

GOODRICH INDEPENDENT SCHOOL DISTRICT  
Goodrich, Texas

ANNUAL FINANCIAL REPORT

For the Year Ended August 31, 2021

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## INTRODUCTORY SECTION

GOODRICH INDEPENDENT SCHOOL DISTRICT  
CERTIFICATE OF BOARD  
August 31, 2021

Goodrich Independent School District  
Name of School District

Polk  
County

187-903  
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 18<sup>th</sup> day of November, 2021.

*Leslie Blackrock*  
Signature of Board Secretary

*Brenda Bennett*  
Signature of Board President

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

## FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees  
Goodrich Independent School District  
Goodrich, Texas

**Report on the Financial Statements**

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

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

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

**Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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, fiduciary funds, and the aggregate remaining fund information of the District as of August 31, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

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

### *Supplementary 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 introductory section, combining funds financial statements and other supplementary information, including the schedule of required responses to selected school first indicators, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying other supplementary information is presented for purposes of additional analysis and is also not a required part of the basic financial statements.

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

The Schedule of Required Responses to Selected School FIRST Indicators has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2021, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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.

  
CERTIFIED PUBLIC ACCOUNTANTS

Lufkin, Texas  
November 18, 2021

## GOODRICH INDEPENDENT SCHOOL DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Goodrich Independent School District (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended August 31, 2021.

### FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$3,670,012 (*net position*). Of this amount, \$2,116,521 (*unrestricted net position*) may be used to meet the District's ongoing obligations to students and creditors.
- The District's total net position increased by \$822,739.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$3,669,412, an increase of \$695,360 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$3,526,027, or 107 percent of total general fund expenditures.
- The District's total bonded debt decreased by \$90,000 during the current fiscal year.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components; 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information and supplementary and other 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 District's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* (Exhibit A-1) presents information on all of the District's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *Statement of Activities* (Exhibit B-1) presents information showing how the District's net position changes 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 related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused sick leave).

The government-wide financial statements of the District are principally supported by taxes and intergovernmental revenues (*governmental activities*). The governmental activities of the District include *Instruction, Instructional Resources and Media Services, Curriculum and Instructional Staff Development, School Leadership, Guidance, Counseling, and Evaluation Services, Health Services, Student Transportation, Food Services, Extracurricular Activities, General Admission, Plant Maintenance and Operations, Security and Monitoring Services, Data Processing Services, Interest on Long-term Debt, Issuance Costs and Fees, Payments Related to Shared Services Arrangements, and Other Intergovernmental Charges*.

The government-wide financial statements can be found as noted in the table of contents of this report.

### FUND FINANCIAL STATEMENTS

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

#### ***The District has the following kinds of funds:***

**Governmental Funds** - *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows 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 District's near-term financing requirements.

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

The District maintains individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the general fund, debt service fund, and capital projects fund, which are considered to be major funds. Data from the other 8 governmental funds are combined into a single, aggregated presentation titled nonmajor governmental funds.

The District adopts an annual revenue and appropriated budget for its general fund, debt service fund, and national school breakfast and lunch program. All other governmental funds adopt project length budgets. Subsequent to adoption, amendments approved by the governing body are reflected in a revised budget column. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found as noted in the table of contents of this report.

**Fiduciary Funds** - Fiduciary funds are used to account for resources held for the benefit of students. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the District's own programs.

The basic fiduciary fund financial statements can be found as noted in the table of contents of this report.

### Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found as noted in the table of contents of this report.

### Other Information

In addition to the basic financial statements and accompanying notes, this report presents required supplementary information and supplementary and other information including schedules required by the Texas Education Agency. Such information can be found as noted in the table of contents of this report.

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a District's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$3,670,012 at the close of the most recent fiscal year.

#### Goodrich Independent School District's Net Position

	GOVERNMENTAL ACTIVITIES		
	AUGUST 31,		AMOUNT
	2021	2020	OF CHANGE
Current and other assets	\$ 4 070 532	\$ 3 480 365	\$ 590 167
Capital and long-term assets	4 049 263	3 931 669	117 594
TOTAL ASSETS	8 119 795	7 412 034	707 761
Deferred outflows	641 391	336 520	304 871
Long-term liabilities	4 145 079	4 080 340	64 739
Other liabilities	213 535	276 961	(63 426)
TOTAL LIABILITIES	4 358 614	4 357 301	1 313
Deferred inflows	732 560	543 980	188 580
Net Position:			
Invested in capital assets	1 380 106	1 154 136	225 970
Restricted	173 385	228 614	(55 229)
Unrestricted	2 116 521	1 464 523	651 998
TOTAL NET POSITION	\$ 3 670 012	\$ 2 847 273	\$ 822 739

Net investment in capital assets (e.g., land and improvements, buildings and improvements, furniture and equipment), less any related debt used to acquire those assets that are still outstanding represent 37 percent of the District's net position. The District uses these capital assets to provide services to students; consequently, these assets are *not* available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Net position that is restricted for grants, debt service and capital projects totaled \$173,385 or 5 percent of net position. The unrestricted net position of \$2,116,521 (57 percent of total net position) may be used to meet the District's ongoing obligations to students and creditors.

## Summary of Activities and Changes in Net Position

### Governmental Activities

The District's net position increased by \$822,739 from current operations. Key elements of the changes are as follows:

	GOVERNMENTAL ACTIVITIES		
	AUGUST 31,		AMOUNT OF CHANGE
	2021	2020	
Revenues:			
Program Revenues:			
Charges for services	\$ 32 481	\$ 41 090	\$ (8 609)
Operating grants and contributions	812 388	951 610	(139 222)
General Revenues:			
Property taxes, levied for general purposes	1 380 611	1 309 232	71 379
Property taxes, levied for debt service	185 698	162 556	23 142
Unrestricted grants and programs	2 174 112	2 207 040	(32 928)
Investment earnings	5 561	26 727	(21 166)
Other general revenues	377 863	22 929	354 934
TOTAL REVENUES	4 968 714	4 721 184	247 530
Expenses:			
Instruction	1 963 106	2 178 354	(215 248)
Instructional resources and media services	19 872	25 254	(5 382)
Curriculum and staff development	16 054	9 271	6 783
School leadership	278 362	266 466	11 896
Guidance, counseling and evaluation services	107 655	114 050	(6 395)
Health services	56 696	53 180	3 516
Student transportation	109 593	129 330	(19 737)
Food service	242 710	217 451	25 259
Co-curricular and extracurricular activities	97 934	92 254	5 680
General administration	439 276	448 346	(9 070)
Plant maintenance and operations	257 958	445 110	(187 152)
Security and monitoring services	7 663	36 347	(28 684)
Data processing services	141 968	91 729	50 239
Interest and fees on long-term debt	77 850	86 159	(8 309)
Capital outlay	236 513	-	236 513
Payments to shared services arrangements	61 119	52 827	8 292
Other intergovernmental charges	31 646	29 932	1 714
TOTAL EXPENSES	4 145 975	4 281 060	(135 085)
CHANGE IN NET POSITION	822 739	440 124	382 615
Net position - Beginning	2 847 273	2 407 149	440 124
NET POSITION - ENDING	\$ 3 670 012	\$ 2 847 273	\$ 822 739

Revenues are generated primarily from two sources. Grants and contributions (program and general revenues totaling \$2,986,500) represent 60 percent of total revenues and property taxes (\$1,566,309) represents 32 percent of total revenues. The remaining 8 percent is generated from charges for services, investment earnings, and miscellaneous revenues.

The primary functional expense of the District is Instruction \$(1,963,106) which represents 47 percent of total expenses, as well as, General Administration and Plant Maintenance which represent 11 and 6 percent of the total expenses, respectively. The remaining functional categories of expenses are individually 36 percent or less of total expenditures.

### FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the District uses funds accounting to ensure and demonstrate compliance with finance related legal requirements.

#### Governmental Funds

The focus of the District's *governmental funds* is to provide information on near term inflows, outflows, and balances of *spendable resources*. Such information is useful in assessing the District's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a District's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$3,699,412, an increase of \$695,360 in comparison with the prior year.

The general fund is the chief operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the general fund was \$3,526,027. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance to total fund expenditures. Unassigned fund balance represents 107 percent of total general fund expenditures. The revenues and expenditures remained consistent when compared to prior year.

The fund balance of the District's general fund increased by \$750,589 during the current fiscal year. The increase in fund balance was primarily due to increases in local and intermediate revenue, as well as state program revenue.

The debt service fund has a total fund balance of \$99,160, all of which is restricted for the payment of debt service. The increase in fund balance during the current year was due to property tax revenues related to the increase in tax revenue from an increase in tax valuation.

## CAPITAL ASSETS AND LONG-TERM LIABILITIES

### Capital Assets

The District's investment in capital assets for its governmental type activities as of August 31, 2021, amounts to \$4,049,263 (net of accumulated depreciation). This investment in capital assets includes land and improvements, buildings and improvements, furniture and equipment, and construction in progress. The total increase in the District's investment in capital assets for the current fiscal year was \$117,594.

Major capital asset events during the current fiscal year included the following:

#### Summary of the District's Capital Assets

	GOVERNMENTAL ACTIVITIES		AMOUNT OF CHANGE
	AUGUST 31,		
	2021	2020	
Land	\$ 320 931	\$ 320 931	\$ -
Construction in process	-	24 895	(24 895)
Buildings and improvements	3 412 482	3 218 392	194 090
Furniture and equipment	315 850	367 451	(51 601)
NET CAPITAL ASSETS	\$ 4 049 263	\$ 3 931 669	\$ 117 594

Additional information on the District's capital assets can be found in notes to the financial statements as noted in the table of contents of this report.

### Long-term Liabilities

At year-end, the District had the following long-term liabilities:

#### Goodrich Independent School District's Long-term Liabilities Outstanding

	GOVERNMENTAL ACTIVITIES		AMOUNT
	AUGUST 31,		OF
	2021	2020	CHANGE
General obligation bonds (net)	\$ 2 711 989	\$ 2 808 529	\$ (96 540)
Notes payable	64 532	127 458	(62 921)
Compensated absences	19 625	15 075	4 550
Net pension liability	672 780	400 375	272 405
Net OPEB liability	789 079	904 414	(115 335)
NET CAPITAL ASSETS	\$ 4 258 005	\$ 4 255 851	\$ 2 159

The District's bonded debt decreased by \$90,000 (3 percent) during the current fiscal year as a result of scheduled debt payments. Notes payable decreased by \$62,921 (49 percent) during the current fiscal year as a result of a note payment. The District's general obligation debt is backed by the full faith and credit of the District and is further guaranteed by the Texas Permanent School Fund Guarantee Program.

State statutes do not limit the tax rate or amount for the support of school districts' bonded indebtedness. However, approval of the Attorney General of the State of Texas is required prior to the sale of bonds.

Additional information on the District's long-term debt, net pension liability, and OPEB liability can be found in the notes to the financial statements as indicated in the table of contents of this report.

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

- Property values of the District are projected to remain stable in 2021-2022.
- A maintenance and operations tax rate of \$1.0221 and a debt service tax rate of \$0.1354, a total rate of \$1.1575, were adopted for 2021-2022. The preceding year rate was \$1.0221 for maintenance and operations with a \$0.1354 debt service tax rate.

All of these factors were considered in preparing the District's budget for the 2022 fiscal year.

### CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Business Manager, Goodrich Independent School District, P. O. Box 789, Goodrich, Texas, 77335.

## BASIC FINANCIAL STATEMENTS

GOODRICH INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
August 31, 2021

EXHIBIT A-1

DATA CONTROL CODES		1 GOVERNMENTAL ACTIVITIES
	ASSETS	
1110	Cash and cash equivalents	\$ 1 480 393
1910	Investments	2 106 564
1225	Property taxes receivable, net	274 236
1240	Due from other governments	209 339
1510	Land and improvements	320 931
1520	Buildings and improvements, net	3 412 482
1530	Furniture and equipment, net	315 850
1000	TOTAL ASSETS	<u>8 119 795</u>
	DEFERRED OUTFLOWS	
	Deferred outflows - Pension	439 259
	Deferred outflows - OPEB	202 132
1700	TOTAL DEFERRED OUTFLOWS	<u>641 391</u>
	LIABILITIES	
2110	Accounts payable	31 167
2140	Interest payable	3 725
2165	Accrued liabilities	65 717
2501	Due within one year	112 926
	Long-term Liabilities:	
2502	Due in more than one year	2 556 231
2516	Premium on bond issue	126 989
2540	Net pension liability	672 780
2545	Net OPEB liability	789 079
2000	TOTAL LIABILITIES	<u>4 358 614</u>
	Deferred Inflows:	
	Deferred inflows - Pension	119 677
	Deferred inflows - OPEB	612 883
2600	TOTAL DEFERRED INFLOWS	<u>732 560</u>
	NET POSITION	
3200	Net investment in capital assets	1 380 106
3880	Restricted for debt service	99 160
3820	Restricted for federal and state programs	74 225
3900	Unrestricted	2 116 521
3000	TOTAL NET POSITION	<u>\$ 3 670 012</u>

The accompanying notes are an integral part of this statement.

GOODRICH INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
For the Year Ended August 31, 2021

EXHIBIT B-1

DATA CONTROL CODES	FUNCTIONS/PROGRAMS	1  EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION GOVERNMENTAL ACTIVITIES
			3 CHARGES FOR SERVICES	4 OPERATING GRANTS AND CONTRIBUTIONS	
	Governmental Activities:				
11	Instruction	\$ 1 963 106	\$ 18 084	\$ 446 711	\$ (1 498 311)
12	Instruction resources and media services	19 872	-	16 822	(3 050)
13	Curriculum and staff development	16 054	-	-	(16 054)
23	School leadership	278 362	-	22 100	(256 262)
31	Guidance, counseling, and evaluation services	107 655	-	11 008	(96 647)
33	Health services	56 696	-	538	(56 158)
34	Student transportation	109 593	-	6 358	(103 235)
35	Food services	242 710	12 245	198 189	(32 276)
36	Co-curricular/extracurricular activities	97 934	2 142	2 589	(93 203)
41	General administration	439 276	-	29 024	(410 252)
51	Plant maintenance and operations	257 958	-	49 476	(208 482)
52	Security and monitoring services	7 663	-	-	(7 663)
53	Data processing services	141 968	10	29 573	(112 385)
72	Interest on long-term debt	76 850	-	-	(76 850)
73	Bond issuance costs and fees	1 000	-	-	(1 000)
81	Capital outlay	236 513	-	-	(236 513)
93	Payments related to shared services arrangements	61 119	-	-	(61 119)
99	Other intergovernmental charges	31 646	-	-	(31 646)
TG	TOTAL GOVERNMENTAL ACTIVITIES	\$ 4 145 975	\$ 32 481	\$ 812 388	(3 301 106)
	General Revenues:				
MT	Property taxes, levied for general purposes				1 380 611
DT	Property taxes, levied for debt service				185 698
GC	Grants and contributions not restricted				2 174 112
IE	Investment earnings				5 561
MI	Miscellaneous				377 863
TR	TOTAL GENERAL REVENUES				4 123 845
CN	CHANGE IN NET POSITION				822 739
NB	Net position - Beginning				2 847 273
NE	NET POSITION - ENDING				\$ 3 670 012

The accompanying notes are an integral part of this statement.

GOODRICH INDEPENDENT SCHOOL DISTRICT  
BALANCE SHEET - GOVERNMENTAL FUNDS  
August 31, 2021

DATA CONTROL CODES		10  GENERAL FUND	50 DEBT SERVICE FUND
	ASSETS		
1110	Cash and cash equivalents	\$ 1 308 698	\$ 99 160
1120	Current investments	2 106 564	-
1225	Taxes receivable, net	257 007	17 229
1240	Due from other governments	180 973	-
1260	Due from other funds	1 149	-
1000	TOTAL ASSETS	<u>\$ 3 854 391</u>	<u>\$ 116 389</u>
	LIABILITIES		
	Current Liabilities:		
2110	Accounts payable	\$ 8 599	\$ -
2160	Accrued wages payable	62 758	-
2170	Due to other funds	-	-
2000	TOTAL LIABILITIES	<u>71 357</u>	<u>-</u>
	Deferred Inflows:		
2600	Unavailable revenue	<u>257 007</u>	<u>17 229</u>
	TOTAL LIABILITIES AND DEFERRED INFLOWS	<u>328 364</u>	<u>17 229</u>
	FUND BALANCES		
	Restricted Fund Balances:		
3450	Federal/state funds grant restrictions	-	-
3480	Retirement of long-term debt	-	99 160
3600	Unassigned	<u>3 526 027</u>	<u>-</u>
3000	TOTAL FUND BALANCE	<u>3 526 027</u>	<u>99 160</u>
4000	TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	<u>\$ 3 854 391</u>	<u>\$ 116 389</u>

The accompanying notes are an integral part of this statement.

60 CAPITAL PROJECTS FUND	OTHER GOVERNMENTAL FUNDS	98 TOTAL GOVERNMENTAL FUNDS
\$ -	\$ 72 535	\$ 1 480 393
-	-	2 106 564
-	-	274 236
-	28 366	209 339
-	-	1 149
\$ <u>-</u>	\$ <u>100 901</u>	\$ <u>4 071 681</u>
\$ -	\$ 22 568	\$ 31 167
-	2 959	65 717
-	1 149	1 149
<u>-</u>	<u>26 676</u>	<u>98 033</u>
<u>-</u>	<u>-</u>	<u>274 236</u>
<u>-</u>	<u>26 676</u>	<u>372 269</u>
-	74 225	74 225
-	-	99 160
-	-	3 526 027
<u>-</u>	<u>74 225</u>	<u>3 699 412</u>
\$ <u>-</u>	\$ <u>100 901</u>	\$ <u>4 071 681</u>

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

EXHIBIT C-1R

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS BALANCE SHEET	\$ 3 699 412
Amounts Reported for Governmental Activities in the Statement of Net Position ("SNP") are Different Because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.	4 049 263
Property taxes receivable, which will be collected subsequent to year-end, but are not available soon enough to pay expenditures, and therefore, are deferred in the funds.	274 236
Long-term liabilities, including bonds payable, bond premium payable, interest payable, notes payable, compensated absences, and net pension and OPEB liability, are not due and payable in the current period, and, therefore, are not reported as liabilities in the funds.	(4 261 730)
Deferred outflows of resources for pension represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (revenue) until that time.	439 259
Deferred inflows of resources for pension represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (expenses/expenditures) until then.	(119 677)
Deferred outflows of resources for OPEB represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expenses/expenditures) until then.	202 132
Deferred inflows of resources for OPEB represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.	<u>(612 883)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES - STATEMENT OF NET POSITION	\$ <u>3 670 012</u>

The accompanying notes are an integral part of this statement.

GOODRICH INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS  
For the Year Ended August 31, 2021

DATA CONTROL CODES		10 GENERAL FUND	50 DEBT SERVICE FUND
	Revenues:		
5700	Local and intermediate revenue	\$ 1 827 460	\$ 185 811
5800	State program revenues	2 161 861	1 934
5900	Federal program revenues	<u>10 317</u>	<u>-</u>
5020	TOTAL REVENUES	<u>3 999 638</u>	<u>187 745</u>
	Expenditures:		
	Current:		
0011	Instruction	1 440 265	-
0012	Instructional resources and media services	1 711	-
0013	Curriculum and staff development	15 101	-
0023	School leadership	256 947	-
0031	Guidance, counseling, and evaluation services	79 058	-
0033	Health services	42 944	-
0034	Student transportation	96 157	-
0035	Food service	-	-
0036	Co-curricular/extracurricular activities	74 216	-
0041	General administration	380 901	-
0051	Plant maintenance and operations	388 520	-
0052	Security and monitoring services	4 540	-
0053	Data processing services	102 646	-
0071	Principal on long-term debt	10 153	90 000
0072	Interest on long-term debt	1 001	75 288
0073	Bond issuance costs and fees	-	1 000
0081	Capital outlay	299 970	-
0093	Payments to shared service arrangements	61 119	-
0099	Other governmental charges	<u>31 646</u>	<u>-</u>
6030	TOTAL EXPENDITURES	<u>3 286 895</u>	<u>166 288</u>
	EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>712 743</u>	<u>21 457</u>
	Other Financing Sources (Uses):		
7915	Transfer in	34 346	-
7919	Other nonoperating revenue	3 500	-
8911	Transfer out	<u>-</u>	<u>-</u>
	TOTAL OTHER FINANCING SOURCES (USES)	<u>37 846</u>	<u>-</u>
1200	NET CHANGE IN FUND BALANCES	750 589	21 457
0100	Fund balances - Beginning	<u>2 775 438</u>	<u>77 703</u>
3000	FUND BALANCES - ENDING	\$ <u>3 526 027</u>	\$ <u>99 160</u>

The accompanying notes are an integral part of this statement.

## EXHIBIT C-2

60 CAPITAL PROJECTS FUND	OTHER GOVERNMENTAL FUNDS	98 TOTAL GOVERNMENTAL FUNDS
\$ 9	\$ 30 347	\$ 2 043 627
-	39 274	2 203 069
-	561 615	571 932
9	631 236	4 818 628
-	292 230	1 732 495
-	15 519	17 230
-	-	15 101
-	1 081	258 028
-	538	79 596
-	538	43 482
-	1 661	97 818
-	220 385	220 385
-	15 000	89 216
-	2 153	383 054
-	35 155	423 675
-	-	4 540
-	30 381	133 027
-	-	100 153
-	-	76 289
-	-	1 000
58 944	-	358 914
-	-	61 119
-	-	31 646
58 944	614 641	4 126 768
(58 935)	16 595	691 860
-	-	34 346
-	-	3 500
-	(34 346)	(34 346)
-	(34 346)	3 500
(58 935)	(17 751)	695 360
58 935	91 976	3 004 052
\$ -	\$ 74 225	\$ 3 699 412

GOODRICH INDEPENDENT SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES OF  
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
For the Year Ended August 31, 2021

EXHIBIT C-3

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 695 360
Amounts Reported for Governmental Activities in the Statement of Activities ("SOA") are Different Because:	
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is capitalized and allocated over their estimated useful lives as depreciation expense.	117 594
Because some property taxes will not be collected for several months after the District's fiscal year end, they are not considered "available" revenues and are deferred in the governmental funds. Deferred tax revenues increased (decreased) by this amount this year.	(64 913)
Repayment of bond and note principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	120 588
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.	(561)
The (increase) decrease in compensated absences is reported in the statement of activities but does not require the use of current financial resources and, therefore, is not reported as expenditures in the governmental funds.	(4 550)
The net change in net pension liability, deferred outflows, and deferred inflows is reported in the statement of activities but does not require the use of current financial resources and, therefore, is not reported as expenditures in the governmental funds.	(66 952)
The net change in net OPEB liability, deferred outflows, and deferred inflows is reported in the statement of activities but does not require the use of current financial resources and, therefore, is not reported as expenditures in the governmental funds.	<u>26 173</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES - STATEMENT OF ACTIVITIES	\$ <u>822 739</u>

The accompanying notes are an integral part of this statement.

GOODRICH INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
August 31, 2021

EXHIBIT E-1

DATA CONTROL CODES		AGENCY FUND STUDENT ACTIVITY
	ASSETS	
1110	Cash and cash equivalents	\$ 24 534
1000	TOTAL ASSETS	\$ <u>24 534</u>
	NET POSITION	
3800	Held in trust	\$ 24 534
3000	TOTAL NET POSITION	\$ <u>24 534</u>

The accompanying notes are an integral part of this statement.

GOODRICH INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
August 31, 2021

EXHIBIT E-2

DATA CONTROL CODES		AGENCY FUND STUDENT ACTIVITY
	Revenues:	
5700	Local fundraising	\$ 4 860
	TOTAL REVENUES	<u>4 860</u>
	Expenses:	
6300	Student group expenses	<u>1 103</u>
	TOTAL EXPENSES	<u>1 103</u>
	CHANGE IN NET POSITION	3 757
	Beginning net position	<u>20 777</u>
3800	ENDING NET POSITION	\$ <u><u>24 534</u></u>

The accompanying notes are an integral part of this statement.

GOODRICH INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
August 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Government-wide Financial Statements

A. Reporting Entity

The Goodrich Independent School District (the "District"), is governed by a seven-member board of trustees, (the "Board"), which has governance responsibilities over all activities related to public, elementary and secondary, education within the District. Members of the Board are elected by the public; have authority to make decisions; appoint management and significantly influence operations; and have primary accountability for fiscal matters; the District is not included in any other governmental reporting entity. The accompanying financial statements present the District.

B. Basis of Presentation - Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government (the District). All fiduciary activities are reported only in the fund financial statements. *Governmental activities* are normally supported by taxes, intergovernmental revenues, and other nonexchange transactions.

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds. Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

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

C. Basis of Presentation - Fund Financial Statements

The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category - governmental and fiduciary - are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The District reports the following major *governmental funds*:

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

The *debt service fund* is used to account for the accumulation of resources that are restricted, committed, or assigned for the payment of principal and interest on long-term obligations of governmental funds.

The *capital projects fund* accounts for the acquisition and construction of the District's major facilities.

Additionally, the District reports the following fund types:

The *special revenue funds* are used to account for the proceeds of specific revenue sources (other than those identified as a major fund) that are restricted or committed to expenditures for specific purposes.

The *agency fund* accounts for assets held by the District for student organizations. The fund is custodial in nature (assets equal liabilities) and does not involve measurement or results of operations.

During the course of operations, the District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds) are eliminated in the governmental activities column.

Further, certain activities occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds are eliminated in governmental activities.

D. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

GOODRICH INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
August 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as 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.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as required under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgements, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financial sources.

Interest associated with the current fiscal period is all considered to be susceptible to accrual and has been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the District.

The agency fund has no measurement focus but utilizes the accrual basis of accounting for reporting its assets and liabilities.

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand and bank demand or time deposits with original maturities of three months or less from the date of acquisition.

2. Deposits and Investments

Investments for the District, except for certain investment pools and non-negotiable certificates of deposits, are reported at fair value. The investment pools operate in accordance with appropriate state laws and regulations and are reported at amortized cost or fair value. Non-negotiable certificates of deposit are reported at cost.

3. Capital Assets

Capital assets, which include land and improvements, buildings and improvements, and furniture and equipment, are reported in the applicable governmental activities column in the government-wide financial statements. The District's infrastructure includes parking lots and sidewalks associated with various buildings. The cost of the infrastructure was initially capitalized with the building cost and is being depreciated over the same useful life as the building. Capital assets are defined by the District as assets depreciated over the same useful life as the building. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000, and an estimated useful life in excess of two years.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities), the District chose to include all such items regardless of their acquisition date or amount. The District was able to estimate the historical cost for the initial reporting of these assets through back trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the District constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

GOODRICH INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
August 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Land and improvements are not depreciated. The buildings and improvements and furniture and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

ASSET CLASS	ESTIMATED USEFUL LIVES
Buildings	15-30
Building improvements	15-30
Vehicles	5-10
Equipment	5-10

4. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position (the government-wide Statement of Net Position and governmental funds balance sheet) will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position and/or fund balance that applies to one or more future periods and so will *not* be recognized as an outflow of resources (expense/expenditure) until then.

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

Deferred outflows/inflows of resources are amortized as follows:

- Deferred outflows/inflows from pension and OPEB activities are amortized over the weighted average remaining service life of all participants in the respective qualified pension plan and OPEB, except for projected and actual earnings differences on investments which are amortized on a closed basis over a 5-year period.
- District contributions to the pension and OPEB plans after the measurement date of each plan are recognized in the subsequent year.
- Property taxes are recognized in the period the amount becomes available.

5. Compensated Absences

It is the District's policy to permit employees to accumulate earned but unused state leave benefits. Payment for unused state leave days accumulated locally will be made upon retirement (in accordance with guidelines established by the Teacher Retirement System of Texas) for professional personnel. All state leave is accrued when an employee is eligible for retirement in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, the result of employee terminations.

The District does not have a liability for unpaid vacation at year end because the District's policy does not allow a carryover of vacation not taken at August 31.

6. Net Position Flow Assumption

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bonds or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

7. Fund Balance Flow Assumption

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

GOODRICH INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
August 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

8. Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The District itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance). The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision-making authority. The board of trustees (the Board) is the highest level of decision-making authority for the District that can, by board action or adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by board action or the resolution remains in place until a similar action is taken (the board action or adoption of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as committed. The Board has, by policy, authorized the superintendent or his designee to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

9. Pension

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' fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

10. Other Post-Employment Benefits

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

F. Revenues and Expenditures/Expenses

Program Revenue

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Property Taxes

Property values are determined by the county appraisal district as of January 1 each year. Prior to September 1 of each year, the District must adopt its annual budget and as soon thereafter as practicable, shall adopt a tax rate thus creating the tax levy. Property taxes for the current calendar year are levied on approximately October 1 of each year and are payable by January 31 of the following year. Property tax receivables are recorded as of the date levied. Unpaid taxes become delinquent on February 1 and a tax lien on real property is created as of July 1 of each year.

G. Use of Estimates

The presentation of financial statements, in conformity with generally accepted accounting principles, require management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

GOODRICH INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
August 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

H. Data Control Codes

The Data Control Codes refer to the account code structure prescribed by Texas Education Agency (TEA) in the *Financial Accountability System Resource Guide*. TEA requires school districts to display these codes in the financial statements filed with TEA in order to ensure accuracy in building a statewide data base for policy development and funding plans.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund, National School Breakfast and Lunch Program special revenue fund and Debt Service Fund. All other governmental funds adopt project-length budgets. All annual appropriations lapse at fiscal year-end. The following procedures are followed in establishing the budgetary data reflected in the financial statements.

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

The appropriated budget is prepared by fund, function, and campus/department. The District's campus/department heads may make transfers of appropriations within a campus/department. Transfers of appropriations between campus/departments require the approval of the District's management. Transfers of appropriations between functions require the approval of the Board. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the function level.

B. Encumbrances

Encumbrances accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as restricted, committed, or assigned fund balances as appropriate. The encumbrances do not constitute expenditures or liabilities, because the commitments will be reappropriated and honored during the subsequent year. All encumbrances have expired at year end.

NOTE 3 - DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Cash Deposits:

The District's funds are required to be deposited and invested under the terms of a depository contract pursuant to the Texas School Depository Act. The depository bank pledges securities which comply with state law and these securities are held for safekeeping and trust with the District's and the depository banks' agent bank. The pledged securities shall be 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.

Investments:

The District's investment policy is in accordance with the Public Funds Investment Act, the Public Funds Collateral Act, and federal and state laws. State law and District policy limits credit risk by allowing investing in 1) Obligations of the United States or its agencies which are backed by the full faith and credit of the United States, obligations of the State of Texas or its agencies, counties, cities and other political subdivisions of any state rated as to investment quality by a nationally recognized statistical rating organization (NRSRO) not less than A or its equivalent; 2) Certificates of deposit issued by a broker or depository located in Texas which is insured by the FDIC; 3) Repurchase agreements secured by obligations of the United States or its agencies not to exceed 90 days to maturity from the date of purchase; 4) Bankers acceptances with a stated maturity of 270 days or fewer which are eligible for collateral for borrowing from a Federal Reserve Bank; 5) No-load money market mutual funds which shall be registered with the Securities and Exchange Commission which have an average weighted maturity of less than two years, investments comply with the Public Funds Investment Act and are continuously rated not less than AAA by at least one NRSRO; 6) A guaranteed investment contract (for bond proceeds only) which meets the criteria and eligibility requirements established by the Public Funds Investment Act; 7) Public funds investment pools which meets the requirements of the Public Funds Investment Act; 8) Commercial paper is an authorized investment if it has a stated maturity of 270 days or fewer from the date of its issuance; and is rated not less than A-1 or P-1 or an equivalent rating by at least: two nationally recognized credit rating agencies; or one nationally recognized agency and is fully secured by an irrevocable letter of credit issued by a bank organized and existing under the laws of the United States or any state; 9) Securities lending program as permitted by Government Code 2256.016.

GOODRICH INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
August 31, 2021

**NOTE 3 - DETAILED NOTES ON ALL FUNDS - CONTINUED**

The District's investment balances, weighted average maturity, and credit risk of such investments are as follows:

	AUGUST 31, 2021	PERCENT OF TOTAL INVESTMENTS	WEIGHTED AVERAGE MATURITY (DAYS)	CREDIT RISK
Investments Measured at Cost:				
Certificates of deposit	\$ 374 917	17.8%	75	*
Investments measured at Fair Value, Not Subject to Level Reporting:				
Investment Pools:				
Lone Star Corporate Overnight Plus Fund	1 731 647	82.2%	52	AAAm
TOTAL	\$ 2 106 564	100.0%		

\*Certificates are insured or collateralized

Certificates of deposit are measured at amortized cost or net asset value, i.e., fair value. Such investment are not required to be reported in the fair value hierarchy.

The Lone Star Overnight Plus investment pool is an external investment pool measured at fair (NAV) value. Lone Star Overnight Plus' strategy is to seek preservation of principal, liquidity and current income through investment in a diversified portfolio of short-term marketable securities. The District has no unfunded commitments related to the investment pool. Lone Star Overnight Plus has a redemption notice period of one day and may redeem daily. The investment pool's authorities may only impose restrictions on redemptions in the event of a general suspension of trading on major securities market, general banking moratorium or national or state emergency that affects the pool's liquidity.

Credit Risk:

For the fiscal year, the District invested in Lone Star Overnight Plus Investment Pool. Lone Star Overnight Investment Plus Pool is duly chartered by the State of Texas Interlocal Cooperation Act and is administered by First Public, LLC formerly the Texas Association of School Boards Financial Services. The credit ratings of such investments are noted in the table above. The District's certificates of deposit are not exposed to credit risk and are FDIC insured or collateralized.

Interest Rate Risk:

Interest rate risk is the risk that changes in interest rates may adversely affect the value of the investments. The District monitors interest rate risk utilizing weighted average maturity analysis. In accordance with its investment policy, the District reduces its exposure to declines in fair values by limiting the weighted average maturity of any internally created pool to no more than 180 days, and any other individual investment not to exceed one year from the time of purchase, unless specifically authorized by the Board of Trustees.

Concentration of Credit Risk:

The District's investment policy does not limit an investment in any one issuer. The investment portfolio shall be diversified in terms of investment instruments, maturity scheduling, and financial institutions to reduce risk of loss resulting from over-concentration of assets in a specific class of investments, specific maturity, or specific issuer.

Custodial Credit Risk - Deposits:

In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. As of August 31, 2021, District's bank deposits and certificates of deposit were not exposed to custodial credit risk because they were insured and/or collateralized with securities held by the District's agent and in the District's name.

Custodial Credit Risk - Investments:

For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District is not exposed to a custodial risk due to the investments are held by the District in the District's name.

Approximately 8% of the outstanding balance of property taxes is not anticipated to be collected within the next year.

GOODRICH INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
August 31, 2021

**NOTE 3 - DETAILED NOTES ON ALL FUNDS - CONTINUED**

**B. Capital Assets**

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

GOVERNMENTAL ACTIVITIES	BEGINNING BALANCES	ADDITIONS	DECREASES	ENDING BALANCES
Capital Assets Not Being Depreciated:				
Land and improvements	\$ 320 931	\$ -	\$ -	\$ 320 931
Construction in process	23 650	50 735	(74 385)	-
TOTAL CAPITAL ASSETS NOT BEING DEPRECIATED	344 581	50 735	(74 385)	320 931
Capital Assets Being Depreciated:				
Buildings and improvements	9 219 729	363 182	-	9 582 911
Furniture and equipment	1 158 736	-	-	1 158 736
TOTAL CAPITAL ASSETS BEING DEPRECIATED	10 378 465	363 182	-	10 741 647
Less Accumulated Depreciation for:				
Buildings and improvements	(6 001 337)	(169 092)	-	(6 170 429)
Furniture and equipment	(791 285)	(51 601)	-	(842 886)
TOTAL ACCUMULATED DEPRECIATION	(6 792 622)	(220 693)	-	(7 013 315)
TOTAL CAPITAL ASSETS BEING DEPRECIATED, NET	3 585 843	142 489	-	3 728 332
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	\$ 3 930 424	\$ 193 224	\$ (74 385)	\$ 4 049 263

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

Governmental Activities:		
11	Instruction	\$ 109 316
12	Instructional resources and media services	1 087
13	Curriculum and instructional staff development	953
23	School leadership	16 281
31	Guidance, counseling and evaluation	5 022
33	Health service	2 744
34	Student transportation	6 172
35	Food service	13 906
36	Extracurricular activities	5 629
41	General administration	24 170
51	Plant maintenance and operations	26 733
52	Security and monitoring	286
53	Data processing services	8 394
TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES		\$ 220 693

**C. Long-term Liabilities**

The District's long-term liabilities consist of bond indebtedness, note payable, and net pension and OPEB liability. The current requirements for general obligation bonds principal and interest expenditures are accounted for in the debt service fund. Other long-term liabilities are generally liquidated with resources of the general fund.

**Changes in Long-term Liabilities:**

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

	BEGINNING BALANCE	INCREASES	DECREASES	ENDING BALANCE	AMOUNTS DUE WITHIN ONE YEAR
General obligation bonds	\$ 2 675 000	\$ -	\$ 90 000	\$ 2 585 000	\$ 90 000
Bond premiums	133 529	-	6 540	126 989	-
Notes payable	87 458	-	22 926	64 532	22 926
Compensated absences	15 075	4 550	-	19 625	-
Net pension liability	400 375	272 405	-	672 780	-
Net OPEB liability	904 414	-	115 335	789 079	-
GOVERNMENTAL ACTIVITIES LONG-TERM LIABILITIES	\$ 4 215 851	\$ 276 955	\$ 243 801	\$ 4 258 005	\$ 112 926

**General Obligation Bonds:**

The District issues general obligation bonds to provide funds for the construction and equipment of school buildings (BLDG) and to refund general obligation bonds (REF). General obligation bonds are direct obligations and pledge the full faith and credit of the District. General obligation bonds are paid from the Debt Service Fund and funded from future property tax revenues.

GOODRICH INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
August 31, 2021

**NOTE 3 - DETAILED NOTES ON ALL FUNDS - CONTINUED**

The following is a summary of changes in the general obligation bonds for the fiscal year:

DESCRIPTION	INTEREST RATES	ORIGINAL ISSUE	MATURITY	BEGINNING BALANCE	ADDITIONS	REDUCTIONS	ENDING BALANCE
2016 BLDG	2.0-3.25%	\$ 2 400 000	2041	\$ 2 400 000	\$ -	\$ -	\$ 2 400 000
2016 REF	1.0-2.75%	\$ 595 000	2023	275 000	-	90 000	185 000
TOTALS				\$ 2 675 000	\$ -	\$ 90 000	\$ 2 585 000

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

YEAR ENDING AUGUST 31	PRINCIPAL	INTEREST	TOTAL REQUIREMENTS
2022	\$ 90 000	\$ 73 151	\$ 163 151
2023	95 000	70 719	165 719
2024	100 000	69 413	169 413
2025	105 000	66 363	171 363
2026	110 000	64 213	174 213
2027 - 2031	595 000	269 894	864 894
2032 - 2036	690 000	172 800	862 800
2037 - 2041	800 000	61 500	861 500
TOTALS	\$ 2 585 000	\$ 848 053	\$ 3 433 053

As of August 31, 2021, the District had \$5,000 authorized but unissued bonds from the May 7, 2016 bond election.

**Notes Payable:**

The District issues notes payable to provide funds for purchase of vehicles and equipment and the renovation of school facilities. The notes payable are secured by the vehicles and equipment purchased. The maintenance tax note is secured by the proceeds of a continuing, direct annual ad valorem tax levied for maintenance purposes by the District. The following is a summary of changes in notes payable during the fiscal year:

SERIES	INTEREST RATES	ORIGINAL ISSUE	MATURITY	BEGINNING BALANCE	ADDITIONS	REDUCTIONS	ENDING BALANCE
2018 Suburban note	4.82%	\$ 39 715	2022	\$ 20 792	\$ -	\$ 10 151	\$ 10 641
2020 Ideal Impact Project	- %	\$ 82 923	2026	66 666	-	12 775	53 891
				\$ 87 458	\$ -	\$ 22 926	\$ 64 532

Annual debt service requirements to maturity for the notes payable are as follows:

YEAR ENDING AUGUST 31,	PRINCIPAL	INTEREST	TOTAL REQUIREMENTS
2022	\$ 22 926	\$ 513	\$ 23 439
2023	12 285	-	12 285
2024	12 285	-	12 285
2025	12 285	-	12 285
2026	4 751	-	4 751
TOTALS	\$ 64 532	\$ 513	\$ 65 045

**NOTE 4 - OTHER INFORMATION**

**A. Risk Management**

**Health Care Coverage:**

During the fiscal year ended August 31, 2021, employees of the District were covered by TRS-Active care (the Plan) a statewide health care coverage program for Texas public education employees, implemented by the Teacher Retirement System of Texas (TRS). The District paid premiums of \$150 per month, per employee to the Plan. Employees, at their option, authorized payroll withholdings to pay premiums for dependents. All premiums were paid to the TRS. The legislature created the Plan for public school employee group health care coverage in 2002-03, requiring all Districts with fewer than 500 employees to participate in the Plan.

GOODRICH INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
August 31, 2021

NOTE 4 - OTHER INFORMATION - CONTINUED

Property/Liability Losses:

The District participates in the Texas Association of Public Schools Property and Liability Fund ("Fund"). The Fund was created to formulate, develop and administer a program of modified self-funding for the Fund's membership, obtain competitive costs for coverages and develop a comprehensive loss control program. The District pays an annual premium to the Fund for its coverages and transfers the risk to the Fund. In the event that the Fund wants to discontinue operations, the member districts would be responsible for any eligible claims not funded by the pool. There were no significant reductions in insurance coverage from the prior year or settlements exceeding insurance coverage for each of the past three fiscal years.

Workers Compensation:

The District participates in the Texas Association of School Boards Risk Management Fund ("Fund") Workers' Compensation Program. The Fund was created to formulate, develop and administer a program of modified self-funding for the Fund's membership, obtain competitive costs for coverages and develop a comprehensive loss control program. The District pays an annual premium to the Fund for its coverages and transfers the risk to the Fund. In the event that the Fund was to discontinue operations, the member districts would be responsible for any eligible claims not funded by the pool. There were no significant reductions in insurance coverage from the prior years or settlements exceeding insurance coverage for each of the past three fiscal years.

B. Contingencies

The District participates in a number of federal and state financial assistance programs. These programs are subject to a financial and compliance audits by the grantor agencies. The District is also subject to audit by the TEA of the attendance data upon which payments from the agency are based. These audits could result in questioned costs or refunds to be paid back to the granting agencies.

C. Defined Benefit Pension Plan

Teacher Retirement System

**Plan Description:**

The District participates in a cost-sharing multiple-employer defined benefit pension plan that has a special funding situation. The plan is administered by the Teacher Retirement System of Texas (TRS). 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 Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at <http://www.trs.state.tx.us/about/documents/cafr.pdf#CAFR>; 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 in (A) above.

GOODRICH INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
August 31, 2021

**NOTE 4 - OTHER INFORMATION - 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.

Employee contribution rates are set in state statute, Texas Government Code 825.402. Senate Bill 1458 of the 83<sup>rd</sup> Texas Legislature amended Texas Government Code 825.402 for member contributions and established employee contribution rates. The 85<sup>th</sup> Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2020 and 2021.

	CONTRIBUTION RATES	
	2020	2021
Member	7.7%	7.7%
Non-Employer Contributing Entity (State)	6.8%	7.5%
Employers	6.8%	7.5%
Employer Contributions		\$ 57 216
Member Contributions		\$ 140 907
NECE On-behalf Contributions		\$ 115 179

- Contributors to the plan include members, employers and the State of Texas as the only non-employer contributing entity. The State is the employer for senior colleges, medical schools and state agencies including TRS. In each respective role, the State contributes to the plan in accordance with state statutes and the General Appropriations Act (GAA).
- As the non-employer contributing entity for public education and junior colleges, the State of Texas contributes to the retirement system an amount equal to the current employer contribution rate times the aggregate annual compensation of all participating members of the pension trust fund during that fiscal year reduced by the amounts described below which are paid by the employers. Employers (public school, junior college, other entities or the State of Texas as the employer for senior universities and medical schools) are required to pay the employer contribution rate in the following instances:
  - On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
  - During a new member's first 90 days of employment.
  - When any part or all of an employee's salary is paid by federal funding sources, a privately sponsored source, from non-educational and general, or local funds.
  - When the employing district is a public junior college or junior college district, the employer shall contribute to the retirement system an amount equal to 50% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.

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

- When employing a retiree of the Teacher Retirement System, the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.
- When a school district or charter school does not contribute to the Federal Old-Age, Survivors and Disability Insurance (OASDI) Program for certain employees, they must contribute 1.5% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.

**Actuarial Assumptions:**

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

Valuation Date	August 31, 2020
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Single Discount Rate	7.25%
Long-term Expected Investment Rate of Return	7.25%
Inflation	2.30%
Salary Increases	3.50% to 9.50% including inflation
Benefit Changes During the Year	None
Ad Hoc Post-Employment Benefit Changes	None

GOODRICH INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
August 31, 2021

**NOTE 4 - OTHER INFORMATION - CONTINUED**

**Discount Rate:**

The single discount rate used to measure the total pension liability was 7.25%. The single discount rate was based on the expected rate of return on pension plan investments of 7.25 percent and a municipal bond rate of 3.69 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan 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 pension plan's fiduciary net position was sufficient to finance the benefit payments until the year 2069. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2069, and the municipal bond rate was applied to all benefit payments after that date. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2019 are summarized below:

ASSET CLASS	TARGET ALLOCATION*	LONG-TERM EXPECTED ARITHMETIC REAL RATE OF RETURN	EXPECTED CONTRIBUTION TO LONG-TERM PORTFOLIO RETURNS**
<b>Global Equity</b>			
U.S.	18%	5.70%	1.04%
Non-U.S. Developed	13%	6.90%	0.90%
Emerging Markets	9%	8.95%	0.80%
Directional Hedge Funds	4%	3.53%	0.14%
Private Equity	13%	10.18%	1.32%
<b>Stable Value</b>			
U.S. Treasuries	11%	1.11%	0.12%
Absolute Return	- %	- %	- %
Stable Value Hedge Funds	4%	3.09%	0.12%
Cash	1%	(0.30)%	- %
<b>Real Return</b>			
Global Inflation Linked Bonds	3%	0.70%	0.02%
Real Assets	14%	5.21%	0.73%
Energy and Natural Resources	5%	7.48%	0.37%
Commodities	- %	- %	- %
<b>Risk Parity</b>			
Risk Parity	5%	3.70%	0.18%
Inflation Expectation			2.30%
Volatility Drag**			(0.79)%
<b>Total</b>	<b>100%</b>		<b>7.25%</b>

\* Target allocations are based on the FY2016 policy model.

\*\* The Expected Contribution to Long-Term Portfolio Returns incorporates the volatility drag resulting from the conversion between arithmetic and geometric mean returns.

For the fiscal year ended August 31, 2020, the annual money-weighted rate of return on pension plan investments was 7.25 percent. The annual money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**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 IN DISCOUNT RATE (6.25%)	DISCOUNT RATE (7.25%)	1% INCREASE IN DISCOUNT RATE (8.25%)
District proportionate share of the net pension liability	\$ 1 037 415	\$ 672 780	\$ 376 522

**Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions:**

At August 31, 2021, the District reported a liability of \$672,780 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	\$ 672 780
State's proportionate share that is associated with the District	1 495 080
<b>TOTAL</b>	<b>\$ 2 167 860</b>

GOODRICH INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
August 31, 2021

**NOTE 4 - OTHER INFORMATION - CONTINUED**

The net pension liability was measured as of August 31, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The 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 thru August 31, 2020.

At August 31, 2020 the District's proportion of the collective net pension liability was 0.00126% which was an increase of 0.0005% from its proportion measured as of August 31, 2019.

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

The total pension liability as of August 31, 2020 was developed using a roll-forward method from the August 31, 2019 valuation.

Demographic assumptions including post-retirement mortality, termination rates, and rates of retirement were updated based on the experience study performed for TRS for the period ending August 31, 2020.

Economic assumptions including rates of salary increase for individual participants was updated based on the same experience study.

The discount remained unchanged at 7.25 percent as of August 31, 2020.

With the enactment of SB 3 by the 2019 Legislature, an assumption has been made about how this legislation would impact future salaries. We have assumed that eligible active members would each receive a \$2,700 increase in fiscal year 2020. This is in addition to the salary increase expected based on the actuarial assumptions.

For the year ended August 31, 2021, the District recognized pension expense of \$179,825 and revenue of \$179,825 for support provided by the State.

At August 31, 2021, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources: (The amounts shown below will be the cumulative layers from the current and prior years combined.)

	DEFERRED OUTFLOWS OF RESOURCES	DEFERRED INFLOWS OF RESOURCES
Differences between expected and actual economic experience	\$ 1 228	\$ 18 776
Changes in actuarial assumptions	156 109	66 376
Difference between projected and actual investment earnings	29 971	16 351
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	194 735	18 174
Contributions paid to TRS subsequent to the measurement date	57 216	-
<b>TOTAL</b>	<b>\$ 439 259</b>	<b>\$ 119 677</b>

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

YEAR ENDED AUGUST 31,	PENSION EXPENSE AMOUNT
2022	\$ 48 170
2023	\$ 63 146
2024	\$ 67 284
2025	\$ 46 357
2026	\$ 27 556
Thereafter	\$ 9 853

**D. Defined Other Post-Employment Benefit Plans (OPEB)**

**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. It is established and administered in accordance with the Texas Insurance Code, Chapter 1575.

GOODRICH INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
August 31, 2021

**NOTE 4 - OTHER INFORMATION - CONTINUED**

**OPEB Plan Fiduciary Net Position**

Detail information about the TRS-Care's fiduciary net position is available in the separately-issued TRS Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at <http://www.trs.state.tx.us/about/documents/cafr.pdf#CAFR>; by writing to TRS at 1000 Red River Street, Austin, Texas 78701-2698; or by calling 512.542.6592.

**Benefits Provided**

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

Eligible retirees and their dependents not enrolled in Medicare may pay premiums to participate in one of two optional insurance plans with more comprehensive benefits (TRS-Care 2 and TRS-Care 3). Eligible retirees and dependents enrolled in Medicare may elect to participate in one of the two Medicare health plans for an additional fee. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in the TRS pension system. The Board of Trustees is granted the authority to establish basic and optional group insurance coverage for participants as well as to amend benefit terms as needed under Chapter 1575.052. There are no automatic post-employment benefit changes; including automatic COLAs.

The premium rates for the optional health insurance are based on years of service of the member. The schedule below shows the monthly rates for a retiree with and without Medicare coverage.

<b>TRS-Care Monthly for Retirees</b>			
January 1, 2020 - December 31, 2020			
		<b>Medicare</b>	<b>Non-Medicare</b>
Retiree*	\$	135	\$ 200
Retiree and Spouse		529	689
Retiree* and Children		468	408
Retiree and Family		1 020	999

\* or surviving spouse

**Contributions**

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

Texas Insurance Code, section 1575.202 establishes the state's contribution rate which is 1.25% of the employee's salary. Section 1575.203 establishes the active employee's rate which is 0.75% of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25% or not more than 0.75% of the salary of each active employee of the public. 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>Contribution Rates</u>	
	<u>2020</u>	<u>2021</u>
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%
Employer Contributions		\$ 20 602
Member Contributions		\$ 11 895
NECE On-behalf Contributions		\$ 21 200

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

TRS-Care received supplemental appropriations from the State of Texas as the Non-Employer Contributing Entity in the amount of \$68 million in fiscal year 2020.

GOODRICH INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
August 31, 2021

**NOTE 4 - OTHER INFORMATION - CONTINUED**

**Actuarial Assumptions**

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

**Actuarial Methods and Assumptions:**

<b>Valuation Date</b>	August 31, 2020
<b>Methods and Assumptions:</b>	
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Single Discount Rate	2.33% as of August 31, 2020
Demographic Assumptions	Based on the experience study performed for the Teachers Retirement System of Texas of the period ending August 31, 2017.
Mortality Assumption	The active mortality rates were based on 90% 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, the ultimate improvement rates from the most recently published projection scale ("U-MP").
Healthcare Trend Rates	Initial medical trend rates of 107.74% and 9.00% for Medicare retirees and initial medical trend rate of 6.75% for non-Medicare retirees. Initial prescription drug trend rate of 11.00% for all retirees. The first year medical trend for Medicare retirees (107.74%) reflects the anticipated return of the Health Insurer Fee (HIF) in 2020.
Election Rates	Initial trend rates decrease to an ultimate trend rate of 4.50% over a period of 9 years.
Aging Factors	Normal Retirement: 70% participation prior to age 65 and 75% participation after age 65
Expenses	Based on plan specific experience. Third party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.

The following assumptions and other inputs used for members of TRS-Care are identical to the assumptions used in the August 31, 2018 TRS pension actuarial valuation:

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

**Other Information:** There was a significant plan change adopted in fiscal year ending August 31, 2018. Effective January 1, 2018, only one health plan option will be offered and all retirees will be required to contribute monthly premiums for coverage. Assumption changes made for the August 31, 2017 valuation include a change to the assumption regarding the phase-out of the Medicare Part D subsidies and a change to the discount rate from 2.63% as of August 31, 2019 to 2.33% as of August 31, 2020.

**Discount Rate**

A single discount rate of 2.33% was used to measure the total OPEB liability. There was a decrease of 1.06% in the discount rate since the previous year. Because the plan is essentially a "pay-as-you-go" plan, the single discount rate is equal to the prevailing municipal bond rate. The projection of cash flows used to determine the discount rate assumed that contributions from active members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to *not be able to* make all future benefit payments of current plan members. Therefore, the municipal bond rate was applied to all periods of projected benefit payments to determine the total OPEB liability.

**Discount Rate Sensitivity Analysis**

The following schedule shows the impact of the Net OPEB Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (2.33%) 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	\$ 946 893	\$ 789 079	\$ 664 428

GOODRICH INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
August 31, 2021

**NOTE 4 - OTHER INFORMATION - CONTINUED**

**OPEB Liabilities, OPEB Expense, and Deferred Outflows/Inflows of Resources Related to OPEB**

At August 31, 2020 the District reported a liability of \$789,079 for its proportionate share of the TRS's Net OPEB Liability. This liability reflects a reduction for State OPEB support provide to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the collective net OPEB liability	\$ 789 079
State's proportionate share that is associated with the District	1 060 333
TOTAL	<u>\$ 1 849 412</u>

The Net OPEB Liability was measured as of 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 thru August 31, 2020.

At August 31, 2020, the employer's proportion of the collective Net OPEB Liability was 0.00207% which was an increase of 0.00191% from August 31, 2019.

The following schedule shows the impact of the Net OPEB Liability if a healthcare trend rate that is 1% less than and 1% greater than the assumed 8.5% rate is used.

	1% Decrease in Healthcare Trend Rate (3.5%)	Current Single Healthcare Trend Rate (4.5%)	1% Increase in Healthcare Trend Rate (5.5%)
District's proportionate share of the net OPEB liability	\$ 644 576	\$ 789 079	\$ 981 536

**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 following assumptions and other inputs which are specific to TRS-Care were updated from the prior year's report:

1. The discount rate changed from 2.63 percent as of August 31, 2019 to 2.33 percent as of August 31, 2020. This change increased the TOL.
2. The health care trend rates were reset to better reflect the plan's anticipated experience. This change increased the TOL.
3. The participation rate for pre-65 retirees was lowered from 70 percent to 65 percent. The participation rate for post-65 retirees was lowered from 75 percent to 50 percent. 25 percent of pre-65 retirees are assumed to discontinue their coverage at age 65. There was no lapse assumption in the prior valuation. These changes decreased the TOL.
4. The percentage of retirees who are assumed to have two-person coverage was lowered from 20 percent to 15 percent. In addition, the participation assumption for the surviving spouses of employees that die while actively employed was lowered from 20 percent to 10 percent. These changes decreased the TOL.
5. Change of Benefit Terms Since the Prior Measurement Date - There were no changes in benefit terms since the prior measurement date.

There were no changes of 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 \$7,363 and revenue of \$7,363 for support provided by the State.

At August 31, 2021, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 41 316	\$ 361 123
Changes in actuarial assumptions	48 670	216 685
Difference between projected and actual investment earnings	273	16
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	91 271	35 059
Contributions paid to TRS subsequent to the measurement date	20 602	-
TOTAL	<u>\$ 202 132</u>	<u>\$ 612 883</u>

GOODRICH INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
August 31, 2021

NOTE 4 - OTHER INFORMATION - CONTINUED

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

YEAR ENDED AUGUST 31,		OPEB EXPENSE AMOUNT
2022	\$	(75 308)
2023	\$	(75 344)
2024	\$	(75 363)
2025	\$	(75 358)
2026	\$	(54 281)
Thereafter	\$	(75 699)

The Medicare Modernization Act of 2003 (MMA) created an outpatient prescription drug benefit program (known as Medicare Part D) and a Retiree Drug Subsidy (RDS) program which were made available in 2006. The Texas Public School Retired Employee Group Insurance Program (TRS-Care) is offering a Medicare Part D Plan and is participating in the Retiree Drug Subsidy plan for eligible TRS-Care participants. Under Medicare Part D and the RDS program, TRS-Care received payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. On-behalf payments must be recognized as equal revenues and expenditures/expenses by each reporting entity. The allocation of these on-behalf payments is based on the ratio of a reporting entity's covered payroll to the entire covered payroll reported by all participating reporting entities. TRS based this allocation percentage on the "completed" report submissions by reporting entities for the month of May. For the fiscal years ended August 31, 2021, 2020 and 2019, the subsidy payments received by TRS-Care on behalf of the District were \$8,719, \$8,266 and \$6,031, respectively.

E. Joint Venture-Shared Service Arrangement

The District participates in the following shared service arrangement:

**Polk County Shared Services - Special Needs Cooperative**

The District participates in a shared service arrangement for special education funded under IDEA-B Formula and Preschool and State Supplemental Special Education Funds with Corrigan-Camden ISD. The District does not account for revenues or expenditures in these programs and does not disclose them in these financial statements. The revenues and expenditures are disclosed in the financial statements of the fiscal agent. The District neither has a joint ownership interest in fixed assets purchased by the fiscal agent, nor does the District have a net equity interest in the fiscal agent. The fiscal agent is neither accumulating significant financial resources nor fiscal exigencies that would give rise to a future additional benefit or burden to the District. The fiscal agent manager is responsible for all financial activities of the shared service arrangement.

NOTE 5 - TAX ABATEMENTS

The District does not currently have any tax abatement agreements.

NOTE 6 - COVID-19 PANDEMIC IMPACT

A novel strain of coronavirus (COVID-19) was spread to the United States of America in January and February 2020. The World Health Organization declared the outbreak to constitute a pandemic. The COVID-19 outbreak is disrupting supply chains and affecting production and sales across a range of industries. The extent of the impact of COVID-19 on the District's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on our students, employees and vendors all of which are uncertain and cannot be predicted. As of the date these financial statements are issued, COVID-19 had not materially affected results of operations in 2021. However, the impact of response efforts on future operations cannot be predicted.

NOTE 7 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through, November 18, 2021 the date the financial statements were available to be issued.

#### REQUIRED SUPPLEMENTARY INFORMATION

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

GOODRICH INDEPENDENT SCHOOL DISTRICT  
GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGETARY COMPARISON  
For the Year Ended August 31, 2021

EXHIBIT G-1

DATA CONTROL CODES		ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	Revenues:				
5700	Local and intermediate sources	\$ 1 308 750	\$ 1 568 750	\$ 1 827 460	\$ 258 710
5800	State program revenues	2 246 375	2 246 375	2 161 861	(84 514)
5900	Federal program revenues	20 000	20 000	10 317	(9 683)
5020	TOTAL REVENUES	<u>3 575 125</u>	<u>3 835 125</u>	<u>3 999 638</u>	<u>164 513</u>
	Expenditures:				
	Current:				
0011	Instruction	1 658 674	1 658 674	1 440 265	218 409
0012	Instructional resources and media services	6 534	6 534	1 711	4 823
0013	Curriculum and staff development	34 525	34 525	15 101	19 424
0023	School leadership	260 895	260 895	256 947	3 948
0031	Guidance, counseling, and evaluation services	80 151	80 151	79 058	1 093
0033	Health services	44 774	44 774	42 944	1 830
0034	Student transportation	142 472	142 472	96 157	46 315
0036	Co-curricular/extracurricular activities	106 307	106 307	74 216	32 091
0041	General administration	414 422	414 422	380 901	33 521
0051	Plant maintenance and operations	461 447	461 447	388 520	72 927
0052	Security and monitoring services	8 520	6 413	4 540	1 873
0053	Data processing services	102 940	105 047	102 646	2 401
0071	Principal on long-term debt	11 185	11 185	11 154	31
0081	Capital outlay	40 000	300 000	299 970	30
0093	Payments to shared service arrangements	74 000	74 000	61 119	12 881
0099	Other governmental charges	32 000	32 000	31 646	354
6030	TOTAL EXPENDITURES	<u>3 478 846</u>	<u>3 738 846</u>	<u>3 286 895</u>	<u>451 951</u>
1100	EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>96 279</u>	<u>96 279</u>	<u>712 743</u>	<u>616 464</u>
	Other Financing Sources (Uses):				
7900	Transfers in	-	-	34 346	34 346
7980	Other nonoperating revenue	-	-	3 500	3 500
7080	TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>37 846</u>	<u>37 846</u>
1200	NET CHANGE IN FUND BALANCES	96 279	96 279	750 589	654 310
0100	Fund balances - Beginning	<u>2 775 438</u>	<u>2 775 438</u>	<u>2 775 438</u>	<u>-</u>
3000	FUND BALANCES - ENDING	\$ <u>2 871 717</u>	\$ <u>2 871 717</u>	\$ <u>3 526 027</u>	\$ <u>654 310</u>

See independent auditors' report.

GOODRICH INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
TEACHER RETIREMENT SYSTEM  
LAST TEN FISCAL YEARS\*

EXHIBIT G-2

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability (asset)	0.001256%	0.000770%	0.000749%	0.0007311%	0.0007798%	0.0009360%	0.0007157%
District's proportionate share of the net pension liability (asset)	\$ 672 780	\$ 400 375	\$ 412 443	\$ 233 755	\$ 294 660	\$ 330 864	\$ 191 174
State's proportionate share of the net pension liability (asset) associated with the District	<u>1 495 080</u>	<u>1 194 921</u>	<u>1 317 691</u>	<u>883 834</u>	<u>1 082 859</u>	<u>958 029</u>	<u>822 110</u>
TOTAL	<u>\$ 2 167 860</u>	<u>\$ 1 595 296</u>	<u>\$ 1 730 134</u>	<u>\$ 1 117 589</u>	<u>\$ 1 377 519</u>	<u>\$ 1 288 893</u>	<u>\$ 1 013 284</u>
District's covered-employee payroll	\$ 1 889 918	\$ 1 590 736	\$ 1 565 348	\$ 1 649 488	\$ 1 649 581	\$ 1 458 336	\$ 1 400 097
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	35.60%	25.17%	26.35%	14.17%	17.86%	22.69%	13.65%
Plan fiduciary net position as a percentage of the total pension liability	75.54%	75.24%	73.74%	82.17%	78.00%	78.43%	83.25%

\* This schedule is illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information only for those years for which information is available.

GOODRICH INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT CONTRIBUTIONS  
TEACHER RETIREMENT SYSTEM  
LAST TEN FISCAL YEARS\*

EXHIBIT G-3

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 57 216	\$ 49 239	\$ 24 344	\$ 25 242	\$ 23 960	\$ 24 775	\$ 27 715
Contributions in relation to the contractually required contribution	<u>(57 216)</u>	<u>(49 239)</u>	<u>(24 344)</u>	<u>(25 242)</u>	<u>(23 960)</u>	<u>(24 775)</u>	<u>(27 715)</u>
CONTRIBUTION DEFICIENCY (EXCESS)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
District's covered-employee payroll	\$ 1 829 964	\$ 1 889 918	\$ 1 590 736	\$ 1 565 348	\$ 1 649 488	\$ 1 649 581	\$ 1 458 336
Contributions as a percentage of covered-employee payroll	3.13%	2.61%	1.53%	1.61%	1.45%	1.50%	1.90%

\* This schedule is illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information only for those years for which information is available.

GOODRICH INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
TEACHER RETIREMENT SYSTEM  
LAST TEN FISCAL YEARS\*

EXHIBIT G-4

<b>District's Proportionate Share of Liability</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
District's proportion of the OPEBL	0.0020757%	0.0019124%	0.0019559%	0.0019898%
District's proportionate share of the OPEBL	\$ 789 079	\$ 904 414	\$ 976 605	\$ 865 290
State share of the OPEBL associated with the District	1 060 333	1 201 764	1 281 049	1 266 357
<b>TOTAL</b>	<b>\$ 1 849 412</b>	<b>\$ 2 106 178</b>	<b>\$ 2 257 654</b>	<b>\$ 2 131 647</b>
District's covered-employee payroll* <i>Prior FY TRS Gross - September through August</i>	\$ 1 889 918	\$ 1 590 736	\$ 1 565 348	\$ 1 649 488
Proportionate share/covered payroll	41.75%	56.86%	62.39%	52.46%
Plan fiduciary net position/total OPEB liability	4.99%	2.66%	1.57%	0.91%

  

<b>District Contributions</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Contractually required contribution	\$ 20 602	\$ 15 345	\$ 13 116	\$ 13 493
Contributions to required contribution	(20 602)	(15 345)	(13 116)	(13 493)
<b>CONTRIBUTION DEFICIENCY (EXCESS)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Current fiscal year TRS gross	\$ 1 829 964	\$ 1 889 918	\$ 1 590 736	\$ 1 565 348
Contributions to covered payroll	0.88%	0.81%	0.82%	0.86%

Information provided by the Teacher Retirement System of Texas.

\* This schedule is illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information only for those years for which information is available.

GOODRICH INDEPENDENT SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
August 31, 2021

NOTE 1 - BUDGET

A. Budgetary Information

Each school district in Texas is required by law to prepare annually a budget of anticipated revenues and expenditures for the General Fund, Debt Service Fund, and the National School Breakfast and Lunch Program special revenue fund. The Texas Education Code requires the budget to be prepared no later than August 20 and adopted by August 31 of each year. The budgets are prepared on a basis of accounting that is used for reporting in accordance with generally accepted accounting principles.

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

1. Prior to August 20 of the preceding fiscal year, the District prepares a budget for the next succeeding fiscal year beginning September 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Board is then called for the purpose of adopting the proposed budget after ten days' public notice of the meeting has been given.
3. Prior to September 1, the budget is formally approved and adopted by the Board.

The appropriated budget is prepared by fund and function. The District's campus/department heads may make transfers of appropriations within a campus or department. Transfers of appropriations between campuses or departments require the approval of the District's management. Increasing any one of the functional spending categories, or revenues object accounts and other resources require the approval of the Board. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the function level within a fund. All annual appropriations lapse at fiscal year-end and will be appropriated and honored during the subsequent year.

B. Pension Benefit and OPEB Plan notes

See the financial statement notes for the changes in the pension and OPEB plan assumptions and methods.

COMBINING STATEMENTS  
AS SUPPLEMENTARY INFORMATION

This supplementary information includes financial statements and schedules not required by the Governmental Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

GOODRICH INDEPENDENT SCHOOL DISTRICT  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
August 31, 2021

DATA CONTROL CODES		211 ESEA TITLE I IMPROVING BASIC PROGRAMS	212 ESEA TITLE I SCHOOL IMPROVEMENT	240 NATIONAL SCHOOL BREAKFAST/ LUNCH PROGRAM	255 ESEA TITLE II TRAINING AND RECRUITING	266 ESSER GRANT
	ASSETS					
1110	Cash and cash equivalents	\$ -	\$ -	\$ 42 307	\$ -	\$ -
1240	Due from other governments	681	41	4 649	427	-
1000	TOTAL ASSETS	<u>\$ 681</u>	<u>\$ 41</u>	<u>\$ 46 956</u>	<u>\$ 427</u>	<u>\$ -</u>
	LIABILITIES					
2110	Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
2160	Accrued wages payable	-	-	2 959	-	-
2170	Due to other funds	681	41	-	427	-
2000	TOTAL LIABILITIES	<u>681</u>	<u>41</u>	<u>2 959</u>	<u>427</u>	<u>-</u>
	FUND BALANCES					
3450	Restricted for federal and state funds	-	-	43 997	-	-
3000	TOTAL FUND BALANCES	<u>-</u>	<u>-</u>	<u>43 997</u>	<u>-</u>	<u>-</u>
4000	TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 681</u>	<u>\$ 41</u>	<u>\$ 46 956</u>	<u>\$ 427</u>	<u>\$ -</u>

See independent auditors' report.

## EXHIBIT H-1

277 CARES ACT CORONA- VIRUS RELIEF FUND	282 ESSER III AMERICAN RESCUE PLAN	288 TITLE IV, PART A STUDENT SUPPORT AND ACADEMIC ENRICHMENT	289 SMALL RURAL SCHOOL ACHIEVEMENT PROGRAM	410 TEXTBOOK ALLOTMENT	499 BERGMAN SCHOLARSHIP FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30 228	\$ 72 535
-	22 568	-	-	-	-	28 366
<u>\$ -</u>	<u>\$ 22 568</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30 228</u>	<u>\$ 100 901</u>
\$ -	\$ 22 568	\$ -	\$ -	\$ -	\$ -	\$ 22 568
-	-	-	-	-	-	2 959
-	-	-	-	-	-	1 149
<u>-</u>	<u>22 568</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26 676</u>
-	-	-	-	-	30 228	74 225
-	-	-	-	-	30 228	74 225
<u>\$ -</u>	<u>\$ 22 568</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30 228</u>	<u>\$ 100 901</u>

GOODRICH INDEPENDENT SCHOOL DISTRICT  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS  
For the Year Ended August 31, 2021

DATA CONTROL CODES		211 ESEA TITLE I IMPROVING BASIC PROGRAMS	212 ESEA TITLE I SCHOOL IMPROVEMENT	240 NATIONAL SCHOOL BREAKFAST/ LUNCH PROGRAM	255 ESEA TITLE II TRAINING AND RECRUITING	266 ESSER GRANT
	Revenues:					
5700	Local and intermediate sources	\$ -	\$ -	\$ 12 245	\$ -	\$ -
5800	State program revenues	-	-	6 548	-	-
5900	Federal program revenues	110 309	110 576	182 968	14 631	87 125
5020	TOTAL REVENUES	110 309	110 576	201 761	14 631	87 125
	Expenditures:					
	Current:					
0011	Instruction	94 790	108 915	-	13 550	35 581
0012	Instructional resources and media services	15 519	-	-	-	-
0023	School leadership	-	-	-	1 081	-
0031	Guidance, counseling and evaluation services	-	-	-	-	-
0033	Health services	-	-	-	-	-
0034	Student transportation	-	1 661	-	-	-
0035	Food services	-	-	218 770	-	-
0036	Extracurricular activities	-	-	-	-	-
0041	General administration	-	-	-	-	-
0051	Plant maintenance and operations	-	-	-	-	30 346
0053	Data processing and monitoring	-	-	-	-	-
6030	TOTAL EXPENDITURES	110 309	110 576	218 770	14 631	65 927
	EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	(17 009)	-	21 198
	Other Financing Sources (Uses):					
8911	Transfer out	-	-	-	-	(21 198)
	TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	(21 198)
1200	NET CHANGE IN FUND BALANCE	-	-	(17 009)	-	-
0100	Fund balances - Beginning	-	-	61 006	-	-
3000	FUND BALANCES - ENDING	\$ -	\$ -	\$ 43 997	\$ -	\$ -

See independent auditors' report.

## EXHIBIT H-2

277 CARES ACT CORONA- VIRUS RELIEF FUND	282 ESSER III AMERICAN RESCUE PLAN	288 TITLE IV, PART A STUDENT SUPPORT AND ACADEMIC ENRICHMENT	289 SMALL RURAL SCHOOL ACHIEVEMENT PROGRAM	410 TEXTBOOK ALLOTMENT	499 BERGMAN SCHOLARSHIP FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18 102	\$ 30 347
-	-	-	-	32 726	-	39 274
11 606	22 568	7 930	13 902	-	-	561 615
<u>11 606</u>	<u>22 568</u>	<u>7 930</u>	<u>13 902</u>	<u>32 726</u>	<u>18 102</u>	<u>631 236</u>
-	12 915	7 930	12 559	5 990	-	292 230
-	-	-	-	-	-	15 519
-	-	-	-	-	-	1 081
-	538	-	-	-	-	538
-	538	-	-	-	-	538
-	-	-	-	-	-	1 661
-	1 615	-	-	-	-	220 385
-	-	-	-	-	15 000	15 000
-	2 153	-	-	-	-	2 153
-	4 809	-	-	-	-	35 155
-	-	-	-	30 381	-	30 381
<u>-</u>	<u>22 568</u>	<u>7 930</u>	<u>12 559</u>	<u>36 371</u>	<u>15 000</u>	<u>614 641</u>
11 606	-	-	1 343	(3 645)	3 102	16 595
<u>(11 606)</u>	<u>-</u>	<u>-</u>	<u>(1 542)</u>	<u>-</u>	<u>-</u>	<u>(34 346)</u>
<u>(11 606)</u>	<u>-</u>	<u>-</u>	<u>(1 542)</u>	<u>-</u>	<u>-</u>	<u>(34 346)</u>
-	-	-	(199)	(3 645)	3 102	(17 751)
<u>-</u>	<u>-</u>	<u>-</u>	<u>199</u>	<u>3 645</u>	<u>27 126</u>	<u>91 976</u>
\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>30 228</u>	\$ <u>74 225</u>

#### OTHER SUPPLEMENTARY INFORMATION

This section includes financial information and disclosures not required by the Governmental Accounting Standards Board and not considered a part of the basic financial statements. It may, however, include information which is required by other entities.

GOODRICH INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF DELINQUENT TAXES RECEIVABLE  
For the Year Ended August 31, 2021

	(1)	(2)	(3)
	TAX RATES		ASSESSED/APPRAISAL
LAST 10 YEARS	MAINTENANCE	DEBT SERVICE	VALUE FOR SCHOOL TAX PURPOSES
2012 and prior years	Various	Various	Various
2013	1.0400	-	\$ 120 272 981
2014	1.0400	-	\$ 118 257 179
2015	1.1700	-	\$ 112 560 940
2016	1.1700	-	\$ 106 972 735
2017	1.1700	0.1600	\$ 103 689 699
2018	1.1700	0.1609	\$ 108 000 150
2019	1.1700	0.1601	\$ 108 769 265
2020	1.0683	0.1370	\$ 128 634 103
2021 (School year under audit)	1.0221	0.1354	\$ 138 780 318
TOTALS			

See independent auditors' report.

(10) BEGINNING BALANCE 09/01	(20) CURRENT YEAR'S TOTAL LEVY	(31) MAINTENANCE COLLECTIONS	(32) DEBT SERVICE COLLECTIONS	(40) ENTIRE YEAR'S ADJUSTMENTS	(50) ENDING BALANCE 08/31
\$ 89 332	\$ -	\$ 14 634	\$ -	\$ (8 449)	\$ 66 249
18 257	-	1 897	-	(12)	16 348
21 813	-	3 055	-	(15)	18 743
22 064	-	3 125	-	(5)	18 934
22 044	-	3 122	-	-	18 922
25 933	-	3 780	517	(1)	21 635
34 540	-	8 271	1 138	-	25 131
41 347	-	12 509	1 712	(265)	26 861
93 310	-	48 310	6 195	(2 367)	36 438
-	1 527 304	1 302 907	172 679	(2 897)	48 821
\$ 368 640	\$ 1 527 304	\$ 1 401 610	\$ 182 241	\$ (14 011)	\$ 298 082

GOODRICH INDEPENDENT SCHOOL DISTRICT  
NATIONAL SCHOOL BREAKFAST AND LUNCH PROGRAM  
BUDGETARY COMPARISON SCHEDULE  
For the Year Ended August 31, 2021

EXHIBIT J-2

DATA CONTROL CODES		1 ORIGINAL BUDGET	2 FINAL BUDGET	3 ACTUAL	4 VARIANCE POSITIVE (NEGATIVE)
	Revenues:				
5700	Local and intermediate sources	\$ 13 176	\$ 13 176	\$ 12 245	\$ (931)
5800	State program revenues	6 641	6 641	6 548	(93)
5900	Federal program revenues	204 309	204 309	182 968	(21 341)
5020	TOTAL REVENUES	<u>224 126</u>	<u>224 126</u>	<u>201 761</u>	<u>(22 365)</u>
	Expenditures:				
0035	Food service	219 126	224 126	218 770	5 356
6030	TOTAL EXPENDITURES	<u>219 126</u>	<u>224 126</u>	<u>218 770</u>	<u>5 356</u>
1200	NET CHANGE IN FUND BALANCE	5 000	-	(17 009)	(17 009)
0100	Fund balance - Beginning	<u>61 006</u>	<u>61 006</u>	<u>61 006</u>	<u>-</u>
3000	FUND BALANCE - ENDING	<u>\$ 66 006</u>	<u>\$ 61 006</u>	<u>\$ 43 997</u>	<u>\$ (17 009)</u>

See independent auditors' report.

GOODRICH INDEPENDENT SCHOOL DISTRICT  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
For the Year Ended August 31, 2021

EXHIBIT J-3

DATA CONTROL CODES		1 ORIGINAL BUDGET	2 FINAL BUDGET	3 ACTUAL	4 VARIANCE POSITIVE (NEGATIVE)
	Revenues:				
5700	Local and intermediate sources	\$ 163 610	\$ 163 610	\$ 185 811	\$ 22 201
5800	State program revenues	<u>3 703</u>	<u>3 703</u>	<u>1 934</u>	<u>(1 769)</u>
5020	TOTAL REVENUES	<u>167 313</u>	<u>167 313</u>	<u>187 745</u>	<u>20 432</u>
	Expenditures:				
0071	Principal on long-term debt	90 000	90 000	90 000	-
0072	Interest on long-term debt	75 313	75 313	75 288	25
0073	Issuance costs and fees	<u>2 000</u>	<u>2 000</u>	<u>1 000</u>	<u>1 000</u>
6030	TOTAL EXPENDITURES	<u>167 313</u>	<u>167 313</u>	<u>166 288</u>	<u>1 025</u>
1200	NET CHANGE IN FUND BALANCES	-	-	21 457	21 457
0100	Fund balance - Beginning	<u>77 703</u>	<u>77 703</u>	<u>77 703</u>	<u>-</u>
3000	FUND BALANCE - ENDING	<u>\$ 77 703</u>	<u>\$ 77 703</u>	<u>\$ 99 160</u>	<u>\$ 21 457</u>

See independent auditors' report.

GOODRICH INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - CAPITAL PROJECTS FUND  
For the Year Ended August 31, 2021

EXHIBIT J-4

DATA CONTROL CODES		1 ORIGINAL BUDGET	2 FINAL BUDGET	3 ACTUAL	4 VARIANCE POSITIVE (NEGATIVE)
	Revenues:				
5700	Local and intermediate sources	\$ -	\$ -	\$ 9	\$ 9
5020	TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>9</u>	<u>9</u>
	Expenditures:				
0081	Capital outlay	<u>58 944</u>	<u>58 944</u>	<u>58 944</u>	<u>-</u>
6030	TOTAL EXPENDITURES	<u>58 944</u>	<u>58 944</u>	<u>58 944</u>	<u>-</u>
1200	NET CHANGE IN FUND BALANCES	(58 944)	(58 944)	(58 935)	9
0100	Fund balance - Beginning	<u>58 935</u>	<u>58 935</u>	<u>58 935</u>	<u>-</u>
3000	FUND BALANCE - ENDING	\$ <u>(9)</u>	\$ <u>(9)</u>	\$ <u>-</u>	\$ <u>9</u>

See independent auditors' report.

GOODRICH INDEPENDENT SCHOOL DISTRICT  
STATE SUPPLEMENTAL ALLOTMENT COMPLIANCE  
USE OF FUNDS REPORT  
For the Year Ended August 31, 2021

EXHIBIT J-5

<u>DATA CONTROL CODES</u>		<u>RESPONSES</u>
	<u>Section A: Compensatory Education Programs</u>	
	Districts are required to use at least 55% of state compensatory education state allotment funds on direct program costs. Statutory Authority: Texas Education Code §48.104.	
AP1	Did your district expend any state compensatory education program state allotment funds during the district's fiscal year?	Yes
AP2	Does the district have written policies and procedures for its state compensatory education program?	Yes
AP3	Total state allotment funds received for state compensatory education programs during the district's fiscal year.	\$ <u>350 273</u>
AP5	Actual direct program expenditures for state compensatory education programs during the district's fiscal year. (PICs 24,26,28,29,30,34)	\$ <u>305 136</u>
	<u>Section B: Bilingual Education Programs</u>	
	Districts are required to use at least 55% of bilingual education state allotment funds on direct program costs. Statutory Authority: Texas Education Code §48.105.	
AP8	Did your district expend any bilingual education program state allotment funds during the district's fiscal year?	Yes
AP9	Does the district have written policies and procedures for its bilingual education program?	Yes
AP10	Total state allotment funds received for bilingual education programs during the district's fiscal year.	\$ <u>27 719</u>
AP12	Actual direct program expenditures for bilingual education programs during the district's fiscal year. (PICs 25 and 35)	\$ <u>18 616</u>

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

Board of Trustees  
Goodrich Independent School District  
Goodrich, Texas

Members of the Board of Trustees:

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 Goodrich Independent School District as of and for the year ended August 31, 2021, and the related notes to the financial statements, which collectively comprise the basic financial statements and have issued our report thereon dated November 18, 2021.

### **Internal Control Over Financial Reporting**

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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. We identified a significant deficiency as listed in the schedule of findings, 2021-01.

### **Compliance and Other Matters**

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

### **The District's Response to Findings**

The District's response to the finding identified in our audit is described in the accompanying corrective action plan. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **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.

Lufkin, Texas  
November 18, 2021

  
CERTIFIED PUBLIC ACCOUNTANTS

GOODRICH INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended August 31, 2021

A. Summary of the Auditor's Results

1. Financial Statements

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

\_\_\_ Yes    X No

Significant deficiencies identified that are  
not considered to be material weaknesses?

X Yes    \_\_\_ None reported

Noncompliance material to financial statements noted?

\_\_\_ Yes    X No

B. Financial Statement Findings

2021-01 - Segregation of Duties

<i>Condition:</i>	Due to the limited number of personnel, a segregation of certain accounting functions was not possible.
<i>Criteria:</i>	The District continues to establish procedures that would ensure proper segregation of certain accounting functions, especially, to limit the functions of recording, authorizing and custody.
<i>Effect:</i>	As a result, during the audit period, operation of procedures might not have allowed management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis.
<i>Cause:</i>	The District has limited resources and personnel in the responsibilities and business function.
<i>Recommendation:</i>	We recommend that the Board of Trustees continue to monitor the internal accounting control procedures in use to assure that compensating controls are being utilized to provide assurance that assets are safeguarded and transactions are proper and recorded in a timely manner. These actions would mitigate, but not eliminate the risk of misstatement or misappropriation.
<i>Contact:</i>	Superintendent
<i>Timeframe:</i>	Ongoing

GOODRICH INDEPENDENT SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
For the Year Ended August 31, 2021

None

GOODRICH INDEPENDENT SCHOOL DISTRICT  
CORRECTIVE ACTION PLAN  
For the Year Ended August 31, 2021

**Corrective Action Plan**

2021-01 - Segregation of Duties

District management and the board will continue to monitor the internal accounting control procedures in use to assure that compensating controls are being utilized to provide assurance that assets are safeguarded and transactions are proper and recorded in a timely manner.

GOODRICH INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF REQUIRED RESPONSES TO SELECTED  
SCHOOL FIRST INDICATORS  
As of August 31, 2021

EXHIBIT L-1

DATA CONTROL CODES		RESPONSES
SF1	Was there an unmodified opinion in the Annual Financial Report on the financial statements as a whole?	Yes
SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement at fiscal year end?	No
SF3	Did the school district make timely payments to the Teacher Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies? (If the school district was issued a warrant hold and the warrant hold was not cleared within 30 days from the date the warrant hold was issued, the school district is considered <b>to not have made</b> timely payments.) Payments to the TRS and TWC are considered timely if a warrant hold that was issued in connection to the untimely payment was cleared within 30 days from the date the warrant hold was issued. Payments to the IRS are considered timely if a penalty or delinquent payment notice was cleared within 30 days from the date the notice was issued.	Yes
SF4	Was the school district issued a warrant hold? Even if the issue surrounding the initial warrant hold was resolved and cleared within 30 days, the school district is considered to have been issued a warrant hold.	No
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds?	No
SF6	Was there any disclosure in the Annual Financial Report of material noncompliance for grants, contracts, and laws related to local, state, or federal funds?	No
SF7	Did the school district post the required financial information on its website in accordance with Government Code, Local Government Code, Texas Education Code, Texas Administrative Code, and other statutes, laws and rules that were in effect at the school district's fiscal year end?	Yes
SF8	Did the school board members discuss the school district's property values at a board meeting within 120 days before the school district adopted its budget?	Yes
SF9	Total accumulated accretion on CABs included in government-wide financial statements at fiscal year-end.	\$ -