BELLVILLE INDEPENDENT SCHOOL DISTRICT

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
AUGUST 31, 2019

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FOR THE YEAR ENDED AUGUST 31, 2019

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CERTIFICATE OF BOARD

Bellville Independent School District	Austin	008-901
Name of School District	County	Co.Dist.Number

We, the undersigned, certify that the attached annual financial reports of the above-named school district were reviewed and (check one) ✓ approved ______ disapproved for the year ended August 31, 2019, at a meeting of the Board of Trustees of such school district on the 21st day of November, 2019.

Kenneth Stein
Signature of Board Secretary

Signature of Board President

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

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PATTILLO, BROWN & HILL, L.L.P.
401 West State Highway 6
Waco, Texas 76710
254.772.4901 | pbhcpa.com

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Bellville Independent School District
Bellville, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Bellville Independent School District, as of and for the year ended August 31, 2019, and the related notes to the financial statements, which collectively comprise Bellville Independent School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Bellville Independent School District, as of August 31, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

The combining statements, required TEA schedules, Schedule of Required Responses to Selected School First Indicators and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements, required TEA schedules, Schedule of Required Responses to Selected School First Indicators and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 7, 2019 on our consideration of Bellville Independent School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Bellville Independent School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Bellville Independent School District's internal control over financial reporting and compliance.

Pattillo, Brown & Hill, L.L.P.

Waco, Texas
November 7, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis of the Bellville Independent School District's (the "District") financial performance provides an overview of the District's financial activities for the fiscal year ended August 31, 2019. It should be read in conjunction with the District's financial statements.

FINANCIAL HIGHLIGHTS

- The District's total combined net position at August 31, 2019 was $16,435,308.
- For the fiscal year ended August 31, 2019, the District's general fund reported a total fund balance of $14,939,856, of which $7,507,398 is committed for construction and capital projects, $600,000 is committed for self-insurance, $600,000 is committed for residential placement, and $6,228,977 is unassigned.
- At the end of the fiscal year, the District's governmental funds (the general fund plus all state and federal grant funds and the debt service fund) reported combined ending fund balances of $16,249,523.

OVERVIEW OF THE FINANCIAL STATEMENTS

The annual report consists of three parts — Management's Discussion and Analysis (this section), the Basic Financial Statements, and Required Supplementary Information. The basic statements include two kinds of statements that present different views of the District.

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the government, reporting the District's operations in more detail than the government-wide statements.
- The governmental funds statements tell how general government services were financed in the short-term as well as what remains for future spending.
- Fiduciary fund statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others, to whom the fiduciary resources belong. These funds include student activity funds.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The notes to the financial statements are followed by a section entitled Required Supplementary Information that further explains and supports the information in the financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the District's assets and liabilities. All of the current period's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The government-wide statements report the District's net position and how it has changed. Net position is the difference between the District's assets and liabilities and is one way to measure the District's financial health or position. Over time, increases or decreases in the District's net position are an indicator of whether its financial health is improving or deteriorating, respectively. To assess the overall health of the District, one needs to consider additional non-financial factors such as changes in the District's tax base, staffing patterns, enrollment, and attendance.

The government-wide financial statements of the District include the governmental activities. Most of the District's basic services such as instruction, extracurricular activities, curriculum and staff development, health services, general administration, and plant operation and maintenance are included in governmental activities. Locally assessed property taxes, together with State foundation program entitlements, which are based upon student enrollment and attendance, finance most of the governmental activities.

FUND FINANCIAL STATEMENTS

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

- Some funds are required by State law and other funds are mandated by bond agreements or bond covenants.

- The Board of Trustees (the "Board") establishes other funds to control and manage money set aside for particular purposes or to show that the District is properly using certain taxes and grants.

- Other funds are used to account for assets held by the District in a custodial capacity — these assets do not belong to the District, but the District is responsible to properly account for them.

The District has the following kinds of funds:

- Governmental funds — Most of the District's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explains the relationship (or differences) between them.

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

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The District's combined net position was $16,435,308 at August 31, 2019. Table 1 focuses on net position while Table 2 shows the revenues and expenses that changed the net position balance during the fiscal year ended August 31, 2019.

Table 1 indicates the overall condition of the District improved. Current assets increased due to an increase in cash receipts received from gifts, bequests, interest and royalty revenues as compared to the prior fiscal year. Additionally, receivables from other governments increased almost $1 million. These receivables were for FEMA, school health and related services (SHARS), and instructional facilities allotment (IMA) payments. Long-term liabilities increased as a result of increases in the District's net pension and other post-employment benefit (OPEB) liabilities.

TABLE 1
NET POSITION

	2019	2018	Change
Current and other assets	$ 18,789,748	$ 15,268,169	$ 3,521,579
Capital assets	31,339,280	32,204,647	(865,367)
Total assets	50,129,028	47,472,816	2,656,212
Deferred charges on refunding	1,115,444	1,179,245	(63,801)
Deferred outflows related to pensions	3,892,957	1,888,646	2,004,311
Deferred outflows related to OPEB	1,276,641	117,333	1,159,308
Total deferred outflows of resources	6,285,042	3,185,224	3,099,818
Current liabilities	1,441,151	1,303,849	137,302
Long-term liabilities	35,521,431	32,376,296	3,145,135
Total liabilities	36,962,582	33,680,145	3,282,437
Deferred inflows related to pensions	355,008	556,261	(201,253)
Deferred inflows related to OPEB	2,661,172	2,878,091	(216,919)
Total deferred outflows of resources	3,016,180	3,434,352	(418,172)
Net position:			
Net investment in capital assets	12,013,744	11,525,328	488,416
Restricted	1,652,985	1,234,370	418,615
Unrestricted	2,768,579	783,845	1,984,734
Total net position	$ 16,435,308	$ 13,543,543	$ 2,891,765

Table 2 reflects the District reporting an overall increase in revenues and expenses (and in all functional categories with the exception of debt service) when compared to the prior fiscal year mainly due to a $3.0 million one-time negative on-behalf accrual in the previous year which was the result of the change in benefits within TRS-Care. Additional factors that resulted in an increase in revenue include an increase in the District's assessed property tax value (no increase in tax rate), gifts and bequests, SHARS (extra payment), available school allotment from the State, a one-time Hurricane Harvey remediation payment, increase in State Foundation for 2019-2020 school year due to HB3 for instructional days in fiscal year 2019, and an increase in student enrollment which is a factor in the amount of State Foundation revenue. Items that resulted in additional expenses for the District include pension and OPEB costs, salaries for the month of August 2019 as a result of HB3 requirements, and a 2% increase in salaries.

TABLE 2
CHANGES IN NET POSITION

	2019	2018	Change
REVENUES			
Program revenues:			
Charges for services	$ 688,610	$ 667,020	$ 21,590
Operating grants and contributions	4,614,814	(234,367)	4,849,181
Capital grants and contributions	431,477	-	431,477
General revenues:			
Property taxes	16,405,035	15,362,978	1,042,057
State foundation program	6,328,698	6,280,414	48,284
Investment earnings	475,557	304,249	171,308
Miscellaneous	228,900	242,632	(13,732)
Extraordinary item - insurance recovery	229,895	-	229,895
Total revenues	29,402,986	22,622,926	6,780,060
EXPENSES			
Instruction	14,478,966	9,345,457	5,133,509
Instructional resources and media services	319,731	247,285	72,446
Curriculum and instructional staff development	141,178	113,878	27,300
Instructional leadership	362,743	200,903	161,840
School leadership	1,205,346	785,391	419,955
Guidance, counseling and evaluation services	823,093	360,392	462,701
Health services	254,963	167,906	87,057
Student (pupil) transportation	1,255,333	995,148	260,185
Food services	1,407,152	996,003	411,149
Co-curricular/extra curricular activities	1,237,208	926,976	310,232
General administration	975,939	618,092	357,847
Plant maintenance and operations	2,413,835	2,095,264	318,571
Security and monitoring services	342,572	52,496	290,076
Data processing services	186,262	135,523	50,739
Community services	2,141	(1,333)	3,474
Debt service - interest on long-term debt	652,480	688,950	(36,470)
Debt service - bond issuance costs	1,300	1,300	-
Contracted instructional services	146,252	112,503	33,749
Other intergovernmental changes	304,727	266,957	37,770
Total expenses	26,511,221	18,109,091	8,402,130
CHANGE IN NET POSITION	2,891,765	4,513,835	(1,622,070)
NET POSITION, BEGINNING	13,543,543	9,029,708	4,513,835
NET POSITION, ENDING	$ 16,435,308	$ 13,543,543	$ 2,891,765

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

At the close of the fiscal year ending August 31, 2019, the District's governmental funds reported a combined fund balance of $16,249,523. This compares to a combined fund balance of $13,459,495 at August 31, 2018. The fund balance in the general fund increased $2,714,731 as a net result of an increase in property tax revenues resulting from an increase in the assessed value of properties within the District. General Fund fund balance also increased as a result of a $229,895 insurance recovery for flood damage caused by Hurricane Harvey. The Instructional Materials Allotment fund had revenues and expenditures of $326,199 during the year, with no change in fund balance.

BUDGETARY HIGHLIGHTS

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

During the period ended August 31, 2019, the District amended its budget as required by State law and to reflect current levels of revenue and anticipated expenses. During the fiscal year, there were not material changes between the original budget and the final amended budget. The general fund's actual revenues exceeded budgeted revenues by $1,250,079 due to an increase in state revenue from available school funds, school health and related sources revenue, insurance proceeds for Hurricane Harvey damage, and an increase in interest revenue and increase in oil and gas royalties. In addition, the District's actual expenditures were less than budgeted expenditures by $1,234,757. Expenditures were less than budgeted mainly for expenses related to instruction, student transportation, plant maintenance and operations, and capital outlay.

CAPITAL ASSETS

Capital assets are generally defined as those items that have useful lives of two years or more and have an initial cost of an amount determined by the Board. Donated capital assets are recorded at acquisition value at the date of donation. During the fiscal year ended August 31, 2019, the District used a capitalization threshold of $5,000, which means that all capital type assets, including library books, with a cost or initial value of less than $5,000 were not included in the capital assets inventory.

At August 31, 2019, the District had a total of $53,129,735 invested in capital assets such as land, construction in progress, buildings, vehicles, and District equipment. This total includes $681,498 invested during the fiscal year ended August 31, 2019 with the major invested capital assets being:

- Heating, ventilation, and air conditioning (HVAC) Upgrades
- Vehicles
- Laptops and related technology
- Gym floor additions and bleachers

More detailed information about the District's capital assets can be found in the notes to the financial statements.

LONG-TERM LIABILITIES

At year end, the District had $18,730,000 in general obligation bonds outstanding versus $19,870,000 last year. The decrease in long-term debt obligations is due to principal payments paid during the year totaling $1,140,000. No new debt was issued and no new bond refundings were completed in the fiscal year.

The District carries a net pension liability of $6,478,845, which increased over the prior year balance of $3,637,316. Further, a net other post-employment benefits liability of $8,415,464 increased over the prior year balance of $6,880,415.

More detailed information about the long-term liabilities is presented in the notes to the financial statements.

ECONOMIC FACTORS AND THE NEXT YEAR'S BUDGETS

The following factors were considered in establishing the District's budget for 2019-2020:

- The 86th Legislature passed House Bill 3, a comprehensive school finance reform bill. Implementation of these changes provides financial challenges for budgeting and forecasting. New data elements have no historical data and in many cases were based on estimates from TEA. HB3 did provide a positive net position for biennium with an additional estimate $920,000 in revenue from the State. Moving to current year values in the state funding formula added additional dollars of reoccurring revenue. The negative of moving to current year values is that the district will no longer realize revenue increases from property value growth in M&O.

- The District did not have any enrollment growth in 2018-2019. Based on the 2018-2019 school year and forecasted projections, the 2019-2020 enrollment will decrease as incoming kindergarten and pre-k enrollment classes have been declining.

- The District's Board approved a new teacher hiring range that will increase the first year starting teacher pay to $44,000. The Board was able to give teachers a 5-6% raise and retain additional revenue to cover the uncertainty of HB3 and future staff raises.

- The District adopted a tax rate of $1.1759, a reduction of 8.41 pennies due to tax rate compression in HB3. The difference in tax collections was covered by the state with changes in the formula funding in HB3.

- The board has positively positioned the district with conservative budgeting as we continue to study and understand the effects of HB3.

- District officials anticipate that the fund balance for the general fund will be fiscally sound, able to sustain cash flow requirements, and meet recommended general fund balance levels for 2019-2020.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, students, and creditors with a general fund overview of the District's finances and to demonstrate the District's commitment to accountability for the money it receives. If you have questions about this report or need additional financial information, contact Dennis Jurek, Assistant Superintendent of Finance and Operations at (979) 865-3133.

BASIC FINANCIAL STATEMENTS

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BELLVILLE INDEPENDENT SCHOOL DISTRICT

EXHIBIT A-1

STATEMENT OF NET POSITION

AUGUST 31, 2019

Data Control Codes		1 Governmental Activities
	ASSETS	
1110	Cash and cash equivalents	$ 16,252,713
1220	Property taxes receivables	677,040
1230	Allowance for uncollectible taxes	(169,260)
1240	Due from other governments	1,794,193
1290	Other receivables	231,581
1410	Deferred expenses	3,481
	Capital assets:	
1510	Land	1,462,020
1520	Buildings and improvements, net	28,050,530
1530	Furniture and equipment, net	1,826,730
1000	Total assets	50,129,028
	DEFERRED OUTFLOWS OF RESOURCES	
1701	Deferred loss on bond refunding	1,115,444
1705	Deferred outflow related to pensions	3,892,957
1706	Deferred outflow related to other post-employment benefits	1,276,641
1700	Total deferred outflows of resources	6,285,042
	LIABILITIES	
2110	Accounts payable	320,886
2140	Interest payable	33,716
2160	Accrued wages payable	1,049,728
2200	Accrued expenses	28,443
2310	Unearned revenue	8,378
	Noncurrent liabilities:	
2501	Due within one year	1,185,000
2502	Due in more than one year	19,442,122
2540	Net pension liability	6,478,845
2545	Net other post-employment benefits liability	8,415,464
2000	Total liabilities	36,962,582
	DEFERRED INFLOWS OF RESOURCES	
2605	Deferred inflow related to pensions	355,008
2606	Deferred inflow related to other post-employment benefits	2,661,172
2600	Total deferred inflows of resources	3,016,180
	NET POSITION	
3200	Net investment in capital assets	12,013,744
	Restricted for:	
3820	Federal and state programs	538,985
3850	Debt service	1,113,131
3890	Other purposes	869
3900	Unrestricted	2,768,579
3000	Total net position	$ 16,435,308

The accompanying notes are an integral part of this financial statement.

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BELLVILLE INDEPENDENT SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED AUGUST 31, 2019

Data Control Codes	Functions/Programs	1 Expenses	Program Revenues 3 Charges for Services
	Primary government:		
	Governmental activities:		
11	Instruction	$ 14,478,966	$ 110,411
12	Instructional resources and media services	319,731	-
13	Curriculum and staff development	141,178	-
21	Instructional leadership	362,743	-
23	School leadership	1,205,346	-
31	Guidance, counseling, and evaluation services	823,093	-
33	Health services	254,963	-
34	Student transportation	1,255,333	-
35	Food service	1,407,152	514,426
36	Extracurricular activities	1,237,208	63,773
41	General administration	975,939	-
51	Facilities maintenance and operations	2,413,835	-
52	Security and monitoring services	342,572	-
53	Data processing services	186,262	-
61	Community services	2,141	-
72	Interest on long-term debt	652,480	-
73	Bond issuance costs and fees	1,300	-
91	Contracted instructional services between schools	146,252	-
99	Other intergovernmental changes	304,727	-
	[TG] Total governmental activities	$ 26,511,221	$ 688,610
	General revenues:		
	Taxes:		
MT	Property taxes, levied for general purposes		
DT	Property taxes, levied for debt service		
GC	Grants and contributions not restricted to specific programs		
IE	Investment earnings		
MI	Miscellaneous		
E1	Extraordinary item - insurance recovery		
TR	Total general revenues		
CN	Change in net position		
NB	Net position, beginning		
NE	Net position, ending		

The accompanying notes are an integral part of this financial statement.

Program Revenues		Net (Expenses) Revenue and Changes in in Net Position
4	5	6
Operating Grants and Contributions	Capital Grants and Contributions	Primary Gov. Governmental Activities
$ 2,836,627	$ -	$(11,531,928)
28,377	-	(291,354)
27,985	-	(113,193)
68,909	-	(293,834)
108,347	-	(1,096,999)
368,616	-	(454,477)
29,597	-	(225,366)
168,313	-	(1,087,020)
720,495	-	(172,231)
46,401	-	(1,127,034)
62,642	-	(913,297)
89,705	431,477	(1,892,653)
21	-	(342,551)
12,990	-	(173,272)
2,307	-	166
43,482	-	(608,998)
-	-	(1,300)
-	-	(146,252)
-	-	(304,727)
$ 4,614,814	$ 431,477	(20,776,320)
		14,579,243
		1,825,792
		6,328,698
		475,557
		228,900
		229,895
		23,668,085
		2,891,765
		13,543,543
		$ 16,435,308

BELLVILLE INDEPENDENT SCHOOL DISTRICT

BALANCE SHEET

AUGUST 31, 2019

Data Control Codes		10 General Fund	40 Instructional Materials Allotment
	ASSETS		
1110	Cash and cash equivalents	$ 14,708,866	$ 8,378
1220	Property taxes - delinquent	588,174	-
1230	Allowance for uncollectible taxes (credit)	(147,043)	-
1240	Due from other governments	1,434,470	284,032
1260	Due from other funds	251,624	-
1290	Other receivables	231,229	-
1410	Deferred expenditures	3,481	-
1000	Total assets	17,070,801	292,410
	LIABILITIES		
2110	Accounts payable	6,317	284,032
2160	Accrued wages payable	1,029,098	-
2170	Due to other funds	-	-
2200	Accrued expenditures	21,236	-
2310	Unearned revenues	-	8,378
2000	Total liabilities	1,056,651	292,410
	DEFERRED INFLOWS OF RESOURCES		
2601	Unavailable revenue	1,074,294	-
2600	Total deferred inflows of resources	1,074,294	-
	FUND BALANCES		
	Nonspendable:		
3430	Federal or state grant restrictions	3,481	-
	Restricted:		
3450	Federal or state grant restrictions	-	-
3480	Retirement of long-term debt	-	-
3490	Other	-	-
	Committed:		
3510	Construction	7,507,398	-
3540	Self-insurance	600,000	-
3545	Other	600,000	-
3600	Unassigned	6,228,977	-
3000	Total fund balances	14,939,856	-
4000	Total liabilities, deferred inflows and fund balances	$ 17,070,801	$ 292,410

The accompanying notes are an integral part of this financial statement.

Other Funds	Total Governmental Funds
$ 1,535,469	$ 16,252,713
88,866	677,040
(22,217)	(169,260)
75,691	1,794,193
11,920	263,544
352	231,581
-	3,481
1,690,081	19,053,292
30,537	320,886
20,630	1,049,728
263,544	263,544
2,170	23,406
-	8,378
316,881	1,665,942
63,533	1,137,827
63,533	1,137,827
-	3,481
107,508	107,508
1,083,313	1,083,313
869	869
-	7,507,398
-	600,000
117,977	717,977
-	6,228,977
1,309,667	16,249,523
$ 1,690,081	$ 19,053,292

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

AUGUST 31, 2019

	Total fund balances - governmental funds	$ 16,249,523
1	Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	31,339,280
2	Some receivables are reported as deferred inflows of resources in the governmental funds balance sheet, but are recognized as a revenue in the statement of activities.	
	Property taxes	484,042
	School health and related services (SHARS)	222,308
	Federal Emergency Management Agency (FEMA)	431,477
3	Long-term liabilities, including bonds, and accreted interest, are not due and payable in the current period and therefore are not reported in the funds. Also, the losses on refunding of bonds and the premium on issuance of bonds payable are not reported on the balance sheet in the funds.	(19,511,678)
4	Interest payable is not due and payable in the current period and, therefore, is not reported as a liability in the governmental funds.	(33,716)
5	The liabilities for workers' compensation is not due and payable in the current period and, therefore, is not reported as a liability in the governmental funds.	(5,037)
6	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. The net position related to pensions included a deferred resource outflow in the amount of $3,892,957, a deferred resource inflow in the amount of $355,088, and a net pension liability in the amount of $6,478,845.	(2,940,896)
7	Included in the items related to debt is the recognition of the District's proportionate share of the net other post-employment benefit (OPEB) liability required by GASB 75. The net position related to the OPEB included a deferred resource outflow in the amount of $1,276,641, a deferred resource inflow in the amount of $2,661,172, and a net OPEB liability in the amount of $8,415,464.	(9,799,995)
19	Net position of governmental activities	$ 16,435,308

The accompanying notes are an integral part of this financial statement.

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BELLVILLE INDEPENDENT SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES GOVERMENTAL FUNDS

FOR THE YEAR ENDED AUGUST 31, 2019

Data Control Codes		10 General Fund	40 Instructional Materials Allotment
	REVENUES		
5700	Local and intermediate sources	$ 15,500,686	$ -
5800	State program	7,113,661	326,199
5900	Federal program	549,349	-
5020	Total revenues	23,163,696	326,199
	EXPENDITURES		
	Current:		
0011	Instruction	11,557,094	326,199
0012	Instructional resources and media services	289,366	-
0013	Curriculum and instructional staff development	112,597	-
0021	Instructional leadership	336,990	-
0023	School leadership	1,110,114	-
0031	Guidance, counseling and evaluation services	567,664	-
0033	Health services	227,317	-
0034	Student (pupil) transportation	1,124,005	-
0035	Food services	23,952	-
0036	Extracurricular activities	981,719	-
0041	General administration	917,093	-
0051	Facilities maintenance and operations	2,023,728	-
0052	Security and monitoring services	358,477	-
0053	Data processing services	185,330	-
0061	Community services	108	-
	Debt service:		
0071	Principal on long term debt	-	-
0072	Interest on long term debt	-	-
0073	Bond issuance costs and fees	-	-
	Capital outlay:		
0081	Facilities acquisition and construction	412,327	-
	Intergovernmental:		
0091	Contracted instructional services between schools	146,252	-
0099	Other intergovernmental charges	304,727	-
6030	Total expenditures	20,678,860	326,199
1100	Excess (deficiency) of revenues over (under) expenditures	2,484,836	-
7919	Extraordinary items (insurance recovery)	229,895	-
1200	Net change in fund balances	2,714,731	-
0100	Fund balance - Beginning	12,225,125	-
3000	Fund balance - Ending	$ 14,939,856	$ -

The accompanying notes are an integral
part of this financial statement.

Other Funds	Total Governmental Funds
$ 2,487,944	$ 17,988,630
51,507	7,491,367
1,872,259	2,421,608
4,411,710	27,901,605
929,507	12,812,800
-	289,366
20,628	133,225
-	336,990
-	1,110,114
202,133	769,797
5,897	233,214
-	1,124,005
1,286,737	1,310,689
71,545	1,053,264
-	917,093
-	2,023,728
-	358,477
-	185,330
1,908	2,016
1,140,000	1,140,000
676,758	676,758
1,300	1,300
-	412,327
-	146,252
-	304,727
4,336,413	25,341,472
75,297	2,560,133
-	229,895
75,297	2,790,028
1,234,370	13,459,495
$ 1,309,667	$ 16,249,523

BELLVILLE INDEPENDENT SCHOOL DISTRICT

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

FOR THE YEAR ENDED AUGUST 31, 2019

Net change in fund balances - total governmental funds	$ 2,790,028
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.	(865,367)
Some receivables are not considered available revenues and are reported as deferred inflows in the governmental funds.	
Property taxes	(58,972)
School health and related services (SHARS)	222,308
Federal Emergency Management Agency (FEMA)	431,477
The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount of principal repayment during the fiscal year.	1,140,000
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	
Amortization of premium and deferred loss on refunding of bonds payable	33,431
Accrued interest on long-term debt	(3,364)
Accreted interest on capital appreciation bonds	(5,789)
Workers' compensation liability	2,800
GASB 68 required that certain plan expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of the plan caused the change in ending net position to increase by $422,868. Contributions made before the measurement date and during the previous fiscal year were expended and recorded as a reduction in net pension liability. This caused a decrease in net position totaling $396,749. Finally, the proportionate share of pension expense on the plans as a whole had to be recorded. The net pension expense decreased the change in net position by $662,084.	(635,965)
GASB 75 required that certain plan expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of the plan caused the change in ending net position to increase by $122,296. Contributions made before the measurement date and during the previous fiscal year were expended and recorded as a reduction in net OPEB liability. This caused a decrease in net position totaling $116,270. Finally, the proportionate share of OPEB expense on the plans as a whole had to be recorded. The net OPEB expense increased the change in net position by $164,848.	(158,822)
Change in net position of governmental activities	$ 2,891,765

The accompanying notes are an integral part of this financial statement.

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STATEMENT OF NET POSITION
FIDUCIARY FUNDS

AUGUST 31, 2019

	Private-Purpose Trust Funds	Agency Fund
ASSETS		
Cash and cash equivalents	$ 6,683	$ 74,185
Restricted assets	75,000	-
Total assets	81,683	74,185
LIABILITIES		
Due to student groups	-	74,185
Total liabilities	-	74,185
NET POSITION		
Held in trust for scholarships	81,683	
Total net position	$ 81,683	

The accompanying notes are an integral part of this financial statement.

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BELLVILLE INDEPENDENT SCHOOL DISTRICT

STATEMENT OF CHANGES IN NET POSITION

FOR THE YEAR ENDED AUGUST 31, 2019

	Private-Purpose Trust Funds
ADDITIONS	
Investment income	$ 3,193
Gifts and bequests	2,350
Total additions	5,543
DEDUCTIONS	
Scholarship awards	1,288
Total deductions	1,288
CHANGE IN NET POSITION	4,255
Net position - Beginning	77,428
Net position - Ending	$ 81,683

The accompanying notes are an integral part of this financial statement.

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I. Summary of Significant Accounting Policies

The basic financial statements of Bellville Independent School District (the "District") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) applicable to governmental units in conjunction with the Texas Education Agency's Financial Accountability System Resource Guide ("Resource Guide"). The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

A. Reporting Entity

The Board of School Trustees (the "Board"), a seven-member group, has governance responsibilities over all activities related to public elementary and secondary education within the jurisdiction of the District. The Board is elected by the public and has the exclusive power and duty to govern and oversee the management of the public schools of the District. All powers and duties not specifically delegated by statute to the Texas Education Agency (TEA) or to the State Board of Education are reserved for the Board, and the TEA may not substitute its judgment for the lawful exercise of those powers and duties by the Board. The District receives funding from local, state, and federal government sources and must comply with the requirements of those funding entities. However, the District is not included in any other governmental reporting entity and there are no component units included within the District's reporting entity.

B. Measurement Focus, Basis of Accounting, and Financial Presentation

Government-wide Financial Statements: The statement of net position and the statement of activities include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The District does not allocate indirect expenses in the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the District's funds, with separate statements presented for each fund category. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The District reports the following major governmental funds:

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

Instructional Materials Allotment: This fund is used to account for revenues and expenditures related to the allotment for instructional materials. This fund is primarily on a reimbursement basis and has a program year that does not always coincide with the District's fiscal year.

In addition, the District reports the following fund types:

Special Revenue Funds: These funds are used to account for revenues and expenditures related to grant awards and entitlements from federal, state, and local agencies. These funds are primarily on a reimbursement basis and have a program year that does not always coincide with the District's fiscal year. Nearly all of these funds cannot carry a fund balance and, other than the food service fund, none of these funds are legally required to have an adopted budget.

Debt Service Fund: This fund is used to account for tax revenues and for the payment of principal, interest, and related costs on long-term debt for which a tax has been dedicated. This is a budgeted fund and a separate bank account is maintained for this fund. Any unused sinking fund balances are transferred to the General Fund after all the debt obligations have been met.

Private-Purpose Trust Funds: These funds are used to report trust arrangements under which principal and income benefit individuals, private organizations, or other governments not reported in other fiduciary fund types.

Agency Funds: These funds are used to report student activity funds and other resources held in a purely custodial capacity (assets equal liabilities). Agency funds typically involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments.

Government-wide and Fiduciary Fund Financial Statements: These financial statements are reported using the economic resources measurement focus. They are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Fiduciary funds are reported in the fiduciary fund financial statements. However, because their assets are held in a trustee or agent capacity and are therefore not available to support District programs, these funds are not included in the government-wide statements

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District does not consider revenues collected after its year-end to be available in the current period. 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 received. Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

C. Assets, Liabilities, Deferred Inflows/Outflows of Resources, Net Position/Fund Balance, Revenues and Expenditures/Expenses

1. Deposits and Investments

Investments for the District are reported at fair value, except for the position in investment pools. The District’s investments in Pools are reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method.

The District’s cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments which have a remaining term of one year or less at time of purchase.

2. *Property Taxes*

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property 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.

Allowances for uncollectible tax receivables 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.

3. *Deferred Expenditures/Expenses*

Deferred expenditures are payments made by the District in the current year that benefit the District in a future period. A corresponding portion of fund balance is shown as nonexpendable in governmental funds to indicate it is not available for other subsequent expenditures. Deferred items are recorded as expenditures/expenses when consumed rather than when purchased.

4. *Capital Assets*

Capital assets, which include land, buildings, furniture and equipment, are reported in the governmental activities' column in the financial statements. Capital assets are defined by the government 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 acquisition value, which is the price that would be paid to acquire an asset with equivalent service potential at the acquisition date.

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.

Capital assets are being depreciated using the straight-line method over the following estimated useful lives:

Asset Class	Estimated Useful Life
Buildings and infrastructure	30-50
Building improvements	20
Vehicles	2-18
Equipment	3-18

5. *Deferred Outflows and Inflows of Resources*

A deferred outflow of resources is a consumption of a government's net position (a decrease in assets in excess of any related decrease in liabilities or an increase in liabilities in excess of any related increase in assets) by the government that is applicable to a future reporting period. The District had the following deferred outflows of resources:

- Deferred outflows of resources for refunding – Reported in the government-wide statement of net position, this deferred charge on refunding results from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

- Deferred outflows of resources for pension – Reported in the government-wide financial statement of net position, this deferred outflow results from pension plan contributions made after the measurement date of the net pension liability, the results of differences between expected and actual experience, changes in actuarial assumptions and changes in proportion and difference between the employer's contributions and the proportionate share of contributions. The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the next fiscal year.

- Deferred outflows of resources for OPEB – Reported in the government-wide financial statement of net position, this deferred outflow results from OPEB plan contributions made after the measurement date of the net pension liability, the differences between projected and actual investment earnings, and changes in proportion and difference between the employer's contributions and the proportionate share of contributions. The deferred outflows related to OPEB resulting to District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the next fiscal year.

A deferred inflow of resources is an acquisition of a government's net position (an increase in assets in excess of any related increase in liabilities or a decrease in liabilities in excess of any related decrease in assets) by the government that is applicable to a future reporting period. The District had two items that qualify for reporting in this category:

- Deferred inflow of resources for unavailable revenues – Reported only in the governmental funds balance sheet, for unavailable revenues from property taxes arise under the modified accrual basis of accounting. These amounts are deferred and recognized as an inflow of revenues in the period that the amounts become available. During the current year, the District recorded deferred inflow of resources as unavailable revenues – property taxes with the General Fund and Debt Service Fund respectively.

- Deferred inflow of resources for pensions – Reported in the government-wide financial statement of net position, these deferred inflows result from differences between expected and actual economic experience, changes in actuarial assumptions, differences between projected and actual investment earnings, as well as changes in proportion and difference between the employer's contributions and the proportionate share of contributions.

- Deferred inflow of resources for OPEB – Reported in the government-wide financial statement of net position, these deferred inflows result from differences between expected and actual economic experience and changes in actuarial assumptions.

6. *Interfund Activity*

Interfund activity results from loans, services provided, reimbursements or transfers between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers in and Transfers out are netted and presented as a single "Transfers" line on the government-wide statement of activities. Similarly, interfund receivables and payables are netted and presented as a single "Internal Balances" line of the government-wide statement of net position.

7. *Defined Benefit Pension Plan*

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.

8. Other Post-Employment Benefit Plans

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.

9. Net Position

Net position represents the difference between assets, deferred outflows (inflows) of resources and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

10. Net Position Flow Assumption

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond and grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered applied. It is the District's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

11. Fund Balance Flow Assumption

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

12. Fund Balances - Governmental Funds

Non-spendable Fund Balance - represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid insurance) or legally required to remain intact (such as notes receivable or principal of a permanent fund).

Restricted Fund Balance - represents amounts that are constrained by external parties, constitutional provisions, or enabling legislation.

Committed Fund Balance - represents amounts that can only be used for a specific purpose because of a formal action by the District's Board. Committed amounts cannot be used for any other purpose unless the Board removes those constraints by taking the same type of formal action. Committed fund balance amounts may be used for other purposes with appropriate due process by the Board. Commitments are typically done through adoption and amendment of the budget. Committed fund balance amounts differ from restricted balances in that the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

Assigned Fund Balance - represents amounts which the District intends to use for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent may be stipulated by the Board or by an official or body to which the Board delegates the authority. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service, or permanent fund are assigned for purposes in accordance with the nature of their fund type or the fund's primary purpose. Assignments within the general fund convey that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the District itself.

Unassigned Fund Balance - represents amounts which are unconstrained in that they may be spent for any purpose. Only the general fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification because of overspending for specific purposes for which amounts had been restricted, committed, or assigned.

13. Data Control Codes

The Data Control Codes refer to the account code structure prescribed by the Texas Education Agency ("TEA") in the Financial Accountability System Resource Guide. 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 data base policy development and funding plans.

14. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

The amount of state foundation revenue a school district earns for a year can and does vary until the time when final values for each of the factors in the formula become available. Availability can be as late as midway into the next fiscal year. It is at least reasonably possible that the foundation revenue estimates as of August 31, 2019 will change.

II. Detailed Notes on Activities and Funds

A. <u>Deposits and Investments</u>

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

The District is required by Government Code Chapter 2256, The Public Funds Investment Act (the "Act"), 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 allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit.

The Act requires an annual audit of investment practices. Audit procedures in this area conducted as a part of the audit of the basic financial statements disclosed that in the areas of investment practices, management reports, and establishment of appropriate policies, the District adhered to the requirements of the Act. Additionally, investment practices of the District were in accordance with local policies.

The Act determines the types of investments which are allowable for the District. These include, with certain restrictions: 1) obligations of the U.S. Treasury, U.S. agencies, and the State of Texas; 2) certificates of deposit; 3) certain municipal securities; 4) securities lending program; 5) repurchase agreements; 6) bankers' acceptances; 7) mutual funds; 8) investment pools; 9) guaranteed investment contracts; and 10) commercial paper.

Deposit risk of the District includes the following:

Custodial Credit Risk - Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the District's name. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the District's name. The District's cash deposits at August 31, 2019, were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name.

B. Other Receivables

Other receivables consist of insurance recoveries to replace a gym floor and bleachers in the amount of $229,895 in the General Fund. The remaining balance in the General Fund, $1,334, and Other Governmental Funds, $352, is for miscellaneous items.

C. Capital Assets

Capital asset activity for the year ended August 31, 2019 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 1,299,205	$ 162,815	$ -	$ 1,462,020
Construction in progress	272,332	-	272,332	-
Total capital assets, not being depreciated	1,571,537	162,815	272,332	1,462,020
Capital assets, being depreciated:				
Buildings and improvements	46,152,447	525,593	-	46,678,040
Equipment	1,402,736	109,952	-	1,512,688
Vehicles	3,321,517	155,470	-	3,476,987
Total capital assets, being depreciated	50,876,700	791,015	-	51,667,715
Less accumulated deprecation for:				
Buildings and improvements	(17,387,153)	(1,240,357)	-	(18,627,510)
Equipment	(908,701)	(81,663)	-	(990,364)
Vehicles	(1,947,736)	(224,845)	-	(2,172,581)
Total accumulated depreciation	(20,243,590)	(1,546,865)	-	(21,790,455)
Total governmental activities captial assets, net	$ 32,204,647	$(593,035)	$ 272,332	$ 31,339,280

Depreciation was charged to functions as follows:

Governmental activities:		
Instruction	$	749,874
Instruction Resources & Media Services		9,145
Curriculum & Staff Development		2,685
School Leadership		4,321
Guidance, Counseling & Evaluation Services		2,047
Health Services		2,771
Student (Pupil) Transportation		228,864
Food Services		26,847
Extracurricular Activities		140,991
General Administration		260
Plant Maintenance & Operations		355,163
Security & Monitoring Services		16,634
Data Processing Services		7,263
Total depreciation expense	$	1,546,865

D. Interfund Balances

Balances due to and due from other funds at August 31, 2019 consisted of the following:

Due To Fund	Due From Fund		Amount	Purpose
General Fund	ESEA I, A Improving Basic	$	250,000	Short-term loans
General Fund	Special revenue funds		1,624	Short-term loans
ESEA I, A Improving Basic	Special revenue funds		11,920	Short-term loans
Total		$	263,544	

E. Deferred Inflows of Resources – Unavailable Revenue

At year-end the District reported unavailable deferred inflows in the governmental funds for the following:

		General Fund		Debt Service Fund
Property taxes	$	420,509	$	63,533
Federal emergency management agency (FEMA) grant		431,477		-
School health and related services (SHARS) cost reimbursement		222,308		-
Totals	$	1,074,294	$	63,533

F. Long-Term Debt

Governmental long-term debt activity for the year ended August 31, 2019, was as follows:

		50 Balance		Additions		Retirements		Ending Balance		Due Within One Year
Governmental activities:										
Unlimited tax refunding bonds, series 2013	$	8,615,000	$	-	$	55,000	$	8,560,000	$	60,000
Unlimited tax refunding bonds, series 2015		6,985,000		-		190,000		6,795,000		175,000
Unlimited tax refunding bonds, series 2016		4,270,000		-		895,000		3,375,000		950,000
Accreted interest on bonds		180,353		5,789		-		186,142		-
Issuance premium/discount		1,808,212		-		97,232		1,710,980		-
Total governmental activities	$	21,858,565	$	5,789	$	1,237,232	$	20,627,122	$	1,185,000

Bonded indebtedness of the District reflected in the general long-term debt and current requirements for principal and interest expenditures are accounted for in the Debt Service Fund. These bonds were issued as unlimited tax refunding bonds and the interest rates on the bonds ranged from 2.0% to 4.0% for Series 2013 bonds; 1.6% to 4.0% for Series 2015 bonds; and 3.0% to 4.0% for Series 2016 bonds. Interest expense was $676,758 for the year ended August 31, 2019.

The District's outstanding bonds payable contain a provision that in an event of default, outstanding amounts will be paid from the corpus of the Texas Permanent School Fund.

Debt service requirements on long-term debt at August 31, 2019 are as follows:

Year Ended August 31,	Principal	Interest	Total Requirements
2020	$ 1,185,000	$ 633,233	$ 1,818,233
2021	650,000	801,048	1,451,048
2022	870,000	585,937	1,455,937
2023	900,000	555,138	1,455,138
2024	930,000	526,612	1,456,612
2025-2029	5,115,000	2,160,300	7,275,300
2030-2034	6,105,000	1,176,843	7,281,843
2035-2039	2,975,000	131,900	3,106,900
Totals	$ 18,730,000	$ 6,571,011	$ 25,301,011

G. Commitments Under Noncapitalized Leases

The District has various operating lease agreements for copiers. Rent expenditures recognized by the District in the current year were $83,557.

H. Committed Fund Balance

The District reported other committed fund balance on the governmental funds' balance sheet in the amount of $717,977. The General Fund reported $600,000 for residential placement, and the Campus Activity Fund reported $117,977 for activities at the various campuses.

I. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2019, the District purchased commercial insurance to cover general liabilities. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

J. Pension Plan

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

All employees of public, state-supported educational institutions in Texas who are employed for one-half or more of the standard workload 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 TRS'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 www.trs.state.tx.us; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

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

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. 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.

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 through 2017. The 83rd Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2014 and 2017. The 85th Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2018 and 2019.

	Contribution Rates	
	2018	2019
Member	7.7%	7.7%
Non-employer contributing entity (State)	6.8%	6.8%
Employers	6.8%	6.8%
Current fiscal year employer contributions		$ 422,868
Current fiscal year member contributions		1,073,823
2018 measurement year NECE on-behalf contributions		694,765

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

As the non-employer contributing entity for public education and junior colleges, the State of Texas contributes to the retirement system an amount equal to the current employer contribution rate times the aggregate annual compensation of all participating members of the pension trust fund during that fiscal year reduced by the amounts described below which are paid by the employers. Employers (public school, junior college, other entities, or the State of Texas as the employer for senior universities and medical schools) are required to pay the employer contribution rate in the following instances:

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

- When the employing district is a public junior college or junior college district, the employer shall contribute to the retirement system an amount equal to 50% of the state contribution rate for certain instructional or administrative employees and 100% of the state contribution rate for all other employees.

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

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

- When a school district or charter school 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.

Actuarial Assumptions. The total pension liability in the August 31, 2017 actuarial evaluation was determined using the following actuarial assumptions:

Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Single Discount Rate	6.91%
Long-Term Expected Investment Rate of Return	7.25%
Inflation	2.3%
Salary Increases Including Inflation	3.05% to 9.05%
Payroll Growth Rate	3.0%
Benefit Changes During the Year	None
Ad hoc Post Employment Benefit Changes	None

The actuarial methods and assumptions are based primarily on a study of actual experience for the four-year period ending August 31, 2017 and adopted on July 2018.

Discount Rate. The discount rate used to measure the total pension liability was 6.907%. The single discount rate was based on the expected rate of return on pension plan investments of 7.25% and a municipal bond rate of 3.69%. The projection of cash flows used to determine the discount rate assumed that contributions from plan 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 pension plan's fiduciary net position was sufficient to finance the benefit payments until the year 2069. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2069, and the municipal bond rate was applied to all benefit payments after that date. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2018 are summarized below:

Asset Class	Target Allocation[1]	Real Return Geometric Basis[2]	Long-Term Expected Portfolio Real Rate of Return
Global Equity			
U.S.	18.00%	5.70%	1.04%
Non-U.S. Developed	13.00%	6.90%	0.90%
Emerging Markets	9.00%	8.95%	0.80%
Directional Hedge Funds	4.00%	3.53%	0.14%
Private Equity	13.00%	10.18%	1.32%
Stable Value			
U.S. Treasuries	11.00%	1.11%	0.12%
Absolute Return	-	-	-
Stable Value Hedge Funds	4.00%	3.09%	0.12%
Cash	1.00%	(0.30%)	-
Real Return			
Global Inflation Linked Bonds	3.00%	0.70%	0.02%
Real Assets	14.00%	5.21%	0.73%
Energy and Natural Resources	5.00%	7.48%	0.37%
Commodities	-	-	-
Risk Parity			
Risk Parity	5.00%	3.70%	0.18%
Inflation expectation			2.30%
Volatility Drag[3]			(0.79%)
Total	100.00%		7.25%

1 Target allocations are based on the FY16 policy model.
2 Capital market assumptions come from Aon Hewitt (2017 Q4)
3 The volatility drag results from the conversion between arithmetic and geometric mean returns.

Discount Rate Sensitivity Analysis. The following schedule shows the impact of the net pension liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (6.907%) in measuring the net pension liability.

	1% Decrease in Discount Rate (5.907%)	Discount Rate (6.907%)	1% Increase in Discount Rate (7.907%)
District's proportionate share of net pension liability	$ 9,778,130	$ 6,478,845	$ 3,807,877

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions. At August 31, 2019, the District reported a liability of $6,478,845 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	$ 6,478,845
State's proportionate share that is associated with the District	11,358,928
Total	$ 17,837,773

The net pension liability was measured as of August 31, 2017 and rolled forward to August 31, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer's proportion of the net pension liability was based on the employer's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2017 thru August 31, 2018.

At August 31, 2018, the District's proportion of the collective net pension liability was 0.0117706375% which was an increase of 0.0003950004% from its proportion measured as of August 31, 2017.

Changes Since the Prior Actuarial Valuation. The following were changes to the actuarial assumptions or other inputs that affected measurement of the total pension liability since the prior measurement period:

- The Total Pension Liability as of August 31, 2018 was developed using a roll-forward method from the August 31, 2017 valuation.

- Demographic assumptions including post-retirement mortality, termination rates, and rates of retirement were updated based on the experience study performed for TRS for the period ending August 31, 2017.

- Economic assumptions including rates of salary increase for individual participants was updated based on the same experience study.

- The discount rate changed from 8.0 percent as of August 31, 2017 to 6.907 percent as of August 31, 2018.

- The long-term assumed rate of return changed from 8.0 percent to 7.25 percent.

- The change in the long-term assumed rate of return combined with the change in the single discount rate was the primary reason for the increase in the Net Pension Liability.

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, 2019, the District recognized pension expense of $2,183,064 and revenue of $1,124,231 for support provided by the State.

At August 31, 2019, the District reported its proportionate share of the TRS' deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 40,384	$ 158,965
Changes in actuarial assumptions	2,335,936	72,998
Difference between projected and actual investment earnings	-	122,931
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	1,093,769	114
Contributions paid to TRS subsequent to the measurement date	422,868	-
Total as of fiscal year-end	$ 3,892,957	$ 355,008

The net amounts of the Districts balances of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

For the Year Ended August 31,		Pension Expense
2020	$	830,498
2021		571,798
2022		496,227
2023		509,012
2024		437,924
Thereafter		269,622

K. Defined Other Post-Employment Benefit Plans

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

OPEB Plan Fiduciary Net Position. Detailed 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 www.trs.state.tx.us; by writing to TRS at 1000 Red River Street, Austin, TX 78701-2698; or by calling (512)542-6592. Components of the net OPEB liability of the TRS-Care plan as of August 31, 2017 are as follows:

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 the optional health insurance are based on years of service of the member. The schedule below shows the monthly rates for a retiree with and without Medicare coverage:

TRS-Care Monthly for Retirees

January 1, 2018 thru December 31, 2018

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

* or surviving spouse

Contributions. Contribution rates for TRS-Care are established in state statute by the Texas Legislature, and there is no continuing obligation to provide benefits beyond each fiscal year. TRS-Care 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 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 0.75% of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25% or not more than 0.75% of the salary of each active employee of the public. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act. The following table shows contributions to the TRS-Care plan by type of contributor.

	Contribution Rates	
	2018	2019
Active employee	0.65%	0.65%
Non-Employer Contributing Entity (State)	1.00%	1.25%
Employers	0.55%	0.75%
Federal/Private Funding Remitted by Employers	1.25%	1.25%

Current fiscal year employer contributions	$ 122,296
Current fiscal year member contributions	90,648
2018 measurement year NECE on-behalf contributions	157,762

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 employees hire a TRS retiree, they are required to pay TRS Care, a monthly surcharge of $535 per retiree.

TRS-Care received supplemental appropriations from the State of Texas as the Non-Employer Contributing Entity in the amount of $182.6 million in fiscal year 2018. The 85th Texas Legislature, House Bill 30 provided an additional $212 million in one-time, supplemental funding for the FY2018-19 biennium to continue to support the program. This was also received in FY2018 bringing the total appropriations received in fiscal year 2018 to $394.6 million.

Actuarial Assumptions. The total OPEB liability in the August 31, 2017 was rolled forward to August 31, 2018. 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, 2017 TRS pension actuarial valuation that was rolled forward to August 31, 2018:

Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Discount Rate	3.69% Sourced from fixed income municipal bonds with 20 years to maturity that include only federal tax - exempt municipal bonds are reported in Fidelity Index's "20-year Municipal Go AA Index" as of August 31, 2018.
Aging Factors	Based on plan specific experience
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
Payroll Growth Rate	2.50%
Projected Salary Increases	3.05% to 9.05%
Healthcare Trend Rates	4.50% to 12.00%
Election Rates	Normal Retirement: 70% participation prior to age 65 and 75% participation after age 65
Ad hoc post-employment benefit changes	None

Other Information. The total OPEB liability as of August 31, 2018 was developed using the roll forward method of the August 31, 2017 valuation. Adjustments were made for retirees that were known to have discontinued their health care coverage in fiscal year 2018. The health care trend rate assumption was updated to reflect the anticipated return of the Health Insurer Fee (HIF) in 2020. Demographic and economic assumptions were updated based on the experience study performed for TRS for the period ending August 31, 2017. The discount rate changed from 3.42 percent as of August 31, 2017 to 3.69 percent, as of August 31, 2018. This change lowered the total OPEB liability $2.3 billion.

Discount Rate. A single discount rate of 3.69% was used to measure the total OPEB liability. There was an increase of .27 percent 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.

Discount Rate Sensitivity Analysis. The following schedule shows the impact of the Net OPEB Liability if the discount rate used was 1% less than the discount rate that was used 3.69% in measuring the Net OPEB Liability.

	1% Decrease in Discount Rate (2.69%)	Discount Rate (3.69%)	1% Increase in Discount Rate (4.69%)
Proportionate share of net OPEB liability	$ 10,017,294	$ 8,415,464	$ 7,148,314

OPEB Liabilities, OPEB Expense, and Deferred Outflows/Inflows of Resources Related to OPEB. At August 31, 2019, the District reported a liability of $8,415,464 for its proportionate share of the TRS's net OPEB liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the collective net OPEB liability	$	8,415,464
State's proportionate share that is associated with the District		11,434,886
Total	$	19,850,350

The net OPEB liability was measured as of August 31, 2018 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 their OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2017 through August 31, 2018.

At the August 31, 2018 measurement date, the District's proportion of the collective net OPEB liability was 0.0168542160%, which was an increase of 0.0010321688% from its proportion measured as of August 31,2017.

Healthcare Cost Trend Rates Sensitivity Analysis. The following presents 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 trend rate that is 1% less than and 1% greater than the assumed healthcare cost trend rate:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Proportionate share of net OPEB liability	$ 6,989,180	$ 8,415,464	$ 10,293,911

Changes Since the Prior Actuarial Valuation. The following were changes to the actuarial assumptions or other inputs that affected the measurement of the total OPEB liability since the prior measurement period:

- Adjustments were made for retirees that were known to have discontinued their health care coverage in fiscal year 2018. This change increased the Total OPEB Liability.
- The health care trend rate assumption was updated to reflect the anticipated return of the Health Insurer Fee (HIF) in 2020. This change increased the Total OPEB Liability.
- Demographic and economic assumptions were updated based on the experience study performed for TRS for the period ending August 31, 2017. This changed increased the Total OPEB Liability.
- The discount rate was changed from 3.42% as of August 31, 2017 to 3.69% as of August 31, 2018. This change lowered the Total OPEB Liability $2.3 billion.

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.

Change of Benefit Terms Since the Prior Measurement Date. The 85th Legislature, Regular Session, passed the following changes in House Bill 3976 which became effective on September 1, 2017:

- Created a high-deductible plan that provides a zero cost for generic prescriptions for certain preventive drugs and provides a zero premium for disability retirees who retired as a disability retiree on or before January 1, 2017 and are not eligible to enroll in Medicare.

- Created a single Medicare Advantage plan and Medicare prescription drug plan and Medicare prescription drug plan for all Medicare-eligible participants.

- Allowed the system to provide other, appropriate health benefits plans to address the needs of enrollees eligible for Medicare.

- Allowed eligible retirees and their eligible dependents to enroll in TRS-Care when the retiree reaches 65 years of age, rather than waiting on the next enrollment period.

- Eliminated free coverage under TRS-Care, except for certain disability retirees enrolled during plan years 2018 through 2021, requiring members to contribute $200 per month toward their health insurance premiums.

For the year ended August 31, 2019, the District recognized OPEB expense of $697,051 and revenue of $415,933 for support provided by the State.

At August 31, 2019, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual actuarial experiences	$ 446,577	$ 132,808
Changes in actuarial assumptions	140,431	2,528,364
Differences between projected and actual investment earnings	1,472	-
Changes in proportion and differences between the employer's contributions and the proportionate share of contributions	565,865	-
Contributions paid to OPEB subsequent to the measurement date	122,296	-
Total as of fiscal year-end	$ 1,276,641	$ 2,661,172

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

For the Year Ended August 31,	OPEB Expense
2020	$(260,818)
2021	(260,818)
2022	(260,818)
2023	(261,096)
2024	(261,256)
Thereafter	(202,021)

L. **Medicare Part D – On-behalf Payments**

The Medicare Prescription Drug, Improvement and Modernization Act of 2003, which was effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of those provisions of Medicare Part D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive retiree drug expenditures for eligible TRS-Care participants. These on-behalf payments of $53,027, $41,793, and $39,671 were recognized for the years ended August 31, 2019, 2018, and 2017, respectively, as equal revenues and expenditures.

M. Employee Health Care Coverage

During the year ended August 31, 2019, employees of the District were covered by a health insurance plan (the "Plan"). The District paid premiums of $225 per month per employee to the Plan. Employees, at their option, authorized payroll withholdings to pay premiums for dependents. All premiums were paid to a third-party administrator, acting on behalf of the licensed insurer. The Plan was authorized by Section 21.922, Texas Education Code and was documented by contractual agreement.

The contract between the District and the third-party administrator is renewable September 1, 2019, and terms of coverage and premium costs are included in the contractual provisions.

N. Commitments and Contingencies

The District participates in grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying basic financial statements for such contingencies.

O. Shared Services Arrangements

The District participates in a shared services arrangement (SSA) for the improvement of the education of limited English proficient children funded under ESEA Title III, Part A, English Language Acquisition and Language Enhancement. The District neither has a joint ownership interest in fixed assets purchased by the fiscal agent, Education Service Center, Region VI, nor does the District have a net equity interest in the fiscal agent. The fiscal agent is neither accumulating significant financial resources nor fiscal exigencies that would give rise to a future additional benefit or burden to the District. The fiscal agent is responsible for part of the financial activities of the SSA.

The District participates in an SSA with numerous other school districts for educational services for students with a hearing impairment. The District does not account for revenues or expenditures in this program and does not disclose them in these financial statements. The District neither has a joint ownership interest in fixed assets purchased by the fiscal agent, Katy Independent School District, nor does the District have a net equity interest in the fiscal agent. The fiscal agent is neither accumulating significant financial resources nor fiscal exigencies that would give rise to a future additional benefit or burden to the District. The fiscal agent is responsible for all of the financial activities of the SSA.

P. Workers' Compensation

During the year ended August 31, 2019, employees of the District were covered by a Workers' Compensation Plan (the "Plan"). The Plan was authorized by Section 21.922, Texas Education Code and was documented by contractual agreement.

The contract between the District and the third-party administrator, Claims Administrative Services (CAS), acting on behalf of the self-funded pool, is renewable September 1, 2018, and terms, as well as costs of coverage, are included in the contractual provisions.

In accordance with state statues, the District was protected against unanticipated catastrophic individual or aggregate loss by reinsurance coverage carried through Midwest Employers Casualty, a commercial insurer licensed or eligible to do business in the state of Texas in accordance with Texas Insurance Code. Reinsurance coverage was in effect for individual claims exceeding $1,000,000 and for aggregate claims with a statutory limit of $5,000,000. According to CAS, the unfunded claim benefit obligation of $4,037 included $6 in estimated claims incurred, but not reported.

The claim liability is based on estimates of the ultimate cost of reported claims (including future claim adjustment expenses) and an estimate of claims in which have been incurred, but not reported based on historical experience. Changes in the claim's liability for workers compensation benefits for the current and prior fiscal years are summarized below:

	Fiscal Year	
	2019	2018
Claims liability at beginning of year	$ 4,797	$ 6,802
Current year claims and estimated changes	(568)	(1,730)
Claims payments	(192)	(275)
Claims liability at year end	$ 4,037	$ 4,797

During the year ended August 31, 2019, employees of the District were covered by a Workers' Compensation Plan (the "Plan"). The Plan was authorized by Section 21.922, Texas Education Code and was documented by contractual agreement.

The contract between the District and the third-party administrator, Workers' Compensation Solutions (WCS), acting on behalf of the self-funded pool, is renewable September 1, 2019, and terms, as well as costs of coverage, are included in the contractual provisions.

In accordance with state statues, the District was protected against unanticipated catastrophic individual or aggregate loss by reinsurance coverage carried through WCS, a commercial insurer licensed or eligible to do business in the state of Texas in accordance with Texas Insurance Code. According to WCS, the unfunded claim benefit obligation of $1,000 included $8,365 in estimated claims incurred, but not reported.

The claim liability is based on estimates of the ultimate cost of reported claims (including future claim adjustment expenses) and an estimate of claims in which have been incurred, but not reported based on historical experience. Changes in the claim's liability for workers' compensation benefits for the current and prior fiscal years are summarized below:

	Fiscal Year	
	2019	2018
Claims liability at beginning of year	$ 3,041	$ 7,493
Current year claims and estimated changes	6,983	25,343
Claims payments	(9,024)	(29,795)
Claims liability at year end	$ 1,000	$ 3,041

Q. Unemployment Compensation

During the year ended August 31, 2019, the District provided unemployment compensation coverage to its employees through participation in the TASB Risk Management Fund (the "Fund"). The Fund was created and is operated under the provisions of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. The Fund's Unemployment Compensation Program is authorized by Section 22.005 of the Texas Education Code and Chapter 172 of the Texas Local Government Code. All members participating in the Fund execute interlocal agreements that define the responsibilities of the parties.

The Fund meets its quarterly obligation to the Texas Workforce Commission. Expenses are accrued monthly until the quarterly payment has been made. Expenses can be reasonably estimated; therefore, there is no need for specific or aggregate stop-loss coverage for the Unemployment Compensation Pool. For the year ended, August 31, 2019, the Fund anticipates that the District has no additional liability beyond the contractual obligation for payment of contribution.

The Fund engages the services of an independent auditor to conduct a financial audit after the close of each year on August 31. The audit is accepted by the Fund's Board of Trustees in February of the following year. The Fund's audited financial statements as of August 31, 2018 are available on the TASB Risk Management Fund website and have been filed with the Texas Department of Insurance in Austin.

R. New Accounting Standards

Significant new accounting standards issued by the Governmental Accounting Standards Board (GASB) not yet implemented by the District include the following:

Statement No. 84, *Fiduciary Activities* – This Statement improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The focus is generally on whether a government is controlling the assets of the fiduciary activity and on the beneficiaries with whom a fiduciary relationship exists. This Statement will become effective for the District in fiscal year 2020.

Statement No. 87, *Leases* – This Statement will improve the accounting and financial reporting for leases by governments by requiring recognition of certain lease assets and liabilities previously classifies as operating leases. It establishes a single model for lease accounting based on the principle that leases are financing the right to use an underlying asset. Under the Statement a lessee is required to recognize a lease liability and an intangible right-to-use asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resource, enhancing the relevance and consistency of information about leasing activities. This Statement will become effective for the District in fiscal year 2021.

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REQUIRED SUPPLEMENTARY INFORMATION

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BELLVILLE INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND

FOR THE YEAR ENDED AUGUST 31, 2019

Data Control Codes		Budgeted Amounts Original	Budgeted Amounts Final
	REVENUES		
5700	Local and intermediate sources	$ 15,047,936	$ 15,073,719
5800	State program	6,589,898	6,589,898
5900	Federal program	250,000	250,000
5020	Total revenues	21,887,834	21,913,617
	EXPENDITURES		
	Current:		
0011	Instruction	11,752,895	11,972,252
0012	Instructional resources and media services	363,044	368,673
0013	Curriculum and instructional staff development	126,916	132,119
0021	Instructional leadership	324,502	345,580
0023	School leadership	1,125,182	1,141,455
0031	Guidance, counseling and evaluation services	532,541	574,206
0033	Health services	234,245	238,156
0034	Student (pupil) transportation	1,137,430	1,259,254
0035	Food services	-	24,334
0036	Extracurricular activities	945,580	991,933
0041	General administration	1,006,153	1,012,998
0051	Facilities maintenance and operations	2,191,006	2,196,875
0052	Security and monitoring services	345,489	381,467
0053	Data processing services	179,942	206,898
0061	Community services	-	200
	Capital Outlay:		
0081	Facilities acquisition and construction	1,155,054	589,362
	Intergovernmental:		
0091	Contracted instructional services between schools	147,328	157,328
0099	Other intergovernmental charges	320,527	320,527
6030	Total expenditures	21,887,834	21,913,617
1100	Excess (deficiency) of revenues over (over) expenditures	-	-
7919	Extraordinary items (insurance recovery)	-	-
1200	Net change in fund balance	-	-
0100	Fund balance - Beginning	12,225,125	12,225,125
3000	Fund balance - Ending	$ 12,225,125	$ 12,225,125

	Actual Amounts	Variance With Final Budget Positive or (Negative)
	$ 15,500,686	$ 426,967
	7,113,661	523,763
	549,349	299,349
	23,163,696	1,250,079
	11,557,094	415,158
	289,366	79,307
	112,597	19,522
	336,990	8,590
	1,110,114	31,341
	567,664	6,542
	227,317	10,839
	1,124,005	135,249
	23,952	382
	981,719	10,214
	917,093	95,905
	2,023,728	173,147
	358,477	22,990
	185,330	21,568
	108	92
	412,327	177,035
	146,252	11,076
	304,727	15,800
	20,678,860	1,234,757
	2,484,836	2,484,836
	229,895	229,895
	2,714,731	2,714,731
	12,225,125	-
	$ 14,939,856	$ 2,714,731

BELLVILLE INDEPENDENT SCHOOL DISTRICT

NOTES TO REQUIRED BUDGETARY SCHEDULE

AUGUST 31, 2019

The Board of Trustees adopts an "appropriated budget" for the General Fund, Child Nutrition Program and the Debt Service Fund. 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 "Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund" and the other two reports are in Exhibit J-4 "Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Child Nutrition Program" and J-5 "Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Debt Service Fund."

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 notices 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 be amended at the function and fund level by approval of a majority of the members of the Board. Changes can be made to the budget at any detail within the function level without an amendment approved by the Board. During the year, several budget amendments were made with Board approval. The most significant amendments were for carryover funding; mid-year adjustments of operating costs; and year-end adjustments to expenditures based on the latest information concerning operating cost. All budget appropriations lapse at year-end.

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BELLVILLE INDEPENDENT SCHOOL DISTRICT

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

FOR THE YEAR ENDED AUGUST 31, 2019

Measurement Year Ended August 31,	2018	2017
District's proportion of the net pension liability (asset)	0.0117706%	0.0113756%
District's proportionate share of net pension liability (asset)	$ 6,478,845	$ 3,637,316
States proportionate share of the net pension liability (asset) associated with the District	11,358,928	6,933,612
Total	$ 17,837,773	$ 10,570,928
District's covered employee payroll	$ 13,697,434	$ 13,357,225
District's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	47.30%	27.23%
Plan fiduciary net position as a percentage of the total pension liability	73.74%	82.17%

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

	2016	2015	2014
	0.0105979%	0.0099843%	0.0050625%
	$ 4,004,799	$ 3,529,317	$ 1,352,264
	8,304,136	8,102,911	7,080,982
	$ 12,308,935	$ 11,632,228	$ 8,433,246
	$ 12,624,400	$ 11,875,312	$ 11,648,337
	31.72%	29.72%	11.61%
	78.00%	78.43%	83.25%

BELLVILLE INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PENSION CONTRIBUTIONS
TEACHER RETIREMENT SYSTEM

FOR THE YEAR ENDED AUGUST 31, 2019

Fiscal Year Ended August 31,	2019	2018	2017	2016
Contractually required contribution	$ 422,868	$ 398,574	$ 372,827	$ 336,723
Contribution in relation to the contractually required contribution	(422,868)	(398,574)	(372,827)	(336,723)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered employee payroll	$ 13,945,766	$ 13,694,944	$ 13,357,225	$ 12,624,400
Contributions as a percentage of covered employee payroll	3.03%	2.91%	2.79%	2.67%

2015	2014	2013	2012	2011	2010
$ 295,641	$ 128,348	$ 108,384	$ 94,215	$ 105,417	$ 105,429
(295,641)	(128,348)	(108,384)	(94,215)	(105,417)	(105,429)
$ -	$ -	$ -	$ -	$ -	$ -
$ 11,875,312	$ 11,648,337	$ 11,212,163	$ 11,338,031	$ 12,559,137	$ 12,844,240
2.49%	1.10%	0.97%	0.83%	0.82%	0.82%

SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET OPEB LIABILITY
TEXAS PUBLIC SCHOOL RETIRED EMPLOYEES GROUP INSURANCE PROGRAM

FOR THE YEAR ENDED AUGUST 31, 2019

Measurement Year Ended August 31,	2018	2017
District's proportion of the net OPEB liability (asset)	0.0168542%	0.0158220%
District's proportionate share of net OPEB liability (asset)	$ 8,415,464	$ 6,880,415
States proportionate share of the net OPEB liability (asset) associated with the District	11,434,886	10,379,859
Total	$ 19,850,350	$ 17,260,274
District's covered employee payroll	$ 13,697,434	$ 13,357,225
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered employee payroll	61.44%	51.51%
Plan fiduciary net position as a percentage of the total OPEB liability	1.57%	0.91%

Note: Only two years of data is presented in accordance with GASB #75, paragraph 245. "The information for all fiscal years for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."

SCHEDULE OF THE DISTRICT'S OPEB CONTTRIBUTIONS
TEXAS PUBLIC SCHOOL RETIRED EMPLOYEES GROUP INSURANCEC PROGRAM

FOR THE YEAR ENDED AUGUST 31, 2019

Fiscal Year Ended August 31,	2019	2018
Contractually required contribution	$ 122,296	$ 116,256
Contribution in relation to the contractually required contribution	(122,296)	(116,256)
Contribution deficiency (excess)	$ -	$ -
District's covered employee payroll	$ 13,945,766	$ 13,694,944
Contributions as a percentage of covered employee payroll	0.88%	0.85%

Note: Only two years of data is presented in accordance with GASB #75, paragraph 245. "The information for all fiscal years for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."

COMBINING STATEMENTS

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BELLVILLE INDEPENDENT SCHOOOOL DISTRICT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

AUGUST 31, 2019

Data Control Codes		Special Revenue Funds 211 ESEA I, A Improving Basic Program	224 IDEA Part B Formula	225 IDEA Part B Preschool
	ASSETS			
1110	Cash and cash equivalents	$ 199,117	$ -	$ -
1220	Property taxes - delinquent	-	-	-
1230	Allowance for uncollectible taxes	-	-	-
1240	Due from other governments	38,963	-	241
1260	Due from other funds	11,920	-	-
1290	Other receivables	-	-	-
1000	Total assets	250,000	-	241
	LIABILITIES			
2110	Accounts payable	-	-	-
2160	Accrued wages payable	-	-	-
2170	Due to other funds	250,000	-	241
2200	Accrued expenditures	-	-	-
2000	Total liabilities	250,000	-	241
	DEFERRED INFLOWS OF RESOURCES			
2601	Unavailable revenue	-	-	-
2600	Total deferred inflows of resources	-	-	-
	FUND BALANCES			
	Restricted for:			
3450	Federal or state grant restrictions	-	-	-
3480	Retirement of long-term debt	-	-	-
3490	Other	-	-	-
3545	Committed for campus activity	-	-	-
3000	Total fund balances	-	-	-
4000	Total liabilities, deferred inflows and fund balances	$ 250,000	$ -	$ 241

Special Revenue Funds					
226 IDEA Part B High Cost	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	272 MAC Program
$ -	$ 136,959	$ -	$ -	$ -	$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	23,390	-	8,027	-	3,255
-	-	-	-	-	-
-	146	-	-	206	-
-	160,495	-	8,027	206	3,255
-	30,187	-	-	-	-
-	20,630	-	-	-	-
-	-	-	8,027	206	3,255
-	2,170	-	-	-	-
-	52,987	-	8,027	206	3,255
-	-	-	-	-	-
-	-	-	-	-	-
-	107,508	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	107,508	-	-	-	-
$ -	$ 160,495	$ -	$ 8,027	$ 206	$ 3,255

BELLVILLE INDEPENDENT SCHOOOOL DISTRICT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

AUGUST 31, 2019

Data Control Codes		Special Revenue Funds 289 Title IV, Part A	385 Supplemental Visually Impaired	392 Non-Educ. Community Based Support
	ASSETS			
1110	Cash and cash equivalents	$ -	$ -	$ -
1220	Property taxes - delinquent	-	-	-
1230	Allowance for uncollectible taxes	-	-	-
1240	Due from other governments	191	-	1,624
1260	Due from other funds	-	-	-
1290	Other receivables	-	-	-
1000	Total assets	191	-	1,624
	LIABILITIES			
2110	Accounts payable	-	-	-
2160	Accrued wages payable	-	-	-
2170	Due to other funds	191	-	1,624
2200	Accrued expenditures	-	-	-
2000	Total liabilities	191	-	1,624
	DEFERRED INFLOWS OF RESOURCES			
2601	Unavailable revenue	-	-	-
2600	Total deferred inflows of resources	-	-	-
	FUND BALANCES			
	Restricted for:			
3450	Federal or state grant restrictions	-	-	-
3480	Retirement of long-term debt	-	-	-
3490	Other	-	-	-
3545	Committed for campus activity	-	-	-
3000	Total fund balances	-	-	-
4000	Total liabilities, deferred inflows and fund balances	$ 191	$ -	$ 1,624

Special Reveune Funds					
397 Advanced Placement Incentives	429 Other State Special Revenue Funds	461 Campus Activity Funds	499 Museum Fund	599 Debt Service	Total Nonmajor Governmental Funds
$ -	$ 350	$ 117,977	$ 869	$ 1,080,197	$ 1,535,469
-	-	-	-	88,866	88,866
-	-	-	-	(22,217)	(22,217)
-	-	-	-	-	75,691
-	-	-	-	-	11,920
-	-	-	-	-	352
-	350	117,977	869	1,146,846	1,690,081
-	350	-	-	-	30,537
-	-	-	-	-	20,630
-	-	-	-	-	263,544
-	-	-	-	-	2,170
-	350	-	-	-	316,881
-	-	-	-	63,533	63,533
-	-	-	-	63,533	63,533
-	-	-	-	-	107,508
-	-	-	-	1,083,313	1,083,313
-	-	-	869	-	869
-	-	117,977	-	-	117,977
-	-	117,977	869	1,083,313	1,309,667
$ -	$ 350	$ 117,977	$ 869	$ 1,146,846	$ 1,690,081

BELLVILLE INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED AUGUST 31, 2019

Data Control Codes		Special Revenue Funds 211 ESEA I, A Improving Basic Program	224 IDEA Part B Formula	225 IDEA Part B Preschool
	REVENUES			
5700	Local and intermediate sources	$ -	$ -	$ -
5800	State program	-	-	-
5900	Federal program	478,335	413,824	7,646
5020	Total revenues	478,335	413,824	7,646
	EXPENDITURES			
	Current:			
0011	Instruction	478,335	233,337	-
0013	Curriculum and instructional staff development	-	-	-
0031	Guidance, counseling and evaluation services	-	180,487	7,646
0033	Health services	-	-	-
0035	Food services	-	-	-
0036	Extracurricular activities	-	-	-
0061	Community services	-	-	-
	Debt service:	-		
0071	Principal on long term debt	-	-	-
0072	Interest on long term debt	-	-	-
0073	Bond issuance costs and fees	-	-	-
6030	Total expenditures	478,335	413,824	7,646
1200	Net change in fund balances	-	-	-
0100	Fund balance - September 1 (beginning)	-	-	-
3000	Fund balance - August 31 (ending)	$ -	$ -	$ -

Special Revenue Funds					
226 IDEA Part B High Cost	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	272 MAC Program
$ -	$ 525,274	$ -	$ -	$ -	$ -
-	5,351	-	-	-	-
108,803	715,144	31,595	72,731	12,404	5,897
108,803	1,245,769	31,595	72,731	12,404	5,897
94,803	-	31,595	70,755	12,404	-
-	-	-	1,976	-	-
14,000	-	-	-	-	-
-	-	-	-	-	5,897
-	1,286,737	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
108,803	1,286,737	31,595	72,731	12,404	5,897
-	(40,968)	-	-	-	-
-	148,476	-	-	-	-
$ -	$ 107,508	$ -	$ -	$ -	$ -

BELLVILLE INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED AUGUST 31, 2019

Data Control Codes		Special Revenue Funds 289 Title IV, Part A	385 Supplemental Visually Impaired	392 Non-Educ. Community Based Support
	REVENUES			
5700	Local and intermediate sources	$ -	$ -	$ -
5800	State program	-	700	1,624
5900	Federal program	25,880	-	-
5020	Total revenues	25,880	700	1,624
	EXPENDITURES			
	Current:			
0011	Instruction	7,228	700	-
0013	Curriculum and instructional staff development	18,652	-	-
0031	Guidance, counseling and evaluation services	-	-	-
0033	Health services	-	-	-
0035	Food services	-	-	-
0036	Extracurricular activities	-	-	-
0061	Community services	-	-	1,624
	Debt service:			
0071	Principal on long term debt	-	-	-
0072	Interest on long term debt	-	-	-
0073	Bond issuance costs and fees	-	-	-
6030	Total expenditures	25,880	700	1,624
1200	Net change in fund balances	-	-	-
0100	Fund balance - September 1 (beginning)	-	-	-
3000	Fund balance - August 31 (ending)	$ -	$ -	$ -

	Special Reveune Funds					
	397 Advanced Placement Incentives	429 Other State Special Revenue Funds	461 Campus Activity Funds	499 Museum Fund	599 Debt Service	Total Nonmajor Governmental Funds
	$ -	$ -	$ 98,595	$ 398	$ 1,863,677	$ 2,487,944
	-	350	-	-	43,482	51,507
	-	-	-	-	-	1,872,259
	-	350	98,595	398	1,907,159	4,411,710
	-	350	-	-	-	929,507
	-	-	-	-	-	20,628
	-	-	-	-	-	202,133
	-	-	-	-	-	5,897
	-	-	-	-	-	1,286,737
	-	-	71,545	-	-	71,545
	-	-	-	284	-	1,908
	-	-	-	-	1,140,000	1,140,000
	-	-	-	-	676,758	676,758
	-	-	-	-	1,300	1,300
	-	350	71,545	284	1,818,058	4,336,413
	-	-	27,050	114	89,101	75,297
	-	-	90,927	755	994,212	1,234,370
	$ -	$ -	$ 117,977	$ 869	$ 1,083,313	$ 1,309,667

COMINING STATEMENT OF NET POSITION
PRIVATE-PURPOSE TRUST FUNDS

FOR THE YEAR ENDED AUGUST 31, 2019

	York Athletic Trust	Lisa Wise Memorial Scholarship	Totals
ASSETS			
Cash and cash equivalents	$ 4,333	$ 2,350	$ 6,683
Restricted assets	75,000	-	75,000
Total assets	79,333	2,350	81,683
LIABILITIES	-	-	-
NET POSITION			
Held in trust for scholarships	79,333	2,350	81,683
Total net position	$ 79,333	$ 2,350	$ 81,683

BELLVILLE INDEPENDENT SCHOOL DISTRICT **EXHIBIT H-4**

COMBINING STATEMENT OF CHANGES IN NET POSITION
PRIVATE-PURPOSE TRUST FUNDS

FOR THE YEAR ENDED AUGUST 31, 2019

	York Athletic Trust	Lisa Wise Memorial Scholarship	Totals
ADDITIONS			
Investment income	$ 3,193	$ -	$ 3,193
Gifts and bequests	-	2,350	2,350
Total additions	3,193	2,350	5,543
DEDUCTIONS			
Scholarship awards	1,288	-	1,288
Total deductions	1,288	-	1,288
CHANGE IN NET POSITION	1,905	2,350	4,255
Net position - Beginning	77,428	-	77,428
Net position - Ending	$ 79,333	$ 2,350	$ 81,683

The accompanying notes are an integral part of this financial statement.

REQUIRED TEA SCHEDULES

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BELLVILLE INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF DELINQUENT TAXES RECEIVABLE

FOR THE YEAR ENDED AUGUST 31, 2019

	1	2	3	10
Last Ten Years Ended August 31,	Tax Rates Maintenance	 Debt Service	Net Assessed/ Appraised Value for School Tax Purpose	Beginning Balance 9/1/2018
2010 and prior years	various	various	various	$ 85,809
2011	1.040000	0.220000	966,301,907	18,184
2012	1.040000	0.220000	993,816,253	20,040
2013	1.040000	0.220000	1,049,472,287	39,717
2014	1.080000	0.180000	1,050,487,509	52,635
2015	1.080000	0.180000	1,097,894,277	60,780
2016	1.120000	0.140000	1,067,500,810	76,248
2017	1.120000	0.140000	1,140,066,320	115,353
2018	1.120000	0.140000	1,204,650,952	252,273
2019	1.120000	0.140000	1,299,912,381	-
1000 Totals				$ 721,039

20 Current Year's Total Levy	31 Maintenance Total Collections	32 Debt Service Total Collections	40 Entire Year's Adjustments	50 Ending Balance 8/31/2019
$ -	$ 1,130	$ 239	$(18,392)	$ 66,048
-	307	65	(447)	17,365
-	384	81	(83)	19,492
-	(7,647)	(1,618)	(20,594)	28,388
-	(5,225)	(1,105)	(22,610)	36,355
-	11,479	1,913	(4,611)	42,777
-	16,824	2,804	(5,042)	51,578
-	29,728	3,716	(4,626)	77,283
-	119,965	14,996	(20,922)	96,390
16,378,896	14,292,997	1,786,625	(57,910)	241,364
$ 16,378,896	$ 14,459,942	$ 1,807,716	$(155,237)	$ 677,040

BELLVILLE INDEPENDENT SCHOOL DISTRICT **EXHIBIT J-4**

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL- NATIONAL BREAKFAST AND LUNCH PROGRAM FUND

FOR THE YEAR ENDED AUGUST 31, 2019

Data Control Codes		Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
	REVENUES				
5700	Local and intermediate sources	$ 540,834	$ 540,834	$ 525,274	$(15,560)
5800	State program	6,500	6,500	5,351	(1,149)
5900	Federal program	725,723	725,723	715,144	(10,579)
5020	Total revenues	1,273,057	1,273,057	1,245,769	(27,288)
	EXPENDITURES				
	Current:				
0035	Food service	1,258,057	1,288,057	1,286,737	1,320
0052	Facilities maintenance and operations	15,000	-	-	-
6030	Total expenditures	1,273,057	1,288,057	1,286,737	1,320
1200	Net change in fund balances	-	(15,000)	(40,968)	(25,968)
0100	Fund balance - Beginning	148,476	148,476	148,476	-
3000	Fund balance - Ending	$ 148,476	$ 133,476	$ 107,508	$(25,968)

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

FOR THE YEAR ENDED AUGUST 31, 2019

Data Control Codes		Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
	REVENUES				
5700	Local and intermediate sources	$ 1,836,376	$ 1,836,376	$ 1,863,677	$ 27,301
5800	State program	43,920	43,920	43,482	(438)
5020	Total revenues	1,880,296	1,880,296	1,907,159	26,863
	EXPENDITURES				
	Debt service:				
0071	Principal on long-term debt	1,140,000	1,140,000	1,140,000	-
0072	Interest on long-term debt	676,758	676,758	676,758	-
0073	Bond issuance costs and fees	3,500	3,500	1,300	2,200
6030	Total expenditures	1,820,258	1,820,258	1,818,058	2,200
1100	Excess (deficiency) of revenues over (under) expenditures	60,038	60,038	89,101	29,063
0100	Fund balance - Beginning	994,212	994,212	994,212	-
3000	Fund balance - Ending	$ 1,054,250	$ 1,054,250	$ 1,083,313	$ 29,063

FEDERAL AWARDS AND OTHER COMPLIANCE SECTION

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PATTILLO, BROWN & HILL, L.L.P.
401 West State Highway 6
Waco, Texas 76710
254.772.4901 | pbhcpa.com

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

Board of Trustees
Bellville Independent School District
Bellville, 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 Bellville Independent School District, as of and for the year ended August 31, 2019, and the related notes to the financial statements, which collectively comprise Bellville Independent School District's basic financial statements, and have issued our report thereon dated November 7, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Bellville Independent School 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 Bellville Independent School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Bellville Independent School 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 over financial reporting 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 financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting 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 Bellville Independent School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Pattillo, Brown & Hill, L.L.P.

Waco, Texas
November 7, 2019

PATTILLO, BROWN & HILL, L.L.P.
401 West State Highway 6
Waco, Texas 76710
254.772.4901 | pbhcpa.com

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE

Board of Trustees
Bellville Independent School District
Bellville, Texas

Report on Compliance for Each Major Federal Program

We have audited Bellville Independent School District's compliance with the types of compliance requirements described in the *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of Bellville Independent School District's major federal programs for the year ended August 31, 2019. Bellville Independent School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Bellville Independent School 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* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Bellville Independent School 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 Bellville Independent School District's compliance.

Opinion on Each Major Federal Program

In our opinion, Bellville Independent School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2019.

Report on Internal Control over Compliance

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

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

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

Pattillo, Brown & Hill, L.L.P.

Waco, Texas
November 7, 2019

BELLVILLE INDEPENDENT SCHOOL DISTRICT **EXHIBIT K-1**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED AUGUST 31, 2019

(1) Federal Grantor/ Pass-through Grantor/ Grantor/Program Title	(2) Federal CFDA Number	(2A) Pass-through Entity Identifying Number	(3) Federal Expenditures
U . S. DEPARTMENT OF AGRICULTURE			
Passed through the Texas Education Agency:			
School Breakfast Program (SBP)	10.553	71401801	$ 16,524
School Breakfast Program (SBP)	10.553	71401901	115,305
National School Lunch Program (NSLP)	10.555	71301801	68,473
National School Lunch Program (NSLP)	10.555	71301901	439,806
Total Passed through the Texas Education Agency			640,108
Passed through the Texas Department of Agriculture:			
National School Lunch Program Commodities - Non-cash assistance	10.555	CE 00026	75,036
Total Passed through the Texas Department of Agriculture			75,036
Total Child Nutrition Cluster			715,144
TOTAL U. S. DEPARTMENT OF AGRICULTURE			715,144
U. S. DEPARTMENT OF EDUCATION			
Passed through the Texas Education Agency:			
IDEA B Formula - Special Education Grants to States	84.027	196600010089016000	413,824
IDEA B High Cost	84.027	66001806	94,803
IDEA Preschool - Special Education Preschool Grants	84.173	196610010089016000	7,646
Total Passed through the Texas Education Agency			516,273
Passed through Education Service Center Region 20:			
Evaluation Capacity Grant	84.027	2265431906019	14,000
Total Passed through Educatin Service Center Region 20			14,000
Total IDEA Cluster			530,273
Passed through the Texas Education Agency:			
ESEA, Title I, Part A - Improving Basic Programs	84.010	19610101008901	478,335
Career and Technical Education - Basic Grant	84.048	19420006008901	31,595
ESEA Title II, Part A - Teacher & Principal Training & Recruiting	84.367	19694501008901	72,731
Summer School LEP	84.369	69551802	1,252
Title IV, Part A	84.424	19680101008901	24,628
Total Passed through the Texas Education Agency			608,541
Passed through Education Service Center Region 6:			
Title III, Part A - English Language Acquisition	84.365	19671001236950	12,404
Total Passed through Educatin Service Center Region 6			12,404
TOTAL U. S. DEPARTMENT OF EDUCATION			1,151,218
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through Texas Health and Human Services Commission:			
Medicaid Administrative Claiming Program - MAC	93.778	529-10-0054-00001	5,897
Total Passed through Texas Health and Human Services Commission			5,897
TOTAL U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			5,897
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 1,872,259

BELLVILLE INDEPENDENT SCHOOL DISTRICT

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

AUGUST 31, 2019

Basis of Presentation

The accompanying schedule of expenditures of federal awards (SEFA) includes the federal grant activity of the District. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance"). Therefore, some amounts may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Summary of Significant Accounting Policies

Expenditures reported on the SEFA are reported on the modified accrual basis of accounting. These expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the SEFA, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

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

None of the federal award programs expended by the District were passed through to subrecipients.

The following is a reconciliation of expenditures of federal awards programs per the Schedule of Expenditures of Federal Awards and expenditures reported in the financial statements as follows:

Federal revenues per the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds (Exhibit C-3)	$ 2,421,608
Less:	
School health and realated services revenue	(549,349)
Federal expenditures per the Schedule of Expenditures of Federal Awards (Exhibit K-1)	$ 1,872,259

BELLVILLE INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED AUGUST 31, 2019

Summary of Auditor's Results

Financial Statements:	
Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified, that were not considered a material weakness	None reported
Material noncompliance to the financial statements noted?	None
Federal Awards:	
Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified, that were not considered a material weakness	None reported
Type of auditor's report on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	None
Identification of major programs:	
CFDA Numbers:	Name of Federal Program or Cluster:
10.553 and 10.555	Child Nutrition Cluster
Dollar threshold used to distinguish between type A and type B programs	$750,000
Auditee qualified as low-risk auditee?	Yes

Findings Relating to the Financial Statements Which are Required to be Reported in Accordance With Generally Accepted Government Auditing Standards

None

Findings and Questioned Costs for Federal Awards

None

BELLVILLE INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED AUGUST 31, 2019

None.

BELLVILLE INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS

FOR THE YEAR ENDED AUGUST 31, 2019

SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement at fiscal year end?	No
SF4	Was there an unmodified opinion in the Annual Financial Report on the financial statements as a whole?	Yes
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 make timely payments to the Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies?	Yes
SF8	Did the school district not receive an adjusted repayment schedule for more than one fiscal year for an over allocation of Foundation School Program (FSP) funds as a result of a financial hardship?	Yes
SF10	Total accumulated accretion on CABs included in government-wide financial statements at fiscal year-end.	$ 186,142
SF11	Net Pension Assets (1920) at fiscal year-end	$ -
SF12	Net Pension Liabilities (2540) at fiscal year-end	$ 6,478,845

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