

Seguin Independent School District

**Annual Comprehensive Financial Report
for the Fiscal Year Ended
June 30, 2021**

Officials Issuing Report:

**Dr. Matthew Gutierrez
Superintendent of Schools**

**Tony Hillberg
Chief Financial Officer**

Seguin, Texas

Seguin Independent School District

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Introductory Section

SEGUIN



Independent School District

November 12, 2021

Cinde Thomas-Jimenez, President Board of Trustee Members
Seguin Independent School District
1221 E. Kingsbury St.
Seguin, Texas 78155

Dear Ms. Thomas-Jimenez and Members of the Board:

The Annual Comprehensive Financial Report (“ACFR”) of the District (the “District”) for the year ended June 30, 2021 is hereby submitted. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the District. (In our opinion, the data, as presented, is accurate in all material aspects; is presented in a manner designed to fairly set forth the financial position and results of operations of the District as measured by the financial activity of its various funds; and all disclosures necessary to enable the reader to gain the maximum understanding of the District’s financial affairs have been included in this report.)

The ACFR is presented in four sections: (1) introductory, (2) financial, (3) statistical, and (4) federal awards. The introductory section includes the transmittal letter, a listing of the District's principal officials and advisors, and an organization chart of the District. The financial section includes Management’s Discussion and Analysis (“MD&A”), basic financial statements, combining and individual fund statements and schedules, and required Texas Education Agency schedules, as well as the independent auditors’ report on the financial statements. The MD&A is a narrative introduction, overview, and analysis to accompany the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District’s MD&A can be found immediately following the report of the independent auditors. The statistical section consists of unaudited tables which reflect both financial and demographic information. This data is for the purpose of presenting social and economic information, financial trends and fiscal capacity of the District, and is generally presented on a multi-year basis. The federal awards section includes the single audit reports prepared in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

THE REPORTING ENTITY AND ITS SERVICES

This report includes all funds of the District and includes all activities considered by the State of Texas to be part of the K-12 public school system. The District is an independent school district incorporated as a political subdivision of the State of Texas.

A seven-member board governs the District in accordance with state statutes and regulations. Members of the Board serve staggered four-year terms without compensation and are elected from single-member districts. The Board of Trustees operates as a policy making body, delegates management to the Superintendent, determines District goals, and evaluates policies in terms of effectiveness in attaining those goals. The Superintendent and the administrative staff execute the policies of the Board, assume responsibility for the operation of the District, make recommendations to the Board in matters of policy and professional personnel, prepare the budget, and report to the Board on matters related to the progress of the District in attaining the goals set by the Board.

The District provides a comprehensive range of school programs and services, as contemplated by state statute, and for 2020-2021 had an enrollment of 6,800 students in grades pre-kindergarten through 12. The District had 13 campuses, including one pre-kindergarten campus, seven elementary schools (grades K-5); two middle schools (grades 6-8); one traditional 5-A high school (grades 9-12); one non-traditional high school learning center (grades 9-12); and one disciplinary alternative campus (grades 2-12).

The ethnicity of the District's student population is 70.7% Hispanic, 23.0% White, 4.4% African-American, 0.4% Asian, 0.2% Native American/Pacific Islander and 1.4% two or more races. Additionally, 70.6% of students are Economically Disadvantaged.

In addition to regular classroom instruction, the District offers a wide array of programs to meet the needs of its students, including Bilingual/Dual Language, English as a Second Language (ESL) education, special education and career technical education (CTE). Other special programs for accelerated and enriched education include Title I services and gifted and talented instruction. A wide variety of electives in fine arts, athletics, foreign language, physical education, and technology supplement the basic programs. The District was awarded an \$8.5 million dollar 5-year grant to offer ACE after school services at every elementary and middle school. The ACE after school program will ensure at least 100 students per site have access to after school programs that include tutoring, enrichment, and physical activities.

Accrual of college credit is available to students at Seguin High School through several avenues. Classes, which prepare students for the College Board Advanced Placement Exams, are taught for many subjects. In partnership with the Alamo Colleges, dual credit courses are taught on the high school campus during the school day. Dual credit courses are also offered at the Central Texas Technology Center (CTTC) and through online virtual classes. Concurrent enrollment is provided to qualifying students through a partnership with Texas Lutheran University (TLU) where students take classes on the college campus.

The District's Early College High School designation from the Texas Education Agency has been in place for seven years. The comprehensive program allows all qualifying freshmen to enroll in the Seguin Early College High School in partnership with Alamo Colleges - St. Philip's College. The students will continue in the program through graduation and have the opportunity to earn up to an Associate degree in conjunction with a high school diploma at no cost to the students or their families.

The District's vision is that technology must be authentically integrated to create a relevant, rigorous and engaging learning culture for students and teachers. Technology is integrated into the curriculum at every grade level (pre K-12). At each campus, students enjoy access to computers in the classroom and various laboratory settings and other mobile devices are a part of the core K-8 classrooms along with library media centers. Students can learn Mac, PC, and Chrome platforms, use numerous software programs, and have access to a variety of other career and skill oriented technologies. High school students are assigned a Chromebook to use at school and home. Seguin High School offers advanced technology courses such as computer science, multimedia, web mastery, information technology and security assurance, computer maintenance, and principles of information technology. Instruction is also offered in robotics, digital media, programming, computer science, business information systems, web technologies, and construction. All schools have filtered internet access and automated library systems. Technology helps students individualize learning, address deficiencies, and earn credit via special software and lab settings. The integration of technology into the curriculum is a critical component of a 21st century education.

Community/school partnerships help to emphasize the importance of high school academic expectations. A variety of civic organizations, including RSVP Volunteers, student groups from TLU, Communities in Schools, and parent volunteers provide mentoring, reading, and tutoring services in the schools. The District partners with the community through the Seguin Education Foundation, a 501(c)(3) not-for-profit foundation, founded for the sole purpose of benefiting students and staff. The foundation is governed by a board of directors composed of volunteers from a cross-section of the community. Since 2004, the Seguin Education Foundation has provided nearly 335 grants totaling more than \$677,000. Approximately \$47,000 was given in the fall of 2020. The Foundation funds creative, teacher-initiated projects that enhance instruction and enrich learning.

The District is one of the largest employers in the community. The District reported total staff of 1,023 with 471 teachers, 113 professional support, 34 campus administrators and 15 central administration staff members. Support staff includes 92 educational aides and 298 auxiliary staff.

Facilities and campuses in the District range in age with the oldest being more than 100 years old and the newest being four years old.

In 2019, the District's voters approved a \$64.7 million bond package with 1,569 (66.23%) votes for and 799 (33.73%) against. The projects, with a maximum tax increase of \$0.05 per \$100 home valuation, include various campus and stadium rebuilds and improvements, playgrounds and land purchase. A community Bond Oversight Committee remains in place to oversee these projects.

ECONOMIC CONDITION AND OUTLOOK

The District is located in Guadalupe County and includes the City of Seguin, which is the county seat and principal commercial center. The City of Seguin is experiencing growth in all the business sectors. With a population of 30,000 and strategically located 35 miles east of San Antonio, 50 miles south of Austin, and 160 miles west of Houston, Seguin provides a business climate close to several metropolitan areas without big city challenges. Boasting an abundant and reliable supply of water and electricity, Seguin stands out as an excellent commercial site with a friendly and welcoming residential community as well as one of the highest per-capita concentrations of manufacturing jobs. Toll-road SH-130, which opened in fall 2012, provides an alternate route to the I-35 gridlock and diverts commuter traffic from I-35 just north of Austin to I-10 at Seguin. Growth in the manufacturing and business sector continues to be robust.

Seguin's housing market is booming. There are currently over 11,000 residential housing units that are either tied to a development that is under construction, or tied to a development with plans in review by the City of Seguin. Currently, 21 subdivisions are under construction within the City of Seguin, and more are expected to break ground in the near future.

Seguin also is home to Texas Lutheran University, a nationally recognized school, and the nearby Central Texas Technology Center.

FINANCIAL INFORMATION

District Management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Single Audit- As a recipient of state and federal financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management of the District. As a part of the District's single audit, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations. The results of the District's single audit for the fiscal year ended June 30, 2021 provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

ACCOUNTING SYSTEM AND BUDGETARY CONTROL

The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board on governmental accounting in its current Codification of Government Accounting and Financial Reporting Standards, and subsequent statements and interpretations. The District's accounting records for general governmental operations are maintained on a modified accrual basis as prescribed by the TEA Financial Accountability System Resource Guide.

In developing and evaluating the District's accounting system, consideration is given to the adequacy of internal accounting structure. The internal accounting structure is designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. All internal control evaluations occur within the above framework. We believe that the District's internal accounting structure adequately safeguards assets and provides reasonable assurance of proper recording of financial transactions.

Budgetary control is initiated at the onset when the Board of Trustees adopts the annual appropriated budget. To ensure budgetary compliance, the TEA and the District have established spending regulations and policies. For all administrators with line item or program responsibility, TEA regulations set the level of budgetary control at the major functional expenditure level. Budgetary control is more restrictive at the District level where administrators are held responsible for maintaining and managing their budgets at the detail line item level. All revisions at the function level are approved by the Board of Trustees.

CASH MANAGEMENT

The District has a cash management program to maximize the use of the District's cash resources. The cash management policy of the District is to ensure the availability of cash to meet operational needs and to invest surplus cash in a manner to preserve and protect capital but also provide adequate liquidity and earn a market rate of return. Surplus cash on hand was either deposited in the District's depository bank or invested in one of four local government investment pools pursuant to the Inter-local Cooperation Act of 1989. Deposits with the depository bank were in accounts secured at the balance sheet date by FDIC coverage. The deposits were deemed collateralized under Texas Law and the TEA.

The District complies with the School Depository Act by executing a depository agreement with a banking institution for a period of two fiscal years plus two optional two-year extensions. Local banks in the immediate surrounding area are given preference. Competitive proposals are taken with state law setting the general terms of the request for proposal.

ACKNOWLEDGEMENTS

We respectfully acknowledge the responsible and sincere involvement of the school board, administrators, principals, program directors and coordinators in the financial affairs of the District.

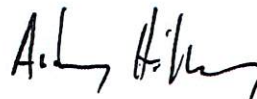
Special appreciation is also expressed to members of the business office staff for their assistance and effort in maintaining the financial records of the District. Individual recognition is directed to Sally Eckhart, Abby Catoe, Marie Rodriguez, Caroline Hernandez, Christina Garcia, Jennifer Raske, Maureen Ivey, Marsha Long, and Teri Salinas for their combined efforts in maintaining the accounting records and assisting in preparing the various financial reports at year-end. Additional recognition is directed to Superintendent Dr. Matthew Gutierrez, Associate Superintendent Bill Lewis, Chief Innovation Officer Mark Cantu, Chief Communications Officer Sean Hoffmann, Chief Human Resources Officer Cindy Moreno, Chief Student Services Officer Nikki Bittings and Deputy Chief of Innovation and Learning Andrea Jaramillo for assistance in completing the year-end reports.

The District publicly solicits the active involvement of all citizens and the District's personnel in its financial affairs. Our financial records are available for public inspection and discussion at any reasonable time.

Respectfully submitted,



Dr. Matthew Gutierrez
Superintendent of Schools



Anthony Hillberg
Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Seguin Independent School District
Texas**

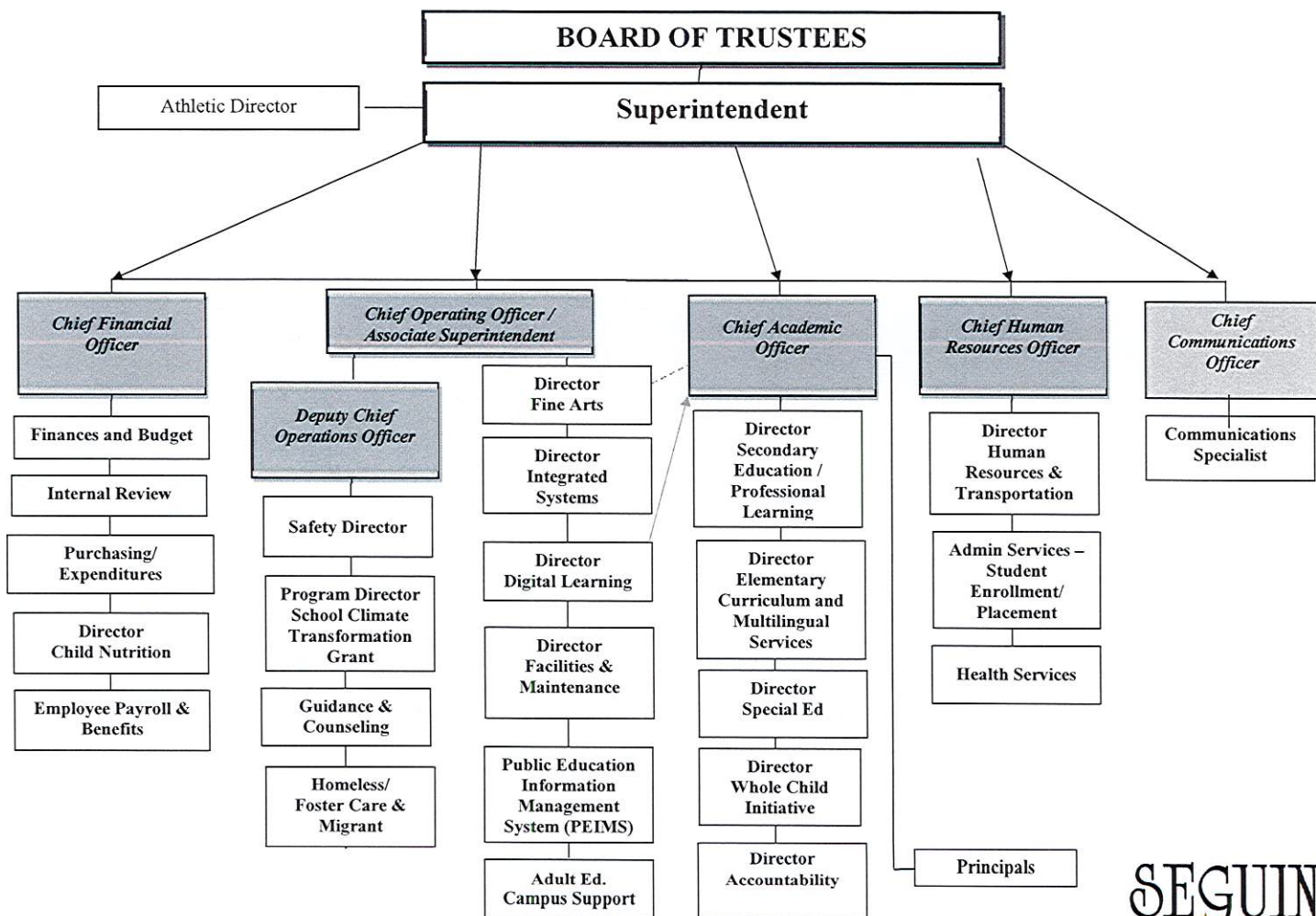
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

SEGUIN INDEPENDENT SCHOOL DISTRICT



As of May 6,2020

Seguin Independent School District
Principal Officials and Advisors
June 30, 2021

<u>Elected Officials</u>	<u>Position</u>
Cinde Thomas-Jimenez	President
Carl Jenkins	Vice President
Glenda Moreno	Secretary
Alejandro Guerra	Trustee
Linda Duncan	Trustee
Denise Crettenden	Trustee
Benito Amador	Trustee
<u>Appointed Officials</u>	<u>Position</u>
Dr. Matthew Gutierrez	Superintendent of Schools
Bill Lewis	Chief Operating Officer / Associate Superintendent
Mark Cantu	Chief Academic Officer
Anthony Hillberg	Chief Financial Officer
Nikki Bittings	Deputy Chief Operations Officer
Cindy Moreno	Chief Human Resources Officer
Sean Hoffmann	Chief Communications Officer

Certificate of Board

Seguin Independent School District

Name of School District

Guadalupe

County

094-901

Co.-Dist. Number

We, the undersigned, certify that the attached annual financial reports of the above-named school district were reviewed and (check one) ☒ approved ___ disapproved for the year ended June 30, 2021 at a meeting of the Board of Trustees of such school district on the 16 day of November, 2021.

Menda R. Moreno

Signature of Board Secretary

C. Thomas

Signature of Board President

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

Financial Section



MAXWELL LOCKE & RITTER LLP

Accountants and Consultants
An Affiliate of CPAmerica International
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Austin, TX 78701

Round Rock: 411 West Main Street, Suite 300
Round Rock, TX 78664

Independent Auditors' Report

The Board of Trustees of
Seguin Independent School District:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Seguin Independent School District (the "District"), as of and for the year ended June 30, 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.

Auditors' 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.

Affiliated Company
ML&R WEALTH MANAGEMENT LLC
"A Registered Investment Advisor"
This firm is not a CPA firm

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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, the business-type activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of the District's proportionate share of the net pension liability, the schedule of District contributions - pensions, the schedule of the District's proportionate share of the net OPEB liability, the schedule of District contributions - OPEB, and the note to the required supplementary information on pages 4 through 10, 54, 55, 56, 57, and 58 respectively, 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 basic financial statements. The combining and individual fund statements and schedules, other schedules, and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements and schedules, other 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 and individual fund statements and schedules, other 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.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 12, 2021 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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.

Maxwell Locke + Ritter LLP

Austin, Texas
November 12, 2021

Seguin Independent School District Management's Discussion and Analysis

This section of Seguin Independent School District's (the "District") annual financial report presents our discussion and analysis of the District's financial performance during the year ended June 30, 2021. Please read it in conjunction with the District's basic financial statements, which follow this section.

Financial Highlights

- The District's combined net position at June 30, 2021 was approximately (\$12.2) million.
- The fund balance for the General Fund at June 30, 2021 was approximately \$31.7 million, a decrease of approximately \$48,000 from the prior year. The decrease was primarily due to lower combined state and federal revenues than anticipated.

Overview of the Financial Statements

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

Government-wide financial statements - The government-wide financial statements are designed to provide readers with a broad overview of the District's finances in a manner similar to that of a private sector business.

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

The Statement of Activities presents information showing how the District's net position changed during the most recent fiscal period. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements include governmental activities and business-type activities. Governmental activities distinguish functions of the District that are principally supported by taxes, intergovernmental revenues, and user fees and charges. The governmental activities of the District include the education of District students and the programs necessary to support such education. Business-type activities include the rental of a portion of the central administration building and the related costs of maintaining the building.

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

Governmental Funds - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements.

By doing so readers may better understand the long-term impact of the government's near-term financing decisions. The governmental funds balance sheet provides a reconciliation to facilitate the comparison between total fund balances and net position of governmental activities. There is a reconciliation of the statement of revenues, expenditures, and changes in fund balances of governmental funds to the statement of activities on page 15.

The District maintains numerous governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Debt Service Fund, and Capital Projects Fund as they are considered to be major funds. Data from the other funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The District adopts an annual appropriated budget for the General Fund. A budgetary comparison statement has been provided for this fund to demonstrate compliance with this budget. Supplementary budgetary comparison schedules have also been prepared for the Child Nutrition and Debt Service Funds and are included in the Combining and Individual Fund Statements and Schedules section of this report.

Proprietary Funds - The District maintains two types of proprietary funds: enterprise funds and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Internal service funds are an accounting device used to accumulate and allocate costs internally among the District's various functions. The internal service funds are included within governmental activities in the government-wide financial statements.

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 reported in a separate Statement of 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.

Notes to the Basic Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information - The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the Notes to the Basic Financial Statements. Certain information required by the Texas Education Agency and the federal government regarding tax collection and grant expenditures is also presented along with required supplementary information related to the District's contributions to a cost-sharing pension and OPEB plan with the Teacher Retirement System of Texas.

Financial Analysis of the District as a Whole

Net position may serve over time as a useful indicator of the District's financial position. For the year ended June 30, 2021, combined net position was (\$12,183,408), an increase of \$1,201,982 as compared to net position for the year ended June 30, 2020 of (\$13,385,390).

Net position for the year ended June 30, 2021 as compared to the year ended June 30, 2020 can be presented as follows:

Seguin Independent School District's Net Position (In millions of dollars)

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2021	2020	2021	2020	2021	2020	
Current and other assets	\$ 102.3	80.9	\$ 0.3	0.4	\$ 102.6	81.3	26.2%
Capital and non-current	146.6	144.8	-	-	146.6	144.8	1.2%
Total assets	248.9	225.7	0.3	0.4	249.2	226.1	10.2%
Deferred outflows	19.5	17.5	-	-	19.5	17.5	11.4%
Current liabilities	24.3	22.6	-	-	24.3	22.6	7.5%
Non-current liabilities	234.3	218.4	-	-	234.3	218.4	7.3%
Total liabilities	258.6	241.0	-	-	258.6	241.0	7.3%
Deferred inflows	22.3	16.0	-	-	22.3	16.0	39.4%
Net position:							
Net investment							
in capital assets	-	(6.0)	-	-	-	(6.0)	100.0%
Restricted	12.2	11.0	-	-	12.2	11.0	10.9%
Unrestricted	(24.7)	(18.8)	0.3	0.4	(24.4)	(18.4)	(32.6%)
Total net position	\$ (12.5)	(13.8)	\$ 0.3	0.4	\$ (12.2)	(13.4)	9.0%

The District has an unrestricted net position of (\$24,420,476) as of June 30, 2021.

Net position may be restricted for a variety of uses by the District. These restrictions are imposed by bond covenants or federal grant requirements. Restricted net position is available for use in the designated areas only. Unrestricted net position may be used by the District to meet ongoing operating obligations as determined by the Board of Trustees (the "Board").

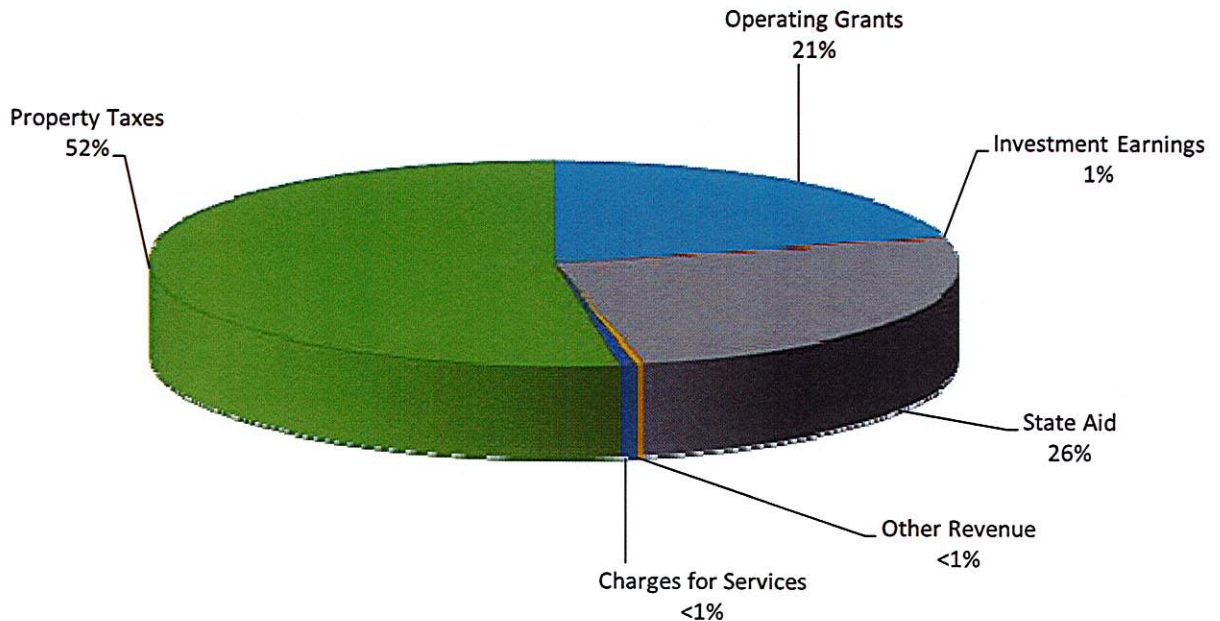
**Seguin Independent School District's
Changes in Net Position
(In millions of dollars)**

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	2021	2020	2021	2020	2021	2020	
<u>Program revenues:</u>							
Charges for services	\$ 0.6	1.1	\$ 0.1	0.1	\$ 0.7	1.2	(41.7%)
Operating grants and contributions	19.8	18.4	-	-	19.8	18.4	7.6%
<u>General revenues:</u>							
Property taxes	49.9	49.3	-	-	49.9	49.3	1.2%
State aid formula grants	24.3	24.7	-	-	24.3	24.7	(1.6%)
Investment earnings and other	0.5	1.7	-	-	0.5	1.6	(70.6%)
Total revenues	95.1	95.2	0.1	0.1	95.2	95.3	(0.1%)
<u>Expenses:</u>							
Instruction	48.5	50.0	-	-	48.5	50.0	(3.0%)
Instructional resources and media services	1.3	1.3	-	-	1.3	1.3	0.0%
Student support services	24.9	26.1	-	-	24.9	26.1	(4.6%)
General administration	2.2	2.3	-	-	2.2	2.3	(4.3%)
Support services	11.6	11.8	0.2	0.1	11.8	11.9	(0.8%)
Community services	0.1	0.1	-	-	0.1	0.1	0.0%
Interest on long-term debt and other debt service	4.3	6.6	-	-	4.3	6.6	(34.8%)
Other	0.9	1.9	-	-	0.9	1.9	(52.6%)
Total expenses	93.8	100.1	0.2	0.1	94.0	100.2	(6.2%)
Change in net position	1.3	(4.9)	(0.1)	-	1.2	(4.9)	124.5%
Beginning net position	(13.8)	(8.9)	0.4	0.4	(13.4)	(8.5)	(57.6%)
Ending net position	<u>\$ (12.5)</u>	<u>(13.8)</u>	<u>\$ 0.3</u>	<u>0.4</u>	<u>\$ (12.2)</u>	<u>(13.4)</u>	<u>9.0%</u>

The District's total revenues from governmental activities were \$95,036,292, a decrease of 0.1% from the prior fiscal year. The cost of all governmental activities for the year ended June 30, 2021 was \$93,748,379, a decrease of 6.3% from the prior fiscal year.

The District's total revenues from business-type activities were \$81,900 and total expenses were \$168,164.

Revenues by Type



Financial Analysis of the District's Funds

The General Fund is the chief operating fund of the District. At the end of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$83,599,321. Of this amount, \$30,872,224 constitutes unassigned fund balance available for use in the General Fund activities at the District's discretion and an additional \$323,155 in fund balance is nonspendable due to being in the form of prepaid items and inventory. The remainder of the fund balance is restricted, committed or assigned to indicate that it is not available for new spending because it has already been designated for other obligations of the District.

The Debt Service Fund has a total fund balance of \$11,989,982, all of which is restricted for payment of debt service.

The Capital Projects Fund has a total fund balance of \$38,495,615, all of which is restricted for authorized construction.

Budgetary Highlights

In accordance with State law and generally accepted accounting standards, the District prepares an annual budget for the General Fund, the Food Service special revenue fund, and the Debt Service Fund. Special revenue funds have budgets approved by the funding agency and are amended throughout the year as required.

During the year ended June 30, 2021, the District amended its budget as required by State law and to reflect current levels of revenue and anticipated expenditures. The General Fund's actual revenues were less than budget by approximately \$2.2 million while actual expenditures were approximately \$6.0 million below budgeted amounts.

Over the course of the year, the Board of Trustees revised the budget from time to time. Budget amendments included expenditure increases of approximately \$5.5 million. Changes included increases to most functions with the most significant increase related to instruction.

Capital Assets and Debt Administration

Capital Assets

The District's investment in capital assets for its governmental activities as of June 30, 2021, amounts to \$146,571,671 (net of accumulated depreciation). This investment in capital assets includes land and land improvements, buildings and improvements, furniture and equipment, and construction in progress.

Seguin Independent School District Capital Assets (Net of accumulated depreciation)

Land and land improvements	\$ 4,023,768
Buildings and improvements	129,121,540
Furniture and equipment	4,487,119
Construction in process	8,939,244
Total	<u>\$ 146,571,671</u>

Additional information on the District's capital assets can be found in Note 7 of this report.

Long-term Debt

At the end of the current fiscal year, the District had total bonded debt outstanding of \$181,034,809. The bonded debt constitutes a direct obligation of the District from a continuing, direct ad valorem tax levied against all taxable property of the District without legal limit as to rate or amount. The bonds are also guaranteed by the corpus of the Permanent School fund of the State of Texas. Both Standard & Poor's Rating Services and Moody's Investors Services have provided bond ratings of AAA and Aaa, respectively, to the District's outstanding debt obligations.

Additional information on the District's long-term debt can be found in Note 9 of this report.

Economic Factors and Next Year's Budgets and Rates

2021-2022 budget considerations included maintaining a balanced budget. Expected revenue from ad valorem taxes is projected to increase approximately \$1,772,000 over the previous school year. State Aid is projected to remain consistent with the previous school year.

The 2021 Certified Net Taxable Value is \$4.34 billion. The District is anticipating an increase in enrollment offset by a slight decrease in average daily attendance for 2022. The enrollment increase is anticipated due to economic development and several new neighborhoods in the Seguin area. The average daily attendance is projected to continue to be low as a result of the pandemic.

Beginning with the 2019-2020 fiscal year, the 86th Legislative Session brought significant changes to the Texas school finance system including some increased funding and significant property tax rate compression. As a result of the session, the District adopted an operating tax rate of \$0.8996 and a debt service tax rate of \$0.385 for a Total Combined Rate of \$1.2864 in 2021-2022 fiscal year. This results in a rate \$0.0768 lower than the prior year.

The District maintained the insurance contribution of \$368 per month for all employees who participate in the health insurance program. Although no raises were provided, the District did issue a one-time payment to all employees. Individual calculations of the one-time pay for teaching professionals were based on 2% of the average annual salary of the Teacher Pay-Table for Bachelor, Master, or Counselor as applicable and as published in the 20-21 Compensation Manual. Individual calculations of the one-time pay for other professionals were based on 1.5% of the daily midpoint multiplied by the average number of days for all positions within the applicable paygrade as published in the 20-21 Compensation Manual. Individual calculations of the one-time pay for non-professionals were based on 2% of the daily midpoint multiplied by the average number of days for all positions within the applicable paygrade as published in the 20-21 Compensation Manual.

For the 2020-2021 school year, the District partially re-opened for in-person learning. Additionally, the District experienced an enrollment drop of about 325 students which is consistent with what other Central Texas school districts have experienced for the 2020-2021 fiscal year. For the 2021-2022 school year, the District is experiencing an increase in overall enrollment of approximately 200 students. This increase is a result of local development in the Seguin area as noted previously.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Chief Financial Officer at the District, 1221 E. Kingsbury Street, Seguin, TX 78155.

Basic Financial Statements

Seguin Independent School District
Statement of Net Position
June 30, 2021

A-1

	Governmental Activities	Business-type Activities	Total
Assets:			
Current assets:			
Cash and cash equivalents	\$ 91,136,567	307,269	91,443,836
Receivables:			
Property taxes - delinquent	2,767,575	-	2,767,575
Allowance for uncollectible taxes	(415,136)	-	(415,136)
Due from other governments	8,374,014	-	8,374,014
Internal balances	38	(38)	-
Due from fiduciary funds	4,816	-	4,816
Other receivables	120,068	-	120,068
Inventories	339,463	-	339,463
Prepaid items	12,218	-	12,218
Total current assets	102,339,623	307,231	102,646,854
Noncurrent assets:			
Capital assets (net of accumulated depreciation):			
Land and land improvements	4,023,768	-	4,023,768
Buildings and improvements	129,121,540	-	129,121,540
Furniture and equipment	4,487,119	-	4,487,119
Construction in progress	8,939,244	-	8,939,244
Total noncurrent assets	146,571,671	-	146,571,671
Total assets	248,911,294	307,231	249,218,525
Deferred Outflows of Resources:			
Deferred charges on bond refundings	8,415,732	-	8,415,732
Pension contributions after measurement date	1,254,658	-	1,254,658
Deferred outflows related to pension liability	5,856,537	-	5,856,537
OPEB contributions after measurement date	354,130	-	354,130
Deferred outflows related to OPEB liability	3,614,809	-	3,614,809
Total deferred outflows of resources	19,495,866	-	19,495,866
Liabilities:			
Current liabilities:			
Accounts payable	3,768,892	200	3,769,092
Payroll deductions and withholdings payable	717,472	-	717,472
Accrued wages payable	6,206,912	-	6,206,912
Due to other governments	13,771	-	13,771
Due to student groups	392,283	-	392,283
Due to fiduciary funds	12,906	-	12,906
Unearned revenue	1,783,132	-	1,783,132
Accrued expenses	540,141	-	540,141
Bond interest payable	2,265,514	-	2,265,514
Bonds payable	8,625,000	-	8,625,000
Total current liabilities	24,326,023	200	24,326,223
Noncurrent liabilities:			
Bonds payable	184,872,237	-	184,872,237
Accretion payable	7,212,499	-	7,212,499
Net pension liability	19,473,044	-	19,473,044
Net OPEB liability	22,695,080	-	22,695,080
Total noncurrent liabilities	234,252,860	-	234,252,860
Total liabilities	258,578,883	200	258,579,083
Deferred Inflows of Resources:			
Deferred inflows related to pension liability	5,700,101	-	5,700,101
Deferred inflows related to OPEB liability	16,618,615	-	16,618,615
Total deferred outflows of resources	22,318,716	-	22,318,716
Net Position:			
Net investment in capital assets	(14,219)	-	(14,219)
Restricted for:			
Debt service	10,332,942	-	10,332,942
Grant funds	1,918,345	-	1,918,345
Unrestricted	(24,727,507)	307,031	(24,420,476)
Total net position	\$ (12,490,439)	307,031	(12,183,408)

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

Seguin Independent School District
Statement of Activities
Year Ended June 30, 2021

B-1

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:						
Instruction	\$ 48,542,174	70,483	9,823,041	(38,648,650)	-	(38,648,650)
Instructional resources and media services	1,293,176	46,071	62,392	(1,184,713)	-	(1,184,713)
Curriculum and staff development	1,459,999	-	735,843	(724,156)	-	(724,156)
Instructional leadership	2,125,871	-	236,183	(1,889,688)	-	(1,889,688)
School leadership	5,619,070	-	373,534	(5,245,536)	-	(5,245,536)
Guidance, counseling, and evaluation services	3,622,541	-	732,657	(2,889,884)	-	(2,889,884)
Social work services	1,411,331	5,074	776,291	(629,966)	-	(629,966)
Health services	849,189	-	53,487	(795,702)	-	(795,702)
Student transportation	3,206,406	-	229,629	(2,976,777)	-	(2,976,777)
Food services	4,340,584	122,265	4,919,231	700,912	-	700,912
Extracurricular activities	2,291,447	341,641	107,757	(1,842,049)	-	(1,842,049)
General administration	2,198,534	6,754	240,229	(1,951,551)	-	(1,951,551)
Facilities maintenance and operations	8,400,480	-	387,688	(8,012,792)	-	(8,012,792)
Security and monitoring services	1,327,427	928	531,427	(795,072)	-	(795,072)
Data processing services	1,843,929	-	82,385	(1,761,544)	-	(1,761,544)
Community services	100,672	-	47,866	(52,806)	-	(52,806)
Interest on long-term debt	3,429,283	-	167,294	(3,261,989)	-	(3,261,989)
Other debt service	827,528	-	-	(827,528)	-	(827,528)
Facilities acquisition and construction	-	-	-	-	-	-
Payments related to shared services arrangements	248,054	-	248,054	-	-	-
Other intergovernmental charges	610,684	-	-	(610,684)	-	(610,684)
Total governmental activities	\$ 93,748,379	593,216	19,754,988	(73,400,175)	-	(73,400,175)
Business-type activities-						
Oak Park Mall	\$ 168,164	81,900	-	-	(86,264)	(86,264)
Total business-type activities	\$ 168,164	81,900	-	-	(86,264)	(86,264)
Total primary government	\$ 93,916,543	675,116	19,754,988	(73,400,175)	(86,264)	(73,486,439)
General revenues:						
Property taxes levied for general purposes				\$ 35,654,313	-	35,654,313
Property taxes levied for debt service				14,260,742	-	14,260,742
State aid formula grants				24,312,952	-	24,312,952
Investment earnings				113,934	333	114,267
Miscellaneous				346,147	-	346,147
Total general revenues				74,688,088	333	74,688,421
Change in net position				1,287,913	(85,931)	1,201,982
Net position - beginning				(13,778,352)	392,962	(13,385,390)
Net position - ending				\$ (12,490,439)	307,031	(12,183,408)

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

Seguin Independent School District
Balance Sheet
Governmental Funds
June 30, 2021

C-1

	General Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets:					
Cash and cash equivalents	\$ 32,516,253	11,975,915	41,896,468	1,242,289	87,630,925
Receivables:					
Property taxes - delinquent	2,051,723	715,852	-	-	2,767,575
Allowance for uncollectible taxes	(307,758)	(107,378)	-	-	(415,136)
Due from other governments	6,300,583	14,067	-	2,059,364	8,374,014
Due from other funds	1,694,732	-	-	855,213	2,549,945
Other receivables	120,068	-	-	-	120,068
Inventories	279,681	-	-	59,782	339,463
Prepaid items	12,218	-	-	-	12,218
Total assets	<u>\$ 42,667,500</u>	<u>12,598,456</u>	<u>41,896,468</u>	<u>4,216,648</u>	<u>101,379,072</u>
Liabilities, Deferred Inflows of Resources and Fund Balances:					
Liabilities:					
Accounts payable	\$ 404,083	-	3,353,900	10,909	3,768,892
Payroll deductions and withholdings payable	717,472	-	-	-	717,472
Accrued wages payable	5,598,617	-	-	608,295	6,206,912
Due to other funds	868,119	-	46,953	1,629,778	2,544,850
Due to other governments	13,771	-	-	-	13,771
Due to student groups	-	-	-	392,283	392,283
Unearned revenue	1,631,527	-	-	151,605	1,783,132
Total liabilities	<u>9,233,589</u>	<u>-</u>	<u>3,400,853</u>	<u>2,792,870</u>	<u>15,427,312</u>
Deferred inflows of resources-					
Deferred revenue - property taxes	<u>1,743,965</u>	<u>608,474</u>	<u>-</u>	<u>-</u>	<u>2,352,439</u>
Fund balances:					
Nonspendable:					
Inventories	279,681	-	-	31,256	310,937
Prepaid items	12,218	-	-	-	12,218
Restricted for:					
Grant funds	525,823	-	-	1,392,522	1,918,345
Debt service	-	11,989,982	-	-	11,989,982
Authorized construction	-	-	38,495,615	-	38,495,615
Unassigned	<u>30,872,224</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,872,224</u>
Total fund balances	<u>31,689,946</u>	<u>11,989,982</u>	<u>38,495,615</u>	<u>1,423,778</u>	<u>83,599,321</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 42,667,500</u>	<u>12,598,456</u>	<u>41,896,468</u>	<u>4,216,648</u>	

Amounts reported for *governmental activities* in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	146,571,671
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds	2,352,439
The assets and liabilities of the Internal Service Fund are distributed in the statement of net position but are not considered part of the governmental funds	2,952,354
The following liabilities and deferred inflows and outflows of resources are not due and payable in the current period and, therefore, are not reported in the funds:	
Bonds payable, including premiums	(193,497,237)
Less: Deferred charges on bond refundings	8,415,732
Bond interest payable	(2,265,514)
Accretion payable	(7,212,499)
Net pension liability	(19,473,044)
Pension contributions after measurement date	1,254,658
Deferred outflows related to pension liability	5,856,537
Deferred inflows related to pension liability	(5,700,101)
Net OPEB liability	(22,695,080)
OPEB contributions after measurement date	354,130
Deferred outflows related to OPEB liability	3,614,809
Deferred inflows related to OPEB liability	(16,618,615)
Net position of governmental activities	<u>\$ (12,490,439)</u>

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

Seguin Independent School District
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2021

C-2

	General Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Local and intermediate sources	\$ 36,307,801	14,303,172	44,289	461,486	51,116,748
State program revenues	27,374,675	167,294	-	1,342,692	28,884,661
Federal program revenues	2,287,980	-	-	11,325,409	13,613,389
Total revenues	65,970,456	14,470,466	44,289	13,129,587	93,614,798
Expenditures:					
Current:					
Instruction	37,220,919	-	-	5,041,291	42,262,210
Instructional resources and media services	1,070,355	-	-	46,125	1,116,480
Curriculum and staff development	663,932	-	-	665,475	1,329,407
Instructional leadership	1,718,400	-	-	101,817	1,820,217
School leadership	4,766,098	-	-	11,063	4,777,161
Guidance, counseling, and evaluation services	2,631,456	-	-	527,702	3,159,158
Social work services	589,378	-	-	696,884	1,286,262
Health services	723,498	-	-	-	723,498
Student transportation	2,757,952	-	-	-	2,757,952
Food services	-	-	-	4,340,584	4,340,584
Extracurricular activities	1,763,224	-	-	235,607	1,998,831
General administration	2,071,836	-	-	-	2,071,836
Facilities maintenance and operations	6,683,899	-	651,249	19,365	7,354,513
Security and monitoring services	710,525	-	-	500,276	1,210,801
Data processing services	1,582,186	-	-	-	1,582,186
Community services	41,734	-	-	28,970	70,704
Debt service:					
Principal on long-term debt	665,000	7,775,000	-	-	8,440,000
Interest on long-term debt	-	5,729,612	-	-	5,729,612
Other debt service expenditures	-	493,332	334,196	-	827,528
Facilities acquisition and construction	29,000	-	10,680,590	-	10,709,590
Intergovernmental:					
Payments related to shared services arrangements	-	-	-	248,054	248,054
Other intergovernmental charges	610,684	-	-	-	610,684
Total expenditures	66,300,076	13,997,944	11,666,035	12,463,213	104,427,268
Excess (Deficiency) of revenues over (under) expenditures	(329,620)	472,522	(11,621,746)	666,374	(10,812,470)
Other Financing Sources and Uses:					
Issuance of bonds	-	4,934	27,660,066	-	27,665,000
Issuance of refunding bonds	-	44,769,951	-	-	44,769,951
Premium on sale of bonds	-	6,421,563	2,674,130	-	9,095,693
Payment to refunding bond escrow agent	-	(50,696,424)	-	-	(50,696,424)
Proceeds from sale of property	281,968	-	-	-	281,968
Total other financing sources, net	281,968	500,024	30,334,196	-	31,116,188
Net change in fund balances	(47,652)	972,546	18,712,450	666,374	20,303,718
Fund balances - beginning	31,737,598	11,017,436	19,783,165	757,404	63,295,603
Fund balances - ending	\$ 31,689,946	11,989,982	38,495,615	1,423,778	83,599,321

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

Seguin Independent School District
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
Year Ended June 30, 2021

C-3

Net change in fund balances - total governmental funds	\$ 20,303,718
Amounts reported for <i>governmental activities</i> in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures.	
However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.	
Capital outlay	12,007,556
Disposal of capital assets	(137,829)
Depreciation expense	(10,128,982)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Change in deferred tax revenue	(148,433)
The revenues and expenses of the Internal Service Fund are distributed in the statement of activities and it is not considered a governmental fund. The difference is the change in net position .	
	226,652
Bond and proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position.	
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
Bond proceeds, including premiums	(81,530,644)
Repayment of bond principal	8,440,000
Payment to refunding bond escrow agent	50,696,424
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	
Change in bond interest payable	208,928
Change in accretion payable	(130,223)
Amortization of deferred charges on refunding	(563,688)
Amortization of bond premiums	2,785,312
Pension contributions made during the measurement year	1,500,175
Change in pension contributions made after the measurement date	(4,392)
Proportionate share of collective pension expense	2,278,018
Adjustment for ending deferred inflows and outflows related to net pension liability	(5,113,087)
OPEB contributions made during the measurement year	453,807
Change in OPEB contributions made after the measurement date	(27,238)
Proportionate share of collective OPEB expense	4,667,267
Adjustment for ending deferred inflows and outflows related to net OPEB liability	(4,495,428)
Change in net position of governmental activities	<u>\$ 1,287,913</u>

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

C-4

Seguin Independent School District
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
General Fund
Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	with Final Budget
Revenues:				
Local and intermediate sources	\$ 36,918,840	36,918,840	36,307,801	(611,039)
State program revenues	30,299,547	30,299,547	27,374,675	(2,924,872)
Federal program revenues	967,000	967,000	2,287,980	1,320,980
Total revenues	68,185,387	68,185,387	65,970,456	(2,214,931)
Expenditures:				
Current:				
Instruction	37,185,280	40,922,991	37,220,919	3,702,072
Instructional resources and media services	1,052,175	1,174,842	1,070,355	104,487
Curriculum and staff development	1,044,285	850,057	663,932	186,125
Instructional leadership	1,926,823	1,853,622	1,718,400	135,222
School leadership	4,872,005	4,978,609	4,766,098	212,511
Guidance, counseling, and evaluation services	2,533,507	2,845,423	2,631,456	213,967
Social work services	526,791	599,825	589,378	10,447
Health services	620,656	798,307	723,498	74,809
Student transportation	3,053,895	3,065,046	2,757,952	307,094
Extracurricular activities	2,071,617	2,098,618	1,763,224	335,394
General administration	2,294,166	2,233,826	2,071,836	161,990
Facilities maintenance and operations	6,714,399	6,941,714	6,683,899	257,815
Security and monitoring services	495,287	843,497	710,525	132,972
Data processing services	1,713,481	1,740,835	1,582,186	158,649
Community services	78,762	57,300	41,734	15,566
Principal on long-term debt	-	665,000	665,000	-
Facilities acquisition and construction	-	29,000	29,000	-
Intergovernmental-				
Other intergovernmental charges	595,325	610,685	610,684	1
Total expenditures	66,778,454	72,309,197	66,300,076	6,009,121
Excess (Deficiency) of revenues over (under) expenditures	1,406,933	(4,123,810)	(329,620)	3,794,190
Other Financing Sources-				
Proceeds from sale of property	-	-	281,968	281,968
Total other financing sources	-	-	281,968	281,968
Net change in fund balance	1,406,933	(4,123,810)	(47,652)	4,076,158
Fund balance - beginning	31,737,598	31,737,598	31,737,598	-
Fund balance - ending	\$ 33,144,531	27,613,788	31,689,946	4,076,158

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

Seguin Independent School District
Statement of Net Position
Proprietary Funds
June 30, 2021

D-1

	Business-type Activities- Nonmajor Enterprise Fund	Governmental Activities- Internal Service Funds	Total Proprietary Funds
Assets:			
Current assets-			
Cash and cash equivalents	\$ 307,269	\$ 3,505,642	\$ 3,812,911
Total current assets	<u>307,269</u>	<u>3,505,642</u>	<u>3,812,911</u>
Noncurrent assets-			
Capital assets:			
Buildings and improvements	-	85,496	85,496
Accumulated depreciation	<u>-</u>	<u>(57,097)</u>	<u>(57,097)</u>
Total noncurrent assets	<u>-</u>	<u>28,399</u>	<u>28,399</u>
Total assets	<u>307,269</u>	<u>3,534,041</u>	<u>3,841,310</u>
Liabilities-			
Current liabilities:			
Accounts payable	200	-	200
Due to other funds	38	13,147	13,185
Accrued expenses	<u>-</u>	<u>540,141</u>	<u>540,141</u>
Total liabilities	<u>238</u>	<u>553,288</u>	<u>553,526</u>
Net Position:			
Net investment in capital assets	-	28,399	28,399
Unrestricted	<u>307,031</u>	<u>2,952,354</u>	<u>3,259,385</u>
Total net position	<u><u>\$ 307,031</u></u>	<u><u>\$ 2,980,753</u></u>	<u><u>\$ 3,287,784</u></u>

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

Seguin Independent School District
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
Year Ended June 30, 2021

D-2

	Business-type Activities- Nonmajor Enterprise Fund	Governmental Activities- Internal Service Funds	Total Proprietary Funds
Operating revenues-			
Charges for services	\$ 81,900	\$ 530,516	\$ 612,416
Total operating revenues	81,900	530,516	612,416
Operating expenses:			
Other supplies and expenses	-	200,153	200,153
Payroll costs	35,390	37,892	73,282
Contractual services	130,330	14,500	144,830
Insurance and bonding costs	2,444	53,831	56,275
Depreciation	-	2,850	2,850
Total operating expenses	168,164	309,226	477,390
Operating income (loss)	(86,264)	221,290	135,026
Nonoperating revenues-			
Investment and interest income	333	5,362	5,695
Total nonoperating revenues	333	5,362	5,695
Change in net position	(85,931)	226,652	140,721
Total net position - beginning	392,962	2,754,101	3,147,063
Total net position - ending	\$ 307,031	\$ 2,980,753	\$ 3,287,784

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

Seguin Independent School District
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2021

D-3

	Business-type Activities- Nonmajor Enterprise Fund	Governmental Activities- Internal Service Funds	Total Proprietary Funds
Cash Flows from Operating Activities:			
Receipts from customers/contributors	\$ 81,900	\$ 530,516	\$ 612,416
Payments to suppliers	(168,164)	(273,202)	(441,366)
Payments to employees	-	(46,394)	(46,394)
Other payments made for interfund services provided	3	-	3
Net cash provided by (used in) operating activities	<u>(86,261)</u>	<u>210,920</u>	<u>124,659</u>
Cash Flows from Investing Activities-			
Interest received	<u>333</u>	<u>5,362</u>	<u>5,695</u>
Net change in cash and cash equivalents	(85,928)	216,282	130,354
Cash and cash equivalents - beginning of the year	<u>393,197</u>	<u>3,289,360</u>	<u>3,682,557</u>
Cash and cash equivalents - end of the year	<u><u>\$ 307,269</u></u>	<u><u>\$ 3,505,642</u></u>	<u><u>\$ 3,812,911</u></u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ (86,264)	\$ 221,290	\$ 135,026
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	-	2,850	2,850
Increase (decrease) in due to other funds	3	(8,502)	(8,499)
Decrease in accrued expenses	<u>-</u>	<u>(4,718)</u>	<u>(4,718)</u>
Net cash provided by (used in) operating activities	<u><u>\$ (86,261)</u></u>	<u><u>\$ 210,920</u></u>	<u><u>\$ 124,659</u></u>

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

Seguin Independent School District
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2021

E-1

	<u>Custodial Funds</u>
Assets:	
Cash and cash equivalents	\$ 179,462
Due from other funds	<u>12,906</u>
Total assets	<u><u>\$ 192,368</u></u>
 Liabilities:	
Due to student groups	174,646
Other payables	12,906
Due to other funds	<u>4,816</u>
Total liabilities	<u><u>\$ 192,368</u></u>

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

Seguin Independent School District
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
June 30, 2021

E-2

	<u>Custodial Funds</u>
Additions:	
Contributions	\$ 265,038
Total additions	<u>\$ 265,038</u>
 Deductions:	
Professional and contracted services	53,284
Supplies and materials	122,686
Other expenses	<u>89,068</u>
Total deductions	<u>\$ 265,038</u>
 Net change in fiduciary net position	 -
 Total net position - beginning	 <u>-</u>
 Total net position - ending	 <u><u>\$ -</u></u>

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

Seguin Independent School District

Notes to Basic Financial Statements Year Ended June 30, 2021

1. Summary of Significant Accounting Policies

The Financial Reporting Entity

This report includes those activities, organizations and functions which are related to the Seguin Independent School District (the "District") and which are controlled by or dependent upon the District's governing body, the Board of Trustees (the "Board"). The Board, a seven member group, is the level of government which has governance responsibilities over all activities related to public elementary and secondary school education within the jurisdiction of the District. Since the District receives funding from local, state and federal government sources, it must comply with the requirements of the entities providing those funds. However, the District is not included in any other governmental "reporting entity" as defined by the Governmental Accounting Standards Board ("GASB"), since Board members are elected by the public and have decision making authority. There are no component units included within the reporting entity.

The accounting policies of the District comply with the rules prescribed by the Texas Education Agency's ("TEA") Financial Accountability System Resource Guide. These accounting policies conform to generally accepted accounting principles applicable to state and local governments.

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 District. The effect of interfund activity has been removed from these statements. Governmental activities, which 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 are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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 and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. 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 the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and fiduciary fund financial statements. 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. Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, and 2) operating grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

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 sixty 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 are recorded only when payment is due.

Major revenue sources considered susceptible to accrual include state and federal program revenues and interest income. No accrual for property taxes collected within sixty days of year end has been made as such amounts are deemed immaterial; delinquent property taxes at year end are reported as deferred inflows of resources.

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

The District reports the following major governmental funds:

The General Fund includes financial resources used for general operations. It is a budgeted fund, and any unassigned fund balance is considered resources available for current operations.

The Debt Service Fund includes debt service taxes and other revenues collected to retire bond principal and to pay interest due. It is a budgeted fund.

The Capital Projects Fund includes the proceeds from the sale of bonds and other revenues to be used for authorized construction and other capital asset acquisitions.

Additionally, the District reports the following fund types:

Special Revenue Funds are governmental funds which include resources restricted, committed, or assigned for specific purposes by a grantor or the Board. Federally financed programs where unused balances are returned to the grantor at the close of specified project periods are accounted for in these funds. The District uses project accounting to maintain integrity for the various sources of funds.

The Enterprise Fund is a proprietary fund used to account for the operations of the District's Oak Park Mall.

Internal Service Funds are proprietary funds that are used to account for the District's workers compensation insurance and employee day care.

Custodial Funds are unbudgeted funds and are used to account for activities of student groups and other types of activities requiring clearing accounts.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's internal service fund are interfund charges for workers compensation and daycare for children of students and employees. The principal operating revenues of the District's enterprise fund are charges for use of the District's Oak Park Mall. Operating expenses include administrative, facilities maintenance and operations, security and monitoring services, data processing services, and community service expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Budgetary Information

Budgets are prepared annually for the General Fund, Debt Service Fund, and Food Service Fund (special revenue fund) on the modified accrual basis, which is consistent with generally accepted accounting principles. A formal budget is prepared by June 20 and is adopted by the Board at a public meeting after ten days public notice of the meeting has been given. The legal level of control for budgeted expenditures is the function level within the budgeted funds. Amendments to the budget are required prior to expending amounts greater than the budgeted amounts at the function level. Budgets are controlled at the departmental or campus level, the same level at which responsibility for operations is assigned. The budget was amended by the Board as needed throughout the year. The debt service function in the Debt Service Fund exceeded the budgeted amount by \$485,446 for the year ended June 30, 2021.

Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under Texas law, appropriations lapse at June 30th, and encumbrances outstanding at that time are to be either canceled or provided for in the subsequent year's budget. There were no material outstanding encumbrances at June 30, 2021 that were provided for in the subsequent year's budget.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity

Investments - Temporary investments throughout the year consisted of investments in external local government investment pools (reported within cash and cash equivalents) which are recognized at amortized cost as permitted by GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. The District is entitled to invest any and all of its funds in certificates of deposit, direct debt securities of the United States of America or the State of Texas, certain Federal agency securities and other types of municipal bonds, fully collateralized repurchase agreements, commercial paper and local government investment pools. The District's investment policies and types of investments are governed by Section 2256 of the Texas Government Code ("Public Funds Investment Act"). The District's management believes that it complied with the requirements of the Public Funds Investment Act and the District's investment policy. The District accrues interest on temporary investments based on the terms and effective interest rates of the specific investments.

Inventories - Inventories in the General Fund and Nonmajor Governmental Funds consist of expendable supplies held for consumption. Inventories are charged to expenditures when consumed. Supply inventory is recorded at cost using the FIFO method.

Federal food commodities inventory is stated at fair value and at year end is recorded as unearned revenue. Revenue is recognized at fair value when commodities are distributed to the schools.

Prepaid Items - Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. Prepaid items are charged to expenditures when consumed.

Capital Assets - Capital assets, which include land and land improvements, buildings and improvements, furniture and equipment, and construction in progress are reported in the governmental activities column in the government-wide financial statements. The District has no infrastructure assets. Capital assets are defined by the District as assets with an initial, individual cost of \$5,000. Such assets are recorded at historical cost if purchased or acquisition value at the date of donation, if donated. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets lives are not capitalized. Capital assets (other than land and land improvements and construction in progress) are depreciated using the straight line method over the following estimated useful lives: buildings and improvements - 30 years, furniture and equipment - 3 to 10 years.

Ad Valorem Property Taxes - Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. Allowances for uncollectibles within the General and Debt Service Funds are based upon historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

Accumulated Sick Leave Liability - The State of Texas (the "State") has created a minimum sick leave program consisting of five days of sick leave per year with no limit on accumulation and transferability among districts for every person regularly employed in Texas public schools. Each district's local board is required to establish a sick leave plan. Local school districts may provide additional sick leave beyond the State minimum. Upon the retirement of employees who have worked for the District ten years, the District pays professional employees \$75 per day and paraprofessional employees \$50 per day for any unused accrued sick leave days. The estimated liability to the District is not considered to be material to the financial statements and is not recorded.

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

Other Post-Employment Benefits - The fiduciary net position of the 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 other post-employment benefits ("OPEB") liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, and information about assets, liabilities and additions to/deductions from TRS 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.

Fund Equity/Net Position - The District complies with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. See Note 10 for additional information on those fund balance classifications.

Statement of Cash Flows - For purposes of the statement of cash flows of the Proprietary Funds, the District considers all liquid investments (including external investment pools) with original maturities of 90 days or less to be cash equivalents.

Deferred Outflows and Inflows of Resources - The District complies with GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, which provides guidance for reporting the financial statement elements of deferred outflows of resources, which represent the consumption of the District's net position that is applicable to a future reporting period, and deferred inflows of resources, which represent the District's acquisition of net position applicable to a future reporting period.

The District complies with GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, which establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. See Note 8, Note 12, and Note 13 for additional information on deferred inflows and outflows of resources.

Fair Value Measurements - The District complies with GASB Statement No. 72, *Fair Value Measurement and Application*, which 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 a 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 unobservable 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.

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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Change in Accounting Principle for Recently Adopted Accounting Pronouncement

In January 2017, the GASB issued GASB Statement No. 84, *Fiduciary Activities*. The objective of the standard is to improve accounting and financial reporting for fiduciary activities by establishing criteria for identifying fiduciary activities, requiring that all fiduciary funds present a statement of fiduciary net position and a statement of changes in fiduciary net position, except for business-types activities that normally expect to hold custodial assets for three months or less, and providing descriptions of the four types of fiduciary funds that should be reported, if applicable. The standard also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. The District adopted this standard on July 1, 2020 and there was no change to fiduciary net position as of July 1, 2020 as a result of applying the new guidance.

Recently Issued Accounting Pronouncements

In June 2017, the GASB issued GASB Statement No. 87, *Leases*, effective for fiscal years beginning after June 15, 2021. The objective of GASB Statement No. 87 is to improve accounting and financial reporting for leases by governments by requiring recognition of certain lease assets and liabilities 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. GASB Statement No. 87 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 GASB Statement No. 87, a lessee is required to recognize a lease liability and an intangible right-to-use asset, and a lessor is required to recognize a lease receivable and deferred inflow of resources. Management is evaluating the effects that the full implementation of GASB Statement No. 87 will have on its financial statements for the year ended June 30, 2022.

In May 2020, the GASB issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, effective for fiscal years beginning after June 15, 2022. The objective of GASB Statement No. 96 is to improve accounting and financial reporting by establishing a definition for a subscription-based information technology arrangement (“SBITA”) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. GASB Statement No. 96 will require a government to report a right-to-use subscription asset as an intangible asset and a corresponding subscription liability for a SBITA, and also require certain disclosures about the SBITA. GASB Statement No. 96 also provides capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA. Management is evaluating the effects that the full implementation of GASB Statement No. 96 will have on its financial statements for the year ended June 30, 2023.

2. Deposits, Securities and Investments

The Public Funds Investment Act authorizes the District to invest in funds under a written investment policy, which is approved annually by the Board. The primary objectives of the District’s investment strategy, in order of priority, are preservation and safety of principal, liquidity and yield.

The District is authorized to invest in the following investment instruments provided that they meet the guidelines established in the investment policy:

- Obligations of, or guaranteed by, governmental entities
- Certificates of deposit and share certificates
- Fully collateralized repurchase agreements
- Securities lending programs
- Banker’s acceptance
- Commercial paper
- Money market funds and no-load mutual funds
- Guaranteed investment contracts
- Public funds investment pools

The District's funds are required to be deposited and invested under the terms of a depository contract pursuant to the School Depository Act. The depository bank deposits for safekeeping and trust with the District's agent 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 dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance. Therefore, the District is not exposed to custodial credit risk.

Under the depository contract, the District, at its own discretion, may invest funds in time deposits and certificates of deposit provided by the depository bank at interest rates approximating United States Treasury Bill rates.

At June 30, 2021, the carrying amount of the District's deposits (cash in bank) was \$1,378,699 and the actual bank balance was \$2,937,978.

The District's deposits with financial institutions at June 30, 2021 were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name. The deposits were collateralized in accordance with Texas law and the Texas Education Agency maintains copies of all safekeeping receipts in the name of the District

In addition, the following is disclosed regarding coverage of combined balances on the date of highest deposit:

- a) Name of depository bank: First Commercial Bank
- b) Amount of bond and / or security pledged as of the date of the highest combined balance on deposit was \$7,533,984
- c) Largest cash, savings and time deposit combined account balance amounted to \$6,947,443 and occurred during the month of June 2021.
- d) Total amount of FDIC coverage at the time of highest combined balance was \$250,000.

Investments held at June 30, 2021 consisted of the following:

Type	Fair Value	Weighted Average Maturity (Days)	Standard & Poor's Rating
Local governmental investment pools:			
TexPool	\$ 3,186,083	1	AAAm
Texas CLASS	8,897,547	1	AAAm
Lone Star	77,737,295	1	AAAf
LOGIC	423,674	1	AAAm
Total	<u>\$ 90,244,599</u>		

The District had investments in four external local government investment pools at June 30, 2021: Texas Local Governmental Investment Pool (“TexPool”), Lone Star Investment Pool (“Lone Star”), Texas CLASS Investment Pool (“Texas CLASS”), and Local Government Investment Cooperative (“LOGIC”). Although TexPool, Lone Star, Texas CLASS, and LOGIC are not registered with the SEC as investment companies, they operate in a manner consistent with the SEC’s Rule 2a-7 of the Investment Company Act of 1940. These investments are stated at amortized cost in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*.

TexPool is overseen by the Texas State Comptroller of Public Accounts, who is the sole officer, director and shareholder of the Texas Treasury Safekeeping Trust Company which is authorized to operate TexPool. TexPool also has an advisory board to advise on TexPool’s investment policy, which is made up equally of participants and non-participants who do not have a business relationship with TexPool. Federated Investors manages daily operations of TexPool under a contract with the Comptroller and is the investment manager for the pool. TexPool’s investment policy stipulates that it must invest in accordance with the Public Funds Investment Act.

Lone Star is governed by an eleven member board of trustees, in which all of the members are also participants in Lone Star. The board meets quarterly to review operations, adopt or make changes to the investment policy, review financial activity and approve contractor agreements. Lone Star also has an advisory board consisting of participants and non-participants. RBC Capital Markets, Inc. is an independent consultant for Lone Star that reviews daily operations, analyzes all investment transactions for compliance with the Public Funds Investment Act, and performs monitoring activities. The Bank of New York provides custody and valuation services for Lone Star. American Beacon Advisors and Standish Mellon provide other investment management services. Lone Star’s investment policy stipulates that it must invest in accordance with the Public Funds Investment Act.

Texas CLASS is administered and supervised by a seven-member board of trustees, whose members are investment officers of the participants in Texas CLASS. Texas CLASS has contracted with MBIA Municipal Investors Service Corporation to provide for the investment and management of the public funds of Texas CLASS. Separate financial statements for Texas CLASS may be obtained by contacting MBIA Asset Management at 815-A Brazos Street, Suite 345, Austin, Texas 78701-9996, or by calling 800-707-6242.

LOGIC is an investment program for local governments within the State of Texas. LOGIC is governed by a board of trustees consisting of individuals from participating government entities. JP Morgan Investment Management, Inc. and First Southwest provide investment management services. Investments are subject to the strict requirements of the Public Funds Investment Act and LOGIC may invest in any of the securities authorized by statute. LOGIC must demonstrate compliance with Chapter 2256, Sections .016, .017, .018, and .019.

In accordance with GASB Statement No. 79, the external local government investment pools do not have any limitations and restrictions on withdrawals such as notice periods or maximum transaction amounts. These pools do not impose any liquidity fees or redemption gates.

Credit Risk - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized agencies are designed to give an indication of credit risk. At June 30, 2021, investments were included in external local governmental investment pools in compliance with the District’s investment policy.

Custodial Credit Risk - Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the District's name. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the District, and are held by either the counterparty or the counterparty's trust department or agent not in the District's name. At June 30, 2021, the District was not exposed to custodial credit risk.

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investments in a single issuer. Information regarding investments in any one issuer that represents five percent or more of the District's total investments must be disclosed under GASB Statement No. 40, excluding investments issued or explicitly guaranteed by the U.S. Government. At June 30, 2021, the District had 100% of its investments in external local government investment pools.

Interest Rate Risk - As a means of minimizing risk of loss due to interest rate fluctuations, the investment policy requires the District to monitor interest rate risk using weighted average maturity and specific identification. Maturities of any individual investment owned by the District should not exceed one year from the time of purchase unless the Board specifically authorizes a longer maturity for a given investment, within legal limits. The District considers the holdings in the external local government investment pools to have a one day weighted average maturity due to the fact that the share position can usually be redeemed each day at the discretion of the shareholders, unless there has been a significant change in value. At June 30, 2021, the District was not exposed to significant interest rate risk.

3. Property Taxes

The Texas Legislature in 1979 adopted a comprehensive Property Tax Code (the "Code") which established a county-wide appraisal district and an appraisal review board in each county in the State. The Guadalupe Appraisal District (the "Appraisal District") is responsible for the recording and appraisal of all property in the District. Under the Code, the District's Board sets the tax rates on property and the Guadalupe County tax assessor / collector provides tax collection services. The Appraisal District is required under the Code to assess property at 100% of its appraised value. Further, real property must be reappraised at least every four years. Under certain circumstances, taxpayers and taxing units, including the District, may challenge orders of the Appraisal Review Board through various appeals and, if necessary, legal action.

Property taxes are levied as of October 1 in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, and penalties and interest that are ultimately imposed. Property tax revenues are considered available when they become due or past due and receivable within the current period, including those property taxes expected to be collected during a 60 day period after the end of the District's fiscal year. The assessed value at January 1, 2020, upon which the October 2020 levy was based, was \$3,730,264,623. The District levied taxes based on a combined tax rate of \$1.3614 per \$100 of assessed valuation for local maintenance (general governmental services) and debt service.

The 86th session of the Texas Legislature convened in January 2019, with school finance reform as a critical priority. House Bill 3 (HB3), passed by the 86th Texas Legislature, was of one of the most transformative Texas education bills in recent history infusing more than \$11 billion into the public school system. HB3 provided more money for Texas classrooms through an increase in the basic allotment for each student from \$5,140 to \$6,160, increased teacher compensation, funds free full-day Pre-K for eligible 4-year-olds, reduced the amount of money wealthy districts must spend to subsidize poor districts through the state's recapture program, and cut local property taxes for Texas taxpayers. In summary, the bill focused on four major policy areas: teacher support, improving student outcomes, increasing funding, and reduction and reform of property taxes and recapture.

HB3 amended the Education Code to transfer certain sections from Chapter 41 to Chapter 49 and revised formulas used to determine excess local revenue under the Foundation School Program (FSB). The formula for recapture is now local revenue in excess of entitlement instead of wealth per weighted average daily attendance (WADA) basis. Under HB3, recapture and non-recapture school districts are treated more equitably, and districts only pay tier one recapture on the amount above their formula entitlement. HB3 modifies local revenue subject to recapture to be local revenue in excess of entitlement and is calculated by subtracting a district's tier one entitlement (and credit for appraisal costs) from its available school fund (ASF) distribution and local fund assignment. The District had no recapture liability at June 30, 2021.

4. Due From Other Governments

The District participates in a variety of federal and state programs from which it receives grants to partially or fully fund certain activities. The District also receives entitlements from the State through the School Foundation and Per Capita Programs. These amounts are reported in the basic financial statements as Due from Other Governments and are summarized below as of June 30, 2021.

	General Fund	Debt Service Fund	Nonmajor Governmental Funds	Total
State entitlements	\$ 6,126,286	-	-	6,126,286
Federal and state grants	137,748	-	2,059,364	2,197,112
Other	36,549	14,067	-	50,616
Total	<u>\$ 6,300,583</u>	<u>14,067</u>	<u>2,059,364</u>	<u>8,374,014</u>

5. Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” or “due to other funds.” The composition of interfund balances as of June 30, 2021 is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental Funds	\$ 1,629,778
General Fund	Internal Service Fund	13,147
General Fund	Enterprise Fund	38
General Fund	Fiduciary Fund	4,816
General Fund	Capital Projects Fund	46,953
Nonmajor Governmental Funds	General Fund	855,213
Fiduciary Fund	General Fund	12,906
Total		<u>\$ 2,562,851</u>

6. Unearned Revenue

At June 30, 2021, unearned revenue in governmental funds consisted of the following:

	General Fund	Nonmajor Governmental Funds	Total
Federal and state grants	<u>\$ 1,631,527</u>	<u>151,605</u>	<u>1,783,132</u>

7. Capital Assets

Capital asset activity for the year ended June 30, 2021 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated-				
Land and land improvements	\$ 4,011,524	29,000	(16,756)	4,023,768
Construction in progress	<u>11,945,787</u>	<u>11,571,775</u>	<u>(14,578,318)</u>	<u>8,939,244</u>
Total capital assets, not being depreciated	<u>15,957,311</u>	<u>11,600,775</u>	<u>(14,595,074)</u>	<u>12,963,012</u>
Capital assets, being depreciated:				
Buildings and improvements	201,115,420	14,578,318	(687,403)	215,006,335
Furniture and equipment	<u>16,569,843</u>	<u>406,781</u>	<u>-</u>	<u>16,976,624</u>
Total capital assets being depreciated	<u>217,685,263</u>	<u>14,985,099</u>	<u>(687,403)</u>	<u>231,982,959</u>
Less accumulated depreciation for:				
Buildings and improvements	(78,288,622)	(8,162,503)	566,330	(85,884,795)
Furniture and equipment	<u>(10,520,176)</u>	<u>(1,969,329)</u>	<u>-</u>	<u>(12,489,505)</u>
Total accumulated depreciation	<u>(88,808,798)</u>	<u>(10,131,832)</u>	<u>566,330</u>	<u>(98,374,300)</u>
Total capital assets, being depreciated, net	<u>128,876,465</u>	<u>4,853,267</u>	<u>(121,073)</u>	<u>133,608,659</u>
Governmental activities capital assets, net	<u>\$ 144,833,776</u>	<u>16,454,042</u>	<u>(14,149,817)</u>	<u>146,571,671</u>

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

Governmental activities:

Instruction	\$ 5,800,566
Instruction resources and media services	166,806
Curriculum and staff development	103,468
Instructional leadership	267,798
School leadership	742,756
Guidance, counseling and evaluation services	410,090
Social work services	91,850
Health services	112,751
Student transportation	429,803
Extracurricular activities	274,784
General administration	322,878
Facilities maintenance and operations	1,041,629
Security and monitoring services	110,729
Data processing services	246,570
Community services	6,504
Depreciation charged to the District's internal service funds	2,850
Total depreciation expense - governmental activities	<u>\$ 10,131,832</u>

8. Deferred Charges on Bond Refundings

The following is a summary of changes in deferred charges on bond refundings for the year ended June 30, 2021:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Deferred charges on refundings	<u>\$ 3,052,996</u>	<u>5,926,424</u>	<u>(563,688)</u>	<u>8,415,732</u>

9. Long-Term Debt

The following is a summary of changes in long-term debt for the year ended June 30, 2021:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
General obligation bonds and maintenance tax notes	\$161,809,858	72,434,951	(53,210,000)	181,034,809
Premiums on bonds	<u>11,848,767</u>	<u>3,398,973</u>	<u>(2,785,312)</u>	<u>12,462,428</u>
Total debt payable - principal	173,658,625	75,833,924	(55,995,312)	193,497,237
Accretion on capital appreciation bonds	<u>1,385,556</u>	<u>5,826,943</u>	<u>-</u>	<u>7,212,499</u>
Total debt payable	<u>\$175,044,181</u>	<u>81,660,867</u>	<u>(55,995,312)</u>	<u>200,709,736</u>

Current portion of long-term liabilities at June 30, 2021 is as follows:

General obligation bonds and maintenance tax notes	\$ 8,625,000
Accretion on capital appreciation bonds	-
Total	<u>\$ 8,625,000</u>

Bonded debt and maintenance tax notes consist of the following at June 30, 2021:

General obligation bonds:

Series	Date of Issue	Amounts of Original Issue	Matures Through	Interest Rate	Outstanding at 6-30-21	Due Within One Year
2006	10-12-06	\$ 8,894,858	2024	4.00%	\$ 9,858	\$ -
				2.00 -		
2010	7-22-10	9,725,000	2023	4.00%	2,045,000	1,320,000
				0.35 -		
2013	4-9-13	10,135,000	2023	2.55%	2,855,000	1,410,000
				2.00 -		
2015	9-29-15	37,065,000	2046	5.00%	33,310,000	800,000
				2.00 -		
2016	3-30-16	33,375,000	2036	5.00%	27,030,000	3,320,000
				2.00 -		
2016-A	6-8-16	7,045,000	2028	5.00%	6,960,000	-
				2.00 -		
2019	8-14-19	31,565,000	2049	5.00%	29,790,000	470,000
				1.395 -		
2020	10-28-20	44,769,951	2045	4.00%	44,029,951	640,000
				2.00 -		
2021	2-10-21	27,665,000	2051	5.00%	27,665,000	-

Maintenance tax notes-

2016-Z	10-18-16	<u>10,000,000</u>	2032	0.00%	<u>7,340,000</u>	<u>665,000</u>
Total		<u>\$220,239,809</u>			<u>\$ 181,034,809</u>	<u>\$ 8,625,000</u>

For the general obligation bonds, the District has pledged as collateral the proceeds of a continuing, direct annual tax levied against taxable property within the District without limitation as to rate. The Texas Education Code generally prohibits issuance of additional ad valorem tax bonds if the tax rate needed to pay aggregate principal and interest amounts of the District's tax bond indebtedness exceeds \$0.50 per \$100 of assessed valuation of taxable property within the District. The District's debt service rate for tax year 2020 was \$0.385.

The District issued \$10,000,000 in Unlimited Tax Maintenance Notes, Series 2016Z as part of the Qualified Zone Academy Bond ("QZAB") program to make equipment purchases and public safety, security and ADA improvements at District facilities, including the renovation and equipment of the high school facility and adjacent athletic facility. The QZAB program is a federal program that provides bond holders with tax credits that approximately equal to the interest that states and communities would ordinarily pay the holders of taxable bonds. The District has pledged as collateral the proceeds of a continuing direct annual ad valorem tax, within the limits prescribed by law, upon all taxable property of the District, sufficient to pay each installment of principal on the maintenance tax notes.

On October 28, 2020, the District issued \$44,769,951 in Unlimited Tax Refunding Bonds, Series 2020 to advance refund \$44,770,000 of Unlimited Tax School Building Bonds, Series 2014 and lower its overall debt service requirements. The net proceeds of \$50,701,383 (after payment of \$490,132 in underwriting fees and other issuance costs) was deposited as follows: \$50,696,424 with an escrow agent to provide the debt service payment on the bonds that were advance refunded and \$4,958 in the Debt Service Fund for future principal and interest payments. As a result, \$44,770,000 of bond principal is considered defeased and the liability for these bonds was removed from the basic financial statements. The reacquisition price exceeded the net carrying amount of the old debt by \$5,926,424. This amount is recorded as a deferred outflow of resources and amortized over the remaining life of the refunded debt which is shorter than the life of the new debt issued. The advance refunding reduced debt service payments by approximately \$11,396,000 and resulted in an economic gain of approximately \$8,902,000.

On February 10, 2021 the District issued \$27,665,000 in Unlimited Tax School Building Bonds, Series 2021, for the purposes of (i) designing, acquiring, renovating, constructing, renovating, and equipping school facilities and the purchase of the necessary sites for school facilities and (ii) paying the costs of issuance of the bonds. The net proceeds of \$30,004,934 (after payment of \$334,196 in underwriting fees and other issuance costs) were used for the following: \$30,000,000 was invested by the District to fund future construction and \$4,934 was deposited in the Debt Service Fund for future bond issuance costs.

The annual principal installments for each of the outstanding issues vary each year. As of June 30, 2021, the debt service requirements to maturity are as follows:

Year Ended June 30,	Principal	Interest	Total
2022	\$ 8,625,000	5,891,320	14,516,320
2023	9,495,000	5,559,529	15,054,529
2024	7,069,858	6,782,649	13,852,507
2025	7,335,000	4,919,982	12,254,982
2026	7,655,000	4,600,407	12,255,407
2027 - 2031	31,549,951	25,811,022	57,360,973
2032 - 2036	33,880,000	14,015,124	47,895,124
2037 - 2041	30,910,000	9,418,875	40,328,875
2042 - 2046	33,110,000	4,356,467	37,466,467
2047 - 2051	11,405,000	794,200	12,199,200
Total	<u>\$ 181,034,809</u>	<u>82,149,575</u>	<u>263,184,384</u>

The outstanding 2006 and 2020 Series Bonds include Capital Appreciation Bonds. The interest shown above, with respect to the Capital Appreciation Bonds, includes the interest to be paid on bonds maturing in the respective years and does not include accrued interest on bonds not maturing in those years.

In the current year, the District defeased certain outstanding general obligation bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all the future debt service payments on the old bonds. Accordingly, the trust account assets and the defeased bonds are not included in the District's financial statements. At June 30, 2021, outstanding bonds of \$44,770,000 are considered defeased.

As of June 30, 2021, there were no general obligation bonds authorized by voters of the District, but unissued.

10. Fund Balances

The District complies with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Those fund balance classifications are described below.

Nonspendable - Amounts that cannot be spent because they are either not in a spendable form or are legally or contractually required to be maintained intact.

Restricted - Amounts that can be spent only for specific purposes because of constraints imposed by external providers, or imposed by constitutional provisions or enabling legislation.

Committed - Amounts that can only be used for specific purposes pursuant to approval by formal action by the Board.

Assigned - For the General Fund, amounts that are appropriated by the Board or Board designee that are to be used for specific purposes. For all other governmental funds, any remaining positive amounts not previously classified as nonspendable, restricted or committed.

Unassigned - Amounts that are available for any purpose; these amounts can be reported only in the District's General Fund.

The District's unassigned fund balance will be maintained to provide the District with sufficient working capital and a margin of safety to address local and regional emergencies without borrowing. The unassigned General Fund balance may only be appropriated by resolution of the Board. Fund balance of the District may be committed for a specific purpose by formal action of the Board and may be established, modified, or rescinded only through a resolution approved by the Board. When appropriate for fund balance to be assigned, the Board delegates authority to the Superintendent or the Chief Financial Officer. In circumstances where expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended is as follows: restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance. The Board adopted a policy (the "Policy") requiring the District to maintain a minimum annual unassigned fund balance of 25% of the General Fund operating expenditures (excluding non-recurring items). Under the Policy, if appropriations from the General Fund reduce the unassigned fund balance to less than 25% of General Fund operating expenditures (excluding non-recurring items), the District shall establish a budgetary plan to replenish the unassigned fund balance to 25%.

The detail of the fund balances are included in the Governmental Funds Balance Sheet on page 13.

11. Revenues From Local and Intermediate Sources

For the year ended June 30, 2021, revenues from local and intermediate sources in governmental funds consisted of the following:

	General Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total
Property taxes	\$ 35,305,925	14,115,554	-	-	49,421,479
Food service	-	-	-	122,265	122,265
Investment income	55,137	13,679	44,289	829	113,934
Penalties, interest, and other tax related income	473,610	168,399	-	-	642,009
Co-curricular student activities	114,268	-	-	338,104	452,372
Other	358,861	5,540	-	288	364,689
Total	<u>\$ 36,307,801</u>	<u>14,303,172</u>	<u>44,289</u>	<u>461,486</u>	<u>51,116,748</u>

12. Defined Benefit Pension Plans

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 TRS and is established and administered in accordance with the Texas Constitution, Article XVI, Section 67 and Texas Government Code, Title 8, Subtitle C. The pension trust fund is a qualified pension trust under Section 401(a) of the Internal Revenue Code. The Texas Legislature establishes benefits and contribution rates within the guidelines of the Texas Constitution. The pension's Board of Trustees does not have the authority to establish or amend benefit terms.

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

Pension Plan Fiduciary Net Position

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

Benefits Provided

TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using 2.3 percent (multiplier) times the average of the five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, in which 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 cost-of-living adjustments ("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 TRS' 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 TRS 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 thru 2025.

	2020	2021
Contribution Rates:		
Member	7.7%	7.7%
Non-Employer Contributing Entity (State)	7.5%	7.5%
Employers	7.5%	7.5%
FY 2021 District Contributions		\$ 1,493,952
FY 2021 Member Contributions		\$ 3,808,012
FY 2021 NECE On-behalf Contributions		\$ 2,410,648

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% of the member's salary beginning in fiscal year 2020, gradually increasing to 2% in fiscal year 2025.
- When employing a retiree of TRS, 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%, including inflation
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, 2019. 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 pension liability. The single discount rate was based on the expected rate of return on pension 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 sessions. It is assumed that the future employer and state contributions will be 8.50% of payroll in fiscal year 2020 gradually increasing to 9.55% of payroll over the next several years. This includes all employer and state contributions for active and rehired retirees.

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term rate of return on pension plan investments is 7.25%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in TRS' target asset allocation as of August 31, 2020 are summarized below.

Asset Class	FY2020 Target Allocation (1)	Long-Term Expected Geometric Real Rate of Return (2)	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
USA	18.00%	3.90%	0.99%
Non-U.S. Developed	13.00%	5.10%	0.92%
Emerging Markets	9.00%	5.60%	0.83%
Private Equity	14.00%	6.70%	1.41%
Stable Value			
Government Bonds	16.00%	(0.70%)	(0.05%)
Absolute Return (including Credit Sensitive Investments)	0.00%	1.80%	0.00%
Stable Value Hedge Funds	5.00%	1.90%	0.11%
Real Return			
Real Estate	15.00%	4.60%	1.02%
Energy, Natural Resources and Infrastructure	6.00%	6.00%	0.42%
Commodities	0.00%	0.80%	0.00%
Risk Parity			
Risk Parity	8.00%	3.00%	0.30%
Asset Allocation Leverage			
Cash	2.00%	(1.50%)	(0.03%)
Asset Allocation Leverage	(6.00%)	(1.30%)	0.08%
Inflation Expectation			2.00%
Volatility Drag (3)			(0.67%)
Expected Return	<u>100.00%</u>	<u></u>	<u>7.33%</u>

(1) Target allocations are based on the FY2020 policy model.

(2) Capital Market Assumptions come from Aon Hewitt (as of August 31, 2020)

(3) The volatility drag results from the conversion between arithmetic and geometric mean returns.

Discount Rate Sensitivity Analysis

The following table presents the Net Pension Liability of the plan using the discount rate of 7.25%, and what the Net Pension Liability would be if it were calculated using a discount rate that is 1% lower (6.25%) or 1% higher (8.25%) than the current discount rate.

	1% Decrease in Discount Rate (6.25%)	Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
District's proportionate share of the net pension liability	\$ 30,027,086	\$ 19,473,044	\$ 10,898,117

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

At June 30, 2021, the District reported a liability of \$19,473,044 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	\$ 19,473,044
State's proportionate share that is associated with the District	38,195,500
Total	<u>\$ 57,668,544</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 0.0364% which was a decrease of 0.0083% from its proportion measured as of August 31, 2019.

Changes Since the Prior Actuarial Valuation

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

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

For the year ended June 30, 2021, the District recognized pension expense of \$2,833,239 and revenue of \$4,594,071 for support provided by the State.

At June 30, 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	\$ 35,556	\$ 543,441
Changes in actuarial assumptions	4,518,439	1,921,209
Difference between projected and actual investment earnings	394,215	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	908,327	3,235,451
Contributions paid to TRS subsequent to the measurement date	1,254,658	-
Total	<u>\$ 7,111,195</u>	<u>\$ 5,700,101</u>

The \$1,254,658 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. The net amounts of the employer's balances of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

	Pension Expense Amount
Year ended June 30:	
2022	\$ 515,671
2023	481,583
2024	393,572
2025	(290,826)
2026	(766,811)
Thereafter	(176,753)

13. Defined Other Post-Employment Benefit Plans

Plan Description

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

Detailed information about TRS-Care's fiduciary net position is available in a separately-issued Annual Comprehensive Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at https://www.trs.texas.gov/Pages/about_publications.aspx; 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 and charter schools, regional education service centers and other educational districts who are members of the TRS pension plan. Optional dependent coverage is available for an additional fee.

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

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

	Medicare	Non-Medicare
Retiree or Surviving Spouse	\$ 135	\$ 200
Retiree and Spouse	529	689
Retiree or Surviving Spouse and Children	468	408
Retiree and Family	1,020	999

Contributions

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

Texas Insurance Code, section 1575.202 establishes the State's contribution rate which is 1.25% of the employee's salary. Section 1575.203 establishes the active employee's rate which is 0.65% 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 employer contribution rate is prescribed by the Legislature in the GAA. The following table shows contributions to the TRS-Care plan by type of contributor.

	2020	2021
Contribution Rates:		
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%
FY 2021 District Contributions		\$ 426,484
FY 2021 Member Contributions		\$ 321,456
FY 2021 NECE On-behalf Contributions		\$ 401,775

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

TRS-Care received supplemental appropriations from the State of Texas as the Non-Employer Contributing Entity in the amount of \$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 actuarial valuation 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 based on an established pattern of practice and are identical to the assumptions used in the August 31, 2019 TRS pension actuarial valuation that was rolled forward to August 31, 2020:

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

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

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
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs
Projected Salary Increases	3.05% to 9.05%, including inflation
Healthcare Trend Rates	4.25% to 9.00%
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
Ad hoc post-employment benefit changes	None

Assumption changes include a discount rate change from 2.63% as of August 31, 2019 to 2.33% as of August 31, 2020, participation rates were updated, and trend rates were updated as a result of Congress' repeal of the excise tax on high-cost plans in December 2019.

Discount Rate

A single discount rate of 2.33% was used to measure the total OPEB liability. There was a decrease of 0.30% 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 was fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of August 31, 2020.

See Note 12 for the best estimate of geometric real rates of return for each major asset class included in the TRS target asset allocation as of August 31, 2020.

Sensitivity Analysis

Discount Rate - The following schedule shows the impact of the Net OPEB Liability if the discount rate used was 1% lower than and 1% higher than the discount rate that was used (2.33%) in measuring the Net OPEB Liability.

	<u>1% Decrease in Discount Rate (1.33%)</u>	<u>Discount Rate (2.33%)</u>	<u>1% Increase in Discount Rate (3.33%)</u>
District's proportionate share of the net OPEB liability	\$ 27,234,045	\$ 22,695,080	\$ 19,109,950

Healthcare Cost Trend Rates - The following schedule shows the impact of the Net OPEB Liability if the healthcare cost trend rate that is 1% lower than and 1% higher than the assumed healthcare cost trend rate is used in measuring the Net OPEB Liability.

	<u>1% Decrease in Healthcare Cost Trend Rate</u>	<u>Current Healthcare Cost Trend Rate</u>	<u>1% Increase in Healthcare Cost Trend Rate</u>
District's proportionate share of the net OPEB liability	\$ 18,538,973	\$ 22,695,080	\$ 28,230,428

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

At June 30, 2021, the District reported a liability of \$22,695,080 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	\$ 22,695,080
State's proportionate share that is associated with the District	<u>30,496,748</u>
Total	<u>\$ 53,191,828</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 employer's proportion of the Net OPEB liability was based on the employer's contributions to the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2019 through August 31, 2020.

At August 31, 2020 the employer's proportion of the collective net OPEB liability was 0.0597% which was an increase of 0.0009% from its proportion measured as of August 31, 2019.

Changes Since the Prior Actuarial Valuation

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

- The discount rate changed from 2.63% 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%. This change decreased the Total OPEB Liability.
- The ultimate health care trend 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. These changes decreased the Total OPEB Liability.

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

For the year ended June 30, 2021, the District recognized OPEB expense of (\$171,887) and revenue of (\$211,758) for support provided by the State.

At June 30, 2021, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 1,188,305	\$ 10,386,429
Changes in actuarial assumptions	1,399,815	6,232,186
Difference between projected and actual investment earnings	7,375	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	1,019,314	-
Contributions paid to TRS subsequent to the measurement date	354,130	-
Total	<u>\$ 3,968,939</u>	<u>\$ 16,618,615</u>

The \$354,130 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 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:

	OPEB Expense Amount
Year ended June 30:	
2022	\$ (2,189,965)
2023	(2,190,951)
2024	(2,191,514)
2025	(2,191,360)
2026	(1,585,171)
Thereafter	(2,654,845)

14. On-Behalf Payments

The District recognizes as revenues and expenditures retiree drug subsidy reimbursements under the provisions of Medicare Part D made by the federal government to TRS on behalf of the District. For the year ended June 30, 2021, reimbursements of \$240,545 were received by TRS and allocated to the District.

15. Employee Health Care Coverage

During the year ended June 30, 2021, employees of the District were covered by TRS Active Care (the "Plan"), a statewide coverage program for public education employees. The Plan is administered by Aetna and Caremark. The District paid premiums of \$368 per month per employee to the Plan. 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 the licensed insurer. The Plan was authorized by Section 21.922, Texas Education Code and was documented by contractual agreements. Latest financial statements for the Plan for the year ended August 31, 2020 are public record and have been filed with the Texas State Board of Insurance, Austin, Texas.

16. Tax Abatements

On December 17, 2009, the District's Board approved an agreement with Caterpillar Inc. ("Caterpillar") for a Limitation On Appraised Value of Property for School District Maintenance and Operations pursuant to Chapter 313 of the Texas Tax Code, i.e. the Texas Development Act, as set forth in Chapter 313 of the Texas Tax Code, as amended. Caterpillar qualified for a tax limitation agreement under Texas Tax Code Section 313.024(b)(5), as a manufacturing project.

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

In order to qualify for a value limitation agreement, each applicant, including Caterpillar has been required to meet a series of capital investment, job creation, and wage requirements specified by state law. At the time of the application's approval, the agreement was found to have done so by both the District's Board and the Texas Comptroller's Office, which recommended approval of the project.

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

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

As of the date of this report, the applicant company is in full compliance with all of its obligations under law and the agreement itself.

(A) Project Value	(B) Project's Value Limitation Amount	(C) Amount of Applicant's M&O Taxes Paid	(D) Amount of Applicant's M&O Taxes Reduced	(E) Company Revenue Loss Payment to School District	(F) Company Supplemental Payment to School District	(G) Net Benefit (Loss) to the School District (C+E+F)
\$ 163,587,831	\$ -	\$ 1,597,272	\$ -	\$ 45,979	\$ 197,098	\$ 1,840,349

17. Risk Management

The District's risk management program includes coverages through third party insurance providers for property, automobile liability, school professional liability, crime, workers compensation and other miscellaneous bonds. During the year ended June 30, 2021, there were no significant reductions in insurance coverage from coverage in the prior year. Losses in excess of the various deductible levels are covered through traditional indemnity coverage for buildings and contents, and vehicle liability with various insurance firms. Settled claims have not exceeded insurance limits for the past three years.

Employees of the District are covered by a workers' compensation insurance plan. The program is administered by a third party, the Texas Association of School Boards. The District is protected against unanticipated catastrophic loss by stop-loss coverage carried through a third-party insurance provider for specific occurrences exceeding \$300,000 and an aggregate limit of \$1,000,000. The claim liability below is an estimate of potential loss exposure on workers' compensation claims at year end which includes incurred but not reported claims and claims reported but not paid. A reconciliation of the estimated claim liability is as follows:

Period Ended June 30,	Beginning Liability	Estimated Current Period Claims	Claim Payments	Ending Liability
2019	\$ 541,173	424,226	(284,942)	680,457
2020	\$ 680,457	111,414	(247,012)	544,859
2021	\$ 544,859	167,255	(171,973)	540,141

18. Commitments and Contingencies

The District participates in a number of federal financial assistance programs. Although the District's grant programs have been audited in accordance with the provisions of the Uniform Guidance through June 30, 2021, these programs are subject to financial and compliance audits. The amounts, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

At June 30, 2021, the District is also committed under construction contracts with a remaining balance of \$30,205,757.

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic, which continues to spread throughout the world. While the disruption is expected to be temporary, there is uncertainty around the severity and duration. Therefore, while this issue may negatively impact the District's results of operations and financial position, the related financial impact cannot be reasonably concluded at this time. The District is actively managing its operations to maintain its cash flow and management believes that the District has adequate liquidity.

Required Supplementary Information

Seguin Independent School District
Schedule of the District's Proportionate Share of the Net Pension Liability
Teacher Retirement System of Texas
6/30/2021**

G-2

	2020*	2019*	2018*	2017*	2016*	2015*	2014*	2013*
District's proportion of the net pension liability	0.03636%	0.04473%	0.04466%	0.04551%	0.04424%	0.04580%	0.02750%	0.02752%
District's proportionate share of the net pension liability	19,473,044	23,251,237	24,584,065	14,552,395	16,716,082	16,189,125	7,346,057	9,020,354
State's proportionate share of the net pension liability associated with the District	38,195,500	30,433,060	34,038,349	20,781,906	25,109,112	25,624,014	22,656,342	27,811,611
Total	<u>\$ 57,668,544</u>	<u>\$ 53,684,297</u>	<u>\$ 58,622,414</u>	<u>\$ 35,334,301</u>	<u>\$ 41,825,194</u>	<u>\$ 41,813,139</u>	<u>\$ 30,002,399</u>	<u>\$ 36,831,965</u>
District's covered payroll (for Measurement Year)	\$ 49,841,004	\$ 45,398,872	\$ 44,698,829	\$ 44,729,959	\$ 43,057,064	\$ 42,909,430	\$ 41,081,271	\$ 38,988,636
District's proportionate share of the net pension liability as a percentage of its covered payroll	39.07%	51.22%	55.00%	32.53%	38.82%	37.73%	17.88%	23.14%
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%	78.17%
Plan's net pension liability as a percentage of covered payroll	110.36%	114.93%	126.11%	75.93%	92.75%	91.94%	72.90%	93.10%

* The amounts presented for each Plan year are as of August 31, plan information was unavailable prior to 2013.

** Schedule should provide ten years of Plan information, but data was unavailable prior to 2013.

Seguin Independent School District
Schedule of District Contributions - Pensions
Teacher Retirement System of Texas
Last 10 Fiscal Years

G-3

	2021	2020	2019	2018	2017
Contractually required contributions	\$ 1,493,952	\$ 1,511,310	\$ 1,553,829	\$ 1,490,683	\$ 1,483,786
Contributions in relation to the contractual required contributions	(1,493,952)	(1,511,310)	(1,553,829)	(1,490,683)	(1,483,786)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 49,454,677	\$ 49,139,953	\$ 45,302,507	\$ 44,609,702	\$ 44,532,095
Contributions as a percentage of covered payroll	3.02%	3.08%	3.43%	3.34%	3.33%
	2016	2015	2014	2013	2012
Contractually required contributions	\$ 1,399,559	\$ 1,251,665	\$ 686,913	\$ 679,743	\$ 650,411
Contributions in relation to the contractual required contributions	(1,399,559)	(1,251,665)	(686,913)	(679,743)	(650,411)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 43,058,073	\$ 42,612,677	\$ 40,783,297	\$ 38,766,005	\$ 40,763,908
Contributions as a percentage of covered payroll	3.25%	2.94%	1.68%	1.75%	1.60%

Seguin Independent School District
Schedule of the District's Proportionate Share of the OPEB Liability
Teacher Retirement System of Texas
6/30/2021**

G-4

	2020*	2019*	2018*	2017*
District's proportion of the net OPEB liability	0.05970%	0.05882%	0.05874%	0.05755%
District's proportionate share of the net OPEB liability	22,695,080	27,816,154	29,326,739	25,027,918
State's proportionate share of the net OPEB liability associated with the District	30,496,748	39,961,446	37,251,827	34,956,848
Total	<u>\$ 53,191,828</u>	<u>\$ 67,777,600</u>	<u>\$ 66,578,566</u>	<u>\$ 59,984,766</u>
District's covered payroll (for Measurement Year)	\$ 49,841,004	\$ 45,398,872	\$ 44,698,829	\$ 44,729,959
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	45.53%	61.27%	65.61%	55.95%
Plan fiduciary net position as a percentage of the total OPEB liability	4.99%	2.66%	1.57%	0.91%
Plan's net OPEB liability as a percentage of covered payroll	101.46%	135.21%	146.64%	132.55%

* The amounts presented for each Plan year are as of August 31, plan information was unavailable prior to 2017.

** Schedule should provide ten years of Plan information, but data was unavailable prior to 2017.

**Seguin Independent School District
Schedule of District Contributions - OPEB
Teacher Retirement System of Texas
Last 10 Fiscal Years**

G-5

	2021	2020	2019	2018	2017
Contractually required contributions	\$ 426,484	\$ 448,105	\$ 415,626	\$ 387,318	\$ 296,836
Contributions in relation to the contractual required contributions	(426,484)	(448,105)	(415,626)	(387,318)	(296,836)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 49,454,677	\$ 49,139,953	\$ 45,302,507	\$ 44,609,702	\$ 44,532,095
Contributions as a percentage of covered payroll	0.86%	0.91%	0.92%	0.87%	0.67%
	2016	2015	2014	2013	2012
Contractually required contributions	\$ 294,790	\$ 291,343	\$ 273,811	\$ 250,099	\$ 269,047
Contributions in relation to the contractual required contributions	(294,790)	(291,343)	(273,811)	(250,099)	(269,047)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 43,058,073	\$ 42,612,677	\$ 40,783,297	\$ 38,766,005	\$ 40,763,908
Contributions as a percentage of covered payroll	0.68%	0.68%	0.67%	0.65%	0.66%

Seguin Independent School District

Note to Required Supplementary Information Year Ended June 30, 2021

1. Change in Assumptions

Pensions

There were no changes to the actuarial assumptions or other inputs that affected measurement of the total pension liability since the prior measurement period.

OPEB

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%. This change decreased the Total OPEB Liability.
- The ultimate health care trend 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. These changes decreased the Total OPEB Liability.

**Combining and Individual
Fund Statements and Schedules**

**Seguin Independent School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2021**

H-3

	205	206	211	212	224	225	226	240
	Head Start	ESEA Title X, Part C Education for Homeless Children (TEXSHEP)	ESEA Title I, Part A Improving Basic Programs	ESEA Title I, Part C Education of Migratory Children	IDEA-B Formula	IDEA-B Preschool	IDEA-B Formula High Cost Pool	National Sch. Breakfast/ Lunch Program
Assets:								
Cash and cash equivalents	\$ -	-	-	-	-	-	-	1,242,289
Due from other governments	3,373	23,762	317,833	7,573	373,459	6,043	278,625	438,525
Due from other funds	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	59,782
Total assets	\$ 3,373	23,762	317,833	7,573	373,459	6,043	278,625	1,740,596
Liabilities and Fund Balances:								
Liabilities:								
Accounts payable	\$ -	-	-	-	-	-	-	1,693
Accrued wages payable	-	1,400	175,187	2,181	155,196	3,273	-	212,416
Due to other funds	3,373	22,362	142,646	5,392	218,263	2,770	278,625	397,559
Due to student groups	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	54,754
Total liabilities	3,373	23,762	317,833	7,573	373,459	6,043	278,625	666,422
Fund balances:								
Nonspendable	-	-	-	-	-	-	-	31,256
Restricted	-	-	-	-	-	-	-	1,042,918
Total fund balances	-	-	-	-	-	-	-	1,074,174
Total liabilities and fund balances	\$ 3,373	23,762	317,833	7,573	373,459	6,043	278,625	1,740,596

(continued)

Seguin Independent School District
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
June 30, 2021

H-3

	242	244	255	263	266	276	277	281	289
	Summer School Feeding Program	Career and Technology- Basic Grant	ESEA Title II, Part A Teacher & Principal Training and Recruiting	Title III, Part A English Language Acquisition	Education Stabilization Fund - ESSER I	School Improvement Grants	Coronavirus Relief Fund	Education Stabilization Fund - ESSER II	School Safety National Activities
Assets:									
Cash and cash equivalents	\$ -	-	-	-	-	-	-	-	-
Due from other governments	-	20,262	40,661	20,863	1,107	4,640	59,050	355,204	68,999
Due from other funds	349,604	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ 349,604</u>	<u>20,262</u>	<u>40,661</u>	<u>20,863</u>	<u>1,107</u>	<u>4,640</u>	<u>59,050</u>	<u>355,204</u>	<u>68,999</u>
Liabilities and Fund Balances:									
Liabilities:									
Accounts payable	\$ -	-	1,251	-	-	2,320	-	-	-
Accrued wages payable	-	-	21,465	6,943	-	-	-	-	-
Due to other funds	-	20,262	17,945	13,920	1,107	2,320	59,050	355,204	68,999
Due to student groups	-	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>20,262</u>	<u>40,661</u>	<u>20,863</u>	<u>1,107</u>	<u>4,640</u>	<u>59,050</u>	<u>355,204</u>	<u>68,999</u>
Fund balances:									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	349,604	-	-	-	-	-	-	-	-
Total fund balances	<u>349,604</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 349,604</u>	<u>20,262</u>	<u>40,661</u>	<u>20,863</u>	<u>1,107</u>	<u>4,640</u>	<u>59,050</u>	<u>355,204</u>	<u>68,999</u>

(continued)

Seguin Independent School District
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
June 30, 2021

H-3

	289	289	289	385	397	410	429	429	461	499	
	Public Safety Partnership and Community Policing Grants	Title IV, Part A Student Support and Academic Enrichment	Provider Relief Fund	Visually Impaired	Advanced Placement Incentives	Instructional Materials Allotment	Governor's Grant Truancy Prevention	State Funded Special Revenue Funds	Campus Activity	Locally Funded Special Revenue Funds	Total Nonmajor Special Revenue Funds
Assets:											
Cash and cash equivalents	\$ -	-	-	-	-	-	-	-	-	-	1,242,289
Due from other governments	4,527	4,717	-	-	-	-	30,141	-	-	-	2,059,364
Due from other funds	-	-	-	-	14,992	8,387	-	13,064	397,253	71,913	855,213
Inventory	-	-	-	-	-	-	-	-	-	-	59,782
Total assets	<u>\$ 4,527</u>	<u>4,717</u>	<u>-</u>	<u>-</u>	<u>14,992</u>	<u>8,387</u>	<u>30,141</u>	<u>13,064</u>	<u>397,253</u>	<u>71,913</u>	<u>4,216,648</u>
Liabilities and Fund Balances:											
Liabilities:											
Accounts payable	\$ -	-	-	-	-	-	-	-	690	4,955	10,909
Accrued wages payable	-	-	-	-	-	-	19,404	6,550	4,280	-	608,295
Due to other funds	4,527	4,717	-	-	-	-	10,737	-	-	-	1,629,778
Due to student groups	-	-	-	-	-	-	-	-	392,283	-	392,283
Unearned revenue	-	-	-	-	14,992	8,387	-	6,514	-	66,958	151,605
Total liabilities	<u>4,527</u>	<u>4,717</u>	<u>-</u>	<u>-</u>	<u>14,992</u>	<u>8,387</u>	<u>30,141</u>	<u>13,064</u>	<u>397,253</u>	<u>71,913</u>	<u>2,792,870</u>
Fund balances:											
Nonspendable	-	-	-	-	-	-	-	-	-	-	31,256
Restricted	-	-	-	-	-	-	-	-	-	-	1,392,522
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,423,778</u>
Total liabilities and fund balances	<u>\$ 4,527</u>	<u>4,717</u>	<u>-</u>	<u>-</u>	<u>14,992</u>	<u>8,387</u>	<u>30,141</u>	<u>13,064</u>	<u>397,253</u>	<u>71,913</u>	<u>4,216,648</u>

Seguin Independent School District
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Special Revenue Funds
Year Ended June 30, 2021

H-4

	205	206	211	212	224	225	226	240
	Head Start	ESEA Title X, Part C Education for Homeless Children (TEXSHEP)	ESEA Title I, Part A Improving Basic Programs	ESEA Title I, Part C Education of Migratory Children	IDEA-B Formula	IDEA-B Preschool	IDEA-B Formula High Cost Pool	National Sch. Breakfast/ Lunch Program
Revenues:								
Local and intermediate sources	\$ -	-	-	-	-	-	-	123,382
State program revenues	-	-	-	-	-	-	-	31,051
Federal program revenues	23,019	28,372	1,548,107	43,679	1,390,384	31,558	482,197	569,689
Total revenues	23,019	28,372	1,548,107	43,679	1,390,384	31,558	482,197	724,122
Expenditures:								
Current:								
Instruction	23,019	20,757	891,248	9,942	1,106,946	31,558	284,958	-
Instructional resources and media services	-	-	-	-	-	-	-	-
Curriculum and staff development	-	-	352,002	-	-	-	-	-
Instructional leadership	-	-	79,424	-	-	-	-	-
School leadership	-	-	11,063	-	-	-	-	-
Guidance, counseling and evaluation services	-	-	76,444	-	232,623	-	-	-
Social work services	-	7,615	110,364	33,737	-	-	-	-
Food services	-	-	-	-	-	-	-	407,352
Extracurricular activities	-	-	-	-	-	-	-	-
Facilities maintenance and operations	-	-	-	-	-	-	-	-
Security and monitoring services	-	-	-	-	-	-	-	-
Community services	-	-	27,562	-	-	-	-	-
Payments related to shared services	-	-	-	-	50,815	-	197,239	-
Total expenditures	23,019	28,372	1,548,107	43,679	1,390,384	31,558	482,197	407,352
Net change in fund balances	-	-	-	-	-	-	-	316,770
Beginning fund balances	-	-	-	-	-	-	-	757,404
Ending fund balances	\$ -	-	-	-	-	-	-	1,074,174

(continued)

Seguin Independent School District
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Special Revenue Funds (continued)
Year Ended June 30, 2021

H-4

	242	244	255	263	266	276	277	281	289
	Summer School Feeding Program	Career and Technology- Basic Grant	ESEA Title II, Part A Teacher & Principal Training and Recruiting	Title III, Part A English Language Acquisition	Education Stabilization Fund - ESSER I	School Improvement Grants	Coronavirus Relief Fund	Education Stabilization Fund - ESSER II	School Safety National Activities
Revenues:									
Local and intermediate sources	\$ -	-	-	-	-	-	-	-	-
State program revenues	-	-	-	-	-	-	-	-	-
Federal program revenues	4,293,200	81,922	269,821	58,516	817,812	25,387	436,200	355,204	678,741
Total revenues	4,293,200	81,922	269,821	58,516	817,812	25,387	436,200	355,204	678,741
Expenditures:									
Current:									
Instruction	-	66,670	578	56,756	808,281	25,387	236,200	355,204	37,698
Instructional resources and media services	-	-	-	-	-	-	-	-	-
Curriculum and staff development	-	13,033	269,243	352	-	-	-	-	-
Instructional leadership	-	-	-	-	-	-	-	-	-
School leadership	-	-	-	-	-	-	-	-	-
Guidance, counseling and evaluation services	-	-	-	-	-	-	-	-	141,362
Social work services	-	-	-	-	-	-	-	-	414,493
Food services	3,933,232	-	-	-	-	-	-	-	-
Extracurricular activities	-	2,219	-	-	-	-	-	-	-
Facilities maintenance and operations	9,834	-	-	-	9,531	-	-	-	-
Security and monitoring services	530	-	-	-	-	-	200,000	-	85,188
Community services	-	-	-	1,408	-	-	-	-	-
Payments related to shared services	-	-	-	-	-	-	-	-	-
Total expenditures	3,943,596	81,922	269,821	58,516	817,812	25,387	436,200	355,204	678,741
Net change in fund balances	349,604	-	-	-	-	-	-	-	-
Beginning fund balances	-	-	-	-	-	-	-	-	-
Ending fund balances	\$ 349,604	-	-	-	-	-	-	-	-

(continued)

Seguin Independent School District
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Special Revenue Funds (continued)
Year Ended June 30, 2021

H-4

	289	289	289	385	397	410	429	429	461	499	
	Public Safety	Title IV, Part A	Provider	Visually	Advanced	Instructional	Governor's	State		Locally	Total
	Partnership and	Student Support	Relief	Impaired	Placement	Materials	Grant	Funded	Campus	Funded	Nonmajor
	Policing Grants	and Academic	Fund		Incentives	Allotment	Truancy	Special	Activity	Special	Special
		Enrichment					Prevention	Revenue		Revenue	Revenue
								Funds		Funds	Funds
Revenues:											
Local and intermediate sources	\$ -	-	-	-	-	-	-	-	287,389	50,715	461,486
State program revenues	-	-	-	10,459	-	811,036	125,543	364,603	-	-	1,342,692
Federal program revenues	80,199	88,796	22,606	-	-	-	-	-	-	-	11,325,409
Total revenues	80,199	88,796	22,606	10,459	-	811,036	125,543	364,603	287,389	50,715	13,129,587
Expenditures:											
Current:											
Instruction	-	12,666	-	10,459	-	811,036	-	193,270	16,556	42,102	5,041,291
Instructional resources and media services	-	-	-	-	-	-	-	54	41,126	4,945	46,125
Curriculum and staff development	-	-	-	-	-	-	-	30,845	-	-	665,475
Instructional leadership	-	-	-	-	-	-	-	22,393	-	-	101,817
School leadership	-	-	-	-	-	-	-	-	-	-	11,063
Guidance, counseling and evaluation services	-	50,000	-	-	-	-	-	27,273	-	-	527,702
Social work services	-	-	-	-	-	-	125,543	58	5,074	-	696,884
Food services	-	-	-	-	-	-	-	-	-	-	4,340,584
Extracurricular activities	-	6,015	-	-	-	-	-	-	223,705	3,668	235,607
Facilities maintenance and operations	-	-	-	-	-	-	-	-	-	-	19,365
Security and monitoring services	80,199	20,115	22,606	-	-	-	-	90,710	928	-	500,276
Community services	-	-	-	-	-	-	-	-	-	-	28,970
Payments related to shared services	-	-	-	-	-	-	-	-	-	-	248,054
Total expenditures	80,199	88,796	22,606	10,459	-	811,036	125,543	364,603	287,389	50,715	12,463,213
Net change in fund balances	-	-	-	-	-	-	-	-	-	-	666,374
Beginning fund balances	-	-	-	-	-	-	-	-	-	-	757,404
Ending fund balances	\$ -	-	-	-	-	-	-	-	-	-	1,423,778

Seguin Independent School District
Combining Statement of Net Position
Internal Service Funds
June 30, 2021

H-5

	753	783	
	<u>Workers'</u>	<u>Parenting</u>	<u>Total</u>
	<u>Compensation</u>	<u>Center</u>	<u>Internal</u>
			<u>Service Funds</u>
Assets:			
Current assets-			
Cash and cash equivalents	\$ 3,505,642	-	3,505,642
Total current assets	<u>3,505,642</u>	<u>-</u>	<u>3,505,642</u>
Noncurrent assets-			
Capital assets:			
Buildings and improvements	-	85,496	85,496
Accumulated depreciation	<u>-</u>	<u>(57,097)</u>	<u>(57,097)</u>
Total noncurrent assets	<u>-</u>	<u>28,399</u>	<u>28,399</u>
Total assets	<u>3,505,642</u>	<u>28,399</u>	<u>3,534,041</u>
Liabilities:			
Current liabilities:			
Due to other funds	45	13,102	13,147
Accrued expenses	<u>540,141</u>	<u>-</u>	<u>540,141</u>
Total liabilities	<u>540,186</u>	<u>13,102</u>	<u>553,288</u>
Net Position:			
Net investment in capital assets	-	28,399	28,399
Unrestricted	<u>2,965,456</u>	<u>(13,102)</u>	<u>2,952,354</u>
Total net position	<u>\$ 2,965,456</u>	<u>15,297</u>	<u>2,980,753</u>

Seguin Independent School District
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Internal Service Funds
Year Ended June 30, 2021

H-6

	753	783	
	<u>Workers'</u>	<u>Parenting</u>	<u>Total</u>
	<u>Compensation</u>	<u>Center</u>	<u>Internal</u>
			<u>Service Funds</u>
Operating revenues-			
Charges for services	\$ 522,116	8,400	530,516
Total operating revenues	<u>522,116</u>	<u>8,400</u>	<u>530,516</u>
Operating expenses:			
Other supplies and expenses	200,153	-	200,153
Payroll costs	37,892	-	37,892
Contractual services	14,500	-	14,500
Insurance and bonding costs	53,831	-	53,831
Depreciation	-	2,850	2,850
Total operating expenses	<u>306,376</u>	<u>2,850</u>	<u>309,226</u>
Operating income	<u>215,740</u>	<u>5,550</u>	<u>221,290</u>
Nonoperating revenues-			
Investment and interest income	<u>5,362</u>	-	5,362
Total nonoperating revenues	<u>5,362</u>	-	5,362
Change in net position	221,102	5,550	226,652
Total net position - beginning	<u>2,744,354</u>	<u>9,747</u>	<u>2,754,101</u>
Total net position - ending	<u><u>\$ 2,965,456</u></u>	<u><u>15,297</u></u>	<u><u>2,980,753</u></u>

Seguin Independent School District
Combining Statement of Cash Flows
Internal Service Funds
Year Ended June 30, 2021

H-7

	753	783	
	<u>Workers'</u>	<u>Parenting</u>	<u>Total</u>
	<u>Compensation</u>	<u>Center</u>	<u>Internal</u>
			<u>Service Funds</u>
Cash flows from operating activities:			
Receipts from customers/contributors	\$ 522,116	8,400	530,516
Payments to suppliers	(273,202)	-	(273,202)
Payments to employees	(37,994)	(8,400)	(46,394)
Net cash provided by operating activities	<u>210,920</u>	<u>-</u>	<u>210,920</u>
Cash flows from investing activities-			
Interest received	<u>5,362</u>	<u>-</u>	<u>5,362</u>
Net change in cash and cash equivalents	<u>216,282</u>	<u>-</u>	<u>216,282</u>
Cash and cash equivalents -			
beginning of the year	<u>3,289,360</u>	<u>-</u>	<u>3,289,360</u>
Cash and cash equivalents -			
end of the year	<u><u>\$ 3,505,642</u></u>	<u><u>-</u></u>	<u><u>3,505,642</u></u>
Reconciliation of operating income to			
net cash provided by operating activities:			
Operating income	\$ 215,740	5,550	221,290
Adjustments to reconcile operating income			
to net cash provided by operating activities:			
Depreciation	-	2,850	2,850
Decrease in due to other funds	(102)	(8,400)	(8,502)
Decrease in accrued expenses	(4,718)	-	(4,718)
Net cash provided by operating activities	<u><u>\$ 210,920</u></u>	<u><u>-</u></u>	<u><u>210,920</u></u>

Seguin Independent School District
Combining Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2021

H-8

	865	899	
	<u>Student Activity</u>	<u>Donations</u>	<u>Total Custodial Funds</u>
Assets:			
Cash and cash equivalents	\$ 179,462	-	179,462
Due from other funds	-	12,906	12,906
	<u>\$ 179,462</u>	<u>12,906</u>	<u>192,368</u>
Total assets			
	<u>\$ 179,462</u>	<u>12,906</u>	<u>192,368</u>
Liabilities:			
Due to student groups	\$ 174,646	-	174,646
Other payables	-	12,906	12,906
Due to other funds	4,816	-	4,816
	<u>\$ 179,462</u>	<u>12,906</u>	<u>192,368</u>
Total liabilities			
	<u>\$ 179,462</u>	<u>12,906</u>	<u>192,368</u>

Seguin Independent School District
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds
June 30, 2021

H-9

	865	899	
	Student Activity	Donations	Total Custodial Funds
Additions-			
Contributions	\$ 265,038	-	265,038
Total additions	<u>\$ 265,038</u>	<u>-</u>	<u>265,038</u>
 Deductions:			
Professional and contracted services	\$ 53,284	-	53,284
Supplies and materials	122,686	-	122,686
Other expenses	89,068	-	89,068
Total deductions	<u>\$ 265,038</u>	<u>-</u>	<u>265,038</u>
 Net change in fiduciary net position	-	-	-
 Total net position - beginning	<u>-</u>	<u>-</u>	<u>-</u>
 Total net position - ending	<u>\$ -</u>	<u>-</u>	<u>-</u>

J-2

Seguin Independent School District
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Child Nutrition Fund
Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	with Final Budget
Revenues:				
Local and intermediate sources	\$ 791,000	791,000	123,382	(667,618)
State program revenues	70,000	70,000	31,051	(38,949)
Federal program revenues	3,914,000	3,914,000	4,862,889	948,889
Total revenues	4,775,000	4,775,000	5,017,322	242,322
Expenditures:				
Food services	4,764,500	4,754,450	4,340,584	413,866
Facilities maintenance and operations	10,000	19,500	9,834	9,666
Security and monitoring services	500	1,050	530	520
Total expenditures	4,775,000	4,775,000	4,350,948	424,052
Excess of revenues over expenditures	-	-	666,374	666,374
Net change in fund balance	-	-	666,374	666,374
Fund balance - beginning	757,404	757,404	757,404	-
Fund balance - ending	\$ 757,404	757,404	1,423,778	666,374

Seguin Independent School District
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
Debt Service Fund
Year Ended June 30, 2021

J-3

	<u>Original and Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Revenues:			
Local and intermediate sources	\$ 13,512,498	14,303,172	790,674
State program revenues	-	167,294	167,294
Total revenues	<u>13,512,498</u>	<u>14,470,466</u>	<u>957,968</u>
Expenditures:			
Principal on long-term debt	7,035,000	7,775,000	(740,000)
Interest on long-term debt	6,467,498	5,729,612	737,886
Other debt service expenditures	10,000	493,332	(483,332)
Total expenditures	<u>13,512,498</u>	<u>13,997,944</u>	<u>(485,446)</u>
Excess of revenues over expenditures	<u>-</u>	<u>472,522</u>	<u>472,522</u>
Other Financing Sources and Uses:			
Issuance of bonds		4,934	4,934
Issuance of refunding bonds		44,769,951	44,769,951
Premium on sale of bonds		6,421,563	6,421,563
Payment to refunding bond escrow agent	-	(50,696,424)	(50,696,424)
Total other financing sources, net	<u>-</u>	<u>500,024</u>	<u>500,024</u>
Net change in fund balance	-	972,546	972,546
Fund balance - beginning	<u>11,017,436</u>	<u>11,017,436</u>	<u>-</u>
Fund balance - ending	<u>\$ 11,017,436</u>	<u>11,989,982</u>	<u>972,546</u>

Other Schedules

Seguin Independent School District
Schedule of Delinquent Taxes Receivable
Year Ended June 30, 2021

J-1

Last Ten Years Ended June 30	Tax Rates		Assessed/ Appraised Value for School Tax Purposes	Beginning Balance 6/30/2020	Current Year's Total Levy	Maintenance Total Collections	Debt Service Total Collections	Entire Year's Adjustment	Ending Balance 6/30/2021
	Maintenance	Debt Service							
2012 and earlier	Various	Various	Various	\$ 176,302	-	27,981	5,914	(1,780)	140,627
2013	1.0400	0.2370	2,692,313,854	74,951	-	5,176	1,180	(184)	68,411
2014	1.0400	0.2400	2,522,366,920	95,956	-	10,331	2,384	(376)	82,865
2015	1.0400	0.2750	2,844,181,113	88,912	-	7,712	2,039	(1,444)	77,717
2016	1.0400	0.3700	2,991,776,217	111,411	-	11,169	3,899	(2,474)	93,869
2017	1.0600	0.3600	3,147,947,544	179,368	-	40,945	13,906	(624)	123,893
2018	1.0600	0.3600	3,378,075,881	269,340	-	80,964	27,497	6,218	167,097
2019	1.0600	0.3600	3,593,469,204	441,858	-	122,980	41,767	(22,631)	254,480
2020	0.9900	0.3850	3,653,133,873	1,504,104	-	732,504	284,863	(83,173)	403,564
2021	0.9764	0.3850	3,730,264,623	-	47,040,373	34,266,163	13,732,105	2,312,947	1,355,052
Totals				\$ 2,942,202	47,040,373	35,305,925	14,115,554	2,206,479	2,767,575

Seguin Independent School District
Exhibit J-4 - Use of Funds Report - Select State Allotment Programs
For the Year Ended June 30, 2021

J-4

Data Codes	Responses
Section A: Compensatory Education Programs	
Districts are required to use at least 55% of state compensatory education state allotment funds on direct program costs. Statutory Authority: Texas Education Code, §48.104.	
AP1	Did your district expend any state compensatory education program state allotment funds during the district's fiscal year? Yes
AP2	Does the district have written policies and procedures for its state compensatory education program? Yes
AP3	List the total state allotment funds received for state compensatory education programs during the district's fiscal year. \$ 7,780,031
AP4	List the actual direct program expenditures for state compensatory education programs during the district's fiscal year. (PICs 24,26, 28, 29, 30, 34) \$ 4,561,856
Section B: Bilingual Education Programs	
Districts are required to use at least 55% of bilingual education state allotment funds on direct program costs. Statutory Authority: Texas Education Code, §48.105.	
AP5	Did your district expend any bilingual education program state allotment funds during the district's fiscal year? Yes
AP6	Does the district 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 district's fiscal year. \$ 362,915
AP8	List the actual direct program expenditures for bilingual education programs during the district's fiscal year. (PICs 25, 35) \$ 461,596

Seguin Independent School District
Exhibit L-1 - Required Responses to Selected
School First Indicators
June 30, 2021

L-1

Data Control Codes	Description	Responses
SF1	Was there an unmodified opinion in the Annual Financial Report on the financial statements as a whole?	Yes
SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement at fiscal year-end?	No
SF3	Did the school district make timely payments to the Teachers 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?	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	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 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.	\$ 7,212,499

Statistical Section

Seguin Independent School District Index For Statistical Section

This part of the Seguin Independent School District's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

Contents	Page
Financial Trends	76
These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	
Revenue Capacity	83
These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property and sales taxes.	
Debt Capacity	87
These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	
Demographic and Economic Information	90
These schedules offer demographic and economic indicators to help the reader understand how the District's financial activities take place and to help make comparisons over time and with other governments.	
Operating Information	92
These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

Seguin Independent School District
Table I
Net Position by Component
Last Ten Fiscal Years

		Fiscal Year Ended June 30									
		2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities:											
Net investment in capital assets	\$	2,779,855	8,186,846	6,240,094	2,163,904	18,493,793	12,358,457	(29,886)	(4,076,580)	(5,988,688)	(14,219)
Restricted		4,657,092	5,744,194	7,749,541	7,693,123	8,646,490	8,005,747	9,001,289	10,113,710	11,007,277	12,251,287
Unrestricted		32,452,630	26,759,355	26,855,115	22,887,036	4,456,702	11,351,592	(16,935,348)	(14,868,675)	(18,796,941)	(24,727,507)
Total Governmental Activities											
Net Position	\$	39,889,577	40,690,395	40,844,750	32,744,063	31,596,985	31,715,796	(7,963,945)	(8,831,545)	(13,778,352)	(12,490,439)
Business-Type Activities:											
Net investment in capital assets	\$	-	-	-	-	-	-	-	-	-	-
Restricted		-	-	-	-	-	-	-	-	-	-
Unrestricted		363,967	393,734	409,813	386,443	398,139	352,190	360,842	369,847	392,962	307,031
Total Business-Type Activities											
Net Position	\$	363,967	393,734	409,813	386,443	398,139	352,190	360,842	369,847	392,962	307,031
Total Government:											
Net investment in capital assets	\$	2,779,855	8,186,846	6,240,094	2,163,904	18,493,793	12,358,457	(29,886)	(4,076,580)	(5,988,688)	(14,219)
Restricted		4,657,092	5,744,194	7,749,541	7,693,123	8,646,490	8,005,747	9,001,289	10,113,710	11,007,277	12,251,287
Unrestricted		32,816,597	27,153,089	27,264,928	23,273,479	4,854,841	11,703,782	(16,574,506)	(14,498,828)	(18,403,979)	(24,420,476)
Total Government Net Position	\$	40,253,544	41,084,129	41,254,563	33,130,506	31,995,124	32,067,986	(7,603,103)	(8,461,698)	(13,385,390)	(12,183,408)

Source: Statement of Net Position

Seguin Independent School District
Table II
Expenses, Program Revenues, and Net (Expense)/Revenue
Last Ten Fiscal Years

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<u>Expenses</u>										
<u>Governmental Activities:</u>										
Instruction	\$ 37,589,234	34,885,006	37,089,582	39,770,107	40,997,236	39,992,178	46,629,226	44,580,308	50,000,504	48,542,174
Instructional resources and media services	1,265,382	986,769	1,011,842	1,024,391	1,019,748	1,020,056	1,086,640	1,119,656	1,307,501	1,293,176
Curriculum and staff development	1,698,107	1,243,543	1,556,165	1,607,110	1,816,030	1,716,517	1,948,302	1,671,537	1,543,731	1,459,999
Instructional leadership	994,860	976,019	1,153,146	1,238,647	1,658,490	1,630,634	2,008,260	2,009,974	2,582,291	2,125,871
School leadership	3,466,768	3,720,324	4,253,917	4,366,920	4,557,158	4,595,642	5,045,247	5,327,750	6,250,457	5,619,070
Guidance, counseling, and evaluation services	2,194,298	2,071,652	2,161,296	2,382,588	2,030,903	2,224,928	2,512,058	2,929,480	3,520,791	3,622,541
Social work services	541,087	555,199	555,148	594,967	603,628	684,475	756,971	908,714	1,087,799	1,411,331
Health services	537,565	543,789	566,802	583,157	608,755	593,390	639,942	685,760	791,891	849,189
Student transportation	2,586,480	2,395,154	2,369,551	2,230,759	2,820,671	2,312,739	2,853,847	3,093,768	3,160,071	3,206,406
Food services	4,128,424	4,157,227	4,276,302	4,302,326	4,254,269	4,371,659	4,971,341	5,157,713	4,579,563	4,340,584
Extracurricular activities	1,919,135	2,080,055	1,896,960	2,093,065	2,309,112	2,758,643	3,159,930	2,681,897	2,516,419	2,291,447
General administration	1,635,967	1,675,360	1,726,646	1,534,810	2,020,570	1,971,576	2,239,817	2,882,943	2,331,266	2,198,534
Facilities maintenance and operations	5,267,299	6,034,575	6,159,942	6,566,805	6,801,352	6,944,793	7,539,377	8,270,456	9,023,265	8,400,480
Security and monitoring services	260,977	375,564	486,138	282,656	400,779	561,584	521,298	553,383	757,999	1,327,427
Data processing services	745,191	1,117,288	1,353,546	1,495,273	1,584,831	1,814,521	2,000,501	2,052,591	2,026,023	1,843,929
Community services	17,167	20,160	142,543	196,823	185,487	172,019	91,145	105,125	77,452	100,672
Interest on long-term debt	4,135,168	4,430,240	3,472,684	3,182,209	5,444,638	5,772,094	5,661,106	5,474,936	6,238,959	3,429,283
Other debt service	5,637	156,647	527,883	3,992	1,028,862	121,351	7,650	9,500	362,012	827,528
Facilities acquisition and construction	-	-	-	-	-	15,750	1,351	1,871	1,183,027	-
Payments related to shared services arrangements	218,321	234,390	231,429	140,658	109,809	66,270	102,277	113,358	102,028	248,054
Other intergovernmental charges	365,885	407,581	407,583	418,607	444,400	490,257	535,178	571,553	611,853	610,684
Total Governmental Activities Expenses	\$ 69,572,952	68,066,542	71,399,105	74,015,870	80,696,728	79,831,076	90,311,464	90,202,273	100,054,902	93,748,379
<u>Business-Type Activities</u>										
Mall fund	\$ 88,964	15,678	29,968	69,447	35,032	100,232	57,026	59,907	61,616	168,164
Total Business-Type Activities Expenses	88,964	15,678	29,968	69,447	35,032	100,232	57,026	59,907	61,616	168,164
Total Primary Government Expenses	\$ 69,661,916	68,082,220	71,429,073	74,085,317	80,731,760	79,931,308	90,368,490	90,262,180	100,116,518	93,916,543

(continued)

Seguin Independent School District
Table II
Expenses, Program Revenues, and Net (Expense)/Revenue
Last Ten Fiscal Years (Continued)

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Program Revenues										
Governmental Activities:										
Charges for services										
Instruction	\$ -	-	-	116,389	1,096	951	14,461	2,672	83,588	70,483
Instructional resources and media services	-	-	-	66,615	68,153	54,607	54,318	53,533	34,464	46,071
Curriculum and staff development	-	-	-	336	-	-	625	-	1,694	-
School leadership	-	-	-	7,508	-	13,175	9,146	-	4,774	-
Guidance, counseling, and evaluation services	-	-	-	5,656	-	-	2,256	-	65	-
Social work services	-	-	-	-	-	-	403	97	-	5,074
Health services	-	-	-	709	615	93	-	-	-	-
Food services	1,004,292	862,016	792,165	818,413	794,700	807,097	836,496	829,385	604,103	122,265
Extracurricular activities	451,208	466,362	365,186	425,755	504,089	554,896	495,722	536,768	370,188	341,641
Other activities	160,340	172,444	226,720	-	-	-	-	-	-	-
General administration	-	-	-	18,293	16,590	8,115	13,866	19,748	7,341	6,754
Facilities maintenance and operations	-	-	-	-	-	1,308	5,453	-	145	-
Security and monitoring services	-	-	-	-	2,265	1,650	-	2,870	1,575	928
Community services	-	-	-	-	30	46	-	-	-	-
Operating grants and contributions	10,045,793	8,211,814	8,209,820	12,166,331	14,256,949	13,642,591	24,510,681	17,742,608	18,365,058	19,754,988
Total Governmental Activities										
Program Revenues	\$ 11,661,633	9,712,636	9,593,891	13,626,005	15,644,487	15,084,529	25,943,427	19,187,681	19,472,995	20,348,204
Business-Type Activities										
Charges for services										
Maintenance and upkeep	\$ 45,000	45,000	45,000	45,900	45,900	52,150	60,900	60,900	79,400	81,900
Total Business-Type Activities										
Program Revenues	45,000	45,000	45,000	45,900	45,900	52,150	60,900	60,900	79,400	81,900
Total Primary Government										
Program Revenues	\$ 11,706,633	9,757,636	9,638,891	13,671,905	15,690,387	15,136,679	26,004,327	19,248,581	19,552,395	20,430,104
Net (Expense)/Revenue										
Governmental activities	\$ (57,911,319)	(58,353,906)	(61,805,214)	(60,389,865)	(65,052,241)	(64,746,547)	(64,368,037)	(71,014,592)	(80,581,907)	(73,400,175)
Business-type activities	(43,964)	29,322	15,032	(23,547)	10,868	(48,082)	3,874	993	17,784	(86,264)
Total primary government net expense	\$ (57,955,283)	(58,324,584)	(61,790,182)	(60,413,412)	(65,041,373)	(64,794,629)	(64,364,163)	(71,013,599)	(80,564,123)	(73,486,439)

Source: Statement of Activities

Seguin Independent School District
Table III
General Revenues and Total Change in Net Position
Last Ten Fiscal Years

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<u>Net (Expense) Revenue</u>										
Governmental activities	\$ (57,911,319)	(58,353,906)	(61,805,214)	(60,389,865)	(65,052,241)	(64,746,547)	(64,368,037)	(71,014,592)	(80,581,907)	(73,400,175)
Business-type activities	(43,964)	29,322	15,932	(23,547)	10,868	(48,082)	3,874	993	17,784	(86,264)
Total primary government net expense	\$ (57,955,283)	(58,324,584)	(61,789,282)	(60,413,412)	(65,041,373)	(64,794,629)	(64,364,163)	(71,013,599)	(80,564,123)	(73,486,439)
<u>General Revenues and Other Changes in Net Position</u>										
Governmental activities:										
Property taxes levied for general purposes	\$ 27,947,861	28,217,981	28,072,801	29,263,569	29,551,690	31,123,500	33,417,192	35,513,821	35,249,098	35,654,313
Property taxes levied for debt service	5,883,513	6,547,060	6,738,474	8,064,073	10,537,945	10,952,934	11,709,599	12,384,811	14,003,280	14,260,742
Unrestricted grants and contributions	22,797,037	22,834,078	25,358,709	22,601,715	22,752,097	21,614,071	22,287,771	20,705,009	24,664,507	24,312,952
Investment earnings	63,187	78,487	57,112	103,682	345,897	598,156	709,653	1,074,239	1,219,250	113,934
Miscellaneous	7,767,148	1,477,118	1,732,473	683,711	717,534	576,697	497,703	469,112	498,965	346,147
Transfers	-	-	-	-	-	-	-	-	-	-
Special items	-	-	-	-	-	-	-	-	-	-
Total governmental activities	\$ 64,458,746	59,154,724	61,959,569	60,716,750	63,905,163	64,865,358	68,621,918	70,146,992	75,635,100	74,688,088
Business-type activities:										
Investment earnings	\$ 372	445	147	177	828	2,133	4,778	8,012	5,331	333
Transfers	-	-	-	-	-	-	-	-	-	-
Total business-type activities	\$ 372	445	147	177	828	2,133	4,778	8,012	5,331	333
Total primary government	\$ 64,459,118	59,155,169	61,959,716	60,716,927	63,905,991	64,867,491	68,626,696	70,155,004	75,640,431	74,688,421
<u>Change in Net Position</u>										
Governmental activities	\$ 6,547,427	800,818	154,355	326,885	(1,147,078)	118,811	4,253,881	(867,600)	(4,946,807)	1,287,913
Business-type activities	(43,592)	29,767	16,079	(23,370)	11,696	(45,949)	(12,217,826)	9,005	23,115	(85,931)
Total primary government	\$ 6,503,835	830,585	170,434	303,515	(1,135,382)	72,862	(7,963,945)	(858,595)	(4,923,692)	1,201,982

Source: Statement of Activities

Seguin Independent School District
Table IV
Fund Balances of Governmental Funds
Last Ten Fiscal Years

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund:										
Nonspendable	\$ 181,248	163,114	168,447	161,189	182,121	196,150	188,900	172,718	218,557	291,899
Restricted	-	-	-	-	-	7,281,222	1,858,398	331,070	1,096,450	525,823
Committed	188,115	95,867	252,982	736,383	-	-	-	-	-	-
Assigned	3,075,654	10,782,061	12,062,390	13,917,167	494,135	665,000	1,114,850	-	620,000	-
Unassigned	18,079,101	19,058,085	18,500,402	17,320,612	11,860,481	19,391,476	25,905,913	30,877,094	29,802,591	30,872,224
Total General Fund	\$ 21,524,118	30,099,127	30,984,221	32,135,351	12,536,737	27,533,848	29,068,061	31,380,882	31,737,598	31,689,946
All Other Government Funds:										
Nonspendable	\$ -	-	-	-	-	12,701	23,866	26,624	21,256	31,256
Restricted	9,119,256	8,657,865	55,309,054	46,960,534	64,478,982	22,332,807	11,887,315	11,626,448	31,536,749	51,878,119
Total all other governmental funds	\$ 9,119,256	8,657,865	55,309,054	46,960,534	64,478,982	22,345,508	11,911,181	11,653,072	31,558,005	51,909,375
Total all fund balances	\$ 30,643,374	38,756,992	86,293,275	79,095,885	77,015,719	49,879,356	40,979,242	43,033,954	63,295,603	83,599,321

Source: Balance Sheet

Seguin Independent School District
Table V
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues:										
Local and intermediate sources	\$ 43,117,075	37,780,687	38,066,231	39,639,149	42,557,005	44,463,585	47,844,766	50,907,466	52,047,017	51,116,748
State program revenues	23,189,790	22,489,991	24,354,075	26,024,654	27,060,928	25,625,555	25,900,825	24,556,643	30,077,996	28,884,661
Federal program revenues	9,710,564	8,567,450	9,168,794	9,023,032	9,097,674	9,785,803	9,739,154	10,797,168	10,099,179	13,613,389
Total revenues	\$ 76,017,429	68,838,128	71,589,100	74,686,835	78,715,607	79,874,943	83,484,745	86,261,277	92,224,192	93,614,798
Expenditures:										
Instruction	\$ 34,479,218	32,616,048	34,773,496	37,687,373	37,041,830	36,702,212	39,645,181	36,983,744	40,690,074	42,262,210
Instructional resources and media services	1,171,610	909,219	952,465	964,178	919,469	930,425	908,777	932,398	1,070,973	1,116,480
Curriculum and staff development	1,572,268	1,145,812	1,458,121	1,557,683	1,696,274	1,626,310	1,737,144	1,506,991	1,383,321	1,329,407
Instructional leadership	921,135	899,314	1,083,731	1,169,302	1,484,633	1,484,540	1,684,851	1,659,700	2,081,479	1,820,217
School leadership	3,209,861	3,427,941	3,964,229	4,102,850	4,087,715	4,159,065	4,166,415	4,311,731	4,913,668	4,777,161
Guidance, counseling, and evaluation services	2,031,688	1,908,839	2,020,264	2,245,443	2,239,862	2,031,772	2,113,764	2,436,997	2,887,756	3,159,158
Social work services	500,989	511,566	528,214	576,257	556,109	644,955	649,160	783,014	976,419	1,286,262
Health services	497,728	501,053	539,040	547,662	542,586	536,973	523,396	551,138	627,308	723,498
Student transportation	2,394,807	2,696,104	2,693,468	2,089,876	2,559,205	2,557,219	2,778,722	2,829,565	2,937,754	2,757,952
Food services	3,822,485	3,955,740	4,025,460	3,993,581	4,266,025	4,639,767	4,407,152	4,801,851	4,792,523	4,340,584
Extracurricular activities	1,776,916	1,953,555	1,814,731	2,017,058	2,164,695	3,532,369	2,797,949	2,328,461	2,094,870	1,998,831
General administration	1,514,733	1,543,693	1,616,490	1,708,359	1,945,469	2,020,476	1,969,606	2,237,282	2,151,276	2,071,836
Facilities maintenance and operations	4,817,261	4,770,063	4,929,218	6,167,756	6,191,032	6,365,275	6,363,124	7,155,660	7,766,254	7,354,513
Security and monitoring services	241,637	346,048	464,106	262,345	367,906	529,532	453,902	480,344	633,954	1,210,801
Data processing services	689,968	1,092,033	1,280,957	1,428,410	1,971,985	1,745,675	1,706,174	1,690,327	1,655,876	1,582,186
Community services	17,167	20,160	136,843	126,358	96,425	52,006	79,862	101,331	37,070	70,704
Principal on long-term debt	2,143,583	2,291,520	2,710,073	2,165,212	1,585,996	5,149,928	5,550,837	5,727,660	8,335,000	8,440,000
Interest on long-term debt	3,249,757	3,432,155	3,382,484	6,350,527	7,886,855	6,105,430	6,513,516	6,645,780	6,112,939	5,729,612
Other debt service	5,637	156,647	527,883	3,392	1,028,862	121,351	7,650	9,500	362,012	827,528
Facilities acquisition and construction	1,181,537	3,131,106	1,908,542	6,098,457	40,864,360	35,702,738	7,687,372	849,452	14,922,956	10,709,590
Payments related to shared services arrangements	218,321	234,390	231,429	140,658	109,809	66,270	102,277	113,358	102,028	248,054
Other intergovernmental charges	365,885	407,581	407,583	418,607	444,400	490,257	535,178	571,553	611,853	610,684
Total expenditures	\$ 66,824,191	67,950,587	71,448,827	81,821,344	120,051,502	117,194,545	92,382,009	84,707,837	107,147,363	104,427,268

(continued)

Seguin Independent School District
Table V
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years (Continued)

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Excess (Deficiency) of revenues over (under) expenditures	\$ 9,193,238	887,541	140,273	(7,134,509)	(41,335,895)	(37,319,602)	(8,897,264)	1,553,440	(14,923,171)	(10,812,470)
Other Financing Sources (Uses):										
Capital-related debt	\$ -	10,135,000	44,770,000	-	-	-	-	-	-	-
Issuance of bonds	-	-	-	-	37,065,000	10,000,000	-	-	31,565,000	27,665,000
Proceeds from bond refundings	-	-	-	-	40,420,000	-	-	-	-	44,769,951
Transfers in	250,000	250,000	600,000	200,000	21,840,912	8,333,980	4,443,686	1,187,275	-	-
Premium or discount on issuance of bonds	-	1,152,412	2,663,579	-	8,375,294	-	-	-	3,493,820	9,095,693
Transfers out	(294,431)	(303,649)	(637,569)	(262,881)	(21,920,986)	(8,150,741)	(4,446,536)	(1,187,275)	-	-
Payment to bond refunding escrow agent	-	(11,130,657)	-	-	(46,524,491)	-	-	-	-	(50,696,424)
Proceeds from sale of property	-	-	-	-	-	-	-	-	126,000	281,968
Other resources	-	-	-	-	-	-	-	501,272	-	-
Total Other Financing Sources (Uses)	\$ (44,431)	103,106	47,396,010	(62,881)	39,255,729	10,183,239	(2,850)	501,272	35,184,820	31,116,188
Net Change in Fund Balances	\$ 9,148,807	990,647	47,536,283	(7,197,390)	(2,080,166)	(27,136,363)	(8,900,114)	2,054,712	20,261,649	20,303,718
Debt service as a percentage of noncapital expenditures	7.30%	8.22%	8.71%	8.72%	11.27%	13.51%	14.23%	14.97%	16.02%	15.33%

Source: Statement of Revenues, Expenditures, and Changes in Fund Balances

Seguin Independent School District
Table VI
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Residential Property	\$ 1,666,128,791	\$ 1,681,392,148	\$ 1,694,920,800	\$ 1,723,278,336	\$ 1,783,204,461	\$ 1,891,326,431	\$ 2,159,539,846	\$ 2,028,861,891	\$ 2,449,832,961	\$ 2,468,924,455
Commercial Property	758,171,116	796,433,950	828,705,860	829,956,909	812,206,027	1,152,014,754	1,282,708,832	1,146,582,837	1,513,210,517	1,159,684,159
Industrial Property	729,577,675	1,019,077,547	795,723,439	825,401,130	791,660,293	593,251,863	515,551,848	418,024,475	529,599,252	955,620,595
Less: Tax Exempt Property	485,593,768	821,209,530	669,807,659	717,753,125	640,127,157	825,174,212	822,235,850	777,715,926	968,865,478	456,534,202
Total Assessed Value	<u>\$ 2,668,283,814</u>	<u>\$ 2,675,694,115</u>	<u>\$ 2,649,542,440</u>	<u>\$ 2,660,883,250</u>	<u>\$ 2,746,943,624</u>	<u>\$ 2,811,418,836</u>	<u>\$ 3,135,564,676</u>	<u>\$ 2,815,753,277</u>	<u>\$ 3,523,777,252</u>	<u>\$ 4,127,695,007</u>
Total Direct Tax Rate	1.25980	1.27700	1.28000	1.31500	1.41000	1.42000	1.42000	1.42000	1.37500	1.36140
Estimated Actual Taxable Value	\$ 2,664,511,589	\$ 2,692,313,854	\$ 2,522,366,920	\$ 2,844,181,113	\$ 2,991,776,217	\$ 3,147,947,544	\$ 3,378,075,881	\$ 3,593,469,204	\$ 3,811,942,010	\$ 3,973,417,843
Taxable Assessed Value as a Percentage of Actual Taxable Value	100.142%	99.383%	105.042%	93.555%	91.816%	89.310%	92.821%	78.358%	92.440%	103.883%

Source: Guadalupe Appraisal District

Note: Tax Exempt Property for 2021 under review with the County Appraisal District at the time of publication

Seguin Independent School District
Table VII
Direct and Overlapping Property Tax Rates
Last Ten Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Seguin Independent School District:										
General Purposes	\$ 1.040000	\$ 1.040000	\$ 1.040000	\$ 1.040000	\$ 1.040000	\$ 1.060000	\$ 1.060000	\$ 1.060000	\$ 0.990000	\$ 0.976400
Capital Purposes	0.219800	0.237000	0.240000	0.275000	0.370000	0.360000	0.360000	0.360000	0.385000	0.385000
Total Direct Rates	<u>\$ 1.259800</u>	<u>\$ 1.277000</u>	<u>\$ 1.280000</u>	<u>\$ 1.315000</u>	<u>\$ 1.410000</u>	<u>\$ 1.420000</u>	<u>\$ 1.420000</u>	<u>\$ 1.420000</u>	<u>\$ 1.375000</u>	<u>\$ 1.361400</u>
Guadalupe County	\$ 0.403600	\$ 0.403600	\$ 0.399900	\$ 0.394100	\$ 0.385100	\$ 0.385100	\$ 0.377990	\$ 0.381900	\$ 0.381900	\$ 0.385400
City of Seguin	0.507300	0.507300	0.517300	0.524400	0.525600	0.541200	0.541200	0.541200	0.541200	0.541200
Total Direct and Overlapping Rates	<u>\$ 2.170700</u>	<u>\$ 2.187900</u>	<u>\$ 2.197200</u>	<u>\$ 2.233500</u>	<u>\$ 2.320700</u>	<u>\$ 2.346300</u>	<u>\$ 2.339190</u>	<u>\$ 2.343100</u>	<u>\$ 2.298100</u>	<u>\$ 2.288000</u>

Source: Guadalupe County Appraisal District

Seguin Independent School District
Table VIII
Principal Property Tax Payers
Current Year and Nine Years Ago

Property Tax Payer	2021			2012		
	Taxable Value	Rank	% of Total Taxable Value	Taxable Value	Rank	% of Total Taxable Value
Structural Metals Inc	\$ 163,497,090	1	4.11%	\$ 96,108,434	3	3.61%
Caterpillar Inc	138,393,559	2	3.48%	132,958,249	2	4.99%
Niagara Bottling LLC	74,919,309	3	1.89%	-		0.00%
CSP of Texas LLC	53,500,000	4	1.35%	-		0.00%
8th Street Properties LLC	32,108,647	5	0.81%	-		0.00%
Union Pacific Railroad Co.	17,566,627	6	0.44%	-		0.00%
Cargill Inc	16,845,700	7	0.42%	-		0.00%
Matheson Tri Gas Inc	16,432,734	8	0.41%	-		0.00%
Guadalupe Valley Electric Co-Op	16,234,910	9	0.41%	11,020,549	8	0.41%
United Alloy Texas LLC	16,113,000	10	0.41%	-		0.00%
Republic Plastics	-		0.00%	11,739,691	6	0.44%
Rio Nogales Power Project	-		0.00%	135,248,465	1	5.08%
Southwestern Bell Telephone	-		0.00%	9,768,134	9	0.37%
Temple - Inland, Inc.	-		0.00%	9,556,562	10	0.36%
Tyson Foods, Inc	-		0.00%	11,375,090	7	0.43%
Texas Petroleum Investment Co	-		0.00%	33,999,258	4	1.28%
Hexcel Reinforcements Corp	-		0.00%	15,595,693	5	0.59%
Subtotal	\$ 545,611,576		13.73%	\$ 467,370,125		17.54%
Other Taxpayers	3,427,806,267		86.27%	2,197,141,464		82.46%
Total	<u>\$ 3,973,417,843</u>		<u>100.00%</u>	<u>\$ 2,664,511,589</u>		<u>100.00%</u>

Source: Guadalupe Appraisal District

Seguin Independent School District
Table IX
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Tax Year	Tax Rate	Total Tax Levy for Fiscal Year	Amount	Percent of Levy	Collections in Subsequent Years	Total Collections to Date	Percent of Levy
						Amount	Amount	
2012	2011	\$1.259800	\$ 33,567,517	\$32,481,690	96.77%	\$ 1,036,666	\$ 33,518,356	99.85%
2013	2012	\$1.277000	\$ 34,306,841	\$33,202,438	96.78%	\$ 1,035,992	\$ 34,238,430	99.80%
2014	2013	\$1.280000	\$ 34,160,813	\$33,068,084	96.80%	\$ 1,009,864	\$ 34,077,948	99.76%
2015	2014	\$1.315000	\$ 35,316,259	\$34,327,794	97.20%	\$ 910,748	\$ 35,238,542	99.78%
2016	2015	\$1.410000	\$ 37,396,003	\$36,240,124	96.91%	\$ 1,062,010	\$ 37,302,134	99.75%
2017	2016	\$1.420000	\$ 38,719,851	\$37,223,503	96.14%	\$ 1,372,455	\$ 38,595,958	99.68%
2018	2017	\$1.420000	\$ 42,756,739	\$41,352,137	96.71%	\$ 1,237,505	\$ 42,589,642	99.61%
2019	2018	\$1.420000	\$ 46,321,735	\$44,859,885	96.84%	\$ 1,207,370	\$ 46,067,255	99.45%
2020	2019	\$1.375000	\$ 47,367,081	\$45,862,977	96.82%	\$ 1,100,540	\$ 46,963,517	99.15%
2021	2020	\$1.361400	\$ 47,040,373	\$45,685,321	97.12%	\$ -	\$ 45,685,321	97.12%

Source: Guadalupe County Property Appraiser and District records

Seguin Independent School District
Table X
Ratios of Outstanding Debt by Type
Last Ten Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Primary Government										
Governmental Activities:										
General obligation bonds	\$ 81,675,329	\$ 82,052,893	\$ 126,079,479	\$ 120,580,291	\$ 158,837,450	\$ 162,804,097	\$ 156,098,003	\$ 148,898,392	\$ 161,809,858	\$ 181,034,809
Notes Payable	-	-	-	-	-	-	-	-	-	-
Capital Leases	-	-	-	-	-	-	-	-	-	-
Total Primary Government	<u>\$ 81,675,329</u>	<u>\$ 82,052,893</u>	<u>\$ 126,079,479</u>	<u>\$ 120,580,291</u>	<u>\$ 158,837,450</u>	<u>\$ 162,804,097</u>	<u>\$ 156,098,003</u>	<u>\$ 148,898,392</u>	<u>\$ 161,809,858</u>	<u>\$ 181,034,809</u>
Personal Income	\$ 1,593,441,000	\$ 1,713,161,000	\$ 1,824,414,000	\$ 1,961,339,200	\$ 1,866,185,000	\$ 2,104,146,000	\$ 2,219,260,000	\$ 2,321,785,605	\$ 2,366,487,180	\$ 2,449,601,820
Debt as a Percentage of										
Personal Income	5.13%	4.79%	6.91%	6.15%	8.51%	7.74%	7.03%	6.41%	6.84%	7.39%
Population (Seguin ISD)	44,277	46,106	46,106	48,548	48,548	51,191	52,639	53,970	55,009	56,941
Debt Per Capita	\$ 1,845	\$ 1,780	\$ 2,735	\$ 2,484	\$ 3,272	\$ 3,180	\$ 2,965	\$ 2,759	\$ 2,942	\$ 3,179

Source: U.S. Census Bureau and The County Information Program, Texas Association of Counties

Seguin Independent School District
Table XI
Ratio of General Bonded Debt Outstanding
Last Ten Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Net Assessed Value										
All property	\$ 2,664,511,589	\$ 2,692,313,854	\$ 2,522,366,920	\$ 2,844,181,113	\$ 2,991,776,217	\$ 3,147,947,544	\$ 3,378,075,881	\$ 3,593,469,204	\$ 3,811,942,010	\$ 3,973,417,843
Net Bonded Debt										
Gross bonded debt	\$ 81,675,329	\$ 82,052,893	\$ 126,079,479	\$ 120,580,291	\$ 158,837,450	\$ 162,804,097	\$ 156,098,003	\$ 148,898,392	\$ 161,809,858	\$ 181,034,809
Less debt service funds	4,589,994	5,420,415	7,998,127	7,535,272	8,808,617	7,172,910	7,855,444	8,968,967	11,017,436	10,332,942
Total Net Bonded Debt	<u>\$ 77,085,335</u>	<u>\$ 76,632,478</u>	<u>\$ 118,081,352</u>	<u>\$ 113,045,019</u>	<u>\$ 150,028,833</u>	<u>\$ 155,631,187</u>	<u>\$ 148,242,559</u>	<u>\$ 139,929,425</u>	<u>\$ 150,792,422</u>	<u>\$ 170,701,867</u>
Ratio of Net Bonded Debt										
To Assessed Value	2.89%	2.85%	4.68%	3.97%	5.01%	4.94%	4.39%	3.89%	3.96%	4.30%
Population (Guadalupe County)	134,295	139,841	139,841	147,250	147,250	155,265	159,659	163,694	166,847	172,706
Net Bonded Debt										
Per Capita	\$ 574	\$ 548	\$ 844	\$ 768	\$ 1,019	\$ 1,002	\$ 928	\$ 855	\$ 904	\$ 988

Source: Guadalupe Appraisal District and The County Information Program, Texas Association of Counties

Seguin Independent School District
Table XII
Direct and Overlapping Governmental Activities Debt
June 30, 2021

	Debt Outstanding	Percentage Applicable	Share of Overlapping Debt
Governmental Unit			
Guadalupe County	\$ 7,758,091	32.970%	\$ 2,557,843
City of Seguin	\$ 88,063,961	100.000%	\$ 88,063,961
Subtotal, overlapping debt			\$ 90,621,804
District direct debt	\$ 181,034,809	100.000%	\$ 181,034,809
Total direct and overlapping debt			<u>\$ 271,656,613</u>
Population (Seguin ISD)			56,941
Per Capita Debt-Direct and Overlapping			<u>\$ 4,771</u>

Source: Guadalupe County and the City of Seguin

The applicable percentage is based on the net taxable value of the respective entities.

Seguin Independent School District
Table XIII
Demographic and Economic Statistics
Last Ten Years

Fiscal Year				Per Capita			
Ended	Population	Personal	Personal	Median	School	Unemployment	
June 30	(Seguin ISD)	Income	Income	Age	Enrollment	Rate	
2012	44,277	\$ 1,593,441,000	\$ 35,988	36	7,440	5.8%	
2013	46,106	\$ 1,713,161,000	\$ 37,157	36	7,514	6.3%	
2014	46,106	\$ 1,824,414,000	\$ 39,570	37	7,419	4.6%	
2015	48,548	\$ 1,961,339,200	\$ 40,399	37	7,459	3.6%	
2016	48,548	\$ 1,866,185,000	\$ 38,439	42	7,492	3.8%	
2017	51,191	\$ 2,104,146,000	\$ 41,103	37	7,492	3.7%	
2018	52,639	\$ 2,219,260,000	\$ 42,164	37	7,467	3.5%	
2019	53,970	\$ 2,321,785,605	\$ 43,019	37	7,366	3.0%	
2020	55,009	\$ 2,366,487,180	\$ 44,809	38	7,226	6.9%	
2021	56,941	\$ 2,449,601,820	\$ 45,797	38	6,899	5.2%	

Source: Texas Association of Counties, U.S. Census Bureau, Texas Education Agency and the Texas Labor Market Information

Seguin Independent School District
Table XIV
Principal Employers
Current Year and Nine Years Ago

Employer	2021		2012	
	Employees	Rank	Employees	Rank
Caterpillar, Inc.	2,000	1		
Vitesco Technologies/Continental	1,500	2	1,174	2
Seguin ISD	1,045	3	1,180	1
CMC Steel	900	4	905	3
Guadalupe Regional Medical Center	765	5	699	6
Tyson Foods	750	6		
Guadalupe County	650	7	524	7
Texas Lutheran University	440	8	297	9
City of Seguin	429	9	293	10
HEB	400	10		
	<u>8,879</u>		<u>5,072</u>	

Source: Seguin Economic Development

Seguin Independent School District
Table XV
Full-Time Equivalent Employees by Function/Program
Last Ten Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<u>Governmental Activities:</u>										
Instruction	613	609	628	617	618	600	597	592	602	592
Instructional resources and media services	18	13	12	12	12	12	12	12	12	12
Curriculum and staff development	19	14	16	20	19	17	19	14	10	9
Instructional leadership	14	13	15	19	19	18	20	20	23	22
School leadership	61	67	70	70	69	69	68	70	74	71
Guidance, counseling and evaluation services	33	31	32	32	29	26	29	30	32	37
Social work services	8	9	9	8	11	11	7	11	11	15
Health services	13	14	14	13	12	12	12	12	12	13
Student transportation	70	80	77	76	75	71	76	76	88	61
Food services	70	73	72	67	72	71	68	67	70	61
Extracurricular activities	9	8	6	4	6	6	7	6	4	4
General administration	18	18	17	18	18	19	18	19	20	20
Facilities maintenance and operations	85	90	83	88	85	80	82	88	86	80
Security and monitoring services	4	4	4	4	5	5	5	5	4	9
Data processing services	6	11	12	12	12	11	12	12	11	13
Community services	7	6	12	12	9	7	2	2	1	2
Total District Positions	<u>1,048</u>	<u>1,060</u>	<u>1,079</u>	<u>1,072</u>	<u>1,071</u>	<u>1,035</u>	<u>1,034</u>	<u>1,036</u>	<u>1,060</u>	<u>1,020</u>

Seguin Independent School District
Table XVI
Operating Statistics
Last Ten Years

	Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Average Daily Membership	7,440	7,514	7,419	7,459	7,492	7,425	7,467	7,366	7,226	6,899
Operating Expenditures	\$ 49,133,036	\$ 50,038,885	\$ 53,380,021	\$ 54,725,032	\$ 57,560,636	\$ 58,528,169	\$ 60,456,630	\$ 59,345,095	\$ 62,858,114	\$ 63,402,641
Cost per pupil	6,604	6,659	7,195	7,337	7,683	7,883	8,097	8,057	8,699	9,190
Percentage change	-1.63%	0.84%	8.04%	1.97%	4.72%	2.60%	2.71%	-0.49%	7.97%	5.65%
Non-Operating Expenses	\$ 365,885	\$ 1,066,323	\$ 502,101	\$ 418,607	\$ 444,400	\$ 3,200,117	\$ 3,660,111	\$ 2,063,740	\$ 2,356,250	\$ 2,897,435
Cost per pupil	49	142	68	56	59	431	490	280	326	420
Percentage change	-0.04%	188.57%	-52.31%	-17.08%	5.69%	626.60%	13.73%	-42.84%	16.39%	28.80%
Teaching Staff	486	469	474	489	486	478	465	464	471	466
Pupil-teacher ratio	15	16	16	15	15	16	16	16	15	15
Percentage of Students										
Economically Disadvantaged	68.16%	68.61%	68.87%	67.67%	65.89%	66.26%	67.12%	71.00%	70.64%	67.36%

Source: Texas Education Agency

Seguin Independent School District
Table XVII
Teacher Base Salaries
Last Ten Years

	Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Minimum Salary	\$ 40,500	\$ 41,000	\$ 42,500	\$ 44,500	\$ 45,000	\$ 45,500	\$ 46,500	\$ 49,000	\$ 51,000	\$ 51,000
Maximum Salary	\$ 60,112	\$ 60,938	\$ 61,900	\$ 62,000	\$ 63,100	\$ 65,150	\$ 65,974	\$ 66,809	\$ 70,018	\$ 70,018
District Average Actual Teacher Salary	\$ 46,370	\$ 46,953	\$ 47,492	\$ 48,063	\$ 49,143	\$ 51,538	\$ 51,848	\$ 52,986	\$ 55,637	\$ 55,885
Statewide Average Actual Teacher Salary	\$ 48,375	\$ 48,821	\$ 49,692	\$ 50,715	\$ 51,892	\$ 52,525	\$ 55,334	\$ 54,122	\$ 57,091	\$ 57,641

Source: District records and the Texas Education Agency

Seguin Independent School District
Table XVIII
School Building Information
Last Ten Years

	Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Elementary										
Koennecke (1986)										
Square feet	53,206	53,206	53,206	53,206	53,206	53,206	53,206	53,206	53,206	53,206
Capacity	562	562	562	562	562	562	562	562	562	562
Enrollment	492	529	546	533	533	535	515	539	569	586
Ball (1976)										
Square feet	51,805	51,805	51,805	51,805	51,805	51,805	51,805	51,805	51,805	51,805
Capacity	449	449	449	449	449	449	449	449	449	449
Enrollment	379	258	245	263	263	490	536	492	436	234
Jefferson (1974)										
Square feet	53,087	53,087	53,087	53,087	53,087	53,087	53,087	53,087	53,087	53,087
Capacity	584	584	584	584	584	584	584	584	584	584
Enrollment	477	414	406	393	393	421	403	363	351	347
Juan Seguin (1940)										
Square feet	25,306	25,306	25,306	25,306	25,306	25,306	25,306	25,306	-	-
Capacity	300	300	300	300	300	300	300	300	-	-
Enrollment	-	-	-	-	-	-	-	-	-	-
McQueeney (1976)										
Square feet	54,957	54,957	54,957	54,957	54,957	54,957	54,957	54,957	54,957	54,957
Capacity	490	490	490	490	490	490	490	490	490	490
Enrollment	422	379	356	350	350	347	339	337	320	316
Patlan (1987)										
Square feet	53,206	53,206	53,206	53,206	53,206	53,206	53,206	53,206	53,206	53,206
Capacity	562	562	562	562	562	562	562	562	562	562
Enrollment	444	469	462	467	467	462	445	419	454	439
Rodriguez (2010)										
Square feet	67,000	67,000	67,000	67,000	67,000	67,000	67,000	67,000	67,000	67,000
Capacity	650	650	650	650	650	650	650	650	650	650
Enrollment	522	527	547	548	548	526	544	551	540	525
Saegert (1930)										
Square feet	67,547	67,547	67,547	67,547	67,547	67,547	67,547	67,547	67,547	67,547
Capacity	600	600	600	600	600	600	600	600	600	600
Enrollment	532	540	522	489	489	-	-	-	64	70
Vogel (1991)										
Square feet	53,206	53,206	53,206	53,206	53,206	53,206	53,206	53,206	53,206	53,206
Capacity	562	562	562	562	562	562	562	562	562	562
Enrollment	460	472	439	464	464	425	409	405	382	275
Weinert (1974)										
Square feet	46,375	46,375	46,375	46,375	46,375	46,375	46,375	46,375	46,375	46,375
Capacity	540	540	540	540	540	540	540	540	540	540
Enrollment	527	539	548	558	558	520	513	475	477	443

(continued)

Seguin Independent School District
Table XVIII
School Building Information
Last Ten Years (Continued)

	Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Middle School										
Barnes (2004)										
Square feet	105,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Capacity	700	700	700	700	700	700	700	700	700	700
Enrollment	547	530	534	530	530	813	863	876	852	873
Briesemeister (1975)										
Square feet	103,606	103,606	103,606	103,606	103,606	103,606	103,606	103,606	103,606	103,606
Capacity	700	700	700	700	700	700	700	700	700	700
Enrollment	535	530	535	527	527	787	807	778	767	727
Burges (1950)										
Square feet	17,114	17,114	17,114	17,114	17,114	17,114	17,114	17,114	17,114	-
Capacity	120	120	120	120	120	120	120	120	120	-
Enrollment	49	21	25	29	29	31	26	-	-	-
High School										
Learning Center (1964)										
Square feet	21,968	21,968	21,968	21,968	21,968	21,968	21,968	21,968	21,968	-
Capacity	125	125	125	125	125	125	125	125	125	-
Enrollment	135	155	153	134	134	103	92	78	-	-
Seguin High School										
Square feet	289,914	289,914	289,914	289,914	289,914	420,774	420,774	420,774	420,774	420,774
Capacity	2,500	2,500	2,500	2,500	2,500	2,450	2,450	2,450	2,450	2,450
Enrollment	1,915	1,878	1,849	1,892	1,892	1,949	1,962	1,985	1,926	2,049

Source: District records and the Texas Education Agency

Federal Awards Section



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

The Board of Trustees of
Seguin Independent School District:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Seguin Independent School District (the "District"), as of and for the year ended June 30, 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 November 12, 2021.

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.

Affiliated Company
ML&R WEALTH MANAGEMENT LLC
"A Registered Investment Advisor"
This firm is not a CPA firm

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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Maxwell Locke & Ritter LLP

Austin, Texas
November 12, 2021



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Independent Auditors' Report on Compliance For Each Major Federal Program and Report on Internal Control Over Compliance Required by The Uniform Guidance

The Board of Trustees of
Seguin Independent School District:

Report on Compliance for Each Major Federal Program

We have audited Seguin 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 each of the District's major federal programs for the year ended June 30, 2021. The District's major federal programs are identified in the summary of auditors' 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.

Auditors' Responsibility

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

Affiliated Company

ML&R WEALTH MANAGEMENT LLC

"A Registered Investment Advisor"

This firm is not a CPA firm

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 its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

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

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

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

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

Maxwell Locke & Ritter LLP

Austin, Texas
November 12, 2021

Seguin Independent School District
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021

K-1

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
<u>U.S. Department of Education</u>			
<u>Direct Program:</u>			
School Safety National Activities (formerly Safe and Drug-Free Schools and Communities-National Programs)	84.184G	S184G190293-1	\$ 159,347
School Safety National Activities (formerly Safe and Drug-Free Schools and Communities-National Programs)	84.184G	S184G190293-2	540,543
Total - 84.184G			699,890
<u>Passed Through Texas Education Agency:</u>			
Title I Grants to Local Educational Agencies	84.010A	20610101094901	460,128
Title I Grants to Local Educational Agencies	84.010A	20610103094901	39,090
Title I Grants to Local Educational Agencies	84.010A	21610101094901	1,046,138
Title I Grants to Local Educational Agencies	84.010A	21610103094901	56,309
Total - 84.010A			1,601,665
Migrant Education State Grant Program	84.011	20615001094901	44,258
Student Support and Academic Enrichment Program	84.424A	20680101094901	46,753
Student Support and Academic Enrichment Program	84.424A	21680101094901	43,180
Total - 84.424A			89,933
<u>Special Education Cluster:</u>			
Special Education Grants to States	84.027A	206600010949016000	841,390
Special Education Grants to States	84.027A	216600010949016000	564,132
Special Education Grants to States (High Cost Pool)	84.027A	216600120949016677	132,091
Special Education Grants to States (High Cost Pool)	84.027A	H027A160009	71,481
Special Education Grants to States (High Cost Pool)	84.027A	H027A160000	278,625
Total - 84.027A			1,887,719
Special Education Preschool Grants	84.173A	206610010949016000	31,558
Total Special Education Cluster			1,919,277
Career and Technical Education - Basic Grants to States	84.048A	20420006094901	15,129
Career and Technical Education - Basic Grants to States	84.048A	21420006094901	69,759
Total - 84.048A			84,888
English Language Acquisition State Grants	84.365A	20671001094901	54,541
English Language Acquisition State Grants	84.365A	21671001094901	4,848
Total - 84.365A			59,389
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367A	20694501094901	87,058
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367A	21694501094901	187,183
Total - 84.367A			274,241
Education for Homeless Children and Youth	84.196A	204600057110064	750
Education for Homeless Children and Youth	84.196A	214600057110064	28,485
Total - 84.196A			29,235
COVID-19 Education Stabilization Fund	84.425D	20521001094901	817,812
COVID-19 Education Stabilization Fund	84.425D	52102135	355,204
Total - 84.425D			1,173,016
School Improvement Grants	84.377A	17610740094901	25,387
Total Passed Through Texas Education Agency			5,301,289
Total Department of Education			6,001,179

(continued)

**Seguin Independent School District
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021 (Continued)**

K-1

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
<u>U.S. Department of Agriculture</u>			
<u>Child Nutrition Cluster</u>			
<u>Passed Through Texas Department of Agriculture:</u>			
COVID-19 National School Lunch Program	10.555	094-901	204,590
Summer Food Service Program for Children	10.559	094-901	4,293,200
<u>Passed Through Texas Department of Human Services-</u>			
Non-cash assistance - Food Distribution Program	10.555	094-901	327,661
Total - 10.555			532,251
Total Child Nutrition Cluster			4,825,451
<u>Passed Through Texas Department of Agriculture-</u>			
Child and Adult Care Food Program	10.558	094-901	37,438
Total Passed Through Texas Department of Agriculture			4,535,228
Total Department of Agriculture			4,862,889
<u>U.S. Department of Defense</u>			
<u>Direct Program</u>			
ROTC	12.000	094-901	67,130
<u>U.S. Department of Justice</u>			
<u>Direct Program</u>			
Public Safety Partnership and Community Policing Grants	16.710	2019SVWX0037	80,199
<u>U.S. Department of Health and Human Services</u>			
<u>Passed Through Community Council of South Central Texas-</u>			
Head Start	93.600	2020-CCSCT/SISD	23,019
<u>Passed Through Texas Health and Human Services Commission-</u>			
Medicaid Administrative Claims	93.778	529-07-0157-00253	49,213
Total Department of Health and Human Services			72,232
<u>U.S. Department of Treasury</u>			
<u>Passed Through Texas Education Agency-</u>			
COVID-19 Coronavirus Relief Fund	21.019	N/A	177,150
<u>Passed Through County of Guadalupe, Texas-</u>			
COVID-19 Coronavirus Relief Fund	21.019	N/A	200,000
<u>Passed Through City of Seguin, Texas-</u>			
COVID-19 Coronavirus Relief Fund	21.019	N/A	59,050
<u>Passed Through Texas Division of Emergency Management-</u>			
COVID-19 Coronavirus Relief Fund	21.019	N/A	200,874
Total - 21.019			637,074
Total Department of Treasury			637,074
Total Expenditures of Federal Awards			<u>\$ 11,720,703</u>

The accompanying notes are an integral part of this schedule.

Seguin Independent School District

Notes to the Schedule of Expenditures of Federal Awards Year Ended June 30, 2021

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Seguin Independent School District (the "District") under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, change in net position, or cash flows of the District.

2. Summary of Significant Accounting Policies

Basis of Accounting

The expenditures reported on the Schedule are reported using the modified accrual basis of accounting, with the exception of the National School Lunch Program, School Breakfast Program the Food Distribution Program, and the Summer Food Service Program for Children. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become available and measurable, and expenditures in the accounting period in which the fund liability is incurred, if measurable. Expenditures in the National School Lunch Program, School Breakfast Program, the Food Distribution Program and the Summer Food Service Program for Children are not specifically attributable to this revenue source and are shown on the Schedule in an amount equal to revenue for balancing purposes only. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited to reimbursement.

The District has elected to not use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

Relationship to Basic Financial Statements

Expenditures of federal awards are reported in the District's basic financial statements in the General Fund and special revenue funds.

Relationship to Federal Financial Reports

Amounts reported in the Schedule agree with the amounts reported in the related federal financial reports in all significant respects.

Valuation of Non-cash Programs

The District values revenues and expenditures for the Food Distribution Program based on the value of commodities received.

Provider Relief Fund

The District incurred \$22,606 of expenditures related to the Provider Relief Fund during the year ended June 30, 2021, which is reflected in the District's basic financial statements in a special revenue fund. Based on the guidance from the *OMB Compliance Supplement*, since the District received the payment for the Provider Relief Fund in September 2020 which is not in Period 1 as defined in the *OMB Compliance Supplement*, expenditures are not reported on the Schedule.

Seguin Independent School District

Schedule of Findings and Questioned Costs Year Ended June 30, 2021

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued on whether the financial statements were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ☐ yes ☒ no
- Significant deficiency(ies) identified? ☐ yes ☒ none reported

Noncompliance material to financial statements noted?

☐ yes ☒ no

Federal Awards

Internal control over each major federal program:

- Material weakness(es) identified? ☐ yes ☒ no
- Significant deficiency(ies) identified? ☐ yes ☒ none reported

Type of auditors' report issued on compliance for each major federal program:

Title I Grants to Local Educational Agencies

Unmodified

COVID-19 Education Stabilization Fund

Unmodified

COVID-19 Coronavirus Relief Fund

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

☐ yes ☒ no

Identification of each major federal program:

CFDA Number(s)	Name of Federal Program or Cluster
84.010A	Title I Grants to Local Educational Agencies
84.425D	COVID-19 Education Stabilization Fund
21.019	COVID-19 Coronavirus Relief Fund

Dollar threshold used to distinguish between type A and type B programs:

\$750,000

Auditee qualified as low-risk auditee?

☒ yes ☐ no

Seguin Independent School District

Schedule of Findings and Questioned Costs Year Ended June 30, 2021

Section II - Financial Statement Findings

There were no findings required to be reported in accordance with *Government Auditing Standards* for the years ended June 30, 2021 and June 30, 2020.

Section III - Federal Award Findings and Questioned Costs

There were no findings or questioned costs required to be reported in accordance with 2 CFR 200.516(a) for the years ended June 30, 2021 and 2020.