

Agenda of Regular Meeting

The Board of Trustees Skidmore-Tynan ISD

A Regular Meeting of the Board of Trustees of Skidmore-Tynan ISD will be held November 2, 2020, beginning at 6:00 PM in the Skidmore-Tynan ISD Wayne & Mavournee DuBose Special Events Center Cafeteria
224 W. Main St.
Skidmore, TX 78389.

The subjects to be discussed or considered or upon which any formal action may be taken are as listed below. Items do not have to be taken in the order shown on this meeting notice.

Unless removed from the consent agenda, items identified within the consent agenda will be acted on at one time.

- | | |
|---|-----|
| 1. Call to Order and Establish Quorum | |
| 2. Pledge of Allegiance and Invocation | 3 |
| 3. Public Forum | 4 |
| 4. Financial Audit (Presenter: Cameron Gulley) | 5 |
| 5. Consideration and Possible Approval of Cameron Gulley to conduct 20-21, 21-22, 22-23 Fiscal Audit | 86 |
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| 10. Consideration and Possible Approval to retain a Legal Services Contract with Juan Cruz & Associates, LLC. | 116 |
| 11. Adjourn to closed/executive session | |
| 12. Reconvene to Open Session | |
| 13. Consideration and Possible Approval of School Guardian(s) | 121 |

14. Confirmation of Next Regular Meeting: Monday, December 14, 2020 at 6:00 p.m.
15. Adjournment

A closed meeting of the Board of Trustees may be required as authorized by the Texas Open Meetings Act, Texas Government Code Section 551.001 et seq., and will be held by the Board of Trustees in conjunction with the open meeting. The Board of Trustees may enter into a closed meeting for any of the following reasons:

- | |
|--|
| <ol style="list-style-type: none">1. Consultation with Attorney, Section 551.0712. Real Property, etc., Section 551.0723. Gifts and Donations, Section 551.0734. Personnel or Officers, Section 551.0745. Security Personnel/Devices, Section 551.0766. (a) Student Discipline/Student Matters (b) Employee Complaint Against Another Employee, Section 551.0827. Personally Identifiable Student Information, Section 551.08218. Medical or Psychiatric Records, Section 551.07859. Assessment Instruments, Education Code 39.030 (a)10. Emergency Management for Homeland Security, Section 418.183 (f)11. Economic Development Negotiation, Section 551.087 |
|--|

SKIDMORE-TYNAN INDEPENDENT SCHOOL DISTRICT

BOARD OF TRUSTEES

Date of Meeting: November 2, 2020 Presented By: Board of Trustees
Subject: Pledge of Allegiance and Invocation Attachments? No

INFORMATION

BACKGROUND INFORMATION:

The Board of Trustees will lead the Pledge of Allegiance and will give the Invocation.

RECOMMENDATION:

Not applicable.

BOARD ACTION REQUIRED:

No action required.

SKIDMORE-TYNAN INDEPENDENT SCHOOL DISTRICT

BOARD OF TRUSTEES

Date of Meeting: November 2, 2020 Presented By: Board of Trustees
Subject: Public Forum Attachments? No

INFORMATION

BACKGROUND INFORMATION:

Persons who wish to Participate in this portion of the meeting shall sign up as they arrive, indicating their name, address and topic they wish to speak about. No presentation shall exceed **3** minutes.

Public participation is limited to the designated open forum portion of the meeting. At all other times during the Board meetings, the audience shall not enter into discussion or debate on matters being considered by the Board.

When necessary for effective meeting management or to accommodate large numbers of individuals wishing to address the Board, the presiding officer may make adjustments to public comment procedures, including adjusting when public comment will occur during the meeting, reordering agenda items, deferring public comment on nonagenda items, continuing agenda items to a later meeting, providing expanded opportunity for public comment , or establishing an overall time limit for public comment and adjusting the time allotted to each speaker. However, no individual shall be given less than one minute to make comments

The Board is not permitted to discuss or act upon any issues that are not posted on the agenda for tonight’s meeting. Specific factual information or recitation of existing policy may be furnished in response to inquiries, but the Board may not deliberate, discuss, or make any decision on any subject not on agenda.

At Special Meetings public comment shall be limited to items on the agenda posted with notice of the meeting.

SKIDMORE-TYNAN INDEPENDENT SCHOOL DISTRICT

BOARD OF TRUSTEES

Date of Meeting:	<u>November 2, 2020</u>	Presented By:	<u>Mrs. Moore Cam Gulley</u>
Subject:	<u>Consideration and Possible Approval to Accept the 2019-2020 Fiscal Year Financial Audit</u>	Attachments?	<u>Yes</u>

ACTION

BACKGROUND INFORMATION:

The District’s financial auditor will present the 2019-2020 Fiscal Year Financial Audit for official acceptance by the Board of Trustees.

RECOMMENDATION:

Administration recommends that the Board of Trustees accept the 2019-2020 Fiscal Year Financial Audit as presented by Administration.

BOARD ACTION REQUIRED:

Board Approval.

MOTION: _____

SECOND: _____

VOTE: _____

SKIDMORE-TYNAN INDEPENDENT SCHOOL DISTRICT

ANNUAL FINANCIAL AND COMPLIANCE REPORT

FOR THE YEAR ENDED AUGUST 31, 2020

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SKIDMORE-TYNAN INDEPENDENT SCHOOL DISTRICT
ANNUAL FINANCIAL AND COMPLIANCE REPORT
FOR THE YEAR ENDED AUGUST 31, 2020

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CERTIFICATE OF BOARD

Skidmore-Tynan Independent School District
Name of School District

Bee
County

013-905
Co.-Dist. Number

We, the undersigned, certify that the attached auditor's reports of the above named school district were reviewed and ___approved
- ___disapproved for the year ended August 31, 2020, at a meeting of the board of school trustees of such school district on the
___ day of _____, 2020.

Signature of Board Secretary

Signature of Board President

If the auditor's reports were checked above as disapproved, the reason(s) therefore is/are (attach list if necessary):

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Independent Auditor's Report

UNMODIFIED OPINION ON BASIC FINANCIAL STATEMENTS ACCOMPANIED BY REQUIRED SUPPLEMENTARY INFORMATION AND OTHER INFORMATION

Board of Trustees
Skidmore-Tynan Independent School District
224 W. Main Street
Skidmore, Texas 78389

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information for Skidmore-Tynan Independent School District (the "District") as of and for the year ended August 31, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. 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. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Skidmore-Tynan Independent School District as of August 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with account 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 Budgetary Comparison Schedule for the General Fund, Schedule of District's Proportionate Share of the Net Pension Liability (TRS), Schedule of District Pension Contributions to TRS, Schedule of District's Proportionate Share of the Net OPEB Liability (TRS) and Schedule of District OPEB Contributions to TRS 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. I have applied certain limited procedure 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

My audit was made for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The combining and individual nonmajor fund financial statements and the TEA required schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and the TEA required schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the combining and individual nonmajor fund financial statements and the TEA required schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole. The combining and individual nonmajor fund financial statements and the TEA required schedules have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, I do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated November 2, 2020, on my consideration of the District's internal control over financial reporting and on my 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 my 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.

Cameron L. Gulley
Certified Public Accountant

November 2, 2020

Skidmore-Tynan Independent School District

224 W. Main Street • Skidmore, Texas 78389 • Ph (361) 287-3426 • Fax (361) 287-3442
Superintendent: Richard Waterhouse

MANAGEMENT'S DISCUSSION AND ANALYSIS

In this section of the Annual Financial and Compliance Report, we, the managers of Skidmore-Tynan Independent School District, discuss and analyze the District's financial performance for the fiscal year ended August 31, 2020. Please read it in conjunction with the independent auditor's report on page 2 and the District's Basic Financial Statements which begin on page 10.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The government-wide financial statements include the Statement of Net Position and the Statement of Activities (on pages 10 - 11). These provide information about the activities of the District as a whole and present a longer-term view of the District's property and debt obligations and other financial matters. They reflect the flow of total economic resources in a manner similar to the financial reports of a business enterprise.

Fund financial statements (starting on page 12) report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds. For governmental activities, these statements tell how services were financed in the short term as well as what resources remain for future spending. They reflect the flow of current financial resources and supply the basis for tax levies and the appropriations budget. For proprietary activities, fund financial statements tell how goods or services of the District were sold to departments within the District or to external customers and how the sales revenues covered the expenses of the goods or services. The remaining statements, fiduciary statements, provide financial information about activities for which the District acts solely as a trustee or agent for the benefit of those outside of the District.

The notes to the financial statements (starting on page 21) provide narrative explanations or additional data needed for full disclosure in the government-wide statements or the fund financial statements.

The combining statements for nonmajor funds contain even more information about the District's individual funds. These are not required by TEA. The sections labeled TEA Required Schedules and Federal Awards Section contain data used by monitoring or regulatory agencies for assurance that the District is using funds supplied in compliance with the terms of grants.

Reporting the District as a Whole

The Statement of Net Position and the Statement of Activities

The analysis of the District's overall financial condition and operations begins on page 5. Its primary purpose is to show whether the District is better off or worse off as a result of the year's activities. The Statement of Net Position includes all the District's assets and liabilities at the end of the year while the Statement of Activities includes all the revenues and expenses generated by the District's operations during the year. These apply the accrual basis of accounting which is the basis used by private sector companies.

All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. The District's revenues are divided into those provided by outside parties who share the costs of some programs, such as grants provided by the U.S. Department of Education to assist children with disabilities or from disadvantaged backgrounds (program revenues), and revenues provided by the taxpayers or by TEA in equalization funding processes (general revenues). All the District's assets are reported whether they serve the current year or future years. Liabilities are considered regardless of whether they must be paid in the current or future years.

These two statements report the District's net position and changes in them. The District's net position (the difference between assets and liabilities) provide one measure of the District's financial health, or financial position. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. To fully assess the overall health of the District, however, you should consider nonfinancial factors as well, such as changes in the District's average daily attendance or its property tax base and the condition of the District's facilities.

In the Statement of Net Position and the Statement of Activities, we divide the District into one activity:

Governmental activities - All of the District's basic services are reported here, including the instruction, counseling, co-curricular activities, transportation, maintenance, community services, and general administration. Property taxes, tuition, fees, and state and federal grants finance most of these services.

Reporting the District's Most Significant Funds

Fund Financial Statements

The fund financial statements begin on page 12 and provide detailed information about the most significant funds - not the District as a whole. Laws and contracts require the District to establish some funds, such as grants received under the No Child Left Behind Act from the U.S. Department of Education. The District's administration establishes many other funds to help it control and manage money for particular purposes (like campus activities). The District's fund type - governmental - use the following accounting approaches.

Governmental funds - All of the District's basic services are reported in governmental funds. These use the modified accrual accounting (a method that measures the receipt and disbursement of cash and all other financial assets that can be readily converted to cash) and report balances that are available for future spending. The governmental fund statements provide a detailed short-term view of the District's general operations and the basic services it provides. We describe the differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliation schedules following each of the fund financial statements.

Proprietary funds - the District reports the activities for which it charges users (whether outside customers or other units of the District) in proprietary funds using the same accounting methods employed in the Statement of Net Position and the Statement of Activities. The internal service funds (the only category of proprietary funds) report activities that provide supplies and services for the District's other programs and activities - such as the District's self-insurance program.

The District as Trustee

Reporting the District's Fiduciary Responsibilities

The District is the trustee, or fiduciary, for money raised by student activities. All of the District's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position on pages 19 and 20. We exclude these resources from the District's other financial statements because the District cannot use these assets to finance its operations. The District is only responsible for ensuring that the assets reported in these funds are used for their intended purposes.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following analyses of comparative balances and changes therein is inclusive of the current year's and prior year's operations. Our analysis focuses on the net position (Table I) and changes in net position (Table II) of the District's governmental and business-type activities.

Total net position of the District's governmental activities increased from \$1,590,442 to \$2,578,401. Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements - increased from (\$2,488,742) to (\$1,589,369). Current and other assets increased by \$1,263,233 due to increases in cash. Capital assets decreased by \$310,982 due to depreciation expense in excess of asset additions. Long-term liabilities decreased by \$537,613 due to retirement of long-term debt and the effects of net pension (NPL) and other post-employment benefit (OPEB) liabilities. Other liabilities increased by \$40,548 due to state aid overpayments. Deferred resource outflows and inflows related to NPL and OPEB liabilities increased by \$35,587 and \$496,944, respectively.

Increased state-mandated salary increases enacted through the 86th Legislative session had a significant impact on revenues and expenses for the year. Additionally, expenses were impacted by the state-mandated school closure in March, 2020 due to the COVID-19 pandemic.

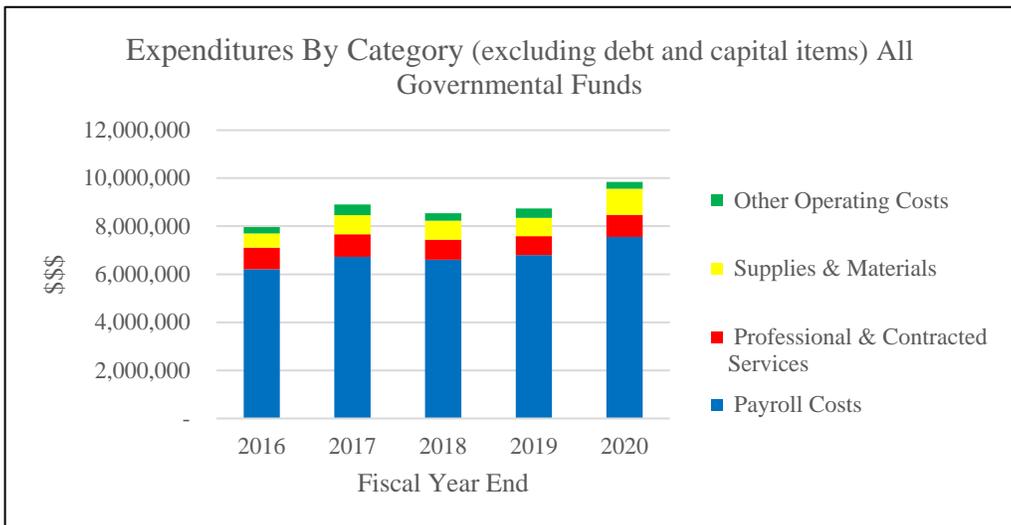
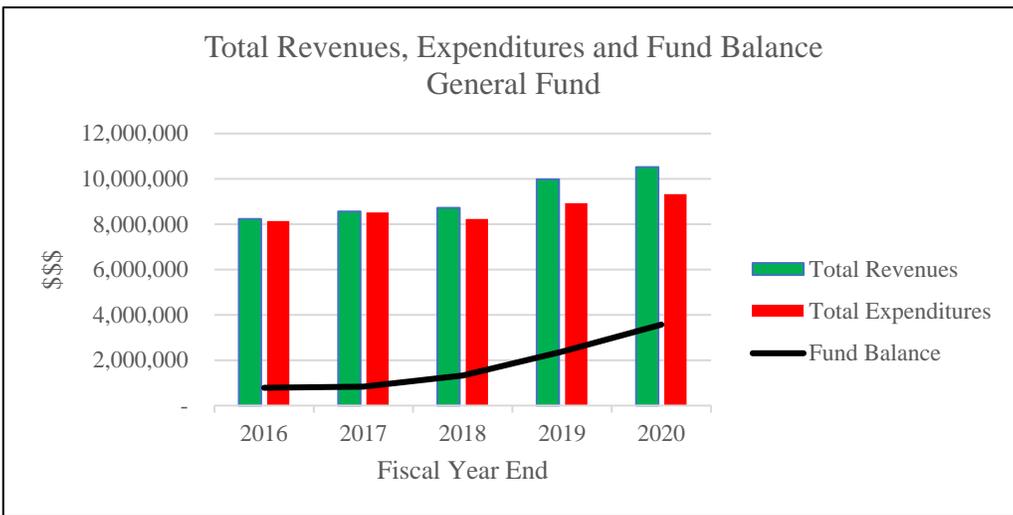
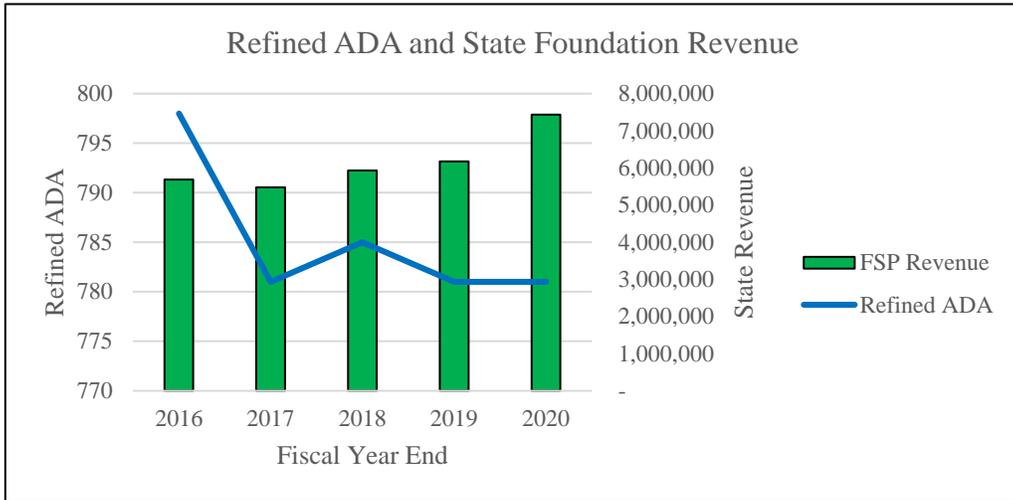
The District's total revenues were \$1.3 million more than last year. State aid-formula grants increased by \$881,000 due to additional state funding relative to the 86th Legislative Session for salary increases. Operating grants and contributions were higher by \$429,000 due to windfarm payments received and onbehalf revenue accruals related to NPL and OPEB.

Overall, total expenses were \$1.4 million more than last year. Most of the net expense increases by function were related to higher payroll costs enacted through the 86th Legislative session mentioned above and debt service refinancing fees. Total payroll cost increases for the year were \$919,000 and debt service costs by \$130,000. Changes in instructional, school leadership, student support services, food service, extracurricular activities, general administration and plant maintenance, security and data processing were all mostly due to payroll costs. Additionally, student support services were higher due to bus repairs; general administration was higher due to professional fees for windfarm tax limitation agreement filings; and plant maintenance, security and data processing were higher due to maintenance supplies.

	Governmental Activities 2020	Governmental Activities 2019	Variance Increase/ (Decrease)
Current and other assets	\$ 4,530,991	\$ 3,267,758	\$ 1,263,233
Capital assets	14,831,325	15,142,307	(310,982)
Deferred resource outflows for TRS	1,590,355	1,554,768	35,587
Total assets and deferred resource outflows	20,952,671	19,964,833	987,838
Long-term liabilities	16,219,420	16,757,033	(537,613)
Other liabilities	421,534	380,986	40,548
Deferred resource inflows for TRS	1,733,316	1,236,372	496,944
Total liabilities and deferred resource inflows	18,374,270	18,374,391	(121)
Net position:			
Net investment in capital assets	3,728,088	3,660,430	67,658
Restricted for federal and state programs	22,801	51,426	(28,625)
Restricted for debt service	416,881	367,328	49,553
Unrestricted	(1,589,369)	(2,488,742)	899,373
Total net position	\$ 2,578,401	\$ 1,590,442	\$ 987,959

	Governmental Activities 2020	Governmental Activities 2019	Variance Favorable/ (Unfavorable)
Revenues:			
Program Revenues:			
Charges for services	\$ 73,811	\$ 140,419	\$ (66,608)
Operating grants and contributions	2,074,892	1,645,852	429,040
General Revenues:			
Property taxes	2,348,580	2,283,967	64,613
State aid - formula grants	8,039,045	7,158,088	880,957
Other	90,491	67,143	23,348
Total Revenues	12,626,819	11,295,469	1,331,350
Expenses:			
Instruction, curriculum and media services	6,176,436	5,388,182	(788,254)
Instructional and school leadership	471,471	422,186	(49,285)
Student support services	1,107,955	921,797	(186,158)
Child nutrition	473,427	455,419	(18,008)
Extracurricular activities	756,833	711,244	(45,589)
General administration	575,642	450,201	(125,441)
Plant maintenance, security & data processing	1,404,438	1,239,707	(164,731)
Debt service	598,288	468,271	(130,017)
Payments related to shared service arrangements	27,374	93,851	66,477
Other intergovernmental charges	46,996	49,514	2,518
Total Expenses	11,638,860	10,200,372	(1,438,488)
Increase (Decrease) in Net Position	987,959	1,095,097	(107,138)
Net Position - beginning of year	1,590,442	495,345	1,095,097
Net Position - end of year	\$ 2,578,401	\$ 1,590,442	\$ 987,959

The following charts depict trend information for the past five years.



THE DISTRICT'S FUNDS

As the District completed the year, its governmental funds (as presented in the balance sheet on page 12) reported a combined fund balance of \$3,979,246, an increase of \$1,207,076 in the District's Governmental Funds from last year's fund balance of \$2,772,170. The primary reasons for the net increase are similar to the narrative related to the tables above. The major exceptions are depreciation expense which is not charged to the governmental funds and the net effect relative to GASB 68 and 75 whose impacts are only at the government-wide level financial statements. The specific variances in the changes in fund balance versus the change in net position are detailed out on Exhibit C-4 on the accompanying general purpose financial statements.

The Board of Trustees revised the District's budget several times during the year. Significant budget amendments were in instruction; guidance, counseling and evaluation services; general administration; facilities maintenance and operations; security and monitoring services; and data processing services. Amendments were for instructional supplies, staff retention, building renovations, campus security, data processing supplies, and Chapter 313 value limitation agreement fees.

The District's General Fund balance of \$3,570,831 reported on pages 14 and 45 differs from the General Fund's budgetary fund balance of \$1,834,264 reported in the budgetary comparison schedule on page 45 due to both revenues and expenditures being much more favorable than budgeted.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2020, the District had \$21,582,274 invested in a broad range of capital assets including facilities and equipment for instruction, transportation, athletics, administration, and maintenance. Following were asset additions for the year.

Asset additions:

2021 IC school bus	\$	111,362
2020 Chevrolet suburban		40,235
Cargo trailer		16,774
Fencing and security improvements		119,874
Football stadium pressbox renovations		43,514
Total asset additions	\$	<u>331,759</u>

Debt

The District has five outstanding long-term debt instruments acquired to finance various improvement projects. Total annual debt service payments will approximate \$890,000 until 2024 and will slowly decrease thereafter until final debt maturity in 2041. Interest rates on the debt instruments vary from 1.0% to 4.25%.

Following is a summary of outstanding debt for the past two years:

	<u>2020</u>	<u>2019</u>
Bonds payable	\$ 8,901,000	\$ 9,527,187
Notes payable	1,208,790	1,357,336
Total outstanding debt	<u>\$ 10,109,790</u>	<u>\$ 10,884,523</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The District should continue to maintain its financial health. A budget adopted for 2020-21 reflected tax rates at \$0.9630 for maintenance and operations and \$0.3188 for debt service. General fund revenues and expenditures were budgeted at approximately \$10.2 million for a break-even budget. Therefore, the District expects that its general fund balance will approximate \$3.57 million at August 31, 2021.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors a general overview of the District's finances and to show the District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the District's business office at: Skidmore-Tynan Independent School District, 224 W. Main Street, Skidmore, Texas 78389.

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BASIC FINANCIAL STATEMENTS

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SKIDMORE-TYNAN INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
AUGUST 31, 2020

EXHIBIT A-1

Data Control Codes	Primary Government Governmental Activities
ASSETS	
1110 Cash and Cash Equivalents	\$ 3,469,732
1220 Property Taxes - Delinquent	247,352
1230 Allowance for Uncollectible Taxes	(109,145)
1240 Due from Other Governments	923,052
Capital Assets:	
1510 Land	244,525
1520 Buildings, Net	12,742,398
1530 Furniture and Equipment, Net	705,194
1590 Infrastructure, Net	1,139,208
1000 Total Assets	19,362,316
DEFERRED OUTFLOWS OF RESOURCES	
1701 Deferred Charge for Refunding	154,908
1705 Deferred Outflow Related to TRS Pension	1,033,585
1706 Deferred Outflow Related to TRS OPEB	401,862
1700 Total Deferred Outflows of Resources	1,590,355
LIABILITIES	
2110 Accounts Payable	1,824
2140 Interest Payable	32,946
2160 Accrued Wages Payable	298,851
2180 Due to Other Governments	54,619
2200 Accrued Expenses	33,294
Noncurrent Liabilities:	
2501 Due Within One Year	546,760
2502 Due in More Than One Year	10,678,439
2540 Net Pension Liability (District's Share)	2,171,498
2545 Net OPEB Liability (District's Share)	2,822,723
2000 Total Liabilities	16,640,954
DEFERRED INFLOWS OF RESOURCES	
2605 Deferred Inflow Related to TRS Pension	445,138
2606 Deferred Inflow Related to TRS OPEB	1,288,178
2600 Total Deferred Inflows of Resources	1,733,316
NET POSITION	
3200 Net Investment in Capital Assets	3,728,088
3820 Restricted for Federal and State Programs	22,801
3850 Restricted for Debt Service	416,881
3900 Unrestricted	(1,589,369)
3000 Total Net Position	\$ 2,578,401

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

SKIDMORE-TYNAN INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2020

EXHIBIT B-1

Data Control Codes	1	Program Revenues		6	
		3	4		
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Gov. Governmental Activities	
Primary Government:					
GOVERNMENTAL ACTIVITIES:					
11	Instruction	\$ 5,899,253	\$ -	\$ 1,407,680	\$ (4,491,573)
12	Instructional Resources and Media Services	115,394	-	10,204	(105,190)
13	Curriculum and Instructional Staff Development	161,789	-	25,947	(135,842)
23	School Leadership	471,471	-	41,657	(429,814)
31	Guidance, Counseling and Evaluation Services	369,915	-	33,921	(335,994)
33	Health Services	75,910	-	13,111	(62,799)
34	Student (Pupil) Transportation	662,130	-	29,207	(632,923)
35	Food Services	473,427	53,362	352,973	(67,092)
36	Extracurricular Activities	756,833	20,449	36,352	(700,032)
41	General Administration	575,642	-	28,135	(547,507)
51	Facilities Maintenance and Operations	1,197,384	-	53,981	(1,143,403)
52	Security and Monitoring Services	28,642	-	25,268	(3,374)
53	Data Processing Services	178,412	-	16,456	(161,956)
72	Debt Service - Interest on Long-Term Debt	468,291	-	-	(468,291)
73	Debt Service - Bond Issuance Cost and Fees	129,997	-	-	(129,997)
93	Payments Related to Shared Services Arrangements	27,374	-	-	(27,374)
99	Other Intergovernmental Charges	46,996	-	-	(46,996)
	[TP] TOTAL PRIMARY GOVERNMENT:	\$ 11,638,860	\$ 73,811	\$ 2,074,892	(9,490,157)

Data Control Codes	General Revenues:	
	Taxes:	
MT	Property Taxes, Levied for General Purposes	1,807,393
DT	Property Taxes, Levied for Debt Service	541,187
SF	State Aid - Formula Grants	8,039,045
IE	Investment Earnings	58,083
MI	Miscellaneous Local and Intermediate Revenue	32,408
TR	Total General Revenues	10,478,116
CN	Change in Net Position	987,959
NB	Net Position - Beginning	1,590,442
NE	Net Position - Ending	\$ 2,578,401

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

SKIDMORE-TYNAN INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
AUGUST 31, 2020

Data Control Codes	10 General Fund	50 Debt Service Fund	Other Funds	Total Governmental Funds
ASSETS				
1110 Cash and Cash Equivalents	\$ 2,943,245	\$ 440,233	\$ 35,904	\$ 3,419,382
1220 Property Taxes - Delinquent	192,240	55,112	-	247,352
1230 Allowance for Uncollectible Taxes	(85,300)	(23,845)	-	(109,145)
1240 Due from Other Governments	681,788	-	241,264	923,052
1260 Due from Other Funds	230,292	-	-	230,292
1000 Total Assets	<u>\$ 3,962,265</u>	<u>\$ 471,500</u>	<u>\$ 277,168</u>	<u>\$ 4,710,933</u>
LIABILITIES				
2110 Accounts Payable	\$ 1,824	\$ -	\$ -	\$ 1,824
2160 Accrued Wages Payable	276,835	-	22,016	298,851
2170 Due to Other Funds	-	-	230,292	230,292
2180 Due to Other Governments	-	54,619	-	54,619
2200 Accrued Expenditures	5,835	-	2,059	7,894
2000 Total Liabilities	<u>284,494</u>	<u>54,619</u>	<u>254,367</u>	<u>593,480</u>
DEFERRED INFLOWS OF RESOURCES				
2601 Unavailable Revenue - Property Taxes	106,940	31,267	-	138,207
2600 Total Deferred Inflows of Resources	<u>106,940</u>	<u>31,267</u>	<u>-</u>	<u>138,207</u>
FUND BALANCES				
Restricted Fund Balance:				
3450 Federal or State Funds Grant Restriction	-	-	22,801	22,801
3480 Retirement of Long-Term Debt	-	385,614	-	385,614
3600 Unassigned Fund Balance	3,570,831	-	-	3,570,831
3000 Total Fund Balances	<u>3,570,831</u>	<u>385,614</u>	<u>22,801</u>	<u>3,979,246</u>
4000 Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 3,962,265</u>	<u>\$ 471,500</u>	<u>\$ 277,168</u>	<u>\$ 4,710,933</u>

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

SKIDMORE-TYNAN INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
AUGUST 31, 2020

EXHIBIT C-2

Total Fund Balances - Governmental Funds	\$	3,979,246
1 The District uses internal service funds to charge the costs of certain activities, such as self-insurance and printing, to appropriate functions in other funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. The net effect of this consolidation is to increase net position.		24,950
2 Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. At the beginning of the year, the cost of these assets was \$21,250,515 and the accumulated depreciation was (\$6,108,208). In addition, long-term liabilities, including bonds payable, are not due and payable in the current period, and, therefore are not reported as liabilities in the funds. The net effect of including the beginning balances for capital assets (net of depreciation) and long-term debt in the governmental activities is to increase net position.		3,914,053
3 Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of including the capital outlays and debt principal payments is to increase net position.		1,003,305
4 Included in the items related to debt is the recognition of the District's proportionate share of the net pension liability required by GASB 68. The net position related to TRS included a deferred resource outflow in the amount of \$1,033,585, a deferred resource inflow in the amount of \$445,138 and a net pension liability in the amount of \$2,171,498. This resulted in a decrease in net position.		(1,583,051)
5 Included in the items related to debt is the recognition of the District's proportionate share of the net OPEB liability required by GASB 75. The net position related to TRS included a deferred resource outflow in the amount of \$401,862, a deferred resource inflow in the amount of \$1,288,178 and a net OPEB liability in the amount of \$2,822,723. This resulted in a decrease in net position.		(3,709,039)
6 Depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position.		(642,741)
7 Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unavailable revenue from property taxes as revenue, reclassifying the proceeds of bond sales as an increase in bonds payable, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to decrease net position.		(408,322)
19 Net Position of Governmental Activities	\$	2,578,401

The notes to the financial statements are an integral part of this statement.25

SKIDMORE-TYNAN INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2020

Data Control Codes	10 General Fund	50 Debt Service Fund	Other Funds	Total Governmental Funds
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 2,144,811	\$ 546,699	\$ 53,462	\$ 2,744,972
5800 State Program Revenues	8,219,503	278,399	196,551	8,694,453
5900 Federal Program Revenues	150,091	-	733,946	884,037
5020 Total Revenues	<u>10,514,405</u>	<u>825,098</u>	<u>983,959</u>	<u>12,323,462</u>
EXPENDITURES:				
Current:				
0011 Instruction	4,750,262	-	546,760	5,297,022
0012 Instructional Resources and Media Services	101,465	-	-	101,465
0013 Curriculum and Instructional Staff Development	137,549	-	14,833	152,382
0023 School Leadership	423,546	-	-	423,546
0031 Guidance, Counseling, and Evaluation Services	331,033	-	-	331,033
0033 Health Services	68,599	-	-	68,599
0034 Student (Pupil) Transportation	659,349	-	-	659,349
0035 Food Services	224	-	425,991	426,215
0036 Extracurricular Activities	619,852	-	-	619,852
0041 General Administration	527,512	-	-	527,512
0051 Facilities Maintenance and Operations	1,152,324	-	-	1,152,324
0052 Security and Monitoring Services	118,933	-	25,000	143,933
0053 Data Processing Services	161,856	-	-	161,856
Debt Service:				
0071 Principal on Long-Term Debt	148,546	378,625	-	527,171
0072 Interest on Long-Term Debt	48,619	534,103	-	582,722
0073 Bond Issuance Cost and Fees	-	129,997	-	129,997
Intergovernmental:				
0093 Payments to Fiscal Agent/Member Districts of SSA	27,374	-	-	27,374
0099 Other Intergovernmental Charges	46,996	-	-	46,996
6030 Total Expenditures	<u>9,324,039</u>	<u>1,042,725</u>	<u>1,012,584</u>	<u>11,379,348</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,190,366</u>	<u>(217,627)</u>	<u>(28,625)</u>	<u>944,114</u>
OTHER FINANCING SOURCES (USES):				
7911 Capital Related Debt Issued	-	6,015,000	-	6,015,000
7916 Premium or Discount on Issuance of Bonds	-	765,828	-	765,828
8949 Other (Uses)	-	(6,517,866)	-	(6,517,866)
7080 Total Other Financing Sources (Uses)	<u>-</u>	<u>262,962</u>	<u>-</u>	<u>262,962</u>
1200 Net Change in Fund Balances	1,190,366	45,335	(28,625)	1,207,076
0100 Fund Balance - September 1 (Beginning)	<u>2,380,465</u>	<u>340,279</u>	<u>51,426</u>	<u>2,772,170</u>
3000 Fund Balance - August 31 (Ending)	<u>\$ 3,570,831</u>	<u>\$ 385,614</u>	<u>\$ 22,801</u>	<u>\$ 3,979,246</u>

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

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

EXHIBIT C-4

Total Net Change in Fund Balances - Governmental Funds	\$ 1,207,076
The District uses internal service funds to charge the costs of certain activities, such as self-insurance and printing, to appropriate functions in other funds. The net income (loss) of internal service funds are reported with governmental activities. The net effect of this consolidation is to decrease net position.	(4,073)
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of removing the capital outlays and debt principal payments is to increase net position.	1,003,305
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net position.	(642,741)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unavailable revenue from property taxes as revenue, adjusting current year revenue to show the revenue earned from the current year's tax levy, reclassifying the proceeds of bond sales, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to decrease net position.	(276,868)
GASB 68 required that certain plan expenditures be de-expended and recorded as deferred resource outflows. Those contributions made after the measurement date of the plan caused the change in ending net position to increase by \$161,298. Contributions made before the measurement date and during the previous fiscal year were also expended and recorded as a reduction in net pension liability. This caused a decrease in the change in net position totaling \$146,211. Finally, the proportionate share of the TRS pension expense on the plan as a whole had to be recorded. The net pension expense decreased the change in net position by \$286,771. The net result is a decrease in the change in net position.	(271,684)
GASB 75 required that certain plan expenditures be de-expended and recorded as deferred resource outflows. Those contributions made after the measurement date of the plan caused the change in ending net position to increase by \$47,180. Contributions made before the measurement date and during the previous fiscal year were also expended and recorded as a reduction in net OPEB liability. This caused a decrease in the change in net position totaling \$42,362. Finally, the proportionate share of the TRS OPEB expense on the plan as a whole had to be recorded. The net OPEB expense decreased the change in net position by \$31,874. The net result is a decrease in the change in net position.	(27,056)
Change in Net Position of Governmental Activities	\$ 987,959

The notes to the financial statements are an integral part of this statement.27

SKIDMORE-TYNAN INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AUGUST 31, 2020

EXHIBIT D-1

	Governmental Activities -
	Internal Service Fund
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 50,350
Total Assets	50,350
LIABILITIES	
Current Liabilities:	
Accrued Expenses	25,400
Total Liabilities	25,400
NET POSITION	
Unrestricted Net Position	24,950
Total Net Position	\$ 24,950

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

SKIDMORE-TYNAN INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2020

	Governmental Activities -
	Internal Service Fund
OPERATING REVENUES:	
Local and Intermediate Sources	\$ 30,595
Total Operating Revenues	30,595
OPERATING EXPENSES:	
Professional and Contracted Services	2
Other Operating Costs	35,268
Total Operating Expenses	35,270
Operating Income (Loss)	(4,675)
NONOPERATING REVENUES (EXPENSES):	
Earnings from Temporary Deposits & Investments	602
Total Nonoperating Revenues (Expenses)	602
Change in Net Position	(4,073)
Total Net Position - September 1 (Beginning)	29,023
Total Net Position - August 31 (Ending)	\$ 24,950

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

SKIDMORE-TYNAN INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2020

	Governmental Activities -
	Internal Service Fund
<u>Cash Flows from Operating Activities:</u>	
Cash Received from Assessments - Other Funds	\$ 30,595
Cash Payments for Insurance Claims	(44,288)
Net Cash Used for Operating Activities	(13,693)
<u>Cash Flows from Investing Activities:</u>	
Interest and Dividends on Investments	602
Net Cash Provided by Investing Activities	602
Net Decrease in Cash and Cash Equivalents	(13,091)
Cash and Cash Equivalents at Beginning of Year	63,441
Cash and Cash Equivalents at End of Year	\$ 50,350
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>	
<u>Used for Operating Activities:</u>	
Operating Income (Loss):	\$ (4,675)
Effect of Increases and Decreases in Current Assets and Liabilities:	
Increase (decrease) in Accrued Expenses	(9,018)
Net Cash Used for Operating Activities	\$ (13,693)
<u>Reconciliation of Total Cash and Cash Equivalents:</u>	
Cash and Cash Equivalents on Balance Sheet	\$ 50,350
Pooled Cash and Cash Equivalents on Balance Sheet	-
Total Cash and Cash Equivalents	\$ 50,350

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

SKIDMORE-TYNAN INDEPENDENT SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
AUGUST 31, 2020

EXHIBIT E-1

	Private Purpose Trust Fund	Agency Fund
ASSETS		
Cash and Cash Equivalents	\$ 15,272	\$ 83,334
Total Assets	15,272	\$ 83,334
LIABILITIES		
Due to Student Groups	-	\$ 83,334
Total Liabilities	-	\$ 83,334
NET POSITION		
Restricted for Scholarships	15,272	
Total Net Position	\$ 15,272	

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

SKIDMORE-TYNAN INDEPENDENT SCHOOL DISTRICT
 STATEMENT OF CHANGES IN FIDUCIARY FUND NET POSITION
 FIDUCIARY FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2020

	Private Purpose Trust Fund
ADDITIONS:	
Contributions from Foundations, Gifts	\$ 100
Earnings from Temporary Deposits	676
Total Additions	<u>776</u>
Change in Fiduciary Net Position	776
Total Net Position - September 1 (Beginning)	<u>14,496</u>
Total Net Position - August 31 (Ending)	<u><u>\$ 15,272</u></u>

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

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SKIDMORE-TYNAN INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AT AND FOR THE YEAR ENDED AUGUST 31, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Skidmore-Tynan Independent School District (the "District") is a public educational agency operating under the applicable laws and regulations of the State of Texas. It is governed by a seven member Board of Trustees (the "Board") elected by registered voters of the District. The District prepares its basic financial statements in conformity with generally accepted accounting principles (GAAP) promulgated by the Governmental Accounting Standards Board (GASB) and other authoritative sources identified in **GASB Statement No. 76**, and it complies with the requirements of the appropriate version of Texas Education Agency's *Financial Accountability System Resource Guide* (the "Resource Guide") and the requirements of contracts and grants of agencies from which it receives funds.

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

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

The District applied Governmental Accounting Standards Board ("GASB") Statement No. 72, Fair Value Measurement and Application. GASB Statement No. 72 provides guidance for determining a fair value measurement for reporting purposes and applying fair value to certain investments and disclosures related to all fair value measurements.

A. REPORTING ENTITY

The Board of Trustees (the "Board") is elected by the public and it has the authority to make decisions, appoint administrators and managers, and significantly influence operations. It also has the primary accountability for fiscal matters. Therefore, the District is a financial reporting entity as defined by the Governmental Accounting Standards Board ("GASB") in its Statement No. 14, "The Financial Reporting Entity." There are no component units included within the reporting entity.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The Statement of Net Position and the Statement of Activities are government-wide financial statements. They report information on all of the District's nonfiduciary activities with most of the interfund activities removed. *Governmental activities* include programs supported primarily by taxes, State foundation funds, grants and other intergovernmental revenues. *Business-type activities* include operations that rely to a significant extent on fees and charges for support.

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

Interfund activities between governmental funds appear as due to/due froms on the Governmental Fund Balance Sheet and as other resources and other uses on the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance. All interfund transactions between governmental funds are eliminated on the government-wide statements. Interfund activities between governmental funds and fiduciary funds remain as due to/due froms on the government-wide Statement of Activities.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues result from providing goods and services in connection with a proprietary fund's principal ongoing operations; they usually come from exchange or exchange-like transactions. All other revenues are nonoperating. Operating expenses can be tied specifically to the production of the goods and services, such as materials and labor and direct overhead. Other expenses are nonoperating.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

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

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

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

Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the "susceptible to accrual" concept, that is, when they are both measurable and available. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available.

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

The Proprietary Fund Types and Fiduciary Funds are accounted for on a flow of economic resources measurement focus and utilize the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred and become measurable. The District applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless these pronouncements conflict or contradict GASB pronouncements. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the fund Statement of Net Position. The fund equity is segregated into invested in capital assets net of related debt, restricted net assets, and unrestricted net assets.

Agency Funds utilize the accrual basis of accounting but do not have a measurement focus as they report only assets and liabilities.

D. FUND ACCOUNTING

The District reports the following major governmental funds:

1. **The General Fund.** The general fund is the District's primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund.
2. **Debt Service Fund** - The District accounts for resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds in a debt service fund.

Additionally, the District reports the following fund type(s):

Governmental Funds:

3. **Special Revenue Funds.** The District accounts for resources restricted to, or designated for, specific purposes by the District or a grantor in a special revenue fund. Most Federal and some State financial assistance is accounted for in a Special Revenue Fund, and sometimes unused balances must be returned to the grantor at the close of specified project periods.

Proprietary Funds:

4. **Internal Service Fund** - The District accounts for revenues and expenses related to services provided to parties within the District. These funds facilitate distribution of support costs to the users of support services on a cost-reimbursement basis.

Fiduciary Funds:

5. **Private Purpose Trust Funds.** The District accounts for donations for which the donor has stipulated that both the principal and the income may be used for purposes that benefit parties outside the District.
6. **Agency Funds.** The District accounts for resources held for others in a custodial capacity in agency funds. The District's Agency Fund is the "Skidmore-Tynan Student Activity Fund."

E. OTHER ACCOUNTING POLICIES

1. For purposes of the statement of cash flows for proprietary funds, the District considers highly liquid investments to be cash equivalents if they have a maturity of three months or less when purchased.
2. The District reports inventories of supplies at weighted average cost including consumable maintenance, instructional, office, athletic, and transportation items. Supplies are recorded as expenditures when they are consumed. Inventories of food commodities are recorded at market values supplied by the Texas Department of Human Services. Although commodities are received at no cost, their fair market value is supplied by the Texas Department of Human Services and recorded as inventory and unearned revenue when received. When requisitioned, inventory and unearned revenue are relieved, expenditures are charged, and revenue is recognized for an equal amount.
3. In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

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

4. It is the District's policy to permit some employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the District does not have a policy to pay any amounts when employees separate from service with the district. All vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.
5. Capital assets, which include land, buildings, furniture and equipment are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

<u>Asset:</u>	<u>Years</u>
Buildings	50
Building Improvements	20
Infrastructure	20-50
Vehicles	5-10
Equipment	7
Technology Equipment	5

6. In the fund financial statements, governmental funds report fund balance as nonspendable if the amounts cannot be spent because they are either not in spendable form or are legally or contractually required to remain intact. Restrictions of fund balance are for amounts that are restricted to specific purposes by an external entity (creditors, grantors, governmental regulations) or the restriction is imposed by law through constitutional provision or enabling legislation. Commitments of fund balance represent amounts that can only be used for specific purposes pursuant to constraints imposed by the District's board. Assignments of fund balance are amounts set aside by the District's superintendent or his designee with the intent they be used for specific purposes.
7. When the District incurs an expense for which it may use either restricted or unrestricted assets, it uses the restricted assets first whenever they will have to be returned if they are not used.
8. In general governments are required to report investments at fair value. These methods are disclosed in section III.A. below.
9. In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. Items reported as deferred outflows of resources are as follows:

Deferred charges for bond refunding	\$ 154,908
Deferred charges related to TRS retirement	\$ 1,033,585
Deferred charges related to TRS OPEB	\$ 401,862

10. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The District has one type of item which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Uncollected property taxes which are assumed collectible are reported in this category on the balance sheet for governmental funds. They are not reported in this category on the government wide statement of net position. Items reported as deferred inflows of resources are as follows:

Deferred charges related to TRS retirement	\$ 445,138
Deferred charges related to TRS OPEB	\$1,288,178

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

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY DATA

The Board of Trustees adopts an "appropriated budget" for the General Fund and the Food Service Fund (which is included in the Special Revenue Funds). The District is required to present the adopted and final amended budgeted revenues and expenditures for each of these funds. The District compares the final amended budget to actual revenues and expenditures. The General Fund Budget report appears in Exhibit G-1 in RSI and the other reports are in Exhibits J-4 and J-5.

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

1. Prior to August 20 the District prepares a budget for the next succeeding fiscal year beginning September 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Board is then called for the purpose of adopting the proposed budget. At least ten days' public notice of the meeting must be given.
3. Prior to September 1, the budget is legally enacted through passage of a resolution by the Board. Once a budget is approved, it can only be amended at the function and fund level by approval of a majority of the members of the Board. Amendments are presented to the Board at its regular meetings. Each amendment must have Board approval. As required by law, such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year end. Because the District has a policy of careful budgetary control, several amendments were necessary during the year. (However, none of these were significant.)
4. Each budget is controlled by the budget coordinator at the revenue and expenditure function/object level. Budgeted amounts are as amended by the Board. All budget appropriations lapse at year end.

B. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

During the year, the District had the following functional categories that exceeded its final amended budget in the Debt Service Fund by more than \$2,500:

Functional Category	Amount Over Budget	Explanation
0072 - Interest on long-term debt	\$ 122,728	Refinancing costs not budgeted.
0073 - Bond issuance cost and fees	\$ 126,997	Refinancing costs not budgeted.

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

A. CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash and Cash Equivalents

District Policies and Legal and Contractual Provisions Governing Deposits

Custodial Credit Risk for Deposits. State law requires governmental entities to contract with financial institutions in which funds will be deposited to secure those deposits with insurance or pledged securities with a fair value equaling or exceeding the amount on deposit at the end of each business day. The pledged securities must be in the name of the governmental entity and held by the entity or its agent. Since the district complies with this law, it has no custodial credit risk for deposits. The District was not exposed to custodial credit risk.

Foreign Currency Risk. The District limits the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit by having no deposits denominated in a foreign currency. Therefore, the District was not exposed to foreign currency risk.

As of August 31, 2020, the following are the District's cash and cash equivalents (including it's student activity and private purpose trust fund) with respective maturities and credit rating:

Type of Deposit	Fair Value	Percent	Maturity < 1 Yr	Maturity 1-10 Yrs	Maturity > 10 Yrs	Credit Rating
Money market and FDIC insured accounts	\$ 1,453,493	41%	\$ 1,453,493			N/A
Petty cash	1,474	0%	1,474			N/A
Investment pools	2,113,371	59%	2,113,371			AAA
Total Cash and Cash Equivalents	\$ 3,568,338	100%	\$ 3,568,338			

Investments

District Policies and Legal and Contractual Provisions Governing Investments

Compliance with the Public Funds Investment Act

The *Public Funds Investment Act*(Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports, and establishment of appropriate policies. Among other things, it requires a governmental entity to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit.

Statutes authorize the entity to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas and its agencies; (2) guaranteed or secured certificates of deposit issued by state and national banks domiciled in Texas; (3) obligations of states, agencies, counties, cities and other political subdivisions of any state having been rated as to investment quality not less than an "A"; (4) No load money market funds with a weighted average maturity of 90 days or less; (5) fully collateralized repurchase agreements; (6) commercial paper having a stated maturity of 270 days or less from the date of issuance and is not rated less than A-1 or P-1 by two nationally recognized credit rating agencies OR one nationally recognized credit agency and is fully secured by an irrevocable letter of credit; (7) secured corporate bonds rated not lower than "AA-" or the equivalent; (8) public funds investment pools; and (9) guaranteed investment contracts for bond proceeds investment only, with a defined termination date and secured by U.S. Government direct or agency obligations approved by the Texas public Funds Investment Act in an amount equal to the bond proceeds. The Act also requires the entity to have independent auditors perform test procedures related to investment practices as provided by the Act. The District is in substantial compliance with the requirements of the Act and with local policies.

Additional policies and contractual provisions governing investments for the District are specified below:

Credit Risk. To limit the risk that an issuer or other counterparty to an investment will not fulfill its obligations the District limits investments in commercial paper, corporate bonds and mutual bond funds to the top ratings issued by nationally recognized statistical rating organizations (NRSROs). As of August 31, 2020, all of the District's investments were rated AAA by Standard & Poor's rating agency. Therefore, the District was not exposed to credit risk.

Custodial Credit Risk for Investments. To limit the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in possession of an outside party the District requires counterparties to register the securities in the name of the district and hand them over to the District or its designated agent. This includes securities in securities lending transactions. All of the securities are in the District's name and held by the District or its agent. The District was not exposed to custodial credit risk.

Concentration of Credit Risk. To limit the risk of loss attributed to the magnitude of a government's investment in a single issuer, the District limits investments to less than 5% of its total investments. The District further limits investments in a single issuer when they would cause investment risks to be significantly greater in the governmental and business-type activities, individual major funds, aggregate non-major funds and fiduciary fund types than they are in the primary government. Usually this limitation is 20%. The District was not exposed to concentration of credit risk.

Interest Rate Risk. To limit the risk that changes in interest rates will adversely affect the fair value of investments, the District requires a review of its investment portfolio at least annually to determine whether market conditions pose an inherent risk of future interest rates either rising or falling which could significantly affect investment performance. The District was not exposed to interest rate risk.

Foreign Currency Risk for Investments. The District limits the risk that changes in exchange rates will adversely affect the fair value of an investment by not investing in any foreign currency. Therefore, the District was not exposed to foreign currency risk.

The District categorizes its fair value measurements with the fair value hierarchy established by generally accepted accounting principles. the hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below. In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The District's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

At August 31, 2020, the District had no investments other than public funds investment pools.

B. PROPERTY TAXES

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the District in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 31 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available (1) when they become due or past due and receivable within the current period.

C. DELINQUENT TAXES RECEIVABLE

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

D. INTERFUND BALANCES AND TRANSFERS

The composition of interfund balances as of August 31, 2020 is as follows:

Fund	Receivable	Payable	Purpose	Current?
General fund	\$ 230,292		Temporary advances	Yes
Nonmajor governmental funds		230,292	Temporary advances	Yes
Total	<u>\$ 230,292</u>	<u>\$ 230,292</u>		

Interfund transfers for the year ended August 31, 2020 consisted of the following individual amounts:

None.

E. DISAGGREGATION OF RECEIVABLES AND PAYABLES

Receivables at August 31, 2020 were as follows:

	Property Taxes (net)	Other Government	Total Receivables
Governmental Activities:			
General fund	\$ 106,940	\$ 681,788	\$ 788,728
Debt service fund	31,267		31,267
Nonmajor governmental funds		241,264	241,264
Total Governmental Activities	<u>\$ 138,207</u>	<u>\$ 923,052</u>	<u>\$ 1,061,259</u>

Payables at August 31, 2020 were as follows:

	Accounts	Salaries and Benefits	Other Governments	Total Payables
Governmental Activities:				
General fund	\$ 1,824	\$ 282,670		\$ 284,494
Debt service fund			54,619	54,619
Nonmajor governmental funds		24,075		24,075
Total Governmental Activities	<u>\$ 1,824</u>	<u>\$ 306,745</u>	<u>\$ 54,619</u>	<u>\$ 363,188</u>

F. CAPITAL ASSET ACTIVITY

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

	Balance 8/31/19	Additions	Disposals	Balance 8/31/20
Governmental activities:				
Land and improvements	\$ 244,525			\$ 244,525
Buildings and improvements	17,337,345	77,006		17,414,351
Furniture and equipment	2,096,056	224,386		2,320,442
Infrastructure	1,572,589	30,367		1,602,956
Totals	21,250,515	331,759		21,582,274
Less accumulated depreciation for:				
Buildings and improvements	4,272,188	399,765		4,671,953
Furniture and equipment	1,421,917	193,331		1,615,248
Infrastructure	414,103	49,645		463,748
Total accumulated depreciation	6,108,208	642,741		6,750,949
Governmental activities capital assets, net	<u>\$ 15,142,307</u>	<u>\$ (310,982)</u>		<u>\$ 14,831,325</u>

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

Governmental activities:

11 - Instruction	\$ 243,900
12 - Instructional resources and media services	7,110
23 - School leadership	16,091
31 - Guidance, counseling and evaluation services	12,576
33 - Health services	2,606
34 - Student (pupil) transportation	152,364
35 - Food services	19,669
36 - Extracurricular activities	104,423
41 - General administration	20,040
51 - Facilities maintenance and operations	53,414
52 - Security and monitoring services	4,399
53 - Data processing services	6,149
Total depreciation expense - governmental activities	<u>\$ 642,741</u>

G. BONDS AND LONG-TERM NOTES PAYABLE

Bonded indebtedness of the District is reflected in the General Long-Term Debt Account Group. Current requirements for principal and interest expenditures are accounted for in the Debt Service Fund.

A summary of changes in general long-term debt for the year ended August 31, 2020 is as follows:

Description	Interest Rate Payable	Amounts Original Issue	Amounts Outstanding 9/1/19	Issued	Retired/ Defeased	Amounts Outstanding 8/31/20
Bonds Payable:						
Unlimited tax building bonds, series 2011 (capital appreciation)	1.21%-4.68%	\$ 1,049,999	\$ 598,320		\$ 598,320	\$ 0
Unlimited tax building bonds, series 2011	4.0%-4.75%	5,750,000	5,750,000		5,750,000	0
Unlimited tax refunding bonds, series 2015	3.0%-4.0%	2,730,000	2,375,000			2,375,000
Unlimited tax refunding bonds, series 2015 (capital appreciation)	2.0%	59,867	59,867		59,867	0
Unlimited tax refunding bonds, series 2015A	2.0%-3.0%	1,156,000	744,000		138,000	606,000
Unlimited tax refunding bonds, series 2020	3.0%-4.0%	6,015,000	0	6,015,000	95,000	5,920,000
Notes Payable:						
Limited maintenance tax notes, series 2015	3.08%	1,000,000	775,000		120,000	655,000
Public property finance contract #8433	4.25%	582,336	582,336		28,546	553,790
Bond Premium:						
Bond premium, series 2011/2020			101,470	765,828	11,849	855,449
Bond premium, series 2015			275,768		21,629	254,139
Bond premium, series 2015A			7,612		1,791	5,821
Accreted Interest:						
Accreted interest, series 2011			253,885	36,505	290,390	0
Accreted interest, series 2015			89,846	20,287	110,133	0
Total Long-Term Debt			<u>\$ 11,613,104</u>	<u>\$ 6,837,620</u>	<u>\$ 7,225,525</u>	<u>\$ 11,225,199</u>

The bonds payable are paid by the District's debt service fund with tax rates ratified through taxpayer authorization. The maintenance tax notes are payable from the general fund.

Skidmore-Tynan ISD Tax Refunding Bonds, Series 2015 -

The bonds were issued on June 2, 2015 for the purpose of an advance refunding for a portion of the Unlimited Tax Building Bonds, Series 2007. Total bonds issued totaled \$2,789,867 issued at a premium of \$367,691 to be amortized over the life of the bonds. The stated interest rates on the bonds ranged from 2.0% - 4.0% maturing in various amounts with final maturity on August 15,2032. Amounts refunded and considered an in-substance defeasance as a result of the refunding totaled \$2,690,000 for bonds maturing in fiscal years 2018-2032. The cash flow savings from the refunding on the new debt versus the cash flow necessary on the old debt totaled \$354,606 and a net present value savings of \$305,661.

Skidmore-Tynan ISD Tax Refunding Bonds, Series 2015A -

The bonds were issued on November 19, 2015 for the purpose of an advance refunding for a portion of the Unlimited Tax Refunding Bonds, Series 2006. Total bonds issued totaled \$1,156,000 issued at a premium of \$58,689 to be amortized over the life of the bonds. The stated interest rates on the bonds ranged from 2.0% - 3.0% maturing in various amounts with final maturity on August 15,2024. Amounts refunded and considered an in-substance defeasance as a result of the refunding totaled \$1,280,000 for bonds maturing in fiscal years 2017-2024. The cash flow savings from the refunding on the new debt versus the cash flow necessary on the old debt totaled \$90,377 and a net present value savings of \$83,404.

Skidmore-Tynan ISD Limited Maintenance Tax Notes, Series 2015 -

The bonds were issued on June 18, 2015 for the purpose of renovation of facilities and were issued in accordance with Texas law. The original issue was for \$1,000,000, maturing in various amounts, with a stated interest rates of 3.08%, and maturing on August 15, 2025. Bonds are not subject to redemption prior to the stated maturity.

Public Property Finance Contract #8433 -

The contract was entered into on October 8, 2018 for the purpose of financing the cost of energy efficiency improvements within the District and was in accordance with Texas law. The contract was for \$582,336, maturing in various amounts, with a stated interest rates of 4.25%, and maturing on November 1, 2034.

Skidmore-Tynan ISD Tax Refunding Bonds, Series 2020 -

The bonds were issued on June 18, 2020 for the purpose of an advance refunding of the Tax School Building Bonds, Series 2011. Total bonds issued totaled \$6,015,000 issued at a premium of \$765,828 to be amortized over the life of the bonds. The stated interest rates on the bonds ranged from 3.0% - 4.0% maturing in various amounts with final maturity on August 15, 2041. Amounts refunded and considered an in-substance defeasance as a result of the refunding totaled \$6,518,710 (including accreted interest) for bonds maturing in fiscal years 2021-2041. The cash flow savings from the refunding on the new debt versus the cash flow necessary on the old debt totaled \$2,082,946 and a net present value savings of \$1,626,048.

H. DEBT SERVICE REQUIREMENTS - BONDS AND LONG-TERM NOTES PAYABLE

Future debt service requirements are as follows:

Year Ended August 31,	Principal	Interest	Total Requirements
2021	\$ 546,760	\$ 344,981	\$ 891,741
2022	556,024	327,540	883,564
2023	580,343	309,402	889,745
2024	594,718	290,617	885,335
2025	540,150	273,965	814,115
2026-30	2,249,472	1,099,907	3,349,379
2031-35	2,312,323	641,859	2,954,182
2036-40	2,240,000	278,850	2,518,850
2041	490,000	14,700	504,700
Totals	<u>\$ 10,109,790</u>	<u>\$ 3,581,821</u>	<u>\$ 13,691,611</u>

I. DEFINED BENEFIT PENSION PLAN

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

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

Pension Plan Fiduciary Net Position. Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately-issued 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.

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

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

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. The 84th Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2019 and 2020.

Contribution Rates		
	2019	2020
Member	7.7%	7.7%
Non-Employer Contributing Entity (State)	6.8%	7.5%
Employers	6.8%	7.5%

Current fiscal year District contributions	\$ 161,298
Current fiscal year Member contributions	\$ 445,843
2019 measurement year NECE contributions	\$ 267,053

Contributors to the plan include members, employers and the State of Texas as the only non-employer contributing entity. 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, 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 including public schools are required to pay the employer contribution rate in the following instances:

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment.
- When any part or all of an employee's salary is paid by federal funding sources, a privately sponsored source.

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 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, 2019 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2018 rolled forward to August 31, 2019
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Actuarial Assumptions:	
Single Discount Rate	7.25%
Long-term expected Investment Rate of Return	7.25%
Inflation	2.3%
Salary Increases	3.05% to 9.05% including inflation
Benefit Changes During the Year	None
Ad hoc Post-Employment Benefit Changes	None

The actuarial methods and assumptions are based primarily on a study of actual experience for the four year period ending August 31, 2018. For a full description of these assumptions, please see the TRS CAFR and actuarial valuation report dated November 9, 2018.

Discount Rate. The single discount rate used to measure the total pension liability was 7.25%. This was a change in the discount rate from the previous year of 0.343%. 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 set during the 2019 legislative session. It is assumed that future employer and state contributions will be 8.50% of payroll in fiscal year 2020 gradually increasing to 9.55% of payroll over the next several years. This includes all employer and State contributions for active and rehired retirees.

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term rate of return on pension plan investments is 7.25%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2019 are summarized below:

Asset Class	Target Allocation	Real Return Geometric Basis	Long-Term Expected Portfolio Real Rate of Return*
Global Equity			
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%
Stable Value			
U.S. Treasuries	11%	1.11%	0.12%
Absolute Return	0%	0.00%	0.00%
Hedge Funds (Stable Value)	4%	3.09%	0.12%
Cash	1%	(0.30)%	0.00%
Real Return			
Global Inflation Linked Bonds	3%	0.70%	0.02%
Real Assets	16%	5.21%	0.73%
Energy and Natural Resources	3%	7.48%	0.37%
Commodities	0%	0.00%	0.00%
Risk Parity			
Risk Parity	5%	3.70%	0.18%
Inflation Expectations			2.30%
Alpha			(0.79)%
Total	100%		7.25%

* The Expected Contribution to Returns incorporates the volatility drag resulting from the conversion between Arithmetic and Geometric mean returns

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

	1% Decrease in Discount Rate (6.25%)	Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
District's proportionate share of the net pension liability	\$ 3,337,908	\$ 2,171,498	\$ 1,226,481

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At August 31, 2020, the District reported a liability of \$2,171,498 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	\$ 2,171,498
State's proportionate share that is associated with the District	3,966,381
Total	<u>\$ 6,137,879</u>

The net pension liability was measured as of August 31, 2019 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, 2018 thru August 31, 2019.

At August 31, 2019 the District's proportion of the collective net pension liability was 0.0041773133% which was an increase of 0.0001494953% from its proportion measured as of August 31, 2018.

Changes Since the Prior Actuarial Valuation. Changes to the actuarial assumptions or other inputs that affected measurement of the total pension liability since the prior measurement period are as follows:

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

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

For the year ended August 31, 2020, the District recognized pension expense of \$1,056,045 and revenue of \$623,063 for support provided by the State in the Government-Wide Statement of Activities.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual economic experiences	\$ 9,122	\$ 75,398
Changes in actuarial assumptions	673,705	278,407
Differences between projected and actual investment earnings	21,804	
Changes in proportion and differences between the District's contributions and the proportionate share of contributions	167,656	91,333
Total as of August 31, 2019 measurement date	<u>\$ 872,287</u>	<u>\$ 445,138</u>
Contributions paid to TRS subsequent to the measurement date	161,298	
Total as of August 31, 2020 fiscal year end	<u>\$ 1,033,585</u>	<u>\$ 445,138</u>

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:

Fiscal year ended August 31,	Amount
2021	\$ 112,857
2022	\$ 87,248
2023	\$ 106,673
2024	\$ 100,383
2025	\$ 36,765
Thereafter	\$ (16,777)

J. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS

Plan Description. The District participates in the Texas Public School Retired Employees Group Insurance Program (TRS-Care). It is a multiple-employer, cost-sharing defined benefit 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.

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, TX, 78701-2698; or by calling (512)542-6592.

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

<u>Net OPEB Liability:</u>	<u>Total</u>
Total OPEB liability	\$ 48,583,247,239
Less: plan fiduciary net position	(1,292,022,349)
Net OPEB liability	<u>\$ 47,291,224,890</u>
Net position as a percentage of total OPEB liability	2.66%

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

Eligible non-Medicare retirees and their dependents may pay premiums to participate in the high-deductible health plans. Eligible Medicare retirees and dependents may pay premiums to participate in the Medicare Advantage health plans. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in the TRS pension system.

The General Appropriations Act passed by the 86th Legislature included funding to maintain TRS Care premiums at their current level through 2021. The 86th legislature also passed SB 1682 which requires TRS to establish a contingency reserve in the TRS-Care fund equal to 60 days of expenditures.

The following premium rates for retirees with Medicare Part A and Part B became effective January 1, 2018 and are reflected in the following table.

TRS-Care Plan Premium Rates Effective January 1, 2018 - December 31, 2021		
	Medicare	Non-Medicare
Retiree or surviving spouse	\$ 135	\$ 200
Retiree and spouse	529	689
Retiree or surviving spouse and children	468	408
Retiree and family	1,020	999

Contributions. Contribution rates for the TRS-Care plan are established in state statute by the Texas Legislature, and there is no continuing obligation to provide benefits beyond each fiscal year. The plan is currently funded on a pay-as-you-go basis and is subject to change based on available funding. Funding for the plan 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 .65% of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25 percent or not more than 0.75 percent of the salary of each active employee of the public. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act. The following table shows contributions to the TRS-Care plan by type of contributor.

Contribution Rates		
	2019	2020
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%

Current fiscal year District contributions	\$	47,180
Current fiscal year member contributions	\$	37,635
2019 measurement year NECE contributions	\$	56,286

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.

A supplemental appropriation was received in 2019 for \$73.6 million, which was re-appropriated from amounts received by the pension and TRS-Care funds in excess of the state's actual obligation and then transferred to TRS-Care.

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

The actuarial valuation of TRS-Care was performed as of August 31, 2018. Update procedures were used to roll forward the total OPEB liability to August 31, 2019.

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

The following assumptions used for members of TRS are identical to the assumptions employed in the August 31, 2019 TRS annual pension actuarial valuation:

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

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

The initial medical trend rates were 10.25% for Medicare retirees and 7.50% for non-Medicare retirees. There was an initial prescription drug trend rate of 10.25% for all retirees. The initial trend rates decrease to an ultimate trend rate of 4.50% over a period of 13 years.

Additional Actuarial Methods and Assumptions:

Valuation Date	August 31, 2018 rolled forward to August 31, 2019
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Discount Rate	2.63%
Aging Factors	Based on plan specific experience
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
Projected Salary Increases	3.05% to 9.05%
Election Rates	Normal Retirement: 65% participation prior to age 65 and 50% participation after age 65. 25% of pre-65 retirees are assumed to discontinue coverage at age 65.
Ad hoc post-employment benefit changes	None

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

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

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

Discount Rate. A single discount rate of 2.63% was used to measure the total OPEB liability. There was a change 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. The source of the municipal bond rate was fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index’s “20-year Municipal GO AA Index” as of August 31, 2019.

Sensitivity of the Net 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 in measuring the net OPEB liability.

	1% Decrease in Discount Rate (1.63%)	Current Single Discount Rate (2.63%)	1% Increase in Discount Rate (3.63%)
District’s proportionate share of net OPEB liability	\$ 3,407,930	\$ 2,822,723	\$ 2,364,912

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

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
District's proportionate share of net OPEB liability	\$ 2,302,677	\$ 2,822,723	\$ 3,519,342

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs. At August 31, 2020, the District reported a liability of \$2,822,723 for its proportionate share of the TRS's net OPEB liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the collective net OPEB liability	\$ 2,822,723
State's proportionate share that is associated with the District	3,750,765
Total	<u>\$ 6,573,488</u>

The net OPEB liability was measured as of August 31, 2019 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability was based on the District's contributions to the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2018 thru August 31, 2019.

At August 31, 2019 the District's proportion of the collective net OPEB liability was 0.0059688059% which was an increase of 0.0001068670% from its proportion measured as of August 31, 2018.

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:

1. The discount rate changed from 3.69% as of August 31, 2018 to 2.63% as of August 31, 2019. This change increased the total OPEB liability (TOL).
2. The participation rate for pre-65 retirees was lowered from 70% to 65%. The participation rate for post-65 retirees was lowered from 75% to 50%. 25% of pre-65 retirees are assumed to discontinue their coverage at age 65. There was not lapse assumption in the prior valuation. These changes decreased the TOL.
3. The trend rates were reset to better reflect the plan's anticipated experience. This change increased the TOL.
4. Demographic and economic assumptions were updated based on the experience study performed for TRS for the period ending August 31, 2017. This change increased the total OPEB liability.
5. The percentage of retirees who are assumed to have two-person coverage was lowered from 20% to 15%. In addition, the participation assumption for the surviving spouses of employees that die while actively employed was lowered from 20% to 10%. These changes decreased the TOL.

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

For the year ended August 31, 2020, the District recognized OPEB expense of \$173,091 and revenue of \$98,855 for support provided by the State.

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

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual actuarial experience	\$ 138,478	\$ 461,908
Changes in actuarial assumptions	156,780	759,243
Differences between projected and actual investment earnings	304	
Changes in proportion and difference between the District's contributions and the proportionate share of contributions	59,120	67,027
Total as of August 31, 2019 measurement date	\$ 354,682	\$ 1,288,178
Contributions paid to TRS subsequent to the measurement date	47,180	
Total as of August 31, 2020 fiscal year end	<u>\$ 401,862</u>	<u>\$ 1,288,178</u>

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

Fiscal year ended August 31,	Amount
2021	\$ (157,909)
2022	\$ (157,909)
2023	\$ (158,008)
2024	\$ (158,064)
2025	\$ (158,049)
Thereafter	\$ (143,557)

K. HEALTH CARE COVERAGE - RETIREES AND ACTIVE EMPLOYEES

Retiree Health Care Coverage

Plan Description. The District participates in the Texas Public School Retired Employees Group Insurance Program (TRS-Care), a cost-sharing multiple-employer defined benefit post-employment health care plan administered by the Teacher Retirement System of Texas. TRS-Care provides health care coverage for certain persons (and their dependents) who retire under the Teacher Retirement System of Texas. The statutory authority for the program is Texas Insurance Code, Chapter 1575. Texas Insurance Code Section 1575.052 grants the TRS Board of Trustees the authority to establish and amend basic and optional group insurance coverage for participants. The TRS issues a publicly available financial report that includes financial statements and required supplementary information for TRS-Care. That report may be obtained by writing to the TRS Communications Department, 1000 Red River Street, Austin, Texas 78701, by phoning the TRS Communications Department at 1-800-223-8778, or by downloading the report from the TRS Internet Website, www.trs.state.tx.us under the TRS Publications heading.

Funding Policy. Contribution requirements are not actuarially determined but are legally established each biennium by the Texas Legislature. Texas Insurance Code, Sections 1575.202, 203, and 204 establish state, active employee, and public school contributions, respectively. The Contribution Rate for the State was 1.25% for 2018 thru 2020. The contribution rate for the district was 0.75% for 2018 thru 2020. The contribution rate for active employees was 0.65% of the district payroll for 2018 thru 2020. Per Texas Insurance Code, Chapter 1575, the public school contribution may not be less than 0.25% or greater than 0.75% of the salary of each active employee of the public school. For staff members funded by federal programs, the federal programs are required to contribution 1.25% for 2018 thru 2020.

Contributions. Contributions made by the State on behalf of the District are recorded in the governmental funds financial statements as both revenue and expenditures. State contributions to TRS made on behalf to the District's employees as well as the District's required contributions and federal grant program contributions for the years ended August 31, 2020, 2019 and 2018 are as follows:

Contribution Rates and Contribution Amounts						
Year	Member		State		School District	
	Rate	Amount	Rate	Amount	Rate	Amount
2020	0.65%	\$ 37,635	1.25%	\$ 72,377	0.75%	\$ 43,427
2019	0.65%	\$ 34,051	1.25%	\$ 65,482	0.75%	\$ 39,289
2018	0.65%	\$ 32,653	1.25%	\$ 62,794	0.75%	\$ 37,677

Medicare Part D. The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, which was effective January 1, 2006 established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for the TRS-Care to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. On-behalf payments recognized as equal revenues and expenditures by the District for the years ended August 31, 2020, 2019 and 2018 were \$27,642, \$19,448 and \$16,245, respectively.

The 86th Legislative Session of the Texas Legislature appropriated supplemental contributions to the TRS-Care program. Amounts appropriated for fiscal year 2020 totaled \$230.8 million with the District's share of the on behalf contribution recognized during the year as both revenues and expenditures totaling \$13,773.

Active Employee Health Care Coverage

Plan Description. The District participates in TRS Active Care sponsored by the Teacher Retirement System of Texas and administered through Aetna and Caremark (pharmacy). TRS-Active Care provides health care coverage to employees (and their dependents) of participating public education entities. Optional life and long-term care insurance are also provided to active members and retirees. Authority for the plan can be found in the Texas Insurance Code, Title 8, Subtitle H, Chapter 1579 and in the Texas Administrative Code, Title 34, Part 3, Chapter 41. The plan began operations on September 1, 2002. This is a premium-based plan. Payments are made on a monthly basis for all covered employees.

L. CHANGES IN LONG-TERM LIABILITIES

Long-term activity for the year ended August 31, 2020, was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
Bonds payable	\$ 9,527,187	\$ 6,015,000	\$ 6,641,187	\$ 8,901,000	\$ 392,000
Bond premium	384,850	765,828	35,269	1,115,409	0
Interest accretion	343,731	56,792	400,523	0	0
Notes payable	1,357,336		148,546	1,208,790	154,760
Net pension liability	2,217,009	100,700	146,211	2,171,498	0
Net OPEB liability	2,926,920		104,197	2,822,723	0
Total	<u>\$ 16,757,033</u>	<u>\$ 6,938,320</u>	<u>\$ 7,475,933</u>	<u>\$ 16,219,420</u>	<u>\$ 546,760</u>

M. UNAVAILABLE/UNEARNED REVENUE

Unavailable and unearned revenue at year-end consisted of the following:

Fund	Unavailable Revenue (levied but uncollected property taxes)
General fund	\$ 106,940
Debt service fund	31,267
Total	<u>\$ 138,207</u>

N. DUE FROM STATE AND FEDERAL AGENCIES

The District participates in a variety of federal and state programs from which it receives grants to partially or fully finance certain activities. In addition, the District receives entitlements from the State through the School Foundation and Per Capita Programs. Amounts due from federal and state governments as of August 31, 2020, are summarized below. They are reported on the combined financial statements as Due from Other Governments.

Fund	State Entitlements	Federal Grants	Total
General fund	\$ 681,788		\$ 681,788
Nonmajor governmental funds	33,895	207,369	241,264
Net Total Receivables	<u>\$ 715,683</u>	<u>\$ 207,369</u>	<u>\$ 923,052</u>

O. REVENUE FROM LOCAL AND INTERMEDIATE SOURCES

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

Description	General Fund	Debt Service Fund	Nonmajor Governmental Funds	Total
Property taxes	\$ 1,793,113	\$ 535,829		\$ 2,328,942
Penalties and interest (net of discounts)	2,461	1,140		3,601
Food sales			53,362	53,362
Investment income	47,651	9,730	100	57,481
Extracurricular student activities	20,449			20,449
Gifts and contributions	256,547			256,547
Other income	24,590			24,590
Total	<u>\$ 2,144,811</u>	<u>\$ 546,699</u>	<u>\$ 53,462</u>	<u>\$ 2,744,972</u>

P. CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS AND CONTINGENCIES

The District participates in grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectibility of any related receivable may be impaired. In the opinion of the District, there are no significant contingent liabilities related to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying basic financial statements for such contingencies.

Q. JOINT VENTURE SHARED SERVICE ARRANGEMENTS

The District participates in a shared services arrangement for Special Education services with the Brush Country Special Services Co-op. The District does not account for revenues or expenditures in this program and does not disclose them in these financial statements. The District neither has a joint ownership interest in fixed assets purchased by the fiscal agent, Mathis ISD, 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 services arrangement.

The District also participates in various shared service arrangements with the Education Service Center Region 2. The District does not account for revenues or expenditures in this program and does not disclose them in these financial statements. The Education Service Center Region 2 is the fiscal agent manager and is responsible for all financial activities of the shared service arrangement.

R. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. During the fiscal year 2020, the District purchased commercial insurance to cover general liabilities. Additional insurance information by coverage type follows.

Property Casualty Program

The District participated in the Texas Association of School Boards Risk Management Fund (the “Fund”) with coverage in auto liability, auto physical damage, general liability, property and legal liability. The Fund was created and is operated under the provisions of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. All members participating in the Fund execute Interlocal Agreements that define the responsibilities of the parties. There were no significant reductions in coverage in the past fiscal year and there were not settlements exceeding insurance coverage for each of the past three years.

The Fund purchases stop-loss coverage for protection against catastrophic and larger than anticipated claims for its auto, liability and property programs. The terms and limits of the stop-loss program vary by line coverage. The Fund uses the services of an independent actuary to determine the adequacy of reserves and fully funds those reserves. For the year ended August 31, 2020, the Fund anticipates the District has not additional liability beyond the contractual obligations for payment of contributions.

Workers’ Compensation

The District has established a partially self-funded workers’ compensation plan by participating in the SchoolComp self-insured workers’ compensation program administered by Creative Risk Funding, Inc. (the “Association”). The Association is a public entity risk pool currently operating as a common risk management and insurance program for member school districts. The main purpose of the Association is to partially self-insure certain workers compensation risks up to a agreed upon retention limit. The plan for workers’ compensation benefits is authorized by Section 504.011 of the Labor Code. Claims are paid by a third party administrator acting on behalf of the District under the terms of a contractual agreement. Administrative fees are included within the provisions of that agreement. The liability of the workers’ compensation self-insurance plan includes \$25,400 incurred but not reported claims and a loss-limit of \$21,597. Costs are allocated to other funds and the retained earnings are fully reserved for self-funded insurance. Estimates of claims payable and of claims incurred but not reported at August 31, 2020, are reflected as accounts and claims payable of the Fund. The plan is funded to discharge liabilities of the fund as they become due.

Unemployment Compensation

During the year ended August 31, 2020, the District provided unemployment compensation coverage to its employees through participation in the TASB Risk Management Fund (the “Fund”). The Fund was created and is operated under the provisions of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. The Fund’s unemployment compensation program is authorized by Section 22.005 of the Texas Education Code and Chapter 172 of the Texas Local Government Code. All members participating in the Fund execute interlocal agreements that define the responsibilities of the parties.

The Fund meets its quarterly obligation to the Texas Workforce Commission. Expenses are accrued monthly until the quarterly payment has been made. Expenses can be reasonably estimated; therefore, there is no need for specific or aggregate stop-loss coverage for the unemployment compensation pool. For the year ended August 31, 2020, the Fund anticipates that the District has no additional liability beyond the contractual obligation for payment of contribution.

The Fund engages the services of an independent auditor to conduct a financial audit after the close of each year on August 31. The audit is accepted by the Fund’s board of trustees in February of the following year. The Fund’s audited financial statements as of August 31, 2020, are available on the TASB Risk Management Fund website and have been filed with the Texas Department of Insurance in Austin.

S. GENERAL FUND FEDERAL SOURCE REVENUES

Revenues from federal sources, which are reported in the General Fund, consist of:

Program or Service	CFDA	Amount
School health and related services	N/A	<u>\$ 150,091</u>

T. SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 2, 2020; the date which the financial statements were available for distribution. There were none noted.

U. TAX ABATEMENTS

On October 16, 2017, the District’s Board of Trustees approved an Agreement with Pacific Wind Development, LLC (the “Applicant” and a subsidiary of Avangrid Renewable Holdings, Inc.) for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes pursuant to Chapter 313 of the Texas Tax Code, i.e., the Texas Economic Development Act, as set forth in Chapter 313 of the Texas Tax Code, as amended. Each company qualified for a tax limitation agreement under Texas Tax Code §313.024(b)(5), as renewable energy projects.

Value limitation agreements are a part of a state program, originally created in 2001, which allows school districts to limit the taxable value of an approved project for Maintenance and Operations (M&O) for a period of years specified in the statute. The project(s) under the Chapter 313 Agreement(s) must be consistent with the State’s goal to “encourage large scale capital investments in this state.” Chapter 313 of the Texas Tax Code grants eligibility to companies engaged in manufacturing, research and development, renewable electric energy production, clean coal projects, nuclear power generation and data centers.

In order to qualify for a value limitation agreement, each Applicant has been required to meet a series of capital investment, job creation, and wage requirements specified by state law. At the time of the Application’s approval, the Agreements were deemed to have done so by both the District’s Board of Trustees and the Texas Comptroller’s Office, which recommended approval of the projects. The Applications, the Agreements, and state reporting requirement documentation can be viewed at the Texas Comptroller’s website:

<https://www..comptroller.texas.gov/economy/local/ch313/agreement-docs.php>

After approval, each Applicant company must maintain a viable presence in the District for the entire period of the value limitation, plus a period of years thereafter. In addition, there are specific reporting requirements, which are monitored on an annual and biennial basis in order to ensure relevant job, wage, and operational requirements are being met.

In the event that an entity terminates the Agreement without the consent of the District, or in the event that the company or its successor-in-interest fails to comply in any material respect with the terms of the Agreement or to meet any material obligation under the Agreement, then the District shall be entitled to the recapture of all ad valorem tax revenue lost as a result of the Agreement together with the payment of penalty and interest on that recaptured ad valorem tax revenue. Penalties on said amounts shall be calculated in accordance with the methodology set forth in Texas Tax Code §33.01 (a), or its successor statute. Interest on said amounts shall be calculated in accordance with the methodology set forth in Texas Tax Code §33.01 (c), or its successor statute. The Agreement provides an administrative procedure to determine any company liability. Ultimately, enforcement of any payment obligation is through the local state district court.

As of the date of the audit report, the Applicant company is in full compliance with all of their obligations under law and the individual Agreement.

The following is a table related to the net benefit of the project to the District but does not include any (if applicable) interest and sinking impact.

Project:		Pacific Wind Development, LLC (Application #1177)				
First Year Value Limitation:		2020 tax year				
Tax Year 2019 (Fiscal Year 2019-20)						
(A) Project Value	(B) Project’s Value Limitation Amount	(C) Amount of Applicant’s M&O Taxes Paid	(D) Amount of Applicant’s M&O Taxes Reduced	(E) Company Revenue Loss Payment to School District	(F) Company Supplemental Payment to School District	(G) Net Benefit (Loss) to the School District (C+E+F)
\$ 443,800	\$ 0	\$ 0	\$ 4,741	\$ 0	\$ 156,000	\$ 156,000

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REQUIRED SUPPLEMENTARY INFORMATION

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

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 1,850,000	\$ 1,938,020	\$ 2,144,811	\$ 206,791
5800 State Program Revenues	7,769,756	7,639,144	8,219,503	580,359
5900 Federal Program Revenues	150,000	150,000	150,091	91
5020 Total Revenues	9,769,756	9,727,164	10,514,405	787,241
EXPENDITURES:				
Current:				
0011 Instruction	4,992,526	5,220,609	4,750,262	470,347
0012 Instructional Resources and Media Services	110,525	108,165	101,465	6,700
0013 Curriculum and Instructional Staff Development	135,920	141,420	137,549	3,871
0023 School Leadership	415,121	437,121	423,546	13,575
0031 Guidance, Counseling, and Evaluation Services	340,985	401,985	331,033	70,952
0033 Health Services	65,905	68,155	68,599	(444)
0034 Student (Pupil) Transportation	710,801	715,801	659,349	56,452
0035 Food Services	350	350	224	126
0036 Extracurricular Activities	703,695	681,495	619,852	61,643
0041 General Administration	462,508	554,308	527,512	26,796
0051 Facilities Maintenance and Operations	1,206,428	1,319,942	1,152,324	167,618
0052 Security and Monitoring Services	23,400	162,900	118,933	43,967
0053 Data Processing Services	147,638	170,338	161,856	8,482
Debt Service:				
0071 Principal on Long-Term Debt	120,000	148,547	148,546	1
0072 Interest on Long-Term Debt	23,870	48,620	48,619	1
0073 Bond Issuance Cost and Fees	55,000	1,103	-	1,103
Intergovernmental:				
0093 Payments to Fiscal Agent/Member Districts of SSA	28,906	27,406	27,374	32
0099 Other Intergovernmental Charges	70,000	65,000	46,996	18,004
6030 Total Expenditures	9,613,578	10,273,265	9,324,039	949,226
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	156,178	(546,101)	1,190,366	1,736,467
OTHER FINANCING SOURCES (USES):				
8911 Transfers Out (Use)	(100)	(100)	-	100
1200 Net Change in Fund Balances	156,078	(546,201)	1,190,366	1,736,567
0100 Fund Balance - September 1 (Beginning)	2,380,465	2,380,465	2,380,465	-
3000 Fund Balance - August 31 (Ending)	\$ 2,536,543	\$ 1,834,264	\$ 3,570,831	\$ 1,736,567

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

	Measurement Year Ended August 31,					
	2019	2018	2017	2016	2015	2014
District's Proportion of the Net Pension Liability (Asset)	0.0041773133%	0.0040278180%	0.0042545707%	0.0044345223%	0.0045158000%	0.0030856000%
District's Proportionate Share of Net Pension Liability (Asset)	\$ 2,171,498	\$ 2,217,009	\$ 1,360,383	\$ 1,675,740	\$ 1,596,275	\$ 824,207
States Proportionate Share of the Net Pension Liability (Asset) associated with the District	3,966,381	4,319,150	2,740,077	3,328,280	2,934,250	2,575,338
Total	<u>\$ 6,137,879</u>	<u>\$ 6,536,159</u>	<u>\$ 4,100,460</u>	<u>\$ 5,004,020</u>	<u>\$ 4,530,525</u>	<u>\$ 3,399,545</u>
District's Covered Payroll	\$ 5,238,563	\$ 5,023,538	\$ 5,191,895	\$ 5,151,902	\$ 4,683,566	\$ 4,700,441
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered Payroll	41.45%	44.13%	26.20%	32.53%	34.08%	17.53%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	75.24%	73.74%	82.17%	78.00%	78.43%	83.25%

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

SKIDMORE-TYNAN INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS FOR PENSIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED AUGUST 31, 2020

	Fiscal Year Ended August 31,					
	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	\$ 161,298	\$ 146,211	\$ 135,606	\$ 139,440	\$ 140,896	\$ 133,677
Contribution in Relation to the Contractually Required Contribution	(161,298)	(146,211)	(135,606)	(139,440)	(140,896)	(133,677)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 5,812,489	\$ 5,238,563	\$ 5,023,538	\$ 5,191,895	\$ 5,151,902	\$ 4,683,566
Contributions as a percentage of Covered Payroll	2.78%	2.79%	2.70%	2.69%	2.73%	2.85%

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

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

	Measurement Year Ended August 31,		
	2019	2018	2017
District's Proportion of the Net OPEB Liability (Asset)	0.0059688059%	0.0058619389%	0.0060013335%
District's Proportionate Share of the Net OPEB Liability (Asset)	\$ 2,822,723	\$ 2,926,920	\$ 2,609,755
State's Proportionate Share of the Net OPEB Liability (Asset) associated with the District	<u>3,750,765</u>	<u>4,353,516</u>	<u>4,098,897</u>
Total	<u>\$ 6,573,488</u>	<u>\$ 7,280,436</u>	<u>\$ 6,708,652</u>
District's Covered Payroll	\$ 5,238,563	\$ 5,023,538	\$ 5,191,895
District's Proportionate Share of the Net OPEB Liability (Asset) as a percentage of its Covered Payroll	53.88%	58.26%	50.27%
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	2.66%	1.57%	0.91%

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

SKIDMORE-TYNAN INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S OPEB CONTRIBUTIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED AUGUST 31, 2020

	Fiscal Year Ended August 31,		
	2020	2019	2018
Contractually Required Contribution	\$ 47,180	\$ 42,362	\$ 40,439
Contribution in Relation to the Contractually Required Contribution	(47,180)	(42,362)	(40,439)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 5,812,489	\$ 5,238,563	\$ 5,023,538
Contributions as a percentage of Covered Payroll	0.81%	0.81%	0.80%

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

SKIDMORE-TYNAN INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED AUGUST 31, 2020

Budget

The official budget was prepared for adoption for all Governmental Fund Types. The budget was prepared in accordance with accounting practices generally accepted in the United States of America. The following procedures are followed in establishing the budgetary data.:

- a. Prior to August 20 of the preceding fiscal year, the District prepares a budget for the next succeeding fiscal year. The operating budget includes proposed expenditures and the means of financing them.
- b. 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.
- c. Prior to the beginning of the fiscal year, the budget is legally enacted through passage of a resolution by the Board.

Once a budget is approved, it can be amended at function and fund level only by approval of a majority of the members of the Board. Amendments are presented to the Board at its regular meetings.

Each amendment must have Board approval. Such amendments are made before the fact, are reflected in the official minutes of the Board and are not made after fiscal year end as required by law.

Each amendment is controlled by the budget coordinator at the revenue and expenditure function/object level.

Budgeted amounts are as amended by the Board. All budget appropriations lapse at year end.

Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under Texas law, appropriations lapse at August 31, and encumbrances outstanding at that time are to be either cancelled or appropriately provided for in the subsequent year's budget. There were no end-of-year outstanding encumbrances that were provided for in the subsequent year's budget.

Defined Benefit Pension Plan

Changes of benefit terms.

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

Changes of assumptions.

See Footnote I page 34 for changes in assumptions that affected measurement of the total pension liability during the measurement period.

Other Post-Employment Benefit Plan

Changes of benefit terms.

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

Changes of assumptions.

See Footnote J page 38 for changes in assumptions that affected measurement of the total OPEB liability during the measurement period.

COMBINING SCHEDULES

SKIDMORE-TYNAN INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 AUGUST 31, 2020

Data Control Codes	211 ESEA I, A Improving Basic Program	224 IDEA - Part B Formula	240 National Breakfast and Lunch Program	255 ESEA II,A Training and Recruiting
ASSETS				
1110 Cash and Cash Equivalents	\$ 14,801	\$ -	\$ 21,103	\$ -
1240 Due from Other Governments	-	56,696	5,644	4,429
1000 Total Assets	<u>\$ 14,801</u>	<u>\$ 56,696</u>	<u>\$ 26,747</u>	<u>\$ 4,429</u>
LIABILITIES				
2160 Accrued Wages Payable	\$ 13,350	\$ 4,803	\$ 3,863	\$ -
2170 Due to Other Funds	-	51,368	-	4,429
2200 Accrued Expenditures	1,451	525	83	-
2000 Total Liabilities	<u>14,801</u>	<u>56,696</u>	<u>3,946</u>	<u>4,429</u>
FUND BALANCES				
Restricted Fund Balance:				
3450 Federal or State Funds Grant Restriction	-	-	22,801	-
3000 Total Fund Balances	<u>-</u>	<u>-</u>	<u>22,801</u>	<u>-</u>
4000 Total Liabilities and Fund Balances	<u>\$ 14,801</u>	<u>\$ 56,696</u>	<u>\$ 26,747</u>	<u>\$ 4,429</u>

266 ESSER -School Emergency Relief	270 ESEA VI, Pt B Rural & Low Income	289 Other Federal Special Revenue Funds	397 Advanced Placement Incentives	410 State Instructional Materials	429 Other State Special Revenue Funds	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,904
130,612	-	9,988	-	8,895	25,000	241,264
<u>\$ 130,612</u>	<u>\$ -</u>	<u>\$ 9,988</u>	<u>\$ -</u>	<u>\$ 8,895</u>	<u>\$ 25,000</u>	<u>\$ 277,168</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,016
130,612	-	9,988	-	8,895	25,000	230,292
-	-	-	-	-	-	2,059
<u>130,612</u>	<u>-</u>	<u>9,988</u>	<u>-</u>	<u>8,895</u>	<u>25,000</u>	<u>254,367</u>
-	-	-	-	-	-	22,801
-	-	-	-	-	-	22,801
<u>\$ 130,612</u>	<u>\$ -</u>	<u>\$ 9,988</u>	<u>\$ -</u>	<u>\$ 8,895</u>	<u>\$ 25,000</u>	<u>\$ 277,168</u>

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

Data Control Codes	211 ESEA I, A Improving Basic Program	224 IDEA - Part B Formula	240 National Breakfast and Lunch Program	255 ESEA II,A Training and Recruiting
REVENUES:				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ 53,462	\$ -
5800 State Program Revenues	-	-	15,918	-
5900 Federal Program Revenues	169,394	56,696	327,986	23,520
5020 Total Revenues	169,394	56,696	397,366	23,520
EXPENDITURES:				
Current:				
0011 Instruction	169,394	56,696	-	8,687
0013 Curriculum and Instructional Staff Development	-	-	-	14,833
0035 Food Services	-	-	425,991	-
0052 Security and Monitoring Services	-	-	-	-
6030 Total Expenditures	169,394	56,696	425,991	23,520
1200 Net Change in Fund Balance	-	-	(28,625)	-
0100 Fund Balance - September 1 (Beginning)	-	-	51,426	-
3000 Fund Balance - August 31 (Ending)	\$ -	\$ -	\$ 22,801	\$ -

266 ESSER -School Emergency Relief	270 ESEA VI, Pt B Rural & Low Income	289 Other Federal Special Revenue Funds	397 Advanced Placement Incentives	410 State Instructional Materials	429 Other State Special Revenue Funds	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 53,462
-	-	-	9	147,524	33,100	196,551
130,612	15,750	9,988	-	-	-	733,946
130,612	15,750	9,988	9	147,524	33,100	983,959
130,612	15,750	9,988	9	147,524	8,100	546,760
-	-	-	-	-	-	14,833
-	-	-	-	-	-	425,991
-	-	-	-	-	25,000	25,000
130,612	15,750	9,988	9	147,524	33,100	1,012,584
-	-	-	-	-	-	(28,625)
-	-	-	-	-	-	51,426
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,801

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REQUIRED TEA SCHEDULES

SKIDMORE-TYNAN INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
FISCAL YEAR ENDED AUGUST 31, 2020

Last 10 Years Ended August 31	(1)	(2)	(3)
	Tax Rates		Assessed/Appraised Value for School Tax Purposes
	Maintenance	Debt Service	
2011 and prior years	Various	Various	\$ Various
2012	1.100000	0.505100	113,161,446
2013	1.100000	0.453800	123,105,177
2014	1.100000	0.302300	142,009,913
2015	1.170000	0.296590	157,790,582
2016	1.170000	0.290700	159,325,254
2017	1.170000	0.313000	144,358,768
2018	1.170000	0.348800	148,437,098
2019	1.170000	0.338800	155,135,267
2020 (School year under audit)	1.068300	0.318710	173,602,681
1000 TOTALS			

(10) Beginning Balance 9/1/2019	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 8/31/2020
\$ 18,671	\$ -	\$ 794	\$ 97	\$ (572)	\$ 17,208
10,185	-	370	170	-	9,645
8,556	-	164	68	-	8,324
9,120	-	72	20	-	9,028
17,539	-	(7,818)	(1,982)	(17,985)	9,354
23,822	-	(8,328)	(2,069)	(17,243)	16,976
27,392	-	(7,086)	(1,896)	(17,079)	19,295
35,344	-	6,364	1,897	-	27,083
73,483	-	20,645	5,978	(1,643)	45,217
-	2,407,886	1,787,935	533,546	(1,183)	85,222
<u>\$ 224,112</u>	<u>\$ 2,407,886</u>	<u>\$ 1,793,112</u>	<u>\$ 535,829</u>	<u>\$ (55,705)</u>	<u>\$ 247,352</u>

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

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 75,020	\$ 75,020	\$ 53,462	\$ (21,558)
5800 State Program Revenues	12,796	12,796	15,918	3,122
5900 Federal Program Revenues	345,000	375,000	327,986	(47,014)
5020 Total Revenues	432,816	462,816	397,366	(65,450)
EXPENDITURES:				
Current:				
0035 Food Services	465,984	477,211	425,991	51,220
6030 Total Expenditures	465,984	477,211	425,991	51,220
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	(33,168)	(14,395)	(28,625)	(14,230)
OTHER FINANCING SOURCES (USES):				
7915 Transfers In	33,168	33,168	-	(33,168)
1200 Net Change in Fund Balances	-	18,773	(28,625)	(47,398)
0100 Fund Balance - September 1 (Beginning)	51,426	51,426	51,426	-
3000 Fund Balance - August 31 (Ending)	\$ 51,426	\$ 70,199	\$ 22,801	\$ (47,398)

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

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 518,000	\$ 518,000	\$ 546,699	\$ 28,699
5800 State Program Revenues	275,000	275,000	278,399	3,399
5020 Total Revenues	793,000	793,000	825,098	32,098
EXPENDITURES:				
Debt Service:				
0071 Principal on Long-Term Debt	285,000	378,625	378,625	-
0072 Interest on Long-Term Debt	505,000	411,375	534,103	(122,728)
0073 Bond Issuance Cost and Fees	3,000	3,000	129,997	(126,997)
6030 Total Expenditures	793,000	793,000	1,042,725	(249,725)
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(217,627)	(217,627)
OTHER FINANCING SOURCES (USES):				
7911 Capital Related Debt Issued	-	-	6,015,000	6,015,000
7916 Premium or Discount on Issuance of Bonds	-	-	765,828	765,828
8949 Other (Uses)	-	-	(6,517,866)	(6,517,866)
7080 Total Other Financing Sources (Uses)	-	-	262,962	262,962
1200 Net Change in Fund Balances	-	-	45,335	45,335
0100 Fund Balance - September 1 (Beginning)	340,279	340,279	340,279	-
3000 Fund Balance - August 31 (Ending)	\$ 340,279	\$ 340,279	\$ 385,614	\$ 45,335

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OVERALL COMPLIANCE AND INTERNAL CONTROLS SECTION

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Independent Auditor's Report

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

Board of Trustees
Skidmore-Tynan Independent School District
224 W. Main Street
Skidmore, Texas 78389

I 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, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Skidmore-Tynan Independent School District (the "District") as of and for the year ended August 31, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued my report thereon dated November 2, 2020.

Internal Control Over Financial Reporting

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

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

My 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 my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Skidmore-Tynan Independent School District's financial statements are free of material misstatement, I 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* listed as item 2019-1 on the accompanying Schedule of Findings and Questioned Costs.

Purpose of this Report

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

Cameron L. Gulley
Certified Public Accountant

November 2, 2020

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SKIDMORE-TYNAN INDEPENDENT SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED AUGUST 31, 2020

Finding	Statement of Condition	Material Weakness?	Questioned Costs
2019-1	<p data-bbox="313 443 906 468"><u>State Compliance - Excess Expenditures Over Appropriations</u></p> <p data-bbox="313 499 1097 552">The District failed to identify functional categories within the General Fund when expenditures exceeded the adopted budgets for each fund.</p> <p data-bbox="313 583 378 609"><u>Status:</u></p> <p data-bbox="313 611 1117 684">The District again failed to properly identify and amend functional categories in the Debt Service Fund for the current year under audit. See continuation finding 2019-1 on the accompanying Schedule of Findings and Questioned Costs.</p>	No	None

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SKIDMORE-TYNAN INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED AUGUST 31, 2020

I. Summary of Auditor's Results

A. Financial Statements

Type of auditor's report issued: Unmodified.

Internal control over financial reporting:
 Material weakness(es) identified? No.
 Significant deficiency(ies) identified that are not considered to be material weaknesses? None reported.

Noncompliance material to financial statements noted? No.

B. Federal Awards

Not applicable.

II. Findings Relating to the Financial Statements which are Required to be Reported in Accordance with Generally Accepted Government Auditing Standards

2019-1	Compliance - Expenditures Exceeded Budget (continuation finding)	
	Criteria	In accordance with Texas Education Code §44.006, expenditures from governmental fund types cannot be made without authority of appropriation.
	Statement of Condition	The District completed a debt refinancing on June 18, 2020 with a zero net cash effect that was omitted in journal entries in the general ledger of the District. After audit adjusting entries proposed and entered, the functional categories listed below were exceeded in the Debt Service Fund by the following amounts: 0072 - Interest on long-term debt \$ 122,728. 0073 - Bond issuance cost and fees \$ 126,997.
	Questioned Costs	None.
	Cause and Effect	The cause was due to an oversight by the District to incorporate budget amendments for the approved refinancing. The effect was a compliance violation of TEC Code §44.006.
	Recommendations	I recommend that budget amendments be made whenever any unforeseen activities occur which are not a part of the originally-adopted budget. Such amendments should be made prior to the expenditure of funds when such expenditures will cause functional categories to exceed budget.

III. Findings and Questioned Costs for Federal Awards

N/A.

SKIDMORE-TYNAN INDEPENDENT SCHOOL DISTRICT

BOARD OF TRUSTEES

Date of Meeting:	<u>November 2, 2020</u>	Presented By:	<u>Mr. Waterhouse Mrs. Moore</u>
Subject:	<u>Consideration and Possible Approval of Cameron Gulley to conduct 20-21, 21-22, 22-23 Fiscal Audit</u>	Attachments?	<u>Yes</u>

ACTION

BACKGROUND INFORMATION:

Cameron Gulley has conducted the District's Financial Audit for 6 fiscal years (2014-2015, 2015-2016, 2016-2017, 2017-2018, 2018-2019 & 2019-2020).

RECOMMENDATION:

Administration recommends that the Board of Trustees approve Cameron Gulley, Certified Public Accountant, to audit the District for fiscal years 2020-2021, 2021-2022 and 2022-2023.

BOARD ACTION REQUIRED:

Board Approval.

MOTION: _____

SECOND: _____

VOTE: _____

**COMBINED AUDIT PROPOSAL AND
ENGAGEMENT LETTER**

President and Members of the Board
Skidmore-Tynan Independent School District
224 West Main
Skidmore, Texas 78389

President and Members of the Board,

This letter is to confirm our understanding of the audit services I am to provide for the Skidmore-Tynan Independent School District for the three one-year periods ending August 31, 2021, 2022 and 2023.

I will audit the balance sheet of Skidmore-Tynan Independent School District as of August 31, 2021, 2022 and 2023, and the related statements of revenue and expenditures, fund balance (if any), and cash flows (if any) for the years then ended. Also, the following additional information accompanying the basic financial statements will be subjected to the auditing procedures applied in our audit of the financial statements: (1) All schedules and statements required by Governmental Accounting Standards and/or the Texas Education Agency.

I will prepare the District's financial statements as part of my audit service and will also assist in the preparation of the District's data feed file and PDF file as required by the Texas Education Agency and upload these files if desired. The fee for these services is included in the fee estimates for the financial and compliance audit.

Audit Objective

My procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories and other tangible assets, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected customers, creditors, and financial institutions. I will request written representations from your attorneys as part of the engagement. At the conclusion of my audit, I will also request certain written representations from you about the financial statements and related matters.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, my audit will involve judgment about the number of transactions to be examined and the areas to be tested. I will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement,

whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity.

Because an audit is designed to provide reasonable, but not absolute, assurance and because I will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by me. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, I will inform you of any material errors that come to my attention, and I will inform you of any fraudulent financial reporting or misappropriation of assets that comes to my attention. I will also inform you of any violations of laws or governmental regulations that come to my attention, unless clearly inconsequential. My responsibility as your auditor is limited to the period covered by my audit and does not extend to any earlier or later periods for which I am not engaged as your auditor.

My audit will include obtaining an understanding of the District and its environment including internal control, sufficient to assess the risk of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, I will communicate to you and those charged with governance internal control related matters that are required to be communicated under professional standards.

I may from time to time, and depending on the circumstances, use third-party providers in serving this engagement. I may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, I maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, I will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and I will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that I am unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, I will remain responsible for the work provided by any such third-party service providers.

Management Responsibilities

Professional standards promulgated by the American Institute of Certified Public Accountants (AICPA), and others require that auditors be independent of the clients for whom they perform attest services and that they document their independence. These standards apply to the services I will be providing Skidmore-Tynan Independent School District. They may restrict some of the non-attest services I can do for the District (such as your bookkeeping), but they allow me to provide numerous other services as long you agree to perform the following functions:

1. Make all management decisions and perform all management functions.
2. Designate an individual who possesses suitable skill, knowledge and/or experience to oversee or accept responsibility for any specific function with which I may help the District.
3. Evaluate the adequacy and results of the services performed by me.
4. Accept the responsibility for:
 - A. The District's accounting and information systems;
 - B. Adjustments I have suggested and you have approved (through that designated individual);
 - C. The financial statements and other reports I have prepared and you have approved (through that designated individual);
 - D. The submission of those financial statements and reports to appropriate oversight or granting agencies, if any.
5. Establish and maintain internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the fair presentation in the financial statements of financial position, results of operations, and cash flows in conformity with U. S. Generally Accepted Accounting Principles. You are also responsible for making all financial records and related information available to me and for the accuracy and completeness of that information. Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to me in the management representation letter that the effects of any uncorrected misstatements aggregated by me during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.
6. You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing me about all known or suspected fraud affecting the company involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibility includes informing me of your knowledge of any allegations of fraud or suspected fraud affecting the District received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the District complies with applicable laws and regulations.

Engagement Administration, Fees and Other

I understand that your employees will help prepare all cash, accounts receivable, and other confirmations I may request their aid with, and will locate any documents selected by me for testing.

I am responsible for this engagement and am personally responsible for supervising the engagement and signing the report.

My fee is based on the time my personnel require to complete the engagement plus direct expenses. Hourly rates vary in accordance with the degree of responsibility and skill of those assigned to the audit. My estimated fee for each annual examination is as follows: 2021 - **\$ 18,000.00**, 2022 - **\$ 18,000.00**, 2023 - **\$ 18,500.00**. The projected fees are based on my understanding of the requirements of the AICPA, and the required time (fee) for complying with issuance of a report in accordance with professional standards as they currently exists. Future changes in professional standards or Statements on Accounting Standards (as published by the AICPA) may cause the time requirements to be greater than my estimate. If the AICPA make any changes which would require additional time requirements on my part, that additional time would be billed in addition to the above mentioned estimated fees. If unforeseen complications arise during the audit making it likely that the fee will exceed this amount, I will discuss the increase before proceeding.

These fees are computed as follows:

	2021	2022	2023
Annual financial and compliance audit	\$ 17,500.	\$ 17,500.	\$ 18,000.
PDF and data feed submission	500.	500.	500.
Total Fee	\$ 18,000.	\$ 18,000.	\$ 18,500.

The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. I will provide you with a list of specific forms, schedules, and statements which I would like for you to supply, and I will assist your personnel in developing these.

Both my firm and the District understand that we may extend this agreement one or more years beyond this tri-year agreement at rates and for services to be negotiated for each extension. The terms of each extension may be specified in an attachment to this engagement letter, or they may be set forth in a new engagement letter.

I confirm that I am independent with respect to District. None of my staff have any direct or indirect financial interest in the District's contracts, and no one assigned to the audit is related within a prohibited degree (as defined by the nepotism law) to any of the board members or to any employee with managerial responsibilities.

My firm is a member of an external quality control review organization (the American Institute of Certified Public Accountants Quality Review Program as administered by the Texas Society of Certified Public Accountants). I have a system of quality control for my accounting and auditing practice. One aspect of that system requires that I and my professional staff participate in a minimum of 20 hours of continuing professional education every year and a minimum of 80 hours in any two year period. For personnel involved in governmental audits, 24 of the 80 hours must be in subjects directly related to the government environment and to government auditing. I have had eight (8) peer reviews, those being in 1996, 1999, 2002, 2005, 2008, 2011, 2014 and 2017; and my next review is scheduled for Spring of 2021. A copy of the 2017 review is available on the American Institute of Certified Public Accountants website at: https://peerreview.aicpa.org/public_file_search.html

A list of my personnel who will be associated with the audit of the District is as follows:

1. Cameron L. Gulley, CPA
2. Alice Jones, CTSBO
3. Sarah Allgood, CTSBO

While my workpapers are my sole property, I will furnish the District with copies of selected workpapers upon request, and I will permit appropriate authorities to review them in our office as specified in professional pronouncements. Appropriate authorities include but are not limited to designated personnel from the Regional Office of the Inspector General, the Texas Education Agency, and persons acting under the direction of a court with proper jurisdiction.

I appreciate the opportunity to serve the District and look forward to continuing our relationship.

If this letter correctly expresses your understanding, please sign where indicated and return a copy to me.

Respectfully submitted,

Cameron L. Gulley

Cameron L. Gulley
Certified Public Accountant

November 2, 2020

Approved:

The foregoing fully describes our understanding of the services to be provided to the **Skidmore-Tynan Independent School District** by ---- **Cameron L. Gulley, CPA**, P.O. Box 163, Eastland, Texas 76448.

Date

President of the Board
Skidmore-Tynan Independent School District

SKIDMORE-TYNAN INDEPENDENT SCHOOL DISTRICT

BOARD OF TRUSTEES

Date of Meeting: November 2, 2020 Presented By: Mr. Waterhouse
Subject: Superintendent's Report (District Activities and Special Events) Attachments? Yes

INFORMATION

BACKGROUND INFORMATION:

The Superintendent will report on selected district activities and programs.

- A. COVID Update
- B. Enrollment and Attendance
- C. B.O.Y Assessment
- D. Curriculum Update
- E. Athletic Update
- F. Financial Update

RECOMMENDATION:

Not applicable.

BOARD ACTION REQUIRED:

Information purposes. No action required.

COVID-19 PERIODIC UPDATE

October 29, 2020

Greetings from the offices of the Bee County Judge and the Mayor of the City of Beeville. In an effort to reduce the length of this update, we have removed information on previous daily updates. Please know that you can access the full text of all prior daily updates on our Bee OEM Facebook page.

The best method we have to combat any resurgence of the virus is to re-double our efforts at social distancing and wearing a mask when you cannot maintain 6-feet of separation from others that are not members of your own household.

Additionally, as we head into Fall, and cooler weather and flu season, we should continue to practice the sanitary habits necessitated by COVID-19, which will reduce our risk of contracting COVID-19 as well as other cold and flu viruses. So, keep following the guidance set out below, and keep masking up when necessary to protect yourself and others.

GUIDANCE FROM THE TEXAS DEPARTMENT OF STATE HEALTH SERVICES

The simple steps everyone can take to help prevent spreading the virus:

- Wear a cloth face covering (over the nose and mouth);
- Practice social distancing by staying at least six feet away;
- Wash your hands often with soap and water for at least 20 seconds;
- If soap and water are not available, use a 60% alcohol-based hand sanitizer;
- Avoid touching your eyes, nose, and mouth with unwashed hands;
- Avoid close contact with people who are sick;
- Stay home when you are sick;
- Cover your cough or sneeze with a tissue, then throw the tissue in the trash;
- Clean and disinfect frequently touched objects and surfaces; and
- Stay at home and stop the spread of coronavirus.

CASE UPDATE

Total Bee County confirmed community cases (i.e. not TDCJ inmates): **1273**

Total new cases reported today: **21**

On October 23, 2020, DSHS notified Bee County of 5 additional community cases. On October 24, 2020, DSHS notified Bee County of 11 additional

community cases. On October 27, 2020, DSHS notified Bee County of 5 additional community cases. No new cases were reported on October 25 or 26, 2020.

All new cases are listed below:

Female in her 40s	Female in her 30s	Female in her 10s
Male in his 10s	Female in her 70s	Female in her 10s
Male in his 20s	Male in his 60s	Female in her 40s
Male in his 60s	Female in her 20s	Female in her 10s
Male in his 60s	Male in his 50s	Female in her 10s
Female in her 30s	Female in her 10s	Female in her 30s
Female in her 50s	Female in her 20s	Male in his 70s

DSHS DASHBOARD SUMMARY

As of 7:00 a.m. today, October 29, 2020, according to the Texas Department of State Health Services (“DSHS”) Dashboard, Bee County currently has

31 active cases;¹
1,788 recovered cases;² and

1. DSHS States: “On September 28, DSHS updated its active case estimate. Due to the number of older cases being reported by local jurisdictions, DSHS updated the active and recovered case formulas to ensure these older cases are not counted as active. The number of active cases now more closely aligns with the number of new confirmed cases being reported daily to DSHS. The active case estimate is calculated by taking the number of confirmed cases and subtracting fatalities and estimated recoveries. Because both active and recovered cases are estimates, they can vary from what is reported locally. DSHS uses local estimates when available. **Active case numbers do not include probable cases.**

2. DSHS States: “On September 28, DSHS updated its recovered case estimate. To account for the number of older cases reported by local jurisdictions, DSHS added a step to the formula to assume these older cases have recovered. This estimated number of recoveries now more closely aligns to the timing of when these cases were likely first identified. **Estimated Recoveries by County** DISCLAIMER: County estimates do not sum to statewide estimated patients recovered posted on this website, as the statewide total estimates the number recovered for all counties for the current day. For the statewide estimate, the following method is used: (1) Include total confirmed cases (as posted to DSHS COVID-19 Public Dashboard: <https://txdshs.maps.arcgis.com/apps/opsdashboard/index.html#/ed483ecd702b4298ab01e8b9cafc8b83>); (2) Remove any deaths; (3) Remove older cases being newly reported by the local jurisdiction (NEW September 28, 2020); (4) Estimate that ~20% of remaining/living cases required hospitalization and ~80% of remaining/living cases did not.

1,858 total cases (non-prisoner and prisoner) since tracking began.

The Dashboard also reflects 39 fatalities in Bee County.

Bee County is situated in DSHS Region 11. Region 11 tracks non-inmate COVID-19 cases in Bee County, including contact tracing and quarantine management. The DSHS Dashboard, on the other hand, is maintained by DSHS in Austin, and in Austin, DSHS counts both non-inmate and inmate cases together. We understand that the Dashboard numbers do not always align with our confirmed cases and, like today, might not even add up. We have no control over the DSHS Dashboard.

Region 11 of DSHS will not provide Bee County with any confirmation or information of Bee County COVID-19 deaths; that information will be published by DSHS on its Dashboard only.

With respect to COVID-19 deaths, DSHS reports the following dates of death for each of the 39 fatalities of Bee Countians: 1 on July 4; 1 on July 6; 2 on July 13; 2 on July 16; 2 on July 21; 1 on July 24; 1 on July 28; 1 on August 1; 1 on August 2; 1 on August 5; 1 on August 6; 2 on August 9; 1 on August 11; 1 on August 12; 1 on August 13; 1 on August 14; 1 on August 15; 1 on August 16; 1 on August 17; 2 on August 25; 1 on August 28; 1 on September 1; 2 on September 2; 1 on September 3; 1 on September 11; 1 on September 17; 2 on September 20; 1 on September 22; 1 on September 27; 1 on October 5; 1 on October 9; and 1 on October 13.

TDCJ DASHBOARD SUMMARY

Unit	Inmates		Employees		<i>Totals:</i>
	Active	Recovered	Active	Recovered	
Garza East	0	0	0	0	<i>0</i>
Garza West	0	111	14	78	<i>203</i>
McConnell	0	476	15	131	<i>622</i>
<i>Totals:</i>	<i>0</i>	<i>587</i>	<i>29</i>	<i>209</i>	<i>825</i>

The Texas Department of Criminal Justice (“TDCJ”) Dashboard, reflects a total of 0 active inmate cases, as set out above. The TDCJ Dashboard reflects 587 recovered inmate cases. These numbers are fluctuating downward and upward, whereas our community case count only increases, which impacts the confirmed

total case count, but the larger data set of total cases means that the impact of the TDCJ fluctuation is less dramatic, but the issue persists.

The TDCJ Dashboard also reflects a total of 29 active employee cases. The TDCJ Dashboard reflects a total of 209 recovered employee cases.

With a total of 587 inmate cases (active and recovered), and 1273 community cases, the Bee County total is: **1,860 total cases since tracking began.**

HOSPITALIZATION SUMMARY

As of 5:00 p.m. on October 28, 2 patients are hospitalized in Bee County with COVID-19, one male and one female. The patients are Bee County residents. Age ranges of the patients are:

Age Range	# of Patients
0-9	0
10-19	0
20-29	0
30-39	0
40-49	0
50-59	0
60-69	2
70-79	0
Over 80	0
Total:	2

No patients are ventilated and no patients are inmates

BEE COUNTY COVID-19 HOTLINE AND DRIVE-THROUGH TESTING FACILITY

Please contact our Hotline—**361-492-5981**—for COVID-19 questions and to conduct pre-screening interviews for COVID-19 testing at our Drive-Through Testing Facility.

PARTING SHOTS

Make no mistake, every time one of us lets our guard down, decides that the guidelines, orders, and reasonable requests do not apply to our particular situation—every time, we become a part of the pathway for COVID-19. Don't be part of the pathway; be a dead end, a stop sign, a barrier.

If you have read to the end, thank you.

Average Attendance 2020		9/28/20-10/28/20	
Elem - 94.32%			
JH - 96.05%			
HS - 92.84%			
Average Attendance 2019		9/28/19 - 10/28/19	
Elem - 95.15%			
JH - 97.32%			
HS - 95.39%			

Total Enrollment - as of 10/28/20	
Elem - 352	
JH - 193	
HS - 253	
Total - 798	
Total Enrollment - as of 10/28/19	
Elem - 358	
JH - 202	
HS - 266	
Total - 826	

Skidmore-Tynan ISD ESL Annual Report, Needs Assessment, and Evaluation 2020-2021

LEP Students

- Number of Students 2018-2019 (15)
- Number of Students 2019-2020 (17) No TELPAS testing due to school closure for COVID-19
- Number of Students 2020-2021 (17) includes one parent denial

Number by Grade Level

PreK	K	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th
0	2	1	3	2	2	2	2	0	2	0	1	0	0

Number of Students by TELPAS proficiency level (2018-2019 data)

Beginning	Intermediate	Advanced	Advanced High	Exempt
0	8	6	0	1

ESL Needs Assessment

- Increase content area and grade levels teachers with ESL supplemental certification
- Professional Development ESL Institute @ ESC-2

Interventions to Improve ESL Performance

- Elementary: Phonics program, Interventionist will pull Tier III students, Sheltered Instruction, Principal instructional walk-throughs
- Junior High: Student progress monitoring, Sheltered Instruction, Principal instructional walk-throughs
- High School: Student progress monitoring, Sheltered Instruction, Principal instructional walk-throughs

District Performance Objectives

- Increase STAAR performance in all areas
- Increase composite TELPAS rating score

- ★ 2020-2021 ESL Waiver was submitted to TEA for 5 teachers (3 ES, 1 JH, 1 HS). JH teacher had expired ESL certification, but has renewed as of Oct. 28, 2020
- ★ 2019-2020 ESL Waiver submitted was for 6 teachers, 1 out of 6 tested and passed ESL certification test.
- ★ 2019-2020 PD included Sheltered Instruction and English Language Proficiency Standards (ELPS) training by ESC-2 personnel; teacher reimbursement for ESL test fee



15344 Vantage Pkwy. E., Suite 150 | Houston, TX 77032 | Ph: 832.626.1060 | Fax: 832.626.1057 | Toll Free: 800.795.0696

PROPOSAL 81817

To: Skidmore-Tynan ISD
Stephen Silva

Date: 10/23/2020
Project: Skidmore High Wall Mounted Backstops
Location: Skidmore, TX
Architect: N/A
Addendum: N/A

BuyBoard #: 583-19

We propose to furnish the following as manufactured by Porter Athletic using standard design, materials, construction sizes and colors.

Wall-Mounted Basketball Backstops

Material, freight and installation **\$8,305.00**

Pricing Includes:

1. 2 each Porter #220 Wall-Mounted Side Folding Basketball Backstops
 - a. Wall Mount Extension: 6'
 - b. Operation Type: Manual (Backstop adjustment rod included)
 - c. Backboard Type: Porter #204 Rectangular Glass Backboard
 - d. Backboard Padding: Porter #326 Bolt-On Edge Pads (Color: Purple – to match existing)
 - e. Goal Type: Porter #236054 Ultra-Flex II Breakaway Goal w/ Net

Qualifications:

1. Pricing includes all material, scissor lifts, and floor protection for a turnkey installation.
2. H2I Group EIN#: 84-3007083
3. TX BuyBoard # 583-19
4. Proposed project schedule:

Manufacturing Lead Time	4-5 weeks
Installation	2 days

Excludes:

1. State Sales & Use Taxes. Purchaser by acceptance of this quotation agrees to furnish Tax Exemption Certificates when requested on non-taxable materials, otherwise any applicable tax will be added at time of invoicing.
2. Any Liquidated, Consequential and/or Actual Damages clauses.
3. Custom colors/logos.
4. Charges for vertical transportation, Mechanical utilities and connections, Electrical utilities and connections, Bonds, Removal of existing equipment, In-wall backing/blocking.
5. Note: Clean-up to be limited to removing all debris, dirt and rubbish accumulated as a result of our installation to a dumpster provided by others, leaving the premises broom clean and orderly.



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SEE PAGE 3 for Terms & Conditions

This proposal is based upon usage of the AGC/ASA/ASC "Standard Form Construction Subcontract", 1996 Edition or a subcontract form otherwise acceptable to H2I Group, Inc.

TERMS: Net 30 Days

ACCEPTED: Company _____
Name _____
Date _____

RESPECTFULLY,
H2I Group, Inc.
By *Casey Pillitere* _____

Casey Pillitere, Territory Manager
cpillitere@h2igroup.com
832-317-2874

Note: This quotation is offered for acceptance within 30 days and is subject to revision beyond that time.



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PROPOSAL 81817

H2I Group Inc. Terms and Conditions

General

These terms and conditions are a component part of the attached proposal and constitute the entire agreement between H2I Group Inc. (hereinafter H2I). By signing the proposal, Customer acknowledges that they understand and accept the proposal and the following terms and conditions. All work shall be done in accordance with the attached proposal unless otherwise provided for in writing and signed by H2I. Applicable sales, excise and use taxes are not included unless otherwise stated in the proposal. Tax exempt entities hereby agree to furnish tax exemption certificates when requested on non-taxable materials. Material Only Contracts: Responsibility for the unloading, handling, storage and installation of material transfers to the Customer upon shipment from the factory. Customer is responsible for receiving, unloading and inspecting materials and filing freight claim for any shortage or damage of materials. Delivery and freight charges are not included unless otherwise stated in the proposal.

Site Conditions

A smooth, level and clean sub-floor shall be provided or as required by H2I. Maintain environment at proper temperature (55-80 degrees F.) and humidity (35-50%) before, during and 30 days following installation. Delays due to circumstances beyond the control of H2I shall entitle H2I to an equitable adjustment of time and contract price.

Acceptance

This proposal may be accepted within 30 days subject to credit approval. H2I reserves the right to revoke this offer prior to acceptance by customer. Customer agrees that, by signing, grant authority to credit bureaus to release credit history information for the purpose of establishing credit with H2I and its subsidiaries. H2I and its subsidiaries may, if payment for work performed by H2I will pass thru from a third party require a credit application, joint check agreement with the property owner/land user if the property owner/land user is a separate entity from the Customer, a copy of the Customer's payment bond, and/or a personal guarantee, as a condition of credit approval. Customer agrees that payments received from a third party for services performed by H2I shall be held in trust and first paid to H2I for material and labor costs paid by H2I.

Installation

This proposal assumes unloading and elevator use shall be conducted during normal business hours. This proposal is based on completing the work during normal business hours. Overtime, evening and weekend work is available at additional charge. Customer agrees to provide H2I with sufficient and timely unloading facilities, dock and elevator access as needed at no additional cost to H2I. Customer shall provide temporary, secure storage for materials prior to installation. Customer shall provide adequate electrical power, lighting, water and restroom facilities during installation. Customer shall provide area that is free and clear and prepared for installation.

Engineering

All engineering, proposal drawings, specifications shall represent H2I's investment in engineering skill and development and remain the property of H2I. Such are submitted with the understanding that the information will not be disclosed or used in any way detrimental to H2I's interests.

Changes

Any requests for changes to the scope of work shall be made in writing with signed acceptance by authorized personnel from H2I and Customer.

Liability

H2I shall not be liable for damages in any form or any other claim arising out of strikes, floods, fire, accidents, or any other causes beyond our control. H2I shall not be liable for liquidated, consequential or any other damages or penalties of any kind for delays in completion of work. H2I indemnity obligations to the Customer and owner are limited to the liability created by the gross negligence of Haldeman Homme Holdings, its employees or subcontractors. In the event the terms of this agreement conflicts with the Customer's proposal or purchase order the parties acknowledge and agree the terms of this agreement shall control.

Payment

Payment in full will be due and payable thirty (30) days from invoice date. Customer agrees to pay progress-billing invoices during the course of the project reflecting partial shipment of material and/or partial completion of labor work performed. Where materials are stored or staged temporarily at the job site or in offsite or bonded warehouse, customer shall pay for materials and reasonable storage charges. The failure of the Customer to make payments within contract terms shall entitle H2I, in addition to all other rights, to suspend all work and shipments and shall further entitle H2I to an extension of time of performance of the work. No payments shall be withheld from or penalties assessed against H2I due to causes for which H2I is not responsible.

Customer agrees that, if the billed amount is not paid within terms, a service charge will be charged on the overdue balance at a percentage rate of 1.5% (18% ANNUAL PERCENTAGE RATE) for all accounts. If the customer fails to pay the entire unpaid balance on the account when due H2I may without further notice or demand, exercise all rights and remedies available by law for the collection of the balance due on the account. H2I reserves the option to exercise its lien rights at all times in accordance with applicable law to secure collection of amounts due. Applicant will be liable for all expenses of collection with or without suit, including all court costs and reasonable attorney's fees to the extent under applicable state law. Venue shall be the State District Court of Minnesota.

Disputes

Customer and H2I hereby agree that disputes between the parties which cannot be settled amicably, shall be settled through the State District Court of Minnesota.

Cancellation

An officer of H2I must approve cancellation requests in writing. In order to compensate H2I for its investment in engineering, time, processing and administrative work, approved cancellations shall be subject to cancellation charge of 25% of the contract amount plus the cost of materials produced or in production, labor or other services performed, freight, taxes and any other out of pocket expenses incurred by H2I.

Warranty

THE MANUFACTURER EXPRESS WARRANTY IS PROVIDED IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED. THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE ARE HEREBY DISCLAIMED BY H2I.

Insurance

H2I maintains insurance and will provide certificates of insurance if requested on coverage and limits as provided by its insurance policy. No other insurance coverage is provided including waiver of subrogation or additional named insureds.

Codes

Customer, architect and/or contractor shall be responsible for all local, state and federal agency code compliance, permits, fees, design, engineering and testing. H2I does not provide professional liability or pollution insurance for any of these services. Costs for any and all such services are not included in this proposal.

Signature: _____ Name: _____ Date: _____
(Please Print)



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STISD

OCT 2020 TEA PMTS

Title			Payment Amount	Payment Date
	Fund	Rev		
FSP-AVAILABLE SCHOOL FOUND.	199	5811	25,211.00	10/23/2020
FSP-FOUNDATION FORMULA/STTLUP	199	5812	750,228.00	10/23/2020
TITLE IV, PART A SUBPART 1	289	5929	11,471.44	10/13/2020
TITLE II, PART A-SUPPORTING EF	255	5929	2,400.00	10/27/2020
TITLE V, PART B, SUB PART 2, R;OS	270	1241	2,495.67	10/22/2020
School Lunch Matching	240	5922	1,967.76	10/2/2020
School Breakfast Program (SBP)	240	5921	1,228.64	10/2/2020
School Lunch Matching	240	5922	12,315.60	10/26/2020
School Breakfast Program (SBP)	240	5921	6,827.46	10/26/2020
TEXTBOOK & KINDER MATERIALS	410	5829	2,000.00	10/15/2020

SKIDMORE-TYNAN INDEPENDENT SCHOOL DISTRICT

BOARD OF TRUSTEES

Date of Meeting: November 2, 2020 Presented By: Mr. Waterhouse
Subject: Consent Agenda-Action Items Attachments? Yes

ACTION

BACKGROUND INFORMATION:

Per Board Policy BE (LOCAL), all items listed as consent agenda action items are considered to be routine and/or recurring in nature and shall be acted upon with one motion. There shall be no separate discussion unless a Board Member requests that an item be withdrawn for individual consideration. In such a case, the remaining items shall be adopted by one vote.

RECOMMENDATION:

To approve the consent agenda action items as presented.

BOARD ACTION REQUIRED:

Board Approval.

MOTION: _____

SECOND: _____

VOTE: _____

Minutes of Regular

The Board of Trustees Skidmore-Tynan ISD

A Regular of the Board of Trustees of Skidmore-Tynan ISD was held Monday, October 12, 2020, beginning at 6:00 PM in the Skidmore-Tynan ISD Wayne & Mavournee DuBose Special Events Cafeteria, 224 W. Main St., Skidmore, TX 78389.

1. Call to Order and Establish Quorum

The meeting was called to order at 6:01 p.m. with Mr. Carriger, Board President presiding. The following members were present at roll call: Mr. Olivares, Mr. Hardin, Mrs. Alvarado, Mr. Carriger, Mr. Lemon and Mr. Rix. Mr. Menchaca arrived at 6:06 p.m.

2. Invocation and Pledge of Allegiance

3. Public Forum

No individuals spoke in Public Forum

4. Superintendent's Report

A. Technology Update

B. COVID Update

C. Enrollment and Attendance

D. Financial Update presented by Mrs. Robin Moore, Business Manager

E. Staff Development Update

5. Consent Agenda Action Items

Mr. Olivares made a motion, seconded by Mrs. Alvarado to approve the Consent Agenda Action Items as presented. The motion passed with all present in favor

A. Consideration and Possible Approval of Minutes: Regular Meeting, September 14, 2020

6. Conduct Public Hearing and take public comment regarding the Application for Value Limitation Agreement from Blackjack Creek Wind Farm, LLC, Comptroller Application #1497 pursuant to Chapter 313 of the Texas Property Tax Code.

Information Purposes only. No Action Required

7. Acknowledgement of conflict of interest policy in connection with the application for agreement for limitation on appraised value of property for school district maintenance and operations taxes from Blackjack Creek Wind Farm, LLC, Comptroller Application #1497.

Information Purposes only. No Action Required

8. Consideration and possible approval of a Resolution designating "Blackjack Creek Wind Farm Reinvestment Zone" pursuant to Chapter 312 of the Texas Tax Code.

Mr. Rix made a motion, seconded by Mr. Menchaca to approve a Resolution designating "Blackjack Creek Wind Farm Reinvestment Zone" pursuant to Chapter 312 of the Texas Tax Code as presented. The motion passed with all present in favor

SKIDMORE-TYNAN INDEPENDENT SCHOOL DISTRICT

BOARD OF TRUSTEES

Date of Meeting: November 2, 2020 Presented By: Mrs. Moore
Subject: Consideration and Possible Acceptance of 2020 Bee County and San Patricio County Tax Roll Attachments? Yes

ACTION

BACKGROUND INFORMATION:

The Bee County Tax Assessor-Collector submits the tax roll for acceptance on an annual basis. The attached document is the 2020-2021 tax roll as submitted by the Bee County Tax Assessor-Collector for acceptance by the District

RECOMMENDATION:

Administration recommends that the Board of Trustees accept the 2020 Bee County and San Patricio County Tax Roll as presented by Administration.

BOARD ACTION REQUIRED:

Board Approval.

MOTION: _____

SECOND: _____

VOTE: _____

Michelle Matus, PCC
Bee County * Tax Assessor-Collector

411 E Houston St. * PO Box 1900, Beeville, Texas 78104
Office 361-621-1554 Fax 361-358-5417 email: michelle.matus@co.bee.tx.us
www.co.bee.tx.us

**SUBMISSION OF THE 2020 TAX ROLL TO GOVERNING BODIES PURSUANT
TO SECTION 26.09(e) OF THE TEXAS PROPERTY TAX CODE**

The 2020 Tax Roll for the Skidmore-Tynan Independent School District is hereby submitted for approval at the next regularly scheduled meeting of the Board of Trustees for the Skidmore-Tynan ISD. This roll is submitted for approval under Section 26.09(e) of the Texas Property Tax Code and was calculated in pursuant with the same code by multiplying the values from the Certified Appraisal Roll for this taxing jurisdiction (plus/minus any changes in value as approved by the Bee County Appraisal Review Board) times the tax rate adopted by this governing body for the tax year 2020. The 2020 Tax Roll for Skidmore-Tynan Independent School District is stored in the Bee County Tax Office in pursuant with State Records Retention guidelines. A copy of the tax roll for reference purposes and convenient availability to the public will be filed with the Bee County Clerk's office.

I, Michelle Matus, PCC - Tax Assessor-Collector for Bee County, Texas, hereby certify the figures from the 2020 Tax Roll as reflected on the attached summary page taken directly from the 2020 Tax Roll. I certify that the foregoing information, and the roll it represents are accurate and correct to the best of my knowledge. Certified and submitted the 19th day of October, 2020.


Michelle Matus, PCC - Tax Assessor-Collector
Bee County, Texas

Improvements:		Count	Amount		
Homesteadable		1,238	84,033,781--:		
New Homesteadable		70	924,450 :		
Non-Homesteadable		616	135,301,899 :	Impr. Total	
New Non-Homesteadable			0 :--	220,260,130--:	
Land:		Count	Amount		
Homesteadable		1,114	13,059,767--:	Land Total	
Non-Homesteadable		2,805	154,542,280--:	167,602,047--:	
Acres	161,948.134	3,715			Total Market
					749,885,915
Productivity:		Count	Amount		
Agricultural Market		1,755	350,623,348--:	Productivity Mkt	Total Accounts
Timber Market			0--:	350,623,348--:	5,137
Agricultural Use Value		1,755	21,082,118		
Timber Use Value			0		
Exempt Agricultural Market			0		
Exempt Agricultural Value			0		
Other:		Count	Amount		
Minerals		996	9,779,860--:	Other	
Personal Property Market		10	1,620,530--:	11,400,390--:	
Miscellaneous:		Count	Amount		
Homestead Market Value		763	72,979,700		
Homestead Cap Value		763	69,676,530		
Tax Increment Zone Market			0		
Tax Increment Zone Base			0		
Deductions:		Exemption	Count	Amount	
Constitutional Exempt			98	24,346,140--:	
Productivity Loss			1,755	329,541,230--:	
Homestead Cap Loss			381	3,303,170--:	
Homestead	25,000		561	11,682,100--:	
Homestead Frozen	25,000		202	5,008,335 :	Homestead Total :
Homestead Local				0 :--	16,690,435--:
Homestead Local Frozen				0 :	
Homestead Local %				0 :	
Homestead Local % Frozen				0--:	Total Deductions
					464,456,718
Over 65	10,000		67	471,770--:	
Over 65 Frozen	10,000		181	1,800,000 :	Over 65 Total :
Over 65 Local				0 :--	2,271,770--:
Over 65 Local Frozen				0--:	
Disabled Person	10,000		7	50,000--:	
Disabled Person Frozen	10,000		21	203,334 :	Disabled Person :
Disabled Person Local				0 :--	253,334--:
Disabled Person Lcl Frzn				0--:	
Disabled Veteran HS Full			10	764,770--:	
Disabled Veteran			31	287,870 :	Disabled Veteran :
Disabled Veteran Frozen			8	87,000--:	1,139,640--:
Abatements				0--:	
Pollution Control			1	57,840 :	
Freeport				0 :	Other Exemptions :
HB366			159	11,379 :--	86,910,999--:
Prorated Exempt				0 :	
MASSS				0 :	
DVHSS-TFR				0 :	
DVDHS				0 :	
FRSS				0 :	
Other			1	3,565,483.63 +	Net Taxable
					285,429,197
Frozen Taxable Value Loss				245.10 -	
Frozen Limit (CAD Original)			334		
Frozen Limit Adjusted (Transfers)			334		
Frozen Tax Levy Used				3,565,238.53G +	Net Taxable
Late Agricultural Penalty					Less Frozen
Late Correction Penalty					278,143,145
Late Rendition Penalty			8	245.10	
Total Tax Levy		0.01281800	111	Actual Levy	Calculated Levy
				3,565,483.63	3,565,483.93

Begin
TAX
LEVY

Calc sequence: Hmstd, Disabled, Ovr 65, DV Tot HS, Hmstd Lcl, Ovr 65 Lcl, Disabled Lcl, Dis Vet, Other.
Apply Ownership Interest to Hmstd Over 65, Dis Person, Hmstd Lcl, Hmstd Min.
Apply Disabled Veteran exemption to Homestead then to Non-Homestead values.

Improvements:		Count	Amount		
Homesteadable		1,239	83,933,211--:		
New Homesteadable		70	924,450 :		
Non-Homesteadable		615	135,093,449 :	Impr. Total	
New Non-Homesteadable			0 :--	219,951,110--:	
Land:		Count	Amount		
Homesteadable		1,115	13,062,767--:	Land Total	
Non-Homesteadable		2,818	154,538,880--:	167,601,647--:	
Acres	161,740.348	3,727			Total Market 744,527,415
Productivity:		Count	Amount		
Agricultural Market		1,765	345,574,268--:	Productivity Mkt	Total Accounts
Timber Market			0--:	345,574,268--:	5,150
Agricultural Use Value		1,765	21,059,158		
Timber Use Value			0		
Exempt Agricultural Market			0		
Exempt Agricultural Value			0		
Other:		Count	Amount		
Minerals		996	9,779,860--:	Other	
Personal Property Market		10	1,620,530--:	11,400,390--:	
Miscellaneous:		Count	Amount		
Homestead Market Value		764	73,128,840		
Homestead Cap Value		764	69,989,210		
Tax Increment Zone Market			0		
Tax Increment Zone Base			0		
Deductions:		Exemption	Count	Amount	
Constitutional Exempt			98	24,346,140-----:	
Productivity Loss			1,765	324,515,110-----:	
Homestead Cap Loss			377	3,139,630-----:	
Homestead	25,000	563	11,736,510--:		
Homestead Frozen	25,000	201	4,983,335 :	Homestead Total :	
Homestead Local			0 :--	16,719,845--:	
Homestead Local Frozen			0 :		
Homestead Local %			0 :		
Homestead Local % Frozen			0--:		Total Deductions 459,306,398
Over 65	10,000	70	501,700--:		
Over 65 Frozen	10,000	180	1,790,000 :	Over 65 Total :	
Over 65 Local			0 :--	2,291,700--:	
Over 65 Local Frozen			0--:		
Disabled Person	10,000	5	40,000--:		
Disabled Person Frozen	10,000	21	203,334 :	Disabled Person :	
Disabled Person Local			0 :--	243,334--:	
Disabled Person Lcl Frzn			0--:		
Disabled Veteran HS Full		10	764,770--:		
Disabled Veteran		31	287,870 :	Disabled Veteran :	
Disabled Veteran Frozen		8	87,000--:	1,139,640--:	
Abatements			0--:		
Pollution Control		1	57,840 :		
Freeport			0 :	Other Exemptions :	
HB366		159	11,379 :--	86,910,999--:	
Prorated Exempt			0 :		
MASSS			0 :		
DVHSS-TFR			0 :		
DVDHS			0 :		
FRSS			0 :		
Other		1	3,561,941.67 +		Net Taxable 285,221,017
Frozen Taxable Value Loss			245.10 -		
Frozen Limit (CAD Original)	331	002			
Frozen Limit Adjusted (Transfers)	331		3,561,696.57G+	Adjusted TAX Levy	Net Taxable Less Frozen 277,874,075
Frozen Tax Levy Used					
Late Agricultural Penalty			.00		
Late Correction Penalty			245.10		
Late Rendition Penalty	8				
Total Tax Levy		0.01281800	112 Actual Levy 3,561,941.67		Calculated Levy 3,562,034.99

Calc sequence: Hmstd, Disabled, Ovr 65, DV Tot HS, Hmstd Lcl, Ovr 65 Lcl, Disabled Lcl, Dis Vet, Other.
Apply Ownership Interest to Hmstd, Over 65, Dis Person, Hmstd Lcl, Hmstd Min.
Apply Disabled Veteran exemption to Homestead then to Non-Homestead values.

Michelle Matus, PCC

Bee County * Tax Assessor-Collector

411 E Houston St. * PO Box 1900, Beeville, Texas 78104

Office 361-621-1554 Fax 361-358-5417 email: michelle.matus@co.bee.tx.us

October 19, 2020

2020 PARCEL COUNT, BEGINNING & ADJUSTED TAX LEVIES FOR TAXING ENTITIES IN BEE COUNTY (INCLUDING HB 1010 SCHOOL DISTRICTS)

Bee County General Fund M&O + I&S + Special Road and Bridge	29,134	12,404,405.93 **	12,365,883.79 ***
Bee County Farm Road	29,134 *	12,482,399.93 **	12,443,443.37 ***
TOTAL BEE COUNTY		24,886,805.86 **	24,809,327.16 ***
Beeville Independent School District	13,076 *	9,993,788.66 **	9,964,711.44 ***
Pawnee Independent School District	9,652 *	4,156,389.87 **	4,156,179.70 ***
Pettus Independent School District	6,829 *	8,064,024.33	7,199,138.66 ***
ISPE (Interest & Sinking Only for 313 Abatement)			192,850.24
			<u>7,391,988.90</u>
Skidmore-Tynan Independent School District	5,059 *	3,565,238.53 **	3,561,696.57 ***
City of Beeville	6,677 *	3,390,613.05 **	3,373,560.19 ***
Coastal Bend College	29,134 *	3,208,204.95 **	3,200,094.75 ***
Central Emergency Services District #1	6,660 *	41,963.62 **	42,004.19 ***
North Bee County Emergency Service District #2	5,257 *	92,144.14 **	92,117.68 ***
Pawnee Emergency Service District #3	5,357 *	48,967.99 **	48,962.18 ***
South Bee County Emergency Service District #4	5,183 *	110,867.84 **	110,803.39 ***
Beeville Water District	6,675 *	450,048.40 **	447,948.13 ***
Bee Ground Water Conservation District	21,799 *	55,444.11 **	55,635.17 ***
Pettus Municipal Utility District	458 *	44,657.16 **	44,657.16 ***
		<u>58,109,158.51</u>	
2020 CONSOLIDATE TAX ROLL AFTER ADJUSTMENTS			57,299,686.61

* Adjusted parcel count

** Beginning levy before supplements and adjustments and excluding late rendition penalties

*** Adjusted Levy following deduction for TIF value, change in jurisdictions required due to appraisal district supplements, adjustments, reduction in value for late protest changes, and excluding late rendition penalties

SKIDMORE-TYNAN INDEPENDENT SCHOOL DISTRICT

BOARD OF TRUSTEES

Date of Meeting: November 2, 2020 Presented By: Mr. Richard Waterhouse
Subject: Letter of Concern to TEA Attachments? Yes

ACTION

BACKGROUND INFORMATION:

RECOMMENDATION:

Administration recommends that the Board of Trustees approve the attached letter to TEA as presented.

BOARD ACTION REQUIRED:

Board Approval.

MOTION: _____

SECOND: _____

VOTE: _____



Skidmore – Tynan Independent School District

Richard Waterhouse
Richard.Waterhouse@stbobcats.net
Superintendent of Schools

224 W. Main St.
Skidmore, Texas 78389
CENTRAL ADMINISTRATIVE OFFICE
Phone: (361) 287 – 3426
Fax: (361) 287 – 3442
Website: www.stbobcats.net

11/02/2020

Dear Commissioner Morath

Skidmore-Tynan ISD has traditionally been a high performing district with great community support, teaching staff, and students. Our last accountability ratings (A) demonstrate our commitment to academic excellence.

We were recently briefed on the Beginning of Year assessments for each of the campuses. Frankly, we expected slippage based on our experience last spring and first semester this year. However, the ground to be made up is incredibly challenging. While we do not shrink from any task which benefits our students, our staff is stretched to the breaking point due to circumstances which they did not create but must accommodate. In addition to teaching face to face, our teachers must also address the needs of remote learners. We took the step of requiring on campus learning, but must still educate those with extenuation medical circumstances. Our teachers are stressed, our technology is stressed, our parents are stressed, and our students are severely stressed.

Continuing to enforce and tie funding to already tenuous instructional minutes and attendance requirements places districts, students and families under hardship. Statewide testing for accountability, ranking, and possible sanctioning is unreasonable.

It is irresponsible to expect student performance this year to reflect “normal year” levels. We are hurting kids and we are hurting teachers to continue to measure a district value on TEA standards derived by what normal used to be. We are losing kids, families and staff. We ask TEA to consider all those factors.

The Skidmore-Tynan ISD Board of Trustees ask that TEA consider reducing the number of instructional minutes and attendance requirements, and to waive testing standards for the 2020-2021 School year. Should TEA decide to move forward with state testing, we request that the data derived be used to compile information for research and to chart a course forward.

With Consideration,

President – Skidmore-Tynan ISD Board of Trustees

Member - Skidmore-Tynan ISD Board of Trustees

Vice-President - Skidmore-Tynan ISD Board of Trustees

Member - Skidmore-Tynan ISD Board of Trustees

Secretary - Skidmore-Tynan ISD Board of Trustees

Member - Skidmore-Tynan ISD Board of Trustees

Member - Skidmore-Tynan ISD Board of Trustees

SKIDMORE-TYNAN INDEPENDENT SCHOOL DISTRICT

BOARD OF TRUSTEES

Date of Meeting: November 2, 2020 Presented By: Mr. Richard Waterhouse
Subject: Consideration and Possible approval to retain a Legal Services contract with Juan Cruz & Associates, LLC. Attachments? Yes

ACTION

BACKGROUND INFORMATION:

RECOMMENDATION:

Administration recommends that the Board of Trustees approve to retain a Legal Services contract with Juan Cruz & Associates, LLC.

BOARD ACTION REQUIRED:

Board Approval.

MOTION: _____

SECOND: _____

VOTE: _____



FIRM ANNOUNCEMENT

The Law Firm of J. Cruz & Associates is proud to announce that the Firm has been selected to provide outside counsel legal services to the Texas Education Agency (TEA). The Firm will assist TEA with legal matters in connection to governance issues encountered by a Board of Managers and/or Conservators who are chosen to preside over public school districts and open-enrollment charter schools when the governing body's authority is suspended across the State of Texas.

The Firm's legal practice includes, education, employment, public finance, construction, government-entity defense, real estate, special education, and general civil litigation. J. Cruz & Associates has been chosen due to its excellent reputation with current clients, which includes a portfolio spanning both public and private entities. The Firm currently represents public school districts across Texas, including the Southern, Coastal, Western and Eastern portions.

This year, the Firm celebrated its seven-year anniversary. The recent collaboration with the Texas Education Agency as outside counsel has marked a definitive, perhaps even culminating, point within the Firm's lifetime. The Law Firm's partners and associate attorneys are optimistic about the direction of the Firm. Mr. Cruz plans to continue to expand the Firm's growth in order to meet the growing demand for the Firm's services, spanning different areas of legal practice.

As the COVID-19 pandemic continues to threaten Texas public education, J. Cruz & Associates, LLC is committed to working with the Texas Education Agency to provide competent advice so that Texas public schools can operate in a manner that is beneficial to both a student's education and health. The Firm recognizes that these are unusual times, which require logical and substantive solutions that may not always be considered "traditional." J. Cruz & Associates is prepared to face the challenges Texas public education employees and public officials face while ensuring the safety and responsibility of all those who administer and play a part in delivering the much-valued education they are entrusted to serve.

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LEGAL SERVICES CONTRACT

STATE OF TEXAS §
 § KNOW ALL MEN BY THESE PRESENTS
COUNTY OF BEE COUNTY §

THIS CONTRACT is entered into between the SKIDMORE-TYNAN INDEPENDENT SCHOOL DISTRICT (hereinafter referred to as “DISTRICT”), acting through its Board of Trustees, and the law firm of J. CRUZ & ASSOCIATES, LLC (hereinafter referred to as “LAW FIRM”), a professional corporation of which each attorney is duly licensed to practice law in the State of Texas.

I.

The DISTRICT retains the LAW FIRM to provide legal services and representation to the DISTRICT limited to and in connection with all general legal matters. The DISTRICT agrees to pay the LAW FIRM a fee, according to the Schedule of Fees, as reflected on Exhibit A. These fees are valid for one year and are subject to review and change at annual intervals.

II.

The LAW FIRM’S employment by the DISTRICT is strictly on an at-will basis and both parties may elect to terminate this contractual relationship at any time.

WITNESS OUR HANDS at Bee County, Texas, on this, the _____ day of _____, 2020.

**SKIDMORE-TYNAN INDEPENDENT SCHOOL
DISTRICT**

By: _____
PRESIDENT
BOARD OF TRUSTEES

By: _____
SECRETARY
BOARD OF TRUSTEES

J. CRUZ & ASSOCIATES, LLC

By: _____
JUAN J. CRUZ

EXHIBIT A

General Counsel Services

SCHEDULE OF FEES & EXPENSES

CLIENT COST

Legal Services

Attorneys with 20+ years experience	\$295/hour
Attorneys with 10-20 years experience	\$275/hour
Attorneys with up to 10 years experience	\$250/hour
Paralegals	\$85/hour

Expenses

Database Research	Direct Cost
Courier	Direct Cost
Photocopies	\$0.10 per page
Facsimile	No Charge
Telephone/Long Distance	Direct Cost

Travel

Mileage (personal vehicle)	IRS allowable rate per mile
Lodging	Direct Cost
Meals	Direct Cost
Car Rental/Airline/Rail/Etc.	Direct Cost
Travel Time	Hourly Rate

SKIDMORE-TYNAN INDEPENDENT SCHOOL DISTRICT

BOARD OF TRUSTEES

Date of Meeting: November 2, 2020 Presented By: Mr. Richard Waterhouse
Subject: School Guardians Attachments? Yes

ACTION

BACKGROUND INFORMATION:

Pursuant to its authority under the Texas Penal Code § 46.03 (a)(1), and S-TISD Board Policy CKC (LOCAL), the Board of Trustees may authorize specific school employees to possess certain firearms on school property, at school-sanctioned events, and at Board meetings. For participation in the School Guardian Program a professional employee must receive initial approval from the superintendent. After initial approval, the employee must complete all training and evaluation requirements. Once the employee has completed all required steps, the superintendent will present the employee for board approval to serve as a school guardian.

RECOMMENDATION:

Administration recommends that the Board of Trustees approve School Guardian(s) as presented by administration.

BOARD ACTION REQUIRED:

Board Approval.

MOTION: _____

SECOND: _____

VOTE: _____