

# LAGO VISTA INDEPENDENT SCHOOL DISTRICT

ANNUAL FINANCIAL AND  
COMPLIANCE REPORT

YEAR ENDED AUGUST 31, 2021

**abip**

CPAs | ADVISORS

CLIENT **FOCUSED.** RELATIONSHIP **DRIVEN.**



**LAGO VISTA INDEPENDENT SCHOOL DISTRICT**  
**ANNUAL FINANCIAL AND COMPLIANCE REPORT**

**For the year ended August 31, 2021**

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## **INTRODUCTORY SECTION**





CERTIFICATE OF BOARD

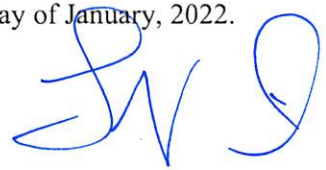
Lago Vista Independent School District  
Name of School District

Travis  
County

227-912  
Co. Dist. Number

We, the undersigned, certify that the attached annual financial report of the above-named school district was reviewed and (check one)  approved  disapproved for the year ended August 31, 2021 at a meeting of the Board of Trustees of such school district on the 10th day of January, 2022.

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

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

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



## **FINANCIAL SECTION**



INDEPENDENT AUDITOR'S REPORT

To the Board of School Trustees of  
Lago Vista 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 Lago Vista Independent School District (the District) as of and for the year ended August 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

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

***Auditor's Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District'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 District'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 August 31, 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, schedules of the District's proportionate share of the net pension and OPEB liability - Teacher Retirement System of Texas, and schedules of the District's contributions to the net pension and OPEB - Teacher Retirement System of Texas as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, 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 statements of individual nonmajor funds and the required Texas Education Agency (TEA) schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis 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 is also not a required part of the basic financial statements.

The combining statements of individual nonmajor funds, the required Texas Education Agency 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 statements, the required TEA schedules, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 10, 2022, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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.

ABIP, PC

San Antonio, Texas  
January 10, 2022





# LAGO VISTA INDEPENDENT SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

August 31, 2021

In this section of the annual financial and compliance report, we, the managers of Lago Vista Independent School District (the "District") discuss and analyze the financial performance of the District for the fiscal year ended August 31, 2021. Please read this information in conjunction with the District's basic financial statements, which follow this section.

### FINANCIAL HIGHLIGHTS

- The District's net position for governmental activities increased by \$2,393,989 as a result of this year's current operations, to end at \$9,731,986.
- Total governmental funds of the District reported an overall fund balance increase of \$42,024,784 to end at \$51,172,593.
- The general fund of the District reported a fund balance increase of \$602,507 for the year, to end at \$7,397,559.

### OVERVIEW OF THE FINANCIAL SECTION

The financial section is the most substantial part of this annual financial and compliance report. It consists of the independent auditor's report, management's discussion and analysis (this section), a set of basic financial statements with required note disclosures, and finally, required supplementary information and other supporting statements and schedules as applicable.

#### Independent Auditor's Report

State law requires the District's financial statements to be audited by an independent certified public accountant each year. The primary purpose of the annual audit is for the auditor to express an opinion as to whether the financial statements of the District appear to be free from material misstatement. The audit is required to be conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. The District received an unmodified opinion on its financial statements this year.

#### Management's Discussion and Analysis

The management's discussion and analysis (MD&A) section of this report is intended to introduce the financial statements and to provide discussion and analysis regarding the financial performance of the District during the year. The MD&A is written by management of the District and provides for a less formal presentation of the financial activities of the District than is found within the basic financial statements themselves.

#### Basic Financial Statements

The basic financial statements consist of a series of financial statements and required note disclosures. These statements include government-wide financial statements which present the District in a consolidated and long-term manner using full-accrual accounting similar to that of a business enterprise, and fund financial statements which present a more detailed view of the District using a more short-term view and traditional modified-accrual governmental accounting. These financial statements are followed with detailed notes which provide narrative explanations and additional data for full disclosure of information.

### Required Supplementary Information

The previously discussed management's discussion and analysis section is considered to be required supplementary information, however, the governmental reporting framework requires that it be presented before the financial statements. When applicable, additional required supplementary information must follow the financial statements. Within this financial report, the District presents required schedules related to its participation in the Teacher Retirement System of Texas and the Texas Public School Retired Employees Group Insurance Plan.

### Combining and Individual Fund Statements and Schedules

The combining statements provide detailed information about the District's nonmajor funds. While the primary financial statements present the nonmajor funds in a consolidated manner, the combining statements list all of the nonmajor funds separately, each in its own column. In addition, this section also includes schedules required by the Texas Education Agency to report tax collection information and budget to actual information for the District's child nutrition and debt service functions.

## **OVERVIEW OF THE FINANCIAL AWARDS SECTION**

### Report on Internal Controls and Compliance

In accordance with Government Auditing Standards, the auditor is required to consider the internal controls the District has in place over financial reporting and whether any noncompliance with rules, laws, and regulations was noted during the audit. This report describes the scope of the testing of internal control and compliance, however, it does not provide an opinion on the effectiveness of internal control or on compliance.

### Schedule of Findings and Questioned Costs

The schedule of findings and questioned costs provides an overall summary of auditor results, including identification of the type of opinion on the financial statements, whether any significant deficiencies or material weaknesses in internal controls were observed by the audit firm, and whether any material noncompliance was noted. This schedule also lists any audit findings reported by the audit firm for the year.

## **REPORTING ON THE DISTRICT AS A WHOLE**

### **The Statement of Net Position and the Statement of Activities**

The analysis of the District's overall financial condition and operations begins with the government-wide financial statements which immediately follow this section. The government-wide financial statements include the statement of net position and the statement of activities. The primary purpose of these financial statements is to show whether the District is better off or worse off as a result of the year's activities. The statement of net position includes all the District's assets, deferred outflows, liabilities, and deferred inflows at the end of the year while the statement of activities includes all the revenues and expenses generated by the District's operations during the year. These apply the accrual basis of accounting which is the basis used by private sector companies.

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

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

In the statement of net position and the statement of activities, school districts divide up their financial activities as follows:

- Governmental activities – school districts report basic services here, including the instruction of students, counseling, co-curricular activities, child nutrition services, transportation, maintenance, community services, and general administrative. Property taxes, state block grants based on student attendance and demographics, and other state and federal grants finance most of these activities.
- Business-type activities – school districts may charge a fee to “customers” to help it cover all or most of the cost of services it provides for childcare programs or other activities that closely model a business venture.

## REPORTING ON THE DISTRICT'S MOST SIGNIFICANT FUNDS

### Fund Financial Statements

The fund financial statements follow the government-wide statements and provide detailed information about the most significant funds of the District, not the District as a whole. Laws and regulations require the District to establish separate funds, such as for grants received from the state and federal government, money received from bond issues for capital projects, or for money raised specifically for debt service purposes, in order to clearly display financial accountability for use of these funds.

School districts use two different kinds of funds for operations, governmental funds and proprietary funds, which use different accounting approaches.

- A school district will use *governmental funds* to account for basic services. These use modified accrual accounting (a method that measures the receipt and disbursement of cash and all other financial assets that can be readily converted to cash) and report balances that are available for future spending. The governmental fund statements provide a detailed short-term view of the District's general operations and the basic services it provides. We describe the differences between governmental activities (reported in the statement of net position and statement of activities) and governmental funds in reconciliation schedules following each of the fund financial statements.
- A school district will use *proprietary funds* to account for the activities for which it charges users (whether outside customers or other units of the District). Proprietary funds use the same accounting methods employed in the statement of net position and the statement of activities. In fact, when a district utilizes enterprise funds, (one category of proprietary funds) these are the business-type activities reported in the government-wide statements, but they contain more detail and additional information, such as cash flows. Internal service funds (the other category of proprietary funds) report activities that provide supplies and services for a district's other programs and activities, such as a district's self-insurance programs.

## The District as a Trustee

### Reporting the District's Fiduciary Responsibilities

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

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following analysis focuses on the net position (Table I) and changes in net position (Table II) of the District's governmental activities and business-type activities.

Net position of the District's governmental activities increased from \$7,337,997 to \$9,731,986. Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – was \$(1,084,980) at August 31, 2021. The increase in governmental net position by approximately \$2,393,989 differs from the increase in the fund balance of governmental funds of \$42,024,784 primarily due to issuance of bonds, expenditures for capital outlay, and debt service principal payments not treated as other financing sources and expenses within the governmental activities financial statements. The District's net position for business-type activities increased by \$39,169.

**TABLE I**  
LAGO VISTA INDEPENDENT SCHOOL DISTRICT  
NET POSITION  
For Fiscal Years Ended August 31,

	Governmental Activities			Business-Type Activities		
	2021	2020	Change	2021	2020	Change
Current and other assets	\$ 52,938,213	\$ 10,550,419	\$ 42,387,794	\$ 73,520	\$ 31,295	\$ 42,225
Capital assets, net	50,127,158	48,097,957	2,029,201	257,351	-	257,351
Total assets	<u>103,065,371</u>	<u>58,648,376</u>	<u>44,416,995</u>	<u>330,871</u>	<u>31,295</u>	<u>299,576</u>
Deferred outflows of resources	2,818,345	3,177,523	(359,178)	-	-	-
Current liabilities	1,645,310	1,085,779	559,531	267,093	6,686	260,407
Long-term liabilities	90,159,065	50,143,096	40,015,969	-	-	-
Total liabilities	<u>91,804,375</u>	<u>51,228,875</u>	<u>40,575,500</u>	<u>267,093</u>	<u>6,686</u>	<u>260,407</u>
Deferred inflows of resources	4,347,355	3,259,027	1,088,328	-	-	-
Net position:						
Net investment in capital assets	7,951,382	11,322,089	(3,370,707)	-	-	-
Restricted	2,865,584	2,192,914	672,670	-	-	-
Unrestricted	(1,084,980)	(6,177,006)	5,092,026	63,778	24,609	39,169
Total net position	<u>\$ 9,731,986</u>	<u>\$ 7,337,997</u>	<u>\$ 2,393,989</u>	<u>\$ 63,778</u>	<u>\$ 24,609</u>	<u>\$ 39,169</u>

**TABLE II**  
**LAGO VISTA INDEPENDENT SCHOOL DISTRICT**  
**CHANGE IN NET POSITION**  
**For Fiscal Years Ended August 31,**

	Governmental Activities			Business-Type Activities		
	2021	2020	Change	2021	2020	Change
<b>REVENUES</b>						
Program revenues:						
Charges for services	\$ 329,282	\$ 606,016	\$ (276,734)	\$ 165,619	\$ 113,269	\$ 52,350
Operating grants and contributions	1,176,471	2,193,022	(1,016,551)	-	-	-
General revenues:						
Maintenance and operations taxes	18,110,199	17,563,120	547,079	-	-	-
Debt service taxes	5,017,744	4,613,725	404,019	-	-	-
State aid - formula grants	820,275	379,253	441,022	-	-	-
Grants and contributions, not restricted	1,043,022	206,137	836,885	8,344	9,940	(1,596)
Investment earnings	37,924	207,233	(169,309)	-	-	-
Miscellaneous	105,074	53,396	51,678	-	-	-
<b>Total revenues</b>	<b>26,639,991</b>	<b>25,821,902</b>	<b>818,089</b>	<b>173,963</b>	<b>123,209</b>	<b>50,754</b>
<b>EXPENSES</b>						
Instruction	10,432,156	10,317,533	114,623	-	-	-
Instr. resources and media services	103,614	109,635	(6,021)	-	-	-
Curriculum and staff development	16,241	12,495	3,746	-	-	-
Instructional leadership	270,091	297,270	(27,179)	-	-	-
School leadership	1,048,817	1,175,086	(126,269)	-	-	-
Guidance/counseling services	745,241	689,030	56,211	-	-	-
Health services	182,401	190,422	(8,021)	-	-	-
Student transportation	614,501	653,944	(39,443)	-	-	-
Food services	304,035	498,709	(194,674)	-	-	-
Cocurricular/extracurricular activities	954,645	1,006,150	(51,505)	-	-	-
General administration	848,010	959,301	(111,291)	-	-	-
Plant maintenance and operations	1,885,990	1,976,319	(90,329)	-	-	-
Security and monitoring services	11,504	33,252	(21,748)	-	-	-
Data processing services	403,463	449,319	(45,856)	-	-	-
Community services	2,005	10,011	(8,006)	-	-	-
Debt service	1,487,570	1,454,814	32,756	-	-	-
Contracted instructional resources	4,835,297	4,039,712	795,585	-	-	-
Other intergovernmental charges	100,421	104,678	(4,257)	-	-	-
Business-type activities	-	-	-	134,794	149,261	(14,467)
<b>Total expenses</b>	<b>24,246,002</b>	<b>23,977,680</b>	<b>268,322</b>	<b>134,794</b>	<b>149,261</b>	<b>(14,467)</b>
<b>Change in net position</b>	<b>2,393,989</b>	<b>1,844,222</b>	<b>549,767</b>	<b>39,169</b>	<b>(26,052)</b>	<b>65,221</b>
Net position at September 1,	7,337,997	5,493,775	(1,844,222)	24,609	50,661	-
Net position at August 31,	<u>\$ 9,731,986</u>	<u>\$ 7,337,997</u>	<u>\$ 2,393,989</u>	<u>\$ 63,778</u>	<u>\$ 24,609</u>	<u>\$ -</u>

**THE DISTRICT'S FUNDS**

As the District completed this annual period, the general fund reported a fund balance of \$7,397,559, which is \$602,507 more than last year's total of \$6,795,052. The increase in fund balance is mainly attributable to lower than budgeted operational expenditures during the year.

The District's debt service fund reported a fund balance of \$2,675,395 which is \$650,795 more than last year's total of \$2,024,600. The debt service fund balance was more at August 31, 2021, as compared to the prior year end due to revenue being more than expenditures during the year. The purpose of the debt service fund is to provide for the payment of bond principal and interest payments as it becomes due.

The District's other governmental funds reported combined ending fund balances of \$412,048. This combined balance is \$83,891 more than the previous year.

Over the course of the year, the Board of Trustees generally revises the District's budget based on financial updates provided by the management of the District. These amendments involve moving funds from programs that did not need all the resources originally appropriated to them to programs with resource needs, or to react to originally unforeseen circumstances, such as unanticipated new revenues or unavoidable new costs. There was one budget amendment made during the year.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital assets

As of August 31, 2021, the District had \$50,127,158 (net of accumulated depreciation) invested in a broad range of capital assets, including facilities and equipment for instruction, transportation, athletics, administration, and maintenance.

The summary of the ending balances of capital assets by major category for both 2021 and 2020 is as follows:

CAPITAL ASSETS			
August 31,			
	Governmental Activities 2021	Governmental Activities 2020	Increase (Decrease)
	<u>2021</u>	<u>2020</u>	<u>(Decrease)</u>
Land	\$ 1,111,647	\$ 1,111,647	\$ -
Construction in progress	3,659,893	-	3,659,893
Buildings	65,730,998	65,730,998	-
Furniture and equipment	2,581,590	2,447,178	134,412
Total	<u>73,084,128</u>	<u>69,289,823</u>	<u>3,794,305</u>
Less accumulated depreciation	<u>(22,956,970)</u>	<u>(21,191,866)</u>	<u>(1,765,104)</u>
Capital assets, net of depreciation	<u>\$ 50,127,158</u>	<u>\$ 48,097,957</u>	<u>\$ 2,029,201</u>

### DEBT

At year end, the District had \$82,458,120 in bonds and other long-term debt outstanding versus \$41,595,137 last year. The increase is attributable to the District issuing Unlimited Tax School Building Bonds, Series 2021 and Unlimited Tax Refunding Bonds, Series 2021.

A summary of the ending balances of long-term debt by type for both 2021 and 2020 is as follows:

	Governmental Activities 2021	Governmental Activities 2020	Increase (Decrease)
General obligation and refunding bonds	\$ 69,645,601	\$ 34,516,431	\$ 35,129,170
Capital appreciation bonds	4,328,159	4,819,269	(491,110)
Premium on issuance of bonds	<u>8,484,360</u>	<u>2,259,437</u>	<u>6,224,923</u>
Total	<u>\$ 82,458,120</u>	<u>\$ 41,595,137</u>	<u>\$ 40,862,983</u>

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

The District’s elected and appointed officials considered many factors when setting the fiscal year 2021-2022 budget and tax rates. Those factors include property values, changes in enrollment, the economy, projections of future budget years, and legislative mandates. The District has adopted a general fund budget of \$21.5 million for the 2021-2022 fiscal year. This reflects an increase of \$1.1 million in budgeted expenditures from fiscal year 2020-2021 to 2021-2022.

For the 2021-2022 budget year, the District has increased its maintenance and operations tax rate at \$.061 per hundred of taxable value. The District has the capability to call a tax ratification election which could authorize up to \$1.0536 cents for maintenance and operations. The District has no current plans to call a tax ratification election. The District adopted a debt service tax rate of \$0.32 for the 2021-2022 budget year in order to fund required debt payments in the coming year. The combined tax rate of the District for 2021-2022 budget year is \$1.202 per hundred of taxable value.

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

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District’s finances and to show the District’s accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District’s Business Office, at Lago Vista Independent School District, 8039 Bar-K Ranch Road, Lago Vista, Texas 78645, or by calling (512) 267-8300.





## **BASIC FINANCIAL STATEMENTS**

# LAGO VISTA INDEPENDENT SCHOOL DISTRICT

## STATEMENT OF NET POSITION

August 31, 2021

EXHIBIT A-1

DATA CONTROL CODES		1	2	3
		PRIMARY GOVERNMENT		
		GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
	ASSETS			
1110	Cash and cash equivalents	\$ 541,524	\$ 73,520	\$ 615,044
1120	Current investments	50,866,423	-	50,866,423
1225	Property taxes receivable, net	262,984	-	262,984
1240	Due from other governments	999,112	-	999,112
1260	Internal balances	257,351	(257,351)	-
1290	Other receivables, net	10,819	-	10,819
	Capital assets:			
1510	Land	1,111,647	-	1,111,647
	Construction in progress	3,659,893	-	3,659,893
1520	Buildings and improvements, net	44,713,312	257,351	44,970,663
1530	Furniture and equipment, net	642,306	-	642,306
1000	Total assets	<u>103,065,371</u>	<u>73,520</u>	<u>103,138,891</u>
	DEFERRED OUTFLOWS OF RESOURCES			
1705	Deferred outflows - pension	1,495,526	-	1,495,526
1706	Deferred outflows - OPEB	1,322,819	-	1,322,819
1700	Total deferred outflows of resources	<u>2,818,345</u>	<u>-</u>	<u>2,818,345</u>
	LIABILITIES			
2110	Accounts payable	750,945	82	751,027
2140	Interest payable	142,673	-	142,673
2160	Accrued wages payable	692,054	9,462	701,516
2180	Due to other governments	41,196	-	41,196
2200	Accrued expenses	16,105	198	16,303
2300	Unearned revenue	2,337	-	2,337
	Noncurrent liabilities:			
2501	Due within one year	4,051,249	-	4,051,249
2502	Due in more than one year	78,406,871	-	78,406,871
2540	Net pension liability	3,678,379	-	3,678,379
2545	Other postemployment benefits liability	4,022,566	-	4,022,566
	Total noncurrent liabilities	<u>90,159,065</u>	<u>-</u>	<u>90,159,065</u>
2000	Total liabilities	<u>91,804,375</u>	<u>9,742</u>	<u>91,814,117</u>
	DEFERRED INFLOWS OF RESOURCES			
2604	Deferred inflows - gain on refunding	405,247	-	405,247
2605	Deferred inflows - pension	719,698	-	719,698
2606	Deferred inflows - OPEB	3,222,410	-	3,222,410
	Total deferred inflows of resources	<u>4,347,355</u>	<u>-</u>	<u>4,347,355</u>
	NET POSITION			
3200	Net investment in capital assets	7,951,382	-	7,951,382
	Restricted for:			
3820	Federal and state programs	190,189	-	190,189
3850	Debt service	2,675,395	-	2,675,395
3900	Unrestricted	(1,084,980)	63,778	(1,021,202)
3000	Total net position	<u>\$ 9,731,986</u>	<u>\$ 63,778</u>	<u>\$ 9,795,764</u>

The accompanying notes are an integral part of these financial statements.

**LAGO VISTA INDEPENDENT SCHOOL DISTRICT**

**STATEMENT OF ACTIVITIES**

**For the year ended August 31, 2021**

EXHIBIT B-1

DATA CONTROL CODES	FUNCTIONS/PROGRAMS	1 EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
			3 CHARGES FOR SERVICES	4 OPERATING GRANTS AND CONTRIBUTIONS	6 GOVERNMENTAL ACTIVITIES	7 BUSINESS-TYPE ACTIVITIES	8 TOTAL
	Governmental activities:						
11	Instruction	\$ 10,432,156	\$ 13,024	\$ 790,360	\$ (9,628,772)	\$ -	\$ (9,628,772)
12	Instructional resources and media services	103,614	-	-	(103,614)	-	(103,614)
13	Curriculum and staff development	16,241	-	-	(16,241)	-	(16,241)
21	Instructional leadership	270,091	-	-	(270,091)	-	(270,091)
23	School leadership	1,048,817	-	-	(1,048,817)	-	(1,048,817)
31	Guidance, counseling, and evaluation services	745,241	-	58,513	(686,728)	-	(686,728)
33	Health services	182,401	-	-	(182,401)	-	(182,401)
34	Student transportation	614,501	-	-	(614,501)	-	(614,501)
35	Food service	304,035	125,945	241,311	63,221	-	63,221
36	Extracurricular activities	954,645	190,313	-	(764,332)	-	(764,332)
41	General administration	848,010	-	-	(848,010)	-	(848,010)
51	Facilities maintenance and operations	1,885,990	-	-	(1,885,990)	-	(1,885,990)
52	Security and monitoring services	11,504	-	-	(11,504)	-	(11,504)
53	Data processing services	403,463	-	-	(403,463)	-	(403,463)
61	Community services	2,005	-	-	(2,005)	-	(2,005)
72	Debt service - interest on long-term debt	892,389	-	86,287	(806,102)	-	(806,102)
73	Debt service - bond issuance costs and fees	595,181	-	-	(595,181)	-	(595,181)
91	Contracted instructional resources	4,835,297	-	-	(4,835,297)	-	(4,835,297)
99	Other intergovernmental charges	100,421	-	-	(100,421)	-	(100,421)
TG	Total governmental activities	<u>24,246,002</u>	<u>329,282</u>	<u>1,176,471</u>	<u>(22,740,249)</u>	<u>-</u>	<u>(22,740,249)</u>
	Business-type activities:						
01	Enterprise fund-Little Vikings Day Care	<u>134,794</u>	<u>165,619</u>	<u>-</u>	<u>-</u>	<u>30,825</u>	<u>30,825</u>
TB	Total business-type activities	<u>134,794</u>	<u>165,619</u>	<u>-</u>	<u>-</u>	<u>30,825</u>	<u>30,825</u>
TP	Total primary government	<u>\$ 24,380,796</u>	<u>\$ 494,901</u>	<u>\$ 1,176,471</u>	<u>(22,740,249)</u>	<u>30,825</u>	<u>(22,709,424)</u>
	General revenues:						
MT	Property taxes, levied for general purposes				18,110,199	-	18,110,199
DT	Property taxes, levied for debt service				5,017,744	-	5,017,744
SF	State aid - formula grants				820,275	-	820,275
GC	Grants and contributions not restricted				1,043,022	8,344	1,051,366
IE	Investment earnings				37,924	-	37,924
MI	Miscellaneous local and intermediate revenue				105,074	-	105,074
TR	Total general revenues				<u>25,134,238</u>	<u>8,344</u>	<u>25,142,582</u>
CN	Change in net position				2,393,989	39,169	2,433,158
NB	NET POSITION - BEGINNING				<u>7,337,997</u>	<u>24,609</u>	<u>7,362,606</u>
NE	NET POSITION - ENDING				<u>\$ 9,731,986</u>	<u>\$ 63,778</u>	<u>\$ 9,795,764</u>

The accompanying notes are an integral part of these financial statements.

**LAGO VISTA INDEPENDENT SCHOOL DISTRICT**

**BALANCE SHEET  
GOVERNMENTAL FUNDS**

**August 31, 2021**

EXHIBIT C-1

DATA CONTROL CODES	10	50	60	282	OTHER	98	
	GENERAL FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	ESSER III FUND	GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS	
<b>ASSETS</b>							
1110	Cash	\$ 506,732	\$ -	\$ -	\$ -	\$ 34,792	\$ 541,524
1120	Investments - current	6,686,464	2,680,207	41,367,370	-	132,382	50,866,423
1220	Property taxes - delinquent	524,237	133,222	-	-	-	657,459
1230	Allowance for uncollectible taxes (credit)	(314,542)	(79,933)	-	-	-	(394,475)
1240	Receivables from other governments	362,320	-	-	382,564	254,228	999,112
1260	Due from other funds	827,782	-	-	-	221,859	1,049,641
1290	Other receivables	9,065	1,754	-	-	-	10,819
1000	<b>Total assets</b>	<u>\$ 8,602,058</u>	<u>\$ 2,735,250</u>	<u>\$ 41,367,370</u>	<u>\$ 382,564</u>	<u>\$ 643,261</u>	<u>\$ 53,730,503</u>
<b>LIABILITIES</b>							
2110	Accounts payable	\$ 81,232	\$ -	\$ 669,209	\$ -	\$ 504	\$ 750,945
2160	Accrued wages payable	677,257	-	-	-	14,797	692,054
2170	Due to other funds	221,859	-	10,570	382,564	177,297	792,290
2180	Due to other governments	-	6,567	-	-	34,629	41,196
2200	Accrued expenditures	14,456	-	-	-	1,649	16,105
2300	Unearned revenue	-	-	-	-	2,337	2,337
2000	<b>Total liabilities</b>	<u>994,804</u>	<u>6,567</u>	<u>679,779</u>	<u>382,564</u>	<u>231,213</u>	<u>2,294,927</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
2600	Deferred inflows - unavailable revenues	209,695	53,288	-	-	-	262,983
	<b>Total liabilities and deferred inflows of resources</b>	<u>1,204,499</u>	<u>59,855</u>	<u>679,779</u>	<u>382,564</u>	<u>231,213</u>	<u>2,557,910</u>
<b>FUND BALANCES</b>							
3450	Restricted - federal and state funds	-	-	-	-	190,189	190,189
3470	Capital acquisitions and contractual obligations	-	-	40,687,591	-	-	40,687,591
3480	Restricted - debt service	-	2,675,395	-	-	-	2,675,395
3545	Committed - other committed fund balance	-	-	-	-	221,859	221,859
3600	Unassigned fund balance	7,397,559	-	-	-	-	7,397,559
3000	<b>Total fund balances</b>	<u>7,397,559</u>	<u>2,675,395</u>	<u>40,687,591</u>	<u>-</u>	<u>412,048</u>	<u>51,172,593</u>
4000	<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 8,602,058</u>	<u>\$ 2,735,250</u>	<u>\$ 41,367,370</u>	<u>\$ 382,564</u>	<u>\$ 643,261</u>	<u>\$ 53,730,503</u>

The accompanying notes are an integral part of these financial statements.

**LAGO VISTA INDEPENDENT SCHOOL DISTRICT**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION**

**August 31, 2021**

EXHIBIT C-1R

Total fund balances - governmental funds balance sheet \$ 51,172,593

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

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.

Governmental capital assets	\$ 73,084,128	
Less: accumulated depreciation	<u>(22,956,970)</u>	50,127,158

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Bonds payable, including amortized premiums and CABs	(82,458,120)	
Net pension liability	(3,678,379)	
Net OPEB liability	<u>(4,022,566)</u>	(90,159,065)

Accrued interest on long-term debt related to governmental fund activities is not due and payable in the current period and, therefore, not reported in the governmental funds.

(142,673)

Deferred outflows and inflows of resources related to pensions, other postemployment benefits, and bonds are applicable to future periods and, therefore, are not reported in the funds.

Deferred outflows of resources related to pensions	1,495,526	
Deferred inflows of resources related to pensions	(719,698)	
Deferred outflows of resources related to OPEB	1,322,819	
Deferred inflows of resources related to OPEB	(3,222,410)	
Deferred inflows of resources related to gain on refunding	<u>(405,247)</u>	(1,529,010)

Property taxes are recognized as revenue in the governmental funds when collected, but recognized on the statement of activities in the year levied. Therefore, property taxes receivable, net of allowance for uncollectible accounts, is added to the statement of net position for governmental activities.

262,983

Net position of governmental activities - statement of net position \$ 9,731,986

The accompanying notes are an integral part of these financial statements.

**LAGO VISTA INDEPENDENT SCHOOL DISTRICT**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS**

**For the year ended August 31, 2021**

EXHIBIT C-2

DATA CONTROL CODES	10	50	60	282	OTHER	98	
	GENERAL FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	ESSER III FUND	GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS	
<b>REVENUES</b>							
5700	Local and intermediate sources	\$ 18,396,156	\$ 5,023,152	\$ 17,486	\$ -	\$ 293,124	\$ 23,729,918
5800	State program revenues	1,477,215	86,287	-	-	10,042	1,573,544
5900	Federal program revenues	215,800	-	-	382,564	697,578	1,295,942
5020	Total revenues	<u>20,089,171</u>	<u>5,109,439</u>	<u>17,486</u>	<u>382,564</u>	<u>1,000,744</u>	<u>26,599,404</u>
<b>EXPENDITURES</b>							
Current:							
0011	Instruction	8,649,232	-	-	382,564	407,796	9,439,592
0012	Instructional resources and media services	93,602	-	-	-	-	93,602
0013	Curriculum and instructional staff development	14,970	-	-	-	-	14,970
0021	Instructional leadership	242,569	-	-	-	-	242,569
0023	School leadership	945,423	-	-	-	-	945,423
0031	Guidance, counseling, and evaluation services	613,507	-	-	-	58,513	672,020
0033	Health services	165,132	-	-	-	-	165,132
0034	Student (pupil) transportation	566,403	-	-	-	-	566,403
0035	Food services	-	-	-	-	280,238	280,238
0036	Cocurricular/extracurricular activities	698,358	-	-	-	170,306	868,664
0041	General administration	767,374	-	-	-	-	767,374
0051	Facilities maintenance and operations	1,734,496	-	-	-	-	1,734,496
0052	Security and monitoring services	10,604	-	-	-	-	10,604
0053	Data processing services	435,600	-	-	-	-	435,600
Debt service:							
0071	Principal on long-term debt	-	3,490,000	-	-	-	3,490,000
0072	Interest on long-term debt	-	971,590	-	-	-	971,590
0073	Bond issuance costs and fees	-	184,862	410,319	-	-	595,181
0081	Capital outlay	-	-	3,659,894	-	-	3,659,894
0091	Contracted instructional services-chapter 41	4,456,833	-	-	-	-	4,456,833
Intergovernmental:							
0099	Other intergovernmental charges	92,561	-	-	-	-	92,561
6030	Total expenditures	<u>19,486,664</u>	<u>4,646,452</u>	<u>4,070,213</u>	<u>382,564</u>	<u>916,853</u>	<u>29,502,746</u>
1100	Excess (deficiency) of revenues over (under) expenditures	<u>602,507</u>	<u>462,987</u>	<u>(4,052,727)</u>	<u>-</u>	<u>83,891</u>	<u>(2,903,342)</u>
<b>OTHER FINANCING SOURCES AND (USES)</b>							
7911	Capital related debt issued	-	12,295,000	38,855,000	-	-	51,150,000
7915	Transfers in	-	8,366	-	-	-	8,366
7916	Premium	-	1,504,216	5,893,684	-	-	7,397,900
8911	Transfers out (uses)	-	-	(8,366)	-	-	(8,366)
8949	Other uses	-	(13,619,774)	-	-	-	(13,619,774)
7080	Total other financing sources and (uses)	<u>-</u>	<u>187,808</u>	<u>44,740,318</u>	<u>-</u>	<u>-</u>	<u>44,928,126</u>
1200	Net change in fund balance	602,507	650,795	40,687,591	-	83,891	42,024,784
0100	FUND BALANCE - BEGINNING	<u>6,795,052</u>	<u>2,024,600</u>	<u>-</u>	<u>-</u>	<u>328,157</u>	<u>9,147,809</u>
3000	FUND BALANCE - ENDING	<u>\$ 7,397,559</u>	<u>\$ 2,675,395</u>	<u>\$ 40,687,591</u>	<u>\$ -</u>	<u>\$ 412,048</u>	<u>\$ 51,172,593</u>

The accompanying notes are an integral part of these financial statements.

**LAGO VISTA INDEPENDENT SCHOOL DISTRICT**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF  
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
TO THE STATEMENT OF ACTIVITIES**

**For the year ended August 31, 2021**

EXHIBIT C-2R

Net change in fund balances - total governmental funds \$ 42,024,784

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

Governmental funds report the portion of capital outlay for capitalized assets as expenditures. However, in the statement of activities, the costs of those assets are allocated over their useful lives as depreciation expense.

Expenditures for capitalized assets	\$3,794,305	
Less current year depreciation	(1,765,104)	2,029,201

Repayment of principal on bonds and payment to escrow agent is an expenditure in the governmental funds, but this expenditure is removed from the statement of activities and the repayments instead reduce long-term liabilities on the statement of net position.	17,135,102
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Accumulated accretion on bonds issued by governmental activities is recognized only when paid in the governmental funds, but is treated as interest expense on the statement of activities as it accretes.	(378,060)
--	-----------

Since long-term debt is not recorded in governmental funds, amortization of related issuance premiums and discounts is also not recorded.	522,628
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The issuance of debt reported as proceeds in the funds is not reported in the statement of activities.	(58,547,900)
--	--------------

The change in accrued interest due on long-term debt issued for governmental activities does not affect current financial resources and therefore is not reported in the governmental funds.	(90,695)
--	----------

Property taxes are recognized as revenue in the governmental funds when collected but recognized on the statement of activities in the year levied. Therefore, the uncollected amount of the current year levy is added to current year property tax revenue on the statement of activities.	(105,826)
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Governmental funds report pension contributions as expenditures. However, pension contributions are reported as deferred outflows of resources on the statement of net position if made after the net pension liability measurement date. In addition, the change in the net pension liability, adjusted for changes in deferred pension items, is reported as pension expense in the statement of activities.	(279,171)
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Governmental funds report OPEB contributions as expenditures. However, OPEB contributions are reported as deferred outflows of resources on the statement of net position if made after the net OPEB liability measurement date. In addition, the change in the net OPEB liability, adjusted for changes in deferred OPEB items, is reported as OPEB expense in the statement of activities.	83,926
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Change in net position of governmental activities - statement of activities	\$ 2,393,989
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The accompanying notes are an integral part of these financial statements.

**LAGO VISTA INDEPENDENT SCHOOL DISTRICT**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET TO ACTUAL – GENERAL FUND**

**For the year ended August 31, 2021**

EXHIBIT C-3

DATA CONTROL CODES		1	2	3	VARIANCE WITH
		BUDGETED AMOUNTS		ACTUAL	FINAL BUDGET
		ORIGINAL	FINAL	AMOUNTS (GAAP BASIS)	POSITIVE (NEGATIVE)
	REVENUES				
5700	Local and intermediate sources	\$ 18,781,500	\$ 18,781,500	\$ 18,396,156	\$ (385,344)
5800	State program revenues	1,434,000	1,434,000	1,477,215	43,215
5900	Federal program revenues	185,000	185,000	215,800	30,800
5020	Total revenues	<u>20,400,500</u>	<u>20,400,500</u>	<u>20,089,171</u>	<u>(311,329)</u>
	EXPENDITURES				
0011	Instruction	8,655,942	8,705,942	8,649,232	56,710
0012	Instructional resources and media services	101,406	101,406	93,602	7,804
0013	Curriculum and staff development	29,100	29,100	14,970	14,130
0021	Instructional leadership	257,346	257,346	242,569	14,777
0023	School leadership	1,016,450	1,016,450	945,423	71,027
0031	Guidance, counseling, and evaluation services	664,236	684,236	613,507	70,729
0033	Health services	164,305	169,305	165,132	4,173
0034	Student transportation	622,500	622,500	566,403	56,097
0036	Extracurricular activities	801,405	801,405	698,358	103,047
0041	General administration	885,751	810,751	767,374	43,377
0051	Facilities maintenance and operations	1,712,162	1,762,162	1,734,496	27,666
0052	Security and monitoring services	11,850	11,850	10,604	1,246
0053	Data processing services	432,047	442,047	435,600	6,447
	Intergovernmental:				
	Contracted instruction services between				
0091	schools	4,924,000	4,864,000	4,456,833	407,167
0099	Other intergovernmental charges	<u>109,000</u>	<u>109,000</u>	<u>92,561</u>	<u>16,439</u>
6030	Total expenditures	<u>20,387,500</u>	<u>20,387,500</u>	<u>19,486,664</u>	<u>900,836</u>
1100	Excess (deficiency) of revenues over (under) expenditures	<u>13,000</u>	<u>13,000</u>	<u>602,507</u>	<u>589,507</u>
0100	FUND BALANCE - BEGINNING	<u>6,795,052</u>	<u>6,795,052</u>	<u>6,795,052</u>	<u>-</u>
3000	FUND BALANCE - ENDING	<u>\$ 6,808,052</u>	<u>\$ 6,808,052</u>	<u>\$ 7,397,559</u>	<u>\$ 589,507</u>

The accompanying notes are an integral part of these financial statements.



**LAGO VISTA INDEPENDENT SCHOOL DISTRICT**

**STATEMENT OF NET POSITION  
PROPRIETARY FUNDS**

**August 31, 2021**

EXHIBIT D-1

<u>DATA CONTROL CODES</u>		<u>BUSINESS-TYPE ACTIVITIES LITTLE VIKINGS DAY CARE</u>
	ASSETS	
1110	Cash and cash equivalents	\$ 73,520
	Capital assets:	
1520	Buildings and improvements, net	<u>257,351</u>
1000	Total assets	<u>330,871</u>
	LIABILITIES	
2110	Accounts payable	82
2160	Accrued wages payable	9,462
2170	Due to other funds	257,351
2200	Accrued expenditures	<u>198</u>
2000	Total liabilities	<u>267,093</u>
	NET POSITION	
3900	Unrestricted	<u>63,778</u>
3000	Total net position	<u><u>\$ 63,778</u></u>

The accompanying notes are an integral part of these financial statements.

**LAGO VISTA INDEPENDENT SCHOOL DISTRICT**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS**

**For the year ended August 31, 2021**

EXHIBIT D-2

<u>DATA CONTROL CODES</u>		<u>BUSINESS-TYPE ACTIVITIES LITTLE VIKINGS DAY CARE</u>
	OPERATING REVENUES	
5700	Local and intermediate sources	\$ 165,619
5800	State program revenues	<u>8,344</u>
5020	Total operating revenues	<u>173,963</u>
	OPERATING EXPENSES	
6100	Payroll costs	130,373
6300	Professional and contracted services	1,485
6400	Other operating costs	<u>2,936</u>
6030	Total operating expenses	<u>134,794</u>
1300	Change in net position	39,169
0100	TOTAL NET POSITION - BEGINNING	<u>24,609</u>
3300	TOTAL NET POSITION - ENDING	<u><u>\$ 63,778</u></u>

The accompanying notes are an integral part of these financial statements.

**LAGO VISTA INDEPENDENT SCHOOL DISTRICT**

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS**

**For the year ended August 31, 2021**

EXHIBIT D-3

	BUSINESS-TYPE ACTIVITIES
	LITTLE VIKINGS DAY CARE
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from user charges	\$ 173,963
Cash payments to employees for services	(127,193)
Cash payments to suppliers	(1,672)
Cash payments for other operating activities	(2,873)
Net cash provided by (used for) operating activities	42,225
Net increase (decrease) in cash and cash equivalents	42,225
Cash and cash equivalents at beginning of year	31,295
Cash and cash equivalents at end of year	\$ 73,520
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>	
Operating income	\$ 39,169
Change in assets and liabilities:	
Increase (decrease) in accounts payable	(187)
Increase (decrease) in wages payable	3,180
Increase (decrease) in accrued expenses	63
Total adjustments	3,056
Net cash provided by (used for) operating activities	\$ 42,225

The accompanying notes are an integral part of these financial statements.

LAGO VISTA INDEPENDENT SCHOOL DISTRICT

STATEMENT OF NET POSITION  
FIDUCIARY FUNDS

August 31, 2021

EXHIBIT E-1

<u>DATA CONTROL CODES</u>		<u>CUSTODIAL FUNDS</u>
	ASSETS	
1110	Cash and cash equivalents	<u>\$ 25,744</u>
1000	Total assets	<u>25,744</u>
	NET POSITION	
3000	Total net position	<u><u>\$ 25,744</u></u>

The accompanying notes are an integral part of these financial statements.

LAGO VISTA INDEPENDENT SCHOOL DISTRICT

STATEMENT OF CHANGES IN NET POSITION  
FIDUCIARY FUNDS

August 31, 2021

EXHIBIT E-2

<u>DATA CONTROL CODES</u>		<u>CUSTODIAL FUNDS</u>
	ADDITIONS	
5700	Fundraising activity	\$ 36,855
	Total additions	<u>36,855</u>
	DEDUCTIONS	
6400	Student activities	<u>55,342</u>
	Total deductions	<u>55,342</u>
1200	Change in net position	(18,487)
0100	Total net position, beginning	-
1300	Restatement of net position	<u>44,231</u>
3000	Total net position, ending	<u>\$ 25,744</u>

The accompanying notes are an integral part of these financial statements.



# LAGO VISTA INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended August 31, 2021

### (1) Summary of significant accounting policies

#### The financial reporting entity

This report includes those activities, organizations and functions related to Lago Vista 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 District is not included in any other governmental “reporting entity” as defined by Statement No. 14 of the Governmental Accounting Standards Board (GASB), since Board members are elected by the public and have decision making authority. Furthermore, there are no legally separate organizations, known as “component units”, included within the reporting entity.

The accounting policies of the District comply with the rules prescribed by the Texas Education Agency (TEA) in its Financial Accountability System Resource Guide (FASRG). 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 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 are 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 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. Agency funds have no measurement focus. 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.

# LAGO VISTA INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended August 31, 2021

### (1) Summary of significant accounting policies (continued)

#### Measurement focus, basis of accounting, and financial statement presentation (continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

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

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. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

#### Major funds and fund types

The District reports the following major governmental funds:

The general fund includes financial resources that are not required to be reported separately in another fund. It is a budgeted fund, and any unrestricted fund balances are considered to be 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 project fund includes proceeds from long-term debt financing and revenues and expenditures related to authorized construction and other capital asset acquisitions.

The Elementary and Secondary Schools Emergency Relief (ESSER III) fund is to be used to support the District with emergency relief funds to address the impact of COVID-19.

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 periods are accounted for in these funds.

Enterprise funds are proprietary funds used to account for operations of the District whereby individuals or others are charged a fee for a specific benefit or service and there is a desire to measure a specific gain or loss on the activity.



# LAGO VISTA INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended August 31, 2021

### (1) Summary of significant accounting policies (continued)

#### Major funds and fund types (continued)

Custodial funds are fiduciary funds used to account for resources held for others in a custodial capacity. The District utilizes this fund type to account for funds held on behalf of student clubs and organizations.

#### Budgetary information

Budgets are prepared annually for the general fund, the child nutrition fund, and the debt service fund on the modified accrual basis, which is consistent with generally accepted accounting principles. A formal budget is prepared by the end of August and is adopted by the Board at a public meeting after public notice of the meeting has been given no earlier than the 30<sup>th</sup> day or later than the 10<sup>th</sup> day before the public hearing. 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 monitored by the administration throughout the year and amendments were brought to the Board as needed.

Assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position or fund balance

Investments - The District's investment policies and types of investments are governed by Section 2256 of the Texas Government Code ("Public Funds Investment Act"). The types of investments allowed under the Public Funds Investment Act are detailed in note 2 – deposits and investments. The District's management believes that it complied with the requirements of the Public Funds Investment Act and the District's investment policies. The District accrues interest on temporary investments based on the terms and effective interest rates of the specific investments. Temporary investments throughout the year consisted of investments in external investment pools, which are recognized at amortized cost, and money market accounts.

Inventories – Inventories are generally not recorded in the general fund or child nutrition fund due to amounts of expendable supplies held or purchased food not being deemed material. When inventories are recorded, they are charged to expenditures when consumed. Amounts recorded are offset by a fund balance classification titled "nonspendable" which indicates that the inventory does not represent "available expendable resources."

Capital assets – Capital assets, which include land, buildings and improvements, construction in progress, furniture and equipment, and vehicles are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of at least \$5,000 and a useful life of greater than one year. Such assets are recorded at historical cost, if purchased, or estimated fair 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:

<u>ASSET CLASS</u>	<u>ESTIMATED USEFUL LIVES (YRS)</u>
Buildings and improvements	15-30
Furniture and equipment	3-20
Vehicles	5-10

# LAGO VISTA INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended August 31, 2021

### (1) Summary of significant accounting policies (continued)

Assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position or fund balance (continued)

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. When prepaid items are recorded, they are charged to expenditures when the value represented by the prepaid item has been used. Amounts recorded are offset by a fund balance classification title “nonspendable” which indicates that the prepaid item amount does not represent “available expendable resources.”

Ad valorem property taxes – Delinquent taxes, when received, are prorated between maintenance and debt service based on rates adopted for the year of the levy. Allowances for uncollectibles within the general and debt service funds are based upon historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

Accumulated sick leave liability – The State of Texas 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.

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 benefit terms. Investments are reported at fair value.

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

Deferred outflows and deferred 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 a 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.

# LAGO VISTA INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended August 31, 2021

### (1) Summary of significant accounting policies (continued)

Assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position or fund balance (continued)

Deferred outflows and deferred inflows of resources (continued) – 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 or inflows of resources, certain items that were previously reported as assets and liabilities.

Fund balance/deficit – 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.

Statement of cash flows – For purposes of the statement of cash flows when proprietary funds are used, cash and cash equivalents include demand deposits.

Fair value measurements – The District adopted 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 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

### Data control codes

The data control codes shown on the financial statements refer to the account code structure prescribed by the FASRG. TEA requires school districts to display these codes in their financial statements to ensure accuracy in building a state-wide data base for policy development and funding plans.

# LAGO VISTA INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended August 31, 2021

### (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 for operating and agency funds, in order of priority, are safety, investment liquidity, and maturity sufficient to meet anticipated cash flow requirements. The primary objective of the District's investment strategy for debt service and capital projects funds is sufficient investment liquidity to meet related obligations.

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

- Obligations of, or guaranteed by, governmental entities
- Certificates of deposit and share certificates
- Fully collateralized repurchase agreements
- Securities lending programs
- Banker's acceptances
- Commercial paper
- No-load money market mutual funds and no-load mutual funds
- Guaranteed investment contracts as an investment vehicle for bond proceeds
- 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 contact, 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 August 31, 2021, the carrying amount of the District's deposits was \$640,788 and the bank balance was \$927,434. The District's deposits with financial institutions at August 31, 2021 and during the year ended August 31, 2021 were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name. The deposits were collateralized in accordance with Texas law and the District maintains copies of all safekeeping receipts in the name of the District.

The District maintains a cash pool of demand deposits. The combined pool is available for use by most special revenue funds. If a fund overdraws its share of the pool, the overdraft is reported as an interfund payable in that fund. The offsetting interfund receivable is reported in the general fund.

# LAGO VISTA INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended August 31, 2021

### (2) Deposits and investments (continued)

Investments held at August 31, 2021 consisted of the following:

<u>INVESTMENT TYPE</u>	<u>FAIR VALUE</u>	<u>WEIGHTED AVERAGE MATURITY (DAYS)</u>	<u>STANDARD AND POOR'S RATING</u>
Local government investment pools:			
Lone Star Investment Pool	\$ 50,767,973	52	AAAm
TexPool	<u>98,450</u>	31	AAAm
Total investments	<u>\$ 50,866,423</u>		

The District had investments in two external local governmental investment pools at August 31, 2021, consisting of the Texas Local Governmental Investment Pool (“TexPool”) and the Lone Star Investment Pool (First Public).

Notes on these local governmental investment pools are as follows:

#### TexPool

TexPool is a local government investment pool. It offers a safe, efficient, and liquid investment alternative to local governments in the State of Texas. The primary objectives of the pool are to preserve capital and protect principal, maintain sufficient liquidity, provide safety of funds and investments, diversify to avoid unreasonable or avoidable risks, and maximize the return on the pool. Cities, counties, school districts, institutions of higher education, special districts, and other public entities of Texas make up the investor base.

TexPool was originally rated in March 1995, but effective April 2002, the Texas Comptroller of Public Accounts contracted with Federated Investors, Inc. for the day-to-day operations of TexPool. Federated Investors, Inc. performs the pool’s investment management and custodial functions. It also provides the marketing function, working closely with participants. Federated Securities Corp. acts as the distributor for the portfolio. Oversight of TexPool continues to be provided by the Texas Comptroller, as well as the Tex Pool advisory board. In January 1995, the advisory board adopted and implemented long-term policy changes to provide for a stable net asset value (NAV) pool, which, in effect, operates like an SEC regulated Rule 2a-7 money-market fund. These changes were made to ensure a more conservative investment strategy and to provide a much higher level of investment safety for local government funds.

#### Lone Star Investment Pool (First Public)

The Corporate Overnight Fund is a fund within the Lone Star Investment Pool. Its objective is to maintain a stable \$1.00 per share net asset value (NAV), while it provides the highest possible rate of return. The fund represents one of three Texas public investment funds sponsored by the Texas Association of School Boards (TASB). The other funds – Government Overnight Fund and Corporate Overnight Plus Fund – also maintain S&P Global ratings. The Lone Star Investment Pool was created pursuant to the Interlocal Cooperation Act of the State of Texas as an investment vehicle for local school districts and other public entities. The funds within Lone Star Investment Pool are not registered mutual funds under the Investment Company Act of 1940, and are not available to individual investors.

# LAGO VISTA INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended August 31, 2021

### (2) Deposits and investments (continued)

#### Lone Star Investment Pool (First Public) (continued)

The Lone Star Investment Pool is sponsored by TASB. The investment advisers to the pool are American Beacon Advisors and Standish. First Public, LLC provides administrative and distribution services to the pool and State Street Bank is the custodian for all pool assets. In addition, CAPTRUST Financial Advisors monitors the pool's operations and performance and reports its findings to First Public and the board of trustees for the Lone Star Investment Pools.

Credit risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized agencies are designed to give an indication of credit risk. At August 31, 2021, investments were included in local governmental investment pools with ratings from Standard & Poor's 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 but not in the District's name. At August 31, 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 August 31, 2021, the District had 100% of its investments in local governmental investment pools.

Interest rate risk – As a means of minimizing risk of loss due to interest rate fluctuations, the District's investment policy requires that maturities will not exceed the weighted average maturity of 180 days for any internally created pool fund group and one year from the time of purchase for any other individual investment. The Board may specifically authorize a longer maturity for a given investment, within legal limits. The District considers the holdings in the local governmental 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 August 31, 2021, investments were included in local government investment pools which have a weighted average maturity of one day.

### (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 Travis Central Appraisal District (the "Appraisal District") is responsible for the recording and appraisal of all property in the District. Under the Code, the school board sets the tax rates on property and the Travis County Tax Assessor/Collector provides tax collection services. The Appraisal District is required under the Code to assess property at 100% of its appraised value. Further, real property must be reappraised at least every three 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.

**LAGO VISTA INDEPENDENT SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended August 31, 2021**

(3) Property taxes (continued)

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 \$1,921,302,358. The District levied taxes based on a combined tax rate of \$1.2036 per \$100 of assessed valuation for local maintenance (general governmental services) and debt service.

(4) Due from/to 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. Grants and entitlements are recorded as revenue when earned, therefore at year end amounts earned but not yet received in cash may be recorded as due from the grantor government. Amounts already received in cash but not yet earned are recorded as due to the grantor government.

A summary of amounts recorded as due from/due to other governments in the basic financial statements as of August 31, 2021 are summarized below:

Due from other governments:

	General Fund	Nonmajor Governmental Funds	Total
Governmental activities:			
Foundation and per capita entitlements	\$ 362,320	\$ -	\$ 362,320
Federal grants	-	636,792	636,792
Total governmental activities	\$ 362,320	\$ 636,792	\$ 999,112

Due to other governments:

	Debt Service Fund	Title I Fund	Total
Governmental activities:			
Foundation and per capita entitlements	\$ 6,567	\$ 34,629	\$ 41,196
Total governmental activities	\$ 6,567	\$ 34,629	\$ 41,196

(5) Interfund receivables, payables, and transfers

During the course of operations, the individual funds of the District may engage in temporary borrowings of money between one another to meet liquidity needs. These interfund receivables and payables are recorded on the balance sheet of the loaning fund as “due from other funds” and on the balance sheet of the borrowing fund as “due to other funds”. Amounts are repaid when funds are available in the borrowing fund.

**LAGO VISTA INDEPENDENT SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended August 31, 2021**

(5) Interfund receivables, payables, and transfers (continued)

Individual funds may also make payments between one another which are intended to be permanent and therefore not repaid. These transactions are recorded on the statement of revenues, expenditures, and changes in fund balance as “transfers out” for the paying fund and “transfers in” for the receiving fund.

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

Receivable Fund	Payable Fund	Amount
General fund	Other governmental funds	\$ 177,297
	Capital projects fund	10,570
	ESSER III	382,564
	Enterprise fund	257,351
Total general fund		827,782
Other governmental funds	General fund	221,859
Total other governmental funds		221,859
Grand total		\$ 1,049,641

(6) Capital assets

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

	BEGINNING BALANCE 09/1/20	ADDITIONS	DELETIONS	ENDING BALANCE 08/31/21
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital assets not being depreciated:				
Land	\$ 1,111,647	\$ -	\$ -	\$ 1,111,647
Construction in progress	-	3,659,893	-	3,659,893
Total capital assets not being depreciated	1,111,647	3,659,893	-	4,771,540
Capital assets being depreciated:				
Buildings and improvements	65,730,998	-	-	65,730,998
Furniture and equipment	2,447,178	134,412	-	2,581,590
Total capital assets being depreciated	68,178,176	134,412	-	68,312,588
Less accumulated depreciation for:				
Buildings and improvements	(19,427,466)	(1,590,220)	-	(21,017,686)
Furniture and equipment	(1,764,400)	(174,884)	-	(1,939,284)
Total accumulated depreciation	(21,191,866)	(1,765,104)	-	(22,956,970)
Governmental activities - capital assets, net	\$ 48,097,957	\$ 2,029,201	\$ -	\$ 50,127,158



**LAGO VISTA INDEPENDENT SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended August 31, 2021**

**(6) Capital assets (continued)**

	BEGINNING BALANCE 09/1/20	ADDITIONS	DELETIONS	ENDING BALANCE 08/31/21
<b>BUSINESS-TYPE ACTIVITIES</b>				
Capital assets being depreciated:				
Buildings and improvements	\$ -	\$ 257,351	\$ -	\$ 257,351
Total capital assets being depreciated	-	257,351	-	257,351
Less accumulated depreciation for:				
Buildings and improvements	-	-	-	-
Total accumulated depreciation	-	-	-	-
Business-type activities - capital assets, net	\$ -	\$ 257,351	\$ -	\$ 257,351

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

Function	Depreciation Allocation
Instruction	\$ 801,587
Instruction resources and media	7,948
Curriculum and staff development	1,271
Instructional leadership	20,598
School leadership	80,283
Guidance, counseling, and evaluation services	57,066
Health services	14,023
Student transportation	48,098
Food services	23,797
Cocurricular, extracurricular activities	73,765
General administration	65,164
Plant maintenance and operations	147,289
Security and monitoring services	900
Data processing services	36,990
Contracted instructional services between schools	378,464
Community services	7,860
	\$ 1,765,104
Total depreciation expense	\$ 1,765,104

**LAGO VISTA INDEPENDENT SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended August 31, 2021**

(7) Bonds, notes, and other long-term liabilities

Governmental activities long-term debt obligations at August 31, 2021 consisted of the following:

<u>General Long-Term Debt Description</u>	<u>Outstanding at August 31, 2021</u>
\$5,064,000 Series 1997 Unlimited Tax School Building and Refunding Bonds - CAB's due in annual installments of \$109,000 to \$249,000 through August 15, 2024; interest at 3.9% to 5.7%.	\$ 2,399,377
\$1,047,582 Series 1999 Unlimited Tax School Building and Refunding Bonds - CAB's due in annual installments of \$270,000 to \$310,000 through August 15, 2030; interest at 5.15% to 5.9%.	3,344,383
\$1,980,000 Series 2014 Unlimited Tax Refunding Bonds- CIB, due in annual installments of \$35,000 to \$165,000 through August 15, 2036; interest at 2.00% to 4.00%.	1,595,000
\$7,300,000 Series 2015 Unlimited Tax Refunding Bonds due in annual installments of \$270,000 to \$1,465,000 through August 15, 2027; interest at 2.00% to 4.00%.	5,630,000
\$8,645,000 Series 2017 Unlimited Tax Refunding Bonds due in annual installments of \$195,000 to \$2,320,000 through August 15, 2035; interest at 2.00% to 4.00%.	8,480,000
\$2,855,000 Series 2018 Unlimited Tax School Building Bonds due in annual installments of \$455,003 to \$535,000 through August 15, 2024; interest at 3.00%.	1,555,000
\$38,855,000 Series 2021 Unlimited Tax School Building Bonds due in annual installments of \$380,000 to \$2,320,000 through August 15, 2046; interest at 2.00% to 5.00%.	38,855,000
\$12,295,000 Series 2021 Unlimited Tax Refunding Bonds due in annual installments of \$180,000 to \$2,025,000 through August 15, 2037; interest at 2.00% to 5.00%.	<u>12,115,000</u>
Total	<u>\$ 73,973,760</u>

# LAGO VISTA INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

**For the year ended August 31, 2021**

(7) Bonds, notes, and other long-term liabilities (continued)

The following is a summary of changes in long-term liabilities for the year ended August 31, 2021:

	OUTSTANDING 9/1/2020	ADDITIONS	DELETIONS	CURRENT ACCRETION	OUTSTANDING 8/31/2021	AMOUNTS DUE WITHIN ONE YEAR
Bonds payable:						
General obligation and refunding bonds	\$ 34,516,431	\$ 51,150,000	\$ (16,020,830)	\$ -	\$ 69,645,601	\$ 3,035,000
Capital appreciation bonds	4,819,269	-	(869,170)	378,060	4,328,159	1,016,249
Premium on issuance of bonds	<u>2,259,437</u>	<u>7,397,900</u>	<u>(1,172,977)</u>	-	<u>8,484,360</u>	-
Total bonds	<u>41,595,137</u>	<u>58,547,900</u>	<u>(18,062,977)</u>	<u>378,060</u>	<u>82,458,120</u>	<u>4,051,249</u>
 Total governmental activities	 <u>\$ 41,595,137</u>	 <u>\$ 58,547,900</u>	 <u>\$ (18,062,977)</u>	 <u>\$ 378,060</u>	 <u>\$ 82,458,120</u>	 <u>\$ 4,051,249</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. The Texas Education Code generally limits 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 would exceed \$0.50 per \$100 of assessed valuation of taxable property within the District.

During the year, the District issued Lago Vista Independent School District Unlimited Tax Refunding Bonds, Series 2021 for \$12,295,000 to partially refund the Lago Vista Independent School District Tax School Building Bonds, Series 2011 and Series 2012 in the amount \$1,075,000 and \$12,325,000 respectively, by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the District's financial statements. As a result of the refunding, the District reduced its total debt service requirements by \$2,801,563 which resulted in an economic gain of \$2,268,178. Bonds outstanding that are considered defeased as a result of the current year refunding total \$-0-.

Annual principal installments for outstanding bonds vary each year. The debt service requirements to maturity for general obligation bonds as of August 31, 2021 are as follows:

YEAR ENDING AUGUST 31,	GENERAL OBLIGATIONS			TOTAL REQUIREMENTS
	PRINCIPAL	ACCUMULATED ACCRETION	INTEREST	
2022	\$ 3,227,146	\$ 824,104	\$ 2,932,197	\$ 6,983,447
2023	3,888,981	711,727	2,335,230	6,935,938
2024	2,674,474	312,945	2,216,280	5,203,699
2025	3,045,000	-	2,145,730	5,190,730
2026	3,150,000	-	2,052,780	5,202,780
2027-2031	12,515,000	2,479,383	8,557,100	23,551,483
2032-2036	19,060,000	-	5,554,000	24,614,000
2037-2041	11,015,000	-	2,534,900	13,549,900
2042-2046	<u>11,070,000</u>	<u>-</u>	<u>809,640</u>	<u>11,879,640</u>
Totals	<u>\$ 69,645,601</u>	<u>\$ 4,328,159</u>	<u>\$ 29,137,857</u>	<u>\$ 103,111,617</u>

# LAGO VISTA INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended August 31, 2021

### (8) Teacher Retirement System of Texas pension plan

#### Plan description

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

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

#### Pension plan fiduciary net position

Detailed information about 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, Texas 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, 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 postemployment benefit changes; including automatic COLAs. Ad hoc postemployment 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's 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 this manner are determined by the system's actuary.

**LAGO VISTA INDEPENDENT SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended August 31, 2021**

(8) Teacher Retirement System of Texas pension plan (continued)

Benefits provided (continued)

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

Contributions

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

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

<b>Contribution Rates</b>	<b>2020</b>	<b>2021</b>
Member (Employees)	7.7%	7.7%
Non-employer contributing entity (State of Texas)	7.5%	7.5%
Employer (District)	7.5%	7.5%

<b>Contributions</b>		
Member contributions (Employees)	\$ 712,636	\$ 760,736
Non-employer contributing entity contributions (State of Texas)	552,220	595,397
Employer contributions (District)	281,795	301,938

Contributions 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).

# LAGO VISTA INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended August 31, 2021

### (8) Teacher Retirement System of Texas pension plan (continued)

#### Contributions (continued)

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 source, 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 is an additional surcharge an employer is subject to:

- When employing a retiree of the Teacher Retirement System the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.
- 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.

#### Actuarial assumptions

The total pension liability in the August 31, 2019 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%
Last year in the projection period (100 years)	2119
Inflation	2.30%
Salary increases including inflation	3.05% to 9.05%
Ad hoc post-employment benefit changes	None
Municipal bond rate as of August 2019 *	2.33%

\* Source for the rate is the Fixed Income Market Data/Yield Curve/Data 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."

# LAGO VISTA INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended August 31, 2021

### (8) Teacher Retirement System of Texas pension plan (continued)

#### Actuarial assumptions (continued)

The actuarial 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 total pension liability. The single discount rate was based on the expected rate of return on plan investments of 7.25%. The projection of cash flows used to determine this single discount rate assumed that contributions from active members, employers and the nonemployer contributing entity will be made at the rates set by the legislature during the 2019 session. It is assumed that future employer and state contributions will be 8.50% 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 was determined using a building-block method in which best-estimate 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.

**LAGO VISTA INDEPENDENT SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended August 31, 2021**

(8) Teacher Retirement System of Texas pension plan (continued)

Discount rate (continued)

Best estimates of geometric real rates of return for each major asset class included in the system's target asset allocation as of August 31, 2020 are summarized below:

Asset Class	Target Allocation *	Long-Term Expected Arithmetic Real Rate of Return **	Contributions To Long-Term Portfolio Returns
Global Equity			
USA	18.0%	3.9%	0.99%
Non-U.S. Developed	13.0%	5.1%	0.92%
Emerging Markets	9.0%	5.6%	0.83%
Private Equity	14.0%	6.7%	1.41%
Stable Value			
Government Bonds	16.0%	-0.7%	-0.05%
Stable Value Hedge Funds	5.0%	1.9%	0.11%
Real Return			
Real Estate	15.0%	4.6%	1.02%
Energy and Natural Resources	6.0%	6.0%	0.42%
Risk Parity			
Risk Parity	8.0%	3.0%	0.30%
Leverage			
Cash	2.0%	-1.5%	-0.03%
Asset Allocation Leverage	-6.0%	-1.3%	0.08%
Inflation Expectation			2.00%
Volatility Drag***			-0.67%
Expected Return	100.0%		7.33%

\* Target allocations are based on the FY2020 policy model

\*\* Capital market assumptions come from Aon Hewitt (as of 8/31/2020)

\*\*\*The volatility drag results from the conversion between arithmetic and geometric mean returns.

Discount rate sensitivity analysis

The following schedule shows the impact of the net pension liability 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% point lower (6.25%) or 1% point higher (8.25%) than the current rate.

	1% Decrease (6.25%)	Current Single Discount Rate (7.25%)	1% Increase (8.25%)
District's proportionate share of the net pension liability	\$ 5,671,995	\$ 3,678,379	\$ 2,058,610



**LAGO VISTA INDEPENDENT SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended August 31, 2021**

(8) Teacher Retirement System of Texas pension plan (continued)

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions

At August 31, 2021, the District reported a liability of \$3,678,379 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 net pension liability	\$	3,678,379
State's proportionate share of the net pension liability associated with the District		6,937,117
Total pension liability	\$	10,615,496

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 District'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 0.00006868035% which was a decrease of 0.000005189392% 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.

For the year ended August 31, 2021, the District recognized pension expense of \$534,425 and revenue of \$834,381 for support provided by the State.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 6,716	\$ 102,654
Changes in actuarial assumptions	853,515	362,909
Differences between projected and actual investment earnings	74,465	-
Changes in proportion and difference between the District's contributions and the proportionate share of contributions	258,892	254,135
Contributions paid to TRS subsequent to the measurement date	301,938	-
Total	\$ 1,495,526	\$ 719,698

**LAGO VISTA INDEPENDENT SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended August 31, 2021**

(8) Teacher Retirement System of Texas pension plan (continued)

Changes since the prior actuarial valuation (continued)

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:

Measurement Year Ended August 31,	Pension Expense Amount
2022	\$ 148,407
2023	179,138
2024	168,921
2025	47,652
2026	(58,709)
Thereafter	(11,519)
	\$ 473,890

(9) Defined other postemployment benefit plans

Plan description

The District participates in the Texas Public School Retired Employees Group Insurance Program (TRS-Care). It is a multiple-employer, cost-sharing defined other postemployment benefit (OPEB) plan with 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 the TRS-Care's fiduciary net position is available in the separately issued TRS 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.

**LAGO VISTA INDEPENDENT SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended August 31, 2021**

(9) Defined other postemployment benefit plans (continued)

Benefits provided

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

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

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

TRS-Care Monthly Premium Rates		
	Medicare	Non-Medicare
Retiree*	\$ 135	\$ 200
Retiree and spouse	529	689
Retiree* and children	468	408
Retiree and family	1,020	999

\* or surviving spouse

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 percent or not more than 0.75 percent of the salary of each active employee of the public or charter school. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act.

**LAGO VISTA INDEPENDENT SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended August 31, 2021**

(9) Defined other postemployment benefit plans (continued)

Contributions (continued)

The following table shows contributions to the TRS-Care plan by type of contributor.

<b>Contribution Rates</b>	<b>2020</b>	<b>2021</b>
Active employee	0.65%	0.65%
Non-employer contributing entity (State of Texas)	1.25%	1.25%
Employer (District)	0.75%	0.75%
Federal/private funding remitted by employers	1.25%	1.25%
 <b>Contributions</b>		
District contributions	\$ 78,895	\$ 84,129
Member contributions	60,157	64,218
NECE on-behalf contributions	97,451	99,233

In addition to the employer contributions listed above, there is an additional surcharge all TRS employers are subject to. When hiring a TRS retiree, employers are required to pay to TRS Care, a monthly surcharge of \$535 per retiree.

TRS-Care received supplemental appropriations from the State of Texas as the non-employer contributing entity in the amount of \$230.8 million in fiscal year 2020 to maintain premium and benefit levels in the 2020-2021 biennium.

Actuarial assumptions

The actuarial valuation was performed as of August 31, 2019. Updated procedures were used to roll forward the total OPEB liability 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 incidence	
General inflation	

# LAGO VISTA INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended August 31, 2021

### (9) Defined other postemployment benefit plans (continued)

#### Actuarial assumptions (continued)

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%
Single 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 cost.
Salary increases	3.05% to 9.05%, including inflation
Healthcare trend rates	10.80% decreasing to 4.50% for FY 2028
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 postemployment benefit changes	None

#### Discount rate

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

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

**LAGO VISTA INDEPENDENT SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended August 31, 2021**

(9) Defined other postemployment benefit plans (continued)

Discount rate sensitivity analysis

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

	1% Decrease in Discount Rate (1.33%)	Current Single Discount Rate (2.33%)	1% Increase in Discount Rate (3.33%)
District's proportionate share of the net OPEB liability	\$ 4,827,070	\$ 4,022,566	\$ 3,387,124

OPEB liabilities, OPEB expense, and deferred outflows of resources and deferred inflows of resources related to OPEBs

At August 31, 2020, the District reported a liability of \$4,022,566 for its proportionate share of the TRS's total 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 net OPEB liability	\$ 4,022,566
State's proportionate share of the net OPEB liability associated with the District	5,405,365
Total	\$ 9,427,931

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 thru August 31, 2020.

At August 31, 2021 the employer's proportion of the collective total OPEB liability was .0000105816588% compared to 0.000099552897% as of August 31, 2019. This was an increase of 0.000006263691% over the prior year.

The following schedule shows the impact of the net OPEB liability if a healthcare trend rate is 1% less than and 1% greater than the health rates assumed.

	1% Decrease in Healthcare Trend Rate (7.5%)	Current Single Healthcare Trend Rate (8.5%)	1% Increase in Healthcare Trend Rate (9.5%)
District's proportionate share of the net OPEB liability	\$ 3,285,921	\$ 4,022,566	\$ 5,033,673

**LAGO VISTA INDEPENDENT SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended August 31, 2021**

(9) Defined other postemployment benefit plans (continued)

OPEB liabilities, OPEB expense, and deferred outflows of resources and deferred inflows of resources related to OPEBs (continued)

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 percent as of August 31, 2019 to 2.33 percent as of August 31, 2020. This change increased the total OPEB liability (TOL).
- The participation rate for post-65 retirees was lowered from 50 percent to 40 percent. This change lowered the total OPEB liability.
- The ultimate health care trend rate assumption was lowered from 4.5 percent to 4.25 percent 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.

The amount of OPEB expense recognized by the District in the reporting period was \$(243,299) and revenue of \$700,572 for support provided by the State.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 210,620	\$ 1,840,932
Changes in actuarial assumptions	248,109	1,104,618
Differences between projected and actual investment earnings	1,307	-
Changes in proportion and difference between the District's contributions and the proportionate share of contributions	778,654	276,860
Contributions paid to TRS subsequent to the measurement date	84,129	-
Total	\$ 1,322,819	\$ 3,222,410

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:

Year Ended August 31,	OPEB Expense Amount
2022	\$ (355,958)
2023	(356,133)
2024	(356,233)
2025	(356,208)
2026	(248,763)
Thereafter	(310,425)
Total	\$ (1,983,720)

# LAGO VISTA INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended August 31, 2021

### (10) Fringe benefits paid by other governments

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. Under Medicare Part D, TRS-Care receives retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the years ended August 31, 2021 and August 31, 2020, the subsidy payments received by TRS-Care on behalf of the District were \$44,195 and \$45,136, respectively.

### (11) 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, the Board, or an official or body that has been delegated authority by the Board, may appropriate amounts that are to be used for a specific purpose. 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.

A detail of the fund balance amounts within each category is included on the governmental fund balance sheet.

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 has delegated authority to the Superintendent to 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 unassigned fund balance.



**LAGO VISTA INDEPENDENT SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended August 31, 2021**

(12) Revenue from local and intermediate sources

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

TYPE	GENERAL FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	NONMAJOR GOVERNMENTAL FUNDS	LITTLE VIKINGS DAY CARE	TOTAL
Property taxes	\$ 18,216,025	\$ 5,017,744	\$ -	\$ -	\$ -	\$ 23,233,769
Tuition and fees	13,024	-	-	-	165,619	178,643
Investment income	15,031	5,408	17,486	-	-	37,925
Rent	803	-	-	-	-	803
Food sales	-	-	-	125,945	-	125,945
Athletics	22,331	-	-	-	-	22,331
Enterprising revenues	-	-	-	167,179	-	167,179
Miscellaneous local revenue	128,942	-	-	-	-	128,942
<b>Total</b>	<u>\$ 18,396,156</u>	<u>\$ 5,023,152</u>	<u>\$ 17,486</u>	<u>\$ 293,124</u>	<u>\$ 165,619</u>	<u>\$ 23,895,537</u>

(13) Unearned revenue

Unearned revenue at August 31, 2021 consisted of the following amounts:

FUND	STATE GRANTS	FEDERAL GRANTS	TOTAL
Nonmajor governmental funds	\$ 1,085	\$ 1,252	\$ 2,337
<b>Total</b>	<u>\$ 1,085</u>	<u>\$ 1,252</u>	<u>\$ 2,337</u>

(14) 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 August 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.

(15) 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 *Government Auditing Standards* and when applicable, the Uniform Guidance, for the year ended August 31, 2021, these programs are subject to financial and compliance audits performed by the specific grantors. These audits, if performed, could result in amounts of expenditures being disallowed by the granting agencies and subject to repayment. The District however expects that such amounts, if any, would be immaterial.

# LAGO VISTA INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended August 31, 2021

### (16) Self-insurance fund

Lago Vista Independent School District participates in the Public Workers' Compensation Program (PWCP). PWCP maintains compliance with GASB No. 10 through an independent audit of the Program's financials which include an independent actuarial estimate of the reserves as of August 31, 2021. Reserves maintained on the PWCP financial represent the unpaid claim liability and include a provision for the subsequent development of known claims and for claims incurred but not reported (IBNR). The reinsurance contract is on PWCP as a whole and not the District. The reinsurance (stop loss insurance) for the District as a member of the PWCP from September 1, 2020 through August 31, 2021 is as follows:

Carrier:	Texas Public Excess Program
Specific Retention:	\$450,000-\$750,000 ISD Employees
Specific Retention:	\$500,000-\$750,000 County Employees

Carrier:	Safety National Casualty Corporation
Specific Retention:	\$750,000 ISD Employees (Statutory)
Specific Retention:	\$750,000 County Employees (Statutory)

As of August 31, 2021, the District's outstanding liabilities with PWCP were \$4,284.

### (17) Unemployment compensation pool

During the year ended August 31, 2021, Lago Vista Independent School District provided unemployment compensation coverage to its employees through participation in the TASB Risk Management Fund (the Fund). The Fund was created and is operated under the provisions of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. The Fund's Unemployment Compensation Program is authorized by Section 22.005 of the Texas Education Code and Chapter 172 of the Texas Local Government Code. All members participating in the Fund execute Interlocal Agreements that define the responsibilities of the parties.

The Fund meets its quarterly obligation to the Texas Workforce Commission. Expenses are accrued monthly until the quarterly payment has been made. Expenses can be reasonably estimated; therefore there is no need for specific or aggregate stop loss coverage for the unemployment compensation pool. For the year ended August 31, 2021, the Fund anticipates that Lago Vista Independent School District has no additional liability beyond the contractual obligation for payment of contribution. The Fund engages the services of an independent auditor to conduct a financial audit after the close of each year on August 31. The audit is accepted by the Fund's Board of Trustees in February of the following year. The Fund's audited financial statements as of August 31, 2020, are available on the TASB Risk Management Fund website and have been filed with the Texas Department of Insurance in Austin.

### (18) New accounting policy and restatement of net position

As of September 1, 2020, the District implemented GASB Statement No. 84, *Fiduciary Activities*. This statement establishes new criteria for identifying fiduciary activities which, when met, require that the activities be reported in a fiduciary fund in the basic financial statements. A statement of fiduciary net position and a statement of changes in fiduciary net position are required to be presented for these activities. The implementation of GASB Statement No. 84 resulted in a restatement of net position for the custodial funds (student activity funds) of \$44,231 for the year ended August 31, 2021.

## **REQUIRED SUPPLEMENTARY INFORMATION**

Required supplementary information includes financial information and disclosures required by the Governmental Accounting Standards Board but not considered a part of the basic financial statements.

**LAGO VISTA INDEPENDENT SCHOOL DISTRICT**

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY  
TEACHER RETIREMENT SYSTEM OF TEXAS**

**For the year ended August 31, 2021**

	2020	2019	2018
District's proportion of the net pension liability	0.0068680350%	0.0073869742%	0.0067887259%
District's proportionate share of net pension liability	\$ 3,678,379	\$ 3,839,980	\$ 3,736,679
State's proportionate share of the net pension liability associated with the District	6,937,117	5,770,688	6,320,644
Total	\$ 10,615,496	\$ 9,610,668	\$ 10,057,323
District's covered payroll	\$ 9,255,017	\$ 8,156,584	\$ 7,808,347
District's proportionate share of the net pension liability as a percentage of its covered payroll	39.74%	47.08%	47.85%
Plan fiduciary net position as a percentage of the total net pension liability	75.54%	75.24%	73.74%

The amounts presented are determined as of the Plan's measurement year which was as of August 31 in each prior calendar year from the District's fiscal year end.

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

EXHIBIT G-1

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
0.0071185034%	0.0070053908%	0.0072914000%	0.0048592000%
\$ 2,276,114	\$ 2,647,233	\$ 2,577,413	\$ 1,297,960
<u>3,926,192</u>	<u>4,618,000</u>	<u>4,436,562</u>	<u>3,922,098</u>
<u>\$ 6,202,306</u>	<u>\$ 7,265,233</u>	<u>\$ 7,013,975</u>	<u>\$ 5,220,058</u>
<u>\$ 7,849,062</u>	<u>\$ 7,584,320</u>	<u>\$ 7,296,833</u>	<u>\$ 7,218,248</u>
29.00%	34.90%	35.32%	17.98%
82.17%	78.00%	78.43%	83.25%

**LAGO VISTA INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF DISTRICT CONTRIBUTIONS FOR PENSIONS**  
**TEACHER RETIREMENT SYSTEM OF TEXAS**

**For the year ended August 31, 2021**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 301,938	\$ 281,795	\$ 258,911	\$ 229,455
Contribution in relation to the contractually required contribution	<u>(301,938)</u>	<u>(281,795)</u>	<u>(258,911)</u>	<u>(229,455)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	<u>\$ 9,879,687</u>	<u>\$ 9,255,017</u>	<u>\$ 8,156,584</u>	<u>\$ 7,808,347</u>
Contribution as a percentage of covered payroll	3.06%	3.04%	3.17%	2.94%

The amounts presented are as of the District's fiscal year end of August 31.

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

EXHIBIT G-2

<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 233,201	\$ 222,433	\$ 215,598
<u>(233,201)</u>	<u>(222,433)</u>	<u>(215,598)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 7,849,062</u>	<u>\$ 7,584,320</u>	<u>\$ 7,296,833</u>
2.97%	2.93%	2.95%

**LAGO VISTA INDEPENDENT SCHOOL DISTRICT**

**SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE  
OF THE NET OTHER POSTEMPLOYMENT BENEFITS LIABILITY (OPEB)  
TEACHER PUBLIC SCHOOL RETIRED EMPLOYEES GROUP INSURANCE PLAN**

**For the year ended August 31, 2021**

EXHIBIT G-3

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's proportion of the net liability for other postemployment benefits	0.0105816588%	0.0099552897%	0.0091875500%	0.0088697636%
District's proportionate share of the net other postemployment benefit liability	\$ 4,022,566	\$ 4,707,979	\$ 4,529,093	\$ 4,236,617
State's proportionate share of the net other postemployment benefit liability associated with the District	<u>5,405,365</u>	<u>6,255,850</u>	<u>6,783,026</u>	<u>6,307,702</u>
Total other postemployment benefits liability	<u>\$ 9,427,931</u>	<u>\$ 10,963,829</u>	<u>\$ 11,312,119</u>	<u>\$ 10,544,319</u>
District's covered payroll	<u>\$ 9,255,017</u>	<u>\$ 8,156,584</u>	<u>\$ 7,808,347</u>	<u>\$ 7,849,062</u>
District's proportionate share of the net other postemployment benefit liability as a percentage of its covered payroll	43.46%	57.72%	58.00%	53.98%
Plan fiduciary net position as a percentage of the total net other postemployment benefit liability	4.99%	2.66%	1.57%	0.91%

The amounts presented are determined as of the Plan's measurement year which was as of August 31 in each prior calendar year from the District's fiscal year end.

This schedule shows only four years for which this information is available. Additional information will be added until 10 years of data are available and reported.



**LAGO VISTA INDEPENDENT SCHOOL DISTRICT**

**SCHEDULE OF DISTRICT CONTRIBUTIONS  
FOR OTHER POSTEMPLOYMENT BENEFITS (OPEB) -  
TEXAS PUBLIC SCHOOL RETIRED EMPLOYEES GROUP INSURANCE PLAN**

**For the year ended August 31, 2021**

EXHIBIT G-4

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 84,129	\$ 78,895	\$ 70,842	\$ 59,098	\$ 47,985
Contribution in relation to the contractually required contribution	<u>(84,129)</u>	<u>(78,895)</u>	<u>(70,842)</u>	<u>(59,098)</u>	<u>(47,985)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	<u>\$ 9,879,687</u>	<u>9,255,017</u>	<u>8,156,584</u>	<u>7,808,347</u>	<u>\$ 7,849,062</u>
Contribution as a percentage of covered payroll	0.85%	0.85%	0.87%	0.76%	0.61%

The amounts presented are as of the District's fiscal year end of August 31.

This schedule shows only five years for which this information is available. Additional information will be added until 10 years of data are available and reported.

**LAGO VISTA INDEPENDENT SCHOOL DISTRICT**

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS**

**For the year ended August 31, 2021**

DATA CONTROL CODES		SPECIAL REVENUE FUNDS		
		211	224	225
		ESEA, TITLE I PART A	IDEA PART B FORMULA	IDEA PART B PRESCHOOL
	ASSETS			
1110	Cash	\$ 34,629	\$ -	\$ -
1120	Investments - current	-	-	-
1240	Receivables from other governments	3,212	162,003	2,661
1260	Due from other funds	-	-	-
1000	Total assets	<u>\$ 37,841</u>	<u>\$ 162,003</u>	<u>\$ 2,661</u>
	LIABILITIES			
	Current liabilities:			
2110	Accounts payable	\$ -	\$ -	\$ -
2160	Accrued wages payable	2,891	11,906	-
2170	Due to other funds	-	148,769	2,661
2180	Due to other governments	34,629	-	-
2200	Accrued expenditures	321	1,328	-
2300	Unearned revenues	-	-	-
2000	Total liabilities	<u>37,841</u>	<u>162,003</u>	<u>2,661</u>
	DEFERRED INFLOWS OF RESOURCES			
2600	Deferred inflows - property taxes	-	-	-
	Total liabilities and deferred inflows of resources	<u>37,841</u>	<u>162,003</u>	<u>2,661</u>
	FUND BALANCES			
3450	Restricted - federal or state funds restricted	-	-	-
3545	Committed - other committed fund balance	-	-	-
3000	Total fund balances	-	-	-
4000	Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 37,841</u>	<u>\$ 162,003</u>	<u>\$ 2,661</u>

EXHIBIT H-1

SPECIAL REVENUE FUNDS					
240	255	266	289	397	410
NATIONAL SCHOOL BREAKFAST/LUNCH PROGRAM	ESEA, TITLE II PART A	ESSER FUNDS	TITLE IV PART A SUBPART 1	ADVANCED PLACEMENT INCENTIVES	STATE TEXBOOK FUND
\$ -	\$ -	\$ -	\$ -	\$ 163	\$ -
131,460	-	-	-	-	922
58,729	16,423	9,660	1,540	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 190,189</u>	<u>\$ 16,423</u>	<u>\$ 9,660</u>	<u>\$ 1,540</u>	<u>\$ 163</u>	<u>\$ 922</u>
\$ -	\$ 504	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	15,919	9,660	288	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>1,252</u>	<u>163</u>	<u>922</u>
<u>-</u>	<u>16,423</u>	<u>9,660</u>	<u>1,540</u>	<u>163</u>	<u>922</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>16,423</u>	<u>9,660</u>	<u>1,540</u>	<u>163</u>	<u>922</u>
190,189	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>190,189</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 190,189</u>	<u>\$ 16,423</u>	<u>\$ 9,660</u>	<u>\$ 1,540</u>	<u>\$ 163</u>	<u>\$ 922</u>

(continued)

**LAGO VISTA INDEPENDENT SCHOOL DISTRICT**

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS**

**For the year ended August 31, 2021**

EXHIBIT H-1

<u>DATA CONTROL CODES</u>		<u>461 CAMPUS ACTIVITY FUNDS</u>	<u>TOTAL NONMAJOR GOVERNMENTAL FUNDS</u>
	<b>ASSETS</b>		
1110	Cash	\$ -	\$ 34,792
1120	Investments - current	-	132,382
1240	Receivables from other governments	-	254,228
1260	Due from other funds	<u>221,859</u>	<u>221,859</u>
1000	Total assets	<u>\$ 221,859</u>	<u>\$ 643,261</u>
	<b>LIABILITIES</b>		
	Current liabilities:		
2110	Accounts payable	\$ -	\$ 504
2160	Accrued wages payable	-	14,797
2170	Due to other funds	-	177,297
2180	Due to other governments	-	34,629
2200	Accrued expenditures	-	1,649
2300	Unearned revenues	<u>-</u>	<u>2,337</u>
2000	Total liabilities	<u>-</u>	<u>231,213</u>
	<b>DEFERRED INFLOWS OF RESOURCES</b>		
2600	Deferred inflows - property taxes	<u>-</u>	<u>-</u>
	Total liabilities and deferred inflows of resources	<u>-</u>	<u>231,213</u>
	<b>FUND BALANCES</b>		
3450	Restricted - federal or state funds restricted	-	190,189
3490	Committed - other committed fund balance	<u>221,859</u>	<u>221,859</u>
3000	Total fund balances	<u>221,859</u>	<u>412,048</u>
4000	Total liabilities, deferred inflows of resources and fund balances	<u>\$ 221,859</u>	<u>\$ 643,261</u>



**LAGO VISTA INDEPENDENT SCHOOL DISTRICT**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS**

**For the year ended August 31, 2021**

DATA CONTROL CODES		SPECIAL REVENUE FUNDS		
		211	224	225
		ESEA, TITLE 1	IDEA	IDEA
		PART A	PART B FORMULA	PART B PRESCHOOL
	REVENUES			
5700	Local and intermediate sources	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-
5900	Federal program revenues	105,524	305,026	2,827
5020	Total revenues	105,524	305,026	2,827
	EXPENDITURES			
	Current:			
0011	Instruction	105,524	246,513	2,827
0013	Curriculum development and instructional staff development	-	-	-
0031	Guidance, counseling and evaluation services	-	58,513	-
0035	Food service	-	-	-
0036	Cocurricular/extracurricular activities	-	-	-
0052	Security and monitoring	-	-	-
6030	Total expenditures	105,524	305,026	2,827
1100	Excess (deficiency) of revenues over (under) expenditures	-	-	-
1200	Net change in fund balance	-	-	-
0100	FUND BALANCES - BEGINNING	-	-	-
3000	FUND BALANCES - ENDING	\$ -	\$ -	\$ -

**LAGO VISTA INDEPENDENT SCHOOL DISTRICT**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS**

**For the year ended August 31, 2021**

EXHIBIT H-2

SPECIAL REVENUE FUNDS					
240	255	266	289	397	410
NATIONAL SCHOOL BREAKFAST/LUNCH PROGRAM	ESEA, TITLE II PART A	ESSER FUNDS	TITLE IV PART A SUBPART 1	ADVANCED PLACEMENT INCENTIVES	STATE TEXTBOOK REVENUE FUNDS
\$ 125,945	\$ -	\$ -	\$ -	\$ -	\$ -
2,587	-	-	-	-	7,455
<u>238,724</u>	<u>25,155</u>	<u>9,660</u>	<u>10,662</u>	<u>-</u>	<u>-</u>
<u>367,256</u>	<u>25,155</u>	<u>9,660</u>	<u>10,662</u>	<u>-</u>	<u>7,455</u>
-	25,155	9,660	10,662	-	7,455
-	-	-	-	-	-
-	-	-	-	-	-
280,238	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>280,238</u>	<u>25,155</u>	<u>9,660</u>	<u>10,662</u>	<u>-</u>	<u>7,455</u>
<u>87,018</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
87,018	-	-	-	-	-
<u>103,171</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 190,189</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

**LAGO VISTA INDEPENDENT SCHOOL DISTRICT**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS**

**For the year ended August 31, 2021**

EXHIBIT H-2

DATA CONTROL CODES		461 CAMPUS ACTIVITY FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
	REVENUES		
5700	Local and intermediate sources	\$ 167,179	\$ 293,124
5800	State program revenues	-	10,042
5900	Federal program revenues	-	697,578
5020	Total revenues	167,179	1,000,744
	EXPENDITURES		
	Current:		
0011	Instruction	-	407,796
0013	Curriculum development and instructional staff development	-	-
0031	Guidance, counseling, and evaluation services	-	58,513
0035	Food service	-	280,238
0036	Cocurricular/extracurricular activities	170,306	170,306
0052	Security and monitoring	-	-
6030	Total expenditures	170,306	916,853
1100	Excess (deficiency) of revenues over (under) expenditures	(3,127)	83,891
1200	Net change in fund balance	(3,127)	83,891
0100	FUND BALANCES - BEGINNING	224,986	328,157
3000	FUND BALANCES - ENDING	\$ 221,859	\$ 412,048



## **OTHER SUPPLEMENTARY INFORMATION**

This section includes financial information and disclosures not required by the Governmental Accounting Standards Board and not considered a part of the basic financial statements. It may, however, include information which is required by other entities.

**LAGO VISTA INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF DELINQUENT TAXES RECEIVABLE**  
**For the year ended August 31, 2021**

<u>YEAR ENDED</u> <u>AUGUST 31,</u>	TAX RATES		(3) ASSESSSED/APPRaised VALUE FOR SCHOOL TAX PURPOSES
	(1) <u>MAINTENANCE</u>	(2) <u>DEBT SERVICE</u>	
2012 and prior years	Various	Various	Various
2013	1.04000	0.28000	1,227,950,499
2014	1.04000	0.28000	1,187,750,164
2015	1.04000	0.28000	1,244,550,642
2016	1.06000	0.26000	1,277,778,852
2017	1.06000	0.26000	1,355,324,796
2018	1.06000	0.26000	1,436,211,601
2019	1.06000	0.26000	1,622,649,537
2020	0.99000	0.26000	1,786,931,105
2021 (school year under audit)	0.94360	0.26000	1,921,302,358
1000 Totals			

EXHIBIT J-1

(10) BEGINNING BALANCE 09/01/2020	(20) CURRENT YEAR'S TOTAL LEVY	(31) MAINTENANCE COLLECTIONS	(32) DEBT SERVICE COLLECTIONS	(40) ENTIRE YEAR'S ADJUSTMENTS	(50) ENDING BALANCE 8/31/2021
\$ 294,544	\$ -	\$ 94,608	\$ 12,736	\$ (137,825)	\$ 49,375
17,290	-	3,032	816	(726)	12,716
24,490	-	3,966	1,068	(525)	18,931
38,733	-	15,404	4,147	10,228	29,410
40,977	-	8,278	2,229	93	30,563
47,697	-	10,371	2,544	1,424	36,206
65,397	-	16,682	4,092	2,013	46,636
111,950	-	20,121	4,935	(17,852)	69,042
280,947	-	107,587	28,255	(48,829)	96,276
-	23,124,795	17,671,378	4,872,278	(312,835)	268,304
\$ 922,025	\$ 23,124,795	\$ 17,951,427	\$ 4,933,100	\$ (504,834)	\$ 657,459

**LAGO VISTA INDEPENDENT SCHOOL DISTRICT**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL – CHILD NUTRITION PROGRAM**

**For the year ended August 31, 2021**

EXHIBIT J-4

DATA CONTROL CODES		BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
		ORIGINAL	FINAL		
	REVENUES				
5700	Local and intermediate sources	\$ 340,000	\$ 340,000	\$ 125,945	\$ (214,055)
5800	State program revenues	4,500	4,500	2,587	(1,913)
5900	Federal program revenues	257,900	257,900	238,724	(19,176)
5020	Total revenues	<u>602,400</u>	<u>602,400</u>	<u>367,256</u>	<u>(235,144)</u>
	EXPENDITURES				
0035	Food services	<u>615,400</u>	<u>615,400</u>	<u>280,238</u>	<u>335,162</u>
6030	Total expenditures	<u>615,400</u>	<u>615,400</u>	<u>280,238</u>	<u>335,162</u>
1100	Excess (deficiency) of revenues over (under) expenditures	<u>(13,000)</u>	<u>(13,000)</u>	<u>87,018</u>	<u>100,018</u>
1200	Net change in fund balance	(13,000)	(13,000)	87,018	100,018
0100	FUND BALANCE - BEGINNING	<u>103,171</u>	<u>103,171</u>	<u>103,171</u>	<u>-</u>
3000	FUND BALANCE - ENDING	<u>\$ 90,171</u>	<u>\$ 90,171</u>	<u>\$ 190,189</u>	<u>\$ 100,018</u>

**LAGO VISTA INDEPENDENT SCHOOL DISTRICT**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL – DEBT SERVICE FUND**

**For the year ended August 31, 2021**

EXHIBIT J-5

DATA CONTROL CODES	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)	
	ORIGINAL	FINAL			
REVENUES					
5700	Local and intermediate sources	\$ 5,021,000	\$ 5,021,000	\$ 5,023,152	\$ 2,152
5800	State program revenues	-	-	86,287	86,287
5020	Total revenues	<u>5,021,000</u>	<u>5,021,000</u>	<u>5,109,439</u>	<u>88,439</u>
EXPENDITURES					
Debt service:					
0071	Principal on long-term debt	5,021,000	5,021,000	3,490,000	1,531,000
0072	Interest on long-term debt	-	-	971,590	(971,590)
0073	Bond issuance costs and fees	-	-	184,862	(184,862)
	Total debt service	<u>5,021,000</u>	<u>5,021,000</u>	<u>4,646,452</u>	<u>374,548</u>
6030	Total expenditures	<u>5,021,000</u>	<u>5,021,000</u>	<u>4,646,452</u>	<u>374,548</u>
1100	Excess (deficiency) of revenues over (under) expenditures	-	-	<u>462,987</u>	<u>462,987</u>
OTHER FINANCING SOURCES (USES)					
7911	Capital related debt issued	-	-	12,295,000	12,295,000
7915	Transfers in	-	-	8,366	8,366
7916	Premium	-	-	1,504,216	1,504,216
8949	Other uses	-	-	(13,619,774)	(13,619,774)
7080	Total other financing sources (uses)	-	-	<u>187,808</u>	<u>187,808</u>
1200	Net change in fund balance	-	-	650,795	650,795
0100	FUND BALANCE - BEGINNING	<u>2,024,000</u>	<u>2,024,000</u>	<u>2,024,600</u>	-
3000	FUND BALANCE - ENDING	<u>\$ 2,024,000</u>	<u>\$ 2,024,000</u>	<u>\$ 2,675,395</u>	<u>\$ 650,795</u>

**LAGO VISTA INDEPENDENT SCHOOL DISTRICT**

**SCHEDULE OF REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS**

**For the year ended August 31, 2021**

EXHIBIT L-1

Data Control Codes		<u>Responses</u>
SF1	Was there an unmodified opinion in the Annual Financial Report on the financial statements as a whole?	Yes
SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement at fiscal year end?	No
SF3	Did the school district make timely payments to the Teacher Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies?	Yes
SF4	Was the school district issued a warrant hold?	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.	<u>\$ 4,328,159</u>

**FEDERAL AWARDS SECTION**





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

To the Board of School Trustees  
Lago Vista 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 Lago Vista Independent School District (the District) as of and for the year ended August 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 10, 2022.

**Internal Control Over Financial Reporting**

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

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

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

## **Compliance and Other Matters**

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

## **Purpose of this Report**

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

ABIP, PC

San Antonio, Texas

January 10, 2022

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of School Trustees  
Lago Vista Independent School District

**Report on Compliance for Each Major Federal Program**

We have audited Lago Vista 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 August 31, 2021. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***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.

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

### ***Opinion on Each Major Federal Program***

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

### **Report on Internal Control Over Compliance**

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

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

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

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

ABIP, PC

San Antonio, Texas  
January 10, 2022

**LAGO VISTA INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For the year ended August 31, 2021**

SECTION I – SUMMARY OF AUDITORS’ RESULTS

<b>FINANCIAL STATEMENTS</b>		
Type of auditors’ report issued:	<u>Unmodified</u>	
Internal control over financial reporting: • Material weakness(es) identified?	<u>    </u> Yes	<u>  X  </u> No
• Significant deficiency(ies) identified not considered to be material weakness(es)?	<u>    </u> Yes	<u>  X  </u> None Reported
Noncompliance material to financial statements noted?	<u>    </u> Yes	<u>  X  </u> No

<b>FEDERAL AWARDS</b>		
Internal control over financial reporting: • Material weakness(es) identified?	<u>    </u> Yes	<u>  X  </u> No
• Significant deficiency(ies) identified not considered to be material weakness(es)?	<u>    </u> Yes	<u>  X  </u> None Reported
Type of auditor’s report issued on compliance for Major programs:	<u>Unmodified</u>	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)?	<u>    </u> Yes	<u>  X  </u> No

<b>IDENTIFICATION OF MAJOR PROGRAMS</b>		
CFDA Number(s)	Name of Federal Program or Cluster	
84.425	ESSER – COVID 19	
Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000	
Auditee qualified as low-risk auditee?	<u>    </u> Yes	<u>  X  </u> No

SECTION II – FINANCIAL STATEMENT FINDINGS

None

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

**LAGO VISTA INDEPENDENT SCHOOL DISTRICT**  
**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS**

**For the year ended August 31, 2021**

2020-001                      Payroll Accrual Procedures

Criteria:                      Modified-accrual accounting procedures require that the cost for salaries and wages be shown within the financial statements in the fiscal year incurred, rather than when necessarily paid in cash. When a pay period overlaps the fiscal year end, accounting analysis and a related payroll accrual journal entry are required to ensure proper allocation of the payroll expense for the pay period to both the ending and beginning fiscal years.

Condition found:              During our testing of the year end payroll accrual amount, we noted that the liability for accrued payroll had been understated by \$134,264.

Cause:                              The payroll accrual process was not set up properly in the accounting system such that certain employees which required a payroll accrual were omitted from the process at year end. In addition, a procedure was not in place to review the final payroll accrual amount which may have detected this misstatement.

Effect:                              Payroll expense and the related liability for accrued payroll were initially materially misstated within the financial statements. This condition was corrected during the audit.

Recommendation:              We recommend the Business Office implement a process to review the automated payroll accrual settings within the accounting system for all employees to help ensure proper handling of each employee during the year end financial closing. We also recommend that the Business Office conduct review procedures on the final generated payroll accrual amount at year end to assess it for accuracy and completeness.

Planned Correction Action Response:

The Business Office will review the accounting system settings for all employees to ensure they are set up correctly for year end payroll accruals. In addition, a review of the year end payroll accrual generated by the accounting system will be conducted to assess it for accuracy.

Status:                              The District has corrected this comment and no similar comment was identified in the August 31, 2021 audit.

**LAGO VISTA INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**For the year ended August 31, 2021**

EXHIBIT K-1

FEDERAL GRANTOR / PASS-THROUGH GRANTOR/ PROGRAM OR CLUSTER TITLE	FEDERAL ASSISTANCE LISTING NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	TOTAL FEDERAL EXPENDITURES
<b>U.S. DEPARTMENT OF EDUCATION</b>			
Passed Through State Department of Education:			
ESEA Title I, Part A - Improving Basic Programs	84.010A	21-610101227912	\$ 102,312
ESEA Title I, Part A - Improving Basic Programs	84.010A	22-610101227912	3,212
Total Federal Assistance Listing Number 84.010A			105,524
IDEA-Part B, Formula*	84.027	20-660001227912	194,719
IDEA-Part B, Formula*	84.027	21-660001227912	97,073
IDEA-Part B, Formula*	84.027	22-660001227912	13,234
Total Federal Assistance Listing Number 84.027			305,026
IDEA-Part B, Preschool*	84.173	20-661001227912	2,322
IDEA-Part B, Preschool*	84.173	21-661001227912	505
Total Federal Assistance Listing Number 84.173			2,827
Total Special Education Cluster (IDEA)			307,853
ESEA Title II, Part A, Teacher Principal Training	84.367A	20-694501227912	16,888
ESEA Title II, Part A, Teacher Principal Training	84.367A	21-694501227912	8,267
Total Federal Assistance Listing Number 84.367A			25,155
ESEA Title IV, Part A, Subpart 1	84.424A	20-680101227912	784
ESEA Title IV, Part A, Subpart 1	84.424A	21-680101227912	9,878
Total Federal Assistance Listing Number 84.173A			10,662
COVID-19 Elementary & Secondary School Emergency Relief Fund	84.425D	20-521001227912	9,660
COVID-19 Elementary & Secondary School Emergency Relief Fund II	84.425D	21-521001227912	74,854
COVID-19 Elementary & Secondary School Emergency Relief Fund III	84.425U	21-528001227912	382,564
Total Federal Assistance Listing Number 84.048A			467,078
Total Passed Through State Department of Education			916,272
<b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>			916,272
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
Passed Through State Department of Agriculture:			
School Breakfast Program*	10.553	227-912	41,242
National School Lunch Program - Cash Assistance*	10.555	227-912	140,831
National School Lunch Program - Non-Cash Assistance*	10.555	227-912	56,651
Total Child Nutrition Cluster			238,724
Total Passed Through State Department of Agriculture			238,724
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>			238,724
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b>\$ 1,154,996</b>

\*Clustered Programs

**LAGO VISTA INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**For the year ended August 31, 2021**

Note 1: Basis of presentation

The accompanying schedule of expenditures of federal awards (SEFA) includes the federal grant activity of Lago Vista Independent School District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements

Note 2: Federal awards reconciliation

Coronavirus Relief Funds not recognized in FY2020	\$	14,088
SHARS funding		126,858
Total expenditures from Schedule of Federal Awards		1,154,996
Total Federal Revenue per C-2		(1,295,942)
	<u>\$</u>	<u>-</u>

Note 3: Indirect costs

The District has elected to use the 10% de minimis indirect cost rate.

Note 4: Subrecipients

Of the federal expenditures presented in the SEFA, the District did not provide any federal awards to subrecipients.