources held in trust for the benefit of parties outside the district. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those are not available to support the Clint Independent School District's own programs. The fiduciary fund financial statements can be found on pages 33-35 of this report.

The chart below summarizes the major features of the district's financial statements, including the portion of the district government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

<b>Major Features of the District's Government-wide and Fund Financial Statements</b>				
<b>Type of Statements</b>	<b>Government-Wide</b>	<b>Governmental Funds</b>	<b>Fund Statements Proprietary Funds</b>	<b>Fiduciary Funds</b>
<i>Scope</i>	Entire district's government (except fiduciary fund) and the district's component units (no components units exist for district)	The activities of the district that are not proprietary or fiduciary	Activities the district operates similar to private businesses; self-insurance	Instances in which the district is the trustee or agent for someone else's resources
<i>Required Financial Statements</i>	<ul style="list-style-type: none"> <li>Statement of Net Position</li> <li>Statement of Activities</li> </ul>	<ul style="list-style-type: none"> <li>Balance Sheet</li> <li>Statement of Revenues, Expenditures, and Changes in Fund Balance</li> </ul>	<ul style="list-style-type: none"> <li>Statement of Net position</li> <li>Statement of Revenues, Expenses, and changes in Fund Net position</li> <li>Statement of Cash Flows</li> </ul>	<ul style="list-style-type: none"> <li>Statement of Fiduciary Net position</li> <li>Statement of Changes in Fiduciary Fund Net Position</li> </ul>
<i>Accounting Basis &amp; Measurement Focus</i>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
<i>Type of Asset/Liability Information</i>	All assets and liabilities, both financial and capital; short-term and long-term	Only assets expected to be used and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; the district's funds do not currently contain capital assets
<i>Type of Inflow/Outflow Information</i>	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received, and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All revenues and expenses during the year, regardless of when cash is received or paid

## Government-Wide Financial Analysis

Net position for the district's governmental activities increased by \$19.6 or 45.5 percent. Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements were \$1.1 million and (\$17.7) million on August 31, 2021, and August 31, 2020, respectively. A deficit unrestricted net position in the prior year was attributed to the adoption of GASB Statement No. 75. Additional information can be found at Note IV- Q (pages 66-73).

Food Service operations or the Child Nutrition Program continues to run well and be self-sufficient. The district contracts with a management company to increase student participation through the type and quality of food served. The increased expenditures incurred from contracting with the management company are offset by the increase in funding generated by increases in participation.

Overall, estimated revenue and expenses were in line with district projections, which included a planned decrease in the fund balance. The district will continue to spend down the excess fund balance by reinvesting in the Child Nutrition Program.

Our analysis of comparative balances and changes therein focus on the net position (Table I and Table II) and changes in net position of the district's governmental activities.

**Table I**  
**Clint Independent School District**  
**SUMMARIZED NET POSITION**

<b>Governmental Activities</b>	<b>August 31, 2021</b>	<b>August 31, 2020</b>	<b>Variance</b>	<b>% Change</b>
Current and Other Assets	\$ 95,169,392	\$ 78,467,822	16,701,570	21.3%
Capital Assets	221,486,103	223,843,478	(2,357,375)	-1.1%
<b>Total Assets</b>	<b>\$ 316,655,495</b>	<b>\$ 302,311,300</b>	<b>14,344,195</b>	<b>4.7%</b>
Deferred Charge for Refunding	14,471,264	4,731,155	9,740,109	205.9%
Deferred Outflow Related to TRS Pension	12,892,793	15,711,943	(2,819,150)	-17.9%
Deferred Outflow Related to TRS OPEB	6,632,689	7,389,071	(756,382)	-10.2%
<b>Total Deferred Outflows of Resources</b>	<b>\$ 33,996,746</b>	<b>\$ 27,832,169</b>	<b>6,164,577</b>	
Current Liabilities	8,732,796	7,488,090	1,244,706	16.6%
Non-Current Liabilities	245,461,146	252,264,684	(6,803,538)	-2.7%
<b>Total Liabilities</b>	<b>\$ 254,193,942</b>	<b>\$ 259,752,774</b>	<b>(5,558,832)</b>	<b>-2.1%</b>
Deferred Gain on Refunding	347,562	390,977	(43,415)	-11.1%
Deferred Inflow Related to TRS Pension	7,521,110	7,839,720	(318,610)	-4.1%
Deferred Inflow Related to TRS OPEB	25,750,007	18,969,815	6,780,192	35.7%
<b>Total Deferred Inflows of Resources</b>	<b>\$ 33,618,679</b>	<b>\$ 27,200,512</b>	<b>6,418,167</b>	<b>23.6%</b>
Net Investment in Capital Assets	54,151,700	51,572,896	2,578,804	5.0%
Restricted	7,586,954	9,396,859	(1,809,905)	-19.3%
Unrestricted	1,100,966	(17,779,572)	18,880,538	-106.2%
<b>Total Net Position</b>	<b>\$ 62,839,620</b>	<b>\$ 43,190,183</b>	<b>19,649,437</b>	<b>45.5%</b>

**Table II**  
**Clint Independent School District**  
**SUMMARIZED STATEMENT OF ACTIVITIES**

	August 31, 2021	August 31, 2020	Variance	% Change
<b>Governmental Activities</b>				
<b>Revenues</b>				
<b>Program Revenues</b>				
Charges for Services	\$ 146,727	\$ 659,045	(512,318)	-77.7%
Operating Grants and Contributions	49,903,535	42,753,698	7,149,837	16.7%
Capital Grants and Contributions	-	-	-	
<b>General Revenues</b>				
Property Taxes Levied for General Purposes	15,745,346	15,576,137	169,209	1.1%
Property Taxes Levied for Debt Services	5,075,773	3,449,582	1,626,191	47.1%
State Aid-Formula Grants	89,964,784	88,656,293	1,308,491	1.5%
Investment Earnings	95,259	1,054,979	(959,720)	-91.0%
Miscellaneous Revenue	2,401,984	513,255	1,888,729	368.0%
<b>Total Revenues</b>	<b>\$ 163,333,408</b>	<b>\$ 152,662,989</b>	<b>10,670,419</b>	<b>7.0%</b>
<b>Expenses</b>				
Instruction	72,910,098	78,840,835	(5,930,737)	-7.5%
Instructional Resources and Media Services	1,351,898	1,413,533	(61,635)	-4.4%
Curriculum and Staff Development	4,845,213	4,523,073	322,140	7.1%
Instructional Leadership	3,327,554	3,628,101	(300,547)	-8.3%
School Leadership	7,872,718	8,314,361	(441,643)	-5.3%
Guidance, Counseling and Evaluation Services	4,772,347	4,973,776	(201,429)	-4.0%
Social Work Services	234,234	240,160	(5,926)	-2.5%
Health Services	1,610,841	1,529,271	81,570	5.3%
Student (Pupil) Transportation	4,928,706	5,238,110	(309,404)	-5.9%
Food Services	7,231,642	9,893,682	(2,662,040)	-26.9%
Extracurricular Activities	2,886,241	3,256,098	(369,857)	-11.4%
General Administration	3,586,451	3,674,546	(88,095)	-2.4%
Plant Maintenance and Operations	15,434,985	14,802,371	632,614	4.3%
Security and Monitoring Services	2,726,203	3,257,403	(531,200)	-16.3%
Data Processing Services	3,260,497	2,717,702	542,795	20.0%
Community Services	261,603	259,272	2,331	0.9%
Debt Service-Interest on Long Term Debt	5,156,412	6,886,172	(1,729,760)	-25.1%
Debt Service-Bond Issuance Cost and Fees	943,005	6,736	936,269	13899.5%
Capital Outlay	54,160	106,591	(52,431)	-49.2%
Other Intergovernmental Charges	323,039	308,943	14,096	4.6%
<b>Total Expenses</b>	<b>\$ 143,717,847</b>	<b>\$ 153,870,736</b>	<b>(10,152,889)</b>	<b>-6.6%</b>
Increase in Net Position Before Prior Period Adj	19,615,561	(1,207,747)	20,823,308	-1724.1%
Special Item - E Rate		353,061		
<b>Increase in Net Position</b>	<b>\$ 19,615,561</b>	<b>\$ (854,686)</b>	<b>20,470,247</b>	<b>-2395.1%</b>
Beginning Net Position	43,190,183	44,044,869	(854,686)	-1.9%
Prior Period Adjustment	33,876			
<b>Ending Net Position</b>	<b>\$ 62,839,620</b>	<b>\$ 43,190,183</b>	<b>19,649,437</b>	<b>45.5%</b>

The cost of all governmental activities this year was \$143.7 million compared to \$153 million last year. The \$10 million dollar decrease is attributed to a decrease in classroom technology enhancement spending and textbook materials, decrease in CNP participation from declining enrollment and COVID resulting in a decrease in CNP expenditures and a decrease in interest expense resulting from savings on bond refunding. The district is building its fund balance to have the option to continue funding staff and programs implemented to address the impact of COVID-19 on students and staff when ESSER funding is depleted.

Revenue increased compared to the prior year. Part of the increase was due to increased property tax levied for debt services. Additionally, the district has an increase in federal funding related to ESSER II and ESSER III plus additional miscellaneous revenue mostly related to an insurance recovery and various refunds.

The district shows an increase of state-aid revenue in fiscal year 2021 compared to the prior year. However, in fiscal year 2020, state-aid was reduced by the amount received for ESSER I. The district was also held harmless by the Texas Education Agency in fiscal year 2021, which means our reduction in student average daily attendance (ADA) was not applied to funding. If ESSER I did not occur and the state did not hold the district harmless, the district would have experienced a significant reduction in state-aid compared to the prior year.

The district is budgeting based on declining enrollment and future state funding reductions. Available federal funding through ESSER and other grants is being maximized to increase the district's fund balance to assist with future staffing and budgeting.

Investment earnings were down due to lower interest rates and reduction of capital project funds as bond projects wind down.

As shown in the *Statement of Activities* within Table II, the amount that taxpayers ultimately financed for these activities through district taxes was only \$20.8 million because the majority of the costs continue to be funded by the state.

### **General Fund Budgetary Highlights**

The Board of Trustees approved several budget amendments during the year. The most noteworthy amendments in the General Fund included a \$1.1 million dollar increase to the budget for the Horizon High School stadium project, including landscaping, entrance additions, and other upgrades. Various budget amendments at the functional level were completed throughout the year and approved by the school board to meet the needs of campuses and departments. These amendments did not increase the budget.

Additionally, the district increased the budget by \$7.5 million for various projects, including site improvements at several campuses, the replacement of running track surfaces, and a new softball field. These projects are still underway, mainly due to COVID-19 impacting the market, and the unexpended budgets are included in fiscal year 2022 budgets. The district did plan to reduce the fund balance to fund these projects.

Finally, the Child Nutrition Program budget was increased by \$946,000 to reduce excess fund balance. The planned expenditures included equipment, vehicles, replacement of fume hoods at campuses, and other small kitchen items. Similar to the general fund, the Child Nutrition Program has not completed all projects and purchases and will continue to expend balances in fiscal year 2022.



## **Capital Asset and Debt Administration**

### *Capital Assets*

At the end of 2021, the district had \$221 million invested in a broad range of capital assets, including land, facilities, vehicles, and other equipment for instruction, transportation, athletics, administration, and maintenance. The depreciation expense was \$9.2 million, with a net decrease in capital assets of \$2.3 million. The district continued to expend building bond proceeds, and most projects are completed or near completion. Additional information about the district's capital assets can be found in Note IV-D.

### *Debt*

At year-end, the district had \$181 million in bonds and accretion payable, inclusive of the unamortized premium on bonds, an increase of \$3.4 million over last year. The increase is due to the September 2020 bond refunding. The district refunded bonds for a savings to be recognized throughout the life of the bonds.

The district issued \$78 million in new bond debt during the fiscal year ended August 31, 2015. The bond funds have provided numerous repairs, renovations, and additions to school buildings. These projects have included safety and security vestibules and access control systems, classroom additions and expansions, roof repairs and replacements, heating and cooling upgrades and replacements, electrical and plumbing renovations, and other interior and exterior renovations. The majority are complete or near completion.

The district aggressively manages its debt and has refinanced or refunded portions of it to reduce the burden to taxpayers and the state. The district utilizes the Existing Debt Allotment and Instructional Facilities Allotment funding, which provides savings to the district and taxpayers.

The district credit ratings have remained favorable and have not decreased. The current Moody's credit rating is Aaa/A1, and the Fitch Rating is AA. Both parties note the district has a stable financial outlook, which is significant. It allows the district to sell and refund bonds in a more competitive market and realize potential interest rate savings, which are considered during budget and tax rate preparations.

Detailed information about the district's long-term liabilities is presented in Note IV-I and Note IV-J.

### **The District's Funds**

As the district completed the year, its general fund (as presented in the balance sheet on page 22) reported a fund balance of \$79.5 million, an increase of \$18.1 over last year's general fund balance. The increase is mainly attributed to the district reclassifying general fund expenditures to available ESSER II and III federal grants, realizing indirect costs on increased federal funding, mainly due to ESSER II and III grants, \$1.1 of insurance recoveries, and reimbursement of prior year expenditures through ESSER III. The district has implemented a planned fund balance program. Even though fund balance amounts have always been projected and available to ensure fiscal stability, a formal policy has been adopted. Available cash flow and reserves are imperative.

The district continues to use an allocation-based budgeting process. Allocation based budgeting has provided the district with consistent expenditures per pupil populations, attendance zones, and provides the district with an equitable and efficient budgeting process. The district has chosen this process to ensure budgeting practices to enhance the evaluation of the budget and educational performance. Budgets are monitored and reviewed on a monthly basis. Guidelines and procedures are in place to ensure federal, state, and local budget requirements are reviewed, monitored, and met.

## **Economic Factors and Next Year's Budget and Rates**

Many economic factors were considered in developing the budget and setting the tax rate for the 2021-2022 school year. Considerations include state and federal funding, property values, student enrollment, investment income, teacher shortages, staff retainage, and the economy are all factored into the decision-making process.

Fiscal year 2022 began with campuses reopening to 100% in-person instruction; however, safety protocols were implemented to help mitigate the effects of COVID-19. The safety of our students, staff and community remains the district's priority. To help in providing a high-quality education, the district has received federal funding and has implemented a plan to help address the learning loss and social-emotional needs many students are experiencing during this pandemic. The pandemic has created many challenges; however, the District's financial condition continues to be strong, and administration is confident in the resilience of its students and employees to provide a successful school year.

Student enrollment decreased over the last several years and is largely attributed to the economic condition of the area and the state. New housing construction is evident in several areas of the district, but remains slow. The district is projecting decreased enrollment for the next few years, and continues to monitor it but remains passive when estimating growth and revenue for budget purposes. Fiscal year 2021 student enrollment decreased by 555 students, and fiscal year 2022 had a much smaller enrollment decrease of 138 students. Providing facilities to accommodate growth and improvement of other facilities is imperative and continues to be a priority of the district but is not needed at this time. As one of the most property-poor districts in the state, the district has met bond obligations through maximizing funding and receiving state assistance through the Instructional Facilities Allotment and the Existing Debt Allotment programs. The Board of Trustees of the Clint Independent School District is committed to maximizing funding and maintaining a tax rate that meets debt obligations and budget requirements while not overburdening the taxpayers.

To maintain the district in a strong financial position, the goal of the Board shall be to maintain the fund balances of the general and debt service funds at an adequate level. Per Board Policy CE (Local), the level of fund balance shall protect the district against potential revenue shortfalls and shall provide operating funds until tax revenues are received. The level of adequacy in the general fund shall not be less than two months of operating expenditures per Board Policy CE (Local); however, the district meets the 90-day expectation of the School Financial Integrity Rating System of Texas (FIRST).

The district's financial position will continue to be a priority and includes consideration of employee compensation and benefits. The district continues to have a very competitive employee salary compensation plan. This allows the district to attract needed and qualified teachers to meet the instructional needs of the students.

## **Contacting the District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the district's finances and to show the district's accountability for the money it receives. If you have questions about this report or need additional financial information, please view the Transparency portion of our website at [www.clintweb.net](http://www.clintweb.net) or contact the district's Business Service Department (915) 925-4000 located at 14521 Horizon Blvd., El Paso, Texas.

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## **BASIC FINANCIAL STATEMENTS**

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

EXHIBIT A-1

Data Control Codes	Primary Government
	Governmental Activities
<b>ASSETS</b>	
1110 Cash and Cash Equivalents	\$ 62,418,532
1220 Property Taxes - Delinquent	4,737,692
1230 Allowance for Uncollectible Taxes	(3,146,001)
1240 Due from Other Governments	30,927,872
1290 Other Receivables, Net	14,073
1300 Inventories	217,224
Capital Assets:	
1510 Land	6,930,175
1520 Buildings, Net	197,198,434
1530 Furniture and Equipment, Net	11,421,490
1580 Construction in Progress	5,929,953
1800 Restricted Assets	6,051
1000 Total Assets	316,655,495
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
1701 Deferred Charge for Refunding	14,471,264
1705 Deferred Outflow Related to TRS Pension	12,892,793
1706 Deferred Outflow Related to TRS OPEB	6,632,689
1700 Total Deferred Outflows of Resources	33,996,746
<b>LIABILITIES</b>	
2110 Accounts Payable	1,970,483
2140 Interest Payable	207,740
2150 Payroll Deductions and Withholdings	916,178
2160 Accrued Wages Payable	4,274,476
2177 Due to Fiduciary Funds	35,677
2180 Due to Other Governments	1,283,274
2300 Unearned Revenue	44,968
Noncurrent Liabilities:	
2501 Due Within One Year: Bonds, Note, Leases, etc.	8,490,566
Due in More than One Year:	
2502 Bonds, Notes, Leases, etc.	172,961,488
2540 Net Pension Liability (District's Share)	31,793,851
2545 Net OPEB Liability (District's Share)	32,215,241
2000 Total Liabilities	254,193,942
<b>DEFERRED INFLOWS OF RESOURCES</b>	
2602 Deferred Gain on Refunding	347,562
2605 Deferred Inflow Related to TRS Pension	7,521,110
2606 Deferred Inflow Related to TRS OPEB	25,750,007
2600 Total Deferred Inflows of Resources	33,618,679
<b>NET POSITION</b>	
3200 Net Investment in Capital Assets	54,151,700
Restricted:	
3820 Restricted for Federal and State Programs	2,969,389
3850 Restricted for Debt Service	2,229,738
3860 Restricted for Capital Projects	2,314,186
3880 Restricted for Scholarships	67,689
3890 Restricted for Other Purposes	5,952
3900 Unrestricted	1,100,966
3000 Total Net Position	\$ 62,839,620

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

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

Data Control Codes	1	Program Revenues		6 Primary Gov. Governmental Activities
		3 Charges for Services	4 Operating Grants and Contributions	
	Expenses			Net (Expense) Revenue and Changes in Net Position
<b>Primary Government:</b>				
GOVERNMENTAL ACTIVITIES:				
11 Instruction	\$ 72,910,098	\$ 65,680	\$ 24,107,602	\$ (48,736,816)
12 Instructional Resources and Media Services	1,351,898	-	137,827	(1,214,071)
13 Curriculum and Instructional Staff Development	4,845,213	-	1,830,784	(3,014,429)
21 Instructional Leadership	3,327,554	-	683,527	(2,644,027)
23 School Leadership	7,872,718	-	895,041	(6,977,677)
31 Guidance, Counseling, and Evaluation Services	4,772,347	-	1,493,609	(3,278,738)
32 Social Work Services	234,234	-	29,632	(204,602)
33 Health Services	1,610,841	-	1,941,134	330,293
34 Student (Pupil) Transportation	4,928,706	-	508,482	(4,420,224)
35 Food Services	7,231,642	68,646	6,461,780	(701,216)
36 Extracurricular Activities	2,886,241	2,640	143,047	(2,740,554)
41 General Administration	3,586,451	-	3,054,094	(532,357)
51 Facilities Maintenance and Operations	15,434,985	9,761	1,095,485	(14,329,739)
52 Security and Monitoring Services	2,726,203	-	657,629	(2,068,574)
53 Data Processing Services	3,260,497	-	247,520	(3,012,977)
61 Community Services	261,603	-	143,555	(118,048)
72 Debt Service - Interest on Long-Term Debt	5,156,412	-	6,472,787	1,316,375
73 Debt Service - Bond Issuance Cost and Fees	943,005	-	-	(943,005)
81 Capital Outlay	54,160	-	-	(54,160)
99 Other Intergovernmental Charges	323,039	-	-	(323,039)
[TP] TOTAL PRIMARY GOVERNMENT:	<u>\$ 143,717,847</u>	<u>\$ 146,727</u>	<u>\$ 49,903,535</u>	<u>(93,667,585)</u>
Data Control Codes	General Revenues:			
	Taxes:			
MT	Property Taxes, Levied for General Purposes			15,745,346
DT	Property Taxes, Levied for Debt Service			5,075,773
SF	State Aid - Formula Grants			89,964,784
IE	Investment Earnings			95,259
MI	Miscellaneous Local and Intermediate Revenue			2,401,984
TR	Total General Revenues			<u>113,283,146</u>
CN	Change in Net Position			19,615,561
NB	Net Position - Beginning			43,190,183
PA	Prior Period Adjustment			33,876
NE	Net Position - Ending			<u>\$ 62,839,620</u>

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

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## **GOVERNMENTAL FUND FINANCIAL STATEMENTS**



CLINT INDEPENDENT SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
AUGUST 31, 2021

Data Control Codes	10 General Fund	ESSER II	ESSER III
<b>ASSETS</b>			
1110 Cash and Cash Equivalents	\$ 56,219,875	\$ -	\$ -
1220 Property Taxes - Delinquent	3,773,375	-	-
1230 Allowance for Uncollectible Taxes	(2,533,712)	-	-
1240 Due from Other Governments	18,501,423	8,186,010	2,991,204
1260 Due from Other Funds	14,359,952	-	-
1290 Other Receivables	14,036	-	-
1300 Inventories	217,224	-	-
1800 Restricted Assets	-	-	-
1000 Total Assets	<u>\$ 90,552,173</u>	<u>\$ 8,186,010</u>	<u>\$ 2,991,204</u>
<b>LIABILITIES</b>			
2110 Accounts Payable	\$ 1,938,221	\$ -	\$ -
2150 Payroll Deductions and Withholdings Payable	305,103	611,075	-
2160 Accrued Wages Payable	4,274,476	-	-
2170 Due to Other Funds	3,411,553	7,574,935	2,991,204
2180 Due to Other Governments	-	-	-
2300 Unearned Revenue	24,349	-	-
2000 Total Liabilities	<u>9,953,702</u>	<u>8,186,010</u>	<u>2,991,204</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
2601 Unavailable Revenue - Property Taxes	1,016,928	-	-
2600 Total Deferred Inflows of Resources	<u>1,016,928</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>			
Nonspendable Fund Balance:			
3410 Inventories	75,913	-	-
3445 Other Non-Spendable Fund Balance	-	-	-
Restricted Fund Balance:			
3450 Federal or State Funds Grant Restriction	2,879,881	-	-
3470 Capital Acquisition and Contractual Obligation	-	-	-
3480 Retirement of Long-Term Debt	-	-	-
3490 Other Restricted Fund Balance	-	-	-
Committed Fund Balance:			
3545 Other Committed Fund Balance	-	-	-
Assigned Fund Balance:			
3550 Construction	15,207,110	-	-
3570 Capital Expenditures for Equipment	7,287,681	-	-
3600 Unassigned Fund Balance	54,130,958	-	-
3000 Total Fund Balances	<u>79,581,543</u>	<u>-</u>	<u>-</u>
4000 Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 90,552,173</u>	<u>\$ 8,186,010</u>	<u>\$ 2,991,204</u>

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

Other Funds		Total Governmental Funds	
\$	6,198,657	\$	62,418,532
	964,317		4,737,692
	(612,289)		(3,146,001)
	1,249,235		30,927,872
	111,707		14,471,659
	37		14,073
	-		217,224
	6,051		6,051
\$	7,917,715	\$	109,647,102
\$	32,262	\$	1,970,483
	-		916,178
	-		4,274,476
	1,566,828		15,544,520
	1,283,274		1,283,274
	20,619		44,968
	2,902,983		24,033,899
	280,226		1,297,154
	280,226		1,297,154
	-		75,913
	5,000		5,000
	89,508		2,969,389
	2,314,186		2,314,186
	2,157,252		2,157,252
	68,641		68,641
	99,919		99,919
	-		15,207,110
	-		7,287,681
	-		54,130,958
	4,734,506		84,316,049
\$	7,917,715	\$	109,647,102

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

EXHIBIT C-2

<b>Total Fund Balances - Governmental Funds</b>	<b>\$ 84,316,049</b>
1 The District uses an internal service fund to charge the costs of self-insurance for workers' compensation to appropriate functions in other funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position. The net effect of this consolidation is to increase net position.	1,037,184
2 Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. At the beginning of the year, the cost of these assets was \$320,523,406 and the accumulated depreciation was (\$96,685,968). In addition, long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore are not reported as liabilities in the funds. The net effect of including the beginning balances for capital assets (net of depreciation) and long-term debt in the governmental activities is to increase net position.	49,837,003
3 Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of including the 2021 capital outlays and debt principal payments is to increase net position.	13,405,388
4 Included in the items related to debt is the recognition of the District's proportionate share of the net pension liability required by GASB 68. The net position related to TRS included a deferred resource outflow in the amount of \$12,892,793, a deferred resource inflow in the amount of \$7,521,110 and a net pension liability in the amount of \$31,793,851. This resulted in a decrease in net position.	(26,422,168)
5 Included in the items related to debt is the recognition of the District's proportionate share of the net OPEB liability required by GASB 75. The net position related to TRS-Care included a deferred resource outflow in the amount of \$6,632,689, a deferred resource inflow in the amount of \$25,750,007 and a net OPEB liability in the amount of \$32,215,241. This resulted in a decrease in net position.	(51,332,559)
6 The 2021 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position.	(9,298,431)
7 Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unavailable revenue from property taxes as revenue, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase net position.	1,297,154
<b>19 Net Position of Governmental Activities</b>	<b>\$ 62,839,620</b>

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

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

Data Control Codes	10 General Fund	ESSER II	ESSER III
REVENUES:			
5700 Total Local and Intermediate Sources	\$ 18,416,712	\$ -	\$ 10,000
5800 State Program Revenues	94,547,664	-	-
5900 Federal Program Revenues	14,750,276	8,673,170	4,454,712
5020 Total Revenues	127,714,652	8,673,170	4,464,712
EXPENDITURES:			
Current:			
0011 Instruction	50,614,991	8,673,170	3,536,872
0012 Instructional Resources and Media Services	1,229,402	-	13,318
0013 Curriculum and Instructional Staff Development	2,983,599	-	106,659
0021 Instructional Leadership	2,724,840	-	43,726
0023 School Leadership	7,086,413	-	102,487
0031 Guidance, Counseling, and Evaluation Services	3,231,520	-	58,115
0032 Social Work Services	209,818	-	4,098
0033 Health Services	1,315,611	-	172,486
0034 Student (Pupil) Transportation	3,511,124	-	80,963
0035 Food Services	6,917,930	-	-
0036 Extracurricular Activities	2,702,061	-	3,330
0041 General Administration	3,316,341	-	31,233
0051 Facilities Maintenance and Operations	14,843,307	-	173,653
0052 Security and Monitoring Services	1,909,623	-	55,839
0053 Data Processing Services	3,032,903	-	77,835
0061 Community Services	118,644	-	4,098
Debt Service:			
0071 Principal on Long-Term Debt	-	-	-
0072 Interest on Long-Term Debt	-	-	-
0073 Bond Issuance Cost and Fees	-	-	-
Capital Outlay:			
0081 Facilities Acquisition and Construction	3,491,750	-	-
Intergovernmental:			
0099 Other Intergovernmental Charges	323,039	-	-
6030 Total Expenditures	109,562,916	8,673,170	4,464,712
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	18,151,736	-	-
OTHER FINANCING SOURCES (USES):			
7901 Refunding Bonds Issued	-	-	-
7916 Premium or Discount on Issuance of Bonds	-	-	-
8940 Payment to Bond Refunding Escrow Agent (Use)	-	-	-
7080 Total Other Financing Sources (Uses)	-	-	-
1200 Net Change in Fund Balances	18,151,736	-	-
0100 Fund Balance - September 1 (Beginning)	61,429,807	-	-
1300 Prior Period Adj. - Increase in Fund Balance	-	-	-
3000 Fund Balance - August 31 (Ending)	\$ 79,581,543	\$ -	\$ -

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

	Other Funds	Total Governmental Funds
\$	5,350,155	\$ 23,776,867
	6,888,285	101,435,949
	8,199,188	36,077,346
	20,437,628	161,290,162
	5,405,530	68,230,563
	4,572	1,247,292
	1,445,560	4,535,818
	312,102	3,080,668
	31,551	7,220,451
	1,146,855	4,436,490
	-	213,916
	-	1,488,097
	336,650	3,928,737
	40,000	6,957,930
	134,889	2,840,280
	-	3,347,574
	1,264,950	16,281,910
	354,663	2,320,125
	-	3,110,738
	123,424	246,166
	6,255,300	6,255,300
	6,302,610	6,302,610
	943,005	943,005
	82,245	3,573,995
	-	323,039
	24,183,906	146,884,704
	(3,746,278)	14,405,458
	78,359,890	78,359,890
	18,746,538	18,746,538
	(96,169,273)	(96,169,273)
	937,155	937,155
	(2,809,123)	15,342,613
	7,509,753	68,939,560
	33,876	33,876
\$	4,734,506	\$ 84,316,049

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

EXHIBIT C-4

<b>Total Net Change in Fund Balances - Governmental Funds</b>	<b>\$ 15,342,613</b>
The District uses an internal service fund to charge the costs of self-insurance for workers' compensation to appropriate functions in other funds. The net income of internal service funds is reported with governmental activities. The net effect of this consolidation is to increase net position.	72,754
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of removing the 2021 capital outlays and debt principal payments is to increase net position.	13,405,388
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net position.	(9,298,431)
GASB 68 required that certain plan expenditures be de-expended and recorded as deferred resource outflows. The contributions made after the measurement date of the plan caused the change in ending net position to increase by \$3,269,568. Contributions made before the measurement date and during the previous fiscal year were also expended and recorded as a reduction in net pension liability. This caused a decrease in the change in net position totaling \$2,449,353. Finally, the proportionate share of the TRS pension expense on the plan as a whole had to be recorded. The net pension expense decreased the change in net position by \$1,895,814. The net result is a decrease in the change in net position.	(1,075,599)
GASB 75 required that certain plan expenditures be de-expended and recorded as deferred resource outflows. The contributions made after the measurement date of the plan caused the change in ending net position to increase by \$802,939. Contributions made before the measurement date and during the previous fiscal year were also expended and recorded as a reduction in net OPEB liability. This caused a decrease in the change in net position totaling \$644,118. Finally, the proportionate share of the TRS OPEB expense on the plan as a whole had to be recorded. The net OPEB expense increased the change in net position by \$1,102,714. The net result is an increase in the change in net position.	1,261,535
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unavailable revenue from property taxes as revenue, adjusting current year revenue to show the revenue earned from the current year's tax levy, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to decrease net position.	(92,699)
<b>Change in Net Position of Governmental Activities</b>	<b>\$ 19,615,561</b>

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

## **PROPRIETARY FUND FINANCIAL STATEMENTS**



CLINT INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
AUGUST 31, 2021

	Governmental Activities -
	Internal Service Fund
ASSETS	
Current Assets:	
Due from Other Funds	\$ 1,037,184
Total Assets	1,037,184
NET POSITION	
Unrestricted Net Position	1,037,184
Total Net Position	\$ 1,037,184

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

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

	Governmental Activities -
	Internal Service Fund
OPERATING REVENUES:	
Local and Intermediate Sources	\$ 794,270
Total Operating Revenues	794,270
OPERATING EXPENSES:	
Other Operating Costs	721,516
Total Operating Expenses	721,516
Operating Income	72,754
Total Net Position - September 1 (Beginning)	964,430
Total Net Position - August 31 (Ending)	\$ 1,037,184

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

CLINT INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2021

EXHIBIT D-3

	Governmental Activities -
	Internal Service Fund
<u>Cash Flows from Operating Activities:</u>	
Cash Received from Assessments - Other Funds	\$ 794,270
Cash Payments for Insurance Claims	<u>(794,270)</u>
Net Cash Provided by Operating Activities	<u>-</u>
Net Increase in Cash and Cash Equivalents	-
Cash and Cash Equivalents at Beginning of Year	<u>-</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ -</u></u>
<u>Reconciliation of Operating Income to Net Cash</u>	
<u>Provided by Operating Activities:</u>	
Operating Income:	\$ 72,754
Effect of Increases and Decreases in Current Assets and Liabilities:	
Increase in Due From Other Funds	<u>(72,754)</u>
Net Cash Provided by Operating Activities	<u><u>\$ -</u></u>

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

## **FIDUCIARY FUND FINANCIAL STATEMENTS**

CLINT INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
AUGUST 31, 2021

	Total Custodial Funds
<hr/>	
ASSETS	
Cash and Cash Equivalents	\$ 367,103
Due from Other Funds	35,677
	<hr/>
Total Assets	402,780
	<hr/>
NET POSITION	
Restricted for Individuals and Organizations	402,780
	<hr/>
Total Net Position	\$ 402,780
	<hr/> <hr/>

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

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

	Total Custodial Funds
<b>ADDITIONS:</b>	
Contributions to Student Groups	\$ 17,208
Enterprising Services Revenue	117,376
Earnings from Temporary Deposits	300
Contributions, Gifts and Donations	40,103
Total Additions	<u>174,987</u>
<b>DEDUCTIONS:</b>	
Material, Supplies and Misc.	199,520
Payment of Sales Tax Collected	533
Total Deductions	<u>200,053</u>
Change in Fiduciary Net Position	(25,066)
Total Net Position - September 1 (Beginning)	-
Prior Period Adjustment	<u>427,846</u>
Total Net Position - August 31 (Ending)	<u><u>\$ 402,780</u></u>

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

# CLINT INDEPENDENT SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2021

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### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Clint Independent School District (the "District") is a public educational agency operating under the applicable laws and regulations of the State of Texas. It is governed by a seven member Board of Trustees (the "Board") elected by registered voters of the District. The District prepares its basic financial statements in conformity with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board and it complies with the requirements of the appropriate version of Texas Education Agency's *Financial Accountability System Resource Guide* (the "Resource Guide") and the requirements of contracts and grants of agencies from which it receives funds.

#### A. Reporting Entity

Because the Board of Trustees (the "Board") is elected by the public; has the authority to make decisions, appoint administrators and managers, and significantly influence operations; and has the primary accountability for fiscal matters; the District is not included in any other governmental "reporting entity" as defined by the Governmental Accounting Standards Board ("GASB"). There are no component units included within the reporting entity.

#### B. Government-wide and Fund Financial Statements

The Statement of Net Position and the Statement of Activities are government-wide financial statements. They report information on all of the District's nonfiduciary activities with most of the interfund activities removed. *Governmental activities* include programs supported primarily by taxes, charges to school districts for services, state funds, grants and other intergovernmental revenues.

In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. This separate financial statement category 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 that time. For pensions and OPEB, these outflows result from pension plan and OPEB contributions made after the measurement date of the net pension and OPEB liabilities, net differences between projected and actual investment earnings, changes in actuarial assumptions, differences between expected and actual economic experiences, and changes in the District's proportionate share of net pension and OPEB liabilities. The deferred outflows of resources related to pensions and OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension and OPEB liabilities in the next fiscal year. The other pension and OPEB related deferred outflows will be amortized over a systematic and rational method over a closed period.

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement category represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. For pensions and OPEB, these inflows result from net pension plan and OPEB changes in actuarial assumptions, differences between expected and actual economic experiences, and changes in the District's proportionate share of net pension and OPEB liabilities. These deferred inflows will be amortized over a systematic and rational method over a closed period.

(Continued)

# CLINT INDEPENDENT SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2021

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### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The fiduciary net position of the Teacher Retirement System of Texas (TRS) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net 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. The Plan's fiduciary net position has been determined on the same basis as that used by the Plan. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

The Statement of Activities demonstrates how other people or entities that participate in programs the District operates have shared in the payment of the direct costs. The "charges for services" column includes payments made by parties that purchase, use, or directly benefit from goods or services provided by a given function or segment of the District. Examples include transcripts, staff development, use of facilities, etc. The "grants and contributions" columns include amounts paid by organizations outside the District to help meet the operational or capital requirements of a given function. Examples include grants under the Elementary and Secondary Education Act. If a revenue is not a program revenue, it is a general revenue used to support all of the District's functions. Taxes are always general revenues.

Interfund activities between governmental funds and between governmental and proprietary funds appear as due to or due from on the Governmental Fund Balance Sheet and Proprietary Fund Statement of Net Position and as other resources and other uses on the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance and on the Proprietary Fund Statement of Revenues, Expenses, and Changes in Fund Net Position. All interfund transactions between governmental funds and between governmental and internal service funds are eliminated on the government-wide statements. Interfund activities between governmental funds and fiduciary funds remain as due to or due from on the government-wide Statement of Net Position.

The fund financial statements provide reports on the financial condition and results of operations for three fund categories - governmental, proprietary, and fiduciary. Since the resources in the fiduciary funds cannot be used for District operations, they are not included in the government-wide statements. The District considers some governmental funds as major and reports their financial condition and results of operations in a separate column.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All other revenues and expenses are nonoperating.

(Continued)



# CLINT INDEPENDENT SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2021

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### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements use the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets, deferred outflows of resources, current liabilities, deferred inflows of resources, and fund balances are included on the balance sheet. Operating statements of these funds present net increases and decreases in current assets (i.e., revenues and other financing sources and expenditures and other financing uses).

The modified accrual basis of accounting recognizes revenues in the accounting period in which they become both measurable and available, and it recognizes expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest and principal on long-term debt, which is recognized when due. The expenditures related to certain compensated absences and claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources. The District considers all revenues available if they are collectible within 60 days after year end, except as noted below.

Revenues from local sources consist primarily of property taxes, fees for services provided to other districts, and investment income. Revenues received from the State are recognized under the susceptible -to- accrual concept. The District considers property tax revenue available if they expect the revenue to be collected within 60 days of the end of the fiscal year. State revenues received under the District's existing debt allotment and instructional facilities allotment are considered available if received within 120 days of the end of the fiscal year because adjustments to these allotments typically occur between the 90-120 day mark. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available.

Unavailable revenue from property taxes arises only under the modified accrual basis of accounting. The governmental funds report this unavailable revenue as a deferred inflow of resources and recognize revenue in the period that the amounts become available.

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

(Continued)

# CLINT INDEPENDENT SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2021

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### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Proprietary Fund Types and Fiduciary Funds are accounted for on a flow of economic resources measurement focus and utilize the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred and become measurable. With this measurement focus, all assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of these funds are included on the fund Statement of Net Position. The fund equity is segregated into net investment in capital assets, restricted, and unrestricted.

#### D. Fund Accounting

The District reports the following major governmental funds:

1. General Fund – The general fund is the District's primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund.
2. ESSER II – The District accounts for additional stimulus funding granted to local educational agencies through the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act. Funds are restricted to support the District's ability to operate, instruct its students, address learning loss, prepare schools for reopening, test, repair and upgrade projects to improve air quality in school buildings during the coronavirus pandemic.
3. ESSER III – The District accounts for federal stimulus funds granted to local educational agencies through the American Rescue Plan (ARP) Act. Funds are restricted to support the District's ability to address learning loss and the disproportionate impact of the coronavirus on certain student subgroups, identify and provide homeless children and youth with services in light of challenges of COVID-19, and to enable homeless children and youth to attend school and participate fully in school activities.

Additionally, the District reports the following fund types:

#### GOVERNMENTAL FUNDS:

4. Special Revenue Funds – The District accounts for resources restricted to, or designated for, specific purposes by a grantor in a special revenue fund. Most Federal and State financial assistance is accounted for in a Special Revenue Fund, and sometimes unused balances must be returned to the grantor at the close of specified project periods.
5. Debt Service Fund – The District accounts for resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds in a debt service fund. This is a budgeted fund and separate bank accounts are maintained.
6. Capital Projects Fund - The proceeds from long-term debt financing and revenues and expenditures related to authorized acquisition, construction, or renovations as well as furnishing and equipping capital facilities are accounted for in a capital projects fund.

(Continued)

# CLINT INDEPENDENT SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2021

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### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

7. Permanent Funds – The District accounts for donations for which the donor has stipulated that the principal may not be expended and where the income may only be used for purposes that support the District's programs. The District's permanent fund is the David Cramer Memorial Scholarship Fund.

#### PROPRIETARY FUNDS:

8. Enterprise Funds - The District has no Enterprise Funds.
9. Internal Service Funds – Revenues and expenses related to services provided to organizations inside the District on a cost reimbursement basis are accounted for in an internal service fund. The District's internal service fund is the Workers' Compensation fund for its partially self-funded worker's compensation program.

#### FIDUCIARY FUNDS:

10. Private Purpose Trust Funds - The District has no private purpose trust funds.
11. Pension (and Other Employee Benefit) Trust Funds - The District has no pension trust funds.
12. Investment Trust Fund - The District has no investment trust funds.
13. Custodial Funds – The District accounts for resources held for others in a custodial capacity in custodial funds. The District's Custodial Funds are the Student Activity Account and the Sunshine Account.

### E. Other Accounting Policies

1. For purposes of the statement of cash flows for proprietary and similar fund-types, the District considers highly liquid investments to be cash equivalents if they have a maturity of three months or less when purchased.
2. Investments with an original maturity greater than one year from date of purchase are stated at fair value based on quoted market prices as of year end. Investments with an original maturity of less than one year are reported at amortized cost.
3. The funds of the District must be deposited and invested under the terms of a contract, contents of which are set out in the **Depository Contract Law**. The depository bank places approved pledged securities for safekeeping and trust with the District's agent bank in an amount sufficient to protect District funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

(Continued)

# CLINT INDEPENDENT SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2021

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### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

***Credit Risk:***

Deposits - This is not applicable to the District.

Temporary Investments - To limit the risk that an issuer or other counterparty to an investment will not fulfill its obligations, the District limits investments in commercial paper, corporate bonds, mutual bond funds, public funds investment pools to those that have received top ratings issued by nationally recognized statistical rating organizations (NRSROs).

***Custodial Credit Risk :***

Deposits - State law requires governmental entities to contract with financial institutions in which funds will be deposited to secure those deposits with insurance or pledged securities with a fair value equaling or exceeding the amount on deposit at the end of each business day. Since the District complies with this law, it has minimal custodial credit risk for deposits.

Temporary Investments - To limit the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in possession of an outside party, the District requires counterparties to register the securities in the name of the District and hand them over to the District or its designated agent. This includes securities in securities lending transactions. Investment pools are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book-entry form.

(Continued)

# CLINT INDEPENDENT SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2021

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### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### ***Concentration of Credit Risk :***

Deposits - This is not applicable to the District.

Temporary Investments - To limit the risk of loss attributed to the magnitude of a government's investment in a single issuer, the District's policy states that the portfolio must be diversified. Concentration of credit risk is not applicable to investment pools since the purpose of these pools is to diversify the District's investment portfolio.

#### ***Interest Rate Risk:***

Deposits - This is not applicable to the District.

Temporary Investments - To limit the risk that changes in interest rates will adversely affect the fair value of the investments, the District requires its investment portfolio to have maturities of less than one year on a weighted average maturity (WAM) basis.

#### ***Foreign Currency Risk:***

Deposits - The District attempts to limit the risk that changes in exchange rates will adversely affect a deposit by avoiding deposits denominated in a foreign currency.

Temporary and Long-term Investments - The District attempts to limit the risk that changes in exchange rates will adversely affect the fair value of an investment by avoiding investment pools or securities which are denominated in a foreign currency.

6. Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the District in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 31 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available (1) when they become due or past due and receivable within the current period and (2) when they are expected to be collected during a 60-day period after the close of the school fiscal year.
7. Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. Allowances for uncollectible tax receivables within the General and Debt Service Funds are based on historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

(Continued)

# CLINT INDEPENDENT SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2021

### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

8. Inventories of supplies on the balance sheet are stated at weighted average cost and they include consumable maintenance, instructional, office, athletic, child nutrition and transportation items. Supplies are recorded as expenditures when they are consumed. Inventories of food commodities are recorded at market values supplied by the Texas Department of Agriculture (TDA). Although commodities are received at no cost, their fair market value is supplied by the TDA and should be recorded as inventory and unearned revenue when received. When requisitioned, inventory and unearned revenue are relieved, expenditures are charged and revenue is recognized for an equal amount.
9. In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type Statement of Net Position. Premiums and discounts are presented as a component of liabilities while deferred charges on refundings are presented as deferred outflows of resources. Both items are deferred and amortized over the life of the related debt using the straight line method. Long-term debt is reported net of the applicable premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts as well as bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported 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.

10. Capital assets, which include land, buildings and furniture and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life extending beyond a single reporting period. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

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. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Buildings, furniture and equipment of the District are depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Buildings	30-50
Building Improvements	15-20
Vehicles	8-10
Office Equipment	5-15
Furniture and Fixtures	5

(Continued)

# CLINT INDEPENDENT SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2021

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### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

11. The restricted assets presented on the balance sheet represent the restricted cash held for scholarships in the permanent fund.
12. The District does not pay for accrued sick leave or vacation leave upon retirement or termination.
13. The District revised its policy August 13, 2015 to pay any accumulated compensated absences by the end of each fiscal year. Beginning with fiscal year 2015, payment will be made only upon departure from the District or with a cabinet member's approval. Management believes the balance of accrued compensated absences at August 31, 2021 is immaterial in relation to the financial statements taken as a whole and as such, has elected not to accrue a liability.
14. Net Position on the Statement of Net Position includes the following:

*Net Investment in Capital Assets* - this component of net position consists of capital assets, net accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt will be included in this component of net position.

*Restricted for Federal and State Programs* - this component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets, which are restricted by federal and state granting agencies.

*Restricted for Debt Service* - this component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. The assets arise from bond issuances which have constraints placed on them by the bond covenants for the purpose of future debt service payments.

*Restricted for Capital Projects* - this component of net position consists of restricted assets reduced by liabilities and unamortized premiums related to those assets. The assets arise from bond issuances, more specifically Series 2015 Building Bonds, which have constraints placed on them by the bond covenants for the purpose acquiring capital assets as detailed in the bond official statements.

*Restricted for Scholarships* - this component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets, which are restricted by external parties.

*Restricted for Other Purposes* - this component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets, which are restricted by external parties other than federal or state agencies.

(Continued)

# CLINT INDEPENDENT SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2021

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### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

*Unrestricted Net Position* - this component of net position is the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

15. The District reports the following fund balance categories which describe the relative strength of the spending constraints:

- **Nonspendable fund balance** - Represents amounts that are not in spendable form, such as inventory, or are required to be maintained intact.
- **Restricted fund balance** - Represents amounts constrained to specific purposes by their providers, such as grantors, bondholders, and higher levels of government, through constitutional provisions, or by enabling legislation, including immaterial amounts related to nonspendable inventory for the child nutrition program.
- **Committed fund balance** - Represents amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority, i.e., Board of Trustees. To be reported as committed, amounts cannot be used for any other purpose unless the District's Board of Trustees approves the changes by Board Resolution.
- **Assigned fund balance** - Represents amounts the District intends to use for a specific purpose. Intent can be expressed by the Superintendent or his designee as named in the Board Resolution dated July 27, 2011.
- **Unassigned fund balance** - Represents amounts that are available for any purpose. Positive amounts are reported only in the general fund.

The Board of Trustees establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as commitments of the fund (such as for special incentives). Assigned fund balance is established by the Superintendent or his designee.

When an expenditure is incurred for purposes for which both restricted and unrestricted net position/fund balance is available, the District considers restricted funds to have been spent first unless unrestricted assets will have to be returned because they were not used. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Trustees have provided otherwise in their commitment or assignment actions.

In fiscal year 2014, the Board of Trustees adopted a minimum fund balance policy for the General Fund which indicates that the District shall strive to maintain a fund balance of at least two months of operating expenditures.

(Continued)



# CLINT INDEPENDENT SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2021

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### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

16. In the fund financial statements, certain governmental funds report restrictions of the entire fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Since the entire fund balance is restricted for these funds, all assets are in essence restricted for their specified purpose.
  17. Since Internal Service Funds support the operations of governmental funds, they are consolidated with the governmental funds in the government - wide financial statements. The expenditures of governmental funds that create the revenues of internal service funds are eliminated to avoid "grossing up" the revenues and expenses of the District as a whole.
  18. The District co-sponsors a self-insured plan to provide workers' compensation benefits to employees. Revenues of this Internal Service Fund are received from both the General and Special Revenue Funds. Expenses are comprised of professional services paid to the Plan Supervisor. These costs provide for the administration of claims, loss control, record keeping and the Cost of Excess Insurance. The Plan Supervisor charges a fixed cost based upon estimated payroll figures which are subsequently adjusted when actual payroll figures are available. The General Fund is contingently liable for liabilities of these funds.
  19. The Data Control Codes refer to the account code structure prescribed by TEA in the ***Financial Accountability System Resource Guide***. Texas Education Agency requires school districts to display these codes in the financial statements filed with the Agency in order to insure accuracy in building a statewide database for policy development and funding plans.
  20. In accordance with the Resource Guide, the District has adopted and installed an accounting system which meets at least the minimum requirements prescribed by the Texas State Board of Education and approved by the State Auditor. Specifically, the District's accounting system uses codes and the code structure presented in the Resource Guide. Mandatory codes are recorded in the order provided in the Resource Guide.
  21. The District receives substantial amounts of funding from special revenue sources. The majority of this money is cost reimbursement to the District by the federal government or Texas Education Agency. The portion of revenue allowable for indirect cost is credited as revenue to the General Fund and as a reduction to revenue in the Special Revenue Fund or Food Service, as appropriate. These indirect costs are then fully allocated to function 41, General Administration, on the Government-Wide Statement of Activities.
  22. Preparation of these financial statements in conformity with generally accepted accounting principles requires the use of management's estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities and deferred inflows at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.
- F. The District implemented GASB Statement No. 84, *Fiduciary Activities*, which establishes criteria for identifying fiduciary activities of all state and local governments.

(Continued)

# CLINT INDEPENDENT SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2021

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### II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

#### A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position

Exhibit C-2 provides the reconciliation between the fund balance for total governmental funds on the governmental fund balance sheet and the net position for governmental activities as reported in the government-wide Statement of Net Position. One element of that reconciliation explains that capital assets are not financial resources and are therefore not reported in governmental funds. In addition, long-term liabilities, including bonds payable and the District's proportionate share of the net pension and OPEB liabilities are not due and payable in the current period and are not reported as liabilities in the funds.

#### B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities

Exhibit C-4 provides a reconciliation between the net changes in fund balance as shown on the governmental fund statement of revenues, expenditures, and changes in fund balances and the changes in Net Position of governmental activities as reported on the government-wide statement of activities. One element of that reconciliation explains that current year capital outlays and debt principal payments are expenditures in the fund financial statements, but should be shown as increases in capital assets and decreases in long-term debt in the government-wide statements. This adjustment affects both net position and the change in net position.

Another element of the reconciliation on Exhibit C-4 is described as various other reclassifications and eliminations necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. This adjustment is the result of several items. In addition, certain pension and OPEB expenditures were de-expended, and the District recorded their proportionate share of the pension and OPEB expense.

(Continued)

# CLINT INDEPENDENT SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2021

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### III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

#### A. Budgetary Data

The Board of Trustees adopts an "appropriated budget" for the General Fund, Debt Service Fund and the Child Nutrition Program (which is included in the General Fund). The District is required to present the adopted and final amended budgeted revenues and expenditures for each of these funds. The District compares the final amended budget to actual revenues and expenditures. The General Fund Budget report appears in Exhibit G-1 and the Child Nutrition Program and the Debt Service Fund reports appear in Exhibit J-2 and J-3, respectively.

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

1. Prior to August 20 the District prepares a budget for the next succeeding fiscal year beginning September 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Board is then called for the purpose of adopting the proposed budget. At least ten days' public notice of the meeting must be given.
3. Prior to September 1, the budget is legally enacted through passage of a resolution by the Board. Once a budget is approved, it can only be amended at the function and fund level by approval of a majority of the members of the Board. Amendments are presented to the Board at its regular meetings. Each amendment must have Board approval. As required by law, such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year end. Because the District has a policy of careful budgetary control, a few amendments were necessary during the year.
4. Each budget is controlled by the budget coordinator at the revenue and expenditure function/object level. Budgeted amounts are as amended by the Board. All budget appropriations lapse at year end.
5. Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under Texas law, appropriations lapse at August 31, and encumbrances outstanding at that time are to be either canceled or appropriately provided for in the subsequent year's budget.

(Continued)

# CLINT INDEPENDENT SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2021

### IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

#### A. Deposits and Investments

At August 31, 2021, the carrying amount of the District's deposits in the general fund, major, and nonmajor governmental funds (including restricted cash of \$6,051), internal service funds, and custodial funds were \$3,658,370 and the total bank balance was \$5,727,738. The District's cash deposits at August 31, 2021 and during the year ended August 31, 2021 were fully insured by federal depository insurance or pledged collateral held by the District's agent bank in the District's name. In addition, the following is disclosed regarding coverage of combined balances on the date of highest deposit:

- a. Depository: **WestStar Bank.**
- b. The market value of securities pledged as of the date of the highest combined balance on deposit was \$10,375,279.
- c. The highest combined balances of cash, savings, and time deposit accounts amounted to \$9,789,141 and occurred during the month of December 2020.
- d. Total amount of FDIC coverage at the time of the largest combined balance was \$250,000.

Due to the immediate availability of the funds, the District's temporary investments at August 31, 2021 are included in cash and cash equivalents and are shown below at fair value, which approximates the value of the pool shares:

	Governmental Activities		Total Governmental Activities	S&P Rating/ WAM
	General Fund	Nonmajor Governmental Funds		
<u>Temporary Investments</u>				
Lone Star Investment Pool				
Corporate Overnight Plus				AAAf
Fund at fair value:	\$ 53,148,617	\$ 5,984,699	\$ 59,133,316	75 Days
Total at fair value	<u>\$ 53,148,617</u>	<u>\$ 5,984,699</u>	<u>\$ 59,133,316</u>	

The Lone Star Investment Pool is a member owned, member-governed public funds investment pool. It is managed by an eleven-member Board of Trustees and the Board is authorized to adopt and maintain bylaws. There is also an Advisory Board composed of participants that gathers and exchanges information from participants relating to the operation of the Pool. Lone Star issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by calling Lone Star at 1-800-558-8875. For the pool measured at amortized cost, management is not aware of the presence of any limitations or restrictions on withdrawals such as redemption notice periods, maximum transaction amounts, or the investment pool's authority to impose liquidity fees or redemption gates.

(Continued)

# CLINT INDEPENDENT SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2021

### IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

#### B. 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. A majority of the federal grants are passed through the Texas Education Agency (TEA). In addition, the District receives entitlements from the State through the Foundation School and Per Capita Programs. TEA funds the District based on estimated average daily attendance (ADA) and begins payment each September through July for the District. Amounts due at August 31, 2021 from TEA through the Foundation and Per Capita Programs are based on projected ADA and the number of school days in July 2021 and August 2021 for the 2021-2022 school year. Amounts due from federal and state governments as of August 31, 2021, are summarized below.

	General Fund	ESSER II	ESSER III	Nonmajor Governmental Funds	Total
State and Local Entitlements	\$ 6,304,395	\$ -	\$ -	\$ 91,405	\$ 6,395,800
Federal Grants	12,197,028	8,186,010	2,991,204	1,157,830	24,532,072
Total	<u>\$ 18,501,423</u>	<u>\$ 8,186,010</u>	<u>\$ 2,991,204</u>	<u>\$ 1,249,235</u>	<u>\$ 30,927,872</u>

#### C. Interfund Balances and Transfers

Interfund balances at August 31, 2021 consisted of the following individual fund balances:

	Due from Other Funds	Due to Other Funds
General Fund:		
General Fund	\$ 2,286,793	\$ 2,286,793
ESSER II	7,574,935	-
ESSER III	2,991,204	-
Nonmajor Governmental Funds	1,507,020	87,576
Internal Service Fund	-	1,037,184
General Fund Total	<u>14,359,952</u>	<u>3,411,553</u>
ESSER II:		
General Fund	-	7,574,935
ESSER III:		
General Fund	-	2,991,204
Nonmajor Governmental Funds:		
General Fund	87,576	1,507,020
Nonmajor Governmental Funds	-	24,131
Fiduciary Fund	24,131	35,677
Nonmajor Governmental Funds Total	<u>111,707</u>	<u>1,566,828</u>

(Continued)

**CLINT INDEPENDENT SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

AUGUST 31, 2021

**IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)**

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Internal Service Fund		
General Fund	<u>1,037,184</u>	<u>-</u>
Fiduciary Fund:		
Nonmajor Governmental Funds	<u>35,677</u>	<u>-</u>
Total	<u><u>\$ 15,544,520</u></u>	<u><u>\$ 15,544,520</u></u>

Interfund balances are a result of normal operations and are eliminated periodically. Management intends to pay out these balances within one year with the exception of interfund balances in the Internal Service Fund. This is because the Internal Service Fund does not have its own bank account. The balance will only be cleared out if the Internal Service Fund is terminated.

Interfund transfers generally fall within two categories: (1) transfers to the Child Nutrition Program because of excess revenue from the Summer Feeding Program, and (2) transfers to cover operating expenditures/deficits in accordance with District policy or legal requirements. There were no interfund transfers for the year ended August 31, 2021.

**D. Capital Asset Activity**

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

	<u>Primary Governments</u>			
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions and Reclassifications</u>	<u>Ending Balance</u>
<u>Governmental activities:</u>				
Land	\$ 6,930,175	\$ -	\$ -	\$ 6,930,175
Buildings and improvements	275,346,356	1,089,587	7,241,364	283,677,307
Furniture and equipment	29,891,099	1,035,917	(456,817)	30,470,199
Construction in progress	8,355,776	4,815,541	(7,241,364)	5,929,953
Totals at historical cost	320,523,406	6,941,045	(456,817)	327,007,634
Less accumulated depreciation for:				
Buildings and improvements	80,314,650	6,164,223	-	86,478,873
Furniture and equipment	16,371,318	3,134,208	(456,817)	19,048,709
Total accumulated depreciation	96,685,968	9,298,431	-	105,984,399
Governmental activities capital assets, net	<u><u>\$ 223,837,438</u></u>	<u><u>\$ (2,357,386)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 221,480,052</u></u>

(Continued)

# CLINT INDEPENDENT SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2021

### IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

Depreciation expense was charged to governmental functions as follows:

11	Instruction	\$ 3,846,306
12	Instructional resources and media services	73,283
13	Curriculum and staff development	241,088
21	Instructional leadership	184,040
23	School leadership	460,077
31	Guidance, counseling & evaluation services	256,099
32	Social work services	13,861
33	Health services	90,044
34	Student (pupil) transportation	1,285,984
35	Food services	379,044
36	Extracurricular activities	150,292
41	General administration	162,185
51	Facilities maintenance and operations	1,566,862
52	Security and monitoring services	376,419
53	Data processing services	201,045
61	Community services	<u>11,802</u>
	Total depreciation expense	<u><u>\$ 9,298,431</u></u>

#### E. Property Insurance and Personnel Bonds

For the year ended August 31, 2021, the District carried insurance for building and personal property with a combined limit for both in the amount of \$404,951,935 with a deductible of \$50,000 per occurrence. The District carried a deductible buy down policy for windstorm and hail damage limited to \$4,750,000 per occurrence, with a \$250,000 deductible per occurrence. General and automobile liability is limited to \$1,000,000 with \$1,000 deductible per occurrence. The District also carried an Educators Liability policy that is limited to \$1,000,000 in the aggregate, with \$25,000 deductible per occurrence.

#### F. Deferred Charge and Deferred Gain for Refunding of Bonds

Deferred charge for refunding of bonds for the fiscal year ended August 31, 2021, presented as deferred outflows of resources, was as follows:

Description	Beginning Balance	Deferred Charge on New Issues	Net Recognized	Ending Balance
Series 2011	\$ 120,999	\$ -	\$ 40,930	\$ 80,069
Series 2014	1,322,486	-	120,465	1,202,021
Series 2015	1,485,840	-	123,735	1,362,105
Series 2016	1,801,830	-	138,515	1,663,315
Series 2020	-	10,562,287	398,533	10,163,754
	<u>\$ 4,731,155</u>	<u>\$ 10,562,287</u>	<u>\$ 822,178</u>	<u>\$ 14,471,264</u>

(Continued)

# CLINT INDEPENDENT SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2021

### IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

Deferred gain on refunding of bonds for the year ended August 31, 2021, presented as deferred inflows of resources, was as follows:

Description	Beginning Balance	Deferred Gain on New Issues	Amortization Recognized	Ending Balance
Series 2015A	\$ 390,977	\$ -	\$ 43,415	\$ 347,562
	\$ 390,977	\$ -	\$ 43,415	\$ 347,562

#### G. Due to Other Governments

The Texas Education Agency (TEA) provides funds from the Existing Debt Allotment (EDA) and Instructional Facilities Allotment (IFA) to the District based on eligible debt and other factors. Adjustments to the current fiscal year's allotments are made subsequent to year-end based on TEA receiving updated information and presents any balance due from or owed to the District. TEA has the right to offset the receivable and liability. For the year ended August 31, 2021, TEA indicates that it overpaid the District for the EDA and IFA. TEA has recouped this amount by reducing its payments to the District for fiscal year 2022. The balance in Due to Other Governments as of August 31, 2021 consisted of the following:

	Nonmajor Governmental Funds
Existing Debt Allotment	\$ 155,164
Instructional Facilities Allotment	1,128,110
	<u>\$ 1,283,274</u>

#### H. Unearned Revenue

Unearned revenue as of August 31, 2021 was as follows:

	General Fund	Nonmajor Governmental Funds	Total
USDA Commodities	\$ 24,349	\$ -	\$ 24,349
State Textbook Fund	-	20,619	20,619
Total Unearned Revenue	<u>\$ 24,349</u>	<u>\$ 20,619</u>	<u>\$ 44,968</u>

(Continued)



# CLINT INDEPENDENT SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2021

### IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

#### I. Changes in Long-term Liabilities

Long-term liability activity for the year ended August 31, 2021 was as follows:

	Funded by:	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>						
Bonds Payable	Debt Service	\$ 159,370,812	\$ 78,359,890	\$ 84,615,300	\$ 153,115,402	\$ 6,696,953
Accretion Payable	Debt Service	2,162,213	19,157,174	1,354,700	19,964,687	913,047
Unamortized Premium on Bonds		16,499,517	-	8,127,552	8,371,965	880,566
Total Governmental Long-term Liabilities		\$ 178,032,542	\$ 97,517,064	\$ 94,097,552	\$ 181,452,054	\$ 8,490,566

#### J. General Long-term Debt

A summary of changes in general long-term debt for the year ended August 31, 2021 was as follows:

Description	Interest Rate Payable	Amounts Original Issue	Interest Current Year	Beginning Balance 8/31/20	Issued	Retired	Ending Balance 8/31/21	Due Within One Year
Unlimited Tax School Bldg. and Refunding Bond - Series 2002: Capital appreciation bonds Final maturity 2-15-2024	5.76%-5.91%	\$ 644,984	\$ 399,659	\$ 319,336	\$ -	\$ 90,341	\$ 228,995	\$ 82,663
Unlimited Tax Refunding Bonds - Series 2009: Final maturity 2-15-2025	3% - 4.5%	6,385,000	37,475	975,000	-	220,000	755,000	175,000
Unlimited Tax Refunding Bonds - Series 2010 Capital appreciation bonds Final maturity 2-15-2021	2.8% - 3.85%	231,377	738,525	11,476	-	11,476	-	-
Unlimited Tax Refunding Bonds - Series 2010A Final maturity 2-15-2027	2% - 4%	12,305,000	44,000	1,175,000	-	150,000	1,025,000	155,000
Unlimited Tax Refunding Bonds - Series 2011 Current interest bonds Final maturity 8-15-2027	2% - 3.5%	8,725,000	124,775	3,565,000	-	1,025,000	2,540,000	995,000
Unlimited Tax Refunding Bonds - Series 2014 Current interest bonds Final maturity 8-15-2031	2% - 5%	23,815,000	853,000	18,835,000	-	1,340,000	17,495,000	1,410,000
Unlimited School Building Bonds - Series 2015 Final maturity 8-15-2045	3.5% - 5%	78,360,000	-	78,360,000	-	78,360,000	-	-
Unlimited Tax Refunding Bonds - Series 2015 Final maturity 8-15-2032	2% - 5%	23,315,000	987,300	22,675,000	-	205,000	22,470,000	1,390,000

(Continued)

# CLINT INDEPENDENT SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2021

### IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

Description	Interest Rate Payable	Amounts Original Issue	Interest Current Year	Beginning Balance 8/31/20	Issued	Retired	Ending Balance 8/31/21	Due Within One Year
Unlimited Tax Refunding Bonds - Series 2015A Final maturity 2-15-2029	2%-5%	15,890,000	492,750	11,625,000	-	930,000	10,695,000	670,000
Unlimited Tax Refunding Bonds - Series 2016 Final maturity 8-15-2033	2%-5%	24,735,000	926,900	21,830,000	-	1,300,000	20,530,000	1,325,000
Unlimited Tax Refunding Bonds - Series 2020 Final maturity 2-15-2045	1.9%-2.26%	76,125,000	1,481,710	-	76,125,000	-	76,125,000	-
Capital appreciation bonds Final maturity 2-15-2034	0.38%-2.25%	2,234,890	216,516	-	2,234,890	983,483	1,251,407	494,290
		<u>\$ 272,766,251</u>	<u>\$ 6,302,610</u>	<u>\$ 159,370,812</u>	<u>\$ 78,359,890</u>	<u>\$ 84,615,300</u>	<u>\$153,115,402</u>	<u>\$ 6,696,953</u>

Tax Refunding Bond 2002 series, 2010 series, and 2020 series are capital appreciation bonds that require interest to be paid when the principal on the bonds is due. These capital appreciation bonds began to mature in 2013 and will mature through 2034.

Accretion payable for the year ended August 31, 2021, was as follows:

Description	Accretion Outstanding 8/31/2020	Issued	Accrual of Accretion	Accretion Retired	Accretion Outstanding 8/31/2021	Due Within One Year
Tax Refunding Bond Series 2002	\$ 1,437,852	\$ -	\$ 90,483	\$399,659	\$ 1,128,676	\$ 407,337
Tax Refunding Bond Series 2010	724,361	-	14,164	738,525	-	-
Tax Refunding Bond Series 2020	-	18,746,538	305,989	216,516	18,836,011	505,710
	<u>\$ 2,162,213</u>	<u>\$18,746,538</u>	<u>\$ 410,636</u>	<u>\$ 1,354,700</u>	<u>\$19,964,687</u>	<u>\$ 913,047</u>

(Continued)

# CLINT INDEPENDENT SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2021

### IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

Unamortized premiums on bonds for the year ended August 31, 2021 were as follows:

Description	Beginning Balance	Premiums on New Issues	Write-Off	Amortization Recognized	Ending Balance	Due Within One Year
Series 2009	\$ 34,125	\$ -	\$ -	\$ 6,824	\$ 27,301	\$ 6,824
Series 2010A	758,532	-	-	112,368	646,164	112,368
Series 2011	376,181	-	-	53,740	322,441	53,740
Series 2014	1,902,708	-	-	172,974	1,729,734	172,974
Series 2015 (Building)	7,246,986	-	7,246,986	-	-	-
Series 2015 (Refunding)	1,953,866	-	-	162,822	1,791,044	162,822
Series 2015A	1,365,211	-	-	151,691	1,213,520	151,691
Series 2016	2,861,908	-	-	220,147	2,641,761	220,147
Total Unamortized Premium	\$ 16,499,517	\$ -	\$ 7,246,986	\$ 880,566	\$ 8,371,965	\$ 880,566

Debt service requirements are as follows:

Year Ended August 31,	General Obligations		
	Principal	Interest	Total Requirements
2022	\$ 6,696,953	\$ 5,886,027	\$ 12,582,980
2023	6,547,814	5,842,667	12,390,481
2024	6,487,649	5,659,175	12,146,824
2025	6,881,570	4,995,191	11,876,761
2026	6,923,910	4,705,964	11,629,874
2027-2031	35,410,270	19,751,100	55,161,370
2032-2036	20,562,236	22,131,525	42,693,761
2037-2041	33,710,000	5,432,069	39,142,069
2042-2045	29,895,000	1,416,353	31,311,353
Total	\$ 153,115,402	\$ 75,820,071	\$ 228,935,473

On September 29, 2020, the District issued Unlimited Tax Refunding Bonds, Taxable Series 2020, in the amount of \$78,359,890 which was used to refund \$78,360,000 of Unlimited Tax School Building Bonds, Series 2015. The bonds are payable February 15 and August 15 of each year, commencing February 15, 2021 and ending upon maturity on February 15, 2045 or prior redemption. As a result of the refunding, the amount of \$78,360,000 was considered defeased and is not presented in these financial statements. As of August 31, 2021, the amount of defeased bonds still outstanding was \$78,360,000 and the related escrow balance was \$91,949,312. The advanced refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$10,562,287. This difference, reported in these financial statements in the deferred outflows of resources category, is amortized over the life of the new bond using the straight line method. The bonds are payable February 15 and August 15 of each year, commencing February 15, 2021 and ending upon maturity on

(Continued)

# CLINT INDEPENDENT SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2021

### IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

February 15, 2045 or prior redemption. The issuance of the refunding was undertaken to reduce total debt service payments over 25 years by \$20,412,967 and resulted in an economic present value gain of \$15,858,976 after allocation of all costs of issuance of the bonds.

There are a number of limitations and restrictions contained in the general obligation bond indenture. The District's management has indicated that the District is in compliance with all significant limitations and restrictions, including arbitrage, at August 31, 2021.

#### K. Rebatable Arbitrage

The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of all tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years. Arbitrage is evaluated and estimated on an annual basis by a third party arbitrage rebate service company. The company has estimated no liability for the District as of August 31, 2021.

#### L. Fund Balances

As of August 31, 2021, fund balances are composed of the following:

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:			
Inventories	\$ 75,913	\$ -	\$ 75,913
Corpus for Scholarship Fund	-	5,000	5,000
Restricted:			
Food Services	2,879,881	-	2,879,881
Federal and State Programs	-	89,508	89,508
Capital Acquisition	-	2,314,186	2,314,186
Retirement of Long-Term Debt	-	2,157,252	2,157,252
Scholarships	-	62,689	62,689
Other	-	5,952	5,952
Committed:			
Campus Activities	-	99,919	99,919
Assigned:			
Future Construction	15,207,110	-	15,207,110
Future Capital Equipment	7,287,681	-	7,287,681
Unassigned Fund Balance	54,130,958	-	54,130,958
Total fund balances	\$ 79,581,543	\$ 4,734,506	\$ 84,316,049

(Continued)

# CLINT INDEPENDENT SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2021

### IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

#### M. Encumbrances

Encumbrance accounting is employed as an extension of formal budgetary integration for the General Fund, special revenue funds, and capital projects funds. At August 31, 2021, the District did not have any encumbrances.

#### N. Construction Commitments

The District had ongoing construction projects under non-cancelable contracts at August 31, 2021. Construction commitments as of August 31, 2021 are as follows:

Project Name	Spent To Date	Remaining Commitment
Architectural/Engineering Services	\$ 339,372	\$ 361,285
Bond Projects	694,838	64,894
Furniture and Furnishings	-	169,030
HHS Improvements and New Field House	3,689,101	-
HVAC Upgrades	740,771	-
Insurance Projects	6,932	37,168
Track Surface Replacement	283,266	-
Total	<u>\$ 5,754,280</u>	<u>\$ 632,377</u>

#### O. Revenue from Local and Intermediate Sources

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

	General Fund	ESSER III	Nonmajor Governmental Funds	Internal Service Fund	Total
Property taxes	\$ 15,873,612	\$ -	\$ 5,088,507	\$ -	\$ 20,962,119
Penalties, interest and other tax revenues	436,759	-	123,616	-	560,375
Investment income	80,598	-	14,672	-	95,270
Insurance Recovery	1,105,374	-	-	-	1,105,374
Rent income	9,761	-	-	-	9,761
Food sales	68,646	-	-	-	68,646
Athletic activities	2,640	-	-	-	2,640
Worker's compensation	-	-	-	794,270	794,270
Enterprising services	-	-	65,680	-	65,680
Other	839,322	10,000	57,680	-	907,002
Total	<u>\$ 18,416,712</u>	<u>\$ 10,000</u>	<u>\$ 5,350,155</u>	<u>\$ 794,270</u>	<u>\$ 24,571,137</u>

(Continued)

# CLINT INDEPENDENT SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2021

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### IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

#### P. Defined Benefit Pension Plan

**Plan Description:** The District participates in a cost-sharing multiple-employer defined benefit pension that has a special funding situation. The plan is administered by the Teacher Retirement System of Texas (TRS). It is a defined benefit pension plan established and administered in accordance with the Texas Constitution, Article XVI, Section 67 and Texas Government Code, Title 8, Subtitle C. The pension trust fund is a qualified pension trust under Section 401(a) of the Internal Revenue Code. The Texas Legislature establishes benefits and contribution rates within the guidelines of the Texas Constitution. The pension's Board of Trustees does not have the authority to establish or amend benefit terms.

All employees of public, state-supported educational institutions in Texas who are employed for one half or more of the standard work load and who are not exempted from membership under Texas Government Code, Title 8, Section 822.002 are covered by the system.

**Pension Plan Fiduciary Net Position:** Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately-issued Annual Comprehensive Financial Report (ACFR) that includes financial statements and required supplementary information. That report may be obtained on the internet at [https://www.trs.texas.gov/TRS%20Documents/cafr\\_2020.pdf](https://www.trs.texas.gov/TRS%20Documents/cafr_2020.pdf); by writing to TRS at 1000 Red River Street, Austin, TX 78701-2698; or by calling (512) 542-6592.

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

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

(Continued)

# CLINT INDEPENDENT SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2021

### IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

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

Employee contribution rates are set in state statute, Texas Government Code 825.402. The TRS Pension Reform Bill (Senate Bill 12) of the 86<sup>th</sup> Texas Legislature amended Texas Government Code 825.402 for member contributions and established employee and employer contribution rates for fiscal years 2020 through 2025.

	<u>Contribution Rates</u>	
	<u>Plan Fiscal Year</u>	
	<u>2020</u>	<u>2021</u>
Member	7.7%	7.7%
Non-Employer Contributing Entity (State)	7.5%	7.5%
Employers	7.5%	7.5%

<u>Contributions Required and Made</u>	
2021 Employer Contributions	\$ 3,269,568
2021 Member Contributions	5,953,870
2020 Plan Year NECE On-Behalf Contributions (State)	4,288,056

Contributors to the plan include active 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).

(Continued)

# CLINT INDEPENDENT SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2021

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### IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (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 percent of the state contribution rate for certain instructional or administrative employees; and 100 percent of the state contribution rate for all other employees.

Included in the employer contributions amount listed above for fiscal year 2021, the District did not pay a retiree surcharge during the fiscal year and paid \$985,093 for the Public Education Employer Contribution. These two additional surcharges an employer is subject to are summarized as follows:

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

**Actuarial Assumptions:** The actuarial valuation was performed as of August 31, 2019. Update procedures were used to roll forward the total pension liability to August 31, 2020. The actuarial methods and assumption used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2019. The total pension liability is determined by an annual actuarial valuation. The actuarial methods and assumptions were selected by the Board of Trustees based upon analysis and recommendations by the System's actuary. The Board of Trustees has sole authority to determine the actuarial assumptions used for the Plan. The actuarial methods and assumptions were primarily based on a study of actual experience for the three year period ending August 31, 2017 and were adopted in July 2018. The following table discloses the assumptions that were applied to this measurement period:

(Continued)



# CLINT INDEPENDENT SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2021

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### IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

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%
Mortality Assumption	The active mortality rates were based on 90 percent of RP 2014 Employee Mortality Tables for males and females with full generational mortality. The post-retirement mortality rates were based on the 2018 TRS of Texas Healthy Pensioner Mortality Tables with full generational projection using the ultimate improvement rates from the most recently published projection scale U-MP.
Long-term expected Investment Rate of Return	7.25%
Municipal Bond Rate as of August 2020	2.33%. Source for the rate is the Fixed Income Market Data/Yield Curve/Data Municipal Bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index"
Last year ending August 31 in Projection Period (100 years)	2119
Inflation	2.30%
Salary Increases	3.05% to 9.05% including inflation
Ad hoc post-employment benefit changes	None

(Continued)

# CLINT INDEPENDENT SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2021

### IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

**Discount Rate:** A single discount rate used to measure the total pension liability was 7.25 percent. The single discount rate was based on the expected rate of return on pension plan investments of 7.25 percent. 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 legislative session. It is assumed that future employer and state contributions will be 8.50 percent of payroll in fiscal year 2020 gradually increasing to 9.55 percent of payroll over the next several years. This includes all employer and state contributions for active and rehired retirees. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return on pension plan investments is 7.25 percent and was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of August 31, 2020 are summarized below:

Asset Class	Target Allocation*	Long-Term Expected Geometric Real Rate of Return**	Expected Contribution to Long-Term Portfolio Returns
<b>Global Equity</b>			
U.S.	18.00%	3.90%	0.99%
Non-U.S. Developed	13.00%	5.10%	0.92%
Emerging Markets	9.00%	5.60%	0.83%
Private Equity	14.00%	6.70%	1.41%
<b>Stable Value</b>			
Government Bonds	16.00%	-0.70%	-0.05%
Absolute Return (Including Credit Sensitive Investments)	-	1.80%	-
Stable Value Hedge Funds	5.00%	1.90%	0.11%
<b>Real Return</b>			
Real Estate	15.00%	4.60%	1.02%
Energy, Natural Resources and Infrastructure	6.00%	6.00%	0.42%
Commodities	-	0.80%	-
<b>Risk Parity</b>			
Risk Parity	8.00%	3.00%	0.30%
<b>Asset Allocation Leverage</b>			
Cash	2.00%	-1.50%	-0.03%
Asset Allocation Leverage	-6.00%	-1.30%	0.08%
Inflation Expectation			2.00%
Volatility Drag***			-0.67%
<b>Total</b>	<b>100.00%</b>		<b>7.33%</b>

\*Target allocations are based on the FY2020 policy model

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

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

(Continued)

# CLINT INDEPENDENT SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2021

### IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (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 Net Pension Liability:

	1% Decrease 6.25%	Current Single Discount Rate 7.25%	1% Increase 8.25%
District's proportionate share of the net pension liability	\$ 49,025,549	\$ 31,793,851	\$ 17,793,473

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:** At August 30, 2021, the District reported a liability of \$31,793,851 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

The District's proportionate share of the collective net pension liability	\$ 31,793,851
State's proportionate share that is associated with the District	<u>55,661,264</u>
Total	<u><u>\$ 87,455,115</u></u>

The net pension liability was measured as of August 31, 2019 and rolled forward 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 employer's proportion of the collective net pension liability was 0.0593634460% which was a decrease of 0.0045395821% 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.

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

For the year ended August 31, 2021, the District recognized pension expense of \$6,694,814 and revenue of \$6,694,814 for support provided by the State.

The amount of pension expense recognized by the District in the reporting period was \$11,039,981.

(Continued)

# CLINT INDEPENDENT SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2021

### IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 58,053	\$ 887,282
Changes in actuarial assumptions	7,377,305	3,136,778
Net difference between projected and actual investment earnings	643,639	-
Changes in proportion and difference between District's contributions and proportionate share of contributions	1,544,228	3,497,050
District contributions to TRS subsequent to the measurement date	3,269,568	-
Total	<u>\$ 12,892,793</u>	<u>\$ 7,521,110</u>

The \$3,269,568 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 the year ending August 31, 2022.

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

Year Ended August 31	Amount
2022	\$ 598,945
2023	963,987
2024	1,022,792
2025	166,854
2026	(549,772)
Thereafter	<u>(100,691)</u>
	<u>\$ 2,102,115</u>

(Continued)

CLINT INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2021

IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

*Changes in Net Pension Liability:*

	Beginning Balance	Additions	Reductions	Ending Balance
Net Pension Liability	\$ 33,218,792	\$ 1,024,411	\$ 2,449,352	\$ 31,793,851

**Payable to the Pension Plan:** At August 31, 2021, the District reported a payable of \$753,305 to the pension plan for the outstanding amount of contractually required contributions related to past service costs.

Q. Defined Other Post-Employment Benefit Plan

**Plan Description:** The District participates in the Texas Public School Retired Employees Group Insurance Program (TRS-Care). It is a multiple-employer, cost-sharing defined Other Post-Employment Benefit (OPEB) plan that has a special funding situation. The plan is administered through a trust by the Teacher Retirement System of Texas (TRS) Board of Trustees. The TRS-Care program was established in 1986 by the Texas Legislature.

The TRS Board of Trustees administers the TRS-Care program and the related fund in accordance with Texas Insurance Code Chapter 1575. The Board of Trustees is granted the authority to establish basic and optional group insurance coverage for participants as well as to amend benefit terms as needed under Chapter 1575.052. The Board may adopt rules, plans, procedures, and orders reasonably necessary to administer the program, including minimum benefits and financing standards.

**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 (ACFR) that includes financial statements and required supplementary information. That report may be obtained on the internet at [https://www.trs.texas.gov/TRS%20Documents/cafr\\_2020.pdf](https://www.trs.texas.gov/TRS%20Documents/cafr_2020.pdf); by writing to TRS at 1000 Red River Street, Austin, TX 78701-2698; or by calling (512) 542-6592.

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

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

(Continued)

# CLINT INDEPENDENT SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2021

### IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

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

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

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

Texas Insurance Code, section 1575.202 establishes the state's contribution rate which is 1.25 percent of the employee's salary. Section 1575.203 establishes the active employee's rate which is 0.65 percent of salary. Section 1575.204 establishes an employer contribution rate of not less than 0.25 percent or not more than 0.75 percent of the salary of each active employee of the public 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.

<u>Contributions Rates</u>		2020	2021
Active Employee		0.65%	0.65%
Non-Employer Contributing Entity (State)		1.25%	1.25%
Employers		0.75%	0.75%
Federal/private Funding remitted by Employers		1.25%	1.25%
2021 Employer Contributions	\$	802,939	
2021 Member Contributions		502,600	
2020 Plan Year NECE On-behalf Contributions (State)		865,528	

In addition to the employer contributions listed above, there is an additional surcharge all TRS employers are subject to, regardless of whether or not they participate in the TRS-Care OPEB program. When employers hire a TRS retiree, employers are required to pay to TRS-Care a monthly surcharge of \$535 per retiree. During the year ended August 31, 2021, the District did not employ TRS retirees and therefore did not pay any surcharge amounts to TRS-Care.

(Continued)

# CLINT INDEPENDENT SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2021

### IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

A supplemental appropriation was authorized by Senate Bill 1264 of the 86<sup>th</sup> Texas Legislature to provide \$2,208,137, for fiscal year 2020 and \$3,312,206 for fiscal year 2021, for consumer protections against medical and health care billing by certain out-of-network providers. Funding will be in fiscal year 2021.

**Actuarial Assumptions:** The total OPEB liability (TOL) in the August 31, 2019 actuarial valuation was rolled forward to August 31, 2020 using update procedures. The actuarial valuation of TRS-Care is similar to the actuarial valuation performed for the pension plan, except that the OPEB valuation is more complex. All of the demographic assumptions, including rates of retirement, termination, and disability, and most of the economic assumptions, including general inflation and salary increases, used in the OPEB valuation were identical to those used in the respective TRS pension valuation. The demographic assumptions were developed in the experience study performed for TRS for the period ending August 31, 2017.

The total OPEB liability in the August 31, 2019 actuarial valuation was determined using the actuarial assumptions below. Those 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	General Inflation
Rates of Retirement	Wage Inflation
Rates of Termination	Salary Increases
Rates of Disability Incidence	

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

Valuation Date	August 31, 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
Salary Increases	3.05% to 9.05%, including inflation
Demographic Assumptions	The rates of mortality, retirement, termination and disability incidence are identical to the assumptions used to value the pension liabilities of TRS. The demographic assumptions were developed in the experience study performed for TRS for the period ending August 31, 2017.

(Continued)

# CLINT INDEPENDENT SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2021

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### IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

Mortality Assumption	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").
Health Care Trend Rates	Initial medical trend rates of 9.00 percent for Medicare retirees and 7.3 percent for non-Medicare retirees. Initial prescription drug trend rate of 9.00 percent for all retirees. Initial trend rates decrease to an ultimate trend rate of 4.25 over a period of 13 years.
Election Rates	Normal Retirement: 65 percent participation prior to age 65 and 40 percent participation after age 65; 25 percent of pre-65 retirees are assumed to discontinue coverage at age 65
Aging Factors	Based on plan specific experience.
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
Other Information	
Ad hoc post-employment benefit changes	None
Notes	Assumption changes include a discount rate change from 2.63% as of August 31, 2019 to 2.33% as of August 31, 2020, lowering the participation rate assumption for employees who retire after the age of 65, and lowering the ultimate health care trend assumption to reflect the repeal of the excise (Cadillac) tax on high-cost employer health plans.

(Continued)



# CLINT INDEPENDENT SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2021

### IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

**Discount Rate:** A single discount rate of 2.33 percent was used to measure the total OPEB liability. There was a decrease of 0.30 percent in the discount rate since the previous year. Because the plan is essentially a “pay-as-you-go” plan, the single discount rate is equal to the prevailing municipal bond rate. The projection of cash flows used to determine the discount rate assumed that contributions from active members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to *not be able* to make all future benefit payments of current plan members. Therefore, the municipal bond rate was used for the long-term rate of return and 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 in measuring the Net OPEB Liability.

	1% Decrease in Discount Rate 1.33%	Current Single Discount Rate 2.33%	1% Increase in Discount Rate 3.33%
District’s proportionate share of the Net OPEB Liability:	\$ 38,658,215	\$ 32,215,241	\$ 27,126,216

**Healthcare Cost Trend Rates Sensitivity Analysis:** The following presents the Net OPEB Liability of the plan using the assumed healthcare cost trend rate, as well as what the Net OPEB Liability would be if it were calculated using a trend rate that is one-percentage point lower or one-percentage point higher than the assumed health-care cost trend rate:

	1% Decrease	Current Healthcare Trend Rate	1% Increase
District’s proportionate share of the Net OPEB Liability:	\$ 26,315,724	\$ 32,215,241	\$ 40,072,563

**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 \$32,215,241 for its proportionate share of the TRS’s net OPEB liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

The District’s proportionate share of the collective net OPEB liability	\$ 32,215,241
State’s proportionate share that is associated with the District	<u>43,289,561</u>
Total	<u><u>\$ 75,504,802</u></u>

(Continued)

# CLINT INDEPENDENT SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2021

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### IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (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 0.0847445775%, which was a decrease of 0.0019805018% from its proportion measured as of August 31, 2019.

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

- The discount rate changed from 2.63 percent as of August 31, 2019 to 2.33 percent as of August 31, 2020. This change increased the total OPEB liability.
- The participation rate for post-65 retirees was lowered from 50 percent to 40 percent. This change lowered the total OPEB liability.
- The ultimate health care trend rate assumption was lowered from 4.50 percent to 4.25 percent 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 to benefit terms that affected measurement of the total OPEB liability during the measurement period.

For the year ended August 31, 2021, the District recognized OPEB expense of \$(300,586) and revenue of \$(300,586) for support provided by the State.

The amount of OPEB expense recognized by the District in the reporting period was \$(759,182).

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 other post-employment benefits (OPEB) from the following sources:

(Continued)

# CLINT INDEPENDENT SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2021

### IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 1,686,777	\$ 14,743,341
Changes in actuarial assumptions	1,987,011	8,846,472
Difference between projected and actual investment earnings	10,469	-
Changes in proportion and difference between the District's contributions and the proportionate share of contributions	2,145,493	2,160,194
Contributions paid to TRS subsequent to the measurement date	802,939	-
Total	<u>\$ 6,632,689</u>	<u>\$ 25,750,007</u>

The \$802,939 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 the year ended August 31, 2022. The net amounts of the employer's balances of deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended August 31:	OPEB Expense Amount
2022	\$ (3,323,235)
2023	(3,324,634)
2024	(3,325,435)
2025	(3,325,215)
2026	(2,464,737)
Thereafter	<u>(4,157,001)</u>
	<u>\$ (19,920,257)</u>

#### *Changes in Net OPEB Liability:*

	Beginning Balance	Additions	Reductions	Ending Balance
Net OPEB Liability	<u>\$ 41,013,350</u>	<u>\$ -</u>	<u>\$ 8,798,109</u>	<u>\$ 32,215,241</u>

***Payable to the OPEB Plan:*** At August 31, 2021, the District reported a payable of \$162,533 to the OPEB plan for the outstanding amount of contractually required contributions related to past service costs.

(Continued)

# CLINT INDEPENDENT SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2021

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### IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, which was effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. Medicare Part D contributions made on behalf of the District's employees for the year ended August 31, 2021, 2020 and 2019 were \$344,500, \$365,219 and \$265,389, respectively. These amounts are recorded as equal revenues and expenditures in the governmental fund financial statements of the District.

#### R. Workers' Compensation Program

As required by law the District has acquired adequate workers' compensation insurance coverage contracted through Claims Administrative Services, Inc. since September 1, 2001. The District has chosen to participate in a political subdivision risk pool, which means that the District shares its exposure with other school districts and public entities with similar employee populations. Currently, the District employs more than 1,500 full-time and part-time employees, and pays about \$720,000 in workers' compensation premium annually. This premium is considered sufficient by Claims Administrative Services, Inc. and no contingent liability is required to be reported. This total amount paid for workers' compensation costs is less than 1% of annual payroll, which illustrates that the District is managing and operating its workers' compensation program with comfortable success.

#### S. E-Rate Program for Schools and Libraries

The E-Rate program, (the Schools and Libraries Universal Service Support Mechanism), provides discounts to assist most schools and libraries in the United States to obtain affordable telecommunications and Internet access. Three service categories are funded: Telecommunications Services, Internet Access, and Internal Connections. Discounts range from 20% to 90% of the costs of eligible services. The District applied for all three service categories. These services were funded by a 90%, 90% and 80% discount for their respective categories during school year 2020-2021.

#### T. 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. The Board maintains insurance policies acquired from independent insurance carriers covering all structural property, automobiles, dishonesty, errors and omissions, boiler and machinery, personal property, general liability, and athletic insurance. There have been no reductions in insurance coverage from prior years and settlements have not exceeded insurance coverage.

#### U. Litigation

During the normal course of business, the District is subject to various legal claims. As of August 31, 2021, management was not aware of any such claim which would have a material adverse effect on the accompanying basic financial statements and accordingly, no provision has been accrued.

(Continued)

# CLINT INDEPENDENT SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2021

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### IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

#### V. Federal and State Funding

The District participates in numerous programs which are subject to audit by the Texas Education Agency and various Federal agencies. These programs have complex compliance requirements, and should State or Federal auditors discover areas of material noncompliance, those District funds may be subject to refund if so determined by administrative audit review.

#### W. Related Party Transactions

From time to time, the District may enter into transactions with related parties through the normal course of business. If a Board member has a conflict of interest, proper documentation is completed and he/she is required to abstain from any discussion or voting regarding the matter. Management is not aware of any material related party transactions that occurred during the year ended August 31, 2021.

#### X. Prior Period Adjustments

As part of the District's implementation of GASB 84, after applying the GASB 84 criteria, the District determined that certain funds did not meet the definition of a fiduciary fund and the funds were moved to special revenue funds. The result was an increase in the fund balance for special revenue funds in the amount of \$33,876, respectively, for a total increase in fund balance and net position of \$33,876.

For the student activities that met the criteria to be included as a fiduciary fund, the District reevaluated the opening amounts of the "Due to Student Groups" in relation to GASB 84. As a result, these amounts were reclassified from "Due to Student Groups or Accounts Payable" to restricted net position in the custodial funds in the amount of \$427,846.

#### Y. New Accounting Pronouncements

The District has not completed the process of evaluating the impact on its financial position that will result from adopting the following Governmental Accounting Standards Board (GASB) Statements:

- GASB No. 87, *Leases*, effective for fiscal years beginning after June 15, 2021. GASB No. 87 requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases.
- GASB No. 89, *Accounting for Interest Cost incurred before the End of a Construction Period*, effective for periods beginning after December 15, 2021. GASB No. 89 requires that interest costs incurred during a construction period be recognized as an expense for business-type activities.
- GASB No. 91, *Conduit Debt Obligations*, effective for periods beginning after December 15, 2021. GASB No. 91 requires issuers to disclose information about their conduit debt obligations.

(Continued)

# CLINT INDEPENDENT SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2021

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### IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

- GASB No. 92, *Omnibus*, effective for periods beginning after June 15, 2021. GASB No. 92 enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements.
- GASB No. 94, *Public-Private and Public-Public Partnerships and Availability Arrangements*, effective for periods beginning after June 15, 2022. GASB No. 94 improves financial reporting by addressing issues related to public-private and public-public partnership arrangements as well as availability payment arrangements.
- GASB No. 96, *Subscription-Based Information Technology Arrangements*, effective for periods beginning after June 15, 2022. GASB No. 96 establishes uniform accounting and financial reporting requirements for subscription-based information technology arrangements.
- GASB No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for IRS Code Section 457 Deferred Compensation Plans*, effective for periods beginning after June 15, 2021. GASB No. 97 provides specific guidance related to (1) reporting of fiduciary component units that perform duties of a governing board; (2) narrows applicability of certain requirements from GASB No. 84 related to defined benefit pension and OPEB plans and; (3) specific guidance for Internal Revenue Code Section 457 plans that meet the definition of a pension plan and for benefits provided through those plans.

#### Z. Significant Event - COVID-19

As a result of the public health emergency related to the outbreak of COVID-19 in the United States, the Texas Education Agency has been awarded Coronavirus financial aid packages which are being distributed to the various school districts in Texas through Elementary and Secondary School Emergency Relief (ESSER) funds. Clint ISD has approximately a little less than half of its \$15.6 million in ESSER II and more than half of its \$23.4 million in ESSER III awarded funds available for spending subsequent to year-end.

As of September 2, 2021, the Texas Education Agency (TEA) informed local educational agencies that it has no plans to issue missed school day waivers due to COVID-19 during the 2021-2022 school year if the LEA or its campuses are closed. Each LEA will need to plan to make up time for school closures during the school year and may need to add additional instructional days and/or minutes to their calendar to meet the 75,600 operational minute requirement.

The District continues to closely monitor its budget and cash flows to address the needs of its students and personnel. Although future developments and mitigation strategies are out of the control of the District, Clint ISD is committed to fulfilling its mission to prepare all students to be successful citizens. The District will continue to work in partnership with the community and families to create opportunities for the student to maximize personal potential. As of the date of this report, the District has not determined the impact on the District.

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## **REQUIRED SUPPLEMENTARY INFORMATION**



CLINT INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED AUGUST 31, 2021

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 18,025,783	\$ 18,025,783	\$ 18,416,712	\$ 390,929
5800 State Program Revenues	94,559,116	94,559,116	94,547,664	(11,452)
5900 Federal Program Revenues	13,017,008	13,017,008	14,750,276	1,733,268
5020 Total Revenues	125,601,907	125,601,907	127,714,652	2,112,745
EXPENDITURES:				
Current:				
0011 Instruction	66,232,186	65,170,740	50,614,991	14,555,749
0012 Instructional Resources and Media Services	1,287,385	1,280,217	1,229,402	50,815
0013 Curriculum and Instructional Staff Development	2,964,009	3,075,921	2,983,599	92,322
0021 Instructional Leadership	2,998,024	3,099,163	2,724,840	374,323
0023 School Leadership	7,295,909	7,338,963	7,086,413	252,550
0031 Guidance, Counseling, and Evaluation Services	3,353,515	3,342,136	3,231,520	110,616
0032 Social Work Services	304,454	304,454	209,818	94,636
0033 Health Services	1,261,595	1,516,795	1,315,611	201,184
0034 Student (Pupil) Transportation	4,024,817	4,024,817	3,511,124	513,693
0035 Food Services	9,276,010	10,229,660	6,917,930	3,311,730
0036 Extracurricular Activities	2,955,471	3,114,583	2,702,061	412,522
0041 General Administration	3,677,237	3,677,237	3,316,341	360,896
0051 Facilities Maintenance and Operations	18,720,152	20,114,753	14,843,307	5,271,446
0052 Security and Monitoring Services	2,597,495	1,995,531	1,909,623	85,908
0053 Data Processing Services	3,109,020	3,891,720	3,032,903	858,817
0061 Community Services	117,497	142,497	118,644	23,853
Capital Outlay:				
0081 Facilities Acquisition and Construction	5,357,305	13,878,269	3,491,750	10,386,519
Intergovernmental:				
0095 Payments to Juvenile Justice Alternative Ed. Prg.	35,000	35,000	-	35,000
0099 Other Intergovernmental Charges	336,355	336,355	323,039	13,316
6030 Total Expenditures	135,903,436	146,568,811	109,562,916	37,005,895
1200 Net Change in Fund Balances	(10,301,529)	(20,966,904)	18,151,736	39,118,640
0100 Fund Balance - September 1 (Beginning)	61,429,807	61,429,807	61,429,807	-
3000 Fund Balance - August 31 (Ending)	\$ 51,128,278	\$ 40,462,903	\$ 79,581,543	\$ 39,118,640

## **CLINT INDEPENDENT SCHOOL DISTRICT**

### **NOTES TO REQUIRED SUPPLEMENTARY INFORMATION BUDGET AND ACTUAL - GENERAL FUND**

**FOR THE YEAR ENDED AUGUST 31, 2021**

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#### **Budgets and Budgetary Accounting**

The Board of Trustees adopts an "appropriated budget" for the General Fund. The District is required to present the adopted and final amended budgeted revenues and expenditures for this fund. The District compares the final amended budget to actual revenues and expenditures. The General Fund Budget report appears in Exhibit G-1. The Board does not adopt a budget for the Education Stabilization Funds - ESSER II and ESSER III major special revenue funds because it is not legally required to do so; however, grantor personnel maintain an internal budget based upon the District's entitlement designated by the Texas Education Agency.

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

1. Prior to August 20, the District prepares a budget for the next succeeding fiscal year beginning September 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Board is then called for the purpose of adopting the proposed budget. At least ten days' public notice of the meeting must be given.
3. Prior to September 1, the budget is legally enacted through passage of a resolution by the Board. Once a budget is approved, it can only be amended at the function and fund level by approval of a majority of the members of the Board. Amendments are presented to the Board at its regular meetings. Each amendment must have Board approval. As required by law, such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year end. Because the District has a policy of careful budgetary control, several amendments were necessary during the year. No expenditures were made prior to approval of the budget.
4. Each budget is controlled by the budget coordinator at the revenue and expenditure function/object level. Budgeted amounts are as amended by the Board. All budget appropriations lapse at year end.
5. Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under Texas law, appropriations lapse at August 31, and encumbrances outstanding at that time are to be either canceled or appropriately provided for in the subsequent year's budget.

#### **Amendments to Adopted Budget**

There is a \$10.7 million difference between the original and final budgeted expenditures resulting from four significant budget amendments. The Board approved to amend the budget by increasing expenditures by (1) \$1.1 million for completion of Horizon High School stadium project improvements, including exterior furniture and incidentals; (2) \$1 million to reduce restricted fund balance for the child nutrition program to ensure continued compliance on excess fund balance requirement; (3) \$7.5 million for various campus site improvements, softball field at one campus, student drop off lane at another campus and running track resurfacement at two campuses; and (4) an additional \$1.1 million to replace HVAC mechanical equipment related to 2015 hail damage.

#### **Expenditures in Excess of Appropriations**

During the fiscal year ended August 31, 2021, the District did not have any expenditures in excess of appropriations in the General Fund.

CLINT INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
TEACHER RETIREMENT SYSTEM OF TEXAS  
FOR THE YEAR ENDED AUGUST 31, 2021

	Measurement Year Ended August 31,		
	2020	2019	2018
District's Proportion of the Net Pension Liability	0.0593634460%	0.0639030281%	0.0605223246%
District's Proportionate Share of Net Pension Liability	\$ 31,793,851	\$ 33,218,792	\$ 33,312,956
States Proportionate Share of the Net Pension Liability associated with the District	55,661,264	52,183,391	55,325,649
Total	<u>\$ 87,455,115</u>	<u>\$ 85,402,183</u>	<u>\$ 88,638,605</u>
District's Covered Payroll	\$ 77,642,144	\$ 73,181,705	\$ 68,567,380
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered Payroll	40.95%	45.39%	48.58%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	75.54%	75.24%	73.74%

Note: Only seven years of data is presented in accordance with GASB #68, paragraph 138. "The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."

Measurement Year Ended August 31,			
2017	2016	2015	2014
0.0672858958%	0.0694300038%	0.0744378000%	0.0553606000%
\$ 21,514,405	\$ 26,236,566	\$ 26,312,772	\$ 14,787,583
32,528,251	39,094,734	38,325,970	32,787,766
<u>\$ 54,042,656</u>	<u>\$ 65,331,300</u>	<u>\$ 64,638,742</u>	<u>\$ 47,575,349</u>
\$ 69,185,538	\$ 68,239,797	\$ 67,596,256	\$ 65,837,034
31.10%	38.45%	38.93%	22.46%
82.17%	78.00%	78.43%	83.25%

CLINT INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS FOR PENSIONS  
TEACHER RETIREMENT SYSTEM OF TEXAS  
FOR THE YEAR ENDED AUGUST 31, 2021

	Fiscal Year Ended August 31,		
	2021	2020	2019
Contractually Required Contribution	\$ 3,269,568	\$ 2,449,353	\$ 2,236,265
Contribution in Relation to the Contractually Required Contribution	(3,269,568)	(2,449,353)	(2,236,265)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 77,323,097	\$ 77,642,144	\$ 73,181,705
Contributions as a percentage of Covered Payroll	4.23%	3.15%	3.06%

Note: GASB 68, paragraph 81 requires that the information in this schedule is presented for the District's fiscal year as opposed to the Plan's measurement year.

Note: Only seven years of data is presented in accordance with GASB #68, paragraph 138. "The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."

Fiscal Year Ended August 31,			
2018	2017	2016	2015
\$ 2,038,844	\$ 2,205,239	\$ 2,205,967	\$ 2,204,690
<u>(2,038,844)</u>	<u>(2,205,239)</u>	<u>(2,205,967)</u>	<u>(2,204,690)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 68,567,380	\$ 69,185,538	\$ 68,239,797	\$ 67,596,256
2.97%	3.19%	3.23%	3.26%

# CLINT INDEPENDENT SCHOOL DISTRICT

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION FOR PENSIONS

FOR THE YEAR AUGUST 31, 2021

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### *Changes of Benefit Terms*

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

### *Changes of Assumptions*

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

CLINT INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY  
TEACHER RETIREMENT SYSTEM OF TEXAS  
FOR THE YEAR ENDED AUGUST 31, 2021

	Measurement Year Ended August 31,			
	2020	2019	2018	2017
District's Proportion of the Net OPEB Liability	0.0847445775%	0.0867250793%	0.0822964678%	0.0848486348%
District's Proportionate Share of the Net OPEB Liability	\$ 32,215,241	\$ 41,013,350	\$ 41,091,380	\$ 36,897,488
State's Proportionate Share of the Net OPEB Liability associated with the District	43,289,561	54,497,571	58,257,387	52,512,494
Total	<u>\$ 75,504,802</u>	<u>\$ 95,510,921</u>	<u>\$ 99,348,767</u>	<u>\$ 89,409,982</u>
District's Covered Payroll	\$ 77,642,144	\$ 73,181,705	\$ 68,567,380	\$ 69,185,538
District's Proportionate Share of the Net OPEB Liability as a percentage of its Covered Payroll	41.49%	56.04%	59.93%	53.33%
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	4.99%	2.66%	1.57%	0.91%

Note: Only four years of data is presented in accordance with GASB #75, paragraph 245. "The information for all fiscal years for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."



CLINT INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S OPEB CONTRIBUTIONS  
TEACHER RETIREMENT SYSTEM OF TEXAS  
FOR THE YEAR ENDED AUGUST 31, 2021

	Fiscal Year Ended August 31,			
	2021	2020	2019	2018
Contractually Required Contribution	\$ 802,939	\$ 644,118	\$ 615,388	\$ 567,728
Contribution in Relation to the Contractually Required Contribution	(802,939)	(644,118)	(615,388)	(567,728)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 77,323,097	\$ 77,642,144	\$ 73,181,705	\$ 68,567,380
Contributions as a percentage of Covered Payroll	1.04%	0.83%	0.84%	0.83%

Note: GASB 75, paragraph 97 requires that the information on this schedule be presented for the District's fiscal year as opposed to Plan's measurement year.

Note: Only eight years of data are presented in accordance with GASB No. 75, paragraph 245. "The information for all fiscal years for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement.

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Fiscal Year Ended August 31,			
2017	2016	2015	2014
\$ 441,129	\$ 436,304	\$ 437,509	\$ 425,914
(441,129)	(436,304)	(437,509)	(425,914)
\$ -	\$ -	\$ -	\$ -
\$ 69,185,538	\$ 68,239,797	\$ 67,596,256	\$ 65,837,034
0.64%	0.64%	0.65%	0.65%

## CLINT INDEPENDENT SCHOOL DISTRICT

### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION FOR OPEB

FOR THE YEAR ENDED AUGUST 31, 2021

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#### *Changes of Benefit Terms Since the Prior Measurement Period*

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

#### *Changes Since the Prior Actuarial Valuation*

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

- The discount rate changed from 2.63 percent as of August 31, 2019 to 2.33 percent as of August 31, 2020. This change increased the total OPEB liability.
- The participation rate for post-65 retirees was lowered from 50 percent to 40 percent. This change lowered the total OPEB liability.
- The ultimate health care trend rate assumption was lowered from 4.50 percent to 4.25 percent 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.
- The primary reasons for this year's liability reduction related to the difference between expected and actual experience were due to (a) savings to the fully-insured Medicare Advantage premiums, which resulted from Congress' repeal of the Health Insurer Fees in December 2019 and vendor premium guarantees, and (b) favorable claims and rebate experience for the prescription drug benefits provided to Medicare retirees.

## **SUPPLEMENTARY INFORMATION**

CLINT INDEPENDENT SCHOOL DISTRICT  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
AUGUST 31, 2021

Data Control Codes		206 ESEA Title X, Pt.C Homeless	211 ESEA I, A Improving Basic Program	224 IDEA Part B Formula	225 IDEA Part B Preschool
<b>ASSETS</b>					
1110	Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -
1220	Property Taxes - Delinquent	-	-	-	-
1230	Allowance for Uncollectible Taxes	-	-	-	-
1240	Due from Other Governments	5,474	595,824	191,542	1,482
1260	Due from Other Funds	-	-	-	-
1290	Other Receivables	-	18	19	-
1800	Restricted Assets	-	-	-	-
1000	Total Assets	<u>\$ 5,474</u>	<u>\$ 595,842</u>	<u>\$ 191,561</u>	<u>\$ 1,482</u>
<b>LIABILITIES</b>					
2110	Accounts Payable	\$ -	\$ -	\$ -	\$ -
2170	Due to Other Funds	5,474	595,842	191,561	1,482
2180	Due to Other Governments	-	-	-	-
2300	Unearned Revenue	-	-	-	-
2000	Total Liabilities	<u>5,474</u>	<u>595,842</u>	<u>191,561</u>	<u>1,482</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
2601	Unavailable Revenue - Property Taxes	-	-	-	-
2600	Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>					
Nonspendable Fund Balance:					
3445	Other Non-Spendable Fund Balance	-	-	-	-
Restricted Fund Balance:					
3450	Federal or State Funds Grant Restriction	-	-	-	-
3470	Capital Acquisition and Contractual Obligation	-	-	-	-
3480	Retirement of Long-Term Debt	-	-	-	-
3490	Other Restricted Fund Balance	-	-	-	-
Committed Fund Balance:					
3545	Other Committed Fund Balance	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 5,474</u>	<u>\$ 595,842</u>	<u>\$ 191,561</u>	<u>\$ 1,482</u>

244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	263 Title III, A English Lang. Acquisition	272 Medicaid Admin. Claim MAC	276 Title I - SIP Academy Grant	289 Other Federal Special Revenue Funds	397 Advanced Placement Incentives	410 State Instructional Materials
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
23,551	140,642	8,212	45,893	24,500	120,710	-	85,867
-	-	-	36,751	-	-	2,589	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 23,551</u>	<u>\$ 140,642</u>	<u>\$ 8,212</u>	<u>\$ 82,644</u>	<u>\$ 24,500</u>	<u>\$ 120,710</u>	<u>\$ 2,589</u>	<u>\$ 85,867</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23,551	140,642	8,212	-	24,500	120,710	-	65,248
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	20,619
<u>23,551</u>	<u>140,642</u>	<u>8,212</u>	<u>-</u>	<u>24,500</u>	<u>120,710</u>	<u>-</u>	<u>85,867</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	82,644	-	-	2,589	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	82,644	-	-	2,589	-
\$ 23,551	\$ 140,642	\$ 8,212	\$ 82,644	\$ 24,500	\$ 120,710	\$ 2,589	\$ 85,867

CLINT INDEPENDENT SCHOOL DISTRICT  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
AUGUST 31, 2021

Data Control Codes		422 Matching Fund for Library Purchases	429 Other State Special Revenue Funds	461 Campus Activity Funds	480 Scholarship Fund
<b>ASSETS</b>					
1110	Cash and Cash Equivalents	\$ -	\$ -	\$ 165,524	\$ -
1220	Property Taxes - Delinquent	-	-	-	-
1230	Allowance for Uncollectible Taxes	-	-	-	-
1240	Due from Other Governments	-	5,538	-	-
1260	Due from Other Funds	4,232	43	-	20,260
1290	Other Receivables	-	-	-	-
1800	Restricted Assets	-	-	-	-
1000	Total Assets	<u>\$ 4,232</u>	<u>\$ 5,581</u>	<u>\$ 165,524</u>	<u>\$ 20,260</u>
<b>LIABILITIES</b>					
2110	Accounts Payable	\$ -	\$ -	\$ 5,197	\$ -
2170	Due to Other Funds	-	5,538	60,408	-
2180	Due to Other Governments	-	-	-	-
2300	Unearned Revenue	-	-	-	-
2000	Total Liabilities	<u>-</u>	<u>5,538</u>	<u>65,605</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
2601	Unavailable Revenue - Property Taxes	-	-	-	-
2600	Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>					
Nonspendable Fund Balance:					
3445	Other Non-Spendable Fund Balance	-	-	-	-
Restricted Fund Balance:					
3450	Federal or State Funds Grant Restriction	4,232	43	-	-
3470	Capital Acquisition and Contractual Obligation	-	-	-	-
3480	Retirement of Long-Term Debt	-	-	-	-
3490	Other Restricted Fund Balance	-	-	-	20,260
Committed Fund Balance:					
3545	Other Committed Fund Balance	-	-	99,919	-
3000	Total Fund Balances	<u>4,232</u>	<u>43</u>	<u>99,919</u>	<u>20,260</u>
4000	Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 4,232</u>	<u>\$ 5,581</u>	<u>\$ 165,524</u>	<u>\$ 20,260</u>

482 Homeless Donation Fund	484 GALA Senior	497 TASP	498 CREED	499 Other Local Special Revenue Funds	Total Nonmajor Special Revenue Funds	599 Debt Service Fund	699 Capital Projects Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 165,524	\$ 3,461,636	\$ 2,571,497
-	-	-	-	-	-	964,317	-
-	-	-	-	-	-	(612,289)	-
-	-	-	-	-	1,249,235	-	-
1,580	2,291	500	41,378	2,083	111,707	-	-
-	-	-	-	-	37	-	-
-	-	-	-	-	-	-	-
<u>\$ 1,580</u>	<u>\$ 2,291</u>	<u>\$ 500</u>	<u>\$ 41,378</u>	<u>\$ 2,083</u>	<u>\$ 1,526,503</u>	<u>\$ 3,813,664</u>	<u>\$ 2,571,497</u>
\$ -	\$ -	\$ -	\$ -	\$ 502	\$ 5,699	\$ -	\$ 26,563
-	-	-	-	-	1,243,168	92,912	230,748
-	-	-	-	-	-	1,283,274	-
-	-	-	-	-	20,619	-	-
-	-	-	-	502	1,269,486	1,376,186	257,311
-	-	-	-	-	-	280,226	-
-	-	-	-	-	-	280,226	-
-	-	-	-	-	-	-	-
-	-	-	-	-	89,508	-	-
-	-	-	-	-	-	-	2,314,186
-	-	-	-	-	-	2,157,252	-
1,580	2,291	500	41,378	1,581	67,590	-	-
-	-	-	-	-	99,919	-	-
<u>1,580</u>	<u>2,291</u>	<u>500</u>	<u>41,378</u>	<u>1,581</u>	<u>257,017</u>	<u>2,157,252</u>	<u>2,314,186</u>
<u>\$ 1,580</u>	<u>\$ 2,291</u>	<u>\$ 500</u>	<u>\$ 41,378</u>	<u>\$ 2,083</u>	<u>\$ 1,526,503</u>	<u>\$ 3,813,664</u>	<u>\$ 2,571,497</u>



CLINT INDEPENDENT SCHOOL DISTRICT  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 AUGUST 31, 2021

Data Control Codes		807	Total
		David Cramer	Nonmajor
		Memorial	Governmental
		Scholarship	Funds
<b>ASSETS</b>			
1110	Cash and Cash Equivalents	\$ -	\$ 6,198,657
1220	Property Taxes - Delinquent	-	964,317
1230	Allowance for Uncollectible Taxes	-	(612,289)
1240	Due from Other Governments	-	1,249,235
1260	Due from Other Funds	-	111,707
1290	Other Receivables	-	37
1800	Restricted Assets	6,051	6,051
1000	Total Assets	<u>\$ 6,051</u>	<u>\$ 7,917,715</u>
<b>LIABILITIES</b>			
2110	Accounts Payable	\$ -	\$ 32,262
2170	Due to Other Funds	-	1,566,828
2180	Due to Other Governments	-	1,283,274
2300	Unearned Revenue	-	20,619
2000	Total Liabilities	<u>-</u>	<u>2,902,983</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
2601	Unavailable Revenue - Property Taxes	-	280,226
2600	Total Deferred Inflows of Resources	<u>-</u>	<u>280,226</u>
<b>FUND BALANCES</b>			
Nonspendable Fund Balance:			
3445	Other Non-Spendable Fund Balance	5,000	5,000
Restricted Fund Balance:			
3450	Federal or State Funds Grant Restriction	-	89,508
3470	Capital Acquisition and Contractual Obligation	-	2,314,186
3480	Retirement of Long-Term Debt	-	2,157,252
3490	Other Restricted Fund Balance	1,051	68,641
Committed Fund Balance:			
3545	Other Committed Fund Balance	-	99,919
3000	Total Fund Balances	<u>6,051</u>	<u>4,734,506</u>
4000	Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 6,051</u>	<u>\$ 7,917,715</u>

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

Data Control Codes	206 ESEA Title X, Pt.C Homeless	211 ESEA I, A Improving Basic Program	224 IDEA Part B Formula	225 IDEA Part B Preschool
REVENUES:				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800 State Program Revenues	-	-	-	-
5900 Federal Program Revenues	15,641	4,631,362	1,910,214	15,772
5020 Total Revenues	15,641	4,631,362	1,910,214	15,772
EXPENDITURES:				
Current:				
0011 Instruction	9,819	3,175,517	1,062,111	15,772
0012 Instructional Resources and Media Services	4,572	-	-	-
0013 Curriculum and Instructional Staff Development	-	814,597	-	-
0021 Instructional Leadership	1,250	143,103	166,749	-
0023 School Leadership	-	31,551	-	-
0031 Guidance, Counseling, and Evaluation Services	-	343,320	681,354	-
0034 Student (Pupil) Transportation	-	-	-	-
0035 Food Services	-	-	-	-
0036 Extracurricular Activities	-	-	-	-
0051 Facilities Maintenance and Operations	-	-	-	-
0052 Security and Monitoring Services	-	-	-	-
0061 Community Services	-	123,274	-	-
Debt Service:				
0071 Principal on Long-Term Debt	-	-	-	-
0072 Interest on Long-Term Debt	-	-	-	-
0073 Bond Issuance Cost and Fees	-	-	-	-
Capital Outlay:				
0081 Facilities Acquisition and Construction	-	-	-	-
6030 Total Expenditures	15,641	4,631,362	1,910,214	15,772
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES):				
7901 Refunding Bonds Issued	-	-	-	-
7916 Premium or Discount on Issuance of Bonds	-	-	-	-
8940 Payment to Bond Refunding Escrow Agent (Use)	-	-	-	-
7080 Total Other Financing Sources (Uses)	-	-	-	-
1200 Net Change in Fund Balance	-	-	-	-
0100 Fund Balance - September 1 (Beginning)	-	-	-	-
1300 Prior Period Adj. - Increase in Fund Balance	-	-	-	-
3000 Fund Balance - August 31 (Ending)	\$ -	\$ -	\$ -	\$ -

244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	263 Title III, A English Lang. Acquisition	272 Medicaid Admin. Claim MAC	276 Title I - SIP Academy Grant	289 Other Federal Special Revenue Funds	397 Advanced Placement Incentives	410 State Instructional Materials
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	230,813
172,187	618,764	401,502	103,217	24,500	306,029	-	-
172,187	618,764	401,502	103,217	24,500	306,029	-	230,813
85,006	23,013	365,290	207,979	24,500	132,596	-	230,813
-	-	-	-	-	-	-	-
-	595,751	35,212	-	-	-	-	-
-	-	1,000	-	-	-	-	-
-	-	-	-	-	-	-	-
87,181	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	173,433	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
172,187	618,764	401,502	207,979	24,500	306,029	-	230,813
-	-	-	(104,762)	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	(104,762)	-	-	-	-
-	-	-	187,406	-	-	2,589	-
-	-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ 82,644	\$ -	\$ -	\$ 2,589	\$ -

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

Data Control Codes	422 Matching Fund for Library Purchases	429 Other State Special Revenue Funds	461 Campus Activity Funds	480 Scholarship Fund
REVENUES:				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ 65,770	\$ 14,860
5800 State Program Revenues	-	184,685	-	-
5900 Federal Program Revenues	-	-	-	-
5020 Total Revenues	-	184,685	65,770	14,860
EXPENDITURES:				
Current:				
0011 Instruction	-	3,448	32,839	24,605
0012 Instructional Resources and Media Services	-	-	-	-
0013 Curriculum and Instructional Staff Development	-	-	-	-
0021 Instructional Leadership	-	-	-	-
0023 School Leadership	-	-	-	-
0031 Guidance, Counseling, and Evaluation Services	-	35,000	-	-
0034 Student (Pupil) Transportation	-	-	-	-
0035 Food Services	-	-	-	-
0036 Extracurricular Activities	-	-	-	-
0051 Facilities Maintenance and Operations	-	-	-	-
0052 Security and Monitoring Services	-	181,230	-	-
0061 Community Services	-	-	-	-
Debt Service:				
0071 Principal on Long-Term Debt	-	-	-	-
0072 Interest on Long-Term Debt	-	-	-	-
0073 Bond Issuance Cost and Fees	-	-	-	-
Capital Outlay:				
0081 Facilities Acquisition and Construction	-	-	-	-
6030 Total Expenditures	-	219,678	32,839	24,605
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(34,993)	32,931	(9,745)
OTHER FINANCING SOURCES (USES):				
7901 Refunding Bonds Issued	-	-	-	-
7916 Premium or Discount on Issuance of Bonds	-	-	-	-
8940 Payment to Bond Refunding Escrow Agent (Use)	-	-	-	-
7080 Total Other Financing Sources (Uses)	-	-	-	-
1200 Net Change in Fund Balance	-	(34,993)	32,931	(9,745)
0100 Fund Balance - September 1 (Beginning)	4,232	35,036	66,988	-
1300 Prior Period Adj. - Increase in Fund Balance	-	-	-	30,005
3000 Fund Balance - August 31 (Ending)	\$ 4,232	\$ 43	\$ 99,919	\$ 20,260

482 Homeless Donation Fund	484 GALA Senior	497 TASP	498 CREED	499 Other Local Special Revenue Funds	Total Nonmajor Special Revenue Funds	599 Debt Service Fund	699 Capital Projects Fund
\$ 150	\$ -	\$ -	\$ -	\$ 42,670	\$ 123,450	\$ 5,222,017	\$ 4,676
-	-	-	-	-	415,498	6,472,787	-
-	-	-	-	-	8,199,188	-	-
150	-	-	-	42,670	8,738,136	11,694,804	4,676
-	-	-	-	1,089	5,394,397	-	11,133
-	-	-	-	-	4,572	-	-
-	-	-	-	-	1,445,560	-	-
-	-	-	-	-	312,102	-	-
-	-	-	-	-	31,551	-	-
-	-	-	-	-	1,146,855	-	-
-	-	-	-	-	-	-	336,650
-	-	-	-	40,000	40,000	-	-
-	-	-	-	-	-	-	134,889
-	-	-	-	-	-	-	1,264,950
-	-	-	-	-	354,663	-	-
150	-	-	-	-	123,424	-	-
-	-	-	-	-	-	6,255,300	-
-	-	-	-	-	-	6,302,610	-
-	-	-	-	-	-	943,005	-
-	-	-	-	-	-	-	82,245
150	-	-	-	41,089	8,853,124	13,500,915	1,829,867
-	-	-	-	1,581	(114,988)	(1,806,111)	(1,825,191)
-	-	-	-	-	-	78,359,890	-
-	-	-	-	-	-	18,746,538	-
-	-	-	-	-	-	(96,169,273)	-
-	-	-	-	-	-	937,155	-
-	-	-	-	1,581	(114,988)	(868,956)	(1,825,191)
-	-	500	41,378	-	338,129	3,026,208	4,139,377
1,580	2,291	-	-	-	33,876	-	-
\$ 1,580	\$ 2,291	\$ 500	\$ 41,378	\$ 1,581	\$ 257,017	\$ 2,157,252	\$ 2,314,186

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

Data Control Codes		
	807 David Cramer Memorial Scholarship	Total Nonmajor Governmental Funds
REVENUES:		
5700 Total Local and Intermediate Sources	\$ 12	\$ 5,350,155
5800 State Program Revenues	-	6,888,285
5900 Federal Program Revenues	-	8,199,188
5020 Total Revenues	12	20,437,628
EXPENDITURES:		
Current:		
0011 Instruction	-	5,405,530
0012 Instructional Resources and Media Services	-	4,572
0013 Curriculum and Instructional Staff Development	-	1,445,560
0021 Instructional Leadership	-	312,102
0023 School Leadership	-	31,551
0031 Guidance, Counseling, and Evaluation Services	-	1,146,855
0034 Student (Pupil) Transportation	-	336,650
0035 Food Services	-	40,000
0036 Extracurricular Activities	-	134,889
0051 Facilities Maintenance and Operations	-	1,264,950
0052 Security and Monitoring Services	-	354,663
0061 Community Services	-	123,424
Debt Service:		
0071 Principal on Long-Term Debt	-	6,255,300
0072 Interest on Long-Term Debt	-	6,302,610
0073 Bond Issuance Cost and Fees	-	943,005
Capital Outlay:		
0081 Facilities Acquisition and Construction	-	82,245
6030 Total Expenditures	-	24,183,906
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	12	(3,746,278)
OTHER FINANCING SOURCES (USES):		
7901 Refunding Bonds Issued	-	78,359,890
7916 Premium or Discount on Issuance of Bonds	-	18,746,538
8940 Payment to Bond Refunding Escrow Agent (Use)	-	(96,169,273)
7080 Total Other Financing Sources (Uses)	-	937,155
1200 Net Change in Fund Balance	12	(2,809,123)
0100 Fund Balance - September 1 (Beginning)	6,039	7,509,753
1300 Prior Period Adj. - Increase in Fund Balance	-	33,876
3000 Fund Balance - August 31 (Ending)	\$ 6,051	\$ 4,734,506

CLINT INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF FIDUCIARY NET POSITION  
 CUSTODIAL FUNDS  
 AUGUST 31, 2021

	865 Custodial Fund Student Activity Acct	899 Custodial Fund Sunshine Account	Total Custodial Funds
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 367,103	\$ -	\$ 367,103
Due from Other Funds	3	35,674	35,677
Total Assets	<u>367,106</u>	<u>35,674</u>	<u>402,780</u>
<b>NET POSITION</b>			
Restricted for Individuals and Organizations	<u>367,106</u>	<u>35,674</u>	<u>402,780</u>
Total Net Position	<u><u>\$ 367,106</u></u>	<u><u>\$ 35,674</u></u>	<u><u>\$ 402,780</u></u>



CLINT INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 CUSTODIAL FUNDS  
 FOR THE YEAR ENDED AUGUST 31, 2021

	865 Custodial Fund Student Activity Acct	899 Custodial Fund Sunshine Account	Total Custodial Funds
ADDITIONS:			
Contributions to Student Groups	\$ 17,208	\$ -	\$ 17,208
Enterprising Services Revenue	117,376	-	117,376
Earnings from Temporary Deposits	300	-	300
Contributions, Gifts and Donations	-	40,103	40,103
Total Additions	<u>134,884</u>	<u>40,103</u>	<u>174,987</u>
DEDUCTIONS:			
Material, Supplies and Misc.	152,127	47,393	199,520
Payment of Sales Tax Collected	533	-	533
Total Deductions	<u>152,660</u>	<u>47,393</u>	<u>200,053</u>
Change in Net Position	(17,776)	(7,290)	(25,066)
Net Position - September 1 (Beginning)	-	-	-
Prior Period Adjustment	<u>384,882</u>	<u>42,964</u>	<u>427,846</u>
Net Position - August 31 (Ending)	<u><u>\$ 367,106</u></u>	<u><u>\$ 35,674</u></u>	<u><u>\$ 402,780</u></u>

## **OTHER INFORMATION - REQUIRED TEA SCHEDULES**

CLINT INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF DELINQUENT TAXES RECEIVABLE  
FISCAL YEAR ENDED AUGUST 31, 2021

Last 10 Years Ended August 31	(1)	(2)	(3)
	Tax Rates		Assessed/Appraised Value for School Tax Purposes
	Maintenance	Debt Service	
2012 and prior years	Various	Various	\$ Various
2013	1.040050	0.295000	1,026,403,818
2014	1.040050	0.295000	1,057,975,193
2015	1.040050	0.295000	1,067,074,400
2016	1.040100	0.366500	1,023,854,363
2017	1.040100	0.366500	1,069,176,764
2018	1.040100	0.366500	1,173,520,402
2019	1.170000	0.236600	1,331,887,487
2020	1.068350	0.236600	1,490,415,332
2021 (School year under audit)	1.054700	0.340000	1,549,546,485
1000 TOTALS			

(10) Beginning Balance 9/1/2020	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 8/31/2021
\$ 1,550,688	\$ -	\$ 47,389	\$ 10,509	\$ (84,346)	\$ 1,408,444
161,530	-	8,397	2,382	(10)	150,741
183,621	-	12,553	3,560	(11)	167,497
227,160	-	25,626	7,269	(10)	194,255
272,143	-	30,775	10,844	(667)	229,857
325,875	-	46,176	16,271	(1,174)	262,254
395,621	-	60,148	21,194	(476)	313,803
605,086	-	110,031	22,251	(24,050)	448,754
1,028,452	-	262,594	58,155	(109,322)	598,381
-	21,121,400	15,243,651	4,914,043	-	963,706
<u>\$ 4,750,176</u>	<u>\$ 21,121,400</u>	<u>\$ 15,847,340</u>	<u>\$ 5,066,478</u>	<u>\$ (220,066)</u>	<u>\$ 4,737,692</u>

CLINT INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - CHILD NUTRITION PROGRAM  
FOR THE YEAR ENDED AUGUST 31, 2021

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 245,096	\$ 245,096	\$ 233,893	\$ (11,203)
5800 State Program Revenues	34,901	34,901	34,901	-
5900 Federal Program Revenues	6,664,788	6,664,788	6,288,612	(376,176)
5020 Total Revenues	6,944,785	6,944,785	6,557,406	(387,379)
EXPENDITURES:				
Current:				
0035 Food Services	9,275,010	10,221,010	6,910,302	3,310,708
0051 Facilities Maintenance and Operations	181,000	181,000	58,555	122,445
6030 Total Expenditures	9,456,010	10,402,010	6,968,857	3,433,153
1200 Net Change in Fund Balances	(2,511,225)	(3,457,225)	(411,451)	3,045,774
0100 Fund Balance - September 1 (Beginning)	3,291,332	3,291,332	3,291,332	-
3000 Fund Balance - August 31 (Ending)	\$ 780,107	\$ (165,893)	\$ 2,879,881	\$ 3,045,774

CLINT INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - DEBT SERVICE FUND  
FOR THE YEAR ENDED AUGUST 31, 2021

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 5,222,072	\$ 5,222,072	\$ 5,222,017	\$ (55)
5800 State Program Revenues	9,635,850	9,635,850	6,472,787	(3,163,063)
5020 Total Revenues	14,857,922	14,857,922	11,694,804	(3,163,118)
EXPENDITURES:				
Debt Service:				
0071 Principal on Long-Term Debt	5,271,817	6,255,301	6,255,300	1
0072 Interest on Long-Term Debt	8,505,884	6,587,400	6,302,610	284,790
0073 Bond Issuance Cost and Fees	25,000	960,000	943,005	16,995
6030 Total Expenditures	13,802,701	13,802,701	13,500,915	301,786
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	1,055,221	1,055,221	(1,806,111)	(2,861,332)
OTHER FINANCING SOURCES (USES):				
7901 Refunding Bonds Issued	-	-	78,359,890	78,359,890
7916 Premium or Discount on Issuance of Bonds	-	-	18,746,538	18,746,538
8940 Payment to Bond Refunding Escrow Agent (Use)	-	-	(96,169,273)	(96,169,273)
7080 Total Other Financing Sources (Uses)	-	-	937,155	937,155
1200 Net Change in Fund Balances	1,055,221	1,055,221	(868,956)	(1,924,177)
0100 Fund Balance - September 1 (Beginning)	3,026,208	3,026,208	3,026,208	-
3000 Fund Balance - August 31 (Ending)	\$ 4,081,429	\$ 4,081,429	\$ 2,157,252	\$ (1,924,177)

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## **FEDERAL AWARDS SECTION**



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

To the Board of Trustees  
Clint Independent School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Clint Independent School District (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 January 10, 2022.

**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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink, appearing to read "Gibson Ruddock Patterson, LLC". The signature is fluid and cursive, with the letters "G", "R", and "P" being particularly prominent.

Gibson Ruddock Patterson, LLC  
El Paso, Texas  
January 10, 2022

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

To the Board of Trustees  
Clint Independent School District

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

We have audited Clint Independent School District's (District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended August 31, 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 federal statutes, regulations, and the terms and conditions of its federal awards 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 of the District's compliance.

***Opinion of 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 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.

A handwritten signature in black ink, appearing to read "Gibson Ruddock Patterson LLC".

Gibson Ruddock Patterson, LLC  
El Paso, Texas  
January 10, 2022

CLINT INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED AUGUST 31, 2021

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**SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

Type of Auditor's Report issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

**Internal control over financial reporting:**

Were significant deficiencies in internal control disclosed? None reported

Were material weaknesses in internal control disclosed? No

Was any noncompliance disclosed that is material to the financial statements of the auditee, which would be required to be reported in accordance with Government Auditing Standards? No

**Federal Awards**

**Internal control over major federal award programs:**

Were significant deficiencies in internal control over major programs disclosed? None reported

Were material weaknesses in internal control over major programs disclosed? No

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

Were there any audit findings that the auditor is required to disclose under Title 2 CFR 200.516 Audit findings paragraph (a)? No

Major Federal Program(s): Education Stabilization Fund  
(Elementary and Secondary School  
Emergency Relief Fund and ARP  
ESSER):  
Assistance Listing No. 84.425D  
(ESSER II)  
Assistance Listing No. 84.425U  
(ESSER III)

Dollar threshold used to distinguish between type A and type B programs: \$1,033,767

Did auditee qualify as a low-risk auditee under 2 CFR 200.520 Criteria for a low-risk auditee? Yes

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

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**FINANCIAL STATEMENT FINDINGS**

There were no current year findings.

**FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

There were no current year findings or questioned costs.

**CLINT INDEPENDENT SCHOOL DISTRICT**

**SCHEDULE OF STATUS OF PRIOR FINDINGS**

**FOR THE YEAR ENDED AUGUST 31, 2021**

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**FINANCIAL STATEMENT FINDINGS**

There were no prior year findings.

**FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

There were no prior year findings or questioned costs.



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

(1)	(2)	(3)	(4)
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	Federal Assistance Listing No.	Pass-Through Entity Identifying Number	Federal Expenditures
<b>U.S. DEPARTMENT OF DEFENSE</b>			
<u>Direct Programs</u>			
NJROTC	12.000	N/A	\$ 197,521
Total Direct Programs			197,521
<b>TOTAL U.S. DEPARTMENT OF DEFENSE</b>			197,521
<b>U.S. DEPARTMENT OF EDUCATION</b>			
<u>Passed Through State Department of Education</u>			
ESEA, Title I, Part A - Improving Basic Programs	84.010A	21610101071901	4,175,861
ESEA, Title I, Part A - Improving Basic Programs	84.010A	20610101071901	690,549
Total Assistance Listing Number 84.010A			4,866,410
*IDEA - Part B, Formula	84.027A	216600010719016600	1,910,365
*IDEA - Part B, Preschool	84.173A	216610010719016610	16,607
Total Special Education Cluster (IDEA)			1,926,972
Career and Technical - Basic Grant	84.048A	21420006071901	181,105
ESEA, Title X, Part C - Homeless Children	84.196A	214600057110015	16,472
Title III, Part A - English Language Acquisition	84.365A	21671001071901	412,691
Title III, Part A - English Language Acquisition	84.365A	20671001071901	8,206
Total Assistance Listing Number 84.365A			420,897
ESEA, Title II, Part A, Supporting Effective Instr	84.367A	21694501071901	505,232
ESEA, Title II, Part A, Supporting Effective Instr	84.367A	20694501071901	137,859
Total Assistance Listing Number 84.367A			643,091
Summer School LEP	84.369A	69552002	14,746
Title I School Improvement Grants	84.377A	17610740071901	24,500
Title IV, Part A, SSAE	84.424A	21680101071901	295,477
Title IV, Part A, SSAE	84.424A	20680101071901	10,726
Total Assistance Listing Number 84.424A			306,203
COVID-19 -Education Stabilization Fund (ESSER II)	84.425D	21521001071901	9,245,771
COVID-19 -Education Stabilization Fund (PPRP)	84.425D	52102135	487,160
COVID-19-Education Stabilization Fund (ESSER III)	84.425U	21528001071901	9,403,122
Total Assistance Listing Number 84.425			19,136,053
Total Passed Through State Department of Education			27,536,449
<b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>			27,536,449
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
<u>Passed Thru Texas Health &amp; Human Svcs Commission</u>			
Medicaid Administrative Claiming Program - MAC	93.778	HHS000537900016	103,217
Total Passed Thru Texas Health & Human Svcs Commission			103,217

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

(1) FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	(2) Federal Assistance Listing No.	(3) Pass-Through Entity Identifying Number	(4) Federal Expenditures
<b>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			103,217
<b>U.S. DEPARTMENT OF THE TREASURY</b>			
<u>Passed through State Dept of Emergency Management</u>			
COVID-19 - Coronavirus Relief Fund	21.019	2020-CF21019	24,822
Total Passed through State Dept of Emergency Management			24,822
<u>Passed through the County of El Paso</u>			
COVID-19 - Coronavirus Relief Fund	21.019	2020-1060	8,274
Total Passed through the County of El Paso			8,274
<b>TOTAL U.S. DEPARTMENT OF THE TREASURY</b>			33,096
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
<u>Passed Through the State Department of Agriculture</u>			
**School Breakfast Program - Cash Assistance	10.553	806780706	2,409,400
**National School Lunch Program - Cash Assistance	10.555	806780706	3,781,177
**COVID-19 - Emergency Cost Reimb - Cash Assist	10.555	806780706	215,168
**National School Lunch Prog.-Non-Cash Assistance	10.555	806780706	168,323
Total Assistance Listing Number 10.555			4,164,668
Total Child Nutrition Cluster			6,574,068
Child & Adult Care Food Program - Cash Assistance	10.558	806780706	14,544
Total Passed Through the State Department of Agriculture			6,588,612
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>			6,588,612
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			\$ 34,458,895

\* and \*\* are Clustered Programs

# CLINT INDEPENDENT SCHOOL DISTRICT

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED AUGUST 31, 2021

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### 1. BASIS OF ACCOUNTING

The District accounts for all awards under federal programs in the general fund or a special revenue fund in accordance with the Texas Education Agency's *Financial Accountability System Resource Guide*. Special revenue funds are used to account for resources restricted to, or committed for specific purposes by a grantor. Federal and state financial assistance is generally accounted for in a special revenue fund. If balances have not been expended by the end of the project period, grantors sometimes require the District to refund all or part of the unused amount. For the year ended August 31, 2021, the District predominately accounted for federal grant funds in special revenue funds, with the exception of those noted in the reconciliation within Note 4, which were accounted for in the general fund.

These programs are accounted for using a current financial measurement focus. With this measurement focus, only current assets, deferred outflow of resources, current liabilities, and deferred inflow of resources generally are included on the balance sheet. Operating statements of these funds present increases (i.e. revenues and other financing sources) and decreases (i.e. expenditures and other financing uses) in fund balance.

The modified accrual basis of accounting is used for these funds. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual, i.e., both measurable and available, and expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on long-term debt, which is recognized when due, and certain compensated absences, which are recognized when the obligations are expected to be liquidated with expendable available financial resources. Expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited to reimbursement. Pass-through entity identifying numbers are presented where available.

Federal grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant. When grant funds are received before expenditures are made, they are recorded as unearned revenues until earned. Due to the nature of the reporting process for the SHARS program, the District recognizes SHARS revenue upon receipt of the reimbursement notice from the federal government.

### 2. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "schedule") includes the federal activity of 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.

Period of Performance - The period of performance for federal grant funds for the purpose of liquidation of outstanding obligations made on or before the ending date of the federal project period extended 90 days beyond the federal project period ending date, in accordance with provisions in Section H, Period of Performance of Federal Funds, Part 3, OMB Compliance Supplement - July 2021 and the Compliance Supplement Addendum - December 2021.

(Continued)

# CLINT INDEPENDENT SCHOOL DISTRICT

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED AUGUST 31, 2021

### 2. BASIS OF PRESENTATION (Continued)

Matching - To assist local education agencies in meeting match requirements for the grant from the Texas Division of Emergency Management, titled Coronavirus Relief Fund for Local Education Agencies, Assistance Listing No. 21.019. the County of El Paso, Texas, matched a total of \$8,274 for the District.

Program Income - The Child Nutrition Cluster and ESSER III generated program income in the amounts of \$233,893 and \$10,000, respectively, for the year ended August 31, 2021.

Commodities - Commodity assistance is reported by the Assistance Listing number of the programs under which USDA donated the commodities identified as non-cash assistance.

### 3. INDIRECT COST RATE

The District did not elect to use the 10% de minimis indirect cost rate but used the indirect cost rate assigned by the Texas Education Agency.

The District accounted for federally funded indirect costs in the General Fund as follows:

Program Title	Federal Assistance Listing Number	Amount
School Breakfast Program - Cash Assistance	10.553	\$ 120,000
National School Lunch Program - Cash Assistance	10.555	180,000
ESEA, Title I, Part A - Improving Basic Programs	84.010A	235,048
IDEA - Part B, Formula	84.027A	151
IDEA - Part B, Preschool	84.173A	835
Career and Technical - Basic Grant	84.048A	8,918
Texas Support for Homeless Education Program	84.196A	831
Title III, Part A - English Language Acquisition	84.365A	19,395
Title II, Part A - Supporting Effective Inst.	84.367A	24,327
Title IV, Part A, SSAE	84.424A	14,920
Education Stabilization Fund - ESSER II	84.425D	1,059,761
Education Stabilization Fund - ESSER III	84.425U	1,049,684
Total Indirect Costs		<u>\$ 2,713,870</u>

(Continued)

# CLINT INDEPENDENT SCHOOL DISTRICT

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED AUGUST 31, 2021

### 4. RECONCILIATIONS

Of the federal expenditures presented in Exhibit K-1, the District accounted for certain funds in the General Fund as follows:

Program Title	Federal Assistance Listing Number	Amount
School Breakfast Program - Cash Assistance	10.553	\$ 2,289,400
National School Lunch Program - Cash Assistance	10.555	3,601,177
Emergency Cost Reimbursement - Cash Assistance	10.555	215,168
National School Lunch Prog. - Non-Cash Assistance	10.555	168,323
Child & Adult Care Food Program - Cash Assistance	10.558	14,544
NJROTC	12.000	197,521
Coronavirus Relief Fund	21.019	33,096
ESSER III Pre-award Costs of prior FY expenditures	84.425U	3,898,726
Indirect Costs - CNP	10.XXX	300,000
Indirect Costs - Other	84.XXX	<u>2,413,870</u>
Total Federal Expenditures Presented in Exhibit K-1		13,131,825
SHARS (not included in Exhibit K-1)		<u>1,618,451</u>
Total General Fund federal revenue per Exhibit C-3		<u><u>\$ 14,750,276</u></u>

The total federal revenue presented on Exhibit K-1 can be reconciled to Exhibit C-3 as follows:

Expenditures of federal awards per Exhibit K-1	\$ 34,458,895
School Health and Related Services (SHARS) reimbursements	<u>1,618,451</u>
Total federal revenue per Exhibit C-3	<u><u>\$ 36,077,346</u></u>