

**BOOKER INDEPENDENT SCHOOL DISTRICT**  
**ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED AUGUST 31, 2020**

BOOKER INDEPENDENT SCHOOL DISTRICT  
ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED AUGUST 31, 2020

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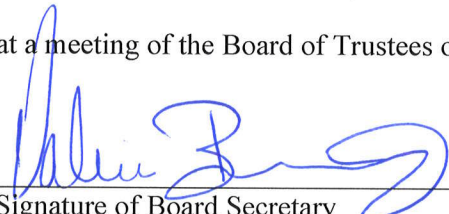
CERTIFICATE OF BOARD

Booker Independent School District  
Name of School District

Lipscomb  
County

148901  
Co.-Dist. Number

We, the undersigned, certify that the attached annual financial reports of the above-named school district were reviewed and (check one) X approved \_\_\_\_\_ disapproved for the year ended August 31, 2020 at a meeting of the Board of Trustees of such school district on the 11th day of February 2021.

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

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

**KILE & CO., P.C.**  
CERTIFIED PUBLIC ACCOUNTANTS

**Basic Financial Statements Accompanied by Required Supplementary Information,  
Supplementary Information, and Other Information**

**INDEPENDENT AUDITOR'S REPORT**

To the Board of Trustees  
Booker Independent School District  
P.O. Box 288  
Booker, Texas 79005

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Booker Independent School 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**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Booker Independent School District as of August 31, 2020, and the respective changes in financial position and for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Schedule for the General Fund, Schedule of District's Proportionate Share of the Net Pension Liability (TRS), Schedule of District Contributions for Pensions – TRS, Schedule of District Contributions for Other Post-Employment Benefits – 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Booker Independent School District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section 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 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with Government Auditing Standards, we have also issued my report dated February 8, 2021, 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.

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

Amarillo, Texas  
February 8, 2021

Management's Discussion and Analysis  
Booker Independent School District

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

In this section of the Annual Financial and Compliance Report, we, the managers of Booker 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 auditors' report on page 4, and the District's Basic Financial Statements, which begin on page 13.

**FINANCIAL HIGHLIGHTS**

The District continues to experience some fluctuation in student enrollment. Smaller enrollment would reduce state funding. Due to this trend, the District continues to monitor expenditures to mitigate possible deficits for future years. The goal and purpose of these steps were to prevent any significant decrease to the undesignated fund balance.

The District's net position decreased by \$219 thousand as a result of this year's operations.

During the year, the District had expenses that were \$88 thousand less than the \$5.623 million generated in tax and other revenues for governmental programs. This compares to last year when expenses were more than revenues by \$202 thousand.

The General Fund ended the year with a fund balance of \$3.179 million.

**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 13 and 14). 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 15) 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. 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 20) 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 13. 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 position 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 tuition received from students from outside the district and 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, the District has one kind of activity:

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

## **Reporting the District's Most Significant Funds**

### *Fund Financial Statements*

The fund financial statements begin on page 15 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 Every Student Succeeds 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 has one kind of fund—governmental fund.

Governmental funds—Most of the District's basic services are reported in governmental funds. These use 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.

## 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 the Statement of Fiduciary Net Position on page 19. 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

Our analysis focuses on the net position (Table I) and changes in net position (Table II) of the District's governmental activities.

Net position of the District's governmental activities decreased from \$2.96 million to \$2.741 million. 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 – was \$164 thousand at August 31, 2020.

**Table I**  
**Booker Independent School District**  
**NET POSITION**  
**in thousands**

	Governmental Activities	
	2020	2019
Current and other assets	\$ 3,789	\$ 3,983
Capital assets	2,568	2,741
Total assets	<u>6,357</u>	<u>6,724</u>
Deferred outflows of resources	<u>733</u>	<u>797</u>
Long-term Liabilities	2,629	810
Other liabilities	540	2,803
Total liabilities	<u>3,169</u>	<u>3,613</u>
Deferred inflow of resources	<u>1,179</u>	<u>948</u>
Net Position:		
Invested in capital assets net of related debt	2,568	2,741
Restricted	10	6
Unrestricted	163	213
Total net position	<u>\$ 2,741</u>	<u>\$ 2,960</u>



**Table II**  
**Booker Independent School District**  
**CHANGES IN NET POSITION**  
in thousands

	Governmental Activities	
	2020	2019
Revenues:		
Program Revenues:		
Charges for Services	\$ 43	\$ 54
Operating grants and contributions	925	749
General Revenues:		
Maintenance and operations taxes	2,416	2,198
State aide formula grants	2,369	2,133
Grants and Contributions not restricted to specific functions	33	33
Investment Earnings	64	117
Miscellaneous	(55)	34
Special Item - (Use)	(25)	(202)
Total Revenue	5,770	5,116
Expenses:		
Instruction, curriculum and media services	3,359	2,899
Instructional and school leadership	346	395
Student support services	131	131
Child nutrition	241	238
Co-curricular activities	383	356
General administration	501	403
Plant maintenance, security & data processing	881	677
Community services	40	48
Payments Related to Shared Services		
Arrangemnts	74	52
Intergovernmental charges	33	37
Total Expenses	5,989	5,236
Increase / Decrease in net position	(219)	(119)
Beginning net position	2,960	3,079
Ending net position	\$ 2,741	\$ 2,960

The District's property tax rate decreased to \$1.0684 per \$100 valuation.

The cost of all governmental activities this year was \$5.989 million. However, as shown in the Statement of Activities on page 14, the amount that our taxpayers ultimately financed for these activities through District taxes was only \$2.416 million because \$43 thousand of the costs were paid by those who directly benefited from the programs and \$925 thousand were paid by other governments and organizations that subsidized certain programs with grants and contributions.

## **THE DISTRICT'S FUNDS**

As the District completed the year, its governmental funds (as presented in the balance sheet on Exhibit C-1) reported a combined fund balance of \$3.202 million. Included in this year's total change in fund balance is an increase of \$59 thousand in the District's General Fund. The primary reasons for the General Fund's increase mirror the statement of revenues, expenditures and changes in fund balance highlighted on page 17.

Over the course of the year, the Board of Trustees revised the District's budget three times. The amendments moved funds from programs that did not need all the resources originally appropriated to them to programs with resource needs.

The District's General Fund balance of \$3.179 million reported on page 15 differs from the General Fund's budgetary fund balance of \$3.022 million reported in the budgetary comparison schedule on page 47. This is principally due to less than expected revenues described above.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

### **Capital Assets**

At the end of 2020, the District had \$9.227 million invested in a broad range of capital assets, including facilities and equipment for instruction, transportation, athletics, administration, and maintenance.

The District had additions of \$71 thousand and no deletions in the current year.

The District's fiscal year 2021 capital budget calls for no new additions. More detailed information about the District's capital assets is presented in Note F to the financial statements.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The District's elected and appointed officials considered many factors when setting the fiscal-year 2020 budget and tax rates. One of those factors is the local economy. The District's population growth increased modestly during 2007–2020. Interest rates decreased moderately, making earnings on investments minimal.

These indicators were taken into account when adopting the General Fund budget for 2021. Amounts available for appropriation in the General Fund budget are \$4.569 million, a decrease of \$666 thousand over the 2020 budget of \$5.235 million. The District will use its revenues to finance programs currently in place. The District has added no programs to the 2021 budget. If these estimates are realized, the District's budgetary General Fund balance is expected to remain unchanged by the close of 2021. More importantly, however, this will have been accomplished in spite of unfunded mandates.

## **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's business office, at Booker ISD, P.O. Box 288, Booker, Texas 79005.

## BASIC FINANCIAL STATEMENTS

BOOKER ISD  
STATEMENT OF NET POSITION  
AUGUST 31, 2020

EXHIBIT A-1

Data Control Codes	Primary Government Governmental Activities
<b>ASSETS</b>	
1110 Cash and Cash Equivalents	\$ 3,653,634
1120 Current Investments	35,525
1220 Property Taxes - Delinquent	60,729
1230 Allowance for Uncollectible Taxes	(13,500)
1240 Due from Other Governments	44,213
1250 Accrued Interest	809
1290 Other Receivables, Net	15
1300 Inventories	7,542
1490 Other Current Assets	100
Capital Assets:	
1510 Land	42,053
1520 Buildings, Net	2,233,345
1530 Furniture and Equipment, Net	292,124
1000 Total Assets	6,356,589
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
1705 Deferred Outflow Related to TRS Pension	546,303
1706 Deferred Outflow Related to TRS OPEB	186,346
1700 Total Deferred Outflows of Resources	732,649
<b>LIABILITIES</b>	
2110 Accounts Payable	90,332
2160 Accrued Wages Payable	207,832
2180 Due to Other Governments	212,679
2200 Accrued Expenses	28,741
Noncurrent Liabilities:	
2540 Net Pension Liability (District's Share)	1,106,103
2545 Net OPEB Liability (District's Share)	1,523,269
2000 Total Liabilities	3,168,956
<b>DEFERRED INFLOWS OF RESOURCES</b>	
2605 Deferred Inflow Related to TRS Pension	264,379
2606 Deferred Inflow Related to TRS OPEB	914,646
2600 Total Deferred Inflows of Resources	1,179,025
<b>NET POSITION</b>	
3200 Net Investment in Capital Assets	2,567,522
3820 Restricted for Federal and State Programs	9,690
3900 Unrestricted	163,745
3000 Total Net Position	\$ 2,740,957

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

BOOKER ISD  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED AUGUST 31, 2020

Data Control Codes	1	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		3	4	6
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Gov. Governmental Activities
<b>Primary Government:</b>				
GOVERNMENTAL ACTIVITIES:				
11 Instruction	\$ 3,268,759	\$ 13,947	\$ 498,082	\$ (2,756,730)
12 Instructional Resources and Media Services	30,498	-	386	(30,112)
13 Curriculum and Instructional Staff Development	59,985	-	1,931	(58,054)
21 Instructional Leadership	51,750	-	35,042	(16,708)
23 School Leadership	293,635	-	28,294	(265,341)
31 Guidance, Counseling, and Evaluation Services	86,358	-	7,987	(78,371)
33 Health Services	3,115	-	-	(3,115)
34 Student (Pupil) Transportation	41,214	-	2,481	(38,733)
35 Food Services	240,899	18,423	237,460	14,984
36 Extracurricular Activities	382,874	10,597	13,505	(358,772)
41 General Administration	501,249	-	35,769	(465,480)
51 Facilities Maintenance and Operations	877,927	-	33,146	(844,781)
52 Security and Monitoring Services	3,490	-	2,990	(500)
61 Community Services	39,675	-	28,252	(11,423)
93 Payments Related to Shared Services Arrangements	73,520	-	-	(73,520)
99 Other Intergovernmental Charges	33,772	-	-	(33,772)
[TP] TOTAL PRIMARY GOVERNMENT:	\$ 5,988,720	\$ 42,967	\$ 925,325	(5,020,428)
Data Control Codes	<b>General Revenues:</b>			
	Taxes:			
MT	Property Taxes, Levied for General Purposes			2,415,597
SF	State Aid - Formula Grants			2,369,354
GC	Grants and Contributions not Restricted			32,824
IE	Investment Earnings			64,393
MI	Miscellaneous Local and Intermediate Revenue			(55,403)
S2	Special Item - (Use)			(25,428)
TR	Total General Revenues & Special Items			4,801,337
CN	Change in Net Position			(219,091)
NB	Net Position - Beginning			2,960,048
NE	Net Position - Ending			\$ 2,740,957

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

BOOKER ISD  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
AUGUST 31, 2020

Data Control Codes	10 General Fund	Other Funds	Total Governmental Funds
<b>ASSETS</b>			
1110 Cash and Cash Equivalents	\$ 3,644,880	\$ 8,754	\$ 3,653,634
1120 Investments - Current	35,525	-	35,525
1220 Property Taxes - Delinquent	60,729	-	60,729
1230 Allowance for Uncollectible Taxes	(13,500)	-	(13,500)
1240 Due from Other Governments	13,090	31,123	44,213
1250 Accrued Interest	809	-	809
1260 Due from Other Funds	14,282	-	14,282
1290 Other Receivables	15	-	15
1300 Inventories	-	7,542	7,542
1490 Other Current Assets	-	100	100
1000 Total Assets	<u>\$ 3,755,830</u>	<u>\$ 47,519</u>	<u>\$ 3,803,349</u>
<b>LIABILITIES</b>			
2110 Accounts Payable	\$ 90,324	\$ 8	\$ 90,332
2160 Accrued Wages Payable	201,513	6,319	207,832
2170 Due to Other Funds	-	14,282	14,282
2180 Due to Other Governments	210,289	2,390	212,679
2200 Accrued Expenditures	27,722	1,019	28,741
2000 Total Liabilities	<u>529,848</u>	<u>24,018</u>	<u>553,866</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
2601 Unavailable Revenue - Property Taxes	47,229	-	47,229
2600 Total Deferred Inflows of Resources	<u>47,229</u>	<u>-</u>	<u>47,229</u>
<b>FUND BALANCES</b>			
Nonspendable Fund Balance:			
3410 Inventories	-	7,542	7,542
Restricted Fund Balance:			
3450 Federal or State Funds Grant Restriction	-	9,690	9,690
Assigned Fund Balance:			
3590 Other Assigned Fund Balance	-	6,269	6,269
3600 Unassigned Fund Balance	3,178,753	-	3,178,753
3000 Total Fund Balances	<u>3,178,753</u>	<u>23,501</u>	<u>3,202,254</u>
4000 Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 3,755,830</u>	<u>\$ 47,519</u>	<u>\$ 3,803,349</u>

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

BOOKER ISD  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE  
STATEMENT OF NET POSITION  
AUGUST 31, 2020

EXHIBIT C-2

<b>Total Fund Balances - Governmental Funds</b>	\$	3,202,254
1 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 \$9,156,496 and the accumulated depreciation was \$(6,415,188). 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.		2,741,308
2 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 2020 capital outlays and debt principal payments is to increase net position.		71,000
3 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 \$546,303, a deferred resource inflow in the amount of \$264,379, and a net pension liability in the amount of \$1,106,103. This resulted in a decrease in net position.		(824,179)
4 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 \$186,346, a deferred resource inflow in the amount of \$914,646, and a net OPEB liability in the amount of \$1,523,569. This resulted in a decrease in net position.		(2,251,869)
5 The 2020 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position.		(244,786)
6 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 increase net position.		47,229
<b>19 Net Position of Governmental Activities</b>	<b>\$</b>	<b>2,740,957</b>

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



BOOKER ISD  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2020

Data Control Codes	10 General Fund	Other Funds	Total Governmental Funds
<b>REVENUES:</b>			
5700 Total Local and Intermediate Sources	\$ 2,469,423	\$ 46,675	\$ 2,516,098
5800 State Program Revenues	2,613,787	168,740	2,782,527
5900 Federal Program Revenues	40,816	283,690	324,506
5020 Total Revenues	<u>5,124,026</u>	<u>499,105</u>	<u>5,623,131</u>
<b>EXPENDITURES:</b>			
Current:			
0011 Instruction	2,759,045	213,744	2,972,789
0012 Instructional Resources and Media Services	30,278	-	30,278
0013 Curriculum and Instructional Staff Development	55,579	1,931	57,510
0021 Instructional Leadership	15,458	32,824	48,282
0023 School Leadership	272,957	-	272,957
0031 Guidance, Counseling, and Evaluation Services	81,029	-	81,029
0033 Health Services	3,115	-	3,115
0034 Student (Pupil) Transportation	43,131	-	43,131
0035 Food Services	-	228,751	228,751
0036 Extracurricular Activities	326,649	-	326,649
0041 General Administration	465,320	-	465,320
0051 Facilities Maintenance and Operations	863,595	-	863,595
0052 Security and Monitoring Services	500	2,990	3,490
0061 Community Services	2,120	28,861	30,981
Intergovernmental:			
0093 Payments to Fiscal Agent/Member Districts of SSA	73,520	-	73,520
0099 Other Intergovernmental Charges	33,772	-	33,772
6030 Total Expenditures	<u>5,026,068</u>	<u>509,101</u>	<u>5,535,169</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>97,958</u>	<u>(9,996)</u>	<u>87,962</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
7915 Transfers In	-	13,714	13,714
8911 Transfers Out (Use)	(13,714)	-	(13,714)
7080 Total Other Financing Sources (Uses)	<u>(13,714)</u>	<u>13,714</u>	<u>-</u>
<b>SPECIAL ITEMS:</b>			
8912 Special Item - (Use)	(25,428)	-	(25,428)
1200 Net Change in Fund Balances	58,816	3,718	62,534
0100 Fund Balance - September 1 (Beginning)	<u>3,119,937</u>	<u>19,783</u>	<u>3,139,720</u>
3000 Fund Balance - August 31 (Ending)	<u>\$ 3,178,753</u>	<u>\$ 23,501</u>	<u>\$ 3,202,254</u>

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

BOOKER ISD  
 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

<b>Total Net Change in Fund Balances - Governmental Funds</b>	\$	62,534
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 2020 capital outlays and debt principal payments is to increase net position.		71,000
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.		(244,786)
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 increase net position.		14,172
GASB 68 required that certain plan expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of the plan caused the change in ending net position to increase by \$81,114. 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 net position totaling \$74,476. 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 \$150,058. The net result is a decrease in the change in net position.		(143,420)
GASB 75 required that certain plan expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of the plan caused the change in ending net position to increase by \$26,811. 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 net position totaling \$22,865. 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 \$(17,463). The net result is an increase in the change in net position.		21,409
<b>Change in Net Position of Governmental Activities</b>	<b>\$</b>	<b>(219,091)</b>

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

BOOKER ISD  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
AUGUST 31, 2020

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	Agency Fund
<hr/>	
ASSETS	
Cash and Cash Equivalents	\$ 101,311
Total Assets	<u>\$ 101,311</u>
LIABILITIES	
Due to Student Groups	\$ 101,311
Total Liabilities	<u>\$ 101,311</u>

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

BOOKER INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2020

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Booker Independent School District (the "District") is a public educational agency operating under the applicable laws and regulations of the State of Texas. It is governed by a seven-member Board of Trustees (the "Board") elected by registered voters of the District. The District prepares its basic financial statements in conformity with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board and other authoritative sources identified in *Statement on Auditing Standards No. 76* of the American Institute of Certified Public Accountants; 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.* 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 a pay-as-you-go plan and all cash is held in a cash account.

Booker Independent School District applies 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 Booker Independent School District 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. 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.

BOOKER INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2020

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 from 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 from on the government-wide Statement of Activities.

The fund financial statements provide reports on the financial condition and results of operations for two fund categories - governmental 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.

**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. The District considers all revenues available if they are collectible within 60 days after year-end.

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

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 deferred revenues until related and authorized expenditures have been made. If balances have not been expended by the end of the project period, grantors sometimes require the District to refund all or part of the unused amount.

BOOKER INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2020

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 position, and unrestricted net position.

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

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

Governmental Funds:

1. **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.

Fiduciary Funds:

2. **Agency Funds** – The District accounts for resources held for others in a custodial capacity in agency funds. The District's Agency Fund is the Student Activity Fund. Financial resources for the agency are recorded as assets and liabilities; therefore, these funds do not include revenues and expenditures and have no fund equity. The Student Activity Fund exists with the explicit approval of, and is subject to revocation by, the District's Board of Trustees.

BOOKER INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2020

**E. OTHER ACCOUNTING POLICIES**

1. For purposes of the statement of cash flows for proprietary and similar fund types, the District considers highly liquid investments to be cash equivalents if they have a maturity of three months or less when purchased. The District currently has no Proprietary Type Funds.
2. **Inventories** – 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. **Long-term Debt** - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. 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 recognized 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. **Vacation and Sick Leave** - 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 government. All vacation pay is accrued when incurred in the government-wide 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** - 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.

BOOKER INDEPENDENT SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED AUGUST 31, 2020

Buildings, equipment, and motor vehicles of the District is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	50
Building Improvements	20
Vehicles	5
Equipment	5

6. **Fund Equity** - 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 unless unrestricted assets will have to be returned because they were not used.
8. **Estimates** – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates
9. In addition to assets, the Balance Sheet and Statement of Net Position may 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.
10. In addition to liabilities, the Balance Sheet and Statement of Net Position may 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 or resource (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.
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 ensure accuracy in building a statewide database for policy development and funding plans.



BOOKER INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2020

**F. FUND BALANCE**

The District's fund balances for its governmental funds are presented in accordance with GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent.

**Fund Balance Classifications:** The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- **Nonspendable:** This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The District has no items considered nonspendable fund balance.
- **Restricted:** This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. Debt service resources are to be used for future servicing of the District's bonded debt and are restricted through debt covenants. Food service resources are being restricted because their use is restricted pursuant to the mandates of the National School Lunch and Breakfast Program.
- **Committed:** This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the District's Board of Trustees. The board of Trustees establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. This can also be done through adoption and amendment of the budget. These amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.
- **Assigned:** This classification includes amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Trustees or through the Board of Trustees delegating this responsibility to other individuals in the District. Under the District's adopted policy, the superintendent may assign amounts for specific purposes. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- **Unassigned:** This classification includes all amounts not included in other spendable classifications, including the residual fund balance for the General Fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Trustees has provided otherwise in its commitment or assignment actions.

BOOKER INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2020

The details of the fund balances are included in the Governmental Funds Balance Sheet (page 15) and are described below:

**General Fund:** The General Fund has an unassigned fund balance of \$3,178,753 at August 31, 2020.

**Other Non-major Governmental Funds:** The Child Nutrition Program Fund has a nonspendable fund balance restricted for inventories of \$7,542 and restricted fund balance of \$9,690 at August 31, 2020. The Recycling Center Fund (a special revenue fund) has other assigned fund balance of \$6,269 at August 31, 2020.

## G. 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.

## H. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

The fiduciary net position of the Teacher Retirement System of Texas (TRS) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB 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.

## II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

### BUDGETARY DATA

The Board of Trustees adopts an "appropriated budget" for the General Fund, Debt Service Fund, and the Child Nutrition Program 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 and the Child Nutrition Program budget report is in Exhibit J-2.

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.

BOOKER INDEPENDENT SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED AUGUST 31, 2020

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. A reconciliation of fund balances for both appropriated budget and nonappropriated budget special revenue funds is as follows:

August 31, 2020

Fund Balance

Appropriated Budget Funds - National Breakfast and Lunch Program - Restricted	\$	9,690
Appropriated Budget Funds - National Breakfast and Lunch Program - Inventory		7,542
Nonappropriated Budget Funds		<u>6,269</u>
All Special Revenue Funds	\$	<u><u>23,501</u></u>

**III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS**

**A. CASH AND CASH EQUIVALENTS**

The funds of the District must be deposited and invested under the terms of a contract, contents of which are set out in the **Depository Contract Law**. The depository bank places approved pledged securities for safekeeping and trust with the District's agent bank in an amount sufficient to protect District funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

District Policies and Legal and Contractual Provisions Governing Deposits

*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 certificates of deposit with depository bank.

*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. The District is not invested in any securities.

*Concentration of Cred Risk:* To limit the risk of loss attributed to the magnitude of a government's investment in a single issuer, the District requires the depository bank to pledge securities held by the District's agent bank in the District's name sufficient to protect District funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

BOOKER INDEPENDENT SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED AUGUST 31, 2020

Interest Rate Risk: To limit the risk that changes in interest rates will adversely affect the fair value of investments, the District requires the certificates of deposit to have maturities of less than one year.

Foreign Currency Risk: The District does not invest in foreign entities.

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

As of August 31, 2020, the following are the District's cash and cash equivalents with respective maturities and credit rating: (dollar amounts are in thousands).

<u>Type of Deposit</u>	<u>Fair Value</u>	<u>Percent</u>	<u>Maturity in Less than 1 year</u>	<u>Maturity in 1-10 Years</u>	<u>Maturity in Less than 1 year</u>	<u>Credit Rating</u>
Cash	\$ 3,654	99.02%	\$ -	\$ -	\$ -	N/A
Money markets and FDIC Insured Accounts	-	0%	-	-	-	N/A
Investment Pools:						
Certificates of Deposit	36	0.98%	-	-	-	AAAm
Total Investment Pools:	<u>36</u>					
Total Cash and Cash Equivalents	<u>\$ 3,690</u>	<u>100%</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

**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 and (2) when they are expected to be collected during a 60-day period after the close of the school fiscal year.

**C. DELINQUENT TAXES RECEIVABLE**

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

BOOKER INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2020

**D. INTERFUND BALANCES AND TRANSFERS**

Interfund balances at August 31, 2020, consisted of the following amounts:

**Due to General Fund from:**

Nonmajor Governmental Funds \$ 14,282

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

**Transfers to Nonmajor Governmental Funds From:**

General Fund \$ 13,714

These transfers were to supplement the National Breakfast and Lunch Fund.

**E. DISAGGREGATION OF RECEIVABLES AND PAYABLES**

Receivables at August 31, 2020 were as follows:

	Property Taxes	Due From Other Governments	Accrued Interest	Due From Other Funds	Inventories	Other Current Assets	Other Receivables	Total Receivables
<b>Governmental Activities:</b>								
General Fund	\$ 60,729	\$ 13,090	\$ 809	\$ 14,282	\$ -	\$ -	\$ 15	\$ 88,925
Nonmajor Government Funds	-	31,123	-	-	7,542	100	-	38,765
Total-Governmental Activities	<u>\$ 60,729</u>	<u>\$ 44,213</u>	<u>\$ 809</u>	<u>\$ 14,282</u>	<u>\$ 7,542</u>	<u>\$ 100</u>	<u>\$ 15</u>	<u>\$ 127,690</u>
Amounts not scheduled for collection during the subsequent year	<u>\$ 13,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,500</u>

Payables at August 31, 2020, were as follows:

	Accounts Payable	Salaries and Benefits	Due to Other Funds	Due to Other Governments	Accrued Expend- itures	Unearned Revenue	Total Payables
<b>Governmental Activities:</b>							
General Fund	\$ 90,324	\$ 201,513	\$ -	\$ 210,289	\$ 27,722	\$ -	\$ 529,848
Nonmajor Government Funds	8	6,319	14,282	2,390	1,019	\$ -	24,018
Total-Governmental Activities	<u>\$ 90,332</u>	<u>\$ 207,832</u>	<u>\$14,282</u>	<u>\$ 212,679</u>	<u>\$ 28,741</u>	<u>\$ -</u>	<u>\$ 553,866</u>
Amounts not scheduled for payment during the subsequent year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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**F. CAPITAL ASSET ACTIVITY**

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

	Primary Government			
	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending</u> <u>Balance</u>
<b>Governmental Activities:</b>				
Land	\$ 42,053	\$ -	\$ -	\$ 42,053
Building and Improvements	7,673,889	-	-	7,673,889
Furniture and Equipment	807,384	21,000	-	828,384
Motor Vehicles	633,170	50,000	-	683,170
Totals at Historic Cost	\$ 9,156,496	\$ 71,000	\$ -	\$ 9,227,496
Less Accumulated Depreciation for:				
Building and Improvements	\$ (5,281,380)	\$ (159,164)	\$ -	\$ (5,440,544)
Furniture and Equipment	(642,122)	(29,867)	-	(671,989)
Motor Vehicles	(491,686)	(55,755)	-	(547,441)
Total Accumulated Depreciation	\$ (6,415,188)	\$ (244,786)	\$ -	\$ (6,659,974)
Governmental Activities Capital Assets, Net	\$ 2,741,308	\$ (173,786)	\$ -	\$ 2,567,522

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 123,992
Curriculum & Staff Development	2,475
School Leadership	928
Student (Pupil) Transportation	6,672
Food Services	901
Extracurricular Activities	80,090
General Administration	4,657
Plant Maintenance and Operations	16,376
Community Services	8,695
Total Depreciation Expense	\$ 244,786

**G. CHANGES IN LONG-TERM LIABILITIES**

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

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> <u>Balance</u>	<u>Due-Within</u> <u>One-Year</u>
<b>Governmental Activities:</b>					
Net Pension Liability	\$ 1,170,454	\$ 10,125	\$ 74,476	\$ 1,106,103	\$ -
Net OPEB Liability	1,632,645	(86,211)	22,865	1,523,569	-
Total Governmental Activities Long-term Liabilities	\$ 2,803,099	\$ (76,086)	\$ 97,341	\$ 2,629,672	\$ -

BOOKER INDEPENDENT SCHOOL DISTRICT  
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**H. ACCUMULATED UNPAID VACATION AND SICK LEAVE BENEFITS**

Upon retirement or death of certain employees, the District pays any accrued sick leave and vacation leave in a lump sum cash payment to such employee or his/her estate. Individuals employed after October 1, 1985 are not eligible to receive the lump sum payments.

**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	<u>(157,978,199,075)</u>
Net Pension Liability	<u><u>\$51,983,126,213</u></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.

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**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	\$ 70,352
Current fiscal year Member contributions	\$ 238,910
2019 measurement year NECE contributions	\$ 162,915

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.



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**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 on the following page:

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Asset Class	Target Allocation	Real Return Geometric Basis	Long-Term Expected Portfolio Real Rate of Return*
<b>Global Equity</b>			
U.S.	18%	5.70%	1.04%
Non-U.S. Developed	13%	6.90%	0.90%
Emerging Markets	9%	8.95%	0.80%
Directional Hedge Funds	4%	3.53%	0.14%
Private Equity	13%	10.18%	1.32%
<b>Stable Value</b>			
U.S. Treasuries	11%	1.11%	0.12%
Absolute Return	0%	0.00%	0.00%
Hedge Funds (Stable Value)	4%	3.09%	0.12%
Cash	1%	(0.30)%	0.00%
<b>Real Return</b>			
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%
<b>Risk Parity</b>			
Risk Parity	5%	3.70%	0.18%
Inflation Expectations			2.30%
Alpha			(0.79)%
<b>Total</b>	<u>100%</u>		<u>7.25%</u>

\* *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.

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	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	\$ 1,538,792	\$ 1,001,071	\$ 565,414

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.*** At June 30, 2020, the District reported a liability of \$1,001,071 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	\$ 1,001,071
State's proportionate share that is associated with the District	2,419,685
Total	\$ 3,420,756

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 0.0019257623% which was an increase of 0.0000724620% 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 June 30, 2020, the District recognized pension expense of \$590,338 and revenue of \$380,098 for support provided by the State in the Government-Wide Statement of Activities.

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At June 30, 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	\$ 4,205	\$ 34,759
Changes in actuarial assumptions	310,582	128,347
Differences between projected and actual investment earnings	10,052	
Changes in proportion and differences between the District’s contributions and the proportionate share of contributions	126,128	39,265
Total as of August 31, 2019 measurement date	\$ 450,967	\$ 202,371
Contributions paid to TRS subsequent to the measurement date	59,635	
Total as of June 30, 2020 fiscal year end	\$ 510,602	\$ 202,371

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 June 30,	Amount
2021	\$ 73,548
2022	\$ 60,451
2023	\$ 56,922
2024	\$ 50,064
2025	\$ 15,267
Thereafter	\$ (7,656)

**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.

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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	<u>(1,292,022,349)</u>
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 86<sup>th</sup> Legislature included funding to maintain TRS Care premiums at their current level through 2021. The 86<sup>th</sup> 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.

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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	\$ 25,024
Current fiscal year member contributions	\$ 20,168
2019 measurement year NECE contributions	\$ 30,827

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 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	

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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.

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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	\$ 1,866,470	\$ 1,545,962	\$ 1,295,225

***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	\$ 1,261,140	\$ 1,545,962	\$ 1,927,488

***OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs.*** At June 30, 2020, the District reported a liability of \$1,545,962 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	\$ 1,545,962
State’s proportionate share that is associated with the District	2,054,235
Total	<u>\$ 3,600,197</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.



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At August 31, 2019 the District's proportion of the collective net OPEB liability was 0.0032690210% which was a decrease of 0.0000441501% 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 June 30, 2020, the District recognized OPEB expense of \$107,646 and revenue of \$54,141 for support provided by the State.

At June 30, 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	\$ 75,842	\$ 252,980
Changes in actuarial assumptions	85,866	415,825
Differences between projected and actual investment earnings	167	
Changes in proportion and difference between the District's contributions and the proportionate share of contributions	111,861	
Total as of August 31, 2019 measurement date	\$ 273,736	\$ 668,805
Contributions paid to TRS subsequent to the measurement date	21,051	
Total as of June 30, 2020 fiscal year end	\$ 294,787	\$ 668,805

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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:

Year ended June 30,	Amount
2021	\$ (69,835)
2022	\$ (69,835)
2023	\$ (69,889)
2024	\$ (69,921)
2025	\$ (69,912)
Thereafter	\$ (45,677)

**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](http://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 June 30, 2020, 2019 and 2018 are in the table on the following page:

BOOKER INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2020

Contribution Rates and Contribution Amounts						
Year	Member		State		School District	
	Rate	Amount	Rate	Amount	Rate	Amount
2020	0.65%	\$ 20,168	1.25%	\$ 38,784	0.75%	\$ 23,271
2019	0.65%	\$ 18,532	1.25%	\$ 35,638	0.75%	\$ 21,383
2018	0.65%	\$ 18,014	1.25%	\$ 34,642	0.75%	\$ 20,785

*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 June 30, 2020, 2019 and 2018 were \$13,409, \$10,772 and \$8,737, respectively.

The 86<sup>th</sup> Legislative Session of the Texas Legislature appropriated supplemental contributions to the TRS-Care program. Amounts appropriated for fiscal year 2020 totaled \$192.3 million with the District's share of the on behalf contribution recognized during the year as both revenues and expenditures totaling \$6,286.

**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. WORKERS' COMPENSATION INSURANCE**

The District participated in the Texas Educational Insurance Association Workers' Compensation Self Insurance Joint Fund (the "Program") administered by Claims Administrative Services. The Program is a cooperative of participating school districts throughout the State of Texas whereby the risks of workers' compensation claims are shared by each district. The Program administers the workers' compensation of the District and accounts for risk financing activities but does not constitute transfer of risk for the District.

Claims Administrative Services, Inc. provides claims administration. The fixed cost charge is based on total payroll paid by the District. Increases or decreases in the fixed costs will adjust subsequent year changes. The accrued liability for the year ended August 31, 2020, for the District was \$ 24,357 for all claims incurred. Claims exceeding this amount would be paid by the cooperative up to a maximum of \$500,000. Claims above \$500,000 are protected against aggregate loss up to the state statutory maximum amount by coverage the cooperative has purchased through a commercial insurer licensed or eligible to be business in Texas in accordance with the Texas Insurance Code.

The District accounts for the risk activities related to Workers' Compensation Insurance in the General Fund and records the related costs as operation expenditures. Claims payable reported in the General Fund include the undiscounted liability estimated for incurred but not reported worker's compensation claims.

BOOKER INDEPENDENT SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED AUGUST 31, 2020

Changes in claims liability amounts for the Workers' Compensation Self-Insurance Fund for the year ended August 31, 2020 were as follows:

Unpaid Claims 9/1/2019	Changes in Estimates	Claim Payments	Unpaid Claims 8/31/2020
\$ 26,950	\$ 1,384	\$ (3,977)	\$ 24,357

As result the unpaid claims of \$24,357 is included in Accrued Expenditures, on Exhibit C-1.

**M. CAFETERIA PLAN**

During the year ended August 31, 2020, the District offered a cafeteria plan meeting the requirements of Section 125 of the Internal Revenue Code to all full-time employees. Under the cafeteria plan participants designate a portion of their salary to be contributed to the cafeteria plan to pay for selected un-reimbursed expenses. Eligible un-reimbursed expenses include medical expenses; child and dependent care costs, term life insurance costs, health insurance costs, cancer insurance cost and dental expenses. By contributing to the cafeteria plan, employees can receive certain income tax benefits. Booker Independent School District is the administrator of the cafeteria plan.

**N. HEALTH CARE COVERAGE**

The District provided health care benefits to staff members and their dependents through the statewide TRS Active Care Benefits Program, a public entity risk pool. The District contributed \$225 per month per employee to the plan, and employees, at their option, authorized payroll withholdings to provide coverage for dependents. Health claim payments were processed by the administrators of the TRS Active Care Benefits Program. The Teacher Retirement System of Texas (TRS) manages TRS Active Care. The District's participation in the program is renewable annually. The District has no risks or liabilities associated with the TRS Active Care Benefits Program. Participants in the plan can choose from several different benefit options and must meet certain eligibility requirements.

**O. DEFERRED INFLOWS OF RESOURCES**

Deferred inflows of resources at year-end consisted of the following:

	General Fund	Total
Net Unrealized Property Taxes	\$ 47,229	\$ 47,229

BOOKER INDEPENDENT SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED AUGUST 31, 2020

**P. SCHOOL HEALTH AND RELATED SERVICES (SHARS)**

The District received \$40,816 of School Health and Related Services (SHARS). This code is to be used to account for funds received from the School Health and Related Services (SHARS) Program. Funds received represent reimbursements to the school district for school-based health services, which are provided to special education students enrolled in the Medicaid Program. These receipts are not considered “federal financial assistance” for inclusion in the Schedule of Federal Financial Assistance. In addition, the expenditures associated with SHARS reimbursements will be subtracted from special education expenditures for maintenance of effort purposes.

**Q. REVENUE FROM LOCAL AND INTERMEDIATE SOURCES**

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

	<u>General</u>	<u>Special</u>	
	<u>Fund</u>	<u>Revenue</u>	<u>Fund</u>
			<u>Total</u>
Property Taxes and Other			
Tax Related Income	\$ 2,367,413	\$ -	2,367,413
Investment Income	64,393	285	64,678
Foundations, Gifts and Bequests	16,041	25,000	41,041
Food Sales	-	18,287	18,287
Co-curricular Student Activities	10,597	-	10,597
Other	10,979	3,103	14,082
	<u>2,469,423</u>	<u>46,675</u>	<u>2,516,098</u>
<b>Total</b>	<u>\$ 2,469,423</u>	<u>\$ 46,675</u>	<u>\$ 2,516,098</u>

**Q. SHARED SERVICE ARRANGEMENTS**

The District is a member of the following Shared Services Arrangements (SSA):

The Perryton Independent School District is the fiscal agent for a Shared Services Arrangement for special education services to member districts. In addition to the fiscal agent, other member districts includes Booker Independent School District, Darrouzett Independent School District, Follett Independent School District, and Spearman Independent School District. All services are provided by the fiscal agent. The member districts provide the funds to the fiscal agent, which accounts for the fiscal agent activities of the SSA in Special Revenue Funds No. 313, Shared Services Arrangement – IDEA B Formula; No. 314, Shared Services Arrangements – IDEA B Preschool; and No. 199, Shared Services Arrangements – Special Education. These Shared Service Arrangements are accounted for in accordance with Model 3 in the SSA section of the Resource Guide.

<b>Fund 313 – Payments to the District:</b>	
IDEA – Part B Formula, Fund 224	\$ <u>40,471</u>
<b>Fund 314 – Payments to the District:</b>	
IDEA – Part B Formula, Fund 225	\$ <u>2,420</u>
<b>Fund 199 – Payments to the SSA by the District:</b>	
SSA – Special Education, Function 93	\$ <u>73,520</u>

BOOKER INDEPENDENT SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED AUGUST 31, 2020

**R. DUE FROM OTHER GOVERNMENTS**

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

<u>Fund</u>	<u>Local</u> <u>Governments</u>	<u>State</u> <u>Entitlements</u>	<u>Federal</u> <u>Grants</u>	<u>Total</u>
General Fund	\$ 13,090	\$ -	\$ -	\$ 13,090
Nonmajor Governmental Funds	<u>-</u>	<u>2,990</u>	<u>28,133</u>	<u>31,123</u>
Total Due from Other Governments	<u>\$ 13,090</u>	<u>\$ 2,990</u>	<u>\$ 28,133</u>	<u>\$ 44,213</u>

**S. NEW ACCOUNTING PRONOUNCEMENTS**

The GASB issued Statement No. 84, Fiduciary Activities. This standard becomes effective for the District in fiscal year 2021.

The GASB issued Statement No. 87, Leases. This standard becomes effective for the District in fiscal year 2021.

The District will evaluate the impact of the standards on its financial statements and will take the necessary steps to implement them.

**T. DATE OF MANAGEMENT EVALUATION**

Management has evaluated subsequent events through February 8, 2021, the date which the financial statements were available to be issued.

BOOKER ISD  
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		
<b>REVENUES:</b>				
5700 Total Local and Intermediate Sources	\$ 2,403,005	\$ 2,469,505	\$ 2,469,423	\$ (82)
5800 State Program Revenues	2,530,178	2,689,078	2,613,787	(75,291)
5900 Federal Program Revenues	20,000	42,000	40,816	(1,184)
5020 Total Revenues	4,953,183	5,200,583	5,124,026	(76,557)
<b>EXPENDITURES:</b>				
Current:				
0011 Instruction	2,652,325	2,822,480	2,759,045	63,435
0012 Instructional Resources and Media Services	32,856	33,134	30,278	2,856
0013 Curriculum and Instructional Staff Development	70,766	60,866	55,579	5,287
0021 Instructional Leadership	10,025	16,429	15,458	971
0023 School Leadership	269,988	286,614	272,957	13,657
0031 Guidance, Counseling, and Evaluation Services	75,355	82,249	81,029	1,220
0033 Health Services	1,151	3,451	3,115	336
0034 Student (Pupil) Transportation	47,882	84,340	43,131	41,209
0036 Extracurricular Activities	378,538	385,474	326,649	58,825
0041 General Administration	391,151	471,672	465,320	6,352
0051 Facilities Maintenance and Operations	625,389	876,867	863,595	13,272
0052 Security and Monitoring Services	11,350	550	500	50
0061 Community Services	8,750	3,250	2,120	1,130
Intergovernmental:				
0093 Payments to Fiscal Agent/Member Districts of SSA	73,520	73,520	73,520	-
0099 Other Intergovernmental Charges	38,000	34,000	33,772	228
6030 Total Expenditures	4,687,046	5,234,896	5,026,068	208,828
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	266,137	(34,313)	97,958	132,271
<b>OTHER FINANCING SOURCES (USES):</b>				
8911 Transfers Out (Use)	(56,137)	(21,137)	(13,714)	7,423
<b>SPECIAL ITEMS:</b>				
8912 Special Item - (Use)	(210,000)	(42,358)	(25,428)	16,930
1200 Net Change in Fund Balances	-	(97,808)	58,816	156,624
0100 Fund Balance - September 1 (Beginning)	3,119,937	3,119,937	3,119,937	-
3000 Fund Balance - August 31 (Ending)	\$ 3,119,937	\$ 3,022,129	\$ 3,178,753	\$ 156,624

BOOKER 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)	0.0021278124%	0.0021264583%	0.0023603653%	0.0022548722%	0.0026006000%	0.0014391000%
District's Proportionate Share of Net Pension Liability (Asset)	\$ 1,106,103	\$ 1,170,454	\$ 754,718	\$ 852,083	\$ 919,277	\$ 384,403
States Proportionate Share of the Net Pension Liability (Asset) associated with the District	2,177,844	2,452,460	1,485,961	1,902,522	2,054,072	1,662,434
Total	<u>\$ 3,283,947</u>	<u>\$ 3,622,914</u>	<u>\$ 2,240,679</u>	<u>\$ 2,754,605</u>	<u>\$ 2,973,349</u>	<u>\$ 2,046,837</u>
District's Covered Payroll	\$ 2,777,293	\$ 2,761,779	\$ 2,760,303	\$ 2,818,746	\$ 3,045,117	\$ 2,828,139
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered Payroll	39.83%	42.38%	27.34%	30.23%	30.19%	13.59%
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."



BOOKER 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	\$ 81,114	\$ 74,476	\$ 71,782	\$ 78,005	\$ 71,644	\$ 77,004
Contribution in Relation to the Contractually Required Contribution	<u>(81,114)</u>	<u>(74,476)</u>	<u>(71,782)</u>	<u>(78,005)</u>	<u>(71,644)</u>	<u>(77,004)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 3,053,614	\$ 2,777,293	\$ 2,761,779	\$ 2,760,303	\$ 2,818,746	\$ 3,045,117
Contributions as a percentage of Covered Payroll	2.66%	2.68%	2.60%	2.83%	2.54%	2.53%

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."

BOOKER 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)	0.0032216786%	0.0032698078%	0.0037462893%
District's Proportionate Share of the Net OPEB Liability (Asset)	\$ 1,523,569	\$ 1,632,645	\$ 1,629,121
State's Proportionate Share of the Net OPEB Liability (Asset) associated with the District	<u>2,024,485</u>	<u>2,369,969</u>	<u>2,161,431</u>
Total	<u>\$ 3,548,054</u>	<u>\$ 4,002,614</u>	<u>\$ 3,790,552</u>
District's Covered Payroll	\$ 2,777,293	\$ 2,761,779	\$ 2,760,303
District's Proportionate Share of the Net OPEB Liability (Asset) as a percentage of its Covered Payroll	54.86%	59.12%	59.02%
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."

BOOKER 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	\$ 26,811	\$ 22,865	\$ 22,579
Contribution in Relation to the Contractually Required Contribution	<u>(26,811)</u>	<u>(22,865)</u>	<u>(22,579)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 3,053,614	\$ 2,777,293	\$ 2,761,779
Contributions as a percentage of Covered Payroll	0.88%	0.82%	0.82%

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."

BOOKER INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
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 21 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 33 for changes in assumptions that affected measurement of the total pension liability during the measurement period.

Other Post-Employment Benefit Plan

*Changes of assumptions.*

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

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## COMBINING STATEMENTS

BOOKER ISD  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 AUGUST 31, 2020

Data Control Codes	211 ESEA 1, A Improving Basic Program	212 ESEA Title I Part C Migrant	224 IDEA - Part B Formula	225 IDEA - Part B Preschool
<b>ASSETS</b>				
1110 Cash and Cash Equivalents	\$ -	\$ -	\$ 2,390	\$ -
1240 Due from Other Governments	-	11,292	-	-
1300 Inventories	-	-	-	-
1490 Other Current Assets	-	-	-	-
1000 Total Assets	<u>\$ -</u>	<u>\$ 11,292</u>	<u>\$ 2,390</u>	<u>\$ -</u>
<b>LIABILITIES</b>				
2110 Accounts Payable	\$ -	\$ -	\$ -	\$ -
2160 Accrued Wages Payable	-	-	-	-
2170 Due to Other Funds	-	11,292	-	-
2180 Due to Other Governments	-	-	2,390	-
2200 Accrued Expenditures	-	-	-	-
2000 Total Liabilities	<u>-</u>	<u>11,292</u>	<u>2,390</u>	<u>-</u>
<b>FUND BALANCES</b>				
Nonspendable Fund Balance:				
3410 Inventories	-	-	-	-
Restricted Fund Balance:				
3450 Federal or State Funds Grant Restriction	-	-	-	-
Assigned Fund Balance:				
3590 Other Assigned Fund Balance	-	-	-	-
3000 Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000 Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ 11,292</u>	<u>\$ 2,390</u>	<u>\$ -</u>

240 National Breakfast and Lunch Program	242 Summer Feeding Program	244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	270 ESEA VI, Pt B Rural & Low Income	289 Other Federal Special Revenue Funds	410 State Instructional Materials	429 Other State Special Revenue Funds
\$ 195	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
16,841	-	-	-	-	-	-	2,990
7,542	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 24,578</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,990</u>
\$ 8	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6,319	-	-	-	-	-	-	-
-	-	-	-	-	-	-	2,990
-	-	-	-	-	-	-	-
1,019	-	-	-	-	-	-	-
<u>7,346</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,990</u>
7,542	-	-	-	-	-	-	-
9,690	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>17,232</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 24,578</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,990</u>



BOOKER ISD  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 AUGUST 31, 2020

Data Control Codes	499 Other Local Special Revenue Funds	Total Nonmajor Governmental Funds
<b>ASSETS</b>		
1110 Cash and Cash Equivalents	\$ 6,169	\$ 8,754
1240 Due from Other Governments	-	31,123
1300 Inventories	-	7,542
1490 Other Current Assets	100	100
1000 Total Assets	<u>\$ 6,269</u>	<u>\$ 47,519</u>
<b>LIABILITIES</b>		
2110 Accounts Payable	\$ -	\$ 8
2160 Accrued Wages Payable	-	6,319
2170 Due to Other Funds	-	14,282
2180 Due to Other Governments	-	2,390
2200 Accrued Expenditures	-	1,019
2000 Total Liabilities	<u>-</u>	<u>24,018</u>
<b>FUND BALANCES</b>		
Nonspendable Fund Balance:		
3410 Inventories	-	7,542
Restricted Fund Balance:		
3450 Federal or State Funds Grant Restriction	-	9,690
Assigned Fund Balance:		
3590 Other Assigned Fund Balance	6,269	6,269
3000 Total Fund Balances	<u>6,269</u>	<u>23,501</u>
4000 Total Liabilities and Fund Balances	<u>\$ 6,269</u>	<u>\$ 47,519</u>

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BOOKER ISD  
 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	212 ESEA Title I Part C Migrant	224 IDEA - Part B Formula	225 IDEA - Part B Preschool
<b>REVENUES:</b>				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800 State Program Revenues	-	-	-	-
5900 Federal Program Revenues	40,559	30,483	40,471	2,420
5020 Total Revenues	40,559	30,483	40,471	2,420
<b>EXPENDITURES:</b>				
Current:				
0011 Instruction	38,573	3,433	40,471	2,420
0013 Curriculum and Instructional Staff Development	1,429	-	-	-
0021 Instructional Leadership	557	27,050	-	-
0035 Food Services	-	-	-	-
0052 Security and Monitoring Services	-	-	-	-
0061 Community Services	-	-	-	-
6030 Total Expenditures	40,559	30,483	40,471	2,420
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
<b>OTHER FINANCING SOURCES (USES):</b>				
7915 Transfers In	-	-	-	-
1200 Net Change in Fund Balance	-	-	-	-
0100 Fund Balance - September 1 (Beginning)	-	-	-	-
3000 Fund Balance - August 31 (Ending)	\$ -	\$ -	\$ -	\$ -

240 National Breakfast and Lunch Program	242 Summer Feeding Program	244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	270 ESEA VI, Pt B Rural & Low Income	289 Other Federal Special Revenue Funds	410 State Instructional Materials	429 Other State Special Revenue Funds
\$ 18,287	\$ 136	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
78,840	11,743	4,527	-	-	-	62,638	10,992
115,037	-	-	9,200	32,849	12,671	-	-
212,164	11,879	4,527	9,200	32,849	12,671	62,638	10,992
-	-	4,527	9,200	32,849	7,454	67,317	7,500
-	-	-	-	-	-	-	502
-	-	-	-	-	5,217	-	-
216,872	11,879	-	-	-	-	-	-
-	-	-	-	-	-	-	2,990
-	-	-	-	-	-	-	-
216,872	11,879	4,527	9,200	32,849	12,671	67,317	10,992
(4,708)	-	-	-	-	-	(4,679)	-
13,714	-	-	-	-	-	-	-
9,006	-	-	-	-	-	(4,679)	-
8,226	-	-	-	-	-	4,679	-
\$ 17,232	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

BOOKER ISD  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED AUGUST 31, 2020

Data Control Codes	499 Other Local Special Revenue Funds	Total Nonmajor Governmental Funds
REVENUES:		
5700 Total Local and Intermediate Sources	\$ 28,252	\$ 46,675
5800 State Program Revenues	-	168,740
5900 Federal Program Revenues	-	283,690
5020 Total Revenues	<u>28,252</u>	<u>499,105</u>
EXPENDITURES:		
Current:		
0011 Instruction	-	213,744
0013 Curriculum and Instructional Staff Development	-	1,931
0021 Instructional Leadership	-	32,824
0035 Food Services	-	228,751
0052 Security and Monitoring Services	-	2,990
0061 Community Services	28,861	28,861
6030 Total Expenditures	<u>28,861</u>	<u>509,101</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	(609)	(9,996)
OTHER FINANCING SOURCES (USES):		
7915 Transfers In	-	13,714
1200 Net Change in Fund Balance	(609)	3,718
0100 Fund Balance - September 1 (Beginning)	<u>6,878</u>	<u>19,783</u>
3000 Fund Balance - August 31 (Ending)	<u>\$ 6,269</u>	<u>\$ 23,501</u>

## REQUIRED TEA SCHEDULES

BOOKER ISD  
 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	\$ 784,897,578
2012	1.120000	0.000000	204,822,696
2013	1.120000	0.060000	299,188,657
2014	1.120000	0.060000	353,691,328
2015	1.130000	0.050000	372,888,390
2016	1.170000	0.036000	348,513,516
2017	1.170000	0.000000	198,109,903
2018	1.170000	0.000000	211,742,964
2019	1.170000	0.000000	204,428,511
2020 (School year under audit)	1.068400	0.000000	221,895,461
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
\$ 7,944	\$ -	\$ 150	\$ -	\$ (2)	\$ 7,792
1,465	-	11	-	1	1,455
1,466	-	6	-	-	1,460
2,266	-	-	-	1	2,267
2,951	-	71	-	(1)	2,879
4,135	-	765	-	-	3,370
4,598	-	934	-	1	3,665
6,145	-	934	-	(1)	5,210
18,667	-	9,194	-	-	9,473
-	2,368,374	2,345,210	-	(6)	23,158
<u>\$ 49,637</u>	<u>\$ 2,368,374</u>	<u>\$ 2,357,275</u>	<u>\$ -</u>	<u>\$ (7)</u>	<u>\$ 60,729</u>



BOOKER ISD  
 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	\$ 25,000	\$ 20,000	\$ 18,287	\$ (1,713)
5800 State Program Revenues	1,200	78,770	78,840	70
5900 Federal Program Revenues	132,000	130,860	115,037	(15,823)
5020 Total Revenues	158,200	229,630	212,164	(17,466)
EXPENDITURES:				
Current:				
0035 Food Services	214,337	235,937	216,872	19,065
6030 Total Expenditures	214,337	235,937	216,872	19,065
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	(56,137)	(6,307)	(4,708)	1,599
OTHER FINANCING SOURCES (USES):				
7915 Transfers In	56,137	21,137	13,714	(7,423)
1200 Net Change in Fund Balances	-	14,830	9,006	(5,824)
0100 Fund Balance - September 1 (Beginning)	8,226	8,226	8,226	-
3000 Fund Balance - August 31 (Ending)	\$ 8,226	\$ 23,056	\$ 17,232	\$ (5,824)

REPORTS ON INTERNAL CONTROLS AND COMPLIANCE

P.O. BOX 7832  
AMARILLO, TEXAS 79114  
(806) 358-8071  
(806) 358-8185 FAX

MARK KILE, CPA

**KILE & CO., P.C.**  
CERTIFIED PUBLIC ACCOUNTANTS

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

Board of Trustees  
Booker Independent School District  
P.O. Box 288  
Booker, Texas 79005

To the Board of Trustees:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Booker Independent School District as of and for the year ended August 31, 2020, and the related notes to the financial statements, which collectively comprise the Booker Independent School District's basic financial statements, and have issued our report thereon dated February 8, 2021.

**Internal Control over Financial Reporting**

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

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

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

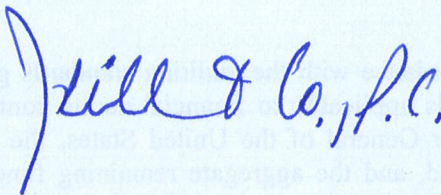
**Compliance and Other Matters**

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

**Purpose of this Report**

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

Amarillo, Texas  
February 8, 2021



**KILE & CO., P.C.**  
CERTIFIED PUBLIC ACCOUNTANTS

**Communication with Those Charged with Governance at the Conclusion of the Audit**

Board of Trustees  
Booker Independent School District  
P.O. Box 288  
Booker, Texas 79005

To the Board of Trustees:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Booker Independent School District for the year ended August 31, 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards* as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated February 10, 2020. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

*Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Booker Independent School District are described in Note (I) to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2020. We noted no transactions entered into by Booker Independent School District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

Management's estimate of the depreciation expense is based on acceptable methods and lives. We evaluated the key factors and assumptions used to develop the depreciation expense in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

*Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

*Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatement. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

*Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

*Management Representations*

We have requested certain representations from management that are included in the management representation letter dated February 8, 2021

*Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to Booker Independent School District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Booker Independent School District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the RSI statements, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This information is intended solely for the information and use of board of trustee and management of Booker Independent School District and is not intended to be, and should not be, used by anyone other than these specified parties.

Amarillo, Texas  
February 8, 2021

SCHOOLS FIRST QUESTIONNAIRE

BOOKER ISD

Fiscal Year 2020

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SF1	Was there an unmodified opinion in the Annual Financial Report on the financial statements as a whole?	Yes
SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement?	No
SF3	Did the school district make timely payments to the Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies? (If there was a warrant hold not cleared in 30 days, then not timely.)	Yes
SF4	Was the school district issued a warrant hold? (Yes even if cleared within 30 days.)	No
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state or federal funds?	No
SF6	Was there any disclosure in the Annual Financial Report of material noncompliance for grants, contracts, and laws related to local, state, or federal funds?	No
SF7	Did the school district post the required financial information on its website in accordance with Government Code, Local Government Code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules in effect at the fiscal year end?	Yes
SF8	Did the school board members discuss the school district's property values at a board meeting within 120 days before the school district adopted its budget?	Yes
SF9	Total accumulated accretion on CABs included in government-wide financial statements at fiscal year end.	