

**ENNIS INDEPENDENT
SCHOOL DISTRICT
FINANCIAL STATEMENTS
AUGUST 31, 2021**



ENNIS INDEPENDENT SCHOOL DISTRICT
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CERTIFICATE OF BOARD

ENNIS INDEPENDENT SCHOOL DISTRICT
Name of School District

ELLIS
County

070-903
County-District Number

We, the undersigned, certify that the attached annual financial reports of the above named school district were reviewed and approved ✓ disapproved _____ for the year ended August 31, 2021 at a meeting of the Board of Trustees of such school district on the 11th day of January, 2022.

Walter R. Bousley
Signature of Board Secretary

[Signature]
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



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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Ennis Independent School District
Ennis, TX

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Ennis 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.

Auditors' Responsibility

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Ennis Independent School District as of August 31, 2021, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in conformity 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 (pages iv through viii) and budgetary comparison information (pages 39, 56 and 57) and Pension other Post-Benefit Employee Benefits information (pages 40-45) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the 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 and individual nonmajor fund financial statements 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 financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the 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 11, 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 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 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 Ennis Independent School District's internal control over financial reporting and compliance.

Harvie Company.

Dallas, Texas
January 11, 2022

ENNIS INDEPENDENT SCHOOL DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

In this section of the Annual Financial and Compliance Report, we, the managers of Ennis Independent School District, discuss and analyze the District's financial performance for the fiscal year ended August 31, 2021. Please read it in conjunction with our transmittal letter, the independent auditors' report, and the District's Basic Financial Statements.

Using this Annual Report

This annual report consists of a series of financial statements. The government-wide financial statements include the Statement of Net Position and the Statement of Activities (Exhibits A-1 and B-1). These provide information about the activities of the District as a whole and present a longer-term view of the District's property and debt obligations and other financial matters. They reflect the flow of total economic resources in a manner similar to the financial reports of a business enterprise.

Fund financial statements (Exhibits C-1 and C-3) report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds. For governmental activities, these statements tell how services were financed in the short term as well as what resources remain for future spending. They reflect the flow of current financial resources and supply the basis for tax levies and the appropriations budget. The remaining statements (for Fiduciary funds) provide financial information about activities for which the District acts solely as a trustee or agent for the benefit of those outside of the district.

The notes to the financial statements provide narrative explanations or additional data needed for full disclosure in the government-wide statements or the fund financial statements.

The combining statements for nonmajor funds contain even more information about the District's individual funds. These are not required by TEA. The sections labeled Required TEA Schedules and Federal Awards Section contain data used by monitoring or regulatory agencies for assurance that the District is using funds supplied in compliance with the terms of grants.

Reporting the District as a Whole

The analysis of the District's overall financial position and operations is illustrated on Exhibit A-1 on the Statement of Net Position, and on Exhibit B-1, the Statement of Activities. Their primary purpose is to show whether the District is better off or worse off as a result of the year's activities. The Statement of Net Position includes all the District's assets and liabilities at the end of the year while the Statement of Activities includes all the revenues and expenses generated by the District's operations during the year. These statements apply the accrual basis of accounting which is the basis used by private sector companies.

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

These two statements (Exhibits A-1 and B-1) report the District's net position and changes in it. The District's net position (the difference between assets and liabilities) provides one measure of the District's financial health, or financial position. Over time, increases or decreases in the District's net position are one

indicator of whether its financial health is improving or deteriorating. To fully assess the overall health of the District, however, you should consider nonfinancial factors as well, such as changes in the District's average daily attendance or its property tax base and the condition of the District's facilities.

The Statement of Net Position and the Statement of Activities are comprised of governmental activities. The District's basic services are reported here, including the instruction, counseling, co-curricular activities, food services, transportation, maintenance, community services, and general administration. Property taxes, tuition, fees, and state and federal grants finance most of these activities. The District has no business-type activities.

Reporting the District's Most Significant Funds

The fund financial statements begin on page 3 and provide detailed information about the most significant funds—not the District as a whole. Laws and contracts require the District to establish some funds, such as grants received under the No Child Left Behind Act from the U.S. Department of Education. The District's administration establishes many other funds to help it control and manage money for particular purposes (like campus activities). The District uses exclusively Governmental-type funds (as opposed to Business-type funds). The District's basic services are reported in governmental funds. These funds use modified accrual accounting (a method that measures the receipt and disbursement of cash and all other financial assets that can be readily converted to cash) and report balances that are available for future spending. The governmental fund statements provide a detailed short-term view of the District's general operations and the basic services it provides. We describe the differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliation schedules following each of the fund financial statements.

The District as Trustee

The District is the trustee, or fiduciary, for money raised by student activities and scholarship programs. All of the District's fiduciary activities are reported in the Statement of Fiduciary Net Position on page 10. We exclude these resources from the District's other financial statements because the District cannot use these assets to finance its operations. The District is only responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Government-Wide Financial Analysis

Our analysis focuses on the net position (Table I) and changes in net position (Table II) of the District's governmental-type activities; both tables can be found on page viii of this analysis.

As indicated earlier, net position may serve over time as a useful indicator of a government's financial position. Net position is made up of three major components: net investment in capital assets, restricted, and unrestricted. In the case of the District, liabilities exceeded assets by \$44,626,224 at August 31, 2021, compared to \$47,188,124 at August 31, 2020. The increase in total net assets of \$2,455,191 compared to a increase in total net assets in the prior fiscal year of \$2,398,250.

The major factors contributing to the decrease in net position invested in capital assets net of related debt was current year accretion of interest, depreciation expense, capital additions, and repayment of long term debt. Accreted interest is the change in the current value of an original-issue discount bond. Since the interest is compounded each year until it is paid, the bond is sold at a discount from par. Each year a portion of the future obligation to pay the compounded interest is recognized as an expense. The compounded interest is calculated as the change in present value of the bond versus the present value from the previous year. The cash requirements for the repayment of the principal, current interest and compounded interest remain unchanged as a result of this calculation. Those requirements are listed in the footnotes to these financial statements. Depreciation expense is only recorded for purposes of the government wide financial statement presentation and does not represent an outflow of cash as the cash was paid when the asset was acquired. Capital additions and repayments of long term debt are not shown as an outflow of net position.

Listed below is a detail of the changes in net investment in capital assets:

Beginning balance	\$	(43,545,840)
Accreted Interest		(4,276,988)
Depreciation expense		(5,033,075)
Refunding of outstanding bonds		-
Amortization of premiums and deferred charges		129,780
Capital asset additions		1,975,036
Repayment of debt		8,005,000
Ending balance	\$	<u>(42,746,087)</u>

The negative balance in net investment in capital assets results from the fact that the book balance of the capital assets (purchase costs less accumulated depreciation to date) is less than the book balance of capital debt (outstanding principal plus accreted interest to date). The overall deficit balance in net position is largely a result of the fact that necessary tax revenues for debt service have yet to be assessed and recognized for financial statement purposes. Future tax revenues will be recognized annually as the capital debt nears maturity and will require payment.

The District recognized an increase of \$3,740,334 in cash and investments resulting in an ending balance of \$35,133,401 which approximates the total of restricted and unrestricted net position, net of pension and OPEB liabilities.

The District's total revenues increased by 0.4%, or a total of \$326,182. A significant portion, 48%, of the District's revenues comes from taxes. Tax collections and total tax levy increased approximately 4.9% from prior year. State and Federal revenues decreased by approximately 3.4% .

The total cost of all governmental activities, including accreted interest and depreciation expense, for the current year was \$75,926,621. As shown in the Statement of Activities on page 2, the amount that our taxpayers ultimately financed for these activities through District taxes and net position was only approximately \$36 million because some of the costs were paid by those who directly benefited from the programs or by other governments and organizations that subsidized certain programs with grants and contributions or by State equalization funding.

The District's Funds

As the District completed the year, its governmental funds (as presented in the balance sheet on page 3) reported a combined fund balance of \$31,670,176, as compared to the year ending August 31, 2020 fund balance of \$29,428,996. The \$2,241,180 increase in fund balance results from an increase in the fund balance in the General Fund of \$2,379,512 net decreases in other governmental funds of \$138,332.

The District's General Fund balance of \$26,544,721 reported on page 5 differs from the General Fund's budgetary fund balance of \$24,165,209 reported in the budgetary comparison schedule on page 39. This is principally due to cost savings in personnel and increases in State funding.

Capital Asset and Debt Administration

Capital Assets

At the end of 2021, the District had approximately \$147 million invested in a broad range of capital assets, including facilities and equipment for instruction, transportation, food service, athletics, administration, and maintenance. Additional information on capital assets is contained in Note V, Section F of the Notes to the Financial Statements.

Debt

At year-end, the District had \$101,494,620 in bond principal outstanding versus \$109,449,620 last year. Additional information on debt can be found in Note V, Section G of the Notes to the Financial Statements.

Economic Factors and Next Year's Budgets and Rates

- The net taxable value increased approximately 7% from 2020 net taxable values.
- The District's refined average daily attendance is expected to increase. The City is seeing growth in housing starts and enrollment numbers are expected to increase as those homes are sold.
- The maintenance and operations tax rate decreased from \$1.0299 per \$100 valuation to \$0.9937 per \$100 valuation due to the rate compression required by the new State funding formula. The debt service rate increased from \$0.44 per \$100 valuation to \$0.46 per \$100 valuation.
- The District will receive ESSER funds of over \$16 million to be used over the next three years. A portion has been included in the FY 2022 Budget.
- The FY 2022 Budget has been approved with \$59.7 million in revenues and \$65.9 million in expenditures. The District will use a portion of fund balance for building renovations as it prepares for student growth.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's business office, at Ennis Independent School District, 303 W. Knox, Ennis, TX 75119.

Ennis Independent School District

Table I
Net Position

	Governmental Activities 2021	Governmental Activities 2020
Current and other assets	\$ 40,356,483	\$ 36,709,559
Capital assets, net	147,477,236	150,545,274
Total assets	187,833,719	187,254,833
Deferred outflows of resources	23,575,725	25,885,617
Total assets and deferred outflows of resources	211,409,444	213,140,450
Long-term liabilities	226,194,220	235,438,266
Other liabilities	17,720,875	15,379,529
Total liabilities	243,915,095	250,817,795
Deferred inflows of resources	12,120,573	9,510,779
Total liabilities and deferred inflows of resources	256,035,668	260,328,574
Net Position:		
Net investment in capital assets	(42,746,087)	(43,545,840)
Restricted	5,701,249	5,708,737
Unrestricted	(7,581,386)	(9,351,021)
Total net position	\$ (44,626,224)	\$ (47,188,124)

Table II
Changes in Net Position

	Governmental Activities 2021	Governmental Activities 2020
Revenues:		
Program revenues:		
Charges for services	\$ -	\$ -
Operating grants and contributions	8,365,155	7,726,314
General revenues:		
Maintenance and operations taxes	26,110,813	25,502,433
Debt service taxes	11,206,662	10,044,843
Grants and contributions not restricted to specific functions	31,527,951	33,550,778
Investment earnings	62,536	512,425
Miscellaneous	1,108,695	718,837
Total revenue	78,381,812	78,055,630
Expenses:		
11 Instruction	39,992,901	40,622,760
12 Instructional resources and media services	917,177	954,894
13 Curriculum and staff development	520,325	614,585
21 Instructional leadership	2,093,007	2,192,949
23 School leadership	3,084,964	3,152,190
31 Guidance, counseling and evaluation services	2,072,205	2,232,409
32 Social work services	45,753	44,833
33 Health services	757,804	770,319
34 Student (pupil) transportation	2,021,772	2,261,732
35 Food services	3,304,224	3,138,768
36 Cocurricular/extracurricular activities	1,977,741	2,031,988
41 General administration	2,109,732	2,166,543
51 Plant maintenance and operations	7,272,813	5,667,582
52 Security and monitoring services	632,408	698,707
53 Data processing services	941,782	986,780
61 Community services	153,727	31,187
72 Debt service - Interest on long term debt	8,025,937	7,958,927
73 Debt service - Bond issuance cost and fees	2,349	107,342
81 Facilities acquisition and construction	-	22,885
93 Payments to fiscal agent/member districts of SSA	-	-
Total expenses	75,926,621	75,657,380
Increase (decrease) in net position	2,455,191	2,398,250
Beginning net position	(47,188,124)	(49,586,374)
Prior period adjustment	106,709	-
Ending net position	\$ (44,626,224)	\$ (47,188,124)

GOVERNMENT-WIDE FINANCIAL STATEMENTS

ENNIS INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
AUGUST 31, 2021

EXHIBIT A-1

Data Control Codes	Primary Government
	Governmental Activities
ASSETS	
1110 Cash and Cash Equivalents	\$ 753,895
1120 Current Investments	34,379,506
1220 Property Taxes - Delinquent	1,069,240
1230 Allowance for Uncollectible Taxes	(10,000)
1240 Due from Other Governments	3,220,245
1290 Other Receivables, Net	33,579
1410 Prepayments	910,018
Capital Assets:	
1510 Land	5,600,696
1520 Buildings, Net	138,275,371
1530 Furniture and Equipment, Net	3,601,169
1000 Total Assets	187,833,719
DEFERRED OUTFLOWS OF RESOURCES	
1701 Deferred Charge for Refunding	15,368,402
1705 Deferred Outflow Related to TRS Pension	5,619,738
1706 Deferred Outflow Related to TRS OPEB	2,587,585
1700 Total Deferred Outflows of Resources	23,575,725
LIABILITIES	
2110 Accounts Payable	646,660
2120 Short Term Debt Payable	9,035,000
2150 Payroll Deductions and Withholdings	403,338
2160 Accrued Wages Payable	3,372,493
2180 Due to Other Governments	1,889,566
2300 Unearned Revenue	2,373,818
Noncurrent Liabilities:	
Due in More than One Year:	
2502 Bonds, Notes, Leases, etc.	196,556,725
2540 Net Pension Liability (District's Share)	14,908,524
2545 Net OPEB Liability (District's Share)	14,728,971
2000 Total Liabilities	243,915,095
DEFERRED INFLOWS OF RESOURCES	
2601 Unavailable Revenue - Property Taxes	(1,059,240)
2605 Deferred Inflow Related to TRS Pension	2,262,590
2606 Deferred Inflow Related to TRS OPEB	10,917,223
2600 Total Deferred Inflows of Resources	12,120,573
NET POSITION	
3200 Net Investment in Capital Assets	(42,746,087)
Restricted:	
3820 Restricted for Federal and State Programs	1,687,652
3850 Restricted for Debt Service	2,845,684
3860 Restricted for Capital Projects	257,895
3890 Restricted for Other Purposes	910,018
3900 Unrestricted	(7,581,386)
3000 Total Net Position	\$ (44,626,224)

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

ENNIS INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2021

Data Control Codes	1	Program Revenues		Net (Expense) Revenue and Changes in Net Position	
		3	4	6	
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Gov. Governmental Activities	
Primary Government:					
GOVERNMENTAL ACTIVITIES:					
11	Instruction	\$ 39,992,901	\$ -	\$ 2,813,568	\$ (37,179,333)
12	Instructional Resources and Media Services	917,177	-	9,338	(907,839)
13	Curriculum and Instructional Staff Development	520,325	-	30,218	(490,107)
21	Instructional Leadership	2,093,007	-	1,007,913	(1,085,094)
23	School Leadership	3,084,964	-	27,348	(3,057,616)
31	Guidance, Counseling, and Evaluation Services	2,072,205	-	569,919	(1,502,286)
32	Social Work Services	45,753	-	667	(45,086)
33	Health Services	757,804	-	39,723	(718,081)
34	Student (Pupil) Transportation	2,021,772	-	41,874	(1,979,898)
35	Food Services	3,304,224	-	3,272,438	(31,786)
36	Extracurricular Activities	1,977,741	-	282,095	(1,695,646)
41	General Administration	2,109,732	-	16,997	(2,092,735)
51	Facilities Maintenance and Operations	7,272,813	-	73,897	(7,198,916)
52	Security and Monitoring Services	632,408	-	16,774	(615,634)
53	Data Processing Services	941,782	-	8,659	(933,123)
61	Community Services	153,727	-	153,727	-
72	Debt Service - Interest on Long-Term Debt	8,025,937	-	-	(8,025,937)
73	Debt Service - Bond Issuance Cost and Fees	2,349	-	-	(2,349)
	[TP] TOTAL PRIMARY GOVERNMENT:	\$ 75,926,621	\$ -	\$ 8,365,155	(67,561,466)
Data Control Codes	General Revenues:				
	Taxes:				
MT	Property Taxes, Levied for General Purposes			26,110,813	
DT	Property Taxes, Levied for Debt Service			11,206,662	
GC	Grants and Contributions not Restricted			31,527,951	
IE	Investment Earnings			62,536	
MI	Miscellaneous Local and Intermediate Revenue			1,108,695	
TR	Total General Revenues			70,016,657	
CN	Change in Net Position			2,455,191	
NB	Net Position - Beginning			(47,081,415)	
NE	Net Position - Ending			\$ (44,626,224)	

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

GOVERNMENTAL FUND FINANCIAL STATEMENTS

ENNIS INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
AUGUST 31, 2021

Data Control Codes	10 General Fund	50 Debt Service Fund	Other Funds	Total Governmental Funds
ASSETS				
1110 Cash and Cash Equivalents	\$ 344,223	\$ -	\$ 408,138	\$ 752,361
1120 Investments - Current	29,741,381	2,817,520	1,820,605	34,379,506
1220 Property Taxes - Delinquent	767,509	301,731	-	1,069,240
1230 Allowance for Uncollectible Taxes	(7,178)	(2,822)	-	(10,000)
1240 Due from Other Governments	1,314,578	14,830	1,890,837	3,220,245
1260 Due from Other Funds	980,723	13,334	-	994,057
1290 Other Receivables	33,579	-	-	33,579
1410 Prepayments	910,018	-	-	910,018
1000 Total Assets	<u>\$ 34,084,833</u>	<u>\$ 3,144,593</u>	<u>\$ 4,119,580</u>	<u>\$ 41,349,006</u>
LIABILITIES				
2110 Accounts Payable	\$ 420,106	\$ -	\$ 225,452	\$ 645,558
2150 Payroll Deductions and Withholdings Payable	403,338	-	-	403,338
2160 Accrued Wages Payable	2,738,859	-	633,634	3,372,493
2170 Due to Other Funds	13,334	-	980,723	994,057
2180 Due to Other Governments	1,889,566	-	-	1,889,566
2300 Unearned Revenue	2,074,909	298,909	-	2,373,818
2000 Total Liabilities	<u>7,540,112</u>	<u>298,909</u>	<u>1,839,809</u>	<u>9,678,830</u>
FUND BALANCES				
Nonspendable Fund Balance:				
3430 Prepaid Items	910,018	-	-	910,018
Restricted Fund Balance:				
3450 Federal or State Funds Grant Restriction	-	-	1,687,652	1,687,652
3470 Capital Acquisition and Contractual Obligation	-	-	257,895	257,895
3480 Retirement of Long-Term Debt	-	2,845,684	-	2,845,684
Committed Fund Balance:				
3510 Construction	10,998,047	-	-	10,998,047
3600 Unassigned Fund Balance	14,636,656	-	334,224	14,970,880
3000 Total Fund Balances	<u>26,544,721</u>	<u>2,845,684</u>	<u>2,279,771</u>	<u>31,670,176</u>
4000 Total Liabilities and Fund Balances	<u>\$ 34,084,833</u>	<u>\$ 3,144,593</u>	<u>\$ 4,119,580</u>	<u>\$ 41,349,006</u>

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

ENNIS INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
AUGUST 31, 2021

EXHIBIT C-2

Total Fund Balances - Governmental Funds	\$	31,670,176
1 The District uses internal service funds to charge the costs of certain activities, such as self-insurance and printing, to appropriate functions in other funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. The net effect of this consolidation is to increase net position.		432
2 Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. At the beginning of the year, the cost of these assets was \$263,654,979 and the accumulated depreciation was (\$113,119,705). In addition, long-term liabilities, including bonds payable, are not due and payable in the current period, and, therefore are not reported as liabilities in the funds. The net effect of including the beginning balances for capital assets (net of depreciation) and long-term debt in the governmental activities is to decrease net position.		(43,545,848)
3 Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of including the 2021 capital outlays and debt principal payments is to increase net position.		5,832,836
4 Included in the items related to debt is the recognition of the District's proportionate share of the net pension liability required by GASB 68. At the beginning of the year, the net position related to TRS was a Deferred Resource Outflow in the amount of \$7,014,995, a Deferred Resource Inflow in the amount of \$2,509,282 and a net pension liability in the amount of \$14,916,178. The impact of this on Net Position is (10,410,465). Changes from the current year reporting of the TRS plan resulted in a decrease in net position in the amount of (\$1,140,911). The combination of the beginning of the year amounts and the changes during the year resulted in a difference between the ending fund balance and the ending net position in the amount of (\$11,551,376).		(11,551,376)
5 The District participates in the TRS-Care plan for retirees through TRS. The District's share of the TRS plan resulted in a net OPEB liability of \$14,728,971, a deferred outflow of \$2,587,585 and a deferred inflow of \$10,917,223. This resulted in a difference between the ending fund balance and the ending net position of (23,058,609).		(23,058,609)
6 The 2021 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position.		(5,033,075)
7 Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unavailable revenue from property taxes as revenue, reclassifying the proceeds of bond sales as an increase in bonds payable, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase net position.		1,059,240
19 Net Position of Governmental Activities	\$	<u>(44,626,224)</u>

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

ENNIS INDEPENDENT SCHOOL DISTRICT
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2021

Data Control Codes	10 General Fund	50 Debt Service Fund	Other Funds	Total Governmental Funds
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 26,799,290	\$ 11,263,531	\$ 627,575	\$ 38,690,396
5800 State Program Revenues	29,629,243	214,009	177,584	30,020,836
5900 Federal Program Revenues	1,111,626	-	7,824,007	8,935,633
5020 Total Revenues	<u>57,540,159</u>	<u>11,477,540</u>	<u>8,629,166</u>	<u>77,646,865</u>
EXPENDITURES:				
Current:				
0011 Instruction	32,928,821	-	2,813,897	35,742,718
0012 Instructional Resources and Media Services	891,253	-	9,338	900,591
0013 Curriculum and Instructional Staff Development	477,552	-	30,218	507,770
0021 Instructional Leadership	1,047,952	-	1,007,913	2,055,865
0023 School Leadership	2,862,604	-	27,348	2,889,952
0031 Guidance, Counseling, and Evaluation Services	1,437,223	-	569,919	2,007,142
0032 Social Work Services	45,086	-	667	45,753
0033 Health Services	701,495	-	39,723	741,218
0034 Student (Pupil) Transportation	1,913,281	-	41,874	1,955,155
0035 Food Services	-	-	3,272,439	3,272,439
0036 Extracurricular Activities	1,242,856	-	282,095	1,524,951
0041 General Administration	1,989,376	-	16,997	2,006,373
0051 Facilities Maintenance and Operations	6,745,893	-	89,747	6,835,640
0052 Security and Monitoring Services	609,503	-	16,774	626,277
0053 Data Processing Services	1,048,054	-	8,659	1,056,713
0061 Community Services	-	-	153,727	153,727
Debt Service:				
0071 Principal on Long-Term Debt	-	8,005,000	-	8,005,000
0072 Interest on Long-Term Debt	-	3,878,736	-	3,878,736
0073 Bond Issuance Cost and Fees	-	2,349	-	2,349
Capital Outlay:				
0081 Facilities Acquisition and Construction	219,698	-	977,618	1,197,316
6030 Total Expenditures	<u>54,160,647</u>	<u>11,886,085</u>	<u>9,358,953</u>	<u>75,405,685</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>3,379,512</u>	<u>(408,545)</u>	<u>(729,787)</u>	<u>2,241,180</u>
OTHER FINANCING SOURCES (USES):				
7915 Transfers In	-	-	1,000,000	1,000,000
8911 Transfers Out (Use)	(1,000,000)	-	-	(1,000,000)
7080 Total Other Financing Sources (Uses)	<u>(1,000,000)</u>	<u>-</u>	<u>1,000,000</u>	<u>-</u>
1200 Net Change in Fund Balances	2,379,512	(408,545)	270,213	2,241,180
0100 Fund Balance - September 1 (Beginning)	24,165,209	3,254,229	2,009,558	29,428,996
3000 Fund Balance - August 31 (Ending)	<u>\$ 26,544,721</u>	<u>\$ 2,845,684</u>	<u>\$ 2,279,771</u>	<u>\$ 31,670,176</u>

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

ENNIS 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-4

Total Net Change in Fund Balances - Governmental Funds	\$	2,241,180
<p>The District uses internal service funds to charge the costs of certain activities, such as self-insurance and printing, to appropriate functions in other funds. The net income (loss) of internal service funds are reported with governmental activities. The net effect of this consolidation is to decrease net position.</p>		
		(12,304)
<p>Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of removing the 2021 capital outlays and debt principal payments is to increase net position.</p>		
		5,832,836
<p>Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net position.</p>		
		(5,033,075)
<p>Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unavailable revenue from property taxes as revenue, adjusting current year revenue to show the revenue earned from the current year's tax levy, reclassifying the proceeds of bond sales, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase net position.</p>		
		108,805
<p>Current year changes due to GASB 68 increased revenues in the amount of \$1,106,203 but also increased expenditures in the amount of \$2,247,114. The net effect on the change in the ending net position was a decrease in the amount of \$1,140,911.</p>		
		(1,140,911)
<p>Current year changes due to GASB 75 decreased revenues in the amount of \$533,130 but also decreased expenditures in the amount of \$991,790. The net effect on the change in the ending net position was an increase in the amount of \$458,660.</p>		
		458,660
Change in Net Position of Governmental Activities	\$	2,455,191

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

PROPRIETARY FUNDS

ENNIS INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AUGUST 31, 2021

EXHIBIT D-1

	Governmental Activities -	
	Internal Service Fund	
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$	1,534
Total Assets		1,534
LIABILITIES		
Current Liabilities:		
Accounts Payable		1,102
Total Liabilities		1,102
NET POSITION		
Unrestricted Net Position		432
Total Net Position	\$	432

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

ENNIS INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2021

	Governmental Activities -
	Internal Service Fund
OPERATING REVENUES:	
Local and Intermediate Sources	\$ 53,396
Total Operating Revenues	53,396
OPERATING EXPENSES:	
Payroll Costs	17,234
Professional and Contracted Services	32,148
Supplies and Materials	16,318
Total Operating Expenses	65,700
Operating Income (Loss)	(12,304)
Total Net Position - September 1 (Beginning)	12,736
Total Net Position - August 31 (Ending)	\$ 432

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

ENNIS INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2021

EXHIBIT D-3

	Governmental Activities -
	Internal Service Fund
<u>Cash Flows from Operating Activities:</u>	
Cash Received from User Charges	\$ 53,396
Cash Payments to Employees for Services	(16,372)
Cash Payments for Suppliers	(16,318)
Cash Payments for Other Operating Expenses	(32,148)
Net Cash Used for Operating Activities	(11,442)
Net Decrease in Cash and Cash Equivalents	(11,442)
Cash and Cash Equivalents at Beginning of Year	12,976
Cash and Cash Equivalents at End of Year	\$ 1,534
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>	
<u>Used for Operating Activities:</u>	
Operating Income (Loss):	\$ (12,304)
Effect of Increases and Decreases in Current Assets and Liabilities:	
Increase (decrease) in Accounts Payable	862
Net Cash Used for Operating Activities	\$ (11,442)

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

FIDUCIARY FUND (AND SIMILAR COMPONENT UNITS)
FINANCIAL STATEMENTS

ENNIS INDEPENDENT SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
AUGUST 31, 2021

	Total Custodial Funds
<hr/>	
ASSETS	
Investments - Current	\$ 1,860,663
Total Assets	<u>1,860,663</u>
LIABILITIES	
Due to Student Groups	<u>1,860,663</u>
Total Liabilities	<u>1,860,663</u>

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

ENNIS INDEPENDENT SCHOOL DISTRICT

Notes to Financial Statements
Year Ended August 31, 2021

I. Summary of Significant Accounting Policies

A. Reporting Entity

The Board of School Trustees, a seven member group, has governance responsibilities over all activities related to public elementary and secondary education within the jurisdiction of Ennis Independent School District (the "District"). Because members of the Board of Trustees are elected by the public, they have the authority to make decisions, appoint administrators and managers, significantly influence operations, and have the primary accountability for fiscal matters. The District is not included in any other governmental "reporting entity" as defined in Section 2100, Codification of Governmental Accounting and Financial Reporting Standards.

Since the District receives funding from local, state, and federal government sources, it must comply with the requirements of the entities providing those funds.

B. Government-wide and Fund Financial Statements

The Statement of Net Position and the Statement of Activities are government-wide financial statements. They report information on all of the Ennis Independent School District non-fiduciary activities with most of the inter-fund activities removed. Governmental activities include programs supported primarily by taxes, state foundation funds, grants, and other intergovernmental revenues. Business-type activities include operations that rely, to a significant extent, on fees and charges for support.

The Statement of Activities demonstrates how other people or entities that participate in programs the District operates have shared in the payment of the direct costs. The "Charges for Services" column includes payments made by parties that purchase, use, or directly benefit from goods or services provided by a given function or segment of the District. Examples include tuition paid by students not residing in the district, school lunch charges, etc. The "Grants and Contributions" column includes amounts paid by organizations outside the District to help meet the operational or capital requirements of a given function. Examples include grants under the Elementary and Secondary Education Act. If a revenue is not a program revenue, it is a general revenue used to support all of the District's functions. Taxes are always general revenues.

Inter-fund activities between governmental funds appear as due to/due from on the Governmental Fund Balance Sheet and as other resources and other uses on the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance. All inter-fund transactions between governmental funds are eliminated on the government-wide statements. Inter-fund activities between governmental funds and fiduciary funds remain as due to/due from on the government-wide Statement of Activities.

The fund financial statements provide reports on the financial condition and results of operations for three fund categories - governmental, proprietary, and fiduciary. Since the resources in the fiduciary funds cannot be used for District operations, they are not included in the government-wide statements. The District considers some governmental funds major and reports their financial condition and results of operations in a separate column.

ENNIS INDEPENDENT SCHOOL DISTRICT

Notes to Financial Statements
Year Ended August 31, 2021

B. Government-wide and Fund Financial Statements, continued

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All other revenues and expenses are non-operating.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements use the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements use the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets, current liabilities, and fund balances are included on the balance sheet. Operating statements of these funds present net increases and decreases in current assets (i.e., revenues and other financing sources and expenditures and other financing uses).

The modified accrual basis of accounting recognizes revenues in the accounting period in which they become both measurable and available, and it recognizes expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest and principal on long-term debt, which is recognized when due. The expenditures related to certain compensated absences and claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources. The District considers all revenues available if they are collectible within 60 days after year end.

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

Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as deferred revenues until related and authorized expenditures have been made. If balances have not been expended by the end of the project period, grantors sometimes require the District to refund all or part of the unused amount.

ENNIS INDEPENDENT SCHOOL DISTRICT

Notes to Financial Statements
Year Ended August 31, 2021

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation, continued

The proprietary fund types and fiduciary funds are accounted for on a flow of economic resources measurement focus and utilize the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable, and expenses in the accounting period in which they are incurred and become measurable. The District applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless these pronouncements conflict or contradict GASB pronouncements. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the fund Statement of Net Position. The fund equity is segregated into invested in capital assets net of related debt, restricted net assets, and unrestricted net assets.

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

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

D. Fund Accounting

The District reports the following major governmental funds:

The General Fund - The general fund is the District's primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund.

Additionally, the District reports the following fund types:

Governmental Funds:

1. Special Revenue Funds - The District accounts for resources restricted to, or designated for, specific purposes by the District or a grantor in a special revenue fund. Most Federal and some State financial assistance is accounted for in a special revenue fund, and sometimes unused balances must be returned to the grantor at the close of specified project periods.

ENNIS INDEPENDENT SCHOOL DISTRICT

Notes to Financial Statements
Year Ended August 31, 2021

D. Fund Accounting, continued

2. Debt Service Funds - The District accounts for resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds in a debt service fund.
3. Capital Projects Funds - The proceeds from long-term debt financing and revenues and expenditures related to authorized construction and other capital asset acquisitions are accounted for in a capital projects fund.
4. Permanent Funds - The District accounts for donations for which the donor has stipulated that the principal may not be expended and where the income may only be used for purposes that support the District's programs. The District has no permanent funds.

Proprietary Funds:

5. Enterprise Funds - The District's activities for which outside users are charged a fee roughly equal to the cost of providing the goods or services of those activities are accounted for in an enterprise fund. The District has no enterprise fund.
6. Internal Service Funds - Revenues and expenses related to services provided to organizations inside the District on a cost reimbursement basis are accounted for in an internal service fund. The District has one internal service fund for printing.

Fiduciary Funds:

7. Private Purpose Trust Funds - The District accounts for donations for which the donor has stipulated that both the principal and the income may be used for purposes that benefit parties outside the District. The District has no private purpose trust funds.
8. Pension (and Other Employee Benefit) Trust Funds - These funds are used to account for local pension and other employee benefit funds that are provided by the District, in lieu of or in addition to, the Teacher Retirement System of Texas. The District has no pension trust funds.
9. Investment Trust Fund - This fund is one in which the District holds assets in trust for other entities participating in an investment program managed by the district. The District has no investment trust funds.
10. Agency Funds - The District accounts for resources held for others in a custodial capacity in agency funds.

ENNIS INDEPENDENT SCHOOL DISTRICT

Notes to Financial Statements
Year Ended August 31, 2021

E. Other Accounting Policies

1. For purposes of the Statement of Cash Flows for proprietary and similar fund types, the District considers highly liquid investments to be cash equivalents if they have a maturity of three months or less when purchased.
2. Supplies are recorded as expenditures when they are purchased. Inventories of food commodities are recorded at market values supplied by the Texas Department of Human Services. Although commodities are received at no cost, their fair market value is supplied by the Texas Department of Human Services and recorded as inventory and deferred revenue when received. When requisitioned, inventory and deferred revenue are relieved, expenditures are charged, and revenue is recognized for an equal amount.
3. In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

4. Capital assets, which include land, buildings, furniture, and equipment are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Buildings, furniture, and equipment of the District are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	50
Buses	15
Office Equipment	7
Vehicles	5
Computer Equipment	3

ENNIS INDEPENDENT SCHOOL DISTRICT

Notes to Financial Statements
Year Ended August 31, 2021

E. Other Accounting Policies, continued

5. In the Government-Wide Financial Statements net assets on the Statement of Net Assets include the following:

Invested in Capital Assets, Net of Related Debt -- the component of net assets that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt net of premiums and discounts, excluding unspent

proceeds, that is directly attributable to the acquisition, construction or improvement of these capital assets.

Restricted -- the component of net assets that reports the difference between assets and liabilities with constraints placed on their use by law for Federal and State Programs, Debt Service, Capital Projects.

Unrestricted -- the difference between the assets and liabilities that is not reported in Net Assets Invested in Capital Assets, Net of Related Debt, Net Assets Restricted for Food Service or Net Assets Restricted for Debt Service.

In the Governmental Fund Financial Statements the District has adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Government Fund Type Definitions*. The objective of the statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing government fund type definitions. The statement 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. Fund balance classifications, under GASB 54 are Nonspendable, Restricted, Committed, Assigned, and Unassigned. These classifications reflect not only the nature of funds, but also provide clarity to the level of restriction placed upon fund balance. Fund balance can have different levels of constraint, such as external versus internal compliance requirements. Unassigned fund balance is a residual classification within the General Fund. The General Fund should be the only fund that reports a positive unassigned balance. In all other funds, unassigned is limited to negative residual fund balance.

In accordance with GASB 54, the District classifies governmental fund balances as follows:

Nonspendable -- includes amounts that cannot be spent because they are either not in spendable form, or, for legal or contractual reasons, must be kept intact. This classification includes prepaid items.

Restricted -- includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts restricted due to constitutional provisions or enabling legislation. This classification includes the child nutrition program, retirement of long term debt, construction programs and other federal and state grants.

ENNIS INDEPENDENT SCHOOL DISTRICT

Notes to Financial Statements
Year Ended August 31, 2021

E. Other Accounting Policies, continued

Committed -- includes fund balance amounts that are constrained for specific purposes that are internally imposed by the District through formal action of the highest level of decision making authority. Committed fund balance is reported pursuant to resolution passed by the District’s Board of Trustees. This classification includes campus activity funds, local special revenue funds and potential litigation, claims and judgments.

Assigned -- includes fund balance amounts that are self-imposed by the District to be used for a particular purpose. Fund balance can be assigned by the District’s Board, the Superintendent, or the Assistant Superintendent of Finance. This classification includes insurance deductibles, encumbrances, program start-up costs, projected budget deficit for subsequent years and other legal uses.

Unassigned -- includes residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

6. When the District incurs an expense for which it may use either restricted or unrestricted assets, it uses the restricted assets first unless unrestricted assets will have to be returned because they were not used.
7. The Data Control Codes refer to the account code structure prescribed by Texas Education Agency (the “TEA”) in the *Financial Accountability System Resource Guide* (the “Resource Guide”). The TEA requires school districts to display these codes in the financial statements filed with the Agency in order to ensure accuracy in building a statewide database for policy development and funding plans.
8. The Resource Guide provides that Texas school districts record net tax levies initially as deferred revenue and convert those deferrals to realized revenue when the taxes are collected. The District had the following deferred revenues for major funds (reported on the Balance Sheet as Unearned and Unavailable Revenues) at August 31, 2021:

	<u>General Fund</u>	<u>Debt Service</u>
General Fund Debt Service		
From Property Taxes	\$ 760,331	\$ 298,909
Other Deferred Revenue:		
Other items	-	-
Foundation Aid	<u>1,314,578</u>	<u>-</u>
Total Deferred Revenues	\$ <u>2,074,909</u>	\$ <u>298,909</u>

9. Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under Texas law, appropriations lapse at August 31 and encumbrances outstanding at that time are to be either cancelled or appropriately provided for in the subsequent year's budget. This year all encumbrances were paid and none carried over to following year.

ENNIS INDEPENDENT SCHOOL DISTRICT

Notes to Financial Statements
Year Ended August 31, 2021

E. Other Accounting Policies, continued

10. In accordance with Texas Education Code, Chapter 44, subchapter A, the District has adopted and installed an accounting system which meets at least the minimum requirements prescribed by the State Board of Education and approved by the State Auditor. Specifically, the District's accounting system uses the code structure presented in the Accounting Code of the Resource Guide.

II. Reconciliation of Government-Wide and Fund Financial Statements

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Assets

Exhibit C-2 provides the reconciliation between the fund balance for total governmental funds on the governmental fund balance sheet and the net assets for governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that capital assets are not financial resources and are therefore not reported in governmental funds. In addition, long-term liabilities, including bonds payable, are not due and payable in the current period and are not reported as liabilities in the funds.

The details of capital assets and long-term debt at the beginning of the year were as follows:

<u>Capital Assets at the Beginning of the Year</u>	<u>Historic Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Value at the Beginning of the Year</u>	<u>Change in Net Assets</u>
Land	\$ 5,600,696	\$ -	\$ 5,600,696	
Buildings	228,879,263	(87,189,730)	141,689,533	
Vehicles & equipment	29,175,020	(25,929,975)	3,245,045	
Construction in process	-	-	-	
Change in net position				\$ 150,535,274
<u>Long-term liabilities at the beginning of the year</u>			<u>Payable at the Beginning of the Year</u>	
Bonds payable			(191,726,546)	
Deferred charges on refunding			16,443,238	
Premiums on issuance			(18,797,814)	
Change in net position				(194,081,122)
Net adjustment to net position				\$ (43,545,848)

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities

Exhibit C-4 provides reconciliation between the net changes in fund balance as shown on the governmental fund statement of revenues, expenditures, and changes in fund balances and the changes in net position of governmental activities as reported on the government-wide statement of activities. One element of that reconciliation explains that current year capital outlays and debt principal payments are expenditures in the fund financial statements, but should be shown as increases in capital assets and decreases in long-term debt in the government-wide statements. This adjustment affects both the net position balance and the change in net position. The details of this adjustment are as follows:

ENNIS INDEPENDENT SCHOOL DISTRICT

Notes to Financial Statements
Year Ended August 31, 2021

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities, continued

	<u>Amount</u>	<u>(Exhibit C-4) Adjustments to Changes in Net Position</u>	<u>(Exhibit C-2) Adjustments to Net Position</u>
Current year capital outlay			
Buildings & improvements	\$ 742,402		
Vehicles	260,249		
Equipment	<u>972,385</u>		
Total capital outlay	1,975,036	\$ 1,975,036	\$ 1,975,036
Bond principal payments	8,005,000	8,005,000	8,005,000
Accretion of interest	(4,276,988)	(4,276,988)	(4,276,988)
Amortization of deferred refunding charges	(1,074,835)	(1,074,835)	(1,074,835)
Amortization of bond premiums	1,204,623	<u>1,204,623</u>	<u>1,204,623</u>
Adjustment to net position		<u>\$ 5,832,836</u>	<u>\$ 5,832,836</u>

Another element of the reconciliation on Exhibit C-4 is described as various other reclassifications and eliminations necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. This adjustment is the result of several items. The details for this element are as follows:

	<u>Amount</u>	<u>(Exhibit C-4) Adjustments to Changes in Net Position</u>	<u>(Exhibit C-2) Adjustments to Net Position</u>
Adjustments to revenue and deferred revenue			
Current year taxes not collected	\$ 548,793	\$ 548,793	
Taxes collected from prior year levies	(429,980)	(429,980)	
Uncollected taxes (assumed collectible) from current year levy	548,793		\$ 548,793
Uncollected taxes (assumed collectible) from prior year levy	510,447		510,447
Miscellaneous net charges	(10,008)	<u>(10,008)</u>	<u>-</u>
Total		<u>\$ 108,805</u>	<u>\$ 1,059,240</u>

III. Stewardship, Compliance, and Accountability

A. Budgetary Data

The Board of Trustees adopts an "appropriated budget" for the General Fund, Debt Service Fund and the Food Service Fund (which is included in the Special Revenue Funds). The District is required to present the adopted and final amended budgeted revenues and expenditures for each of these funds. The District compares the final amended budget to actual revenues and expenditures. The General Fund Budget report appears in Exhibit G-1 and the other two reports are in Exhibit J-4 and J-5.

ENNIS INDEPENDENT SCHOOL DISTRICT

Notes to Financial Statements
Year Ended August 31, 2021

A. Budgetary Data, continued

The following procedures are followed in establishing the budgetary data reflected in the general-purpose financial statements:

1. Prior to August 20, the District prepares a budget for the next succeeding fiscal year beginning September 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Board is then called for the purpose of adopting the proposed budget. At least ten days public notice of the meeting must be given.
3. Prior to September 1, the budget is legally enacted through passage of a resolution by the Board. Once a budget is approved, it can only be amended at the function and fund level by approval of a majority of the members of the Board. Amendments are presented to the Board at its regular meetings. Each amendment must have Board approval. As required by law, such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year end. Because the District has a policy of careful budgetary control, several amendments were necessary during the year. However, none of these were significant.
4. Each budget is controlled by the budget coordinator at the revenue and expenditure function/object level. Budgeted amounts are as amended by the Board. All budget appropriations lapse at year end.

IV. Detailed Notes on All Funds and Account Groups

A. Deposits, Securities and Investments

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

1. Cash Deposits - The District's cash deposits at August 31, 2021, were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in District's name. The deposits were collateralized in accordance with Texas Law, and the Texas Education Agency maintains copies of all safekeeping receipts in the name of the District.
2. Investments - The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the District to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity

ENNIS INDEPENDENT SCHOOL DISTRICT

Notes to Financial Statements
Year Ended August 31, 2021

A. Deposits, Securities and Investments - continued

Allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit. Statutes authorize the District to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas, (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) Mutual Funds, (8) Investment pools, (9) guaranteed investments contracts, (10) and common trust funds. The Act also requires the District to have independent auditors perform test procedures related to investment practices as provided by the Act. The District is in substantial compliance with the requirements of the Act and with local policies.

In compliance with the Public Funds Investment Act, the District has adopted a deposit and investment policy. That policy addresses the following risks:

- a. Custodial Credit Risk – Deposits: In the case of deposits, this is the risk that, in the event of a bank failure, the District’s deposits may not be returned to it. The entire balance on the date of highest deposit should be either collateralized with securities held by the District’s agent or covered by FDIC insurance. Thus, the District’s deposits should not be exposed to custodial credit risk. The following is disclosed regarding coverage of cash deposit balances on the date of highest deposit:
 1. Name of the bank: Prosperity Bank - Ennis, TX
 2. The largest combined balances of cash, savings, and time deposits accounts amounted to \$3,159,714 occurred during the month of November 2020.
 3. The combined balances above on that date did not exceed the collateral and FDIC insurance.
- b. Custodial Credit Risk – Investments: For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At August 31, 2021, the District held investments in bank certificates of deposit and in public fund investment pools. Investments in external investment pools are considered unclassified as to custodial credit risk because they are not evidenced by securities that exist in physical or book entry form. The District’s investments in certificates of deposit are with the District’s depository bank and are collateralized with securities held by the District’s agent.
- c. Credit Risk: This is the risk that an issuer or other counterparty to an investment will be unable to fulfill its obligations. The rating of securities by nationally recognized rating agencies is designed to give an indication of credit risk. The District invests only in investment pools that are rated AAA or AAAM and certificates of deposit. The credit quality rating for the TexPool Investment Pool, the MBIA Texas CLASS, and the TexasTERM portfolios at year-end were all AAAM (Standard & Poor’s).

ENNIS INDEPENDENT SCHOOL DISTRICT

Notes to Financial Statements
Year Ended August 31, 2021

A. Deposits, Securities and Investments – continued

- d. Interest Rate Risk: This is the risk that changes in interest rates will adversely affect the fair value of an investment. The District manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than one year from the time of purchase. The maturity date of the certificates of deposit ranged from 12 months to 18 months at the time of purchase. The weighted average maturity for the District's investment in external investment pools is less than 60 days.
- e. Foreign Currency Risk: This is the risk that exchange rates will adversely affect the fair value of an investment. At August 31, 2021, the District was not exposed to foreign currency risk.
- f. Concentration of Credit Risk: This is the risk of loss attributed to the magnitude of the District's investment in a single issuer (i.e., lack of diversification). Concentration risk is defined as positions of 5 percent or more in the securities of a single issuer. The District invests only in investment pools and certificates of deposit at the District's depository bank, which are collateralized by securities held by the District's agent. Investment pools are excluded from the 5 percent disclosure requirement. Investments in certificates of deposit with Citizens National Bank represented 13 percent of total investments.

Public funds investment pools in Texas ("Pools") are established under the authority of the Interlocal Cooperation Act, Chapter 79 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment Act (the "Act"), Chapter 2256 of the Texas Government Code. In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires Pools to: 1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; 2) maintain a continuous rating of no lower than AAA or AAA-m or equivalent rating by at least one nationally recognized rating service; and 3) maintain the market value of its underlying investment portfolio within one half of one percent of the value of its shares. The District's investments in Pools are reported at an amount determined by the fair value per share of the pool's underlying portfolio, unless the pool is 2a7-like, in which case they are reported at share value. A 2a7-like pool is one which is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's rules 2a7 of the Investment Company Act of 1940. The District's temporary investments at August 31, 2021 are shown below:

<u>Name</u>	<u>Carrying Amount</u>	<u>Market Value</u>
TexPool	\$ 6,622,543	\$ 6,622,543
MBIA Texas CLASS	25,472,883	25,472,883
TexasTERM	587,996	587,996
Money market accounts	206,082	206,082
Certificates of deposit	<u>1,490,002</u>	<u>1,490,002</u>
Total investments	<u>\$ 34,379,506</u>	<u>\$ 34,379,506</u>

ENNIS INDEPENDENT SCHOOL DISTRICT

Notes to Financial Statements
Year Ended August 31, 2021

B. Property Taxes

Property taxes are levied by 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, penalties and interest ultimately imposed. Property tax revenues are considered available when they become due or past due and receivable within the current period and those expected to be collected during a 60 day period after the close of the school fiscal year.

C. Delinquent Taxes Receivable

Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. Allowances for uncollectible taxes 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.

D. Due from Other Governments

The District participates in a variety of federal and state programs from which it receives grants to partially or fully finance certain activities. In addition, the District receives entitlements from the State through the School Foundation and Per Capita Programs. Amounts due from federal and state governments as of August 31, 2021 are summarized below. All federal grants shown below are passed through the TEA and are reported on the combined financial statements as Due from Other Governments.

<u>Fund</u>	<u>State Entitlements</u>	<u>Federal Grants</u>	<u>Non Grant</u>	<u>Total</u>
General	\$ 1,314,578	\$ -	\$ -	\$ 1,314,578
Special Revenue	147,336	1,743,501	-	1,890,837
Debt Service Funds	14,830	-	-	14,830
Total	<u>\$ 1,476,744</u>	<u>\$ 1,743,501</u>	<u>\$ -</u>	<u>\$ 3,220,245</u>

E. Inter-fund Receivables and Payables

Inter-fund balances at August 31, 2021 consisted of the following individual fund balances:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund:		
Special Revenue Funds	\$ 980,723	\$ -
Debt Service Fund	-	13,334
Special Revenue Funds:		
General Fund	-	980,723
Debt Service Fund:		
General Fund	<u>13,334</u>	<u>-</u>
Total	<u>\$ 994,057</u>	<u>\$ 994,057</u>

ENNIS INDEPENDENT SCHOOL DISTRICT

Notes to Financial Statements Year Ended August 31, 2021

F. Changes in General Fixed Assets

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reclass/ Retirement</u>	<u>Ending Balance</u>
Governmental activities:				
Land	\$ 5,600,696	\$ -	\$ -	\$ 5,600,696
Buildings and improvements	228,879,263	742,402	-	229,621,665
Vehicles	6,473,739	260,249	-	6,733,988
Equipment	22,701,281	972,385	-	23,673,666
Construction in progress	-	-	-	-
Total	<u>\$263,654,979</u>	<u>\$ 1,975,036</u>	<u>\$ -</u>	<u>\$265,630,015</u>
Less accumulated depreciation for:				
Buildings and improvements	(87,189,730)	(4,156,564)	-	(91,346,294)
Vehicles and equipment	<u>(25,929,975)</u>	<u>(876,511)</u>	-	<u>(26,806,486)</u>
Total accumulated depreciation	<u>(113,119,705)</u>	<u>(5,033,075) *</u>	<u>-</u>	<u>(118,152,780)</u>
Governmental activities capital assets, net	<u>\$ 150,535,274</u>	<u>\$ (3,058,039)</u>	<u>\$ -</u>	<u>\$ 147,477,235</u>

* Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 3,431,733
School leadership	124,184
Guidance, counseling and evaluation services	1,835
Student transportation	253,027
Food services	317,716
Co-curricular activities	427,683
General administration	-
Plant maintenance and operations	476,857
Security and monitoring services	-
Total depreciation expense	<u>\$ 5,033,075</u>

G. Bonds

Ennis Independent School District has entered into a continuing disclosure undertaking to provide Annual Reports and Material Event Notices to the State Information Depository of Texas (SID), which is the Municipal Advisory Council. This information is required under SEC Rule 15c2 - 12 to enable investors to analyze the financial condition and operations of Ennis Independent School District.

Long-term liability activity for the year ended August 31, 2021 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities					
Bonds payable:					
General obligation debt	\$109,499,620	\$ -	\$ (8,005,000)	\$101,494,620	\$ 9,035,000
Accreted interest	<u>82,226,926</u>	<u>4,276,988</u>	-	<u>86,503,914</u>	-
Total	<u>\$191,726,546</u>	<u>\$ 4,276,988</u>	<u>\$ (8,005,000)</u>	<u>\$187,998,534</u>	<u>\$ 9,035,000</u>

ENNIS INDEPENDENT SCHOOL DISTRICT

Notes to Financial Statements Year Ended August 31, 2021

G. Bonds – continued

Bonded indebtedness of the District is reflected in the General Long-Term Debt Account group, and current requirements for principal and interest expenditures are accounted for in the Debt Service Fund. Effective interest rates on the bonds range from .69% to 5.00%.

Presented below is a summary of general obligation bond payment requirements to maturity:

<u>Year ended</u> <u>August 31,</u>	<u>General Obligation</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Requirements</u>
2022	\$ 9,035,000	\$ 3,442,000	\$ 12,477,000
2023	10,115,000	2,990,250	13,105,250
2024	11,275,000	2,484,500	13,759,500
2025	12,395,000	1,920,750	14,315,750
2026	5,920,657	8,385,343	14,306,000
2027-2031	24,678,016	51,869,984	76,548,000
2032-2036	13,539,618	68,282,632	81,822,250
2037-2040	<u>14,536,329</u>	<u>31,931,671</u>	<u>46,468,000</u>
Total	<u>\$101,494,620</u>	<u>\$ 171,307,130</u>	<u>\$272,801,750</u>

<u>Issue</u>	<u>Rate</u>	<u>Due</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Series 2013 Refunding Bonds	4.29%-4.32%	2039-2040	\$ 3,755,000	\$ 13,565,000	\$ 17,320,000
Series 2015 Refunding Bonds	3.16% -5.00%	2022-2037	50,734,483	84,828,267	135,562,750
Series 2016 Refunding Bonds	3.02%-5.00%	2022-2037	9,747,102	9,413,148	19,160,250
Series 2017 Refunding Bonds	3.54%-5.00%	2022-2038	32,863,749	55,052,001	87,915,750
Series 2018 Refunding Bonds	1.61%-3.87%	2022-2038	1,361,328	4,958,672	6,320,000
Series 2020 Refunding Bonds	5.0%-23.09%	2022-2030	<u>3,032,957</u>	<u>3,490,043</u>	<u>6,523,000</u>
Total Bonds			<u>\$101,494,620</u>	<u>\$171,307,130</u>	<u>\$272,801,750</u>

The 2013, 2015, 2016, 2017, 2018 and 2020 bond series include Capital Appreciation Bonds. No interest is paid on these bonds prior to maturity. The bonds mature at various dates from 2021 to 2040. Interest accrues on these bonds each February 15 and August 15 even though the interest is not paid until maturity.

The long-term portion of outstanding bonds recorded on the Statement of Net Position includes unamortized issuance premiums on bonds totaling \$17,593,191 at August 31, 2021.

H. Debt Issuance and Defeased Debt

In prior years, the District has defeased other bond series in advance refunding transactions which have since been fully redeemed. No amounts were issued for the year ended August 31, 2021. As of August 31, 2021, no amounts remain outstanding.

I. Health Care Coverage

During the year ended August 31, 2021, employees of the District were covered under the TRS Active Care health care plan. The District enrolled in TRS Active Care, the statewide health coverage program for public education employees, effective September 1, 2002. The District contributes \$325 per employee on a monthly basis to be used toward health insurance premiums; employees, at their option, may authorize payroll withholdings to pay premiums for dependents.

ENNIS INDEPENDENT SCHOOL DISTRICT

Notes to Financial Statements
Year Ended August 31, 2021

J. Defined Benefit Pension Plan

Plan Description

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

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

Pension Plan Fiduciary Net Position

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

Benefits Provided

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

Texas Government Code section 821.006 prohibits benefit improvements, if, as a result of the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action.

ENNIS INDEPENDENT SCHOOL DISTRICT

Notes to Financial Statements
Year Ended August 31, 2021

J. Defined Benefit 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. Senate Bill 1458 of the 83rd Texas Legislature amended Texas Government Code 825.402 for member contributions and established employee contribution rates for fiscal years 2014 thru 2017. The 85th Texas Legislature, General Appropriations Act (GAA) affirmed that the employer contribution rates for fiscal years 2018 and 2019 would remain the same. SB12 in the 86th Legislature set higher contribution rates for fiscal year 2020 and fiscal year 2021. Beginning September 1, 2019, all employers are required to pay the Public Education Employer contribution of 1.5%. This “surcharge” was previously only charged to employers not participating in social security. Contribution Rates can be found in the TRS 2020 ACFR, Note 11, on page 82.

Contribution Rates

	<u>2021</u>	<u>2020</u>
Member	7.7%	7.7%
Non-Employer Contributing Entity (State)	7.5%	7.5%
Employers	7.5%	7.5%
District's 2021 FY Employer Contributions		\$ 1,252,520
District's 2021 FY Member Contributions		\$ 2,848,026
Measurement Year NECE On-Behalf Contributions		\$ 1,970,892

Contributors to the plan include members, employers and the State of Texas as the only non-employer contributing entity. The State contributes to the plan in accordance with state statutes and the General Appropriations Act (GAA). As the non-employer contributing entity for public education 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 (including public schools) are required to pay the employer contribution rate in the following instances:

ENNIS INDEPENDENT SCHOOL DISTRICT

Notes to Financial Statements
Year Ended August 31, 2021

J. Defined Benefit Pension Plan – continued

Contribution Rates - continued

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment
- When any part or all of an employee's salary is paid by federal funding sources or a privately sponsored source.

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

- When employing a retiree of the Teacher Retirement System the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.
- When a school district does not contribute to the Federal Old-Age, Survivors and Disability Insurance (OASDI) Program for certain employees, they must contribute 1.5% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees. This surcharge was in effect through fiscal year 2019 and was replaced with the Public Education Employer Contribution explained above.

Actuarial Assumptions.

Roll Forward - A change was made in the measurement date of the total pension liability for the 2020 measurement year. The actuarial valuation was performed as of August 31, 2019. Update procedures were used to roll forward the total pension liability to August 31, 2020.

The following table discloses the assumptions that were applied to this measurement period:

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 Rate	7.25%
Municipal Bond Rate as of August, 2020	2.63% - 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."
Last year ending August 31 in	
Projection Period (100 years)	2119
Inflation	2.30%
Salary Increases	3.05% to 9.05% including inflation
Ad hoc Post Employment Benefit Changes	None

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

ENNIS INDEPENDENT SCHOOL DISTRICT

Notes to Financial Statements
Year Ended August 31, 2021

J. Defined Benefit Pension Plan - continued

Discount Rate

A single discount rate of 7.25% was used to measure the total pension liability. The single discount rate was based on the expected rate of return on plan investments of 7.25%. The projection of cash flows used to determine this single discount rate assumed that contributions from active members, employers and the non-employer contributing entity will be made at the rates set by the legislature during the 2019 legislative session. It is assumed that future employer and state contributions will be 8.50% of payroll in fiscal year 2020 gradually increasing to 9.55% of payroll over the next several years. This includes all employer and state contributions for active and rehired retirees.

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term rate of return on pension plan investments is 7.25%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2020 (see page 53 of the TRS ACFR) are summarized below:

Asset Class	Target Allocation (1)	Long-Term Geometric Real Rate of Return (2)	Expected Contribution to Long-Term Portfolio Return
Global Equity			
U.S.	18.00%	3.9%	0.99%
Non-U.S. Developed	13.00%	5.1%	0.92%
Emerging Markets	9.00%	5.6%	0.83%
Directional Hedge Funds	4.00%	0.0%	0.00%
Private Equity	14.00%	6.7%	1.41%
Stable Value			
U.S. Treasuries (4)	16.00%	(0.7%)	(0.05%)
Stable Value Hedge Funds	5.00%	1.9%	0.11%
Absolute Return	0.00%	1.8%	0.00%
Real Return			
Real Estate	15.00%	4.6%	1.02%
Energy and Natural Resources	6.00%	6.0%	0.42%
Commodities	0.00%	0.8%	0.00%
Risk Parity	8.00%	3.0%	0.30%
Asset Allocation Leverage Cash	(2.00%)	(1.5%)	(0.03%)
Asset Allocation Leverage	(6.00%)	(1.3%)	0.08%
Inflation Expectation			2.00%
Volatility Drag (3)			(0.67%)
Total	<u>100.00%</u>		

(1) New target allocation based on the FY2020 policy model.

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

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

ENNIS INDEPENDENT SCHOOL DISTRICT

Notes to Financial Statements
Year Ended August 31, 2021

J. Defined Benefit Pension Plan - continued

Discount Rate Sensitivity Analysis

The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (7.25%) in measuring the Net Pension Liability. The discount rate can be found in the 2020 TRS ACFR, Note 11, page 84.

	1% Decrease (6.25%)	Discount Rate (7.25%)	1% Increase (8.25%)
District's proportionate share of the net pension liability:	\$22,988,677	\$14,908,524	\$8,343,577

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

At August 31, 2020, Ennis Independent School District reported a liability of \$14,908,524 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to Ennis Independent School District. The amount recognized by Ennis Independent School 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 Ennis Independent School District were as follows:

District's Proportionate share of the collective net pension liability	\$ 14,908,524
State's proportionate share that is associated with District	<u>17,733,857</u>
Total	<u>\$ 32,642,381</u>

The net pension liability was measured as of August 31, 2019 and rolled forward to August 31, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of August 31, 2019 rolled forward to August 31, 2020. The employer's proportion of the net pension liability was based on the employer's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2018 through August 31, 2020.

At August 31, 2020 the employer's proportion of the collective net pension liability was .0278362% which was a decrease of 0.0009% from its proportion measured as of August 31, 2019.

ENNIS INDEPENDENT SCHOOL DISTRICT

Notes to Financial Statements
Year Ended August 31, 2021

J. Defined Benefit Pension Plan - continued

Changes Since the Prior Actuarial Valuation

Assumptions, methods, and plan changes, which are specific to the Pension Trust Fund, were updated from the prior year's report. The Net Pension Liability increased significantly since the prior measurement date due to a change in the following actuarial assumptions:

- The total pension liability as of August 31, 2020, was developed using a roll-forward method from the August 31, 2019 valuation.
- The single discount rate of as of August 31, 2018, was a blended rate of 6.907 percent and that has changed to the long-term rate of return of 7.25 percent as of August 31, 2019.
- With the enactment of SB 3 by the 2019 Texas Legislature, an assumption has been made about how this would impact future salaries. It is assumed that eligible active members will each receive a \$2,700 increase in fiscal year 2021. This is in addition to the salary increase expected based on the actuarial assumptions.

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

For the year ended August 31, 2021, Ennis Independent School District recognized pension and OPEB expense of \$2,476,911 and revenue of \$2,476,911 for support provided by the State in the Government Wide Statement of Activities.

At August 31, 2021, Ennis Independent School 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:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 27,222	\$ 416,057
Changes in actuarial assumptions	3,459,308	1,470,874
Difference between projected and actual investment earnings	301,811	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	578,877	375,659
Contributions paid to TRS subsequent to the measurement date	<u>1,252,520</u>	<u>-</u>
Total	<u>\$5,619,738</u>	<u>\$ 2,262,590</u>

ENNIS INDEPENDENT SCHOOL DISTRICT

Notes to Financial Statements
Year Ended August 31, 2021

K. Defined Other Post-Employment Benefit Plan

Plan Description

The District participates in the Texas Public School Retired Employees Group Insurance Program (TRS-Care). It is a multiple-employer, cost-sharing defined Other Post-Employment Benefit (OPEB) plan that has a special funding situation. The plan is administered through a trust by the Teacher Retirement System of Texas (TRS) Board of Trustees. It is established and administered in accordance with the Texas Insurance Code, Chapter 1575.

OPEB Plan Fiduciary Net Position

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

Benefits Provided

TRS-Care provides a basic health insurance coverage (TRS-Care 1), at no cost to all retirees from public schools, charter schools, regional education service centers and other educational districts who are members of the TRS pension plan. Optional dependent coverage is available for an additional fee.

Eligible retirees and their dependents not enrolled in Medicare may pay premiums to participate in one of two optional insurance plans with more comprehensive benefits (TRS-Care 2 and TRS-Care 3). Eligible retirees and dependents enrolled in Medicare may elect to participate in one of the two Medicare health plans for an additional fee. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in the TRS pension system. 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. There are no automatic post-employment benefit changes; including automatic COLAs.

The premium rates for retirees are reflected as follows:

TRS-Care Plan Premium Rates

	Medicare	Non-Medicare
Retiree or surviving spouse	\$ 135	\$ 200
Retiree and spouse	529	689
Retiree or surviving spouse and children	468	408
Retiree and family	1,020	999

ENNIS INDEPENDENT SCHOOL DISTRICT

Notes to Financial Statements
Year Ended August 31, 2021

K. Defined Other Post-Employment Benefit Plan - continued

Contributions

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

Texas Insurance Code, section 1575.202 establishes the state's contribution rate which is 1.25% of the employee's salary. Section 1575.203 establishes the active employee's rate which is 0.65% of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25% or not more than 0.75% of the salary of each active employee of the public. The actual employer contribution rate, which is 0.75% of each active employee's pay for fiscal year 2020, is prescribed by the Legislature in the General Appropriations Act.

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

	<u>2021</u>	<u>2020</u>
Member (Active employee)	0.65%	0.65%
Non-Employer Contributing Entity (State)	1.25%	1.25%
Employers	0.75%	0.75%
Federal Funding remitted by Employers	1.25%	1.25%
District's 2021 FY Employer Contributions		\$ 307,421
District's 2021 FY Member Contributions		\$ 240,421
Measurement Year NECE On-Behalf Contributions		\$ 394,767

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

TRS-Care received supplemental appropriations from the State of Texas as the Non-Employer Contributing Entity in the amount of \$3.36 million in fiscal year 2020.

ENNIS INDEPENDENT SCHOOL DISTRICT

Notes to Financial Statements
Year Ended August 31, 2021

K. Defined Other Post-Employment Benefit Plan - continued

Actuarial Assumptions

The total OPEB liability in the August 31, 2018 was rolled forward to August 31, 2019. The actuarial valuation was determined using the following actuarial assumptions:

The following assumptions and other inputs used for members of TRS-Care are identical to the assumptions used in the August 31, 2018 TRS pension actuarial valuation that was rolled forward to August 31, 2019:

Rates of mortality	General inflation
Rates of retirement	Wage inflation
Rates of termination	Expected payroll growth
Rates of disability incidence	

Additional Actuarial Methods and Assumptions

Valuation Date	August 31, 2019 rolled forward to August 31, 2020
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Discount rate	2.33 as of August 31, 2020
Aging factors	Based on plan specific experience
Election Rates	Normal Retirement: 65% participation prior to age 65 and 40% participation after age 65. 25% of pre-65 retirees are assumed to discontinue coverage at age 65.
Salary Increases including inflation	3.05% to 9.05%
Ad hoc post-employment benefit changes	None

In this valuation, the impact of the Cadillac Tax has been calculated as a portion of the trend assumption. Assumptions and methods used to determine the impact of the Cadillac Tax include:

- 2018 thresholds of \$850/\$2,292 were indexed annually by 2.50%
- Premium data submitted was not adjusted for permissible exclusions to the Cadillac Tax.
- There were no special adjustments to the dollar limit other than those permissible for non-Medicare retirees over 55.

Results indicate that the value of the excise tax would be reasonably represented by a 25 basis point addition to the long-term trend rate assumption.

ENNIS INDEPENDENT SCHOOL DISTRICT

Notes to Financial Statements
Year Ended August 31, 2021

K. Defined Other Post-Employment Benefit Plan - continued

Discount Rate

A single discount rate of 2.33% was used to measure the total OPEB liability. There was a change 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.

Sensitivity of the Net OPEB Liability

Discount Rate Sensitivity Analysis- The following schedule shows the impact of the net OPEB liability if the discount rate used was is one-percentage point lower (1.63%) or one-percentage point higher (3.63%) 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%)
\$17,674,731	\$14,728,971	\$12,402,475

Healthcare Cost Trend Rates - The following presents the District’s proportional share of the net OPEB liability of the plan using the assumed healthcare cost trend rate, as well as what the net OPEB liability would be if it were calculated using a tend rate used was is one-percentage point lower or one-percentage point higher than the assumed healthcare cost trend rate.

1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
\$12,031,682	\$14,728,971	\$18,321,378

OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB’s

At August 31, 2020, the District reported a liability of \$14,728,971 for its proportionate share of the TRS’s net OPEB liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District’s Proportionate share of the collective net OPEB liability	\$ 14,728,971
State’s proportionate share that is associated with District	<u>19,792,206</u>
Total	<u>\$ 34,521,177</u>

ENNIS INDEPENDENT SCHOOL DISTRICT

Notes to Financial Statements
Year Ended August 31, 2021

K. Defined Other Post-Employment Benefit Plan - continued

OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB's - continued

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

At August 31, 2020 the District's proportion of the collective Net OPEB Liability was 0.0387456% which was an increase of 0.0007% from its proportion measured as of August 31, 2019.

Changes Since the Prior Actuarial Valuation

The following were changes to the actuarial assumptions or other inputs that affected measurement of the Total OPEB liability (TOL) 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 TOL.
- The participation rate for post-65 retirees was lowered from 50 percent to 40 percent. This change decreased the TOL.
- The ultimate health care trend rate assumption was lowered from 4.5% to 4.25% as a result of Congress' repeal of the excise (Cadillac) tax on high-cost employer health plans in December 2019. This change decreased the TOL.
- Change of Benefit Terms Since the Prior Measurement Date – There were no changes in benefit terms since the prior measurement date.

For the year ended June 30, 2020, the District recognized pension and OPEB expense of \$2,476,911, as well as revenue of \$2,476,911 representing OPEB expense incurred by the State on behalf of the District.

ENNIS INDEPENDENT SCHOOL DISTRICT

Notes to Financial Statements
Year Ended August 31, 2021

K. Defined Other Post-Employment Benefit Plan - continued

OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB's - continued

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 771,203	\$ 6,740,730
Changes in actuarial assumptions	908,471	4,044,651
Difference between projected and actual investment earnings	4,786	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	595,704	131,842
Contributions paid to TRS subsequent to the measurement date	<u>307,421</u>	<u>-</u>
Total	<u>\$ 2,587,585</u>	<u>\$ 10,917,223</u>

L. Teacher Employee Recruitment and Retention Program (TERRP)

Plan Description – Ennis Independent School District contributes to the Teacher Employee Recruitment and Retention Program Plan. The Plan is a defined contribution retirement plan and is completely funded by the employer. The Plan's annual financial report and other required disclosure information are available by writing the record keeper: JEM Resource Partners, 4201 Bee Caves Rd C-101, Austin, TX 78746.

Funding Policy – Under the plan provisions, the District contributes as a base match the lesser of 50% of an Employee's contribution to a 403(b) or 457 or 2% of the Employee's base salary if the Employee has less than 8 absences. In addition to the base match, Employees are eligible for an attendance match. An Employee with zero absences will receive an attendance match of the lesser 50% of the Employee's contribution to a 403(b) or 457 plan or 2% of the Employee's base salary. An Employee with less than three absences will receive an attendance match of 25% of the Employee's contribution to a 403(b) or 457 plan up to 1% of the Employee's base salary. District contributions for the years ending August 31, 2021 and 2020 were \$220,222 and \$305,982. Plan members are 100% vested after five years of employment, 75% vested after four years of employment, and 50% vested after three years of employment. Plan members are not vested in years one or two. The vesting schedule is waived and Participants become fully vested in their account balance for the following reasons:

Retirement (must qualify for TRS benefit), total disability (as defined by TRS) or death.

ENNIS INDEPENDENT SCHOOL DISTRICT

Notes to Financial Statements
Year Ended August 31, 2021

M. Global Pandemic

In December 2019, the Coronavirus Disease (COVID-19) was reported in China. On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic. As a result of the COVID-19 outbreak in the United States, there has been significant economic disruption due to business closures and shelter in place orders. There is considerable uncertainty around the duration of business closures and shelter in place orders and the near-term impact of these events on the United States and global economy. As a result of the outbreak of COVID-19 and its impact on the broader economy and community, the School has been adversely affected due to periodic employee quarantines as well as related challenges.

As of the report date, the District is operating in compliance with recommended health and safety guidelines.

Management is continuously monitoring the impact COVID-19 might have on operations both now and in the future. There continue to be uncertainties surrounding the pandemic's impact on the District's financial results that cannot be reasonably estimated as of the report date. Despite the uncertain economic environment, management believes that the company is well positioned to meet these challenges and remain fully operational.

N. Prior Period Adjustment

In fiscal year 2021, GASB 84 pronouncements were implemented by the District. GASB Statement No. 84, Fiduciary Activities, was issued in January 2017 and provides guidance to enhance the consistency and comparability of fiduciary activity reporting by (1) establishing specific criteria for identifying activities that should be reported as fiduciary activities and (2) clarifying whether and how business-type activities should report their fiduciary activities. The Non-Major Governmental Funds were adjusted by \$106,709.

REQUIRED SUPPLEMENTARY INFORMATION

ENNIS INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED AUGUST 31, 2021

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 26,519,014	\$ 26,751,183	\$ 26,799,290	\$ 48,107
5800 State Program Revenues	30,453,652	29,115,303	29,629,243	513,940
5900 Federal Program Revenues	500,000	1,018,155	1,111,626	93,471
5020 Total Revenues	57,472,666	56,884,641	57,540,159	655,518
EXPENDITURES:				
Current:				
0011 Instruction	34,344,918	33,546,326	32,928,821	617,505
0012 Instructional Resources and Media Services	959,455	894,822	891,253	3,569
0013 Curriculum and Instructional Staff Development	662,143	478,655	477,552	1,103
0021 Instructional Leadership	1,037,924	1,050,568	1,047,952	2,616
0023 School Leadership	2,910,162	2,879,340	2,862,604	16,736
0031 Guidance, Counseling, and Evaluation Services	1,631,669	1,464,072	1,437,223	26,849
0032 Social Work Services	46,170	46,760	45,086	1,674
0033 Health Services	688,245	716,786	701,495	15,291
0034 Student (Pupil) Transportation	2,105,911	1,950,654	1,913,281	37,373
0036 Extracurricular Activities	1,450,973	1,250,274	1,242,856	7,418
0041 General Administration	2,122,473	2,025,339	1,989,376	35,963
0051 Facilities Maintenance and Operations	7,395,378	7,395,378	6,745,893	649,485
0052 Security and Monitoring Services	679,541	635,544	609,503	26,041
0053 Data Processing Services	1,137,704	1,053,917	1,048,054	5,863
Capital Outlay:				
0081 Facilities Acquisition and Construction	300,000	222,698	219,698	3,000
6030 Total Expenditures	57,472,666	55,611,133	54,160,647	1,450,486
1100 Excess of Revenues Over Expenditures	-	1,273,508	3,379,512	2,106,004
OTHER FINANCING SOURCES (USES):				
8911 Transfers Out (Use)	-	(1,000,000)	(1,000,000)	-
1200 Net Change in Fund Balances	-	273,508	2,379,512	2,106,004
0100 Fund Balance - September 1 (Beginning)	24,165,209	24,165,209	24,165,209	-
3000 Fund Balance - August 31 (Ending)	\$ 24,165,209	\$ 24,438,717	\$ 26,544,721	\$ 2,106,004

ENNIS 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

	FY 2021 Plan Year 2020	FY 2020 Plan Year 2019	FY 2019 Plan Year 2018
District's Proportion of the Net Pension Liability (Asset)	0.000278362%	0.00028052%	0.00028052%
District's Proportionate Share of Net Pension Liability (Asset)	\$ 14,908,524	\$ 14,916,178	\$ 15,440,536
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	17,733,857	20,563,038	25,082,935
Total	<u>\$ 32,642,381</u>	<u>\$ 35,479,216</u>	<u>\$ 40,523,471</u>
District's Covered Payroll	\$ 36,987,345	\$ 35,429,515	\$ 32,149,604
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	40.31%	42.10%	48.03%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.54%	75.24%	73.74%

Note: GASB Codification, Vol. 2, P20.183 requires that the information on this schedule be data from the period corresponding with the periods covered as of the measurement dates of August 31, 2020 for year 2021, August 31, 2019 for year 2020, August 31, 2018 for year 2019, August 31, 2017 for year 2018, August 31, 2016 for year 2017, August 31, 2015 for year 2016 and August 31, 2014 for year 2015.

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

<u>FY 2018</u> <u>Plan Year 2017</u>	<u>FY 2017</u> <u>Plan Year 2016</u>	<u>FY 2016</u> <u>Plan Year 2015</u>	<u>FY 2015</u> <u>Plan Year 2014</u>
0.00028348%	0.00027897%	0.000292286%	0.000192224%
\$ 9,064,251	\$ 10,541,870	\$ 10,331,921	\$ 5,135,076
14,395,493	18,044,416	18,893,642	16,588,022
<u>\$ 23,459,744</u>	<u>\$ 28,586,286</u>	<u>\$ 29,225,563</u>	<u>\$ 21,723,098</u>
\$ 31,148,220	\$ 30,111,252	\$ 29,468,885	\$ 30,132,208
29.10%	35.01%	35.06%	17.04%
82.17%	78.00%	78.43%	83.25%

ENNIS INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR PENSIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR FISCAL YEAR 2021

	2021	2020	2019
Contractually Required Contribution	\$ 1,252,520	\$ 1,147,930	\$ 1,103,648
Contribution in Relation to the Contractually Required Contribution	1,252,520	1,147,930	1,003,648
Contribution Deficiency (Excess)	\$ -	\$ -	\$ 100,000
District's Covered Payroll	\$ 36,987,345	\$ 35,429,431	\$ 32,149,604
Contributions as a Percentage of Covered Payroll	3.39%	3.24%	3.12%

Note: GASB Codification, Vol. 2, P20.183 requires that the data in this schedule be presented as of the District's respective fiscal years as opposed to the time periods covered by the measurement dates ending August 31 of the preceding year.

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

	2018	2017	2016	2015
\$	989,116	\$ 943,288	\$ 826,252	\$ 865,471
	989,116	943,288	826,252	865,471
\$	-	\$ -	\$ -	\$ -
\$	31,148,220	\$ 30,011,252	\$ 29,468,885	\$ 30,132,208
	3.17%	3.14%	2.80%	2.87%

ENNIS INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED AUGUST 31, 2021

	FY 2021 Plan Year 2020	FY 2020 Plan Year 2019	FY 2019 Plan Year 2018	FY 2018 Plan Year 2017
District's Proportion of the Net Liability (Asset) for Other Postemployment Benefits	0.0387456%	0.0381%	0.0376%	\$ 0.0379%
District's Proportionate Share of Net OPEB Liability (Asset)	\$ 14,725,971	\$ 18,002,729	\$ 18,783,849	\$ 16,498,057
State's Proportionate Share of the Net OPEB Liability (Asset) Associated with the District	19,792,206	23,921,600	26,357,064	\$ 24,502,619
Total	<u>\$ 34,518,177</u>	<u>\$ 41,924,329</u>	<u>\$ 45,140,913</u>	<u>\$ 41,000,676</u>
District's Covered Payroll	\$ 36,987,345	\$ 35,429,431	\$ 32,149,604	\$ 31,148,220
District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	39.82%	49.05%	58.42%	\$ 52.97%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	4.99%	2.66%	1.57%	\$ 0.91%

Note: GASB Codification, Vol. 2, P50.238 states that the information on this schedule should be determined as of the measurement date. Therefore the amounts reported for FY 2021 are for the measurement date of August 31, 2020. The amounts for FY 2020 are for the measurement date of August 31, 2019. The amounts for FY 2019 are for the measurement date August 31, 2018. The amounts for FY 2018 are based on the August 31, 2017 measurement date.

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

ENNIS INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR OTHER POSTEMPLOYMENT BENEFITS (OPEB)
 TEACHER RETIREMENT SYSTEM OF TEXAS
 FOR FISCAL YEAR 2021

	2021	2020	2019	2018
Contractually Required Contribution	\$ 307,421	\$ 294,489	\$ 251,540	\$ 171,315
Contribution in Relation to the Contractually Required Contribution	307,421	294,489	251,540	171,315
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	-
District's Covered Payroll	\$ 36,987,345	\$ 35,429,431	\$ 32,149,997	\$ 31,148,220
Contributions as a Percentage of Covered Payroll	0.83%	0.83%	0.78%	0.55%

Note: GASB Codification, Vol. 2, P50.238 requires that the data in this schedule be presented as of the District's respective fiscal years as opposed to the time periods covered by the measurement dates ending August 31 of the preceding year.

Information in this schedule should be provided only for the years where data is available. Eventually 10 years of data should be presented.

OTHER SUPPLEMENTARY INFORMATION

ENNIS INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 AUGUST 31, 2021

Data Control Codes	205 Head Start	206 ESEA Title X, Pt.C Homeless	211 ESEA I, A Improving Basic Program	224 IDEA - Part B Formula
ASSETS				
1110 Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -
1120 Investments - Current	-	-	-	-
1240 Due from Other Governments	49,398	-	319,040	294,559
1000 Total Assets	<u>\$ 49,398</u>	<u>\$ -</u>	<u>\$ 319,040</u>	<u>\$ 294,559</u>
LIABILITIES				
2110 Accounts Payable	\$ 160	\$ -	\$ -	\$ -
2160 Accrued Wages Payable	13,127	-	28,094	110,575
2170 Due to Other Funds	36,111	-	290,946	183,984
2000 Total Liabilities	<u>49,398</u>	<u>-</u>	<u>319,040</u>	<u>294,559</u>
FUND BALANCES				
Restricted Fund Balance:				
3450 Federal or State Funds Grant Restriction	-	-	-	-
3470 Capital Acquisition and Contractual Obligation	-	-	-	-
3600 Unassigned Fund Balance	-	-	-	-
3000 Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000 Total Liabilities and Fund Balances	<u>\$ 49,398</u>	<u>\$ -</u>	<u>\$ 319,040</u>	<u>\$ 294,559</u>

225 IDEA - Part B Preschool	240 National Breakfast and Lunch Program	244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	263 Title III, A English Lang. Acquisition	266 ESSER -School Emergency Relief	270 ESEA VI, Pt B Rural & Low Income	276 Instructional Continuity
\$ -	\$ 302,310	\$ -	\$ 20,674	\$ -	\$ -	\$ -	\$ -
-	1,313,640	-	-	-	-	-	-
7,036	316,424	-	1,655	16,447	-	-	-
<u>\$ 7,036</u>	<u>\$ 1,932,374</u>	<u>\$ -</u>	<u>\$ 22,329</u>	<u>\$ 16,447</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ 225,292	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	11,236	-	22,329	6,756	-	-	-
7,036	8,194	-	-	9,691	-	-	-
<u>7,036</u>	<u>244,722</u>	<u>-</u>	<u>22,329</u>	<u>16,447</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	1,687,652	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>-</u>	<u>1,687,652</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 7,036</u>	<u>\$ 1,932,374</u>	<u>\$ -</u>	<u>\$ 22,329</u>	<u>\$ 16,447</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ENNIS INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 AUGUST 31, 2021

Data Control Codes	281	282	289	397
	ESSER Fund I	ESSER Fund III	Other Federal Special Revenue Funds	Advanced Placement Incentives
ASSETS				
1110 Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -
1120 Investments - Current	-	-	-	-
1240 Due from Other Governments	275,491	437,005	26,446	-
1000 Total Assets	<u>\$ 275,491</u>	<u>\$ 437,005</u>	<u>\$ 26,446</u>	<u>\$ -</u>
LIABILITIES				
2110 Accounts Payable	\$ -	\$ -	\$ -	\$ -
2160 Accrued Wages Payable	240,054	201,463	-	-
2170 Due to Other Funds	35,437	235,542	26,446	-
2000 Total Liabilities	<u>275,491</u>	<u>437,005</u>	<u>26,446</u>	<u>-</u>
FUND BALANCES				
Restricted Fund Balance:				
3450 Federal or State Funds Grant Restriction	-	-	-	-
3470 Capital Acquisition and Contractual Obligation	-	-	-	-
3600 Unassigned Fund Balance	-	-	-	-
3000 Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000 Total Liabilities and Fund Balances	<u>\$ 275,491</u>	<u>\$ 437,005</u>	<u>\$ 26,446</u>	<u>\$ -</u>

410 State Instructional Materials	429 Other State Special Revenue Funds	461 Campus Activity Funds	Total Nonmajor Special Revenue Funds	698 Capital Projects Fund	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ 85,154	\$ 408,138	\$ -	\$ 408,138
-	-	249,070	1,562,710	257,895	1,820,605
144,441	2,895	-	1,890,837	-	1,890,837
<u>\$ 144,441</u>	<u>\$ 2,895</u>	<u>\$ 334,224</u>	<u>\$ 3,861,685</u>	<u>\$ 257,895</u>	<u>\$ 4,119,580</u>
\$ -	\$ -	\$ -	\$ 225,452	\$ -	\$ 225,452
-	-	-	633,634	-	633,634
144,441	2,895	-	980,723	-	980,723
<u>144,441</u>	<u>2,895</u>	<u>-</u>	<u>1,839,809</u>	<u>-</u>	<u>1,839,809</u>
-	-	-	1,687,652	-	1,687,652
-	-	-	-	257,895	257,895
-	-	334,224	334,224	-	334,224
<u>-</u>	<u>-</u>	<u>334,224</u>	<u>2,021,876</u>	<u>257,895</u>	<u>2,279,771</u>
<u>\$ 144,441</u>	<u>\$ 2,895</u>	<u>\$ 334,224</u>	<u>\$ 3,861,685</u>	<u>\$ 257,895</u>	<u>\$ 4,119,580</u>

ENNIS INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2021

Data Control Codes	205 Head Start	206 ESEA Title X, Pt.C Homeless	211 ESEA I, A Improving Basic Program	224 IDEA - Part B Formula
REVENUES:				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800 State Program Revenues	-	-	-	-
5900 Federal Program Revenues	233,513	-	1,357,120	1,209,444
5020 Total Revenues	233,513	-	1,357,120	1,209,444
EXPENDITURES:				
Current:				
0011 Instruction	233,513	-	261,241	586,856
0012 Instructional Resources and Media Services	-	-	-	-
0013 Curriculum and Instructional Staff Development	-	-	19,325	-
0021 Instructional Leadership	-	-	922,827	69,077
0023 School Leadership	-	-	-	-
0031 Guidance, Counseling, and Evaluation Services	-	-	-	553,511
0032 Social Work Services	-	-	-	-
0033 Health Services	-	-	-	-
0034 Student (Pupil) Transportation	-	-	-	-
0035 Food Services	-	-	-	-
0036 Extracurricular Activities	-	-	-	-
0041 General Administration	-	-	-	-
0051 Facilities Maintenance and Operations	-	-	-	-
0052 Security and Monitoring Services	-	-	-	-
0053 Data Processing Services	-	-	-	-
0061 Community Services	-	-	153,727	-
Capital Outlay:				
0081 Facilities Acquisition and Construction	-	-	-	-
6030 Total Expenditures	233,513	-	1,357,120	1,209,444
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES):				
7915 Transfers In	-	-	-	-
1200 Net Change in Fund Balance	-	-	-	-
0100 Fund Balance - September 1 (Beginning)	-	-	-	-
3000 Fund Balance - August 31 (Ending)	\$ -	\$ -	\$ -	\$ -

225 IDEA - Part B Preschool	240 National Breakfast and Lunch Program	244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	263 Title III, A English Lang. Acquisition	266 ESSER -School Emergency Relief	270 ESEA VI, Pt B Rural & Low Income	276 Instructional Continuity
\$ -	\$ 260,966	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	13,729	-	-	-	-	-	-
8,884	3,225,154	80,230	215,665	63,744	70,210	114,354	18,000
8,884	3,499,849	80,230	215,665	63,744	70,210	114,354	18,000
8,485	-	80,230	215,665	63,744	37,824	114,354	18,000
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
399	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	32,386	-	-
-	3,268,437	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
8,884	3,268,437	80,230	215,665	63,744	70,210	114,354	18,000
-	231,412	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	231,412	-	-	-	-	-	-
-	1,456,240	-	-	-	-	-	-
\$ -	\$ 1,687,652	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

ENNIS INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2021

Data Control Codes	281	282	289	397
	ESSER Fund I	ESSER Fund III	Other Federal Special Revenue Funds	Advanced Placement Incentives
REVENUES:				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800 State Program Revenues	-	-	-	-
5900 Federal Program Revenues	240,054	954,728	32,907	-
5020 Total Revenues	<u>240,054</u>	<u>954,728</u>	<u>32,907</u>	<u>-</u>
EXPENDITURES:				
Current:				
0011 Instruction	240,054	729,733	24,682	327
0012 Instructional Resources and Media Services	-	9,338	-	-
0013 Curriculum and Instructional Staff Development	-	2,668	8,225	-
0021 Instructional Leadership	-	16,009	-	-
0023 School Leadership	-	27,348	-	-
0031 Guidance, Counseling, and Evaluation Services	-	16,009	-	-
0032 Social Work Services	-	667	-	-
0033 Health Services	-	7,337	-	-
0034 Student (Pupil) Transportation	-	41,874	-	-
0035 Food Services	-	4,002	-	-
0036 Extracurricular Activities	-	1,334	-	-
0041 General Administration	-	11,340	-	-
0051 Facilities Maintenance and Operations	-	73,074	-	-
0052 Security and Monitoring Services	-	5,336	-	-
0053 Data Processing Services	-	8,659	-	-
0061 Community Services	-	-	-	-
Capital Outlay:				
0081 Facilities Acquisition and Construction	-	-	-	-
6030 Total Expenditures	<u>240,054</u>	<u>954,728</u>	<u>32,907</u>	<u>327</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	(327)
OTHER FINANCING SOURCES (USES):				
7915 Transfers In	-	-	-	-
1200 Net Change in Fund Balance	-	-	-	(327)
0100 Fund Balance - September 1 (Beginning)	-	-	-	327
3000 Fund Balance - August 31 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

410 State Instructional Materials	429 Other State Special Revenue Funds	461 Campus Activity Funds	Total Nonmajor Special Revenue Funds	698 Capital Projects Fund	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ 366,609	\$ 627,575	\$ -	\$ 627,575
152,417	11,438	-	177,584	-	177,584
-	-	-	7,824,007	-	7,824,007
152,417	11,438	366,609	8,629,166	-	8,629,166
152,417	-	46,772	2,813,897	-	2,813,897
-	-	-	9,338	-	9,338
-	-	-	30,218	-	30,218
-	-	-	1,007,913	-	1,007,913
-	-	-	27,348	-	27,348
-	-	-	569,919	-	569,919
-	-	-	667	-	667
-	-	-	39,723	-	39,723
-	-	-	41,874	-	41,874
-	-	-	3,272,439	-	3,272,439
-	-	280,761	282,095	-	282,095
-	-	5,657	16,997	-	16,997
-	-	823	73,897	15,850	89,747
-	11,438	-	16,774	-	16,774
-	-	-	8,659	-	8,659
-	-	-	153,727	-	153,727
-	-	-	-	977,618	977,618
152,417	11,438	334,013	8,365,485	993,468	9,358,953
-	-	32,596	263,681	(993,468)	(729,787)
-	-	-	-	1,000,000	1,000,000
-	-	32,596	263,681	6,532	270,213
-	-	301,628	1,758,195	251,363	2,009,558
\$ -	\$ -	\$ 334,224	\$ 2,021,876	\$ 257,895	\$ 2,279,771

REQUIRED TEA SCHEDULES

ENNIS INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
FISCAL YEAR ENDED AUGUST 31, 2021

Last 10 Years Ended August 31	(1)	(2)	(3)
	Tax Rates		Assessed/Appraised Value for School Tax Purposes
	Maintenance	Debt Service	
2012 and prior years	Various	Various	\$ 1,753,464,940
2013	1.040000	0.500000	1,763,054,156
2014	1.040000	0.500000	1,786,202,458
2015	1.040000	0.500000	1,771,832,606
2016	1.040000	0.500000	1,812,886,833
2017	1.040000	0.500000	1,905,270,892
2018	1.040000	0.500000	1,984,361,088
2019	1.170000	0.370000	2,086,871,531
2020	1.068400	0.420000	2,281,326,469
2021 (School year under audit)	1.029900	0.440000	Various
1000 TOTALS			

(10) Beginning Balance 9/1/2020	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 8/31/2021
\$ 100,490	\$ -	\$ 12,311	\$ 4,416	\$ 1,900	\$ 85,663
20,892	-	3,561	1,712	2,867	18,486
29,532	-	4,612	2,217	3,165	25,868
41,710	-	7,763	3,732	1,640	31,855
53,513	-	5,625	2,704	(2,594)	42,590
54,806	-	7,330	3,524	(1,904)	42,048
83,203	-	29,359	13,996	14,335	54,183
149,995	-	54,606	17,269	2,690	80,810
416,286	-	112,235	44,123	(120,984)	138,944
-	37,730,219	25,838,639	11,038,936	(303,851)	548,793
<u>\$ 950,427</u>	<u>\$ 37,730,219</u>	<u>\$ 26,076,041</u>	<u>\$ 11,132,629</u>	<u>\$ (402,736)</u>	<u>\$ 1,069,240</u>

ENNIS 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

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 335,000	\$ 258,086	\$ 260,966	\$ 2,880
5800 State Program Revenues	15,000	13,729	13,729	-
5900 Federal Program Revenues	2,500,000	3,130,000	3,225,154	95,154
5020 Total Revenues	2,850,000	3,401,815	3,499,849	98,034
EXPENDITURES:				
Current:				
0035 Food Services	3,200,000	3,309,743	3,268,437	41,306
6030 Total Expenditures	3,200,000	3,309,743	3,268,437	41,306
1200 Net Change in Fund Balances	(350,000)	92,072	231,412	139,340
0100 Fund Balance - September 1 (Beginning)	1,456,240	1,456,240	1,456,240	-
3000 Fund Balance - August 31 (Ending)	\$ 1,106,240	\$ 1,548,312	\$ 1,687,652	\$ 139,340


ENNIS 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


Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 11,224,665	\$ 11,250,856	\$ 11,263,531	\$ 12,675
5800 State Program Revenues	-	208,101	214,009	5,908
5020 Total Revenues	11,224,665	11,458,957	11,477,540	18,583
EXPENDITURES:				
Debt Service:				
0071 Principal on Long-Term Debt	8,005,000	8,005,000	8,005,000	-
0072 Interest on Long-Term Debt	3,878,737	3,878,737	3,878,736	1
0073 Bond Issuance Cost and Fees	3,500	2,348	2,349	(1)
6030 Total Expenditures	11,887,237	11,886,085	11,886,085	-
1200 Net Change in Fund Balances	(662,572)	(427,128)	(408,545)	18,583
0100 Fund Balance - September 1 (Beginning)	3,254,229	3,254,229	3,254,229	-
3000 Fund Balance - August 31 (Ending)	\$ 2,591,657	\$ 2,827,101	\$ 2,845,684	\$ 18,583


FEDERAL AWARDS SECTION



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

Board of Trustees
Ennis Independent School District
Ennis, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Ennis 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 Ennis Independent School District's basic financial statements, and have issued our report thereon dated January 11, 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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report


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





Dallas, Texas
January 11, 2022



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

Board of School Trustees
Ennis Independent School District
Ennis, Texas

Report on Compliance for Each Major Federal Program

We have audited Ennis 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 auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("the 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 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.

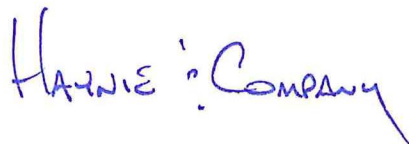
Report on Internal Control over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance 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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. 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.



Dallas, Texas
January 11, 2022

ENNIS INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED AUGUST 31, 2021

PART I - SUMMARY OF THE AUDITORS' RESULTS:

Financial Statement Section

1. The auditors' report expresses an unmodified opinion on the financial statements of Ennis Independent School District.
2. No material weaknesses relating to internal control over financial reporting were identified in the audit of the financial statements.
3. No significant deficiencies that are not considered material weaknesses relating to internal control over financial reporting were identified in the audit of the financial statements.
4. No instances of noncompliance material to the financial statements of Ennis Independent School District were disclosed during the audit.

Federal Awards Section

1. No material weaknesses relating to internal control over major federal programs were identified in the audit of the financial statements.
2. No significant deficiencies that are not considered material weaknesses relating to internal control over major federal programs were identified in the audit of the financial statements.
3. The auditors' report on compliance for major programs expresses an unqualified opinion.
4. The audit did not disclose any audit findings required to be reported upon.
5. The programs tested as major programs include:

Child Nutrition Cluster

10.555 & 10.558

6. The threshold used for distinguishing between Type A and Type B programs was \$750,000.
7. The auditee qualified as a low-risk auditee.

PART II - FINDINGS RELATED TO THE FINANCIAL STATEMENTS

There were no findings which are required to be reported in accordance with *Generally Accepted Government Auditing Standards*.

PART III – FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

ENNIS INDEPENDENT SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED AUGUST 31, 2021

There were no prior year audit findings.

ENNIS INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2021

(1)	(2)	(3)	(4)
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	Federal Assistance Listing No.	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF EDUCATION			
<u>Passed through Region 10 Education Service Center</u>			
Title III, Part A - English Language Acquisition	84.365A	21671001057950	\$ 63,744
Total Passed through Region 10 Education Service Center			63,744
<u>Passed Through State Department of Education</u>			
ESEA, Title I, Part A - Improving Basic Programs	84.010A	21610101070903	1,357,120
*IDEA - Part B, Formula	84.027	216600010709036000	1,209,444
Career and Technical - Basic Grant	84.048	21420006070903	80,230
*IDEA - Part B, Preschool	84.173	216610010709036000	8,884
Other Federally Funded Special Revenue Funds	84.424A	21680101070903	32,907
ESEA, Title VI, Part B - Rural & Low Income Prog.	84.358B	21696001070903	114,354
ESEA, Title II, Part A, Teacher Principal Training	84.367A	216964501070903	215,665
Instructional Continuity	84.377A	17610740070903	18,000
Elementary & Secondary School Emergency Relief I	84.425D	20521001070903	70,210
CRRSA ESSER II	84.425D	21521001070903	275,491
Elementary Secondary School Emergency Relief III	84.425U	21528001070903	1,095,665
CRF Operation Connectivity PPRP	84.425D	52102135	440,193
Total Assistance Listing Number 84.425			1,881,559
Total Passed Through State Department of Education			4,918,163
TOTAL U.S. DEPARTMENT OF EDUCATION			4,981,907
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<u>Passed Through State Department of Education</u>			
Head Start	93.600	3282.63	233,513
Total Passed Through State Department of Education			233,513
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			233,513
U.S. DEPARTMENT OF TREASURY			
<u>Passed Through State Department of Education</u>			
Coronavirus Relief Fund	21.019	2020-CF-21019	1,899
Total Passed Through State Department of Education			1,899
TOTAL U.S. DEPARTMENT OF TREASURY			1,899
U.S. DEPARTMENT OF AGRICULTURE			
<u>Direct Programs</u>			
	10.558	806780706	143,453
Total Direct Programs			143,453
<u>Passed Through the State Department of Agriculture</u>			
*School Breakfast Program	10.553	806780706	982,713
*National School Lunch Program - Cash Assistance	10.555	806780706	1,681,907
*National School Lunch Prog. - Non-Cash Assistance	10.555		196,782
	10.555		220,299
Total Assistance Listing Number 10.555			2,098,988
Total Child Nutrition Cluster			3,081,701

ENNIS INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED AUGUST 31, 2021

(1)	(2)	(3)	(4)
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	Federal Assistance Listing No.	Pass-Through Entity Identifying Number	Federal Expenditures
Total Passed Through the State Department of Agriculture			3,081,701
TOTAL U.S. DEPARTMENT OF AGRICULTURE			<u>3,225,154</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 8,442,473</u>

*Clustered Programs

ENNIS INDEPENDENT SCHOOL DISTRICT

Notes on Accounting Policies for Federal Awards
Year Ended August 31, 2021

1. The District utilizes the fund types specified in the Resource Guide.

Special Revenue Funds - are used to account for resources restricted to, or designed for, specific purposes by a grantor. Federal and state financial assistance generally is accounted for in a Special Revenue Fund. Generally, unused balances are returned to the grantor at the close of specified project periods.

2. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Governmental Fund types and Expendable Trust Fund are accounted for using a current financial resources measurement focus. All federal grant funds were accounted for in the Special Revenue Fund, a component of the Governmental Fund type. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used for the Governmental Fund Types, the Expendable Trust Fund, and Agency Funds. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual i.e., both measurable and available, and expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on General Long-Term Debt, which is recognized when due, and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Federal grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant, and, accordingly, when such funds are received, they are recorded as deferred revenues until earned.

3. The period of availability for federal grant funds for the purpose of liquidation of outstanding obligations made on or before the ending date of the federal project period extended 30 days beyond the federal project period ending date, in accordance with provisions in Section H. Period of Availability of Federal Funds, Part 3, OMB Circular A-133 Compliance Supplement – Provisional 6/97.
4. The District has elected not to use the 10 de minimis indirect cost rate allowed under uniform guidance.
5. Reconciliation of Federal Program Revenues and Schedule of Expenditures of Federal Awards:

Total expenditures of federal awards per the Schedule of Expenditures of Federal Awards	\$ 8,442,473
SHARS revenue	<u>493,160</u>
Total federal program revenues per the Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds (Exhibit C-3)	\$ <u>8,935,633</u>

SCHOOLS FIRST QUESTIONNAIRE

Ennis Independent School District

Fiscal Year 2021

SF1	Was there an unmodified opinion in the Annual Financial Report on the financial statements as a whole?	Yes
SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement?	No
SF3	Did the school district make timely payments to the Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies? (If there was a warrant hold not cleared in 30 days, then not timely.)	Yes
SF4	Was the school district issued a warrant hold? (Yes even if cleared within 30 days.)	No
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state or federal funds?	No
SF6	Was there any disclosure in the Annual Financial Report of material noncompliance for grants, contracts, and laws related to local, state, or federal funds?	No
SF7	Did the school district post the required financial information on its website in accordance with Government Code, Local Government Code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules in effect at the fiscal year end?	Yes
SF8	Did the school board members discuss the school district's property values at a board meeting within 120 days before the school district adopted its budget?	Yes
SF9	Total accumulated accretion on CABs included in government-wide financial statements at fiscal year end.	86,503,914