

Hays Consolidated Independent School District

Kyle, Texas



Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2021

Prepared by the Financial Services Department

Randall Rau, CPA
Rebecca Palmer

Chief Financial Officer
Director of Finance

Hays Consolidated Independent School District

Kyle, Texas

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November 15, 2021

Vanessa Petrea, President
Board of Trustees
Hays Consolidated Independent School District
21003 N IH 35
Kyle, TX 78640

Dear Mrs. Petrea and Members of the Board:

The Texas Education Code requires that all school districts file a set of financial statements with the Texas Education Agency (TEA) within 150 days of the close of each fiscal year. The financial statements must be presented in conformity with generally accepted accounting principles (GAAP) and audited by a firm of licensed certified public accountants in accordance with generally accepted auditing standards (GAAS). Pursuant to the requirement, we hereby issue the Annual Comprehensive Financial Report (ACFR) of the Hays Consolidated Independent School District (the District or Hays CISD) for the twelve month period ended June 30, 2021. The District's Business & Finance Department prepares the report. The District has been awarded the Certificate of Achievement for Excellence in Financial Reporting awarded to government entities by the Government Finance Officers Association (GFOA) for the 2019-2020 Annual Comprehensive Financial Report. The District feels the current ACFR continues to meet the requirements for this award, and we will again submit the report for review. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

The ACFR is presented in four sections: Introductory, Financial, Statistical and Federal Awards. The Introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The management's discussion and analysis in the Financial section provides an overview of the financial position and results of operations for the year. The Financial section also includes the auditors' report, the basic financial statements, including the Government Wide Financial Statements and the Governmental Fund Financial Statements, the combining schedules and required supplementary information. The Statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The Federal Awards section includes the schedule of federal awards, auditors' reports and the schedule of findings for both current and prior years.

This report consists of management's representations concerning the finances of the District. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. In order to provide a reasonable basis for making these representations, management of the District has established a comprehensive internal control framework that is designed to protect the District's assets from loss, theft or misuse. Additionally, the internal control framework is designed to compile sufficient reliable information for the preparation of the District's financial statements in conformity with GAAP. Because the costs of internal controls should not outweigh their benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable assurance rather than absolute assurance that the financial statements will be free from material misstatement. To the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The financial statements of the District have been audited by Maxwell Locke & Ritter LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the District are free of material misstatement. The independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion and that the financial statements are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements is part of a broader, federally mandated "Single Audit" designed to meet the special need of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the Federal Awards section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). 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 District and Its Services

Hays Consolidated Independent School District was formed on May 6, 1967, through the consolidation of Kyle Independent School District, Buda County-Line Independent School District and Wimberley Rural High School District. The Wimberley School District withdrew from the consolidation in September 1986 and created Wimberley Independent School District. The District comprises 212 square miles of land, or approximately half of the total area of Hays County, with small portions extending into Travis and Caldwell Counties. The District includes the cities of Kyle and Buda, both of which are located within Hays County on Interstate Highway 35 between Austin and San Marcos. The District also includes the cities of Hays, Umland, Niederwald and Driftwood.

The District is governed by a seven member Board of Trustees (the Board). The Trustees serve three-year staggered terms with elections being held every year. Monthly meetings of the Board are posted and advertised as prescribed under state law so that the Board may fulfill its charge to the students, parents, staff, and taxpayers of the District. Special meetings or study sessions are scheduled as needed. The Board has final control over all school matters except as limited by state law.

The Board meets annually to set goals for the District. The goals are both long-term and short-term in an effort to focus resources and efforts on specific areas, as well as set high standards for the students and staff of the District. They are reviewed and revised by the Board periodically.

Mission Statement - The mission of Hays CISD is to nurture students to become extraordinary citizens through unique, personal educational experiences through an innovative community of learners while celebrating our diversity and legacy.

Vision Statement (adopted 09/27/2021) - All Hays CISD learners will be:

- academically prepared for college, military, or career
- effective communicators and collaborators
- globally competent and competitive
- prepared for life and citizenship

Beliefs - We believe:

- Decision making is student-focused
- All students have the capacity to learn and be successful
- A safe and secure environment is essential
- Success is a shared investment that includes learners, educators, parents and the community
- In treating our educators and staff with dignity and respect
- The allocation of resources will support high quality learning
- An educated populace is essential to democracy
- High expectations lead to high achievement
- Open communication, transparency, and accountability build trust
- Inspired learning is the foundation of lifelong success
- Diverse and varied opportunities further learning
- Student success includes a well-rounded education that goes beyond standardized testing

Board and Superintendent Goals for 2021-2022 (adopted September 27, 2021)

Student Achievement Goal—Hays CISD believes in the achievement of every student. The District will evaluate and address the individual needs of each student. Students and parents/guardians will receive academic advising and will utilize data, based upon aptitude, ability, and career inventory data, to formulate their plan of study for high school credit beginning in the spring semester of their 5th grade year. Student performance will be evaluated in academics, college, career, and military readiness. Our staff believes in the education of the whole child and believes that success is based on more than the results of a single test, including social and emotional learning, strong interpersonal skills, and the development of positive members of society. Through attention to individual students' needs, each campus will demonstrate continuous improvement by showing academic growth and student engagement.

School Safety Goal—Hays CISD is dedicated to the safety of all students and staff. A safe environment must include secure facilities, staff and student training, and our adopted standard response protocol. The district will partner with local and state entities to assure preparedness. Specific areas addressed are physical and cybersecurity, data privacy, campus access, detecting and reporting possible threats, COVID19 safety/prevention planning/reporting, and maintaining an environment of trust between adults and all students. Our Emergency Operations Plan (EOP) is updated annually, and followed throughout the district.

Board/Staff/Community Relations Goal—Hays CISD is dedicated to treating everyone with respect and dignity. Cultivating a culture of positive engagement and public service requires empathy, visibility, trust, and communication. Hays CISD is committed to: operating with openness and transparency by providing ready access to accurate information; being responsive to customer service needs and inquiries; recognizing the district belongs to the community and its taxpayers; and valuing the concept that the reputation of Hays CISD affects the lives of its students, staff, and community in direct and significant ways.

The District provides a well-rounded program of public education for children from pre-kindergarten through grade twelve. In addition to basic instructional programs, the District offers special education, gifted and talented, Bilingual/ESL, intervention, college preparatory, and career and technical programs. The District is fully accredited by the Texas Education Agency (TEA).

Hays CISD operates fourteen elementary schools, six middle schools, three comprehensive high schools, one alternative education program high school, and one disciplinary alternative education program campus. The District's 2021-22 enrollment for budget purposes was 21,846. Actual enrollment for 2021-2022 was 21,411 at PEIMS snapshot. Senate Bill 15 (SB 15), signed into law by the governor on September 1, 2021, allows local education agencies (LEA) to receive full ADA funding for students who attend local remote learning programs at any point during the 2021-22 school year if that remote instruction meets the requirements set by SB 15. In addition, the Texas Education Agency has proposed change - 3.8.1.4 Low-Attendance Day Waiver to the Student and Accounting Handbook stating, for the 2021-2022 school year only, a district may

choose to use prior year documentation from either the 2019–2020 school year or 2020–2021 school year to apply for a low attendance waiver.

Economic Information

Hays County, created in 1848, is located in south central Texas. Hays is a populous suburban county in the Austin metropolitan area with a 2020 census population of 241,061 people and an estimated growth rate of approximately 3.15%, making it one of the fastest growing counties in United States. The major cities in the County are Buda, Kyle and San Marcos (county seat). The County is traversed by Interstate Highway 35, U.S. Highway 290, State Highways 21, 123, and State Highway 130, a commuter roadway on the outskirts of the County to relieve congestion on IH 35 extending from north of Georgetown, east of metropolitan Austin, to I-10 near Seguin.

Hays CISD covers land in Hays County once used primarily for ranching and recreation. Hays CISD is located in and around the cities of Buda & Kyle which is located within what has become known as the Austin/San Antonio Corridor along Interstate Highway 35. Austin and San Antonio are two anchors of a region which includes several million people. The County is diversified by tourism, education, agriculture, retail, healthcare including two major hospitals, and manufacturing. Residents in Hays CISD have easy access to higher education including the University of Texas, Texas State University, St. Edward's University and Austin Community College.

The District's population has grown to an estimated 126,198 in 2020-21, up from the 2010 census number of 67,874, making it one of the fastest growing school districts in Texas. Residential and retail development has steadily increased in the last ten years. New home sales continue to rise in the area with 2,878 "annual starts" and 2,144 "annual closings". Future lots for home sites in the District are estimated at 60,923, the most of any school district in central Texas.

The Board of Trustees approved a Freeport Tax Exemption in March 2017. All three taxing entities: city, county and school district, have approved the exemption, offering businesses a "Triple Freeport Exemption", which should give Hays County the additional tools needed to compete regionally and nationally to recruit companies to the area. The exemption gives companies the ability to store inventory in the county, tax-free, as long as it is shipped out within 175 days of the date that it is acquired.

Report Information

The ACFR is prepared in accordance with generally accepted accounting principles (GAAP) and in conformance with standards of financial reporting established by the Governmental Accounting Standards Board (GASB) using guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA). All funds of the District are covered by this report. The District's financial policies address accounting and fiscal operations of the district, with an emphasis on asset, procurement, and budget management.

The District maintains budgetary controls, and the objective is to ensure compliance with legal provisions embodied in the annual budget approved by the District's Board. The annual expenditure budget serves as the foundation for the District's financial planning and control. Every school district in Texas is required, by law, to prepare and file a budget with the Texas Education Agency (TEA). The board legally adopts a budget for the General Fund, Debt Service Fund, and Child Nutrition Fund. Budgets for Special Revenue Funds (other than Child Nutrition) and Capital Projects Funds are prepared on a project basis, based on grant regulations or applicable bond ordinances.

Budgetary control (the level at which expenditures cannot legally exceed appropriations) is mandated at the functional category level within each fund. These functional categories are defined by TEA and identify the purpose of transactions. The District also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts lapse at year end unless specifically identified for rollover into the next fiscal year.

Long-Term Financial Planning

The District is operating under the third year of House Bill 3 (HB 3) for the 2021-22 school year. HB3 was a historic school finance bill passed by the 86th Texas Legislature in 2019. The intent of the bill was to provide more money for Texas classrooms, increase teacher compensation, reduce recapture and cut local property taxes for Texas taxpayers. The bill made major revisions to the school finance formulas; added and repealed several chapters of the Education Code; and revised, removed and created multiple allotments or programs.

Since the Texas Legislature meets every two years to approve education funding, school districts are unable to accurately predict what mandates or funding changes will be implemented over the long-term. The District has accumulated unassigned fund balance to prepare for uncertainties in future student enrollment growth, property values, and funding reductions.

The District's total 2021-22 original adopted budget is \$274,745,199, representing a \$9,380,464 (or a 3.53%) increase over the 2020-21 revised budget.

The 2021-2022 original adopted budget included funding for:

- additional teachers/staff to accommodate growth and program enhancements
- additional teachers/staff for the second year (senior class) at the new high school
- compensation increases for all employees
- increase to the District's current employee health insurance contribution
- campus, curriculum and departmental needs district-wide

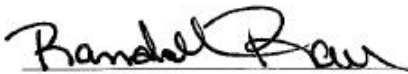
Acknowledgements

The preparation of this report could not have been accomplished without the efficient and dedicated efforts of the entire staff of the Business & Finance Department. We would like to express our sincere appreciation to all members of the departments and surrounding entities who assisted and contributed to the preparation of this report. We would also like to express appreciation to the Board of Trustees for their interest and support in the financial operations of the District. Finally, we would like to thank the residents of the District for their support of, and belief in, our public schools, and principals and teachers who provide the quality education for which the District has become known.

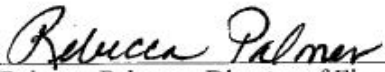
Respectfully submitted,



Dr. Eric Wright – Superintendent of Schools



Randall Rau – Chief Financial Officer



Rebecca Palmer – Director of Finance



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Hays Consolidated Independent School District
Texas**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

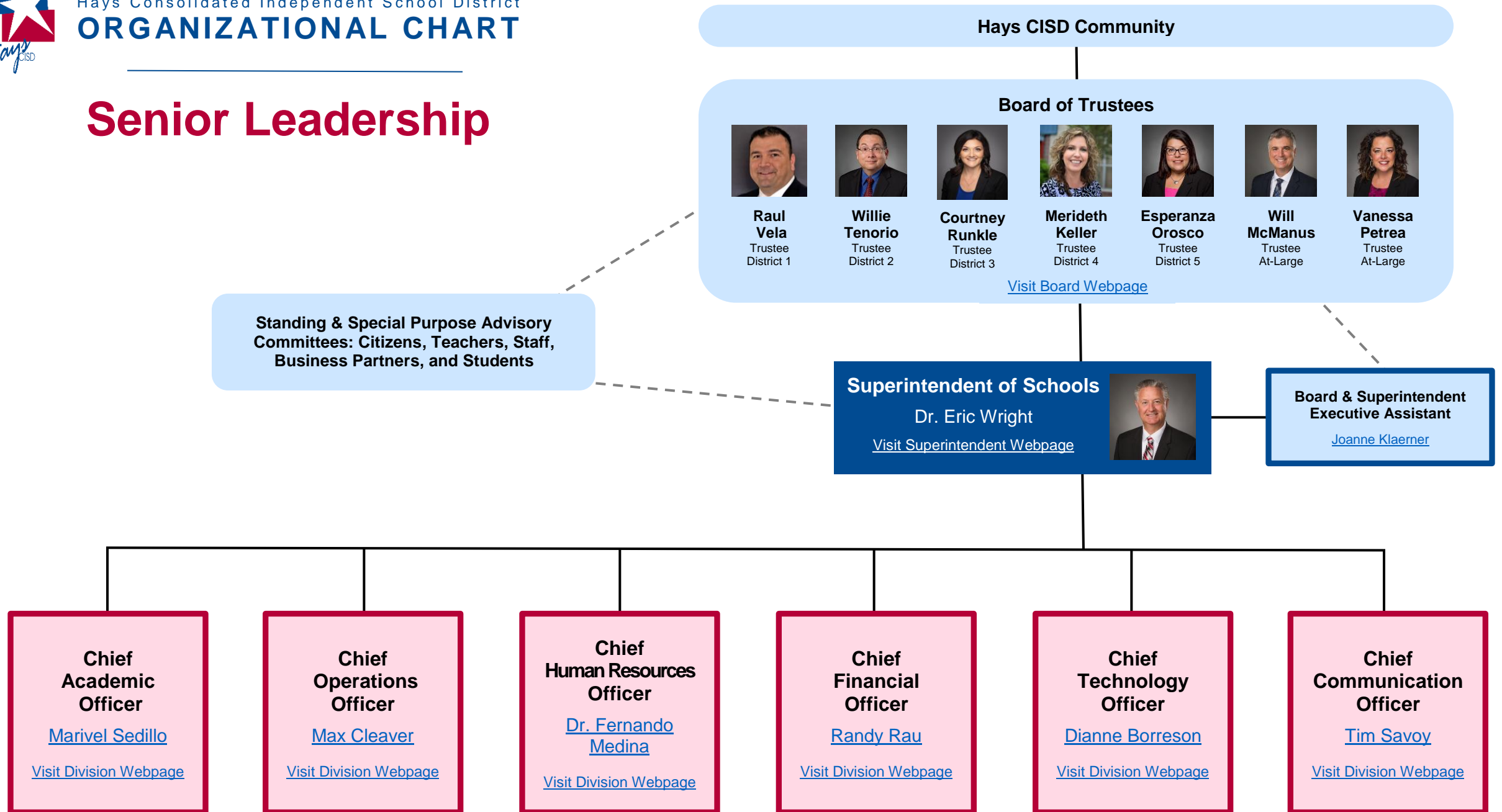
Christopher P. Morill

Executive Director/CEO



Hays Consolidated Independent School District
ORGANIZATIONAL CHART

Senior Leadership



Hays Consolidated Independent School District School Board and Administrators

Board of Trustees

Vanessa Petrea	President
Raul Vela, Jr.	Vice President
Meredith Keller	Secretary
Courtney Runkle	Trustee
Esperanza Orosco	Trustee
Willie Tenorio, Jr.	Trustee
Will McManus	Trustee

Administration

Eric Wright, Ed. D.	Superintendent of Schools
Tim Savoy, B.J.	Chief Communication Officer
Dianne Borreson, M. Ed.	Chief Technology Officer
Max Cleaver, M.S.	Chief Operations Officer
Randall Rau, CPA	Chief Financial Officer
Fernando Medina Ed. D.	Chief Human Resources Officer
Marivel Sedillo	Chief Academic Officer

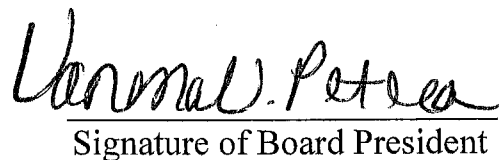


Certificate of Board

<u>Hays Consolidated Independent School District</u>	<u>Hays</u>	<u>105906</u>
Name of School District	County	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 fiscal year ended June 30, 2021 at a meeting of the Board of Trustees of such school district on the 15 day of November, 2021.


Signature of Board Secretary


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
Hays Consolidated 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 Hays Consolidated 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 11, 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 15, 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 15, 2021

Hays Consolidated Independent School District Management's Discussion and Analysis June 30, 2021

As Management of the Hays Consolidated Independent School District (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with the District's financial statements, which follow this section.

Financial Highlights

- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$58,513,212, which represents 28.8% of total fiscal year 2020-2021 General Fund adopted budgeted expenditures. Including the \$4,720,822 of fund balance assigned for the 2021-22 budget, the total percentage is 31.2%.
- The District has been a fast-growth district for over twelve years. The District anticipates adding 5,160+ students over the next five years.

Overview of the Financial Statements

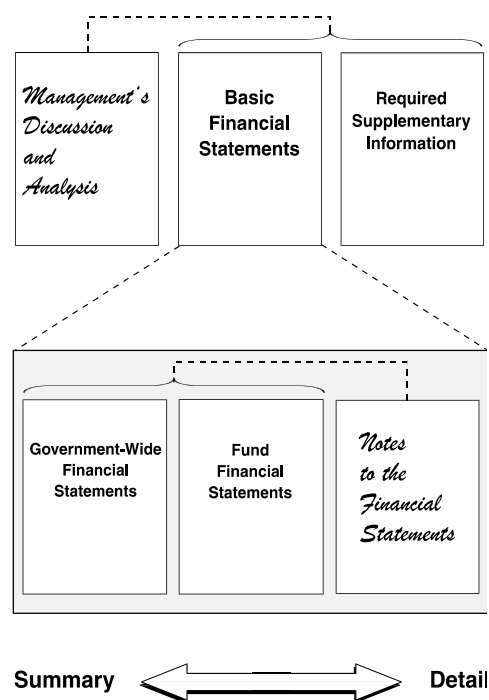
This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components:

- 1) government-wide financial statements,
- 2) fund financial statements, and
- 3) notes to the financial statements.

This report also contains other required supplementary information in addition to the basic financial statements themselves. Figure A-1 shows how the required parts of the annual report are arranged and related to one another.

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

Figure A-1, Required Components of the District's Annual Financial Report



The *statement of net position* presents information on all of the District's assets and deferred outflows of resources and 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 of 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 year ended June 30, 2021. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g. uncollected taxes).

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (*governmental activities*). The governmental activities of the District are designed to educate and benefit the children of the community. Functional codes for Texas school districts are uniform throughout the state. They include instruction and instructional-related services, instructional and school leadership, support services for students, administrative support services, non-student based support services, ancillary services, debt service and capital outlay for facilities and construction.

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. The fund financial statements provide more detailed information about the District's most significant funds and not the District as a whole.

- Some funds are required by State law and/or bond covenants.
- Other funds may be established by the Board to control and manage money for particular purposes or to show that it is properly using certain taxes or grants.

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 expendable 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 financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The District maintains individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Debt Service Fund, Capital Projects Fund, and the Education Stabilization Fund - ESSER II as they are considered to be major funds. Data from the other individual governmental 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.

Proprietary funds. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. There are two proprietary fund types. Enterprise Funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The District uses Enterprise Funds for childcare operations and health clinic services.

The second type of proprietary fund is the Internal Service Fund. Internal Service Funds are an accounting device used to accumulate and allocate costs internally among the various functions. The District uses Internal Service Funds for printing services and to report activities outstanding from its previously self-funded workers' compensation program.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The District is the trustee, or fiduciary, for these funds and is responsible for ensuring that the assets reported in these funds are used for their intended purpose. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and statement of changes in fiduciary net position.

These activities are excluded from the District's government-wide financial statements because the District cannot use these assets to finance its operations.

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

Required Supplementary Information. The required supplementary information relates to the District's contributions to a cost-sharing pension and other post-employment benefits ("OPEB") plans with the Teacher Retirement System of Texas.

Government-Wide Financial Analysis

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, total liabilities and deferred inflows of resources exceeded total assets and deferred outflows of resources by \$23,759,662 for the year ended June 30, 2021. The District's total net position increased \$15,340,944 from the prior year. The District's financial position has improved with an increase in capital assets. The overall financial status of the District is stable, however, the financial outlook for all Texas school districts is uncertain beyond the current biennium.

Table 1
Hays Consolidated Independent School District
Net Position

	Governmental Activities		Business-type Activities		Totals	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Current and other assets	\$148,935,487	149,735,334	619,461	742,928	149,554,948	150,478,262
Capital assets	<u>455,767,765</u>	<u>467,836,743</u>	-	-	<u>455,767,765</u>	<u>467,836,743</u>
Total assets	<u>604,703,252</u>	<u>617,572,077</u>	<u>619,461</u>	<u>742,928</u>	<u>605,322,713</u>	<u>618,315,005</u>
Total deferred outflows of resources	<u>60,647,703</u>	<u>58,743,621</u>	-	407,704	<u>60,647,703</u>	<u>59,151,325</u>
Long-term liabilities	583,734,070	627,113,284	-	1,156,307	583,734,070	628,269,591
Other liabilities	<u>54,691,484</u>	<u>48,725,815</u>	-	-	<u>54,691,484</u>	<u>48,725,815</u>
Total liabilities	<u>638,425,554</u>	<u>675,839,099</u>	-	1,156,307	<u>638,425,554</u>	<u>676,995,406</u>
Total deferred inflows of resources	<u>51,304,524</u>	<u>39,211,516</u>	-	360,014	<u>51,304,524</u>	<u>39,571,530</u>
Net position:						
Net investment in capital assets	7,679,973	(12,306,211)	-	-	7,679,973	(12,306,211)
Restricted	26,558,452	29,392,990	-	-	26,558,452	29,392,990
Unrestricted	<u>(58,617,548)</u>	<u>(55,821,696)</u>	<u>619,461</u>	<u>(365,689)</u>	<u>(57,998,087)</u>	<u>(56,187,385)</u>
Total net position	<u>\$ (24,379,123)</u>	<u>(38,734,917)</u>	<u>619,461</u>	<u>(365,689)</u>	<u>(23,759,662)</u>	<u>(39,100,606)</u>

A portion of the District's net position reflects its investment in capital assets (e.g. land, buildings, furniture, and equipment) less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the District's net position represents resources that are subject to external restrictions on how they may be used (e.g. debt service). This surplus is not an indication that the District has significant resources available to meet financial obligations next year, but rather the result of having long-term commitments that are less than currently available resources.

Governmental activities. Program and general revenues for the current fiscal year totaled \$267,002,641 a 2.3% increase from the prior year. Expenses for the current fiscal year totaled \$252,656,199 which is a decrease of 1.8% from the prior year. The increase in governmental net position is primarily due to strong tax collections and state funding.

Key elements of the increase or decrease are shown in the table on the following page:

Table 2
Hays Consolidated Independent School District
Net Position

	Governmental Activities		Business-type Activities		Totals	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Revenues:						
Program revenues:						
Charges for services	\$ 1,517,232	4,741,420	2,573,644	1,609,065	4,090,876	6,350,485
Operating grants and contributions	42,416,544	39,873,798	-	-	42,416,544	39,873,798
General revenues:						
Maintenance and operations taxes	88,128,431	83,911,312	-	-	88,128,431	83,911,312
Debt service taxes	48,377,199	43,030,316	-	-	48,377,199	43,030,316
Grants and contributions not restricted	84,600,303	87,219,968	-	-	84,600,303	87,219,968
Investment earnings	195,111	1,935,782	-	-	195,111	1,935,782
Miscellaneous local and intermediate	1,767,821	219,299	-	-	1,767,821	219,299
Total revenues	<u>267,002,641</u>	<u>260,931,895</u>	<u>2,573,644</u>	<u>1,609,065</u>	<u>269,576,285</u>	<u>262,540,960</u>
Expenses:						
Instruction	140,143,525	137,456,087	-	-	140,143,525	137,456,087
Instructional resources and media services	3,163,537	3,669,508	-	-	3,163,537	3,669,508
Curriculum and staff development	2,150,436	2,504,046	-	-	2,150,436	2,504,046
Instructional leadership	5,377,485	4,836,333	-	-	5,377,485	4,836,333
School leadership	13,627,153	13,778,291	-	-	13,627,153	13,778,291
Guidance, counseling, and evaluation services	7,573,322	7,711,396	-	-	7,573,322	7,711,396
Social work services	274,529	265,824	-	-	274,529	265,824
Health services	2,561,082	2,445,998	-	-	2,561,082	2,445,998
Student transportation	11,465,368	13,281,818	-	-	11,465,368	13,281,818
Food services	7,565,576	9,250,030	-	-	7,565,576	9,250,030
Extracurricular activities	6,267,691	5,517,340	-	-	6,267,691	5,517,340
General administration	5,181,293	5,049,263	-	-	5,181,293	5,049,263
Facilities maintenance and operations	22,382,830	21,173,841	-	-	22,382,830	21,173,841
Security and monitoring services	2,401,413	1,961,404	-	-	2,401,413	1,961,404
Data processing services	5,705,460	5,563,587	-	-	5,705,460	5,563,587
Community services	366,375	388,932	-	-	366,375	388,932
Interest on long-term debt	13,065,865	17,786,038	-	-	13,065,865	17,786,038
Bond issuance costs and fees	782,927	19,490	-	-	782,927	19,490
Facilities acquisition and construction	1,059,159	3,429,518	-	-	1,059,159	3,429,518
Payments related to shared services arrangements	587,331	211,762	-	-	587,331	211,762
Other intergovernmental charges	953,842	896,922	-	-	953,842	896,922
Childcare services	-	-	1,579,142	1,731,347	1,579,142	1,731,347
Total expenses	<u>252,656,199</u>	<u>257,197,428</u>	<u>1,579,142</u>	<u>1,731,347</u>	<u>254,235,341</u>	<u>258,928,775</u>
Transfers	<u>9,352</u>	<u>-</u>	<u>(9,352)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Position	<u>14,355,794</u>	<u>3,734,467</u>	<u>985,150</u>	<u>(122,282)</u>	<u>15,340,944</u>	<u>3,612,185</u>
Net Position, beginning	<u>(38,734,917)</u>	<u>(42,469,384)</u>	<u>(365,689)</u>	<u>(243,407)</u>	<u>(39,100,606)</u>	<u>(42,712,791)</u>
Net Position, ending	<u><u>\$ (24,379,123)</u></u>	<u><u>(38,734,917)</u></u>	<u><u>619,461</u></u>	<u><u>(365,689)</u></u>	<u><u>(23,759,662)</u></u>	<u><u>(39,100,606)</u></u>

Property taxes, including penalties and interest, increased 7.5% and accounted for 51% of total 2020-2021 revenues. This revenue increase was the result of additional property values related to new businesses and residential construction, and a corresponding reduction in state funding due to property tax increases. The District reduced its tax rate for operations from \$0.970 to \$0.906 for 2020-2021. The tax rate for debt service remained steady for 2020-2021 at \$0.4977.

Business-type Activities. Revenues of the District’s business-type activities represent \$2,573,644 from child care operations at District campuses.

Financial Analysis of the District’s Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements, bond covenants, and segregation for particular purposes.

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

As of the end of the current fiscal year, the District’s governmental funds reported combined ending fund balances of \$116,724,486. A complete listing of fund balances at June 30, 2021, is shown in the following table:

Fund Balances	At June 30, 2021
General Fund, Assigned	\$ 8,182,398
General Fund, Non-spendable	5,059,267
General Fund, Unassigned	58,513,212
Food Service, Restricted & Non-spendable	2,870,054
Capital Projects, Restricted	12,593,338
Debt Service, Restricted	29,506,217
Total Fund Balances	<u>\$ 116,724,486</u>

The General Fund increased its total fund balance by \$4,256,265. The total fund balance of \$71,754,877 at June 30, 2021 represents a 6.3% increase over the prior year. Expenditures were less than anticipated in all areas, especially in instruction and facilities maintenance and operations, which contributed to the overall increase in total fund balance. A portion of the remaining budget was due to purchases on order with \$3,461,576 of fund balance rolled over to 2021-2022.

The Debt Service Fund has a total fund balance of \$29,506,217, all of which is restricted for the payment of debt service.

The Capital Projects Fund has a total fund balance of \$12,593,338, which represents funds remaining from current and prior year bond sales. These funds are restricted for the construction and renovation of school buildings and purchase of equipment and land.

Other governmental funds, which consist of Special Revenue Funds, have a total fund balance of \$2,870,054, a decrease of \$700,763 from the prior year.

General Fund Budgetary Highlights

The District's budgets have continually included budget reductions and revenue enhancements in an effort to maximize the use of existing resources and meet the needs of a fast-growth district. The ability to provide additional teachers and staff, maintain student-to-teacher ratios, support core operations, expand technology systems and maintain competitive salaries continues to be a challenge.

In recent years, the District has consistently moved toward the adoption of a balanced budget while maintaining its current maintenance and operations tax rate of \$1.04. In 2013-2014 and 2014-2015 the District adopted general fund deficit budgets of (\$1,933,100) and (\$466,444) respectively. The District adopted a balanced budget in 2015-2016, due in large part to the funding efforts of the 84th Legislature, strong property value growth, and additional budget cuts and revenue enhancements. Reduction of state funding due to the elimination of ASATR and property value growth saw the District's return to deficit operating budgets in 2016-2017, 2017-2018, 2018-2019, and 2019-2020. The 2016-2017 budgeted deficit was (\$1,828,618), the 2017-2018 original budget reflected a deficit of (\$3,417,041), the 2018-2019 adopted budget reflected a deficit of (\$5,987,344), the 2019-2020 adopted budget reflected a deficit of (\$1,908,173), the 2020-2021 adopted budget reflected a deficit of (\$2,529,396), and the 2021-2022 adopted budget reflected a deficit of (\$4,720,822) which is reflective of the funding challenges faced by school districts with the return to formula funding. These budgets enabled the district to maintain competitive wages, address student enrollment growth and staffing needs, and expand programs.

Over the course of the current fiscal year, actual expenditures were less than final budget amounts for the General Fund. Positive variances were widespread, primarily in the functional categories of instruction, maintenance, and technology.

Capital Assets and Debt Administration

Capital Assets. At the end of 2021, the District had invested \$455,767,765 in a broad range of capital assets, including land, construction in progress, furniture, equipment, and buildings. This amount represents a net decrease (including depreciation, additions and deductions) of \$12,068,978 from last year. Total depreciation expense for the current fiscal year was \$16,992,302 charged proportionately to the various functions/programs of the District. 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 \$484,019,607 in bonds payable outstanding. Additional information about the District's debt is presented in Note 9 of this report.

The District maintains a "AAA" rating from Moody's and Fitch for general obligation debt based upon the guarantee from the State of Texas Permanent School Fund (PSF). Prior to sale of bonds in October 2020, the District received a bond rating from Fitch Ratings of AAA and Moody's issued an underlying rating of Aaa.

Economic Factors and Next Year's Budgets and Rates

- The District's 2021-22 enrollment for budget purposes was 21,846, an increase of 379 students or 1.77% from 2020-2021 budgeted enrollment of 21,467. This equates to a refined average daily attendance (ADA) of 20,059 (95% student attendance rate). Actual enrollment for 2021-22 was 21,411 at the PEIMS snapshot date. Senate Bill 15 (SB 15) was sent to the governor to be signed into law on September 1, 2021. Upon the governor's signature of the bill, local educational agencies (LEAs) may receive full ADA funding for students who attend local remote learning programs at any point during the 2021-22 school year if that remote instruction meets the requirements set by SB 15. Additionally, the Texas Education Agency has proposed change - 3.8.1.4 Low-Attendance Day Waiver to the Student and Accounting Handbook stating, for the 2021-2022 school year only, a district may choose to use prior year documentation from either the 2019–2020 school year or 2020–2021 school year to apply for a low attendance waiver.

- Net taxable value used for the 2022 budget is estimated at \$10,576,425,535, based on the Hays, Caldwell, and Travis County Appraisal District's (CADs) 2021 certified estimate of property values. This is an increase of \$1,852,755,040 (21.24%) over CADs certified values for 2020.
- Employee compensation increases were based on 4.0% of the midpoint of each classes respective pay schedules. The District increased the health insurance contribution by \$14/month (\$168 annually) for a total monthly contribution of \$400 for the District's self-funded health insurance plan allowing the District to continue offering one medical plan that is \$0 cost for employee only coverage. Total positions (FTE) budgeted for the General Fund were 2,837, an increase of 78 budgeted (FTE) positions over the prior year.
- Campus and department budgets were budgeted based on the anticipated needs for the upcoming year.
- The District's 2021-22 total tax rate is \$1.3597 per \$100/valuation, with a Maintenance and Operations tax of \$.8720 and Interest and Sinking of \$0.4877. This represents a \$.044 decrease from the 2020-21 tax rate.
- As part of the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act, the District received funding from the Elementary and Secondary School Emergency Relief Fund (ESSER II) in the amount of \$7,749,327. The ESSER II grant is a federal fund source that is separate from the Foundation School Program (FSP) allotment. However, because ESSER II funding is used as a method of finance for the 2020-2021 ADA Hold Harmless, local educational agencies (LEA) must combine the ESSER II grant with the remainder of the normal FSP allotment in order to account for the total FSP allotment. Utilizing ESSER II funds as a method of finance will assist in maintaining state funding for future years. If a district did not apply for the ESSER II grant, it would result in a net loss of overall revenue. The District also received funding under the ESSER III grant in the amount of \$11,602,592 for 2021-22 to help with costs associated with learning loss, health, and safety due to the COVID-19 pandemic.

The operating budget increased \$9.4 million for 2021-22 which is a 3.5% increase in projected expenditures over the prior year. The largest increases in the budget were for new schools, additional teachers to address enrollment growth, and employee compensation. If budget estimates are realized, the District's General Fund balance is expected to decrease \$4.7 million by the close of 2021-22 before any one-time uses of fund balance. Additional information regarding the District's budget can be found at www.hayscisd.net.

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 District's Financial Services Department at (512) 268-2141, or log on to www.hayscisd.net.

Basic Financial Statements

Hays Consolidated Independent School District
Statement of Net Position
June 30, 2021

	Governmental Activities	Business-type Activities	Total
Assets:			
Current assets:			
Cash and cash equivalents	\$ 106,593,236	127,374	106,720,610
Receivables:			
Property taxes - delinquent	4,256,705	-	4,256,705
Allowance for uncollectible taxes	(915,955)	-	(915,955)
Due from other governments	32,942,776	-	32,942,776
Internal balances	(492,087)	492,087	-
Other receivables	1,314,602	-	1,314,602
Inventory	176,443	-	176,443
Prepaid items	5,059,767	-	5,059,767
Total current assets	148,935,487	619,461	149,554,948
Noncurrent assets:			
Capital assets (net of accumulated depreciation):			
Land	19,345,068	-	19,345,068
Buildings and improvements	417,422,247	-	417,422,247
Furniture and equipment	14,117,793	-	14,117,793
Construction in progress	4,882,657	-	4,882,657
Total noncurrent assets	455,767,765	-	455,767,765
Total assets	604,703,252	619,461	605,322,713
Deferred Outflows of Resources:			
Deferred charges on bond refundings	23,338,477	-	23,338,477
Pension contributions after measurement date	3,782,076	-	3,782,076
Deferred outflows related to pension liability	19,508,003	-	19,508,003
OPEB contributions after measurement date	983,275	-	983,275
Deferred outflows related to OPEB liability	13,035,872	-	13,035,872
Total deferred outflows of resources	60,647,703	-	60,647,703
Liabilities:			
Current liabilities:			
Accounts payable	3,577,416	-	3,577,416
Payroll deductions and withholdings payable	277,311	-	277,311
Accrued wages payable	15,511,060	-	15,511,060
Due to fiduciary funds	6,441	-	6,441
Due to other governments	4,879,203	-	4,879,203
Due to student groups	63,804	-	63,804
Bond interest payable	6,558,266	-	6,558,266
Compensated absences	849,422	-	849,422
Bonds payable	18,210,000	-	18,210,000
Unearned revenue	4,758,561	-	4,758,561
Total current liabilities	54,691,484	-	54,691,484
Noncurrent liabilities:			
Compensated absences	5,718,097	-	5,718,097
Bonds payable	465,809,607	-	465,809,607
Net pension liability	55,182,532	-	55,182,532
Net OPEB liability	57,023,834	-	57,023,834
Total noncurrent liabilities	583,734,070	-	583,734,070
Total liabilities	638,425,554	-	638,425,554
Deferred Inflows of Resources:			
Deferred inflows related to pension liability	9,548,462	-	9,548,462
Deferred inflows related to OPEB liability	41,756,062	-	41,756,062
Total deferred inflows of resources	51,304,524	-	51,304,524
Net Position:			
Net investment in capital assets	7,679,973	-	7,679,973
Restricted for:			
Debt service	23,688,398	-	23,688,398
Food service	2,870,054	-	2,870,054
Unrestricted	(58,617,548)	619,461	(57,998,087)
Total net position	\$ (24,379,123)	619,461	(23,759,662)

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

Hays Consolidated Independent School District

Statement of Activities

Year Ended June 30, 2021

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	\$ 140,143,525	450,146	27,984,074	(111,709,305)	-	(111,709,305)
Instructional resources and media services	3,163,537	-	179,502	(2,984,035)	-	(2,984,035)
Curriculum and staff development	2,150,436	-	816,782	(1,333,654)	-	(1,333,654)
Instructional leadership	5,377,485	-	949,448	(4,428,037)	-	(4,428,037)
School leadership	13,627,153	-	919,807	(12,707,346)	-	(12,707,346)
Guidance, counseling, and evaluation services	7,573,322	-	1,144,190	(6,429,132)	-	(6,429,132)
Social work services	274,529	-	17,166	(257,363)	-	(257,363)
Health services	2,561,082	-	185,537	(2,375,545)	-	(2,375,545)
Student transportation	11,465,368	-	672,471	(10,792,897)	-	(10,792,897)
Food services	7,565,576	474,026	6,138,051	(953,499)	-	(953,499)
Extracurricular activities	6,267,691	446,636	291,147	(5,529,908)	-	(5,529,908)
General administration	5,181,293	-	516,572	(4,664,721)	-	(4,664,721)
Facilities maintenance and operations	22,382,830	146,424	1,077,776	(21,158,630)	-	(21,158,630)
Security and monitoring services	2,401,413	-	426,544	(1,974,869)	-	(1,974,869)
Data processing services	5,705,460	-	294,079	(5,411,381)	-	(5,411,381)
Community services	366,375	-	83,933	(282,442)	-	(282,442)
Interest on long-term debt	13,065,865	-	-	(13,065,865)	-	(13,065,865)
Bond issuance costs and fees	782,927	-	434,539	(348,388)	-	(348,388)
Facilities acquisition and construction	1,059,159	-	-	(1,059,159)	-	(1,059,159)
Payments related to shared services arrangements	587,331	-	284,926	(302,405)	-	(302,405)
Other intergovernmental charges	953,842	-	-	(953,842)	-	(953,842)
Total governmental activities	<u>\$ 252,656,199</u>	<u>1,517,232</u>	<u>42,416,544</u>	<u>(208,722,423)</u>	<u>-</u>	<u>(208,722,423)</u>
Business-type activities-						
Childcare - District-wide	\$ 1,579,142	2,573,644	-	-	994,502	994,502
Total business-type activities	<u>\$ 1,579,142</u>	<u>2,573,644</u>	<u>-</u>	<u>-</u>	<u>994,502</u>	<u>994,502</u>
Total primary government	<u>\$ 254,235,341</u>	<u>4,090,876</u>	<u>42,416,544</u>	<u>(208,722,423)</u>	<u>994,502</u>	<u>(207,727,921)</u>
General revenues and other:						
Property taxes levied for general purposes				\$ 88,128,431	-	88,128,431
Property taxes levied for debt service				48,377,199	-	48,377,199
State aid-formula grants				84,600,303	-	84,600,303
Investment earnings				195,111	-	195,111
Miscellaneous				1,767,821	-	1,767,821
Transfers				9,352	(9,352)	-
Total general revenues and other				<u>223,078,217</u>	<u>(9,352)</u>	<u>223,068,865</u>
Change in net position				14,355,794	985,150	15,340,944
Net position - beginning				<u>(38,734,917)</u>	<u>(365,689)</u>	<u>(39,100,606)</u>
Net position - ending				<u>\$ (24,379,123)</u>	<u>619,461</u>	<u>(23,759,662)</u>

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

Hays Consolidated Independent School District

Balance Sheet

Governmental Funds

June 30, 2021

	General	Debt Service	Capital Projects	Education Stabilization Fund - ESSER II	Nonmajor Governmental Funds	Total Governmental Funds
Assets:						
Cash and cash equivalents	\$ 54,375,311	28,972,791	17,949,330	-	4,373,106	105,670,538
Receivables:						
Property taxes - delinquent	2,830,484	1,426,221	-	-	-	4,256,705
Allowance for uncollectible taxes	(634,100)	(281,855)	-	-	-	(915,955)
Due from other governments	21,870,397	129,507	-	7,749,327	3,193,545	32,942,776
Due from other funds	14,942,762	-	434,539	-	1,733	15,379,034
Other receivables	1,172,049	-	-	-	142,553	1,314,602
Inventories	-	-	-	-	155,217	155,217
Prepaid items	5,059,267	-	-	-	500	5,059,767
Total assets	<u>\$ 99,616,170</u>	<u>30,246,664</u>	<u>18,383,869</u>	<u>7,749,327</u>	<u>7,866,654</u>	<u>163,862,684</u>
Liabilities, Deferred Inflows of Resources and Fund Balances:						
Liabilities:						
Accounts payable	\$ 1,552,632	-	1,672,438	-	347,637	3,572,707
Payroll deductions and withholdings payable	277,311	-	-	-	-	277,311
Accrued wages payable	15,141,091	-	-	-	369,969	15,511,060
Due to other governments	4,879,203	-	-	-	-	4,879,203
Due to other funds	500,261	-	4,118,093	7,749,327	3,509,881	15,877,562
Due to student groups	63,804	-	-	-	-	63,804
Unearned revenue	3,989,448	-	-	-	769,113	4,758,561
Total liabilities	<u>26,403,750</u>	<u>-</u>	<u>5,790,531</u>	<u>7,749,327</u>	<u>4,996,600</u>	<u>44,940,208</u>
Deferred inflows of resources-						
Deferred revenue - property taxes	<u>1,457,543</u>	<u>740,447</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,197,990</u>
Fund balances:						
Non-spendable -						
Prepaid items	5,059,267	-	-	-	500	5,059,767
Restricted for:						
Debt service	-	29,506,217	-	-	-	29,506,217
Authorized construction	-	-	12,593,338	-	-	12,593,338
Food service	-	-	-	-	2,869,554	2,869,554
Assigned to:						
Subsequent fiscal year's budget deficit	4,720,822	-	-	-	-	4,720,822
Purchases on order	3,461,576	-	-	-	-	3,461,576
Unassigned	58,513,212	-	-	-	-	58,513,212
Total fund balances	<u>71,754,877</u>	<u>29,506,217</u>	<u>12,593,338</u>	<u>-</u>	<u>2,870,054</u>	<u>116,724,486</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 99,616,170</u>	<u>30,246,664</u>	<u>18,383,869</u>	<u>7,749,327</u>	<u>7,866,654</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.	455,741,906
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	2,197,990
The internal service fund is used by management to charge the costs of insurance and employee day care to individual funds.	
The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.	965,074
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	(484,019,607)
Less: Deferred charges on refundings	23,338,477
Interest payable	(6,558,266)
Compensated absences	(6,567,519)
Net pension liability	(55,182,532)
Pension contributions after measurement date	3,782,076
Deferred outflows related to pension liability	19,508,003
Deferred inflows related to pension liability	(9,548,462)
Net OPEB liability	(57,023,834)
OPEB contributions after measurement date	983,275
Deferred outflows related to OPEB liability	13,035,872
Deferred inflows related to OPEB liability	(41,756,062)
Net position of governmental activities	<u>\$ (24,379,123)</u>

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

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

	General	Debt Service	Capital Projects	Education Stabilization Fund - ESSER II	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:						
Local and intermediate sources	\$ 91,200,108	48,534,852	24,117	-	525,387	140,284,464
State program revenues	94,197,640	613,352	-	-	3,874,585	98,685,577
Federal program revenues	2,545,354	-	-	7,749,327	15,856,948	26,151,629
Total revenues	187,943,102	49,148,204	24,117	7,749,327	20,256,920	265,121,670
Expenditures:						
Current:						
Instruction	104,974,201	-	733,116	7,749,327	9,939,273	123,395,917
Instructional resources and media services	2,591,845	-	91,108	-	-	2,682,953
Curriculum and staff development	1,290,009	-	-	-	739,266	2,029,275
Instructional leadership	4,436,802	-	-	-	642,576	5,079,378
School leadership	11,839,064	-	-	-	76,515	11,915,579
Guidance, counseling, and evaluation services	6,143,728	-	-	-	683,076	6,826,804
Social work services	263,035	-	-	-	-	263,035
Health services	2,254,381	-	-	-	18,871	2,273,252
Student transportation	9,811,453	-	-	-	83,585	9,895,038
Food services	-	-	-	-	7,316,720	7,316,720
Extracurricular activities	5,721,852	-	-	-	430	5,722,282
General administration	4,871,389	-	-	-	-	4,871,389
Facilities maintenance and operations	20,567,597	-	323,496	-	314,493	21,205,586
Security and monitoring services	2,075,379	-	98,115	-	323,150	2,496,644
Data processing services	5,117,471	-	49,667	-	-	5,167,138
Community services	246,614	-	-	-	100,263	346,877
Debt service:						
Principal on long-term debt	-	34,325,000	-	-	-	34,325,000
Interest on long-term debt	-	18,660,349	-	-	-	18,660,349
Bond issuance costs and fees	-	782,927	-	-	-	782,927
Facilities acquisition and construction	300,342	-	3,973,849	-	434,539	4,708,730
Payments related to shared services arrangements	302,405	-	-	-	284,926	587,331
Other intergovernmental charges	953,842	-	-	-	-	953,842
Total expenditures	183,761,409	53,768,276	5,269,351	7,749,327	20,957,683	271,506,046
Excess (deficiency) of revenues over (under) expenditures	4,181,693	(4,620,072)	(5,245,234)	-	(700,763)	(6,384,376)
Other Financing Sources (Uses):						
Issuance of refunding bonds	-	98,675,000	-	-	-	98,675,000
Premium on sale of bonds	-	13,204,278	-	-	-	13,204,278
Payment to refunding bond escrow agent	-	(111,111,080)	-	-	-	(111,111,080)
Proceeds from sale of property	12,096	-	-	-	-	12,096
Transfers in	62,476	1,081,551	-	-	-	1,144,027
Transfers out	-	-	(1,134,399)	-	-	(1,134,399)
Total other financing sources (uses)	74,572	1,849,749	(1,134,399)	-	-	789,922
Net change in fund balances	4,256,265	(2,770,323)	(6,379,633)	-	(700,763)	(5,594,454)
Fund balances - beginning	67,498,612	32,276,540	18,972,971	-	3,570,817	122,318,940
Fund balances - ending	\$ 71,754,877	29,506,217	12,593,338	-	2,870,054	116,724,486

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

Hays Consolidated 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

Net change in fund balances-total governmental funds	\$ (5,594,454)
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	4,923,324
Depreciation expense	(16,992,302)
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	(310,860)
Bond 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.	
Repayment of bond principal	34,325,000
Issuance of bonds, including premiums	(111,879,278)
Payment to refunded bond escrow agent	111,111,080
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	716,491
Amortization of deferred charges on bond refundings	(2,445,270)
Amortization of bond premiums	7,323,263
Change in compensated absences	(1,226,525)
Pension contributions made during the measurement year	3,782,076
Change in pension contributions made after the measurement date	299,205
Proportionate share of collective pension expense	(2,361,762)
Adjustment for ending deferred inflows and outflows related to net pension liability	(7,421,000)
OPEB contributions made during the measurement year	1,140,146
Change in OPEB contributions made after the measurement date	37,491
Proportionate share of collective OPEB expense	11,036,397
Adjustment for ending deferred inflows and outflows related to net OPEB liability	(12,118,513)
The internal service fund is used by management to charge the costs of insurance and employee day care to individual funds. The net revenue of the internal service fund is reported with governmental activities.	
	11,285
Change in net position of governmental activities	<u><u>\$ 14,355,794</u></u>

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

Hays Consolidated 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 with
	Original	Final	Amounts	Final Budget
Revenues:				
Local and intermediate sources	\$ 88,257,397	92,001,827	91,200,108	(801,719)
State program revenues	102,997,133	104,135,082	94,197,640	(9,937,442)
Federal program revenues	2,583,000	3,068,285	2,545,354	(522,931)
Total revenues	193,837,530	199,205,194	187,943,102	(11,262,092)
Expenditures:				
Current:				
Instruction	111,268,074	112,983,441	104,974,201	8,009,240
Instructional resources and media services	2,686,456	2,705,984	2,591,845	114,139
Curriculum and staff development	4,394,895	2,989,627	1,290,009	1,699,618
Instructional leadership	4,866,624	4,953,821	4,436,802	517,019
School leadership	12,100,694	12,212,131	11,839,064	373,067
Guidance, counseling, and evaluation services	6,860,734	6,898,797	6,143,728	755,069
Social work services	269,052	283,500	263,035	20,465
Health services	2,251,762	2,303,708	2,254,381	49,327
Student transportation	11,291,406	11,324,704	9,811,453	1,513,251
Extracurricular activities	5,508,225	6,538,070	5,721,852	816,218
General administration	5,191,355	5,210,709	4,871,389	339,320
Facilities maintenance and operations	20,348,895	24,481,009	20,567,597	3,913,412
Security and monitoring services	2,805,352	2,825,273	2,075,379	749,894
Data processing services	5,085,338	5,280,172	5,117,471	162,701
Community services	270,526	268,713	246,614	22,099
Facilities acquisition and construction	-	309,402	300,342	9,060
Payments related to shared service arrangements	330,538	307,405	302,405	5,000
Other intergovernmental charges	837,000	962,000	953,842	8,158
Total expenditures	196,366,926	202,838,466	183,761,409	19,077,057
Excess (deficiency) of revenues over (under) expenditures	(2,529,396)	(3,633,272)	4,181,693	7,814,965
Other Financing Sources:				
Proceeds from sale of property	-	-	12,096	12,096
Transfers in	-	-	62,476	62,476
Total other financing sources	-	-	74,572	74,572
Net change in fund balance	(2,529,396)	(3,633,272)	4,256,265	7,889,537
Fund balance - beginning	67,498,612	67,498,612	67,498,612	-
Fund balance - ending	\$ 64,969,216	63,865,340	71,754,877	7,889,537

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

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

	Business-type Activities- Nonmajor Enterprise Funds	Governmental Activities- Nonmajor Internal Service Funds	Total Proprietary Funds
Assets:			
Current assets:			
Cash and cash equivalents	\$ 127,374	\$ 922,698	\$ 1,050,072
Inventory	-	21,226	21,226
Due from other funds	492,087	-	492,087
Total current assets	619,461	943,924	1,563,385
Noncurrent assets:			
Furniture and equipment	-	76,178	76,178
Depreciation on furniture and equipment	-	(50,319)	(50,319)
Total noncurrent assets	-	25,859	25,859
Total assets	619,461	969,783	1,589,244
Liabilities-			
Current liabilities-			
Accounts payable	-	4,709	4,709
Total liabilities	-	4,709	4,709
Net Position:			
Invested in capital assets	-	25,859	25,859
Unrestricted	619,461	939,215	1,558,676
Total net position	\$ 619,461	\$ 965,074	\$ 1,584,535

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

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

	Business-type Activities- Nonmajor Enterprise Funds	Governmental Activities- Nonmajor Internal Service Funds	Total Proprietary Funds
Operating revenues:			
Local and intermediate sources	\$ 2,483,656	\$ 393,265	\$ 2,876,921
State program revenues	89,988	9,353	99,341
Total operating revenues	<u>2,573,644</u>	<u>402,618</u>	<u>2,976,262</u>
Operating expenses:			
Payroll costs	1,543,179	185,737	1,728,916
Professional and contract services	7,187	123,166	130,353
Supplies and materials	20,744	81,754	102,498
Other operating costs	8,032	400	8,432
Total operating expenses	<u>1,579,142</u>	<u>391,057</u>	<u>1,970,199</u>
Operating income	994,502	11,561	1,006,063
Transfers out	<u>(9,352)</u>	<u>(276)</u>	<u>(9,628)</u>
Change in net position	985,150	11,285	996,435
Net position - beginning	<u>(365,689)</u>	<u>953,789</u>	<u>588,100</u>
Net position - ending	<u><u>\$ 619,461</u></u>	<u><u>\$ 965,074</u></u>	<u><u>\$ 1,584,535</u></u>

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

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

	Business-type Activities- Nonmajor Enterprise Funds	Governmental Activities- Nonmajor Internal Service Funds	Total Proprietary Funds
Cash Flows From Operating Activities:			
Receipts from interfund services provided	\$ -	393,265	393,265
Receipts from customers	1,997,682	-	1,997,682
Payments to suppliers	(27,931)	(192,686)	(220,617)
Payments to employees	(1,543,179)	(185,737)	(1,728,916)
Other receipts	(1,026,661)	(149,603)	(1,176,264)
Net cash used in operating activities	(600,089)	(134,761)	(734,850)
Cash Flows from Noncapital Financing Activities-			
Transfers to other funds	(9,352)	(276)	(9,628)
Net decrease in cash and cash equivalents	(609,441)	(135,037)	(744,478)
Cash and cash equivalents - beginning of the year	736,815	1,057,735	1,794,550
Cash and cash equivalents - end of the year	\$ 127,374	922,698	1,050,072
Reconciliation of Operating Income to Net Cash Used in Operating Activities:			
Operating income	\$ 994,502	11,561	1,006,063
Adjustments to reconcile operating income to net cash used in operating activities:			
Change in assets and liabilities:			
Decrease in inventory	-	8,895	8,895
Increase in due from other funds	(485,974)	-	(485,974)
Increase in accounts payable	-	3,339	3,339
Changes related to net pension liability	(328,310)	(47,084)	(375,394)
Changes related to net OPEB liability	(780,307)	(111,472)	(891,779)
Net cash used in operating activities	\$ (600,089)	(134,761)	(734,850)

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

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

	Private Purpose Trust	Custodial Funds
Assets:		
Cash and cash equivalents	\$ 66,294	\$ 2,420,846
Due from other funds	-	8,174
Other receivables	-	152,897
	<hr/>	<hr/>
Total assets	<u>\$ 66,294</u>	<u>\$ 2,581,917</u>
Liabilities:		
Accounts payable	\$ -	\$ 22,399
Unearned revenue	5,383	-
Due to other funds	-	1,733
Due to student groups	-	2,449,335
	<hr/>	<hr/>
Total liabilities	<u>\$ 5,383</u>	<u>\$ 2,473,467</u>
Net Position:		
Restricted for student groups	-	108,450
Held in trust for private purposes	60,911	-
	<hr/>	<hr/>
Total net position	<u>\$ 60,911</u>	<u>\$ 108,450</u>

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

Hays Consolidated Independent School District
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended June 30, 2021

	Private Purpose Trust	Custodial Funds
Additions:		
Local and intermediate sources	\$ 70,280	\$ -
Enterprising services	-	2,624,043
Total additions	70,280	2,624,043
Deductions:		
Professional and contracted services	16,206	-
Supplies and materials	802	-
Other operating costs	33,238	2,515,593
Total deductions	50,246	2,515,593
Change in net position	20,034	108,450
Net position - beginning	40,877	-
Net position - ending	<u>\$ 60,911</u>	<u>\$ 108,450</u>

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

**Notes to the
Basic Financial Statements**

Hays Consolidated 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 related to the Hays Consolidated Independent School District (the “District”), 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 having 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 Board 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, interest income, and property taxes. Delinquent property taxes at year end that are not collected within sixty days of 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.

The Education Stabilization Fund - ESSER II is a major special revenue fund and includes funds for a federally financed program in which resources are for a specific purpose determined by a grantor.

The District has no major Enterprise funds.

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.

Enterprise Funds are proprietary funds and are used to account for District activities for which outside users are charged a fee roughly equal to the cost of providing the goods or services of those activities. The District's nonmajor Enterprise Funds consist of the Campus Childcare Funds, the School Based Health Clinic, and the Community Education Program.

Internal Service Funds are proprietary funds and are used to account for the District's workers compensation insurance and the print shop.

The Private Purpose Trust Fund is a fiduciary trust fund and is used to account for the principal and income that benefit individuals in the form of scholarships and a training seminar for music instruction.

Custodial Funds are unbudgeted funds and are used to account for activities of student groups.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods 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 insurance and the print shop. Operating expenses include administrative 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 District is not legally required to adopt a budget for the Education Stabilization Fund - ESSER II. Therefore, budget comparison information for the Education Stabilization Fund - ESSER II is not included in the District's financial statements. The debt service function in the Debt Service Fund exceeded the budgeted amount by \$52,606 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 30, and encumbrances outstanding at that time are to be either canceled or provided for in the subsequent year's budget. At June 30, 2021, there was \$3,461,576 in encumbrances that were provided for in the subsequent year's budget.

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

Investments - Temporary investments throughout the fiscal year consisted of investments in external local government investment pools (reported within cash and cash equivalents). Local government securities are recognized at fair value and the external local government pools 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.

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.

Inventories - Inventories 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, construction in progress, buildings and improvements, and furniture and equipment, 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 and an estimated useful life in excess of two years. Such assets are recorded at historical cost if purchased or at 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 construction in progress) are depreciated using the straight-line method over the following estimated useful lives: buildings and improvements - 20 to 39 years, vehicles - 10 years, and furniture and equipment - 5 to 15 years.

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. It is the District’s policy to permit some employees to accumulate earned but unused vacation and sick pay benefits. Such benefits are accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Insurance - As of September 1, 2004, the District is no longer self-insured for its workers’ compensation insurance. All outstanding claims prior to the switch are handled by the District and are accounted for in the Workers’ Compensation Internal Service Fund.

The District also provides health care benefits to its employees under a health care insurance plan. The insurance is provided by a licensed insurer.

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 Balance/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 for proprietary fund types, the District considers all liquid investments 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 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
- Banker's acceptance
- Commercial paper
- Money market funds and no-load mutual funds
- 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 was \$8,126,489 and the bank balance was \$11,388,328.

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 TEA 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:

- Name of depository bank: Wells Fargo Bank, N.A.
- Amount of bond and/or security pledged as of the date of the highest combined balance on deposit was \$24,094,427.
- Largest cash, savings and time deposit combined account balance amounted to \$19,370,364 and occurred during the month of May 2021.
- Total amount of FDIC coverage at the time of highest combined balance was \$500,000.

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	\$ 2,374,614	1	AAAm
TexasTERM	44,955,047	1	AAAm
Lone Star	53,751,600	1	AAAm
Total	<u>\$ 101,081,261</u>		

The District had investments in three external local government investment pools at June 30, 2020. Texas Local Governmental Investment Pool ("TexPool"), Texas TERM Local Investment Pool ("TexasTERM"), and Lone Star Investment Pool ("Lone Star"). Although TexPool, TexasTERM, and Lone Star are not registered with the SEC as investment companies, they operate in a manner consistent with the SEC's Rule 2a7-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 nonparticipants 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.

TexasTERM is organized in conformity with the Public Funds Investment Act. TexasTERM provides for a fixed rate, fixed-term investment for a period of 60 days to one year. TexasDAILY is a portfolio of TexasTERM and provides daily access to funds. TexasTERM is overseen by an advisory board composed of participants and non-participant members elected by the participant shareholders of TexasTERM. The advisory board is responsible for the overall management of TexasTERM, including formulation and implementation of its investment and operating policies. In addition, the advisory board members select and oversee the activities of the investment advisor and custodian of TexasTERM and monitor investment performance and the method of valuing the shares. TexasTERM is a floating net assets value fund, which is a non-2a7 fund. It is a fundamental objective of TexasTERM to assure the return of principal and interest at the date planned for redemption of shares; however the net asset value of shares may fluctuate prior to the planned redemption date.

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 nonparticipants. RBC Dain Rauscher, 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.

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 - At June 30, 2021, investments were included in external local government 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 was not exposed to concentration of credit risk.

Interest Rate Risk - As a means of minimizing risk of loss due to interest rate fluctuations, the investment policy requires that maturities for internally created pool fund groups will not exceed the dollar weighted average maturity limits. Maturities of any other individual investment owned by the District should not exceed three years from the time of purchase. The Board may specifically authorize 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 Hays Central 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 Appraisal District's tax department 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 \$9,818,256,253. The District levied taxes based on a combined tax rate of \$1.4037 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 (HB 3), passed by the 86th Texas Legislature, was one of the most transformative Texas education bills in recent history infusing more than \$11 billion into the public school system. HB 3 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, funded 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, HB 3 focused on four major policy areas: teacher support, improving student outcomes, increasing funding, and reduction and reform of property taxes and recapture.

HB 3 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 HB 3, recapture and non-recapture school districts are treated more equitably, and districts only pay tier one recapture on the amount above their formula entitlement. HB 3 modified 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 as of 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. In addition, the District has entered into interlocal agreements with local governments in which the District is to be reimbursed for certain costs. 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	Education Stabilization Fund - ESSER II	Nonmajor Governmental Funds	Total
State entitlements	\$ 21,331,866	129,507	-	-	21,461,373
Federal and state grants	-	-	7,749,327	3,193,545	10,942,872
Other	538,531	-	-	-	538,531
Total	<u>\$ 21,870,397</u>	<u>129,507</u>	<u>7,749,327</u>	<u>3,193,545</u>	<u>32,942,776</u>

5. Interfund Receivables, Payables and Transfers

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	Education Stabilization	\$ 7,749,327
General	Nonmajor Governmental	3,075,342
General	Capital Projects	4,118,093
Capital Projects	Nonmajor Governmental	434,539
Nonmajor Governmental	Custodial	1,733
Custodial	General	8,174
Nonmajor Enterprise	General	492,087
Total		<u>\$ 15,879,295</u>

During the year, the District transferred \$1,081,551 from the Capital Projects Fund to the Debt Service Fund to make early payments on outstanding bonds. The Capital Projects Fund, Nonmajor Enterprise Funds and Nonmajor Internal Service Funds transferred \$52,848, \$9,352 and \$276, respectively, to the General Fund to reimburse the General Fund for administrative costs.

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	\$ 3,569,642	554,259	4,123,901
Prepaid food service accounts	-	214,854	214,854
Other	419,806	-	419,806
Total	<u>\$ 3,989,448</u>	<u>769,113</u>	<u>4,758,561</u>

7. Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 19,107,950	237,118	-	19,345,068
Construction in progress	<u>2,422,175</u>	<u>3,559,980</u>	<u>(1,099,498)</u>	<u>4,882,657</u>
Total capital assets not being depreciated	<u>21,530,125</u>	<u>3,797,098</u>	<u>(1,099,498)</u>	<u>24,227,725</u>
Capital assets, being depreciated:				
Buildings and improvements	588,279,837	1,188,223	-	589,468,060
Furniture and equipment	<u>41,023,801</u>	<u>1,037,501</u>	<u>(151,282)</u>	<u>41,910,020</u>
Total capital assets being depreciated	<u>629,303,638</u>	<u>2,225,724</u>	<u>(151,282)</u>	<u>631,378,080</u>
Less accumulated depreciation for:				
Buildings and improvements	(157,394,375)	(14,651,438)	-	(172,045,813)
Furniture and equipment	<u>(25,602,645)</u>	<u>(2,340,864)</u>	<u>151,282</u>	<u>(27,792,227)</u>
Total accumulated depreciation	<u>(182,997,020)</u>	<u>(16,992,302)</u>	<u>151,282</u>	<u>(199,838,040)</u>
Total capital assets, being depreciated, net	<u>446,306,618</u>	<u>(14,766,578)</u>	<u>-</u>	<u>431,540,040</u>
Governmental activities capital assets, net	<u>\$ 467,836,743</u>	<u>(10,969,480)</u>	<u>(1,099,498)</u>	<u>455,767,765</u>

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

Governmental activities:

Instruction	\$ 11,427,279
Instructional resources and media services	362,685
Curriculum and staff development	26,098
Instructional leadership	91,675
School leadership	958,502
Guidance, counseling, and evaluation services	436,653
Health services	177,022
Student transportation	1,214,264
Food services	290,060
Extracurricular activities	403,592
General administration	78,781
Facilities maintenance and operations	1,054,826
Security and monitoring services	85,441
Data processing services	385,424
Total depreciation expense - governmental activities	<u>\$ 16,992,302</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:

	Beginning Balance	Additions	Retirements	Ending Balance
Deferred charges on refundings	<u>\$ 14,317,667</u>	<u>11,466,080</u>	<u>(2,445,270)</u>	<u>23,338,477</u>

9. Long-Term Debt

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

	Beginning Balance	Additions	Retirements	Ending Balance
General obligation bonds	\$ 465,770,000	98,675,000	(133,970,000)	430,475,000
Premium on bonds	47,663,592	13,204,278	(7,323,263)	53,544,607
Total	<u>\$ 513,433,592</u>	<u>111,879,278</u>	<u>(141,293,263)</u>	<u>484,019,607</u>

Bonded debt consists 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
2011 Refunding	10-28-11	8,230,000	2023	4.00%	4,265,000	2,085,000
2012 Refunding	3-29-12	8,310,000	2024	3.50 - 3.75%	2,425,000	-
2012A Refunding	11-15-12	91,070,000	2024	2.37 - 5.00%	25,770,000	8,175,000
2013	5-16-13	54,475,000	2024	2.00 - 5.00%	7,975,000	2,615,000
2014	8-27-14	51,655,000	2025	2.00 - 5.00%	6,330,000	1,465,000
2015 Refunding	12-8-15	8,505,000	2033	4.00%	8,505,000	-
2016 Refunding	6-22-16	55,465,000	2038	4.00 - 5.00%	54,810,000	-
2017	8-9-17	160,340,000	2042	2.00 - 5.00%	149,820,000	1,140,000
2017 Refunding	12-28-17	25,460,000	2038	2.00 - 5.00%	20,655,000	640,000
2018A	9-13-18	42,020,000	2042	3.00 - 5.00%	34,680,000	2,090,000
2018B	9-18-18	29,925,000	2043	2.70 - 7.00%	17,835,000	-
2020A	10-29-20	28,640,000	2026	2.00 - 3.00%	28,445,000	-
2020B	10-29-20	70,035,000	2039	1.70 - 5.00%	68,960,000	-
Total		<u>\$ 634,130,000</u>			<u>\$ 430,475,000</u>	<u>\$ 18,210,000</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 2021 is \$0.4977.

In August 2020, the District made early payments of \$6,083,182 on its Series 2004, Series 2007, Series 2016, and Series 2018B bonds prior to their scheduled maturity dates. This included \$5,810,000 and \$273,182 of principal and accrued interest, respectively. These early payments resulted in overall debt service savings to the District of approximately \$2,628,000.

In June 2021, the District made early payments of \$9,998,798 on its Series 2018B bonds prior to its scheduled maturity date. This included \$9,615,000 and \$383,798 of principal and accrued interest, respectively. These early payments resulted in overall debt service savings to the District of approximately \$6,085,000.

On October 29, 2020, the District issued \$28,640,000 in Unlimited Tax Refunding Bonds, Series 2020A and \$70,035,000 in Unlimited Tax Refunding Bonds, Taxable Series 2020B to advance refund certain outstanding obligations of the District and lower its overall debt service requirements. The net proceeds of \$31,161,024 (after payment of \$746,336 in underwriting fees and other issuance costs) was deposited as follows: \$111,111,080 with an escrow agent to provide the debt service payment on the bonds that were advance refunded and \$21,863 in the Debt Service Fund for future principal and interest payments. As a result, \$99,645,000 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 \$11,466,080. This amount is recorded as a deferred outflow of resources and amortized over the remaining life of the debt. The advance refunding reduced debt service payments by approximately \$13,301,000 and resulted in an economic gain of approximately \$11,106,000.

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	\$ 18,210,000	17,177,260	35,387,260
2023	19,120,000	16,327,310	35,447,310
2024	30,305,000	15,945,433	46,250,433
2025	19,115,000	15,515,630	34,630,630
2026	17,120,000	14,743,680	31,863,680
2027 - 2031	97,810,000	60,589,876	158,399,876
2032 - 2036	100,830,000	40,202,249	141,032,249
2037 - 2041	104,335,000	18,572,782	122,907,782
2042 - 2044	23,630,000	1,230,176	24,860,176
Total	<u>\$ 430,475,000</u>	<u>200,304,396</u>	<u>630,779,396</u>

In the current and prior years, the District defeased certain outstanding general obligations bonds by placing the proceeds of the new bonds and additional payments from the District in an irrevocable trust to provide for the future debt service payments on the old bonds. Accordingly, the trust account assets and defeased bonds are not included in the District's financial statements. As of June 30, 2021, outstanding bonds of \$107,380,000 are considered defeased.

The Series 2018B Bonds are variable interest bonds and will bear interest at a per annum rate of 2.70% through August 14, 2023. Thereafter, the bonds will bear interest at a rate or rates determined by the remarketing agent as provided in the bond order.

As of June 30, 2021, there were \$191,585,092 in 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 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 detail of the fund balances are included in the Governmental Funds Balance Sheet on page 14.

Fund balance of the District may be committed for a specific purpose by formal action of the Board, the District's highest level of decision-making authority. Commitments may be established, modified, or rescinded only through a resolution approved by the Board. The Board may also assign fund balance for a specific purpose.

In circumstances where an 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 lastly, unassigned fund balance.

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	Nonmajor Governmental Funds	Total
Property taxes	\$ 87,772,817	48,150,576	-	-	135,923,393
Food service	-	-	-	474,026	474,026
Investment income	151,461	15,653	24,117	3,880	195,111
Penalties, interest, and other tax related income	586,531	306,566	-	-	893,097
Co-curricular student activities	446,636	-	-	-	446,636
Other	2,242,663	62,057	-	47,481	2,352,201
Total	<u>\$ 91,200,108</u>	<u>48,534,852</u>	<u>24,117</u>	<u>525,387</u>	<u>140,284,464</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		\$ 4,475,960
FY 2021 Member Contributions		\$ 10,609,403
FY 2021 NECE On-behalf Contributions		\$ 8,339,353

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.

	<u>1% Decrease in Discount Rate (6.25%)</u>	<u>Discount Rate (7.25%)</u>	<u>1% Increase in Discount Rate (8.25%)</u>
District's proportionate share of the net pension liability	\$ 85,090,477	\$ 55,182,532	\$ 30,882,982

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 \$55,182,532 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	\$ 55,182,532
State's proportionate share that is associated with the District	<u>104,260,968</u>
Total	<u>\$159,443,500</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 0.1030% which was a decrease of 0.0070% 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 \$9,802,047 and revenue of \$12,540,279 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	\$ 100,759	\$ 1,539,998
Changes in actuarial assumptions	12,804,311	5,444,304
Difference between projected and actual investment earnings	1,117,123	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	5,485,810	2,564,160
Contributions paid to TRS subsequent to the measurement date	3,782,076	-
Total	<u>\$ 23,290,079</u>	<u>\$ 9,548,462</u>

The \$3,782,076 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	\$ 3,323,158
2023	3,694,701
2024	3,187,107
2025	857,638
2026	(946,449)
Thereafter	(156,614)

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		\$ 1,158,387
FY 2021 Member Contributions		\$ 933,629
FY 2021 NECE On-behalf Contributions		\$ 1,389,892

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	\$ 68,428,471	\$ 57,023,834	\$ 48,015,808

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	\$ 46,581,167	\$ 57,023,834	\$ 70,931,991

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 \$57,023,834 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	\$ 57,023,834
State's proportionate share that is associated with the District	<u>76,626,364</u>
Total	<u>\$133,650,198</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 0.1500% which was an increase of 0.0021% 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 \$171,181 and revenue of (\$532,065) 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	\$ 2,985,745	\$ 26,097,022
Changes in actuarial assumptions	3,517,185	15,659,040
Difference between projected and actual investment earnings	18,530	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	6,514,412	-
Contributions paid to TRS subsequent to the measurement date	983,275	-
Total	<u>\$ 14,019,147</u>	<u>\$ 41,756,062</u>

The \$983,275 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:

	<u>OPEB Expense Amount</u>
Year ended June 30:	
2022	\$ (4,890,266)
2023	(4,892,744)
2024	(4,894,160)
2025	(4,893,773)
2026	(3,370,640)
Thereafter	(5,778,607)

14. Health Care Coverage

During the year ended June 30, 2021, employees of the District were covered by a health insurance plan (the "Plan"). The District paid premiums of \$386 per month per employee to the Plan. Employees, at their option, authorized payroll withholdings to pay for any amount above the District contribution. All premiums were paid to TRS acting on behalf of the licensed insurer. The Plan was authorized by Article 3.51-2, Texas Insurance Code and was documented by contractual agreement.

15. 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 \$646,042 were received by TRS and allocated to the District.

16. 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.

17. Accumulated Unpaid Vacation and Sick Leave Benefits

The District pays employees, who have been employed in the District for a minimum of five years, for the number of unused local days equal to the number of unused State days accumulated, up to sixty days, upon resignation. The District also pays employees in positions that require twelve months of service for vacation days accumulated, up to thirty days, upon resignation. A summary of changes in the accumulated sick leave and vacation leave liability follows:

	Sick Leave	Vacation Leave
Balance, June 30, 2020	\$ 3,108,010	\$ 2,232,984
Additions - new entrants and salary increments	1,316,712	790,760
Deductions - payments to participants	(193,831)	(687,116)
Balance, June 30, 2021	<u>\$ 4,230,891</u>	<u>\$ 2,336,628</u>

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 for the year ended 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.

In September 2017, the District entered into a joint access and use agreement with the YMCA of Austin ("YMCA") whereas the District is entitled to use of a natatorium for thirty years in return for a \$5 million contribution that was used by the YMCA towards construction of said natatorium. Construction was completed in fiscal year 2020. The construction contribution will be expensed over the thirty years the District has access to the natatorium. As of June 30, 2021, \$4,833,333 is recorded as a prepaid item on the balance sheet.

As of June 30, 2021, the District is also committed under construction contracts with a remaining balance of \$17,460,218.

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. Management is actively managing operations to maintain the District's cash flow and believes that the District has adequate liquidity.

19. Subsequent Event

In August 2021, the District issued \$115,210,000 in Unlimited Tax School Building Bonds, Series 2021.

**Required
Supplementary Information**

Hays Consolidated Independent School District
Schedule of the District's Proportionate Share of the Net Pension Liability
Teacher Retirement System of Texas
June 30, 2021**

	2020*	2019*	2018*	2017*	2016*	2015*	2014*
District's proportion of the net pension liability	0.1030%	0.1100%	0.1066%	0.0994%	0.0902%	0.0878%	0.0510%
District's proportionate share of the net pension liability \$	55,182,532	\$ 57,197,381	\$ 58,693,359	\$ 31,770,629	\$ 34,098,555	\$ 31,049,988	\$ 13,613,723
State's proportionate share of the net pension liability associated with the District	104,260,968	91,906,282	98,173,836	58,074,567	65,644,031	60,887,151	52,171,690
Total	<u>\$ 159,443,500</u>	<u>\$ 149,103,663</u>	<u>\$ 156,867,195</u>	<u>\$ 89,845,196</u>	<u>\$ 99,742,586</u>	<u>\$ 91,937,139</u>	<u>\$ 65,785,413</u>
District's covered payroll (for Measurement Year)	\$ 140,253,376	\$ 127,063,211	\$ 120,101,227	\$ 113,979,417	\$ 102,945,706	\$ 95,029,809	\$ 90,650,174
District's proportionate share of the net pension liability as a percentage of its covered payroll	39.34%	45.01%	48.87%	27.87%	33.12%	32.67%	15.02%
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%
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%

* The amounts presented for each Plan year are as of August 31, plan information was unavailable prior to 2014.

** Schedule should provide ten years of Plan information, but data was unavailable prior to 2014.

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

	<u>2021</u>	<u>2020</u>	<u>2019*</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$ 4,475,960	\$ 4,153,412	\$ 3,225,071	\$ 3,652,161	\$ 3,255,042	\$ 2,867,002	\$ 2,561,538
Contributions in relation to the contractual required contributions	<u>(4,475,960)</u>	<u>(4,153,412)</u>	<u>(3,225,071)</u>	<u>(3,652,161)</u>	<u>(3,255,042)</u>	<u>(2,867,002)</u>	<u>(2,561,538)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 143,635,276	\$ 138,572,069	\$ 105,424,103	\$ 120,101,227	\$ 113,979,417	\$ 102,945,706	\$ 95,029,809
Contributions as a percentage of covered payroll	3.12%	3.00%	3.06%	3.04%	2.86%	2.78%	2.70%

* The contribution amounts presented for 2019 represent ten months as the District changed its fiscal year end from August 31 to June 30.

** Schedule should provide ten years of Plan information, but data was unavailable prior to 2015.

Hays Consolidated Independent School District
Schedule of the District's Proportionate Share of the Net OPEB Liability
Teacher Retirement System of Texas
June 30, 2021**

	<u>2020*</u>	<u>2019*</u>	<u>2018*</u>	<u>2017*</u>
District's proportion of the net OPEB liability	0.1500%	0.1479%	0.1438%	0.1357%
District's proportionate share of the net OPEB liability	\$ 57,023,834	\$ 69,927,624	71,781,008	58,998,894
State's proportionate share of the net OPEB liability associated with the District	<u>76,626,364</u>	<u>92,918,170</u>	<u>104,509,858</u>	<u>90,560,410</u>
Total	<u><u>\$ 133,650,198</u></u>	<u><u>\$ 162,845,794</u></u>	<u><u>176,290,866</u></u>	<u><u>149,559,304</u></u>
District's covered payroll (for Measurement Year)	\$ 140,253,376	\$ 127,063,211	120,101,227	113,979,417
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	42.67%	42.94%	40.72%	39.45%
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.

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

	2021	2020	2019*	2018	2017	2016	2015
Contractually required contributions	\$ 1,158,387	\$ 1,130,521	\$ 872,115	\$ 994,811	\$ 705,696	\$ 626,960	\$ 577,134
Contributions in relation to the contractual required contributions	<u>(1,158,387)</u>	<u>(1,130,521)</u>	<u>(872,115)</u>	<u>(994,811)</u>	<u>(705,696)</u>	<u>(626,960)</u>	<u>(577,134)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 143,635,276	\$ 138,572,069	\$ 105,424,103	\$ 120,101,227	\$ 102,945,706	\$ 95,029,809	\$ 95,029,809
Contributions as a percentage of covered payroll	0.81%	0.82%	0.83%	0.83%	0.69%	0.66%	0.61%

* The contribution amounts presented for 2019 represent ten months as the District changed its fiscal year end from August 31 to June 30.

** Schedule should provide ten years of Plan information, but data was unavailable prior to 2015.

Hays Consolidated 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 lowered the total OPEB Liability.
- The ultimate health care trend rate assumption was lowered from 4.50% to 4.25% as a result of Congress' repeal of the excise (Cadillac) tax on high-cost employer health plans in December 2019. This change lowered the total OPEB liability.

**Combining and Individual Fund
Statements and Schedules**

Hays Consolidated Independent School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2021

	206	211	224	225	240	244	255	263	266	276	277	289
	Education for Homeless Children & Youth	Title I Grants to Local Educational Agencies	Special Education Grants to States	Special Education Preschool Grants	National School Breakfast and Lunch Program	Career and Technical Education - Basic Grants to States	Supporting Effective Instruction State Grants	English Language Acquisition State Grants	Education Stabilization Fund - ESSER I	School Improvement Grants	Coronavirus Relief Fund	Student Support and Academic Enrichment Program
Assets:												
Cash and cash equivalents	\$ -	-	-	-	3,646,090	-	-	-	428,723	-	-	-
Receivables:												
Due from other governments	6,706	574,005	446,509	5,779	431,182	72,392	59,651	56,480	9,053	7,175	-	79,389
Due from other funds	-	-	-	-	1,733	-	-	-	-	-	-	-
Other receivables	-	-	-	-	142,553	-	-	-	-	-	-	-
Inventories	-	-	-	-	155,217	-	-	-	-	-	-	-
Prepaid items	-	-	-	-	500	-	-	-	-	-	-	-
Total assets	<u>\$ 6,706</u>	<u>574,005</u>	<u>446,509</u>	<u>5,779</u>	<u>4,377,275</u>	<u>72,392</u>	<u>59,651</u>	<u>56,480</u>	<u>437,776</u>	<u>7,175</u>	<u>-</u>	<u>79,389</u>
Liabilities and Fund balances:												
Liabilities:												
Accounts payable	\$ -	-	-	-	91,249	2,564	2,101	-	3,237	-	-	-
Accrued wages payable	-	-	-	-	369,969	-	-	-	-	-	-	-
Due to other funds	6,706	574,005	446,509	5,779	762,559	69,828	57,550	56,480	434,539	7,175	-	22,237
Unearned revenue	-	-	-	-	283,444	-	-	-	-	-	-	57,152
Total liabilities	<u>6,706</u>	<u>574,005</u>	<u>446,509</u>	<u>5,779</u>	<u>1,507,221</u>	<u>72,392</u>	<u>59,651</u>	<u>56,480</u>	<u>437,776</u>	<u>7,175</u>	<u>-</u>	<u>79,389</u>
Fund balances:												
Non-spendable	-	-	-	-	500	-	-	-	-	-	-	-
Restricted	-	-	-	-	2,869,554	-	-	-	-	-	-	-
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,870,054</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 6,706</u>	<u>574,005</u>	<u>446,509</u>	<u>5,779</u>	<u>4,377,275</u>	<u>72,392</u>	<u>59,651</u>	<u>56,480</u>	<u>437,776</u>	<u>7,175</u>	<u>-</u>	<u>79,389</u>

(continued)

Hays Consolidated Independent School District
Combining Balance Sheet
Nonmajor Governmental Funds (continued)
June 30, 2021

	385	386	397	410	427	429	481	489	498	499	
	Visually Impaired	Regional Day School for the Deaf	Advanced Placement Initiative	Instructional Materials Allotment	Deaf or Hard Hard of Hearing	Other State Grants	Education Foundation	San Marcos Civic Foundation Grant	All Together ATX United Way	Other Local	Total Nonmajor Governmental Funds
Assets:											
Cash and cash equivalents	\$ -	-	13,391	-	-	-	78,280	8,019	20,000	178,603	4,373,106
Receivables:											
Due from other governments	11,740	692,926	-	248,777	16,642	475,139	-	-	-	-	3,193,545
Due from other funds	-	-	-	-	-	-	-	-	-	-	1,733
Other receivables	-	-	-	-	-	-	-	-	-	-	142,553
Inventories	-	-	-	-	-	-	-	-	-	-	155,217
Prepaid items	-	-	-	-	-	-	-	-	-	-	500
Total assets	<u>\$ 11,740</u>	<u>692,926</u>	<u>13,391</u>	<u>248,777</u>	<u>16,642</u>	<u>475,139</u>	<u>78,280</u>	<u>8,019</u>	<u>20,000</u>	<u>178,603</u>	<u>7,866,654</u>
Liabilities and Fund balances:											
Liabilities:											
Accounts payable	\$ -	2,691	-	-	-	245,433	-	-	-	362	347,637
Accrued wages payable											369,969
Due to other funds	11,740	690,235	-	248,777	16,642	99,120	-	-	-	-	3,509,881
Unearned revenue	-	-	13,391	-	-	130,586	78,280	8,019	20,000	178,241	769,113
Total liabilities	<u>11,740</u>	<u>692,926</u>	<u>13,391</u>	<u>248,777</u>	<u>16,642</u>	<u>475,139</u>	<u>78,280</u>	<u>8,019</u>	<u>20,000</u>	<u>178,603</u>	<u>4,996,600</u>
Fund balances:											
Non-spendable	-	-	-	-	-	-	-	-	-	-	500
Restricted	-	-	-	-	-	-	-	-	-	-	2,869,554
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,870,054</u>
Total liabilities and fund balances	<u>\$ 11,740</u>	<u>692,926</u>	<u>13,391</u>	<u>248,777</u>	<u>16,642</u>	<u>475,139</u>	<u>78,280</u>	<u>8,019</u>	<u>20,000</u>	<u>178,603</u>	<u>7,866,654</u>

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

	206	211	224	225	240	244	255	263	266	276	277	289
	Education for Homeless Children & Youth	Title I Grants to Local Educational Agencies	Special Education Grants to States	Special Education Preschool Grants	National School Breakfast and Lunch Program	Career and Technical Education - Basic Grants to States	Supporting Effective Instruction State Grants	English Language Acquisition State Grants	Education Stabilization Fund - ESSER I	School Improvement Grants	Coronavirus Relief Fund	Student Support and Academic Enrichment Program
Revenues:												
Local and intermediate sources	\$ -	-	-	-	477,905	-	-	-	-	-	-	-
State program revenues	-	-	-	-	47,454	-	-	-	-	-	-	-
Federal program revenues	51,230	2,214,946	3,205,697	39,958	6,090,598	108,567	178,667	286,470	2,700,366	58,945	737,356	184,148
Total revenues	51,230	2,214,946	3,205,697	39,958	6,615,957	108,567	178,667	286,470	2,700,366	58,945	737,356	184,148
Expenditures:												
Instruction	31,294	1,719,986	2,213,601	39,958	-	57,978	-	285,750	2,058,589	58,945	524,405	-
Curriculum and staff development	-	443,400	-	-	-	14,101	178,667	-	3,240	-	-	-
Instructional leadership	19,936	-	498,669	-	-	36,488	-	-	-	-	-	-
School leadership	-	12,970	63,545	-	-	-	-	-	-	-	-	-
Guidance, counseling and evaluation services	-	-	429,882	-	-	-	-	-	-	-	-	96,448
Health services	-	-	-	-	-	-	-	-	5,689	-	13,182	-
Student transportation	-	-	-	-	-	-	-	-	7,163	-	76,422	-
Food services	-	-	-	-	7,316,720	-	-	-	-	-	-	-
Extracurricular activities	-	-	-	-	-	-	-	-	-	-	-	-
Facilities maintenance and operations	-	-	-	-	-	-	-	-	191,146	-	123,347	-
Security and monitoring services	-	-	-	-	-	-	-	-	-	-	-	87,700
Community services	-	38,590	-	-	-	-	-	720	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	434,539	-	-	-
Payments related to shared services arrangements	-	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	51,230	2,214,946	3,205,697	39,958	7,316,720	108,567	178,667	286,470	2,700,366	58,945	737,356	184,148
Net change in fund balances	-	-	-	-	(700,763)	-	-	-	-	-	-	-
Fund balance - beginning	-	-	-	-	3,570,817	-	-	-	-	-	-	-
Fund balance - ending	\$ -	-	-	-	2,870,054	-	-	-	-	-	-	-

(continued)

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

	385	386	397	410	427	429	481	489	498	499	Total Nonmajor Governmental Funds
	Visually Impaired	Regional Day School for the Deaf	Advanced Placement Initiative	Instructional Materials Allotment	Deaf or Hard Hard of Hearing	Other State Grants	Education Foundation	San Marcos Civic Foundation Grant	All Together ATX United Way	Other Local	
Revenues:											
Local and intermediate sources	\$ -	-	-	-	-	-	27,439	1,570	-	18,473	525,387
State program revenues	13,664	1,634,474	15,625	1,031,937	16,642	1,114,033	628	-	-	128	3,874,585
Federal program revenues	-	-	-	-	-	-	-	-	-	-	15,856,948
Total revenues	13,664	1,634,474	15,625	1,031,937	16,642	1,114,033	28,067	1,570	-	18,601	20,256,920
Expenditures:											
Instruction	13,664	1,370,345	-	1,031,937	-	516,985	15,512	-	-	324	9,939,273
Curriculum and staff development	-	82,568	15,625	-	-	-	95	1,570	-	-	739,266
Instructional leadership	-	80,397	-	-	-	3,001	-	-	-	4,085	642,576
School leadership	-	-	-	-	-	-	-	-	-	-	76,515
Guidance, counseling and evaluation services	-	66,433	-	-	16,642	73,671	-	-	-	-	683,076
Health services	-	-	-	-	-	-	-	-	-	-	18,871
Student transportation	-	-	-	-	-	-	-	-	-	-	83,585
Food services	-	-	-	-	-	-	-	-	-	-	7,316,720
Extracurricular activities	-	430	-	-	-	-	-	-	-	-	430
Facilities maintenance and operations	-	-	-	-	-	-	-	-	-	-	314,493
Security and monitoring services	-	-	-	-	-	235,450	-	-	-	-	323,150
Community services	-	34,301	-	-	-	-	12,460	-	-	14,192	100,263
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	434,539
Payments related to shared services arrangements	-	-	-	-	-	284,926	-	-	-	-	284,926
Total expenditures	13,664	1,634,474	15,625	1,031,937	16,642	1,114,033	28,067	1,570	-	18,601	20,957,683
Net change in fund balances	-	-	-	-	-	-	-	-	-	-	(700,763)
Fund balance - beginning	-	-	-	-	-	-	-	-	-	-	3,570,817
Fund balance - ending	\$ -	-	-	-	-	-	-	-	-	-	2,870,054

Hays Consolidated Independent School District
Combining Statement of Net Position
Nonmajor Internal Service Funds
June 30, 2021

	752	753	Total
	Print Shop	Insurance	Internal Service Funds
Assets:			
Current assets:			
Cash and cash equivalents	\$ 922,698	\$ -	\$ 922,698
Inventory	21,226	-	21,226
Total current assets	943,924	-	943,924
Noncurrent assets:			
Furniture and equipment	76,178	-	76,178
Depreciation on furniture and equipment	(50,319)	-	(50,319)
Total noncurrent assets	25,859	-	25,859
Total assets	969,783	-	969,783
Liabilities-			
Current liabilities-			
Accounts payable	4,709	-	4,709
Total liabilities	4,709	-	4,709
Net Position:			
Invested in capital assets	25,859	-	25,859
Unrestricted	939,215	-	939,215
Total net position	\$ 965,074	\$ -	\$ 965,074

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

	752	753	
	Print Shop	Insurance	Totals
Operating revenues:			
Local and intermediate sources	\$ 393,265	\$ -	\$ 393,265
State program revenues	9,353	-	9,353
Total operating revenues	402,618	-	402,618
Operating expenses:			
Payroll costs	185,737	-	185,737
Professional and contracted services	123,166	-	123,166
Supplies and materials	81,754	-	81,754
Other operating costs	400	-	400
Total operating expenses	391,057	-	391,057
Operating income	11,561	-	11,561
Transfers out	-	(276)	(276)
Change in net position	11,561	(276)	11,285
Net position - beginning	953,513	276	953,789
Net position - ending	\$ 965,074	\$ -	\$ 965,074

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

	752	753	
	Print Shop	Insurance	Totals
Cash Flows from Operating Activities:			
Receipts from interfund services provided	\$ 393,265	\$ -	\$ 393,265
Payments to suppliers	(192,686)	-	(192,686)
Payments to employees	(185,737)	-	(185,737)
Other receipts	(149,603)	-	(149,603)
Net cash used in operating activities	(134,761)	-	(134,761)
Cash Flows from Noncapital Financing Activities-			
Transfer to other funds	-	(276)	(276)
Net decrease in cash and cash equivalents	(134,761)	(276)	(135,037)
Cash and cash equivalents - beginning of the year	1,057,459	276	1,057,735
Cash and cash equivalents -end of the year	\$ 922,698	\$ -	\$ 922,698
Reconciliation of Operating Income to			
Net Cash Used in Operating Activities:			
Operating income	\$ 11,561	\$ -	\$ 11,561
Adjustments to reconcile operating income to net cash used in operating activities:			
Change in assets and liabilities:			
Decrease in inventory	8,895	-	8,895
Increase in accounts payable	3,339	-	3,339
Changes related to net pension liability	(47,084)	-	(47,084)
Changes related to net OPEB liability	(111,472)	-	(111,472)
Net cash used in operating activities	\$ (134,761)	\$ -	\$ (134,761)

Hays Consolidated Independent School District
Combining Statement of Net Position
Nonmajor Enterprise Funds
June 30, 2021

	719	727	748	
	School Based Health Clinic	District-Wide Child Care	Community Education	Totals
Assets-				
Current assets:				
Cash and cash equivalents	\$ -	\$ 127,374	\$ -	\$ 127,374
Due from other funds	-	492,087	-	492,087
Total assets	-	619,461	-	619,461
Net Position-				
Unrestricted	-	619,461	-	619,461
Total net position	\$ -	\$ 619,461	\$ -	\$ 619,461

Hays Consolidated Independent School District
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Nonmajor Enterprise Funds
Year Ended June 30, 2021

	719	727	748	
	School Based Health Clinic	District-Wide Child Care	Community Education	Totals
Operating revenues:				
Local and intermediate sources	\$ -	\$ 2,483,656	\$ -	\$ 2,483,656
State program revenues	-	89,988	-	89,988
Total operating revenues	-	2,573,644	-	2,573,644
Operating expenses:				
Payroll costs	-	1,543,179	-	1,543,179
Professional and contracted services	-	7,187	-	7,187
Supplies and materials	-	20,744	-	20,744
Other operating costs	-	8,032	-	8,032
Total operating expenses	-	1,579,142	-	1,579,142
Operating income	-	994,502	-	994,502
Transfers out	(7,175)	-	(2,177)	(9,352)
Change in net position	(7,175)	994,502	(2,177)	985,150
Net position - beginning	7,175	(375,041)	2,177	(365,689)
Net position - ending	\$ -	\$ 619,461	\$ -	\$ 619,461

Hays Consolidated Independent School District
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
Year Ended June 30, 2021

	719	727	748	
	School Based Health Clinic	District-Wide Child Care	Community Education	Totals
Cash Flows from Operating Activities:				
Receipts from customers	\$ -	\$ 1,997,682	\$ -	\$ 1,997,682
Payments to suppliers	-	(27,931)	-	(27,931)
Payments to employees	-	(1,543,179)	-	(1,543,179)
Other payments	-	(1,026,661)	-	(1,026,661)
Net cash used in operating activities	-	(600,089)	-	(600,089)
Cash Flows from Noncapital Financing Activities-				
Transfers to other funds	(7,175)	-	(2,177)	(9,352)
Net change in cash and cash equivalents	(7,175)	(600,089)	(2,177)	(609,441)
Cash and cash equivalents - beginning of the year	7,175	727,463	2,177	736,815
Cash and cash equivalents - end of the year	\$ -	127,374	-	127,374
Reconciliation of Operating Income to				
Net Cash Used in Operating Activities:				
Operating income	\$ -	\$ 994,502	\$ -	\$ 994,502
Adjustments to reconcile operating income to net cash used in operating activities:				
Change in assets and liabilities:				
Increase in due from other funds	-	(485,974)	-	(485,974)
Changes related to net pension liability	-	(328,310)	-	(328,310)
Changes related to net OPEB liability	-	(780,307)	-	(780,307)
Net cash used in operating activities	\$ -	\$ (600,089)	\$ -	\$ (600,089)

Hays Consolidated Independent School District
Major Governmental Fund - Debt Service Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	with Final Budget
Revenues:				
Local and intermediate sources	\$ 43,715,670	47,290,670	48,534,852	1,244,182
State program revenues	-	613,352	613,352	-
Total revenues	43,715,670	47,904,022	49,148,204	1,244,182
Expenditures-				
Debt service:				
Principal on long-term debt	24,720,000	34,325,000	34,325,000	-
Interest on long-term debt	18,970,670	18,660,349	18,660,349	-
Bond issuance costs and fees	25,000	730,321	782,927	(52,606)
Total expenditures	43,715,670	53,715,670	53,768,276	(52,606)
Excess (deficiency) of revenues over (under) expenditures	-	(5,811,648)	(4,620,072)	1,191,576
Other Financing Sources (Uses):				
Issuance of refunding bonds	-	-	98,675,000	98,675,000
Premium on sale of bonds	-	-	13,204,278	13,204,278
Payment to refunding bond escrow agent	-	-	(111,111,080)	(111,111,080)
Transfers in	-	1,081,000	1,081,551	551
Total other financing sources, net	-	1,081,000	1,849,749	768,749
Net change in fund balance	-	(4,730,648)	(2,770,323)	1,960,325
Fund balance - beginning	32,276,540	32,276,540	32,276,540	-
Fund balance - ending	\$ 32,276,540	27,545,892	29,506,217	1,960,325

Hays Consolidated Independent School District
Nonmajor Special Revenue Fund - Food Service Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	with Final Budget
Revenues:				
Local and intermediate sources	\$ 3,727,116	3,727,116	477,905	(3,249,211)
State program revenues	45,093	45,093	47,454	2,361
Federal program revenues	6,130,966	6,130,966	6,090,598	(40,368)
Total revenues	9,903,175	9,903,175	6,615,957	(3,287,218)
Expenditures-				
Current-				
Food services	9,903,175	9,948,548	7,316,720	2,631,828
Total expenditures	9,903,175	9,948,548	7,316,720	2,631,828
Deficiency of revenues under expenditures	-	(45,373)	(700,763)	(655,390)
Fund balance - beginning	3,570,817	3,570,817	3,570,817	-
Fund balance - ending	\$ 3,570,817	3,525,444	2,870,054	(655,390)

Other Schedules

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

Years Ended	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	\$ -	\$ 657,322	-	33,288	13,719	(1,633)	608,682
2013	1.0400	0.4213	3,662,838,637	59,797	-	4,135	1,669	17	54,010
2014	1.0400	0.4213	3,977,355,300	65,540	-	4,651	1,877	(50)	58,962
2015	1.0400	0.4977	4,196,546,345	88,995	-	5,562	2,649	142	80,926
2016	1.0400	0.4977	4,560,295,636	109,084	-	8,198	3,906	(2,678)	94,302
2017	1.0400	0.4977	5,987,582,233	129,934	-	11,984	5,696	1,062	113,316
2018	1.0400	0.4977	6,825,171,269	218,435	-	17,470	8,298	(23,911)	168,756
2019	1.0400	0.4977	7,696,607,759	476,076	-	3,621	1,662	(189,742)	281,051
2020	0.9700	0.4977	8,815,735,614	2,409,513	-	801,634	399,259	(740,201)	468,419
2021	0.9060	0.4977	9,818,256,253	-	135,621,686	86,882,274	47,711,841	1,300,710	2,328,281
Totals				<u>\$ 4,214,696</u>	<u>135,621,686</u>	<u>87,772,817</u>	<u>48,150,576</u>	<u>343,716</u>	<u>4,256,705</u>

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

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.	\$ 15,060,963
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)	\$ 11,027,028
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 LEA'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.	\$ 2,461,518
AP8	List the actual direct program expenditures for bilingual education programs during the district's fiscal year. (PICs 25, 35)	\$ 2,653,260

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

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 Teacher Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies?	Yes
SF4	Was the school district issued a warrant hold?	No
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds?	No
SF6	Was there any disclosure in the Annual Financial Report of material noncompliance for grants, contracts, and laws related to local, state, or federal funds?	No
SF7	Did the school district post the required financial information on its website in accordance with Government Code, Local Government Code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules that were in effect at the school district's fiscal year end?	Yes
SF8	Did the school board members discuss the school district's property values at a board meeting within 120 days before the school district adopted its budget?	Yes
SF9	Total accumulated accretion on CABs included in government-wide financial statements at fiscal year-end	\$ -

Statistical Section

Statistical Section

This part of the District statistical annual comprehensive financial report presents detailed information as a context for understanding the information in the financial statements, note disclosures, and required supplementary information. The statistical section includes 19 schedules. These schedules fall within the following categories:

<u>Contents</u>	<u>Page</u>
Financial Trend Data	74
These schedules contain trend information on how the District's financial performance and well-being have changed over time.	
Revenue Capacity Data	81
These schedules contain information on the District's most significant local revenue source, the property tax.	
Debt Capacity Data	86
These schedules present information to help 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 Data	90
These schedules offer demographic and economic indicators to help understand the environment within which the District's financial activities take place.	
Operating Information	92
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the service the District provides and the activities it performs.	

Hays Consolidated Independent School District
Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)

Schedule 1

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities										
Net investment in capital assets	\$ (26,435,336)	(19,935,628)	(19,508,868)	(22,175,722)	(23,499,187)	(8,409,938)	(8,523,207)	(14,182,958)	(12,306,211)	7,679,973
Restricted	5,233,663	4,326,228	2,722,912	3,128,450	3,258,348	2,772,186	4,147,547	19,691,640	29,392,990	26,558,452
Unrestricted	<u>35,228,600</u>	<u>31,433,341</u>	<u>34,876,127</u>	<u>30,362,863</u>	<u>38,552,594</u>	<u>27,685,486</u>	<u>(53,379,575)</u>	<u>(47,978,066)</u>	<u>(55,821,696)</u>	<u>(58,617,548)</u>
	14,026,927	15,823,941	18,090,171	11,315,591	18,311,755	22,047,734	(57,755,235)	(42,469,384)	(38,734,917)	(24,379,123)
Business type activities										
Net investment in capital assets	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	<u>398,973</u>	<u>538,550</u>	<u>747,846</u>	<u>686,040</u>	<u>658,490</u>	<u>566,140</u>	<u>(256,908)</u>	<u>(243,407)</u>	<u>(365,689)</u>	<u>619,461</u>
	<u>398,973</u>	<u>538,550</u>	<u>747,846</u>	<u>686,040</u>	<u>658,490</u>	<u>566,140</u>	<u>(256,908)</u>	<u>(243,407)</u>	<u>(365,689)</u>	<u>619,461</u>
Primary Government										
Net investment in capital assets	(26,435,336)	(19,935,628)	(19,508,868)	(22,175,722)	(23,499,187)	(8,409,938)	(8,523,207)	(14,182,958)	(12,306,211)	7,679,973
Restricted	5,233,663	4,326,228	2,722,912	3,128,450	3,258,348	2,772,186	4,147,547	19,691,640	29,392,990	26,558,452
Unrestricted	<u>35,627,573</u>	<u>31,971,891</u>	<u>35,623,973</u>	<u>31,048,903</u>	<u>39,211,084</u>	<u>28,251,626</u>	<u>(53,636,483)</u>	<u>(48,221,473)</u>	<u>(56,187,385)</u>	<u>(57,998,087)</u>
	14,425,900	16,362,491	18,838,017	12,001,631	18,970,245	22,613,874	(58,012,143)	(42,712,791)	(39,100,606)	(23,759,662)
Total primary government net position	<u>\$ 14,425,900</u>	<u>16,362,491</u>	<u>18,838,017</u>	<u>12,001,631</u>	<u>18,970,245</u>	<u>22,613,874</u>	<u>(58,012,143)</u>	<u>(42,712,791)</u>	<u>(39,100,606)</u>	<u>(23,759,662)</u>

Prior to 2019, fiscal year-end was August 31.

Source of Information: Hays Consolidated Independent School District

Hays Consolidated Independent School District
Expenses, Program Revenue and Net (Expense)/Revenue
Last Ten Fiscal Years
(Accrual Basis of Accounting)

Schedule 2

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental activities:										
Instruction	\$ 77,074,761	78,775,589	85,352,568	92,184,631	104,811,892	108,247,784	114,814,051	109,548,648	137,456,087	140,143,525
Instructional resources and media services	2,156,431	2,138,611	2,193,184	2,182,374	2,291,674	2,340,974	2,883,062	3,600,426	3,669,508	3,163,537
Curriculum and staff development	1,379,454	1,583,342	1,721,020	2,411,741	3,325,715	3,663,644	2,868,662	2,143,610	2,504,046	2,150,436
Instructional leadership	1,790,933	1,875,678	1,919,744	2,462,739	3,106,845	3,311,840	3,498,890	3,064,944	4,836,333	5,377,485
School leadership	7,225,406	7,387,447	7,437,559	7,885,113	9,451,371	10,058,400	11,133,136	11,143,904	13,778,291	13,627,153
Guidance, counseling, and evaluation services	4,114,542	4,271,372	4,386,199	4,468,675	5,305,875	5,044,509	6,025,876	6,038,703	7,711,396	7,573,322
Social work services	147,551	150,432	146,646	168,984	242,288	535,162	329,784	379,618	265,824	274,529
Health services	1,706,732	1,781,732	1,750,795	1,830,198	1,880,450	1,929,862	2,053,262	2,011,596	2,445,998	2,561,082
Student transportation	9,487,052	9,791,739	9,457,529	9,153,845	9,912,603	10,475,450	10,928,526	10,526,351	13,281,818	11,465,368
Food services	7,571,737	7,435,752	7,690,558	8,009,110	9,167,980	8,548,077	8,543,174	8,160,367	9,250,030	7,565,576
Extracurricular activities	2,873,827	2,942,643	3,107,728	3,492,631	4,514,217	4,383,613	4,788,104	4,070,199	5,517,340	6,267,691
General administration	3,192,563	2,975,715	3,196,789	3,531,789	4,046,355	4,835,276	4,485,798	4,130,173	5,049,263	5,181,293
Facilities maintenance and operations	14,210,868	16,032,872	14,933,251	14,653,482	14,668,826	18,160,410	20,170,693	17,210,442	21,173,841	22,382,830
Security and monitoring services	1,055,392	1,070,168	1,183,355	1,161,956	1,225,486	1,501,888	1,721,178	1,810,633	1,961,404	2,401,413
Data processing services	2,379,850	2,715,920	2,627,362	3,760,478	4,661,911	4,832,224	5,387,084	4,441,789	5,563,587	5,705,460
Community services	268,038	224,473	251,532	283,275	385,802	342,092	301,028	350,869	388,932	366,375
Interest on long-term debt	15,253,570	13,774,776	12,266,520	14,049,166	11,746,371	12,260,504	14,907,519	15,230,566	17,786,038	13,065,865
Bond issuance costs and fees	3,450	4,200	356,508	11,154	614,954	1,120,642	282,390	634,293	19,490	782,927
Facilities acquisition and construction	-	-	-	-	-	-	5,504,580	8,236,643	3,429,518	1,059,159
Payments related to										
shared services arrangements	17,947	84,358	68,503	238,923	268,872	388,879	300,988	294,484	211,762	587,331
Other intergovernmental charges	564,597	554,831	544,826	607,143	619,561	674,577	709,013	772,909	896,922	953,842
Total governmental activities expense	152,474,701	155,571,650	160,592,176	172,547,407	192,249,048	202,655,807	221,636,798	213,801,167	257,197,428	252,656,199
Business-type activities:										
Childcare - District-wide	1,098,581	1,167,387	1,093,532	1,158,911	1,373,936	1,370,324	1,250,463	1,298,680	1,731,347	1,579,142
Other Enterprise Funds	52,460	58,832	45,599	20,312	44,852	84,983	35,554	-	-	-
Total business-type activities expense	1,151,041	1,226,219	1,139,131	1,179,223	1,418,788	1,455,307	1,286,017	1,298,680	1,731,347	1,579,142
Total primary government expenses	153,625,742	156,797,869	161,731,307	173,726,630	193,667,836	204,111,114	222,922,815	215,099,847	258,928,775	254,235,341

(continued)

Prior to 2019, fiscal year-end was August 31.

Source of Information: Hays Consolidated Independent School District

Hays Consolidated Independent School District
Expenses, Program Revenues and Net (Expense)/Revenue
Last Ten Fiscal Years
(Accrual Basis of Accounting)
Schedule 2 (continued)

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Program Revenues										
Governmental activities:										
Charges for services										
Instruction	\$ 602,354	536,549	434,144	471,626	466,365	555,058	1,165,042	628,376	1,542,679	450,146
Food services	2,603,301	2,753,560	2,796,458	2,848,084	2,986,824	2,978,148	3,350,262	3,278,676	2,636,047	474,026
Extracurricular activities	390,615	314,247	302,485	326,483	294,487	349,947	372,999	340,734	261,401	446,636
Facilities maintenance and operations	245,288	331,618	286,678	395,230	365,658	383,259	496,326	437,126	301,293	146,424
Community services	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	27,401,927	25,215,204	25,326,379	27,125,007	29,252,411	29,436,444	51,630,194	29,774,364	39,873,798	42,416,544
Total primary government program revenues	31,243,485	29,151,178	29,146,144	31,166,430	33,365,745	33,702,856	57,014,823	34,459,276	44,615,218	43,933,776
Business-type activities:										
District-Wide Childcare	1,258,656	1,299,247	1,295,167	1,242,848	1,345,536	1,332,703	1,395,607	1,312,181	1,609,065	2,573,644
School-based Health Clinic	55,065	66,549	53,260	11,094	45,702	30,254	29,483	-	-	-
Total business-type activities revenues	1,313,721	1,365,796	1,348,427	1,253,942	1,391,238	1,362,957	1,425,090	1,312,181	1,609,065	2,573,644
Total primary government revenues	32,557,206	30,516,974	30,494,571	32,420,372	34,756,983	35,065,813	58,439,913	35,771,457	46,224,283	46,507,420

Prior to 2019, fiscal year-end was August 31.

Source of Information: Hays Consolidated Independent School District

Hays Consolidated Independent School District
General Revenues and Total Change in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)
Schedule 3

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Net (Expense)/Revenue										
Governmental activities	\$ (121,231,216)	(126,420,472)	(131,446,032)	(141,380,977)	(158,883,303)	(168,768,951)	(164,621,975)	(179,341,891)	(212,582,210)	(208,722,423)
Business-type activities	162,680	139,577	209,296	74,719	(27,550)	(92,350)	139,073	13,501	(122,282)	994,502
Total primary government net expense	(121,068,536)	(126,280,895)	(131,236,736)	(141,306,258)	(158,910,853)	(168,861,301)	(164,482,902)	(179,328,390)	(212,704,492)	(207,727,921)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes levied for general purposes	39,819,191	42,438,140	44,123,473	48,011,760	54,407,063	62,826,641	70,597,077	78,569,804	83,911,312	88,128,431
Property taxes levied for debt service	16,162,668	16,975,648	17,865,332	22,993,340	26,096,066	30,061,633	33,793,448	37,581,262	43,030,316	48,377,199
State aid-formula grants	67,630,168	68,734,114	73,523,774	78,696,858	84,932,606	78,950,276	79,327,796	75,017,644	87,219,968	84,600,303
Investment earnings	100,693	104,920	69,273	146,896	387,648	657,291	2,669,340	3,303,183	1,935,782	195,111
Miscellaneous	46,059	120,132	186,303	45,423	56,084	9,089	923,095	155,849	219,299	1,767,821
Transfers	-	-	-	-	-	-	-	-	-	9,352
Total government activities	123,758,779	128,372,954	135,768,155	149,894,277	165,879,467	172,504,930	187,310,756	194,627,742	216,316,677	223,078,217
Business-type activities-Transfers	-	-	-	-	-	-	-	-	-	(9,352)
Total business-type activities	-	-	-	-	-	-	-	-	-	(9,352)
Total primary government	123,758,779	128,372,954	135,768,155	149,894,277	165,879,467	172,504,930	187,310,756	194,627,742	216,316,677	223,068,865
Change in Net Position										
Governmental activities	2,527,563	1,952,482	4,322,123	8,513,300	6,996,164	3,735,979	22,688,781	15,285,851	3,734,467	14,355,794
Business-type activities	162,680	139,577	209,296	74,719	(27,550)	(92,350)	139,073	13,501	(122,282)	985,150
Total primary government	\$ 2,690,243	2,092,059	4,531,419	8,588,019	6,968,614	3,643,629	22,827,854	15,299,352	3,612,185	15,340,944

Prior to 2019, fiscal year-end was August 31.

Source of Information: Hays Consolidated Independent School District

Hays Consolidated Independent School District
Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

Schedule 4

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Nonspendable	\$ -	1,275	60,927	25,430	63,306	32,862	1,300	2,370	5,378,352	5,059,267
Committed	1,320,000	1,290,000	2,280,000	5,375,000	4,931,000	8,725,000	3,509,200	1,736,899	-	-
Assigned	3,205,862	2,046,610	655,581	372,518	3,450,273	4,162,549	11,461,783	7,455,497	3,529,302	8,182,398
Unassigned	29,564,350	32,740,164	37,146,051	40,552,771	44,488,749	37,885,773	34,613,866	54,934,187	58,590,958	58,513,212
Total general fund	34,090,212	36,078,049	40,142,559	46,325,719	52,933,328	50,806,184	49,586,149	64,128,953	67,498,612	71,754,877
All Other Governmental Funds										
Nonspendable	-	913	-	-	841	512	500	500	500	500
Committed	-	-	-	-	-	-	-	-	-	-
Restricted:										
Debt service funds	3,913,075	1,652,119	1,340,834	1,633,963	1,444,389	1,142,137	2,006,431	23,349,912	32,276,540	29,506,217
Authorized construction	5,520,043	3,178,321	59,566,975	40,047,724	10,245,619	163,748,921	38,504,693	35,965,570	18,920,149	12,593,338
Grant funds	1,439,117	1,171,884	1,219,161	1,283,148	1,264,422	1,540,113	2,315,065	3,310,410	3,570,317	2,869,554
Assigned:										
Construction	677,114	487,575	476,993	452,876	284,000	55,749	51,085	52,144	52,822	-
Purchases on order	-	-	-	39,562	26,413	20,959	-	-	-	-
Total all other governmental funds	11,549,349	6,490,812	62,603,963	43,457,273	13,265,684	166,508,391	42,877,774	62,678,536	54,820,328	44,969,609
Total Governmental Funds	\$ 45,639,561	42,568,861	102,746,522	89,782,992	66,199,012	217,314,575	92,463,923	126,807,489	122,318,940	116,724,486

Prior to 2019, fiscal year-end was August 31.

Source of Information: Hays Consolidated Independent School District

Hays Consolidated Independent School District
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

Schedule 5

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues:										
Local and intermediate sources	\$ 60,272,037	63,425,781	66,325,038	75,258,464	84,863,053	98,435,018	113,607,423	124,315,788	133,333,660	140,284,464
State programs revenues	80,431,090	81,519,242	86,061,519	92,966,538	99,367,340	93,784,115	90,039,709	84,790,190	103,161,882	98,685,577
Federal programs revenues	14,427,706	11,812,792	12,542,845	11,045,109	13,111,617	13,541,311	13,846,370	13,004,528	16,396,007	26,151,629
Total Revenues	155,130,833	156,757,815	164,929,402	179,270,111	197,342,010	205,760,444	217,493,502	222,110,506	252,891,549	265,121,670
Expenditures by Function:										
Instruction	70,574,682	72,715,271	78,831,772	86,600,733	91,009,858	97,332,263	101,676,054	96,335,343	118,016,735	123,395,917
Instructional resources and media services	1,960,469	1,941,958	1,996,531	1,996,950	2,023,272	2,079,957	2,519,951	3,482,941	3,186,125	2,682,953
Curriculum and staff development	1,336,445	1,540,333	1,678,011	2,379,021	3,184,042	3,582,413	2,761,806	1,973,299	2,340,289	2,029,275
Instructional leadership	1,790,008	1,874,753	1,918,819	2,485,211	2,949,233	3,241,944	3,319,517	2,714,209	4,263,969	5,079,378
School leadership	6,705,384	6,865,771	6,915,883	7,418,698	8,512,099	9,292,350	9,978,796	9,433,122	11,565,750	11,915,579
Guidance, counseling, and evaluation services	3,907,427	4,063,716	4,178,543	4,297,038	4,838,321	4,686,444	5,481,817	5,332,461	6,701,183	6,826,804
Social work services	147,551	150,432	146,646	169,560	233,512	351,607	311,703	338,755	247,399	263,035
Health services	1,611,904	1,665,737	1,634,800	1,725,070	1,687,372	1,752,367	1,816,096	1,754,277	2,105,072	2,273,252
Student transportation	8,107,454	9,105,596	8,621,617	9,177,755	10,056,405	10,362,395	10,348,650	10,753,218	12,096,316	9,895,038
Food services	7,552,630	7,648,444	7,955,063	7,923,593	8,467,554	8,177,530	8,335,277	8,089,916	9,171,921	7,316,720
Extracurricular activities	2,813,710	2,854,163	2,973,678	3,469,851	3,710,759	4,066,622	4,374,590	3,763,401	5,010,967	5,722,282
General administration	3,028,963	2,944,382	3,167,448	3,531,979	3,928,900	4,792,565	4,417,563	3,930,886	4,760,888	4,871,389
Facilities maintenance and operations	13,068,866	13,482,765	14,065,597	13,943,176	15,148,240	18,397,915	19,462,584	15,984,059	19,387,247	21,205,586
Security and monitoring services	1,012,142	1,022,530	1,135,717	1,118,623	1,171,521	1,453,104	1,673,785	1,769,822	1,811,236	2,496,644
Data processing services	2,153,900	2,495,538	2,329,813	3,753,419	4,669,491	4,446,394	5,044,612	3,980,786	4,827,561	5,167,138
Community services	268,038	224,473	251,532	282,388	309,814	336,296	292,218	308,664	355,170	346,877
Debt service - principal on long-term debt	11,721,051	13,001,945	12,209,061	14,350,000	18,370,000	21,615,000	17,755,000	7,445,000	15,225,000	34,325,000
Debt service - interest on long-term debt	13,900,236	12,942,377	12,146,515	14,378,185	12,459,775	13,227,640	17,629,077	9,940,675	19,846,853	18,660,349
Debt service - bond issuance costs and fees	249,914	1,005,750	356,508	11,154	614,954	1,214,650	282,390	634,293	19,490	782,927
Facilities acquisition and construction	8,202,465	2,556,071	1,083,747	12,375,171	25,832,053	19,373,683	124,132,190	74,365,544	15,332,243	4,708,730
Payments related to										
shared services arrangements	17,947	84,358	68,503	238,923	268,872	388,879	300,988	294,484	211,762	587,331
Other intergovernmental charges	564,597	554,831	544,826	607,143	619,561	674,577	709,013	772,909	896,922	953,842
Total Expenditures by Function	\$ 160,695,783	160,741,194	164,210,630	192,233,641	220,065,608	230,846,595	342,623,677	263,398,064	257,380,098	271,506,046
Debt service as a % of noncapital expenditures	16.76%	16.38%	15.00%	16.15%	14.99%	16.10%	15.91%	9.26%	14.38%	19.88%

(continued)

Prior to 2019, fiscal year-end was August 31.

This table includes all governmental fund types of the Hays Consolidated Independent School District.

Revenue classifications are in accordance with those prescribed by the Texas Education Agency.

Source of Information: Hays Consolidated Independent School District

Hays Consolidated Independent School District
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

Schedule 5 (continued)

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Other financing Sources (Uses):										
General long-term debt issued	\$ -	-	51,655,000	-	-	160,340,000	-	71,945,000	-	-
Refunding bonds issued	16,540,000	145,545,000	-	-	63,970,000	-	25,460,000	-	-	98,675,000
Sale of assets	8,141	-	-	-	44,300	-	-	-	-	12,096
Loan proceeds	-	-	-	-	-	-	-	-	-	-
Premium/discount on issuance of bond	2,387,320	20,324,013	7,803,889	-	12,944,809	15,861,714	3,062,193	3,686,124	-	13,204,278
Special items	-	-	-	-	-	-	-	-	-	-
Transfers in	3,000,000	-	-	-	-	-	-	-	-	1,144,027
Transfers out	(3,000,000)	(164,800,866)	-	-	-	-	-	-	-	(1,134,399)
Payment to bond refunding escrow agent	(18,866,773)	-	-	-	77,819,491	-	(28,242,670)	-	-	(111,111,080)
Total Other Financing Sources (Uses)	68,688	1,068,147	59,458,889	-	154,778,600	176,201,714	279,523	75,631,124	-	789,922
Net change in fund balances	\$ (5,496,262)	(2,915,232)	60,177,661	(12,963,530)	132,055,002	151,115,563	(124,850,652)	34,343,566	(4,488,549)	(5,594,454)

Prior to 2019, fiscal year-end was August 31.

This table includes all governmental fund types of the Hays Consolidated Independent School District.

Revenue classifications are in accordance with those prescribed by the Texas Education Agency.

Source of Information: Hays Consolidated Independent School District

**Hays Consolidated Independent School District
Total Assessed and Net Taxable Value of Taxable Property
Last Ten Fiscal Years**

Schedule 6

Fiscal Year	Total Assessed Value	Total Exemptions and Freeze	Net Taxable Value	Maintenance and Operations Rate	Interest and Sinking Rate	Total Direct Rate
2012	3,885,200,709	322,181,051	3,563,019,658	1.0400	0.4213	1.4613
2013	4,002,355,218	361,619,586	3,708,352,333	1.0400	0.4213	1.4613
2014	4,236,806,475	327,245,090	3,910,777,705	1.0400	0.4213	1.4613
2015	4,596,630,106	372,920,957	4,223,693,653	1.0400	0.4977	1.4613
2016	5,188,876,490	434,955,806	4,765,260,525	1.0400	0.4977	1.5377
2017	6,060,543,294	542,394,429	5,518,026,709	1.0400	0.4977	1.5377
2018	6,825,443,446	674,922,912	6,150,271,472	1.0400	0.4977	1.5377
2019	7,700,928,093	813,360,123	6,887,567,970	1.0400	0.4977	1.5377
2020	8,816,679,378	955,419,806	7,861,259,572	0.9700	0.4977	1.5377
2021	9,818,256,253	1,094,585,758	8,723,670,495	0.9060	0.4977	1.4037

Notes:

Assessed Valuation for 2021 represents 5% personal property and 95% real/other property, before exemptions.

The major components of real property for 2021 are \$3,672,429,641 of land and \$8,246,966,821 of improvements before any exemptions.

Source of Information: Hays, Caldwell, and Travis Central Appraisal Districts July 25th Certified Valuation Reports.

**Hays Consolidated Independent School District
Property Tax Rates * - Direct and Major Overlapping Governments
Last Ten Fiscal Years**

Schedule 7

Fiscal Year	Hays Cons. Independent School District M/O	Hays Cons. Independent School District I & S	Hays Cons. Independent School District Total	City of Buda	City of Kyle	City of Hays	City of Mountain City	City of Niederwald
2012	1.0400	0.4213	1.46130	0.27130	0.52440	0.11640	0.11000	0.28750
2013	1.0400	0.4213	1.46130	0.29790	0.54830	0.11640	0.11900	0.28800
2014	1.0400	0.4977	1.53770	0.29780	0.53830	0.11640	0.12300	0.28800
2015	1.0400	0.4977	1.53770	0.29780	0.53830	0.11640	0.12300	0.28800
2016	1.0400	0.4977	1.53770	0.37040	0.57480	0.14000	0.12300	0.27880
2017	1.0400	0.4977	1.53770	0.36730	0.54160	0.14000	0.12300	0.26210
2018	1.0400	0.4977	1.53770	0.37100	0.54160	0.14000	0.12300	0.21660
2019	1.0400	0.4977	1.53770	0.34960	0.54160	0.13600	0.12300	0.16320
2020	0.9700	0.4977	1.46770	0.34230	0.52010	0.10960	0.11900	0.12260
2021	0.9060	0.4977	1.40370	0.34230	0.50820	0.10420	0.11030	0.11090

(continued)

* - Per \$100 of assessed valuation.

A maintenance and operations tax rate may be set above \$1.04 through tax ratification election.

N/A = not available

Source of Information: Hays County Tax Office, Caldwell County Tax Office and Travis County Tax Office

Hays Consolidated Independent School District
Property Tax Rates * - Direct and Major Overlapping Governments
Last Ten Fiscal Years
Schedule 7 (continued)

City of San Marcos	City of Uhland	Caldwell County	Hays County	Travis County	Austin Community College	Greenhawe WICD #2	North Hays County MUD #1	South Buda WICD #1	Sunfield MUD #1
0.53020	0.17000	0.69070	0.42520	0.50010	0.09510	0.85000	0.90000	0.90000	0.90000
0.53020	0.20950	0.69060	0.42520	0.49460	0.09490	0.85000	0.90000	0.90000	0.90000
0.53020	0.20600	0.69050	0.42520	0.45630	0.09420	0.85000	0.90000	0.90000	0.90000
0.53020	0.20600	0.69050	0.42520	0.45630	0.09420	0.85000	0.90000	0.90000	0.90000
0.53020	0.19490	0.77520	0.41620	0.38380	0.10200	0.60000	0.90000	0.90000	0.90000
0.61390	0.18000	0.77530	0.40120	0.36900	0.10080	0.45000	0.90000	0.90000	0.90000
0.61390	0.17510	0.77530	0.43370	0.35420	0.10480	0.35000	0.88000	0.90000	0.90000
0.61390	0.17510	0.74300	0.38990	0.35420	0.10490	0.31800	0.88000	0.90000	0.90000
0.59300	0.17510	0.70530	0.39240	0.37436	0.10580	0.25000	0.87000	0.90000	0.90000
0.60300	0.17510	0.67180	0.36290	0.35737	0.10480	0.23000	0.85750	0.89000	0.90000

* - Per \$100 of assessed valuation.

A maintenance and operations tax rate may be set above \$1.04 through tax ratification election.

N/A = not available

Source of Information: Hays County Tax Office, Caldwell County Tax Office and Travis County Tax Office

**Hays Consolidated Independent School District
Principal Property Taxpayers
Current Year and Ten Years Ago**

Schedule 8

Principal Taxpayers	Type of Property	2021		Percentage of Total Taxable Assessed Valuation	2011		Percentage of Total Taxable Assessed Valuation
		Taxable Assessed Valuation	Rank		Taxable Assessed Valuation	Rank	
Texas Lehigh Cement Co.	Industrial	\$ 82,476,708	1	0.95%	\$ 59,986,096	1	1.74%
CFAN Co.	Industrial	60,464,833	2	0.69%	53,072,007	2	1.54%
Plum Creek Apartments LLC	Apartment Complex	50,170,000	3	0.58%	-		0.00%
IVT Kyle marketplace 1031	Commercial	38,779,942	4	0.44%	-		0.00%
WW Carrington Oaks LLC	Apartment Complex	36,900,000	5	0.42%	-		0.00%
SPI Oaks 254 LLC	Apartment Complex	34,390,000	6	0.39%	-		0.00%
Lauren Company LLC	Industrial	33,848,771	7	0.39%	-		0.00%
MFT - Silverado II LLC	Commercial	32,246,394	8	0.37%	-		0.00%
Continental 396 Fund LLC	Apartment Complex	31,258,637	9	0.36%	-		0.00%
4925 Cromwell LLC	Apartment Complex	29,453,157	10	0.34%	-		0.00%
Goodrich Corp-Aerostructures	Industrial	-		0.00%	48,222,139	3	1.40%
Pedernales Electric Coop Inc.	Utility	-		0.00%	23,294,790	4	0.67%
Vista Del Blanco, Ltd.	Commercial	-		0.00%	21,686,380	5	0.63%
Cabela's Retail TX, L.P.	Commercial	-		0.00%	20,399,927	6	0.59%
DDR DB Kyle LP	Commercial	-		0.00%	19,650,260	7	0.57%
Kyle Marketplace LTD	Commercial	-		0.00%	16,819,250	8	0.49%
Sam's East Inc.	Commercial	-		0.00%	13,565,190	9	0.39%
Cabela's Retail TX, L.P.	Commercial	-		0.00%	12,433,087	10	0.36%
Total		<u>\$ 429,988,442</u>		<u>4.93%</u>	<u>\$ 289,129,126</u>		<u>8.37%</u>
Total Net Taxable Value		<u>\$ 8,723,670,495</u>		<u>100.00%</u>	<u>\$ 3,452,686,886</u>		<u>100.00%</u>

Source of Information: Hays Central Appraisal District

Hays Consolidated Independent School District
Property Tax Levies and Collections
Last Ten Fiscal Years
Schedule 9

Fiscal Year	Tax Levy	Levy Year Tax Collections	Percent of Levy Collected in Levy Year	Tax Collections in Subsequent Years	Total Tax Collections to Date 2021	Total Collections to Date as Percent of Levy
2012	55,410,919	54,716,313	98.75%	644,297	55,360,610	99.91%
2013	58,121,093	57,274,483	98.54%	792,600	58,067,083	99.91%
2014	61,318,121	60,434,565	98.56%	824,594	61,259,159	99.90%
2015	70,123,666	69,288,233	98.81%	754,507	70,042,740	99.88%
2016	79,501,082	78,333,091	98.53%	1,073,689	79,406,780	99.88%
2017	92,071,052	91,429,152	99.30%	528,584	91,957,736	99.88%
2018	103,765,765	103,011,683	99.27%	585,327	103,597,009	99.84%
2019	115,663,918	114,351,470	98.87%	1,031,397	115,382,867	99.76%
2020	125,669,952	125,070,192	99.52%	131,341	125,201,533	99.63%
2021	135,621,686	133,293,405	98.28%	-	133,293,405	98.28%

Source of Information: Hays Consolidated Independent School District; Hays County Tax Office

Hays Consolidated Independent School District
Outstanding Debt by Type
Last Ten Fiscal Years
Schedule 10

Fiscal Year	Governmental Activities			Total Primary Government	Percentage of Personal Income	Estimated Population	Per Capita
	Bonds Payable	Loans Payable	Capital Leases				
2012	314,961,832	-	668,162	315,629,994	10.55%	72,770 *	4,337
2013	303,318,757	-	341,217	303,659,974	10.09%	73,173 *	4,150
2014	366,355,034	-	-	366,355,034	10.31%	83,703 *	4,377
2015	350,475,081	-	-	350,475,081	9.73%	86,084 *	4,071
2016	335,009,740	-	-	335,009,740	8.63%	89,844 *	3,729
2017	486,987,078	-	-	486,987,078	12.16%	91,816 *	5,304
2018	466,814,842	-	-	466,814,842	7.18%	106,193 +	4,396
2019	532,120,790	-	-	532,120,790	6.47%	113,439 ++	4,691
2020	513,433,592	-	-	513,433,592	5.81%	113,553 ++	4,522
2021	484,019,607	-	-	484,019,607	4.85%	126,198 ++	3,835

Source of Information: Hays Consolidated Independent School District and
Municipal Advisory Council of Texas

* Estimated Population from Municipal Advisory Council of Texas

+ Templeton Demographics

++ Neustar ElementOne Demographics

Hays Consolidated Independent School District
Ratio of Net General Bonded Debt to Taxable Assessed Valuation
and Net Bonded Debt Per Capita
Last Ten Fiscal Years

Schedule 11

<u>Fiscal Year</u>	<u>Taxable Assessed Value</u>	<u>Assessment Ratio</u>	<u>Gross Bonded Debt Outstanding at Year-end</u>	<u>Reserve for Retirement of Bonded Debt</u>
2012	3,563,019,658	100%	314,961,832	3,913,075
2013	3,708,352,333	100%	303,318,757	1,652,119
2014	3,910,777,705	100%	366,355,034	1,340,834
2015	4,223,693,653	100%	350,475,081	1,633,963
2016	4,765,260,525	100%	335,009,740	1,444,389
2017	5,518,026,709	100%	486,987,078	1,142,137
2018	6,150,271,472	100%	466,814,842	2,006,431
2019	6,887,567,970	100%	532,120,790	23,349,912
2020	7,861,259,572	100%	513,433,592	32,276,540
2021	8,723,670,495	100%	484,019,607	23,688,398

(continued)

Source of Information: Hays Central Appraisal District and District Debt Schedules

Hays Consolidated Independent School District
Ratio of Net General Bonded Debt to Taxable Assessed Valuation
and Net Bonded Debt Per Capita
Last Ten Fiscal Years
Schedule 11 (continued)

Net Bonded Debt Outstanding at Year-end	Ratio Net Bonded Debt to Taxable Assessed Valuation	Estimated Population	Net Bonded Debt per Capita	Taxable Assessed Valuation per Capita
301,666,638	8.73%	72,770 *	4,274	48,963
365,014,200	8.13%	73,173 *	4,123	50,679
348,841,118	9.33%	83,703 *	4,168	46,722
333,565,351	8.26%	86,084 *	3,875	49,065
485,844,941	7.00%	89,844 *	5,408	53,039
464,808,411	7.85%	91,816 *	5,062	67,381
508,770,878	6.81%	106,193 +	4,791	64,271
481,157,052	6.01%	113,439 ++	4,242	74,629
481,157,052	5.46%	113,553 ++	4,237	77,635
460,331,209	5.28%	126,198 ++	3,648	69,127

Source of Information: Hays Central Appraisal District and District Debt Schedules

* Estimated Population from Municipal Advisory Council of Texas

+ Templeton Demographics

++ Neustar ElementOne Demographics

**Hays Consolidated Independent School District
Estimated General Obligation Overlapping Debt Statement
Fiscal Year 2021**

Schedule 12

Taxing Body	Gross Dollar Amount	Percent Overlapping	Dollar Overlap
Austin Community College District	\$ 386,255,000	3.32%	\$ 12,823,666
Buda, City of	93,140,000	100.00%	93,140,000
Caldwell County	17,585,000	1.42%	249,707
Crosswinds MUD	6,580,000	100.00%	6,580,000
Greenhawe WCID #2	8,140,000	7.69%	625,966
Hays County	474,159,579	38.09%	180,607,384
Kyle, City of	96,290,000	100.00%	96,290,000
Mountain City, City of	365,000	100.00%	365,000
North Hays Co MUD #1	32,945,000	100.00%	32,945,000
San Marcos, City of	344,755,000	4.59%	15,824,255
South Buda WCID #1	33,644,998	100.00%	33,644,998
Sunfield MUD #1	34,120,000	99.94%	34,099,528
Sunfield MUD #3	40,105,000	100.00%	40,105,000
Travis County	1,054,720,000	0.01%	105,472
Travis County Healthcare District (Central Health)	6,105,000	0.01%	611
		Subtotal, overlapping debt	<u>\$ 547,406,586</u>
		Hays Consolidated Independent School District direct debt	<u>\$ 484,019,607</u>
		Total direct and overlapping debt	<u><u>\$ 1,031,426,193</u></u>

Overlapping governments are those that coincide at least in part, with geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the property taxpayers of Hays Consolidated Independent School District. This process recognizes that, when considering the District's ability to to issue and repay long-term debt, the entire debt burden borne by the property taxpayers should be taken into the account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Source: Municipal Advisory Council of Texas

**Hays Consolidated Independent School District
Demographic and Economic Statistics**

Schedule 13

Fiscal Year	Population	Personal Income	Per Capita Mean Wage	Unemployment Rate
2012	72,770 *	2,992,520,710	41,123	6.70%
2013	73,173 *	2,997,166,080	40,960	5.70%
2014	83,703 *	3,553,945,677	42,459	3.90%
2015	86,084 *	3,600,291,132	41,823	3.30%
2016	89,844 *	3,883,327,212	43,223	3.30%
2017	91,816 *	4,003,636,680	43,605	3.40%
2018	106,193 +	6,505,489,373	61,261	3.20%
2019	113,439 +	8,225,802,207	72,513	2.90%
2020	113,553 ++	8,831,243,916	77,772	7.90%
2021	126,198 ++	9,988,571,700	79,150	5.00%

Notes:

Personal income is the product of district population and mean wage.

Mean wage is for Rural Capital counties as defined by Texas Workforce Commission and includes Hays County.

Unemployment rate is for Hays County.

Source: Municipal Advisory Council of Texas and Texas Workforce Commission

* Estimated Population from Municipal Advisory Council of Texas

+ Templeton Demographics

++ Neustar ElementOne Demographics

Hays Consolidated Independent School District
Major Employers
Current Year
Schedule 14

Employer	2021	
	Estimated Range of Employees	Percentage of Total
Hays CISD	3,146	44%
Cabela's	196	3%
Capital Excavation	315	4%
Capital Spectrum	150	2%
CFAN	600	8%
City of Kyle	251	4%
H E B Foods	457	6%
Hays Community YMCA	157	2%
Home Depot	100	1%
Legend Oaks Healthcare & Rehabilitation	116	2%
Lowes	108	2%
Pro Build	222	3%
Seton Medical Center Hays	610	8%
Texas-Lehigh Cement Co.	180	3%
US Foods	159	2%
Wal-Mart Super Center	445	6%
		<u>100%</u>

Notes:

Employers represent zip codes 78610 and 78640.

Principal employer information from ten (10) years prior is not available.

Source: Greater San Marcos Partnership Economic Development,
Buda Economic Development Corp., and Kyle Economic Development

Hays Consolidated Independent School District
Full-Time-Equivalent District Employees By Type

Schedule 15

<u>Fiscal Year</u>	<u>Teachers</u>	<u>Professional Support</u>	<u>Campus Administration</u>	<u>Central Administration</u>	<u>Educational Aides</u>	<u>Auxiliary Staff</u>	<u>Total FTEs</u>
2012	1,005.9	177.1	65.2	34.5	133.5	721.5	2,137.7
2013	1,035.2	183.0	65.4	37.0	136.1	726.8	2,183.5
2014	1,070.3	208.0	53.3	22.8	140.8	734.9	2,230.1
2015	1,075.1	221.6	54.3	23.7	146.4	708.3	2,229.4
2016	1,119.2	241.0	55.7	24.3	159.3	716.3	2,315.8
2017	1,198.4	256.8	64.1	25.0	182.4	737.1	2,463.8
2018	1,228.7	260.5	66.0	24.9	197.7	724.2	2,502.0
2019	1,253.9	291.0	70.8	29.1	208.3	746.5	2,599.6
2020	1,329.7	315.9	75.0	26.3	258.8	779.0	2,784.7
2021	1,382.8	313.8	73.3	28.3	252.7	788.5	2,839.4

Source: Texas Academic Performance Report (TAPR) Report published by the Texas Education Agency

Hays Consolidated Independent School District
Teacher Data
Schedule 16

	Fiscal Year				
	2012	2013	2014	2015	2016
Total Number of Teachers	1,005.9	1,035.2	1,070.3	1,075.1	1,119.2
Teachers by Highest Degree Held					
No Degree	3.0	3.0	3.0	5.8	5.0
Bachelors	734.7	742.6	763.8	770.2	802.7
Masters	260.2	282.6	295.4	292.0	303.5
Doctorate	8.0	7.0	8.0	7.0	8.0
Teachers by Years of Experience					
Beginning Teachers	28.4	62.3	82.5	69.5	59.0
1-5 Years Experience	363.1	310.8	298.4	303.8	318.7
6-10 Years Experiences	261.1	279.1	295.8	287.8	307.8
11-20 Years Experience	233.3	260.4	268.8	296.2	314.0
Over 20 Years Experience	120.1	122.7	124.7	117.7	119.7
Average Salary by Years Experience					
Beginning Teachers	39,194	39,194	41,763	39,366	43,404
1-5 Years Experience	41,796	41,848	42,693	43,962	45,813
6-10 Years Experiences	43,687	43,706	44,981	46,435	48,159
11-20 Years Experience	48,443	48,483	49,214	49,944	51,868
Over 20 Years Experience	56,153	56,283	56,630	55,617	57,715
Overall Average Years with District	6.0	6.3	6.0	5.9	5.7
Overall Average Years Experience	10.0	10.2	10.0	9.9	10.0
Overall Average Teacher Salary	45,469	45,612	46,515	47,249	49,302
Turnover Rate for Teachers	12.5%	13.2%	16.1%	17.2%	16.1%

(continued)

Source: Texas Academic Performance Report (TAPR) Report published by the Texas Education Agency

Hays Consolidated Independent School District Teacher Data

Schedule 16 (continued)

	Fiscal Year				
	2017	2018	2019	2020	2021
Total Number of Teachers	1,198.4	1,228.7	1,253.9	1,329.7	1,382.8
Teachers by Highest Degree Held					
No Degree	5.0	7.0	6.0	8.6	10.3
Bachelors	857.4	874.7	903.3	947.0	979.0
Masters	325.9	339.0	334.5	363.4	379.6
Doctorate	10.1	8.0	10.2	10.8	13.9
Teachers by Years of Experience					
Beginning Teachers	49.9	80.1	67.6	79.0	72.6
1-5 Years Experience	364.6	360.3	376.0	388.2	395.9
6-10 Years Experiences	306.4	290.7	277.6	274.0	301.4
11-20 Years Experience	355.7	357.4	392.9	438.1	455.6
Over 20 Years Experience	121.9	140.2	139.9	150.3	157.3
Average Salary by Years Experience					
Beginning Teachers	44,914	46,165	42,426	47,031	43,586
1-5 Years Experience	46,865	48,040	48,316	50,807	51,933
6-10 Years Experiences	49,359	50,390	51,621	54,301	55,681
11-20 Years Experience	52,924	53,623	55,237	58,028	59,614
Over 20 Years Experience	58,869	59,555	61,411	64,462	66,219
Overall Average Years with District	5.7	5.7	5.6	5.5	5.7
Overall Average Years Experience	10.1	10.2	10.2	10.3	10.3
Overall Average Teacher Salary	50,440	51,412	52,362	55,226	56,467
Turnover Rate for Teachers	15.0%	17.4%	11.6%	16.0%	12.3%

Source: Texas Academic Performance Report (TAPR) Report published by the Texas Education Agency

Hays Consolidated Independent School District Expenditures, Enrollment and Per Pupil Cost

Schedule 17

Fiscal Year	Enrollment	Operating Expenditures	Cost per Pupil	Governmental Funds Expenditures	Cost per Pupil	Teaching Staff	Pupil-Teacher Ratio	Students Receiving Free/Reduced Lunch
2012	15,932	111,218,763	6,981	160,695,783	10,086	1,006	15.8	49.3%
2013	16,568	116,698,577	7,044	160,741,194	9,702	1,035	16.0	46.1%
2014	17,255	123,125,959	7,136	164,210,630	9,517	1,070	16.1	50.7%
2015	17,948	129,076,875	7,192	192,233,641	10,711	1,075	16.7	49.7%
2016	18,654	143,493,087	7,692	220,065,608	11,797	1,119	16.7	49.2%
2017	19,215	156,056,254	8,122	224,846,595	11,702	1,229	15.6	47.6%
2018	19,866	163,368,180	8,224	342,623,677	17,247	1,254	16.1	47.5%
2019	19,929	150,315,673	7,543	263,398,064	13,217	1,254	15.9	51.4%
2020	20,793	181,787,776	8,743	257,380,098	12,378	1,336	15.6	49.0%
2021	20,322	183,761,409	9,042	271,506,046	13,360	1,382	14.7	46.4%

Operating expenditures include only the General Fund

Source: Hays Consolidated Independent School District and Texas Education Agency (TAPR) Report

Hays Consolidated Independent School District
Total Expenses of Governmental Activities,
Enrollment and Per Pupil Cost
Last Ten Years
Schedule 18

Fiscal Year	Enrollment	Government-Wide Expenses	Cost Per Pupil
2012	15,932	152,474,701	9,570
2013	16,568	155,571,650	9,390
2014	17,255	160,592,176	9,307
2015	17,948	172,060,511	9,587
2016	18,654	192,249,048	10,306
2017	19,215	202,471,807	10,537
2018	19,866	221,636,798	11,157
2019	19,929	213,801,167	10,728
2020	20,793	257,197,428	12,369
2021	20,322	252,656,199	12,433

Source: Hays Consolidated Independent School District and Texas Education Agency

Hays Consolidated Independent School District
School Building Information
Current Year
Schedule 19

	<u>Year Built</u>	<u>Grades Served</u>	<u>Building Capacity</u>	<u>Enrollment</u>	<u>Percent of Capacity Used</u>
High Schools					
Hays High School	1967	9-12	2,250	2,251	100.0%
Johnson High School	2019	9-11	2,250	1,810	80.4%
Lehman High School	2004	9-12	2,250	2,116	94.0%
Live Oak Academy	1973	9-12	175	185	105.7%
Middle Schools					
Barton Middle School	1993	6-8	900	740	82.2%
Chapa Middle School	2006	6-8	765	672	87.8%
Dahlstrom Middle School	1985	6-8	855	906	106.0%
McCormick Middle School	2016	6-8	900	986	109.6%
Simon Middle School	2009	6-8	765	695	90.8%
Wallace Middle School	1987	6-8	765	780	102.0%
Elementary Schools					
Blanco Vista Elementary School	2008	K-5	800	621	77.6%
Buda Elementary School	2019	EE-5	702	661	94.2%
Camino Real Elementary School	2008	K-5	800	750	93.8%
Carpenter Hill Elementary School	2010	K-5	800	593	74.1%
Elm Grove Elementary School	2000	K-5	720	815	113.2%
Fuentes Elementary School	2000	EE-5	720	645	89.6%
Green Elementary School	1985	PK-5	714	760	106.4%
Hemphill Elementary School	2000	EE-5	720	358	49.7%
Kyle Elementary School	1950	EE-5	770	533	69.2%
Negley Elementary School	2006	EE-5	780	829	106.3%
Pflugger Elementary School	2010	K-5	800	738	92.3%
Science Hall Elementary School	2006	K-5	720	517	71.8%
Tobias Elementary School	2003	K-5	720	627	87.1%
Uhland Elementary School	2018	K-5	800	722	90.3%
Other Program					
Impact Center (DAEP)	1998	6-12	50	12	24.0%

Notes:

Enrollment as accepted by ESC January 14, 2021.

Building capacity does not include portable buildings.

Source of Information: Hays Consolidated Independent School District

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
Hays Consolidated 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 Hays Consolidated 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 15, 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 15, 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
Hays Consolidated Independent School District:

Report on Compliance for Each Major Federal Program

We have audited Hays Consolidated 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

Maxwell Locke & Ritter LLP

Austin, Texas
November 15, 2021

Hays Consolidated Independent School District

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2021

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>Passed Through Texas Education Agency:</u>			
Education for Homeless Children and Youth	84.196A	214600057110038	\$ 51,230
Title I Grants to Local Educational Agencies	84.010A	21610101105906	2,214,946
<u>Special Education Cluster:</u>			
Special Education Grants to States (IDEA - Part B, Formula)	84.027A	216600011059066000/ 206600011059066000	3,205,697
Special Education Preschool Grants (IDEA - Part B, Preschool)	84.173A	216610011059066000/ 206610011059066000	39,958
Total for Special Education Cluster			3,245,655
Career and Technical Education - Basic Grants to States	84.048A	21420006105906	108,567
English Language Acquisition State Grants	84.365A	21671003105906	286,470
COVID-19 Education Stabilization Fund	84.425D	52102035	2,607,423
COVID-19 Education Stabilization Fund	84.425D	20521001105906	92,943
COVID-19 Education Stabilization Fund	84.425D	21521001105906	7,749,327
Total - 84.425D			10,449,693
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367A	21694501105906	178,667
School Improvement Grants	84.377A	17610740105906	58,945
Student Support and Academic Enrichment Program	84.424A	21680101105906	184,148
Total Passed Through Texas Education Agency			16,778,321
Total Department of Education			16,778,321
<u>U.S. Department of Agriculture</u>			
<u>Child Nutrition Cluster:</u>			
<u>Passed Through Texas Education Agency:</u>			
School Breakfast Program	10.553	71402001/ 71402101	1,467,330
National School Lunch Program	10.555	71302001/ 71302101	3,891,482
Total Passed Through Texas Education Agency			5,358,812
<u>Passed Through the Texas Department of Agriculture-</u>			
COVID-19 National School Lunch Program	10.555	105-906	291,869
<u>Passed Through the Texas Department of Human Services-</u>			
Non-cash assistance - Food Distribution Program	10.555	71302001	580,714
Total - 10.555			4,764,065
Total Child Nutrition Cluster			6,231,395
<u>Passed Through the Texas Department of Agriculture-</u>			
Child and Adult Care Food Program	10.558	105-906	59,203
Total Passed Through Texas Department of Agriculture			351,072
Total Department of Agriculture			6,290,598
<u>U.S. Department of Defense</u>			
<u>Direct Funding-</u>			
NJROTC & MJROTC	12.xxx	N3357617MJRTC	19,608
Total Department of Defense			19,608
<u>U.S. Department of Health and Human Services</u>			
<u>Passed Through Texas Health and Human Services Commission-</u>			
Medical Assistance Program	93.778	529-07-0157-00055	43,543
Total Department of Health and Human Services			43,543
<u>U.S. Department of Treasury</u>			
<u>Passed Through Texas Education Agency -</u>			
COVID-19 Coronavirus Relief Fund	21.019	52202002	210,500
<u>Passed Through City of Buda -</u>			
COVID-19 Coronavirus Relief Fund	21.019	N/A	50,000
<u>Passed Through City of Kyle -</u>			
COVID-19 Coronavirus Relief Fund	21.019	N/A	210,500
<u>Passed Through Hays County -</u>			
COVID-19 Coronavirus Relief Fund	21.019	N/A	266,356
<u>Passed Through Texas Division of Emergency Management-</u>			
COVID-19 Coronavirus Relief Fund	21.019	LEA2020_0	63,672
Total - 21.019			801,028
Total Department of Treasury			801,028
Total Expenditures of Federal Awards			\$ 23,933,098

The accompanying notes are an integral part of this schedule.

Hays Consolidated 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 Hays Consolidated 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, the School Breakfast Program, the Food Distribution Program, and the Child and Adult Care Food Program. 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, the School Breakfast Program, the Food Distribution Program, and the Child and Adult Care Food Program 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.

Hays Consolidated 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 that are not considered to be material weaknesses? ☐ 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:

Assistance Listing 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

Hays Consolidated 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 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.