



Financial Statements

August 31, 2021

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CERTIFICATE OF BOARD

Abilene Independent School District
Name of School District

Taylor
County

221-901
Co.-Dist. Number

We, the undersigned, certify that the attached annual financial reports of the above-named school district were reviewed and approved _____disapproved _____ for the year ended August 31, 2021, at a meeting of the Board of Trustees of such school district on the 10th day of January, 2022.

Signature of Board Secretary

Signature of Board President



Independent Auditor's Report

The Board of Trustees
Abilene Independent School District
Abilene, Texas

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the 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 District as of August 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Notes 4 and 23 to the financial statements, the District has adopted the provisions of GASB Statement No. 84, *Fiduciary Activities*, which has resulted in a restatement of the net position of custodial funds as of September 1, 2020. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension plan schedules and OPEB plan schedules on pages 5 through 13 and 67 through 73 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

In our opinion, the combining nonmajor fund financial statements, the TEA required schedules and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated January 4, 2022 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Abilene, Texas
January 4, 2022

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

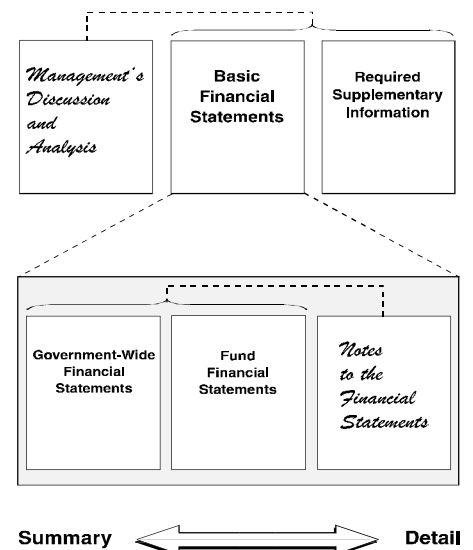
FINANCIAL HIGHLIGHTS

- At August 31, 2021, the District's combined assets and deferred outflows fell below its liabilities and deferred inflows by \$42.6 million, net position. The unrestricted portion of (\$70.0 million) is due to the retroactive recognition of GASB 75 which requires the recognition of Other Post Employment Benefits (OPEB) on the Government-wide financial statements.
- The District's total net position increased by \$9.3 million. The primary reason for the increase is due to the decrease in the net OPEB liability.
- The General Fund reported a total ending fund balance of \$56.2 million this year, up \$11.4 million from last year. Of the total, \$41.7 million is unassigned and \$6.4 million is committed for the 2018 Bond LIFT Project, Shotwell improvements, and other construction needs.
- In November 2018 voters approved an \$137.679 million bond package for the construction and renovation of District facilities. All of the bonds were issued in February 2019. As of August 31, 2021, over \$139.1 million has been spent since the bonds were issued. A total of \$56.0 million was spent in fiscal year 2021.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts – *management's discussion and analysis* (this section), the *basic financial statements*, *required supplementary information* and an optional section that presents *combining statements* for non-major governmental funds and TEA required schedules. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the District's overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the government, reporting the District's operations in *more detail* than the government-wide statements.
 - The governmental funds statements tell how general government services were financed in the *short term* as well as what remains for future spending.
 - *Proprietary fund* statements include the internal service fund, which accounts for the District's workers compensation self-insurance plan. The activity of the internal service fund is included within the governmental activities in the government-wide financial statements.
 - *Fiduciary fund* statements provide information about the financial relationships in which the District acts solely as a *trustee or agent* for the benefit of others, to whom the resources in question belong.



The financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements. The following summarizes the major features of the District's financial statements, including the portion of the District government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Major Features of the District's Government-Wide and Fund Financial Statements

Type of Statements	Fund Statements			
	Government-Wide	Governmental Funds	Proprietary Funds	Fiduciary Funds
<i>Scope</i>	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary	Activities the District operates similar to businesses: self-insurance	Instances in which the District is the trustee or agent for someone else's accounts
<i>Required financial statements</i>	Statement of net position	Balance sheet	Statement of net position	Statement of fiduciary net position
	Statement of activities	Statement of revenues, expenditures & changes in fund balances	Statement of revenues, expenses and changes in fund net position	Statement of change in fiduciary net position
			Statement of cash flows	
<i>Accounting basis and measurement focus</i>	Accrual accounting and economic measurement focus	Modified accrual accounting and current measurement focus	Accrual accounting and economic measurement focus	Accrual accounting and economic measurement focus
<i>Type of asset/liability information</i>	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or 60 days thereafter, no capital assets included	All assets and liabilities, both financial and capital, short-term and long-term	All assets and liabilities, both short-term and long-term
<i>Type of in flow/out flow information</i>	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during year or 60 days after the end of year; expenditures when goods or services have been received and payment is due during the year or 60 days thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

Government-Wide Statements

The government-wide financial statements, including the *Statement of Net Position* and the *Statement of Activities*, report on the District as a whole and are designed to provide readers with a broad overview of the District's finances. These statements are presented on the accrual basis of accounting similar to the accounting basis used by most private-sector entities.

The *Statement of Net Position* presents information on all of the District's assets, liabilities, and deferred inflows/outflows of resources with the difference reported as net position. The *Statement of Activities* presents the increases and decreases in net position for the current fiscal year regardless of when cash is received or paid. Increases and decreases in net position over time may serve as one indicator of whether the financial position of the District is improving or deteriorating but should be considered with additional factors as well.

Government-wide financial statements of the District include: Government-wide financial statements distinguish net position and the changes in net position between *governmental activities*, which are supported principally by taxes and intergovernmental revenues, and *business-type activities*, which are intended to recover all or a significant portion of their costs through user fees and charges.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant *funds*—not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law and by bond covenants.
- The Board of Trustees established other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The District has three kinds of funds:

- *Governmental funds* – Most of the District's basic services are included in governmental funds which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out, and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental fund statement, or on the subsequent page, that explain the relationship (or differences) between them.
- *Proprietary funds* – The District uses a proprietary fund to track the revenues and expenses related to their workers compensation self-insurance program. The various functions within the District are charged for their part of the insurance, which is then transferred to the proprietary fund. The proprietary fund is used to pay all expenses of the self-insurance program from the charges to the District functions. The activity in the self-insurance fund is reported in the statement of net position and statement of revenues, expenses and changes in net position of the proprietary fund.

- *Fiduciary funds* – The District is the trustee, or *fiduciary*, for certain funds. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are in custodial funds and are reported in a separate statement of fiduciary net position and statement of changes in fiduciary net position. We exclude these activities from the District's government-wide financial statements because the District cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net position. The following table presents comparative information of the government-wide financial statements (Exhibit A-1).

The District's Net Position (in thousands of dollars)			
	Governmental Activities		
	2021	2020	% Change
Current and Other Assets	\$ 84,886	\$ 106,750	-20.5%
Capital Assets	253,404	212,589	19.2%
Restricted Assets	6,022	26,054	-76.9%
Total assets	344,312	345,393	-0.3%
Deferred Outflows of Resources	28,531	35,828	-20.4%
Current Liabilities	21,459	23,856	-10.0%
Long-Term Liabilities	346,959	373,059	-7.0%
Total liabilities	368,418	396,915	-7.2%
Deferred Inflows of Resources	46,981	36,130	30.0%
Net Investment in Capital Assets	20,842	22,010	-5.3%
Restricted	6,556	4,988	31.4%
Unrestricted	(69,954)	(78,822)	-11.3%
Total net position	\$ (42,556)	\$ (51,824)	-17.9%

The District's net investment in capital assets of \$20.8 million reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, and infrastructure), less any related outstanding debt that was used to acquire those assets and any unspent bond proceeds. The District uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the District's net position of \$6.556 million represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$(69.954 million) is unrestricted. At the end of the current fiscal year due to the recognition of the net OPEB liability and related deferred outflows and inflows of resources in accordance with GASB 75, the Abilene Independent School District was not able to report positive balances in all reported categories of net position, both for the government as a whole, as well as for its separate governmental activities.

In prior years when recognition of GASB 75 was not required, Abilene ISD reported a positive net position and would this year without the recognition of the net OPEB liability and related deferred outflows and inflows.

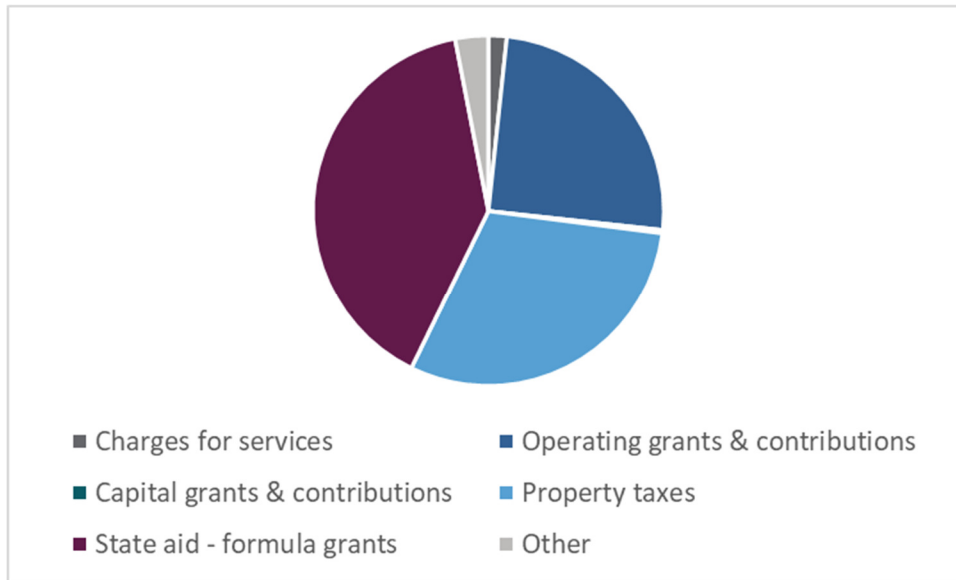
Changes in Net Position

Total combined net position of the District increased by \$9.3 million during the year ended August 31, 2021. Funding for government-wide activities is through specific program revenues or general revenues such as property taxes and unrestricted grants and contributions. Unrestricted net position reflects a deficit created by the implementation of GASB 75 in a prior fiscal year. Although the District reports a deficit, the deficit is primarily due to reporting the District's proportionate share of the net OPEB liability and related deferred outflows and inflows of resources. The total district liability is reported in the governmental activities; however, the actual liability does not require the use of current resources at the fund level, which results in a timing difference since the TRS-Care plan is funded on a pay-as-you-go basis. The District has made all contractually required contributions as noted in the required supplementary information and has sufficient fund balance to meet the District's ongoing obligations to students and creditors.

Changes in the District's Net Position (in thousands of dollars)

	Governmental Activities		
	2021	2020	% Change
Revenues			
Program revenues			
Charges for services	\$ 3,556	\$ 3,846	-7.5%
Operating grants & contributions	52,771	40,268	31.0%
Capital grants & contributions	648	276	100.0%
General revenues			
Property taxes	63,657	62,695	1.5%
State aid - formula grants	83,681	84,929	-1.5%
Other	3,552	3,858	-7.9%
Total revenues	<u>207,865</u>	<u>195,872</u>	6.1%
Expenses			
Instruction and instructional related activities	117,642	115,659	1.7%
Instructional and school leadership	14,704	14,794	-0.6%
Support services - student (pupil)	32,516	33,732	-3.6%
Administrative support services	5,476	5,128	6.8%
Support services - nonstudent based	19,159	21,392	-10.4%
Ancillary services	1,129	1,226	-7.9%
Debt services	7,419	16,048	-53.8%
JJAEP/intergovernmental charges	551	542	1.7%
Total expenses	<u>198,596</u>	<u>208,521</u>	-4.8%
Increase (Decrease) in Net Position	9,269	(12,649)	
Beginning Net Position	(51,824)	(39,175)	
Ending Net Position	<u>\$ (42,555)</u>	<u>\$ (51,824)</u>	

Sources of Revenue for Fiscal Year 2021



FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

In the governmental fund financial statements (Exhibit C-2), total governmental fund revenues totaled \$204.2 million, up a little more than \$14.5 million (7.7%) from 2020.

- Local revenues were down \$0.2 million (0.3%) due to a decrease in campus activity fund revenue.
- State program revenues decreased \$2.2 million (2.2%) compared to prior year mostly due to a decrease in instructional materials allotment revenue.
- Federal revenues increased \$16.8 million compared to prior year due to new ESSER funding.
- Expenditures in governmental fund types reflected a net decrease of \$2.2 million compared to last year. Although there were variances in spending levels across all functional categories, the most significant variances were a \$7.9 million increase in Instruction and a \$9.4 million decrease in Facilities Acquisition and Construction. The District increased salaries across the board in FY21. Construction projects from the 2018 bond program are nearing completion and accounted for the decrease in construction spending.

Governmental Fund Budgetary Highlights

Over the course of the year, the District recommended and the Board approved several revisions to the original General Fund budgeted revenue and expenditures. The original budget included no estimated surplus. During the year, the Board approved amendments that resulted in a final amended budget deficit of \$4.7 million.

In the General Fund, actual expenditures were \$18.9 million (12.2%) less than the final budgeted amount of \$154.3 million (see Exhibit G-1). Variances resulted from the normal under spending that occurs each year. However, most of the variance is a timing factor due to outstanding encumbrances (i.e., purchase orders) which were not paid by year end. This year, outstanding encumbrances totaled \$3.8 million in the General Fund (see Exhibit C-1, *Other Assigned Fund Balance*).

General Fund revenues and other resources were less than the \$149.6 million final amended budget by \$2.9 million. A \$16.0 million positive variance resulted between the final amended budgeted shortfall of \$4.7 million and the actual increase in fund balance of \$11.4 million.

The Child Nutrition Program had a balanced final amended budget (see Exhibit J-2) compared to an actual increase of \$119 thousand, which increased ending fund balance to \$854,957. The Debt Service fund reflected an actual increase of \$772 thousand (see Exhibit J-3), increasing fund balance to \$2,495,026.

Proprietary Fund Highlights

The only proprietary fund the District operates is the Workers Compensation fund. The Workers Compensation fund had an operating increase of \$181 thousand (see Exhibit D-2) increasing net position to \$1,113,275.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2021, the District had \$253.4 million of net capital assets, including land, equipment, buildings and construction in progress (see table below). More detailed information about the District's capital assets is presented in Notes 4 and 8 to the financial statements.

District's Capital Assets (in thousands of dollars)

	Governmental Activities	
	2021	2020
Land	\$ 2,178	\$ 2,191
Construction in progress	452	38,827
Buildings and improvements	373,930	291,953
Furniture & equipment	30,208	27,813
Totals at historical costs	406,768	360,784
Less accumulated depreciation for		
Buildings and improvements	129,101	125,168
Furniture & equipment	24,263	23,027
Total accumulated depreciation	153,364	148,195
Net capital assets	<u>\$ 253,404</u>	<u>\$ 212,589</u>

Long-Term Debt

At August 31, 2021, the District had total bonded debt outstanding of \$213.23 million. On March 1, 2012, the District partially refunded the Unlimited Tax School Building Bonds issued in 2004 and 2005. On February 14, 2014, the District issued \$87.68 million of Unlimited Tax School Building Bonds, Series 2014. On September 18, 2014, the District also partially refunded the Unlimited Tax School Building Bonds issued in 2005. On February 15, 2019, the District issued \$126.87 million in Unlimited Tax School Building Bonds, Series 2019. On July 15, 2020, the District refunded the Current Interest Bonds issued in 2014. More information on the District's long-term debt is presented in Note 18 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The District approved a strategic plan for 2017-18 that outlined belief statements, strategic priorities, vision and a mission. The strategic plan focuses on student success and the plan has been instrumental in the budget development process. The budget was developed to help the District achieve the mission of the strategic plan, which is to engage and empower each student to be contributing, responsible citizens who reach their full potential through relevant, innovative and rigorous learning experiences.

On November 6, 2018, voters approved a \$138,679,000 bond package for the construction and renovation of District facilities. All of the bonds were issued in 2019. Planning for construction and renovation projects started in December 2018 and will continue until 2022. Construction on a new Austin Elementary and Taylor Elementary began in 2018-19. A new Dyess Elementary and the district's first career and technical education high school named the LIFT, began in 2019-20. A major renovation to Abilene High School and Cooper High School fine arts facilities, began in 2020-21.

The 2021-22 General Fund adopted budget was set up at a deficit. The budget includes a district wide 3% employee compensation plan of midpoint based on the applicable assigned pay grades. In 2021-22, the budgeted revenue decreased by \$3.5 million over the prior year. The decrease is primarily attributable to the loss in state funding caused by the drop in ADA due to the pandemic.

Property values increased by 7.18% for 2021-2022 compared to a 3.36% increase the prior year. The 2021-2022 total District tax rate per \$100 of property value is at \$1.2784 with a Maintenance and Operations (M&O) rate of \$0.9249 and an Interest and Sinking (I&S) rate of \$0.3535.

However, subsequent to budget adoption the school district has identified cost savings opportunities through grants such as ESSER II and ESSER III. Currently, The District has been awarded and has access to \$18.7 million in ESSER II funding and \$28.0 million in ESSER III funding. These federal grants were set up to help school districts mitigate the financial burden placed on them as a result of the pandemic. The District is actively working with stakeholders to ensure that the funds are used in a manner that helps address learning loss and meets the educational needs of students across the District.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate 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 Administrative office at 241 Pine Street, Abilene, Texas 79601.

Abilene Independent School District

Statement of Net Position (Exhibit A-1)

August 31, 2021

Data Control Codes		Governmental Activities
	Assets	
1110	Cash and cash equivalents	\$ 12,489,452
1120	Current investments	57,498,659
1220	Property taxes receivable (delinquent)	1,641,192
1230	Allowance for uncollectible taxes	(871,835)
1240	Due from other governments	12,971,604
1267	Due from fiduciary funds	5,506
1290	Other receivables, net	147,619
1300	Inventories	917,505
1410	Prepaid expenses	86,753
	Capital Assets	
1510	Land	2,177,742
1520	Buildings and improvements, net	244,828,778
1530	Furniture and equipment, net	5,945,120
1580	Construction in progress	452,115
1800	Restricted Assets	6,021,515
1000	Total assets	344,311,725
	Deferred outflows of resources	
1705	Deferred outflows - pension	17,054,164
1706	Deferred outflows - OPEB	8,153,400
1710	Deferred charge for refunding	3,323,574
1700	Total deferred outflows of resources	28,531,138
	Liabilities	
2110	Accounts payable	5,386,380
2140	Interest payable	392,416
2150	Payroll deductions & withholdings	1,440,918
2160	Accrued wages payable	7,369,461
2180	Due to other governments	5,058,415
2200	Accrued expenses	402,078
2300	Unearned revenues	1,409,264
	Noncurrent liabilities	
2501	Due within one year	9,064,871
2502	Due in more than one year	216,953,926
2516	Premium on issuance of bonds	24,970,415
2540	Net pension liability	46,380,873
2545	Net OPEB liability	49,588,628
2000	Total liabilities	368,417,645

Abilene Independent School District
Statement of Net Position (Exhibit A-1)
August 31, 2021

Data Control Codes		Governmental Activities
	Deferred Inflows of Resources	
2605	Deferred inflows - pension	9,214,244
2606	Deferred inflows - OPEB	37,766,584
2600	Total deferred inflows of resources	<u>46,980,828</u>
	Net Position	
3200	Net investment in capital assets	20,842,499
3820	Restricted for federal and state programs	1,010,677
3850	Restricted for debt service	5,545,282
3900	Unrestricted	<u>(69,954,068)</u>
3000	Total net position	<u>\$ (42,555,610)</u>

Data Control Codes	Functions/Programs	Expenses
	Governmental Activities	
11	Instruction	\$ 111,369,605
12	Instructional resources and media services	2,422,353
13	Curriculum and staff development	3,850,412
21	Instructional leadership	3,532,481
23	School leadership	11,170,317
31	Guidance, counseling, and evaluation services	7,913,355
32	Social work services	1,959,784
33	Health services	2,789,223
34	Student (pupil) transportation	5,670,330
35	Food services	8,554,532
36	Extracurricular activities	5,628,971
41	General administration	5,475,973
51	Facilities maintenance and operations	13,899,391
52	Security and monitoring services	783,761
53	Data processing services	4,476,300
61	Community services	1,129,030
72	Debt service - interest on long term debt	7,157,014
73	Debt service - bond issuance cost and fees	262,351
81	Facilities acquisition and construction	-
95	Payments to juvenile justice alternative Ed. Prg.	40,410
99	Other intergovernmental charges	510,798
TG	Total governmental activities	<u>198,596,391</u>
TP	Total primary government	<u>\$ 198,596,391</u>

Abilene Independent School District

Statement of Activities (Exhibit B-1)

Year Ended August 31, 2021

Program Revenues			Net (Expense) Revenue and Changes in Net Position
3	4	5	6
Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Gov. Governmental Activities
\$ 1,676,187	\$ 30,819,404	\$ -	\$ (78,874,014)
59,492	323,348	-	(2,039,513)
-	2,124,098	-	(1,726,314)
-	737,342	-	(2,795,139)
-	1,627,752	-	(9,542,565)
-	1,456,208	-	(6,457,147)
-	977,265	-	(982,519)
-	642,570	-	(2,146,653)
-	420,989	-	(5,249,341)
1,322,859	7,169,864	-	(61,809)
494,075	193,185	-	(4,941,711)
-	3,747,806	-	(1,728,167)
3,000	840,219	-	(13,056,172)
-	110,371	-	(673,390)
-	191,347	-	(4,284,953)
-	490,841	-	(638,189)
-	898,692	-	(6,258,322)
-	-	-	(262,351)
-	-	648,178	648,178
-	-	-	(40,410)
-	-	-	(510,798)
3,555,613	52,771,301	648,178	(141,621,299)
\$ 3,555,613	\$ 52,771,301	\$ 648,178	(141,621,299)
General Revenues			
Taxes			
MT	Property taxes, levied for general purposes		47,508,911
DT	Property taxes, levied for debt service		16,147,628
SF	State aid - formula grants		83,681,425
GC	Grants and contributions not restricted		720,933
IE	Investment earnings		204,853
MI	Miscellaneous local and intermediate revenue		2,625,900
TR	Total general revenues		150,889,650
CN	Change in net position		9,268,351
NB	Net position, beginning		(51,823,961)
NE	Net position, ending		\$ (42,555,610)

		10	281	599
Data Control Codes		General Fund	ESSER II CRRSAA	Debt Service Fund
Assets				
1110	Cash and cash equivalents	\$ 15,675	\$ -	\$ -
1120	Investments - current	54,791,444	-	-
1220	Property taxes receivable - delinquent	1,403,078	-	238,114
1230	Allowance for uncollectible taxes (credit)	(745,344)	-	(126,491)
1240	Receivables from other governments	956,224	5,529,838	-
1260	Due from other funds	9,975,585	-	-
1290	Other receivables	957	-	-
1300	Inventories	793,796	-	-
1410	Prepaid expenditures	86,753	-	-
1800	Restricted assets	3,358,175	-	2,663,340
1000	Total assets	70,636,343	5,529,838	2,774,963
1000a	Total assets and deferred outflows	\$ 70,636,343	\$ 5,529,838	\$ 2,774,963
Liabilities				
2110	Accounts payable	\$ 1,172,856	\$ -	\$ -
2150	Payroll deductions and withholdings payable	1,440,918	-	-
2160	Accrued wages payable	6,181,030	-	-
2170	Due to other funds	71,816	5,529,838	368
2180	Due to other governments	4,863,343	-	195,072
2200	Accrued expenditures	38,331	-	-
2300	Unearned revenues	88,431	-	-
2000	Total liabilities	13,856,725	5,529,838	195,440
Deferred Inflows of Resources				
2600	Unavailable revenues - property taxes	573,076	-	84,497
	Total deferred inflows of resources	573,076	-	84,497
Fund Balance				
3410	Nonspendable - inventories	793,796	-	-
3430	Nonspendable - prepaid items	86,753	-	-
3450	Restricted - federal or state funds grant	-	-	-
3470	Restricted - capital acquisition and contractual obligation	-	-	-
3480	Restricted - debt service	3,358,175	-	2,495,026
3510	Committed - construction	5,905,065	-	-
3545	Committed - other	502,218	-	-
3590	Assigned - other	3,819,616	-	-
3600	Unassigned	41,740,919	-	-
3000	Total fund balances	56,206,542	-	2,495,026
4000	Total liabilities, deferred inflows, and fund balances	\$ 70,636,343	\$ 5,529,838	\$ 2,774,963

See Notes to Financial Statements

Abilene Independent School District
Balance Sheet – Governmental Funds (Exhibit C-1)
August 31, 2021

699 Capital Projects Fund	Total Nonmajor Funds	98 Total Governmental Funds
\$ 12,120,655	\$ 353,122	\$ 12,489,452
-	1,322,007	56,113,451
-	-	1,641,192
-	-	(871,835)
-	6,485,542	12,971,604
20	1,414,528	11,390,133
-	146,662	147,619
-	123,709	917,505
-	-	86,753
-	-	6,021,515
<u>12,120,675</u>	<u>9,845,570</u>	<u>100,907,389</u>
<u>\$ 12,120,675</u>	<u>\$ 9,845,570</u>	<u>\$100,907,389</u>
\$ 4,031,294	\$ 182,230	\$ 5,386,380
-	-	1,440,918
-	1,188,431	7,369,461
4,204	5,858,527	11,464,753
-	-	5,058,415
-	11,688	50,019
-	1,320,833	1,409,264
<u>4,035,498</u>	<u>8,561,709</u>	<u>32,179,210</u>
-	-	657,573
-	-	657,573
-	123,709	917,505
-	-	86,753
-	886,968	886,968
8,085,177	-	8,085,177
-	-	5,853,201
-	-	5,905,065
-	273,184	775,402
-	-	3,819,616
-	-	41,740,919
<u>8,085,177</u>	<u>1,283,861</u>	<u>68,070,606</u>
<u>\$ 12,120,675</u>	<u>\$ 9,845,570</u>	<u>\$100,907,389</u>

Abilene Independent School District

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position (Exhibit C-1r)

August 31, 2021

Total Fund Balances - Governmental Funds \$ 68,070,606

The District uses internal service fund to charge the costs of certain activities, such as workers compensation, to appropriate functions in other funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position. The net effect of this consolidation is to increase net position. 1,113,275

Capital assets, net of accumulated depreciation, are not financial resources and therefore are not reported as assets in the governmental funds. 253,403,755

Some liabilities, including bonds payable are not due and payable in the current year and therefore are not reported in the funds:

Bonds payable and tax maintenance notes	(218,740,246)	
Deferred charge on refunding	3,323,574	
Unamortized premiums on bonds payable	(24,970,415)	
Accumulated accretion on capital appreciation bonds	(6,490,450)	
Compensated absences payable	(528,755)	
Capital leases payable	<u>(259,346)</u>	(247,665,638)

Accrued interest is not due and payable in the current year and therefore is not reported as a liability in the governmental funds. (392,416)

Certain assets are not available to pay for current year expenditures and therefore are deferred in the funds. These are:

Deferred inflows of resources for property taxes	657,573
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The government-wide statements includes the District's proportionate share of the TRS net pension liabilities and TRS-Care net OPEB liabilities, as well as certain pension and OPEB related transactions accounted for as deferred inflows and outflows of resources:

Net pension liability	(46,380,873)	
Deferred outflows of resources - TRS pension	17,054,164	
Deferred inflows of resources - TRS pension	(9,214,244)	
Net OPEB liability	(49,588,628)	
Deferred outflows of resources - TRS-Care OPEB	8,153,400	
Deferred inflows of resources - TRS-Care OPEB	<u>(37,766,584)</u>	(117,742,765)

Net Position of Governmental Activities (See A-1)	<u><u>\$ (42,555,610)</u></u>
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Data Control Codes		10	281	599
		General Fund	ESSER II CRRSAA	Debt Service Fund
	Revenues			
5700	Total local and intermediate sources	\$ 49,497,201	\$ -	\$ 16,302,518
5800	State program revenues	91,599,284	-	898,692
5900	Federal program revenues	5,670,435	5,938,602	-
5020	Total revenues	<u>146,766,920</u>	<u>5,938,602</u>	<u>17,201,210</u>
	Expenditures			
	Current			
0011	Instruction	73,171,898	5,936,263	-
0012	Instructional resources and media services	2,000,563	-	-
0013	Curriculum and instructional staff development	1,838,096	1,350	-
0021	Instructional leadership	2,952,307	989	-
0023	School leadership	8,923,971	-	-
0031	Guidance, counseling and evaluation services	6,330,599	-	-
0032	Social work services	1,032,468	-	-
0033	Health services	2,066,767	-	-
0034	Student (pupil) transportation	5,472,411	-	-
0035	Food services	-	-	-
0036	Extracurricular activities	4,470,138	-	-
0041	General administration	5,190,870	-	-
0051	Facilities maintenance and operations	13,313,413	-	-
0052	Security and monitoring services	672,035	-	-
0053	Data processing services	4,596,616	-	-
0061	Community services	675,438	-	-
	Debt service			
0071	Principal on long term debt	99,871	-	7,320,000
0072	Interest on long term debt	383,426	-	8,847,337
0073	Bond issuance cost and fees	730	-	261,621
	Capital outlay			
0081	Facilities acquisition and construction	1,700,380	-	-
	Intergovernmental			
0095	Payments to juvenile alternative Ed. Prg.	40,410	-	-
0099	Other intergovernmental charges	510,798	-	-
6030	Total expenditures	<u>135,443,205</u>	<u>5,938,602</u>	<u>16,428,958</u>
1100	Excess (deficiency) of revenues over (under) expenditures	<u>11,323,715</u>	<u>-</u>	<u>772,252</u>
	Other financing sources (uses)			
7912	Sale of real and personal property	4,359,137	-	-
7915	Transfers in	-	-	-
7949	Other resources	2,828	-	-
8911	Transfers out	(4,319,509)	-	-
7080	Total other financing sources (uses)	<u>42,456</u>	<u>-</u>	<u>-</u>
1200	Net change in fund balances	11,366,171	-	772,252
0100	Fund balance, beginning	44,840,371	-	1,722,774
3000	Fund balance, ending	<u>\$ 56,206,542</u>	<u>\$ -</u>	<u>\$ 2,495,026</u>

See Notes to Financial Statements

Abilene Independent School District

Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds (Exhibit C-2)

Year Ended August 31, 2021

699 Capital Projects Fund	Total Nonmajor Funds	98 Total Governmental Funds
\$ 31,469	\$ 2,258,493	\$ 68,089,681
-	2,143,320	94,641,296
38,028	29,836,201	41,483,266
<u>69,497</u>	<u>34,238,014</u>	<u>204,214,243</u>
4,090,112	18,455,005	101,653,278
15,246	216,399	2,232,208
-	1,931,712	3,771,158
-	482,214	3,435,510
164,679	911,383	10,000,033
-	914,620	7,245,219
-	857,022	1,889,490
-	472,958	2,539,725
-	129,379	5,601,790
-	8,318,478	8,318,478
19,488	4,812	4,494,438
-	53,237	5,244,107
73,322	230,313	13,617,048
-	104,252	776,287
-	55,733	4,652,349
-	422,345	1,097,783
-	-	7,419,871
-	-	9,230,763
-	-	262,351
51,603,678	610,150	53,914,208
-	-	40,410
-	-	510,798
<u>55,966,525</u>	<u>34,170,012</u>	<u>247,947,302</u>
<u>(55,897,028)</u>	<u>68,002</u>	<u>(43,733,059)</u>
-	16,375	4,375,512
4,319,509	-	4,319,509
-	-	2,828
-	-	(4,319,509)
<u>4,319,509</u>	<u>16,375</u>	<u>4,378,340</u>
(51,577,519)	84,377	(39,354,719)
59,662,696	1,199,484	107,425,325
<u>\$ 8,085,177</u>	<u>\$ 1,283,861</u>	<u>\$ 68,070,606</u>

Abilene Independent School District

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental
Funds to the Statement of Activities (Exhibit C-2r)
Year Ended August 31, 2021

Total Net Change in Fund Balances - Governmental Funds	\$ (39,354,719)
--	-----------------

The District uses internal service funds to charge the costs of certain activities, such as self-insurance, to appropriate functions in other funds. The change in net position of the internal service fund is reported with governmental activities. The net effect of this consolidation is to increase net position.	180,744
--	---------

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is capitalized and depreciated over their estimated useful lives. Total additions for the current year which were removed from fund expenditures amounted to \$55,951,590. Depreciation expense charged to the statement of activities totaled \$12,252,858. Remaining net book value of disposed assets reported on the statement of activities totaled \$2,884,306. The net effect is an increase in net position.	40,814,426
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Amortization of the premiums on the Series 2012, 2014, 2019 and 2020 bonds of \$3,035,818 was recorded, which increases net position.	3,035,818
---	-----------

Certain revenues are recorded in the fund financial statements when the revenue is received. In the statement of activities, revenues are recognized when earned regardless of when received. Recognizing deferred tax revenues of \$657,573 and removing the prior year's tax revenue of \$998,639 results in a net decrease in net position.	(341,066)
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Repayment of bond principal and capital lease payments of \$7,419,871 is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not an expense on the statement of activities. This increases net position. Net increase in accreted interest on capital appreciation bonds of \$118,269 increases long-term liabilities. The decrease in accrued interest payable of \$15,913 increases net position in the government wide financial statements. Finally, amortization of deferred charge on bond refunding of \$859,713 decreases net position. The net result of all of the above adjustments is a net increase to the change in net position.	6,457,802
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The decrease in compensated absences payable is an expenditure in the governmental funds when paid, but the payment for these is not an expense in the statement of activities. This represents the net decrease to the compensated absences payable.	10,719
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Abilene Independent School District
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental
Funds to the Statement of Activities (Exhibit C-2r)
Year Ended August 31, 2021

Changes in the deferred outflows of resources, deferred inflows of resources and net pension liability must be recorded as expenses. Changes in contributions made after measurement date caused the change in net position to increase in the amount of \$296,598. The District's share of the unrecognized deferred inflows and outflows for TRS as of the measurement date must be amortized and the District's proportionate share of the pension expense must be recognized. These cause the change in net position to decrease in the amount of \$3,494,853. The net effect is a decrease in net

(3,198,255)

Changes in the deferred outflows of resources, deferred inflows of resources and net OPEB liability must be recorded as expenses. Changes in contributions made after measurement date caused the change in net position to increase in the amount of \$29,947. The District's share of the unrecognized deferred inflows and outflows for TRS as of the measurement date must be amortized and the District's proportionate share of the OPEB expense must be recognized. These cause the change in net position to increase in the amount of \$1,632,935. The net effect is an increase in net position.

1,662,882

Change in Net Position of Governmental Activities (See B-1)

\$ 9,268,351

Abilene Independent School District
Statement of Net Position – Proprietary Fund (Exhibit D-1)
August 31, 2021

	Governmental Activities Internal Service Fund
Assets	
Current assets	
Investments - current	\$ 1,385,208
Due from other funds	80,126
	<u>1,465,334</u>
Total assets	
Liabilities	
Current liabilities	
Accrued expenses	<u>352,059</u>
Total liabilities	<u>352,059</u>
Net Position	
Unrestricted net position	<u>1,113,275</u>
Total net position	<u><u>\$ 1,113,275</u></u>

Abilene Independent School District
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Fund (Exhibit D-2)
Year Ended August 31, 2021

	Governmental Activities Internal Service Fund
Operating revenues	
Local and intermediate sources	\$ 760,463
Total operating revenues	760,463
Operating expenses	
Professional and contracted services	18,000
Other operating costs	562,446
Total operating expenses	580,446
Operating income	180,017
Nonoperating revenues	
Earnings from temporary deposits & investments	727
Total nonoperating revenues	727
Change in net position	180,744
Total net position, beginning	932,531
Total net position, ending	\$ 1,113,275

Abilene Independent School District
Statement of Cash Flows –Proprietary Fund (Exhibit D-3)
Year Ended August 31, 2021

	Governmental Activities Internal Service Fund
Operating activities	
Charges for services	\$ 760,463
Cash payments for other operating costs	(18,000)
Cash payments for claims and contracted services	(404,053)
	<u>338,410</u>
Net cash from operating activities	<u>338,410</u>
Noncapital financing activities	
Cash paid to other funds	(80,126)
	<u>(80,126)</u>
Net cash used for noncapital financing activities	<u>(80,126)</u>
Investing activities	
Purchases of short-term investments	(278,689)
Interest on investments	727
	<u>(277,962)</u>
Net cash used for investing activities	<u>(277,962)</u>
Net change in cash and cash equivalents	(19,678)
Cash and cash equivalents - beginning of the year	<u>19,678</u>
Cash and cash equivalents - end of the year	<u><u>\$ -</u></u>
Reconciliation of operating income to net cash	
from operating activities	
Operating income	\$ 180,017
Adjustments to reconcile operating income to net cash	
from operating activities	
Change in assets and liabilities	
Accrued expenses	158,393
	<u>158,393</u>
Net cash from operating activities	<u><u>\$ 338,410</u></u>

Abilene Independent School District
Statement of Fiduciary Net Position – Fiduciary Fund (Exhibit E-1)
August 31, 2021

	Custodial Fund
Assets	
Cash and cash equivalents	\$ 440,369
Other receivables	<u>1,049</u>
Total assets	<u><u>\$ 441,418</u></u>
Liabilities	
Accounts payable	\$ 1,066
Due to other funds	<u>5,506</u>
Total liabilities	<u>6,572</u>
Net position	
Restricted	<u>434,846</u>
Total net position	<u><u>\$ 434,846</u></u>

Abilene Independent School District
Statement of Changes in Fiduciary Net Position – Fiduciary Fund (Exhibit E-2)
Year Ended August 31, 2021

	Custodial Fund
	<u> </u>
Additions	
Contributions	\$ 428,049
	<u> </u>
Total additions	428,049
	<u> </u>
Deductions	
Instruction	260,129
Extracurricular activities	154,001
	<u> </u>
Total deductions	414,130
	<u> </u>
Change in net position	13,919
Net position, beginning, as restated	420,927
	<u> </u>
Net position, ending	<u><u>\$ 434,846</u></u>

Note 1 - Reporting Entity

The Board of Trustees, a seven-member group, has fiscal accountability over all activities related to public elementary and secondary education within the jurisdiction of the Abilene Independent School District (the District). The public elects the members of the Board of Trustees. The Trustees as a body corporate have the exclusive power and duty to govern and oversee the management of the public schools of the District. All powers and duties not specifically delegated by statute to the Texas Education Agency (Agency) or to the State Board of Education are reserved for the Trustees, and the Agency may not substitute its judgment for the lawful exercise of those powers and duties by the Trustees. The District is not included in any other governmental "reporting entity" as defined in Section 2100, Codification of Governmental Accounting and Financial Reporting Standards. There are no component units included within the reporting entity. The financial statements of the District include all activities for which the Board exercises these governance responsibilities.

The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities.

Note 2 - Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

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

Note 3 - Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements, as well as the proprietary and fiduciary fund financial statements, are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due.

Property taxes and penalties and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when the government receives cash.

The government reports the following major governmental funds:

- The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The ESSER II CRRSAA fund, a governmental fund type, accounts for resources restricted by the grantor agency for this federal program.
- The Debt Service Fund, a governmental fund type, accounts for financial resources that are restricted, committed or assigned for principal and interest on long-term debt of governmental activities.
- The Capital Projects Fund accounts for the bond resources restricted to build, acquire, and renovate major general capital assets, funded by the 2019 bond issuance.

The government reports the following proprietary funds:

- Internal service funds account for revenues and expenses related to services provided to parties inside the District. These funds facilitate distribution of support costs (such as workers compensation insurance) to the users of the support services.

Additionally, the government reports the following nonmajor funds:

- The Special Revenue Funds, a governmental fund type, account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The District accounts for each federal and state grant in a separate special revenue fund.
- The Custodial fund, a fiduciary fund type, accounts for resources held for others in a custodial capacity.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the worker's compensation insurance internal service fund are District contributions. Operating expenses include claims expense and administrative expense for administering the insurance fund. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, and then unrestricted resources, as they are needed.

Note 4 - Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity

Deposits and Investments

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

Investments of the District are reported at fair value or amortized cost. The local government investment pools are operated in accordance with appropriate state laws and regulations.

Receivables and Payables

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

Inventories

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

Capital Assets

Capital assets, which include property, plant and equipment, are reported in the governmental activities column in the statement of net position. The District defines capital assets as assets with an initial, individual cost of \$5,000 or more 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 reported at acquisition value. 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.

Property, plant and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings and improvements	20-40
Furniture and equipment	5-20

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. 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 premiums or discount.

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

Deferred Outflows/Inflows of Resources

Deferred outflows/inflows of resources are separate elements of the financial statements. The District has deferred inflows of resources, which arises under the modified accrual basis of accounting, unavailable revenue from property taxes and for its proportionate share of TRS's deferred inflow related to pensions as described in Note 11 and its OPEB liability as described in Note 12. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The District has deferred outflows of resources for deferred charges on refunded debt, for its proportionate share of TRS's deferred outflow related to pensions as described in Note 11, and for its proportionate share of TRS-Care's deferred outflow related to OPEB as described in Note 12.

Pensions

The fiduciary net position of 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.

OPEB

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

Benefit payments are recognized when due and payable in accordance with the benefit terms. There are no investments as this is a pay-as-you-go plan and all cash is held in a cash account.

Restricted Assets

Certain resources have been set aside for the repayment of bonds payable or for use in construction projects. The assets and related payables are classified as restricted because their use is limited by applicable bond covenants. Restricted assets at August 31, 2021 were as follows:

General Fund- QSCB sinking fund	\$ 3,358,175
Debt Service Fund- I&S taxes	<u>2,663,340</u>
	<u>\$ 6,021,515</u>

Implementation of GASB Statement No. 84

As of September 1, 2020, the District adopted GASB Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements of this Statement will enhance consistency and comparability by establishing specific criteria for identifying activities that should be reported as fiduciary activities. Greater consistency and comparability enhances the value provided by the information reported in financial statements for assessing government accountability and stewardship. The impact to the District resulted in a reclassification of agency funds to custodial funds that resulted in a restatement of net position of custodial funds. The effect of the implementation of this standard on beginning net position is disclosed in Note 23.

Use of Estimates

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

New Accounting Pronouncements

In May 2020, the GASB issued Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

The effective dates of certain provisions contained in the following pronouncements are postponed by one year:

- Statement No. 83, Certain Asset Retirement Obligations
- Statement No. 84, Fiduciary Activities
- Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements
- Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period
- Statement No. 90, Majority Equity Interests
- Statement No. 91, Conduit Debt Obligations
- Statement No. 92, Omnibus 2020
- Statement No. 93, Replacement of Interbank Offered Rates
- Implementation Guide No. 2017-3, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (and Certain Issues Related to OPEB Plan Reporting)
- Implementation Guide No. 2018-1, Implementation Guidance Update—2018
- Implementation Guide No. 2019-1, Implementation Guidance Update—2019
- Implementation Guide No. 2019-2, Fiduciary Activities.

The effective dates of the following pronouncements are postponed by 18 months:

- Statement No. 87, Leases
- Implementation Guide No. 2019-3, Leases.

The provisions of this Statement were implemented as of August 31, 2021.

In June 2017, the GASB issued Statement No. 87, Leases. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

As a result of the implementation of GASB Statement No. 95, the requirements of this Statement are effective for the reporting periods beginning after June 15, 2021. Early implementation is encouraged. The effects of this change on the District's financial statements have not yet been determined.

In June 2018, the GASB issued Statement No. 89, Accounting for Interest Cost Incurred Before the End of a Construction Period. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

As a result of the implementation of GASB Statement No. 95, the requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Earlier application is encouraged. The requirements of this Statement should be applied prospectively. The effects of this change on the District's financial statements have not yet been determined.

In May 2019, the GASB issued Statement No. 91, Conduit Debt Obligations. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving note disclosures.

A conduit debt obligation is defined as a debt instrument having all of the following characteristics:

- There are at least three parties involved: (1) an issuer, (2) a third-party obligor, and (3) a debt holder or a debt trustee.
- The issuer and the third-party obligor are not within the same financial reporting entity.
- The debt obligation is not a parity bond of the issuer, nor is it cross-collateralized with other debt of the issuer.
- The third-party obligor or its agent, not the issuer, ultimately receives the proceeds from the debt issuance.
- The third-party obligor, not the issuer, is primarily obligated for the payment of all amounts associated with the debt obligation (debt service payments).

All conduit debt obligations involve the issuer making a limited commitment. Some issuers extend additional commitments or voluntary commitments to support debt service in the event the third party is, or will be, unable to do so.

An issuer should not recognize a conduit debt obligation as a liability. However, an issuer should recognize a liability associated with an additional commitment or a voluntary commitment to support debt service if certain recognition criteria are met. As long as a conduit debt obligation is outstanding, an issuer that has made an additional commitment should evaluate at least annually whether those criteria are met. An issuer that has made only a limited commitment should evaluate whether those criteria are met when an event occurs that causes the issuer to reevaluate its willingness or ability to support the obligor's debt service through a voluntary commitment.

This Statement also addresses arrangements—often characterized as leases—that are associated with conduit debt obligations. In those arrangements, capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by third-party obligors in the course of their activities. Payments from third-party obligors are intended to cover and coincide with debt service payments. During those arrangements, issuers retain the titles to the capital assets. Those titles may or may not pass to the obligors at the end of the arrangements.

Issuers should not report those arrangements as leases, nor should they recognize a liability for the related conduit debt obligations or a receivable for the payments related to those arrangements. In addition, the following provisions apply:

- If the title passes to the third-party obligor at the end of the arrangement, an issuer should not recognize a capital asset.
- If the title does not pass to the third-party obligor and the third party has exclusive use of the entire capital asset during the arrangement, the issuer should not recognize a capital asset until the arrangement ends.
- If the title does not pass to the third-party obligor and the third party has exclusive use of only portions of the capital asset during the arrangement, the issuer, at the inception of the arrangement, should recognize the entire capital asset and a deferred inflow of resources. The deferred inflow of resources should be reduced, and an inflow recognized, in a systematic and rational manner over the term of the arrangement.

This Statement requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period.

As a result of the implementation of GASB Statement No. 95, the requirements of this Statement are effective for the reporting periods beginning after December 15, 2021. Early implementation is encouraged. The effects of this change on the District's financial statements have not yet been determined.

In January 2020, the GASB issued Statement No. 92, Omnibus 2020. The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the following:

- The effective date of Statement No. 87, Leases, and Implementation Guide No. 2019-3, Leases, for interim financial reporting
- Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan
- The applicability of Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, as amended, No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, as amended, to reporting assets accumulated for postemployment benefits
- The applicability of certain requirements of Statement No. 84, Fiduciary Activities, to postemployment benefit arrangements
- Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition
- Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers
- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature
- Terminology used to refer to derivative instruments

As a result of the implementation of GASB Statement No. 95, the requirements of this Statement are effective as follows:

- The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance.
- The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2021.
- The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2021.
- The requirements related to the measurement of liabilities (and assets, if any) associated with AROs in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2021.

Early implementation is encouraged. The effects of this change on the District's financial statements have not yet been determined.

In March 2020, the GASB issued Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged. The effects of this change on the District's financial statements have not yet been determined.

In May 2020, the GASB issued Statement No. 96, Subscription-Based Information Technology Arrangements. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended.

A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged. The effects of this change on the District's financial statements have not yet been determined.

In June 2020, the GASB issued Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

The requirements of this Statement that (1) exempt primary governments that perform the duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans and (2) limit the applicability of the financial burden criterion in paragraph 7 of Statement 84 to defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement 67 or paragraph 3 of Statement 74, respectively, are effective immediately.

The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this Statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021. Earlier application of those requirements is encouraged and permitted by requirement as specified within this Statement.

The Board considered the effective dates for the requirements of this Statement in light of the COVID-19 pandemic and in concert with Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance. The effects of this change on the District's financial statements have not yet been determined.

Note 5 - Stewardship, Compliance and Accountability

Budgetary Information

Formal budgetary accounting is employed for all required Governmental Fund Types, as outlined in TEA's Financial Accounting Resource module, and is presented on the modified accrual basis of accounting consistent with generally accepted accounting principles. The budget is prepared and controlled at the function level within each organization to which responsibility for controlling operations is assigned.

The official school budget is prepared for adoption for required Governmental Fund Types prior to August 20 of the preceding fiscal year for the subsequent fiscal year beginning September 1. The budget is formally adopted by the Board of Trustees at a public meeting held at least ten days after public notice has been given.

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund, Debt Service Fund and the National Breakfast and Lunch Program Special Revenue Fund. The remaining special revenue funds adopt project-length budgets that do not correspond to the District's fiscal year.

Encumbrance Accounting

The District employs encumbrance accounting, whereby encumbrances for goods or purchased services are documented by purchase orders and contracts. An encumbrance represents a commitment of Board appropriation related to unperformed contracts for goods and services. The issuance of a purchase order or the signing of a contract creates an encumbrance but does not represent an expenditure for the period, only a commitment to expend resources. Appropriations lapse at August 31 and encumbrances outstanding at that time are either canceled or appropriately provided for in the subsequent year's budget. Outstanding encumbrances at August 31, 2021 amounted to \$3,819,616 and are reported as assigned fund balance in the General Fund.

Note 6 - Fair Value Measurements

GASB Statement No. 72, *Fair Value Measurement and Application* defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction. Fair value accounting requires characterization of the inputs used to measure fair value into three-level fair value hierarchy as follows:

Level 1 inputs are based on unadjusted quoted market prices for identical assets or liabilities in an active market the entity has the ability to access.

Level 2 inputs are observable inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent from the entity.

Level 3 inputs are observable inputs that reflect the entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available.

There are three general valuation techniques that may be used to measure fair value:

Market approach – uses prices generated by market transactions involving identical or comparable assets or liabilities.

Cost approach – uses the amount that currently would be required to replace the service capacity of an asset (replacement cost).

Income approach – uses valuation techniques to convert future amounts to present amounts based on current market expectations.

U.S. government-backed (federal agency) securities are valued using Level 2 inputs that are based on market data obtained from independent sources.

Note 7 - Detailed Notes on All Funds

Deposits

Under Texas state law, the District's funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust with the District's agent, bank approved pledged securities 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.

The District's investment policies and types of investments are governed by the Public Funds Investment Act (PFIA). The District's management believes that they complied with all significant requirements of the PFIA and the District's investment policies.

Custodial Credit Risk-Deposits

The District's cash deposits at August 31, 2021 were entirely covered by FDIC insurance and pledged collateral held by the District's agent bank, First Financial Bank of Abilene, TX, in the District's name. All other banks utilized were adequately secured.

Investments

State statutes and Board policy authorize the District to invest in 1) obligations of the U.S. or its agencies and instrumentalities; 2) obligations of the State of Texas or its agencies; 3) other obligations guaranteed by the U.S. or the State of Texas or their agencies and instrumentalities; 4) obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than "A" or its equivalent; 5) guaranteed or secured certificates of deposit issued by state or national banks domiciled in Texas; 6) fully collateralized repurchase agreements and 7) public funds investment pools. Temporary investments are reported at cost, which approximates market, and are secured, when necessary, by the Federal Deposit Insurance Corporation (FDIC) or obligations of items 1-4 above at 102% of the investment's market value.

The District's investments at August 31, 2021 are shown below:

Investment Pools	Amortized Cost	Weighted Average Maturity (Days) *	Rating
TexPool	\$ 60,161,999	30	AAAm

*To arrive at weighted average maturity, the maturity of floating rate and variable rate securities was deemed to be the final maturity of such securities.

Abilene Independent School District

Notes to Financial Statements

August 31, 2021

Other Investments	Fair Value	Investment Maturity		
		Less than 1 Year	1 - 5 years	More than 5 years
Repurchase agreement - agency debentures	\$ 3,358,175	\$ 3,358,175	\$ -	\$ -
Total	3,358,175	3,358,175	-	-
Total investments	<u>\$ 63,520,174</u>			

The following schedule reconciles investments to the fund financial statements:

Reported in Schedule C-1	
1120 Investments - Current	\$ 56,113,451
1800 Restricted Assets	6,021,515
	<u>62,134,966</u>
Reported in Schedule D-1	
Investments - Current	<u>1,385,208</u>
Total	<u>\$ 63,520,174</u>

TexPool

The State Comptroller of Public Accounts exercises responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both Participants in TexPool and other persons who do not have a business relationship with TexPool. TexPool operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. TexPool uses amortized cost rather than market value to report net assets to compute share prices. Accordingly, the fair value of the position in TexPool is the same as the value of TexPool Shares. Audited financial statements of the pool are available at First Public, 12008 Research Blvd., Austin, Texas 78759. In addition, TexPool is subject to review by the State Auditor's Office and by the Internal Auditor of the Comptroller's Office.

Concentration of Credit Risk

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

Interest Rate Risk

The District's investment policy states that any internally created pool fund group of the District shall have a maximum dollar weighted maturity of 180 days. The maximum allowable stated maturity of any other individual investment owned by the District shall not exceed one year from the time of purchase. The Board may specifically authorize a longer maturity for a given investment, within legal limits.

Property Tax

In the fund financial statements, property tax revenues are considered available when collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. The District levies its taxes on October 1 in conformity with Subtitle E, Texas Property Tax Code. Taxes are due upon receipt of the tax bill and are past due and subject to interest if not paid by January 31 of the year following the October 1 levy date. The assessed value of the property tax roll (net of exemptions) on January 1, 2020, upon which the levy for the August 31, 2021 fiscal year was based, was \$5,212,303,908. Taxes are delinquent if not paid by February 1. Delinquent taxes are subject to both penalty and interest charges plus delinquent collection fees for attorney costs.

Current tax collections for the year ended August 31, 2021 were 98.16% of the year-end adjusted tax levy. Allowances for uncollectible taxes within the General and Debt Service Funds are based on historical experience in collecting 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. As of August 31, 2021, property taxes receivable, net of estimated uncollectible taxes, totaled \$769,357. The tax rate to finance general governmental services was \$0.9642 per \$100 and the tax rate to finance the payment of principal and interest on long-term obligations was \$0.3272 per \$100 for the year ended August 31, 2021.

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. In the fund financial statements, amounts due from federal and state governments as of August 31, 2021 are summarized below.

Fund	State Grants/ Entitlements	Federal Grants	Total
General Fund	\$ -	\$ 956,224	\$ 956,224
ESSER II CRRSAA	-	5,529,838	5,529,838
Nonmajor Governmental Funds	45,146	6,440,396	6,485,542
	<u>\$ 45,146</u>	<u>\$ 12,926,458</u>	<u>\$ 12,971,604</u>

Interfund Receivables and Payables

The composition of interfund balances as of August 31, 2021 is as follows:

	Due From Other Funds	Due To Other Funds
General Fund		
ESSER II (CRRSAA)	\$ 5,529,838	\$ -
Debt Service Fund	368	-
Capital Projects Fund	4,204	20
Nonmajor Governmental Funds	4,438,390	-
Internal Service Fund	-	71,796
Fiduciary Funds	2,785	
ESSER II (CRRSAA)		
General Fund	-	5,529,838
Debt Service Fund		
General Fund	-	368
Capital Projects Fund		
General Fund	20	4,204
Nonmajor Governmental Funds		
General Fund	-	4,438,390
Nonmajor Governmental Funds	1,411,807	1,411,807
Internal Service Fund	-	8,330
Fiduciary Funds	2,721	-
Internal Service Fund		
General Fund	71,796	-
Nonmajor Governmental Funds	8,330	
Fiduciary Funds		
General Fund	-	2,785
Nonmajor Governmental Funds	-	2,721
Totals	<u>\$ 11,470,259</u>	<u>\$ 11,470,259</u>

These interfund receivables and payables were recorded to eliminate cash deficit balances and to record temporary borrowings until the fund is reimbursed by grantor agencies.

Interfund transfers during the year ended August 31, 2021, consisted of the following individual balances:

	Transfer In	Transfer Out
General Fund		
Capital Projects Fund	\$ -	\$ 4,319,509
Capital Projects Fund		
General Fund	<u>4,319,509</u>	<u>-</u>
Totals	<u>\$ 4,319,509</u>	<u>\$ 4,319,509</u>

The interfund transfer between the General Fund and the Capital Projects Fund is due to the sale of the old Taylor Elementary campus. The Board assigned these proceeds to the Capital Projects Fund to offset the cost of the ongoing 2019 bond projects, including the construction of a new Taylor Elementary campus.

Note 8 - Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated				
Land	\$ 2,190,893	\$ -	\$ (13,151)	\$ 2,177,742
Construction in progress	38,827,644	52,730,095	(91,105,624)	452,115
Total capital assets, not being depreciated	41,018,537	52,730,095	(91,118,775)	2,629,857
Capital assets, being depreciated:				
Buildings and improvements	291,953,140	91,567,015	(9,590,167)	373,929,988
Furniture and equipment	27,812,747	2,760,104	(365,086)	30,207,765
Total capital assets being depreciated	319,765,887	94,327,119	(9,955,253)	404,137,753
Less accumulated depreciation for				
Buildings and improvements	(125,168,396)	(10,678,626)	6,745,812	(129,101,210)
Furniture and equipment	(23,026,699)	(1,574,232)	338,286	(24,262,645)
Total accumulated depreciation	(148,195,095)	(12,252,858)	7,084,098	(153,363,855)
Total capital assets being depreciated, net	171,570,792	82,074,261	(2,871,155)	250,773,898
Governmental activities capital assets, net	<u>\$ 212,589,329</u>	<u>\$ 134,804,356</u>	<u>\$ (93,989,930)</u>	<u>\$ 253,403,755</u>

Construction in progress consists primarily of the new Dyess Elementary, LIFT campus, and the Fine Arts center. The estimated costs to complete these projects is \$4.5 million.

Depreciation expense was charged to the District's functions as follows:

Instruction	\$ 7,772,479
Instructional resources and media	153,407
School leadership	909,292
Guidance, counseling and evaluation services	470,687
Social work services	15,365
Health services	186,016
Student transportation	820,623
Food service	106,812
Extracurricular activities	1,098,004
General administration	131,674
Facilities maintenance and operations	291,472
Security and monitoring services	5,979
Data processing services	289,607
Community services	1,441
	<hr/>
Total depreciation expense - governmental activities	<u>\$ 12,252,858</u>

Note 9 - Risk Management

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2021, the District purchased commercial insurance to cover general liabilities. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

Note 10 - Contingencies

The District is not a party to any legal actions that are believed by administration to have a material effect on the financial condition of the District. Accordingly, no provision for losses has been recorded in the accompanying basic financial statements for such contingencies. The District participates in numerous state and federal grant programs that are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, if any, refunds of any money received may be required and the collectability of any related receivable at August 31, 2021, may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying basic financial statements for such contingencies.

The world-wide coronavirus pandemic has resulted in certain risk and uncertainties to the public in general and the District. The District is closely monitoring their operations, liquidity, and resources, and is actively working to minimize the current and future impact of this unprecedented situation.

Note 11 - 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). TRS's defined benefit pension plan is established and administered in accordance with the Texas Constitution, Article XVI, Sec. 67, and Texas Government Code, Title 8, Subtitle C. The pension trust fund is a qualified pension trust under Section 401(a) as 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 education institutions in Texas who are employed for one-half or more of the standard workload and who are not exempt 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 https://www.trs.texas.gov/TRS%20Documents/cafr_2020.pdf; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698, or by calling (512) 542-6592.

Benefits Provided

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

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

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

Contributions

Contribution requirements are established or amended pursuant to Article 16, section 67 of the Texas Constitution which requires the Texas Legislature to establish a member contribution rate of not less than 6% of the member's annual compensation and a State contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to members of the system during the fiscal year.

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

	Contribution Rates	
	2020	2021
Member	7.70%	7.70%
Non-Employer Contributing Entity (State)	7.50%	7.50%
Employers	7.50%	7.50%
	2020	2021
Member Contributions	\$ 8,445,413	\$ 8,709,519
NECE On-Behalf Contributions	6,094,457	6,169,465
Employer Contributions	3,549,529	3,846,127

Contributors to the plan include members, employers and the State of Texas as the only non-employer contributing entity. The State is the employer for senior colleges, medical schools and state agencies including TRS. In each respective role, the State contributes to the plan in accordance with state statutes and the General Appropriations Act (GAA).

As the non-employer contributing entity for public education and junior colleges, the State of Texas contributes to the retirement system an amount equal to the current employer contribution rate times the aggregate annual compensation of all participating members of the pension trust fund during that fiscal year reduced by the amounts described below which are paid by the employers.

Employers (public school, junior college, other entities or the State of Texas as the employer for senior universities and medical schools) are required to pay the employer contribution rate in the following instances:

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

- During a new member's first 90 days of employment.
- When any part or all of an employee's salary is paid by federal funding sources, a privately sponsored source, from non-educational and general, or local funds
- When the employing district is a public junior college or junior college district, the employer shall contribute to the retirement system an amount equal to 50% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.

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

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

Actuarial Assumptions

The total pension liability in the August 31, 2019 actuarial valuation rolled forward to August 31, 2020 was determined using the following actuarial assumptions:

Valuation Date	August 31, 2019 rolled forward to August 31, 2020
Actuarial Cost Method	Individual entry age normal
Asset Valuation Method	Market value
Single Discount Rate	7.25%
Long-term expected Investment Rate of Return	7.25%
Municipal Bond Rate as of August 2020	2.33%
Inflation	2.30%
Salary Increases including inflation	3.05% to 9.05%
Benefit changes during the year	None
Ad hoc post-employment benefit changes	None

The actuarial methods and assumptions used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2020. For a full description of these assumptions, please see the actuarial valuation report dated November 14, 2019.

Discount Rate

A single discount rate of 7.25% was used to measure the total pension liability. The single discount rate was based on the expected rate of return on plan investments of 7.25%. The projection of cash flows used to determine this single discount rate assumed that contributions from active members, employers and the non-employer contributing entity will be made at the rates set by the Legislature during the 2019 session. It is assumed that future employer and State contributions will be 8.5% 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 expected 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 arithmetic real rates of return for each major asset class included in the System's target asset allocation as of August 31, 2020, are summarized below:

Teacher Retirement System of Texas			
Asset Allocation and Long-Term Expected Real Rate of Return as of August 31, 2020			
Asset Class	Target Allocation¹	Long-Term Expected Arithmetic Real Rate of Return²	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
USA	18.0%	3.9%	0.99%
Non-U.S. Developed	13.0%	5.1%	0.92%
Emerging Markets	9.0%	5.6%	0.83%
Private Equity	14.0%	6.7%	1.41%
Stable Value			
Government Bonds	16.0%	-0.7%	-0.05%
Stable Value Hedge Funds	5.0%	1.9%	0.11%
Real Return			
Real Estate	15.0%	4.6%	1.02%
Energy and Natural Resources and Infrastructure	6.0%	6.0%	0.42%
Risk Parity			
Risk Parity	8.0%	3.0%	0.30%
Asset Allocation Leverage			
Cash	2.0%	-1.5%	-0.03%
Asset Allocation Leverage	-6.0%	-1.3%	0.08%
Inflation Expectation			2.00%
Volatility Drag ³			-0.67%
Totals	100%		7.33%

¹ Target allocations based on the FY2020 policy model.

² Capital Market Assumptions come from Aon Hewitt (as of 8/31/2020).

³ The volatility drag results 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 2021 Net Pension Liability.

	in Discount Rate (6.25%)	Discount Rate (7.25%)	in Discount Rate (8.25%)
Total TRS net pension liability	\$ 82,585,415,626	\$ 53,557,959,841	\$ 29,973,787,965
District's proportionate share of the net pension liability	\$ 71,518,476	\$ 46,380,873	\$ 25,957,121

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

At August 31, 2021, the District reported a liability of \$46,380,873 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	\$ 46,380,873
State's proportionate share that is associated with the District	78,763,439
Total	<u>\$ 125,144,312</u>

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

At August 31, 2020, the employer's proportion of the collective net pension liability was .0865994% which was a decrease of .0080779% from its proportion measured as of August 31, 2019.

Changes Since the Prior Actuarial Valuation

There were no changes in assumptions since the prior measurement date.

Abilene Independent School District

Notes to Financial Statements

August 31, 2021

For the year ended August 31, 2021, the District recognized pension expense of \$9,473,493 and revenue of \$6,067,811 for support provided by the State.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 84,688	\$ 1,294,367
Changes in actuarial assumptions	10,762,013	4,575,933
Difference between projected and actual investment earnings	938,941	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	1,422,395	3,343,944
Contributions paid to TRS subsequent to the measurement date	3,846,127	-
Total	<u>\$ 17,054,164</u>	<u>\$ 9,214,244</u>

\$3,846,127 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending August 31, 2022.

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

Year Ended August 31	Pension Expense Amount
2022	\$ 1,570,862
2023	1,779,865
2024	1,720,172
2025	129,329
2026	(1,029,572)
Thereafter	(176,863)
Total	<u>\$ 3,993,793</u>

Note 12 - Postemployment Health Benefits

Plan Description

The District participates in the Texas Public School Retired Employees Group Insurance Program (TRS-Care). It is a multiple-employer, cost-sharing defined Other Post-Employment Benefit (OPEB) plan that has a special funding situation. The TRS-Care program was established in 1986 by the Texas Legislature.

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

OPEB Plan Fiduciary Net Position

Detail information about the TRS-Care's fiduciary net position is available in the separately-issued TRS Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at https://www.trs.texas.gov/TRS%20Documents/cafr_2020.pdf; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698, or by calling (512) 542-6592.

Benefits Provided

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

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

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

TRS-Care Monthly for Retirees September 1, 2020 thru August 31, 2021		
	Medicare	Non-Medicare
Retiree*	\$ 135	\$ 200
Retiree and spouse	529	689
Retiree* and children	468	408
Retiree and family	1,020	999
<i>*or surviving spouse</i>		

Contributions

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

Texas Insurance Code, section 1575.202 establishes the State's contribution rate which is 1.25% of the employee's salary. Section 1575.203 establishes the active employee's rate which is .65% of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25% or not more than 0.75% of the salary of each active employee of the public. The actual employee 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			
	2020	2021	
Active employee	0.65%	0.65%	
Non-employer contributing entity (State)	1.25%	1.25%	
Employers	0.75%	0.75%	
Federal/private Funding remitted by employers	1.25%	1.25%	
	2020	2021	
Employer contributions	\$ 978,646	\$ 1,008,593	
Member contributions	712,925	735,219	
NECE on-behalf contributions	1,519,962	1,253,620	

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

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

Actuarial Assumptions

The total OPEB liability in the August 31, 2019 was rolled forward to August 31, 2020. The actuarial valuation was determined using the following actuarial assumptions:

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 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 and other inputs used for members of TRS-Care are identical to the assumptions used in the August 31, 2019 TRS pension plan actuarial valuation that was rolled forward to August 31, 2020:

Rates of mortality	General inflation
Rates of retirement	Wage inflation
Rates of termination	Salary increases
Rates of disability	

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

Additional Actuarial Methods and Assumptions

Valuation date	August 31, 2019 rolled forward to August 31, 2020
Actuarial cost method	Individual Entry Age Normal
Inflation	2.30%
Discount rate	2.33%
Aging factors	Based on plan specific experience
Election rates	Normal Retirement: 65% participation prior to age 65 and 40% participation after age 65; 25% of pre-65 retirees are assumed to discontinue coverage at age 65.
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
Salary increases	3.05% to 9.05%, including inflation
Healthcare trend rates	4.25% to 9.0% The initial medical trend rates were 9.00% for Medicare retirees and 7.30% for non-Medicare retirees. There was an initial prescription drug trend rate of 9.00% for all retirees. The initial trend rates decrease to an ultimate trend rate of 4.25% over a period of 13 years.
Ad hoc post-employment benefit changes	None

Discount Rate

A single discount rate of 2.33% was used to measure the total OPEB liability. There was a decrease of .30% in the discount rate since the previous year. Because the plan is essentially a “pay-as-you-go” plan, the single discount rate is equal to the prevailing municipal bond rate. The projection of cash flows used to determine the discount rate assumed that contributions from active members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, the municipal bond rate was applied to all periods of projected benefit payments to determine the total OPEB liability.

The source of the municipal bond rate is the Fidelity “20-year Municipal GO AA Index” as of August 31, 2020 using the fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds.

Discount Rate Sensitivity Analysis

The following schedule shows the impact of the Net OPEB Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (2.33%) in measuring the Net OPEB Liability.

	1% Decrease in Discount Rate (1.33%)	Discount Rate (2.33%)	1% Increase in Discount Rate (3.33%)
Total TRS net OPEB liability	\$ 45,617,332,072	\$ 38,014,515,883	\$ 32,009,382,286
District's proportionate share of the net OPEB liability	\$ 59,506,240	\$ 49,588,628	\$ 41,755,138

Healthcare Cost Trend Rate Sensitivity Analysis

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

	<u>1% Decrease in Healthcare Trend Rate</u>	<u>Current Single Healthcare Trend Rate</u>	<u>1% Increase in Healthcare Trend Rate</u>
Total TRS net OPEB liability	\$ 31,052,989,071	\$ 38,014,515,883	\$ 47,286,285,654
District's proportionate share of the net OPEB liability	\$ 40,507,556	\$ 49,588,628	\$ 61,683,333

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

At August 31, 2021, the District reported a liability of \$49,588,628 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	\$ 49,588,628
State's proportionate share that is associated with the District	<u>66,635,230</u>
Total	<u><u>\$ 116,223,858</u></u>

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

At August 31, 2020, the District's proportion of the collective Net OPEB Liability was 0.1304466% compared to 0.1321710% as of August 31, 2019.

Changes Since the Prior Actuarial Valuation

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

- The discount rate changed from 2.63% as of August 31, 2019 to 2.33% as of August 31, 2020. This change increased the Total OPEB liability.
- The participation rate for post-65 retirees was lowered from 50% to 40%. These changes decreased the Total OPEB liability.
- The ultimate health care trend rate assumption was lowered from 4.50% to 4.25% as a result of Congress' repeal of the excise (Cadillac) tax on high-cost employer health plans in December 2019. This change decreased the Total OPEB Liability.

Change of Benefit Terms Since the Prior Measurement Date – There were no changes in benefit terms since the prior measurement date.

For the year ended August 31, 2021, the District recognized OPEB benefit of \$462,690 and revenue of \$1,332,300 for support provided by the State.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 2,596,441	\$ 22,694,292
Changes in actuarial assumptions	3,058,587	13,617,294
Difference between projected and actual investment earnings	16,114	-
Changes in proportion and difference between District contributions and the proportionate share of contributions	1,473,665	1,454,998
Contributions paid to TRS subsequent to the measurement date	1,008,593	-
Total	<u>\$ 8,153,400</u>	<u>\$ 37,766,584</u>

\$1,008,593 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability for the year ended August 31, 2022.

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

<u>Year Ended August 31</u>	<u>OPEB Expense Amount</u>
2022	\$ (5,050,963)
2023	(5,053,117)
2024	(5,054,349)
2025	(5,054,012)
2026	(3,729,484)
Thereafter	<u>(6,679,852)</u>
Total	<u>\$ (30,621,777)</u>

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. These on-behalf payments have been recognized as equal revenues and expenditures by the District in the amount of \$507,965, \$524,250 and \$395,582 for the years ended August 31, 2021, 2020 and 2019, respectively.

Note 13 - Workers Compensation and Health Insurance

During the year ended August 31, 2021, employees of the District were covered by a third party commercial health insurance (the Plan). The District has paid premiums of \$410 per month per employee to the plan, and employees, at their option, authorized payroll withholdings to pay premiums for dependents. All premiums were paid to a third-party administrator acting on behalf of a licensed insurer. The plan was authorized by Section 21.922, Texas Education Code, and was documented by contractual agreement. The plan is accounted for in the general fund.

The contract between the District and the third-party administrator is renewable annually on September 1, and terms of coverage and premium costs are included in the contractual provisions.

The District's workers' compensation plan is administered by an independent claims administrator who reviews and processes all workers' compensation claims. The District pays each month an amount equal to the actual paid losses plus a fee based on the number of claimants. The District has in place specific stop loss coverage of \$400,000 for any one accident or occurrence up to a maximum limit of \$1,000,000.

The following is a reconciliation of workers' compensation claims during the previous two years:

	2021	2020
Claims payable beginning of year	\$ 193,666	\$ 226,651
Claims incurred	562,446	360,430
Claims paid	(404,053)	(393,415)
Claims payable end of year	<u>\$ 352,059</u>	<u>\$ 193,666</u>

Note 14 - Unearned Revenue

Unearned revenue at year-end in the fund financial statements consisted of the following:

	General Fund	Nonmajor Governmental Funds	Total
Athletic ticket sales, lost textbooks, and parking receipts	\$ 88,431	\$ -	\$ 88,431
State and local grant revenue	-	1,307,045	1,307,045
Federal grant revenue	-	13,788	13,788
	<u>\$ 88,431</u>	<u>\$ 1,320,833</u>	<u>\$ 1,409,264</u>

Note 15 - Revenues from Local and Intermediate Sources

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

	General Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total
Property taxes	\$ 47,817,313	\$16,180,292	\$ -	\$ -	\$63,997,605
Food sales	-	-	-	1,322,859	1,322,859
Investment income	169,166	2,676	31,469	815	204,126
Penalties, interest and other tax-related income	480,393	119,550	-	-	599,943
Co-curricular student activities	355,960	-	-	138,115	494,075
Tuition and fees	63,579	-	-	-	63,579
Gifts and bequests	20,219	-	-	233,026	253,245
Other	590,571	-	-	563,678	1,154,249
	<u>\$ 49,497,201</u>	<u>\$16,302,518</u>	<u>\$ 31,469</u>	<u>\$ 2,258,493</u>	<u>\$68,089,681</u>

Note 16 - Accumulated Unpaid Sick Leave Benefits

The District established a policy to pay accumulated local sick leave upon retirement or after an employee resigns and has at least ten years of service with Abilene Independent School District. The employee will receive pay for up to 50 accumulated local sick days at a rate to be established by the Board. This obligation was estimated to be \$528,755 at August 31, 2021 for eligible employees and is recorded as other long-term liabilities in the government wide statement of net position.

Note 17 - Shared Services Arrangements

The District is the fiscal agent for three Shared Service Arrangements ("SSA") which provide adult education and assistance to deaf students. All services, facilities, and administration are provided by the District for the other school districts in the region. Funding is received directly from the state. According to the guidance provided in TEA's Resource Guide, the District has accounted for the fiscal agent's activities of the SSA in Special Revenue Fund 431, Shared Service Arrangements - Adult Education Basic State.

The District is the fiscal agent for a Shared Services Arrangement ("SSA") which provides an Adult Education Program for students to the member counties listed below. All services are provided by the fiscal agent. According to guidance provided in TEA's Resource Guide, the District has accounted for the fiscal agent's activities of the SSA in Special Revenue fund 309 and is accounted for using Model 3 in the SSA section of the Resource Guide.

Brown County
Callahan County
Coleman County
Comanche County
Eastland County
Fisher County
Haskell County
Jones County
Kent County
Knox County

Mitchell County
Nolan County
Runnels County
Scurry County
Shackelford County
Stephens County
Stonewall County
Taylor County
Throckmorton County

The District participates in a shared services arrangement ("SSA") for the Regional Day School Program through fund 496 with the school districts listed below.

Albany ISD
Anson ISD
Cisco ISD
Clyde ISD
Colorado ISD
Comanche ISD
Hawley ISD

Merkel ISD
Ovalo CISD
Ranger ISD
Snyder ISD
Stamford ISD
Trent ISD
Wylie ISD

Note 18 - Debt**Defeased Bonds**

In previous years, the District deposited with a paying agent amounts that were sufficient to provide the final payment and redemption of defeased bonds. The defeased bonds are no longer regarded as being outstanding, except for the purpose of being paid from funds on deposit in the escrow fund. As of August 31, 2021, the remaining outstanding principal of the defeased bonds was \$69,922,883.

Bonds

Debt service requirements on bonds payable are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2022	\$ 8,965,000	\$ 8,440,212	\$ 17,405,212
2023	9,420,000	7,980,587	17,400,587
2024	9,540,000	7,522,137	17,062,137
2025	7,526,030	9,541,482	17,067,512
2026	4,634,216	11,494,996	16,129,212
2027-2031	52,750,000	27,919,465	80,669,465
2032-2036	62,475,000	18,178,221	80,653,221
2037-2041	33,595,000	10,054,850	43,649,850
2042-2044	24,320,000	1,864,500	26,184,500
	<u>\$ 213,225,246</u>	<u>\$ 102,996,450</u>	<u>\$ 316,221,696</u>

Maintenance Tax Notes and Contractual Obligations

On March 10, 2011 the District issued a \$5,515,000 Qualified School Construction Maintenance Tax and Revenue Note, Taxable Series 2011 with the full principal of the Note maturing February 15, 2026. Proceeds will be used to renovate and repair instructional facilities in the District. The Note has an interest rate of 6.55% but is eligible for an interest rate subsidy of 5.46% due to the Note being characterized as a Qualified School Construction Bond as defined by Section 54F of the Internal Revenue Code of 1986. Therefore, the resulting net supplementary interest rate of the Note is 1.09%.

The District created a sinking fund by entering into a repurchase agreement to service the Note. The repurchase agreement calls for annual payments of \$250,762 the first year and \$276,644 until the maturity date of February 15, 2026 and will yield an interest rate of 4.01%. Total payments from general operating funds, including the supplementary interest, to repay the \$5,515,000 Note will be \$5,021,312. The sinking fund balance as of August 31, 2021 was \$3,358,175.

Presented below is a summary of the sinking fund requirements:

<u>Fiscal Year</u>	<u>Annual Requirements</u>
2022	\$ 276,644
2023	276,644
2024	276,644
2025	276,644
2026	276,644
Total sinking fund requirements	<u>\$ 1,383,220</u>

Capital Leases

In April 2020, Abilene Independent School District entered into capital leases for the use of vehicles. Debt service requirements on capital leases are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2022	\$ 99,871	\$ 22,193	\$ 122,064
2023	99,871	22,193	122,064
2024	59,604	14,009	73,613
	<u>\$ 259,346</u>	<u>\$ 58,395</u>	<u>\$ 317,741</u>

Abilene Independent School District
Notes to Financial Statements
August 31, 2021

Long-term debt of the District is reflected in the statement of net position at August 31, 2021. A summary of the changes in long-term liabilities follows:

	Rate Payable	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Unlimited Tax Refunding Bonds, Series 2012	2.0%-5.0%	\$ 8,555,000	\$ -	\$ (2,735,000)	\$ 5,820,000	\$ 2,840,000
Unlimited Tax School Bldg Bonds, Series 2014 Current Interest Bonds	3.0%-5.0%	8,855,000	-	(2,780,000)	6,075,000	2,960,000
Unlimited Tax School Refng Bonds, Series 2014	4.4%	6,350,000	-	-	6,350,000	-
Unlimited Tax School Bldg Bonds, Series 2019	4.0%-5.0%	126,865,000	-	(1,805,000)	125,060,000	3,165,000
Unlimited Tax Refunding Bonds, Series Capital Appreciation Bonds 2020	1.8%-5.0%	1,380,246	-	-	1,380,246	-
Unlimited Tax Refunding Bonds, Series 2020 Current Interest Bonds	1.8%-5.0%	68,540,000	-	-	68,540,000	-
Bonds payable-subtotal		220,545,246	-	(7,320,000)	213,225,246	8,965,000
Accretion on CAB, Series 2020		6,372,181	118,269	-	6,490,450	-
Accretion-subtotal		6,372,181	118,269	-	6,490,450	-
Unamortized Premium on Bonds, Series 2012		1,144,211	-	(457,684)	686,527	-
Unamortized Premium on Bonds, Series 2014 Building		739,475	-	(300,803)	438,672	-
Unamortized Premium on Bonds, Series 2014 Refunding		370,121	-	(74,025)	296,096	-
Unamortized Premium on Bonds, Series 2019 Building		12,987,117	-	(552,643)	12,434,474	-
Unamortized Premium on Bonds, Series 2020 Refunding		12,765,309	-	(1,650,663)	11,114,646	-
Unamortized premium-subtotal		28,006,233	-	(3,035,818)	24,970,415	-
Net bonds payable		254,923,660	118,269	(10,355,818)	244,686,111	8,965,000
Qualified School Construction Maintenance Tax and Revenue Notes, Series 2011	6.55%	5,515,000	-	-	5,515,000	-
Compensated absences		539,474	64,221	(74,940)	528,755	-
Capital leases	7.7%	359,217	-	(99,871)	259,346	99,871
Other long-term liabilities-subtotal		898,691	64,221	(174,811)	788,101	99,871
Total long-term liabilities		\$ 261,337,351	\$ 182,490	\$ (10,530,629)	\$ 250,989,212	\$ 9,064,871

Unamortized bond premiums on the 2012, 2014, 2019 and 2020 Series bonds are reported with long-term bonds payable on the statement of net position.

Bonds payable, maintenance notes, compensated absences and capital leases payable are typically liquidated through payments made by the following funds: General Fund and Debt Service Fund.

Note 19 - Commitments Under Operating Leases

Commitments under operating lease agreements for equipment provide for minimum future rental payments as of August 31, 2021 are as follows:

<u>Year Ending August 31,</u>	
2022	\$ 334,623
2023	<u>291,965</u>
Total minimum future lease payments	<u><u>\$ 626,588</u></u>

The District recorded lease expense of \$412,002 during the year ended August 31, 2021.

Note 20 - Fund Balance

The District classifies governmental fund balance in accordance with Government Accounting Standards Board (GASB) Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions:

- Nonspendable fund balance includes fund balance that cannot be spent either because it is not in spendable form or because of legal or contractual constraints. At August 31, 2021, the District had \$917,505 and \$86,753 in nonspendable fund balance for inventory and prepaid items, respectively.
- Restricted fund balance includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. As of August 31, 2021, \$886,968 was restricted for other federal and state grants. Fund balance restricted for the retirement of funded indebtedness totaled \$5,853,201 as of August 31, 2021. Fund balance restricted for capital acquisition and contractual obligation totaled \$8,085,177.
- Committed fund balance is established and modified by a resolution from the District's Board, the District's highest level of decision-making authority, and can be used only for the specific purposes determined by the Board's resolution. At August 31, 2021, the District had \$5,905,065 committed for future construction projects, \$502,218 committed for future Shotwell Stadium improvements, and \$273,184 committed for campus activity funds.
- Assigned fund balance is intended to be used by the District for specific purposes but does not meet the criteria to be classified as restricted or committed. The Board has delegated the authority to assign fund balance to the Superintendent. At August 31, 2021, the District had fund balance assigned for open encumbrances of \$3,819,616 in the General Fund.
- Unassigned fund balance is the residual classification for the District's general fund and includes all spendable amounts not contained in the other classifications.

The District uses restricted amounts first when both restricted and unrestricted fund balance are available. Additionally, the District would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

Note 21 - General Fund Federal Source Revenues

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

Program or Service	CFDA	Amount
ROTC reimbursement	12.000	\$ 102,274
School Health and Related Services	n/a	1,612,608
Impact Aid, Public Law 81-874	84.041	325,230
COVID-19 Coronavirus Relief Funds	21.019	373,500
COVID-19 ESSER II (CRRSAA) *	84.425D	115,738
COVID-19 ESSER III (ARP) *	84.425U	936,299
QSCB interest subsidy	n/a	284,376
Indirect costs		
Title I - Part A	84.010	272,415
IDEA B Formula	84.027	207,661
IDEA B Discretionary	84.027	2,156
IDEA B Preschool	84.173	6,854
Carl D Perkins Basic Grant Formula	84.048	6,906
Title II, Part A - Teacher, Principal, Training & Recruitment	84.367	34,828
Title III - Part A	84.365A	2,888
COVID-19 ESSER I	84.425D	192,347
COVID-19 ESSER II (CRRSAA)	84.425D	667,031
COVID-19 ESSER III (ARP)	84.425U	465,013
Title IV - Part A	84.424	18,988
AEL Adult Education & Literacy	84.002A	38,767
AEL Temporary Assistance for Needy Families	93.558	2,820
Title I School Improvement - Instructional Continuity	84.377	1,736
Total		<u>\$ 5,670,435</u>

* Expenditures were recorded in the general fund in fiscal year 2020, but award was finalized and reimbursement received in fiscal year 2021. Accordingly, the revenue is recorded in the same fund that expenditures had previously been recorded.

Note 22 - Deferred Compensation Plan

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all District employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. Until paid or made available to the employee or another beneficiary, all amounts of compensation deferred under the plan, investments purchased with those amounts and all income attributable to those investments are held in trust and are not subject to the claims of the District's general creditors. The District does not have fiduciary responsibility for the plan and therefore it is not reported as a pension trust fund in the District's financial statements. Participant's rights under the plan are equal to the fair value of the deferred account for each participant.

Note 23 - Adoption of New Standard

As of September 1, 2020, the District adopted GASB Statement No. 84, Fiduciary Activities (GASB 84). The impact to the District resulted in a reclassification of agency funds to custodial funds that resulted in a restatement of net position of custodial funds.

In addition to the restatements of opening net position, the agency funds previously accounted for various student activity funds collected on behalf of those students. Those activities are now reported as custodial funds.

The following table describes the effects of the implementation of GASB 84 on beginning net position.

	<u>Custodial Fund</u>
Net position at September 1, 2020, as previously reported	\$ -
Reclassification of various agency funds to custodial funds	<u>420,927</u>
Net position at September 1, 2020, as restated	<u><u>\$ 420,927</u></u>

Note 24 - Subsequent Event

In December 2021, the District entered into a construction contract for HVAC improvements at twelve facilities in the amount of \$28,884,993.



Required Supplementary Information
August 31, 2021

Abilene Independent School District

Abilene Independent School District
Budgetary Comparison Schedule – General Fund (Exhibit G-1)
Year Ended August 31, 2021

Data Control Codes		Budgeted Amounts		Actual Amounts (GAAP) Basis	Variance With Final Budget Positive or (Negative)
		Original	Final		
	Revenues				
5700	Total local and intermediate sources	\$ 49,812,000	\$ 49,834,213	\$ 49,497,201	\$ (337,012)
5800	State program revenues	96,416,700	96,416,700	91,599,284	(4,817,416)
5900	Federal program revenues	3,381,000	3,381,000	5,670,435	2,289,435
5020	Total revenues	<u>149,609,700</u>	<u>149,631,913</u>	<u>146,766,920</u>	<u>(2,864,993)</u>
	Expenditures				
	Current				
0011	Instruction	84,179,100	81,471,089	73,171,898	8,299,191
0012	Instructional resources and media services	2,082,900	2,358,544	2,000,563	357,981
0013	Curriculum and instructional staff development	3,112,700	3,270,934	1,838,096	1,432,838
0021	Instructional leadership	3,376,700	3,389,712	2,952,307	437,405
0023	School leadership	9,587,800	9,526,175	8,923,971	602,204
0031	Guidance, counseling and evaluation services	6,382,700	6,568,588	6,330,599	237,989
0032	Social work services	999,900	1,317,838	1,032,468	285,370
0033	Health services	2,113,200	2,359,900	2,066,767	293,133
0034	Student (pupil) transportation	4,736,800	6,386,108	5,472,411	913,697
0036	Extracurricular activities	4,464,000	5,086,438	4,470,138	616,300
0041	General administration	5,408,200	5,454,444	5,190,870	263,574
0051	Facilities maintenance and operations	15,514,200	15,112,276	13,313,413	1,798,863
0052	Security and monitoring services	696,500	1,052,849	672,035	380,814
0053	Data processing services	5,288,400	6,128,281	4,596,616	1,531,665
0061	Community services	651,600	1,002,063	675,438	326,625
	Debt service				
0071	Principal on long term debt	99,781	99,871	99,871	-
0072	Interest on long term debt	279,489	429,399	383,426	45,973
0073	Bond issuance cost and fees	730	730	730	-
	Capital outlay				
0081	Facilities acquisition and construction	-	2,503,064	1,700,380	802,684
	Intergovernmental				
0095	Payments to juvenile alternative Ed. Prg	135,000	185,000	40,410	144,590
0099	Other intergovernmental charges	500,000	610,000	510,798	99,202
6030	Total expenditures	<u>149,609,700</u>	<u>154,313,303</u>	<u>135,443,205</u>	<u>18,870,098</u>
1100	Excess (deficiency) of revenues over (under) expenditures	-	(4,681,390)	11,323,715	16,005,105
	Other financing sources (uses)				
7912	Sale of real and personal property	-	4,319,509	4,359,137	39,628
7949	Other resources	-	-	2,828	2,828
8911	Transfers out	-	(4,319,509)	(4,319,509)	-
7080	Total other financing sources (uses)	-	-	42,456	42,456
1200	Net change in fund balances	-	(4,681,390)	11,366,171	16,047,561
0100	Fund balance - beginning	44,840,371	44,840,371	44,840,371	-
3000	Fund balance - ending	<u>\$ 44,840,371</u>	<u>\$ 40,158,981</u>	<u>\$ 56,206,542</u>	<u>\$ 16,047,561</u>

See Notes to Required Supplementary Information

Abilene Independent School District
Schedule of District's Proportionate Share of the Net Pension Liability – Teacher Retirement System of Texas (Exhibit G-2)
Year Ended August 31, 2021

	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability	0.086599402%	0.094677311%	0.095626682%	0.095703310%	0.094585349%	0.100625900%	0.064298800%
District's proportionate share of net pension liability	\$ 46,380,873	\$ 49,216,226	\$ 52,635,247	\$ 30,600,763	\$ 35,742,397	\$ 35,569,916	\$ 17,175,099
State's proportionate share of the net pension liability associated with the District	78,763,439	72,420,575	80,725,719	48,982,745	60,001,221	56,952,497	49,522,165
Totals	<u>\$ 125,144,312</u>	<u>\$ 121,636,801</u>	<u>\$ 133,360,966</u>	<u>\$ 79,583,508</u>	<u>\$ 95,743,618</u>	<u>\$ 92,522,413</u>	<u>\$ 66,697,264</u>
District's covered payroll	\$ 109,680,694	\$ 102,976,616	\$ 102,183,362	\$ 100,562,501	\$ 98,232,144	\$ 95,430,501	\$ 92,180,591
District's proportionate share of net pension liability as a percentage of its covered payroll	42.29%	47.79%	51.51%	30.43%	36.39%	37.27%	18.63%
Plan fiduciary net position as a percentage of the total pension liability	75.54%	75.24%	73.74%	82.17%	78.00%	78.43%	83.25%

Note: The information disclosed for each fiscal year is reported as of the measurement date of the net pension liability with is August 31 of the preceding fiscal year.

Note: Plan information was unavailable prior to 2015.

Abilene Independent School District
Schedule of District's Contributions – Teacher Retirement System to Texas (Exhibit G-3)
Year Ended August 31, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$ 3,846,127	\$ 3,549,529	\$ 3,287,469	\$ 3,216,684	\$ 3,136,596	\$ 3,005,216	\$ 2,979,577
Contribution in relation to the contractually required contributions	<u>(3,846,127)</u>	<u>(3,549,529)</u>	<u>(3,287,469)</u>	<u>(3,216,684)</u>	<u>(3,136,596)</u>	<u>(3,005,216)</u>	<u>(2,979,577)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 113,110,638	\$ 109,680,694	\$ 102,976,616	\$ 102,183,362	\$ 100,562,501	\$ 98,232,144	\$ 95,430,501
Contributions as a percentage of covered payroll	3.40%	3.24%	3.19%	3.15%	3.12%	3.06%	3.12%

Note: The information disclosed for each fiscal year is reported as of the District's fiscal year-end date.

Note: Plan information was unavailable prior to 2015.

Abilene Independent School District
Schedule of District's Proportionate Share of the Net OPEB Liability (Exhibit G-4)
Year Ended August 31, 2021

	2021	2020	2019	2018
District's proportion of the net OPEB liability	0.130446560%	0.132170966%	0.133181501%	0.129601183%
District's proportionate share of net OPEB liability	\$ 49,588,628	\$ 62,505,269	\$ 66,498,743	\$ 56,358,693
State's proportionate share of the net OPEB liability associated with the District	66,635,230	83,055,521	81,656,572	73,614,932
Totals	<u>\$116,223,858</u>	<u>\$145,560,790</u>	<u>\$148,155,315</u>	<u>\$129,973,625</u>
District's covered payroll	\$109,680,694	\$102,976,616	\$102,183,362	\$100,562,501
District's proportionate share of net OPEB liability as a percentage of its covered payroll	45.21%	60.70%	65.08%	56.04%
Plan fiduciary net position as a percentage of the total OPEB liability	4.99%	2.66%	1.57%	0.91%

Note: The information disclosed for each fiscal year is reported as of the measurement date of the net OPEB liability which is August 31 of the preceding fiscal year.

Abilene Independent School District
Schedule of District's Contributions to the OPEB Plan (Exhibit G-5)
Year Ended August 31, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contributions	\$ 1,008,593	\$ 978,646	\$ 924,465	\$ 664,200
Contribution in relation to the contractually required contributions	<u>(1,008,593)</u>	<u>(978,646)</u>	<u>(924,465)</u>	<u>(664,200)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$113,110,638	\$109,680,694	\$102,976,616	\$102,183,362
Contributions as a percentage of covered payroll	0.89%	0.89%	0.90%	0.65%

Note: The information disclosed for each fiscal year is reported as of the District's fiscal year-end date.

Note: Plan information was unavailable prior to 2018.

Note 1 - Budget

Budgetary Information

Each school district in Texas is required by law to prepare annually a budget of anticipated revenues and expenditures for the general fund, debt service fund, and the National School Breakfast and Lunch Program special revenue fund. The Texas Education Code requires the budget to be prepared not later than August 20 and adopted by August 31 of each year. The budgets are prepared on a basis of accounting that is used for reporting in accordance with generally accepted accounting principles.

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

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

Once a budget is approved, it can be amended by 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 Accounting at the revenue and expenditure fund/function level. Budget amounts are as amended by the Board. All budget appropriations lapse at year end.

Note 2 - Net Pension Liability – Teachers Retirement System

Changes of Benefit Terms

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

Changes in the Size or Composition of the Population Covered by the Benefit Terms

There were no changes in the size or composition of the population covered by the benefit terms during the measurement period.

Changes of Assumptions

There were no changes in assumptions since the prior measurement date.

Note 3 - OPEB

Changes of Benefit Terms

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

Changes in the Size or Composition of the Population Covered by the Benefit Terms

There were no changes in the size or composition of the population covered by the benefit terms during the measurement period.

Changes of Assumptions

- The discount rate changed from 2.63% as of August 31, 2019 to 2.33% as of August 31, 2020. This change increased the Total OPEB Liability (TOL).
- The participation rate for post-65 retirees was lowered from 50% to 40%. These changes decreased the TOL.
- The ultimate health care trend rate assumption was lowered from 4.50% to 4.25% as a result of Congress' repeal of the excise (Cadillac) tax on high-cost employer health plans in December 2019. This change decreased the TOL.



Other Supplementary Information
August 31, 2021

Abilene Independent School District

Data Control Codes		203	205	206	211
		Childcare Development Block Grant	Head Start	ESEA Title X, Pt. C Homeless	ESEA I, A Improving Basic Program
	Assets				
1110	Cash and cash equivalents	\$ 7,324	\$ 239	\$ -	\$ -
1120	Investments - current	-	-	-	-
1240	Receivables from other governments	-	334,972	28,619	721,045
1260	Due from other funds	-	-	-	-
1290	Other receivables	-	-	-	-
1300	Inventories	-	-	-	-
1000	Total assets	<u>\$ 7,324</u>	<u>\$ 335,211</u>	<u>\$ 28,619</u>	<u>\$ 721,045</u>
	Liabilities				
2110	Accounts payable	\$ -	\$ 4,057	\$ -	\$ 16,551
2160	Accrued wages payable	-	137,901	-	239,352
2170	Due to other funds	-	190,593	28,619	463,573
2200	Accrued expenditures	-	730	-	1,569
2300	Unearned revenues	<u>7,324</u>	<u>1,930</u>	<u>-</u>	<u>-</u>
2000	Total liabilities	<u>7,324</u>	<u>335,211</u>	<u>28,619</u>	<u>721,045</u>
	Fund Balances				
3410	Nonspendable - inventories	-	-	-	-
3450	Restricted - federal or state funds grant	-	-	-	-
3545	Committed - other	-	-	-	-
3000	Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total liabilities, deferred inflows and fund balances	<u>\$ 7,324</u>	<u>\$ 335,211</u>	<u>\$ 28,619</u>	<u>\$ 721,045</u>

Abilene Independent School District
Combining Balance Sheet – Nonmajor Governmental Funds (Exhibit H-1)
August 31, 2021

224	225	226	240	242	244	255
IDEA Part B Formula	IDEA Part B Preschool	IDEA Part B Discretionary	National Breakfast and Lunch Program	Summer Feeding Program	Career and Technical - Basic Grant	ESEA II, A Training and Recruiting
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	1,322,007	-	-	-
585,177	9,491	6,189	693,607	35,914	26,114	99,819
-	-	-	36,588	129,054	-	-
-	-	-	532	-	-	-
-	-	-	123,709	-	-	-
<u>\$ 585,177</u>	<u>\$ 9,491</u>	<u>\$ 6,189</u>	<u>\$ 2,176,443</u>	<u>\$ 164,968</u>	<u>\$ 26,114</u>	<u>\$ 99,819</u>
\$ 9,952	\$ -	\$ -	\$ 90,334	\$ -	\$ 5,929	\$ -
238,613	8,999	2,575	185,124	-	3,244	14,726
333,317	492	3,614	1,046,028	9,248	16,821	85,093
3,295	-	-	-	-	-	-
-	-	-	-	-	120	-
<u>585,177</u>	<u>9,491</u>	<u>6,189</u>	<u>1,321,486</u>	<u>9,248</u>	<u>26,114</u>	<u>99,819</u>
-	-	-	123,709	-	-	-
-	-	-	731,248	155,720	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>854,957</u>	<u>155,720</u>	<u>-</u>	<u>-</u>
<u>\$ 585,177</u>	<u>\$ 9,491</u>	<u>\$ 6,189</u>	<u>\$ 2,176,443</u>	<u>\$ 164,968</u>	<u>\$ 26,114</u>	<u>\$ 99,819</u>

		263	266	276
Data Control Codes		ESEA III, A English Language Acquisition	ESSER I (CARES)	Instructional Continuity
	Assets			
1110	Cash and cash equivalents	\$ -	\$ -	\$ -
1120	Investments - current	-	-	-
1240	Receivables from other governments	933	205,158	-
1260	Due from other funds	-	-	-
1290	Other receivables	-	-	-
1300	Inventories	-	-	-
1000	Total assets	<u>\$ 933</u>	<u>\$ 205,158</u>	<u>\$ -</u>
	Liabilities			
2110	Accounts payable	\$ -	\$ 433	\$ -
2160	Accrued wages payable	-	-	-
2170	Due to other funds	933	204,725	-
2200	Accrued expenditures	-	-	-
2300	Unearned revenues	-	-	-
2000	Total liabilities	<u>933</u>	<u>205,158</u>	<u>-</u>
	Fund Balances			
3410	Nonspendable - inventories	-	-	-
3450	Restricted - federal or state funds grant	-	-	-
3545	Committed - other	-	-	-
3000	Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total liabilities, deferred inflows and fund balances	<u>\$ 933</u>	<u>\$ 205,158</u>	<u>\$ -</u>

Abilene Independent School District
Combining Balance Sheet – Nonmajor Governmental Funds (Exhibit H-1)
August 31, 2021

282	288	288-01	289-04	289-12	289-13	309
ESSER III (ARP)	Early Head Start	Child & Adult Care Food Program	Title IV, Part A	Dyess Construction Grant	ROTC	SSA Adult Basic Education
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,851	\$ -
-	-	-	-	-	-	-
2,741,640	329,525	24,309	37,496	483,016	-	71,207
-	-	-	1,983	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 2,741,640</u>	<u>\$ 329,525</u>	<u>\$ 24,309</u>	<u>\$ 39,479</u>	<u>\$ 483,016</u>	<u>\$ 1,851</u>	<u>\$ 71,207</u>
\$ 499	\$ 7,578	\$ -	\$ 27,237	\$ -	\$ 388	\$ 2,022
150,306	126,763	7,345	11,984	-	-	19,706
2,584,999	192,233	16,964	-	483,016	-	49,479
5,836	-	-	258	-	-	-
-	2,951	-	-	-	1,463	-
<u>2,741,640</u>	<u>329,525</u>	<u>24,309</u>	<u>39,479</u>	<u>483,016</u>	<u>1,851</u>	<u>71,207</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 2,741,640</u>	<u>\$ 329,525</u>	<u>\$ 24,309</u>	<u>\$ 39,479</u>	<u>\$ 483,016</u>	<u>\$ 1,851</u>	<u>\$ 71,207</u>

		312	397	410	412
Data Control Codes		SSA - TANF Family Assistance	Advanced Placement Incentives	Instructional Materials Allotment	CCPO
	Assets				
1110	Cash and cash equivalents	\$ -	\$ 11,530	\$ -	\$ -
1120	Investments - current	-	-	-	-
1240	Receivables from other governments	6,165	-	-	-
1260	Due from other funds	-	-	43,673	328,455
1290	Other receivables	-	-	-	-
1300	Inventories	-	-	-	-
1000	Total assets	<u>\$ 6,165</u>	<u>\$ 11,530</u>	<u>\$ 43,673</u>	<u>\$ 328,455</u>
	Liabilities				
2110	Accounts payable	\$ -	\$ -	\$ 6,921	\$ -
2160	Accrued wages payable	3,575	-	-	4,589
2170	Due to other funds	2,590	-	26,995	-
2200	Accrued expenditures	-	-	-	-
2300	Unearned revenues	-	11,530	9,757	323,866
2000	Total liabilities	<u>6,165</u>	<u>11,530</u>	<u>43,673</u>	<u>328,455</u>
	Fund Balances				
3410	Nonspendable - inventories	-	-	-	-
3450	Restricted - federal or state funds grant	-	-	-	-
3545	Committed - other	-	-	-	-
3000	Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total liabilities, deferred inflows and fund balances	<u>\$ 6,165</u>	<u>\$ 11,530</u>	<u>\$ 43,673</u>	<u>\$ 328,455</u>

Abilene Independent School District
Combining Balance Sheet – Nonmajor Governmental Funds (Exhibit H-1)
August 31, 2021

429 Other State Funded Special Revenue Funds	431 Adult Basic Education State	435 State Deaf	461 Campus Activity Fund	499 Other Local Special Revenue Funds	Total Nonmajor Governmental Funds
\$ 8,684	\$ -	\$ -	\$ 281,704	\$ 41,790	\$ 353,122
-	-	-	-	-	1,322,007
-	10,981	34,165	-	-	6,485,542
-	-	-	146	874,629	1,414,528
-	-	-	182	145,948	146,662
-	-	-	-	-	123,709
<u>\$ 8,684</u>	<u>\$ 10,981</u>	<u>\$ 34,165</u>	<u>\$ 282,032</u>	<u>\$ 1,062,367</u>	<u>\$ 9,845,570</u>
\$ -	\$ 107	\$ -	\$ 4,347	\$ 5,875	\$ 182,230
-	6,415	5,342	-	21,872	1,188,431
-	4,459	28,823	4,501	81,412	5,858,527
-	-	-	-	-	11,688
<u>8,684</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>953,208</u>	<u>1,320,833</u>
<u>8,684</u>	<u>10,981</u>	<u>34,165</u>	<u>8,848</u>	<u>1,062,367</u>	<u>8,561,709</u>
-	-	-	-	-	123,709
-	-	-	-	-	886,968
-	-	-	273,184	-	273,184
<u>-</u>	<u>-</u>	<u>-</u>	<u>273,184</u>	<u>-</u>	<u>1,283,861</u>
<u>\$ 8,684</u>	<u>\$ 10,981</u>	<u>\$ 34,165</u>	<u>\$ 282,032</u>	<u>\$ 1,062,367</u>	<u>\$ 9,845,570</u>

Data Control Codes		203	205	206	211
		Childcare Development Block Grant	Head Start	ESEA Title X, Pt. C Homeless	ESEA I, A Improving Basic Program
	Revenues				
5700	Local and intermediate sources	\$ -	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-	-
5900	Federal program revenues	-	2,804,368	103,680	5,059,377
5020	Total revenues	-	2,804,368	103,680	5,059,377
	Expenditures				
	Current				
0011	Instruction	-	1,486,593	-	3,747,348
0012	Instructional resources and media services	-	63,386	-	77,640
0013	Curriculum and instructional staff development	-	229,346	-	291,860
0021	Instructional leadership	-	7,170	-	200,339
0023	School leadership	-	267,806	-	91,643
0031	Guidance, counseling, and evaluation services	-	97,519	-	98,143
0032	Social work services	-	273,457	103,680	186,712
0033	Health services	-	60,143	-	-
0034	Student (pupil) transportation	-	33,111	-	40,012
0035	Food services	-	5,714	-	-
0036	Extracurricular activities	-	-	-	-
0041	General administration	-	-	-	-
0051	Facilities maintenance and operations	-	39,867	-	-
0052	Security and monitoring services	-	-	-	-
0053	Data processing services	-	-	-	-
0061	Community services	-	48,662	-	325,680
	Capital outlay				
0081	Facilities acquisition and construction	-	191,594	-	-
6030	Total expenditures	-	2,804,368	103,680	5,059,377
1100	Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
	Other financing sources (Uses)				
7912	Sale of real and personal property	-	-	-	-
7080	Total other financing sources (uses)	-	-	-	-
1200	Net change in fund balance	-	-	-	-
0100	Fund balance, beginning	-	-	-	-
3000	Fund balance, ending	\$ -	\$ -	\$ -	\$ -

Abilene Independent School District
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental
Funds (Exhibit H-2)
Year Ended August 31, 2021

224	225	226	240	242	244	255
IDEA Part B Formula	IDEA Part B Preschool	IDEA Part B Discretionary	National Breakfast and Lunch Program	Summer Feeding Program	Career and Technical - Basic Grant	ESEA II, A Training and Recruiting
\$ -	\$ -	\$ -	\$ 1,323,504	\$ 170	\$ -	\$ -
-	-	-	279,706	-	-	-
3,858,304	127,756	40,045	6,661,600	121,296	146,219	647,586
3,858,304	127,756	40,045	8,264,810	121,466	146,219	647,586
3,586,928	127,756	40,045	-	-	71,829	-
-	-	-	-	-	-	-
-	-	-	-	-	-	547,641
39,788	-	-	-	-	-	98,816
-	-	-	-	-	-	1,129
168,014	-	-	-	-	74,390	-
-	-	-	-	-	-	-
63,574	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	7,982,931	132,233	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	179,387	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
3,858,304	127,756	40,045	8,162,318	132,233	146,219	647,586
-	-	-	102,492	(10,767)	-	-
-	-	-	16,375	-	-	-
-	-	-	16,375	-	-	-
-	-	-	118,867	(10,767)	-	-
-	-	-	736,090	166,487	-	-
\$ -	\$ -	\$ -	\$ 854,957	\$ 155,720	\$ -	\$ -

Data Control Codes		263	266	276
		ESEA III, A English Language Acquisition	ESSER I (CARES)	Instructional Continuity
	Revenues			
5700	Local and intermediate sources	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-
5900	Federal program revenues	53,890	3,777,770	48,525
5020	Total revenues	53,890	3,777,770	48,525
	Expenditures			
	Current			
0011	Instruction	45,266	3,777,770	48,525
0012	Instructional resources and media services	-	-	-
0013	Curriculum and instructional staff development	7,741	-	-
0021	Instructional leadership	883	-	-
0023	School leadership	-	-	-
0031	Guidance, counseling, and evaluation services	-	-	-
0032	Social work services	-	-	-
0033	Health services	-	-	-
0034	Student (pupil) transportation	-	-	-
0035	Food services	-	-	-
0036	Extracurricular activities	-	-	-
0041	General administration	-	-	-
0051	Facilities maintenance and operations	-	-	-
0052	Security and monitoring services	-	-	-
0053	Data processing services	-	-	-
0061	Community services	-	-	-
	Capital outlay			
0081	Facilities acquisition and construction	-	-	-
6030	Total expenditures	53,890	3,777,770	48,525
1100	Excess (deficiency) of revenues over (under) expenditures	-	-	-
	Other financing sources (Uses)			
7912	Sale of real and personal property	-	-	-
7080	Total other financing sources (uses)	-	-	-
1200	Net change in fund balance	-	-	-
0100	Fund balance, beginning	-	-	-
3000	Fund balance, ending	\$ -	\$ -	\$ -

Abilene Independent School District
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental
Funds (Exhibit H-2)
Year Ended August 31, 2021

282	288	288-01	289-04	289-12	289-13	309
ESSER III (ARP)	Early Head Start	Child & Adult Care Food Program	Title IV, Part A	Dyess Construction Grant	ROTC	SSA Adult Basic Education
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
2,276,627	2,301,596	194,126	352,843	483,016	2,347	722,704
<u>2,276,627</u>	<u>2,301,596</u>	<u>194,126</u>	<u>352,843</u>	<u>483,016</u>	<u>2,347</u>	<u>722,704</u>
1,249,789	1,184,860	-	198,614	64,460	2,347	570,249
7,916	-	-	67,457	-	-	-
713,433	123,049	-	-	-	-	-
1,462	7,170	-	36,361	-	-	67,451
53,709	390,132	-	-	-	-	43,071
8,873	73,365	-	-	-	-	41,933
1,844	262,724	-	-	-	-	-
163,527	167,202	-	-	-	-	-
3,027	47,599	-	-	-	-	-
-	3,474	194,126	-	-	-	-
2,669	-	-	-	-	-	-
2,188	-	-	50,411	-	-	-
11,059	-	-	-	-	-	-
-	-	-	-	-	-	-
55,733	-	-	-	-	-	-
1,398	42,021	-	-	-	-	-
-	-	-	-	418,556	-	-
<u>2,276,627</u>	<u>2,301,596</u>	<u>194,126</u>	<u>352,843</u>	<u>483,016</u>	<u>2,347</u>	<u>722,704</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

		312	397	410	412
Data Control Codes		SSA - TANF Family Assistance	Advanced Placement Incentives	Instructional Materials Allotment	CCPO
Revenues					
5700	Local and intermediate sources	\$ -	\$ -	\$ -	\$ -
5800	State program revenues	-	-	1,211,067	259,937
5900	Federal program revenues	52,526	-	-	-
5020	Total revenues	52,526	-	1,211,067	259,937
Expenditures					
Current					
0011	Instruction	37,692	-	1,211,067	142,064
0012	Instructional resources and media services	-	-	-	-
0013	Curriculum and instructional staff development	-	-	-	14,658
0021	Instructional leadership	4,027	-	-	-
0023	School leadership	7,385	-	-	38,977
0031	Guidance, counseling, and evaluation services	3,422	-	-	6,907
0032	Social work services	-	-	-	28,605
0033	Health services	-	-	-	18,512
0034	Student (pupil) transportation	-	-	-	5,630
0035	Food services	-	-	-	-
0036	Extracurricular activities	-	-	-	-
0041	General administration	-	-	-	-
0051	Facilities maintenance and operations	-	-	-	-
0052	Security and monitoring services	-	-	-	-
0053	Data processing services	-	-	-	-
0061	Community services	-	-	-	4,584
Capital outlay					
0081	Facilities acquisition and construction	-	-	-	-
6030	Total expenditures	52,526	-	1,211,067	259,937
1100	Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Other financing sources (Uses)					
7912	Sale of real and personal property	-	-	-	-
7080	Total other financing sources (uses)	-	-	-	-
1200	Net change in fund balance	-	-	-	-
0100	Fund balance, beginning	-	-	-	-
3000	Fund balance, ending	\$ -	\$ -	\$ -	\$ -

Abilene Independent School District
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental
Funds (Exhibit H-2)
Year Ended August 31, 2021

429 Other State Funded Special Revenue Funds	431 Adult Basic Education State	435 State Deaf	461 Campus Activity Fund	499 Other Local Special Revenue Funds	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ 138,115	\$ 796,704	\$ 2,258,493
107,340	123,444	161,826	-	-	2,143,320
-	-	-	-	-	29,836,201
<u>107,340</u>	<u>123,444</u>	<u>161,826</u>	<u>138,115</u>	<u>796,704</u>	<u>34,238,014</u>
-	96,367	161,826	159,695	443,915	18,455,005
-	-	-	-	-	216,399
3,088	896	-	-	-	1,931,712
-	11,289	-	-	7,458	482,214
-	10,427	-	-	7,104	911,383
-	4,465	-	-	337,589	914,620
-	-	-	-	-	857,022
-	-	-	-	-	472,958
-	-	-	-	-	129,379
-	-	-	-	-	8,318,478
-	-	-	2,143	-	4,812
-	-	-	-	638	53,237
-	-	-	-	-	230,313
104,252	-	-	-	-	104,252
-	-	-	-	-	55,733
-	-	-	-	-	422,345
-	-	-	-	-	610,150
<u>107,340</u>	<u>123,444</u>	<u>161,826</u>	<u>161,838</u>	<u>796,704</u>	<u>34,170,012</u>
-	-	-	(23,723)	-	68,002
-	-	-	-	-	16,375
-	-	-	-	-	16,375
-	-	-	(23,723)	-	84,377
-	-	-	296,907	-	1,199,484
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 273,184</u>	<u>\$ -</u>	<u>\$ 1,283,861</u>



Required TEA Schedules
August 31, 2021

Abilene Independent School District

<u>Last Ten Years Ended August 31</u>	1	2	3
	Tax Rates		Assessed/ Appraised Value for School Tax Purposes
	<u>Maintenance</u>	<u>Debt Service</u>	
2012 (and prior years)	\$ Various	\$ Various	\$ Various
2013	1.040000	0.112700	4,074,025,528
2014	1.040000	0.110100	4,172,275,368
2015	1.040000	0.177500	4,230,516,552
2016	1.040000	0.170600	4,280,261,809
2017	1.040000	0.164100	4,469,378,022
2018	1.040000	0.158300	4,493,015,439
2019	1.040000	0.162400	4,670,459,397
2020	0.970000	0.351400	5,004,253,793
2021 (school year under audit)	0.964200	0.327200	5,212,303,908
1000 Totals			

Abilene Independent School District
Schedule of Delinquent Taxes Receivable (Exhibit J-1)
Year Ended August 31, 2021

10	20	31	32	40	50
Beginning Balance September 1, 2020	Current Year's Total Levy	Maintenance Total Collections	Debt Service Total Collections	Entire Year's Adjustments	Ending Balance August 31, 2021
\$ 211,082	\$ -	\$ 10,676	\$ 1,082	\$ (23,843)	\$ 175,481
41,479	-	3,843	416	5	37,225
56,331	-	4,833	512	(9)	50,977
61,275	-	3,842	656	(172)	56,605
61,075	-	5,367	880	(252)	54,576
88,327	-	11,374	1,795	(509)	74,649
118,600	-	26,891	4,093	1,927	89,543
202,176	-	79,995	12,492	(17,326)	92,363
933,380	-	465,179	168,512	(90,555)	209,134
-	64,481,580	47,257,675	16,035,065	(388,201)	800,639
<u>\$ 1,773,725</u>	<u>\$ 64,481,580</u>	<u>\$ 47,869,675</u>	<u>\$ 16,225,503</u>	<u>\$ (518,935)</u>	<u>\$ 1,641,192</u>

Abilene Independent School District
 Budgetary Comparison Schedule – Child Nutrition Program (Exhibit J-2)
 Year Ended August 31, 2021

Data Control Codes		Budgeted Amounts		Actual Amounts (GAAP Basis)	Variance with Final Budget Positive (Negative)
		Original	Final		
Revenues					
5700	Local and intermediate sources	\$3,378,100	\$3,378,100	\$ 1,323,504	\$(2,054,596)
5800	State program revenues	344,500	344,500	279,706	(64,794)
5900	Federal program revenues	7,783,300	7,783,300	6,661,600	(1,121,700)
5020	Total revenues	11,505,900	11,505,900	8,264,810	(3,241,090)
Expenditures					
Current					
0035	Food services	11,003,200	10,903,200	7,982,931	2,920,269
0051	Facilities maintenance and operations	152,700	252,700	179,387	73,313
Capital outlay					
0081	Facilities acquisition and construction	350,000	350,000	-	350,000
6030	Total expenditures	11,505,900	11,505,900	8,162,318	3,343,582
1100	Excess of revenues over expenditures	-	-	102,492	102,492
Other financing sources					
7912	Sale of real and personal property	-	-	16,375	16,375
7080	Total other financing sources	-	-	16,375	16,375
1200	Net change in fund balances	-	-	118,867	118,867
0100	Fund balance, beginning	736,090	736,090	736,090	-
3000	Fund balance, ending	\$ 736,090	\$ 736,090	\$ 854,957	\$ 118,867

Abilene Independent School District
 Budgetary Comparison Schedule – Debt Service Fund (Exhibit J-3)
 Year Ended August 31, 2021

Data Control Codes		Budgeted Amounts		Actual Amounts (GAAP Basis)	Variance with Final Budget - Positive (Negative)
		Original	Final		
Revenues					
5700	Local and intermediate sources	\$15,595,600	\$16,595,600	\$ 16,302,518	\$ (293,082)
5800	State program revenues	871,700	871,700	898,692	26,992
5020	Total revenues	16,467,300	17,467,300	17,201,210	(266,090)
Expenditures					
Debt service					
0071	Principal on long term debt	7,320,000	7,320,000	7,320,000	-
0072	Interest on long term debt	9,147,300	9,885,679	8,847,337	1,038,342
0073	Bond issuance costs and fees	-	261,621	261,621	-
6030	Total expenditures	16,467,300	17,467,300	16,428,958	1,038,342
1100	Excess (deficiency) of revenues over (under) expenditures	-	-	772,252	772,252
1200	Net change in fund balances	-	-	772,252	772,252
0100	Fund balance, beginning	1,722,774	1,722,774	1,722,774	-
3000	Fund balance, ending	\$ 1,722,774	\$ 1,722,774	\$ 2,495,026	\$ 772,252

Data Control Codes		Responses
<u>Section A: Compensatory Education Programs</u>		
AP1	Did your LEA expend any state compensatory education program state allotment funds during the LEA's fiscal year?	Yes
AP2	Does the LEA have written policies and procedures for its state compensatory education program?	Yes
AP3	List the total state allotment funds received for state compensatory education programs during the LEA's fiscal year.	\$ 17,553,199
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal year. (PICs 24, 26, 28, 29, 30, 34)	\$ 14,667,779
<u>Section B: Bilingual Education Programs</u>		
AP5	Did your LEA expend any bilingual education program state allotment funds during the LEA's fiscal year?	Yes
AP6	Does the LEA have written policies and procedures for its bilingual education program?	Yes
AP7	List the total state allotment funds received for bilingual education programs during the LEA's fiscal year.	\$ 610,718
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PICs 25, 35)	\$ 399,060



Federal Award Section
August 31, 2021

Abilene Independent School District



Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

The Board of Trustees
Abilene Independent School District
Abilene, Texas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Abilene Independent School District (the District) as of and for the year ended August 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 4, 2022.

Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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 District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Abilene, Texas
January 4, 2022



Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance Required by the Uniform Guidance

The Board of Trustees
Abilene Independent School District
Abilene, Texas

Report on Compliance for the Major Federal Program

We have audited Abilene Independent School District's (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the District's major federal programs for the year ended August 31, 2021. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

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

Report on Internal Control over Compliance

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

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

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

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

The image shows a handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Abilene, Texas
January 4, 2022

Abilene Independent School District
Schedule of Expenditures of Federal Awards (Exhibit K-1)
Year Ended August 31, 2021

Pass Through Entity Identifying Number	Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing Number	Expenditures
	U.S. Department of Education		
	Direct Program		
Not available	Impact Aid - P.L. 874 Title I	84.041	\$ 325,230
	Passed Through Texas Workforce Commission:		
0918ALAC00	AEL - Professional Development	84.002	15,529
0918ALAD00	AEL - Professional Development	84.002	1,129
0918ALAC00	AEL- Adult Education and Literacy	84.002	581,813
0918ALAD00	AEL- Adult Education and Literacy	84.002	36,826
0918ALAC00	AEL - EI Civics	84.002	87,107
0918ALAD00	AEL - EI Civics	84.002	10,091
0920AEL001	AEL - Federal Workforce Integration Initiative	84.002	28,976
	Total ALN 84.002		761,471
	Total Passed Through Texas Workforce Commission		761,471
	Passed Through Texas Education Agency		
20610101221901	ESEA Title I, Part A - Improving Basic Programs	84.010	323,887
21610101221901	ESEA Title I, Part A - Improving Basic Programs	84.010	4,847,343
21610141221901	ESEA Title I, Part A - School Improvement	84.010	141,250
20610103221901	ESEA Title I, Part D, Subpart 2	84.010	19,312
	Total ALN 84.010		5,331,792
	Special Education Cluster		
206600012219016600	IDEA-B Formula	84.027	3,841,416
216600012219016600	IDEA-B Formula	84.027	224,549
206600112219016673	IDEA-B Discretionary Deaf	84.027	39,355
216600112219016673	IDEA-B Discretionary Deaf	84.027	2,846
	Total ALN 84.027		4,108,166
216610012219016610	IDEA-B Preschool	84.173	125,119
226610012219016610	IDEA-B Preschool	84.173	9,491
	Total ALN 84.173		134,610
	Total Special Education Cluster		4,242,776
21420006221901	Carl D. Perkins Basic Grant Formula for CATE	84.048	149,123
22420006221901	Carl D. Perkins Basic Grant Formula for CATE	84.048	4,002
	Total ALN 84.048		153,125
20694501221901	Title II, Part A - Teacher, Principal, Training & Recruitment	84.367	196,814
21694501221901	Title II, Part A - Teacher, Principal, Training & Recruitment	84.367	485,600
	Total ALN 84.367		682,414
20680101221901	Title IV, Part A - Student Support and Academic Enrichment Program	84.424	188,113
21680101221901	Title IV, Part A - Student Support and Academic Enrichment Program	84.424	183,718
	Total ALN 84.424		371,831

Abilene Independent School District
Schedule of Expenditures of Federal Awards (Exhibit K-1)
Year Ended August 31, 2021

Pass Through Entity Identifying Number	Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing Number	Expenditures
20521001221901	COVID-19 ESSER I Grant	84.425D	3,970,117
21521001221901	COVID-19 ESSER II Grant	84.425D	5,529,838
21521001221901	COVID-19 ESSER II Prior Purchase Reimbursement Program	84.425D	1,075,795
21521001221901	COVID-19 ESSER II Prior Purchase Reimbursement Program	84.425D ***	38,028
21521001221901	COVID-19 ESSER II Prior Purchase Reimbursement Program	84.425D ***	115,738
21528001221901	COVID-19 ESSER III Grant	84.425U	2,741,640
21528001221901	COVID-19 ESSER III Grant	84.425U ***	936,299
21528001221901	COVID-19 ESSER III Grant	84.425U ***	231,213
	Total ALN 84.425		14,638,668
21671001221901	Title III, Part A - LEP	84.365A	56,778
17610740221901	Title I School Improvement - Instructional Continuity	84.377	50,261
	Total Passed Through Texas Education Agency		25,527,645
	Passed Through ESC Region 14		
214600057110057	McKinney-Vento Homeless Education		
	TEHCY Shared Services Arrangement	84.196	103,680
	Total Passed Through ESC Region 14		103,680
	Total Department of Education		26,718,026
	Department of Treasury		
	Passed Through TDEM (Texas Division of Emergency Management)		
	COVID-19 Coronavirus Relief Funds passed through		
2020-CF-21019	City of Abilene	21.019	186,750
2020-CF-21019	COVID-19 Coronavirus Relief Funds	21.019	186,750
	Total Passed Through TDEM		373,500
	Total Department of Treasury		373,500
	Department of Health & Human Services		
	Passed Through Texas Workforce Commission:		
0918ALAC00	AEL - Temporary Assistance for Needy Families	93.558	49,181
0918ALAD00	AEL - Temporary Assistance for Needy Families	93.558	6,165
	Total ALN 93.558		55,346
	Total Passed Through Texas Workforce Commission:		55,346
06CH010462-04-00	Head Start	93.600	2,063,764
06CH010462-04-01	COVID-19 Head Start	93.600	191,614
06CH010462-05-00	Head Start	93.600	548,990
06CH010462-04-00	Early Headstart	93.600	1,566,951
06CH010462-04-01	COVID-19 Early Headstart	93.600	200,292
06CH010462-05-00	Early Headstart	93.600	534,103
06HE000765-01-00	COVID-19 Early Headstart	93.600	250
	Total ALN 93.600 - Head Start Cluster		5,105,964
	Total Dept. of Health & Human Services		5,161,310

Abilene Independent School District
Schedule of Expenditures of Federal Awards (Exhibit K-1)
Year Ended August 31, 2021

Pass Through Entity Identifying Number	Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing Number	Expenditures
	U.S. Department of Agriculture		
	Direct Program		
01034	Summer Food Service Program for Children*	10.559	121,296
	Passed Through Texas Education Agency:		
71402001	School Breakfast Program*	10.553	1,533,231
71302001	National School Lunch Program - cash assistance*	10.555**	4,038,281
	Total Passed Through Texas Education Agency		5,571,512
	Passed Through the Texas Department of Agriculture:		
	National School Lunch Program*		
01034	-non cash assistance	10.555**	21,257
01034	COVID-19 Emergency Operational Cost Reimbursement	10.555**	837,618
01785	Child and Adult Care Food Program	10.558	194,126
	Total Passed through Texas Department of Agriculture		1,053,001
	Total Department of Agriculture		6,745,809
	U.S. Department of Defense		
	Direct		
Not available	ROTC	12.000	2,347
Not available	ROTC Reimbursement	12.000	102,274
	Total ALN 12.000		104,621
CIP1276-20-01	Defense Community Infrastructure Program	12.600	483,016
	Total Department of Defense		587,637
	Total Federal Awards		\$ 39,586,282

* Total Child Nutrition Cluster 6,551,683

** Total National School Lunch Program (ALN 10.555) 4,897,156

*** Expenditures were recorded in other funds in fiscal year 2020, but award was finalized and reimbursement received in fiscal year 2021. Accordingly, the revenue is recorded in the same fund that expenditures had previously been recorded.

Note 1- Basis of Presentation

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

Note 2 - Summary of Significant Accounting Policies

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Governmental Fund types are accounted for using a current financial resources measurement focus. All federal expenditures were accounted for in the General Fund and Special Revenue Funds, components of the Governmental Fund type. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. No federal financial assistance has been provided to a subrecipient.

Federal grants are considered to be earned to the extent of expenditures made under the provisions of the grant.

School health and related services revenues are considered earned income at the local government level and thus are not included in the Schedule of Expenditures of Federal Awards. The following is a reconciliation of Federal Revenues on Exhibit C-2 to the Schedule of Expenditures of Federal Awards:

Federal Awards per Schedule of Expenditures of Federal Awards	\$ 39,586,282
School Health and Related Services (SHARS)	1,612,608
Qualified School Construction bond interest subsidy	<u>284,376</u>
Total federal program revenues - Exhibit C-2	<u><u>\$ 41,483,266</u></u>

Note 3 - Indirect Cost Rate

The District is not eligible to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance because the District has previously received a negotiated indirect cost rate for its federal awards.

Note 4 - Food Donation

Nonmonetary assistance is reported in this schedule at the fair market value of the commodities received and disbursed. At August 31, 2021, the District had food commodities totaling \$123,709 in inventory.

Section I – Summary of Auditor’s Results

FINANCIAL STATEMENTS

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Noncompliance material to financial statements noted?	No

FEDERAL AWARDS

Internal control over major programs:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516:	No

Identification of major programs:

<u>Name of Federal Program</u>	<u>Federal Financial Assistance Listing / ALN Number</u>
ESEA, Title I, Part A - Improving Basic Programs	84.010
COVID-19 Coronavirus Relief Fund	21.019
COVID-19 Elementary and Secondary School Emergency Relief Fund	84.425D; 84.425U
Dollar threshold used to distinguish between Type A and Type B programs	\$1,187,588
Auditee qualified as low-risk auditee?	Yes

Section II – Financial Statement Findings

The audit disclosed no findings required to be reported.

Section III – Federal Award Findings and Questioned Costs

The audit disclosed no findings and questioned costs required to be reported.

Abilene Independent School District
Schedule of Required Responses to Selected School First Indicators (Exhibit L-1)
August 31, 2021

<u>Data Control Codes</u>		<u>Responses</u>
SF1	Was there an unmodified opinion in the Annual Financial Report on the financial statements as a whole?	Yes
SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement at fiscal year-end?	No
SF3	Did the school district make timely payments to the Teacher Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies?	Yes
SF4	Was the school district issued a warrant hold? Even if the issue surrounding the initial warrant hold was resolved and cleared within 30 days, the school district is considered to have been issued a warrant hold.	No
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds?	No
SF6	Was there any disclosure in the Annual Financial Report of material noncompliance for grants, contracts, and laws related to local, state, or federal funds?	No
SF7	Did the school district post the required financial information on its website in accordance with Government Code, Local Government Code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules that were in effect at the school district's fiscal year end?	Yes
SF8	Did the school board members discuss the school district's property values at a board meeting within 120 days before the school district adopted its budget?	Yes
SF9	Total accumulated accretion on CABs included in government-wide financial statements at fiscal year-end	\$ 6,490,450