

Onalaska Independent School District

Annual Financial Report

For the Fiscal Year Ended August 31, 2021

Onalaska Independent School District
 Annual Financial Report
 For the Fiscal Year Ended August 31, 2021
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Certificate of the Board

Onalaska Independent School District

Name of School District

Polk

County

187-910

Co.-Dist Number

We, the undersigned, certify that the attached annual financial reports of the above named school district were reviewed and approved _____ disapproved for the fiscal year ended August 31, 2021 at a meeting of the Board of Trustees of such school district on the 15th day of November, 2021.



Signature of Board Secretary



Signature of Board President

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

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Financial Section

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Independent Auditor's Report

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

Management's Responsibility for the Financial Statements

The District's 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 Onalaska Independent School District, as of August 31, 2021, and the respective changes in financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the basic financial statements, during the fiscal year ended August 31, 2021, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. Beginning net position for the fiduciary fund has been restated as a result of the implementation of this statement. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Required Supplementary Information as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of 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.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Onalaska Independent School District's basic financial statements. The Supplementary Information and Schedule of Required Responses to Selected School FIRST Indicators, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Supplementary Information 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 Supplementary Information and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Schedule of Required Responses to Selected School FIRST Indicators has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

The Board of Trustees of
Onalaska Independent School District

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 10, 2021 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Onalaska Independent School District's internal control over financial reporting and compliance.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Houston, Texas
November 10, 2021

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Management's Discussion and Analysis

As management of the Onalaska Independent School District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended August 31, 2021.

Financial Highlights

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$3,179,984 (*net position*). Of this amount, \$1,810,314 (*unrestricted net position*) was in a deficit due to the District's net pension and OPEB liabilities.
- The District's total net position increased by \$2,330,277.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$10,047,919, an increase of \$1,872,173 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$5,847,547, or 48 percent of total general fund expenditures.
- The District's total net bonded debt decreased by \$1,333,432.

Overview of the Financial Statements

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

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

The *Statement of Net Position* (Exhibit A-1) presents information on all of the District's assets, liabilities, and deferred inflows/outflows of resources, with the difference between them reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *Statement of Activities* (Exhibit B-1) presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and incurred but unpaid interest).

The government-wide financial statements of the District are principally supported by taxes and intergovernmental revenues (*governmental activities*). The governmental activities of the District include *Instruction, Instructional Resources and Media Services, Curriculum and Instructional Staff Development, Instructional Leadership, School Leadership, Guidance, Counseling, and Evaluation Services, Health Services, Student Transportation, Food Services, Extracurricular Activities, General Administration, Plant Maintenance and Operations, Security and Monitoring Services, Data Processing Services, Interest on Long-term Debt, Issuance Costs and Fees, Payments Related to Shared Services Arrangements, and Other Intergovernmental Charges*.

The government-wide financial statements can be found as noted in the table of contents of this report.

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

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

Because the focus of governmental funds financial statements is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term effect of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The District maintained fourteen individual governmental funds during the year. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and debt service fund, which are considered to be major funds. Data from the other twelve governmental funds are combined into a single, aggregated presentation titled *other governmental funds*.

The District adopts an annual revenue and appropriations budget for its general fund, debt service fund and national school breakfast and lunch program special revenue fund. All other governmental funds adopt project length budgets. Subsequent to adoption, amendments approved by the governing body are reflected in a revised budget column. A budgetary comparison schedule has been provided for the general fund, debt service fund and national school breakfast and lunch program special revenue fund to demonstrate compliance with its budget.

The basic governmental fund financial statements can be found as noted in the table of contents of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources related to scholarship funds. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the District's own programs. The accounting used for fiduciary funds is similar to the accounting used for proprietary funds.

The basic fiduciary fund financial statements can be found as noted in the table of contents of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found as noted in the table of contents of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report presents required supplementary information and supplementary information, which includes schedules required by the Texas Education Agency. Such information can be found as noted in the table of contents of this report.

Government-wide Financial Analysis

As mentioned earlier, net position may, over time, serve as a useful indicator of a District's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$3,179,984 at the close of the most recent fiscal year.

Onalaska Independent School District's Net Position

	Governmental Activities					
	2021		2020		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
Current and other assets	\$ 11,684,218	42	\$ 9,557,713	37	\$ 2,126,505	22
Capital assets	16,004,197	58	16,262,637	63	(258,440)	(2)
Total assets	27,688,415	100	25,820,350	100	1,868,065	
Total deferred outflows of resources	1,983,478	100	2,641,298	100	(657,820)	(25)
Long-term liabilities outstanding	19,746,869	95	22,314,185	97	(2,567,316)	(12)
Other liabilities	1,002,445	5	730,133	3	272,312	37
Total liabilities	20,749,314	100	23,044,318	100	(2,295,004)	
Total deferred inflows of resources	5,742,595	100	4,567,623	100	1,174,972	26
Net position:						
Net investment in capital assets	4,147,054	130	3,946,977	465	200,077	5
Restricted for grants	312,529	10	190,918	22	121,611	64
Restricted for debt service	530,715	17	157,200	18	373,515	238
Unrestricted (deficit)	(1,810,314)	(57)	(3,445,388)	(405)	1,635,074	(47)
Total net position	\$ 3,179,984	100	\$ 849,707	100	\$ 2,330,277	

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

Net position that is restricted for debt service and grants totaled \$530,715 of net position. The *unrestricted net position* is a deficit (\$1,810,314) resulting from the liabilities for pension and OPEB.

Governmental Activities. Governmental activities increased the District's net position by \$2,330,277 from current operations. Key elements of this change are as follows:

Onalaska Independent School District's Changes in Net Position

	Governmental Activities					
	2021		2020		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
Revenue:						
Program revenues:						
Charges for services	\$ 227,212	1	\$ 194,657	1	\$ 32,555	17
Operating grants and contributions	2,966,073	17	2,381,365	15	584,708	25
General revenues:						
Property taxes, levied for general purposes	5,994,135	35	5,973,123	36	21,012	-
Property taxes, levied for debt service	1,154,499	7	1,138,060	7	16,439	1
Grants and contributions not restricted to specific programs	6,642,630	38	6,406,267	39	236,363	4
Investment earnings	21,280	-	90,638	1	(69,358)	(77)
Miscellaneous	383,677	2	125,816	1	257,861	205
Total revenues	17,389,506	100	16,309,926	100	1,079,580	
Expenses:						
Instruction	7,912,159	53	7,933,731	51	(21,572)	-
Instructional resources and media services	35,420	-	33,628	-	1,792	5
Curriculum and instructional staff development	267,282	2	254,879	2	12,403	5
Instructional leadership	377,986	2	385,214	2	(7,228)	(2)
School leadership	800,170	5	786,681	5	13,489	2
Guidance, counseling, and evaluation services	192,785	1	195,919	1	(3,134)	(2)
Health services	98,082	1	113,968	1	(15,886)	(14)
Student transportation	699,370	5	674,599	4	24,771	4
Food services	955,087	6	994,875	6	(39,788)	(4)
Extracurricular activities	612,487	4	619,725	4	(7,238)	(1)
General administration	526,202	3	494,843	3	31,359	6
Plant maintenance and operations	1,371,939	9	1,193,817	8	178,122	15
Security and monitoring services	81,338	1	87,906	1	(6,568)	(7)
Data processing services	292,698	2	285,029	2	7,669	3
Community services	6,988					
Interest on long-term debt	298,126	2	1,049,545	7	(751,419)	(72)
Issuance costs and fees	106,981	1	999	-	105,982	10,609
Payments related to shared services arrangements	271,260	2	233,834	2	37,426	16
Other intergovernmental charges	152,869	1	153,215	1	(346)	-
Total expenses	15,059,229	100	15,492,407	100	(440,166)	
Change in net position	2,330,277		817,519		1,512,758	
Net position - beginning	849,707		32,188		817,519	
Net position - ending	\$ 3,179,984		\$ 849,707		\$ 2,330,277	

Revenues are generated primarily from two sources. Grants and contributions (program and general revenues totaling \$9,608,703) represent 55 percent of total revenues, and property taxes (\$7,148,634) represent 42 percent of total revenues. The remaining 3 percent is generated from investment earnings, charges for services, and miscellaneous revenues. The most significant change in revenues is the increase in federal funding for spending related to responding to the COVID-19 pandemic.

The primary functional expenses of the District are instruction (\$7,912,159) which represents 53 percent of total expenses. The remaining functional categories of expenses are individually 9 percent or less of total expenditures.

Financial Analysis of the Government's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$10,047,919, an increase of \$1,872,173 in comparison with the prior year.

The general fund is the chief operating fund of the District. At the end of the current fiscal year, total fund balance of the general fund was \$8,088,780 and unassigned fund balance was \$5,847,547. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 48 percent of total general fund expenditures, while total fund balance represents 66 percent of the same amount. The fund balance of the District's general fund increased by \$1,506,706 during the current fiscal year primarily due to increase in state allotment.

The debt service fund has a total fund balance of \$1,512,083, all of which is restricted for the payment of debt service. No significant changes occurred in the debt service fund.

General Fund Budgetary Highlights

The District amends the budget as needed throughout the year.

There were no significant differences between the originally adopted budget and the final amended budget.

There were no significant variances between the final budget and actual amounts.

Capital Assets and Long-term Liabilities

Capital Assets. The District's investment in capital assets for its governmental type activities as of August 31, 2021, amounts to \$16,004,197 (net of accumulated depreciation). This investment in capital assets includes land and improvements, buildings and improvements, and furniture and equipment.

Onalaska Independent School District's Capital Assets (net of depreciation)

	Governmental Activities					
	2021		2020		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
Land and improvements	\$ 129,553	1	\$ 129,553	1	\$ -	-
Buildings and improvements	14,989,761	94	15,233,820	94	(244,059)	(2)
Furniture and equipment	884,883	5	899,264	5	(14,381)	(2)
Totals	\$ 16,004,197	100	\$ 16,262,637	100	\$ (258,440)	

Major capital asset events during the current fiscal year included the following:

- Capital expenditures related to roof renovations in the amount of approximately \$339,000

Additional information on the District's capital assets can be found in notes to the financial statements as noted in the table of contents of this report.

Long-term Liabilities. At year-end, the District had the following long-term liabilities:

Onalaska Independent School District's Long-term Liabilities Outstanding

	Governmental Activities					
	2021		2020		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
General obligation bonds	\$ 11,928,058	60	\$ 13,261,490	59	\$ (1,333,432)	(10)
Note payable from direct placement	450,624	1	488,075	2	(37,451)	(8)
Net pension liability	3,475,208	18	3,488,690	16	(13,482)	-
Net OPEB liability	3,892,979	20	5,075,930	23	(1,182,951)	(23)
Totals	\$ 19,746,869	99	\$ 22,314,185	100	\$ (2,567,316)	

The District's net bonded debt decreased by \$1,333,432 during the current fiscal year as a result of scheduled debt payments. Note payable from direct placement decreased by \$37,451 (8 percent) during the current fiscal year as a result of scheduled payments. The District's general obligation debt is backed by the full faith and credit of the District and is further guaranteed by the Texas Permanent School Fund Guarantee Program. State statutes do not limit the tax rate or amount for the support of school districts' bonded indebtedness. However, approval of the Attorney General of the State of Texas is required prior to the sale of bonds.

Additional information on the District's long-term debt, net pension liability and OPEB liability can be found in the notes to the financial statements as indicated in the table of contents of this report.

Economic Factors and Next Year's Budgets and Rates

- Current enrollment (2020-2021) totals 1,202 students, which is a increase from 1,143 students in the prior year.
- District staff totals 193 employees in 2020-2021, which includes 85 teachers and 37 teachers' aides and secretaries.
- The District maintains two campuses for instruction.
- The unemployment rate for the County is currently 8.6 percent, which is a decrease from a rate of 9.3 percent a year ago. This compares unfavorably to the state's average unemployment rate of 5.9 percent, which is a decrease from a rate of 2.1 percent a year ago.
- Property values of the District are projected to increase 11 percent in the 2021-2022 fiscal year from the prior fiscal year.
- A maintenance and operations tax rate of \$.908600 and a debt service tax rate of \$0.175300 a total of \$1.083900 were adopted for 2021-2022. Preceding year rates were \$.976400, and \$0.188900 for a total of \$1.1653, respectively.

All of these factors were considered in preparing the District's budget for the 2021-2022 fiscal year.

During the current fiscal year, unassigned fund balance in the general fund increased to \$5,847,547. The District plans to utilize unassigned fund balance to fund current expenditures prior to collecting the current year tax levy.

Requests for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Business Manager, Onalaska Independent School District, P.O. Box 2289, Onalaska, Texas, 77360.

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Basic Financial Statements

Onalaska Independent School District
Statement of Net Position
August 31, 2021

Exhibit A-1

1

<u>Data Control Codes</u>		<u>Primary Government Governmental Activities</u>
ASSETS		
1110	Cash and cash equivalents	\$ 9,390,003
1220	Property taxes receivable	688,872
1230	Allowance for uncollectible taxes	(34,435)
1240	Due from other governments	1,461,756
1290	Other receivables	130,704
1300	Inventories	47,318
	Capital assets, not being depreciated:	
1510	Land and improvements	129,553
1520	Buildings and improvements (net)	14,989,761
1530	Furniture and equipment (net)	884,883
		<hr/>
1000	Total assets	27,688,415
DEFERRED OUTFLOWS OF RESOURCES		
1705	Deferred outflows - pension	1,455,750
1706	Deferred outflows - OPEB	527,728
		<hr/>
1700	Total deferred outflows of resources	1,983,478
LIABILITIES		
2110	Accounts payable	177,591
2140	Interest payable	20,583
2160	Accrued wages payable	802,652
2180	Due to other governments	1,619
	Noncurrent liabilities:	
2501	Due within one year - bonds and notes payable	703,332
2502	Due in more than one year - bonds and notes payable	11,675,350
2540	Net pension liability	3,475,208
2545	Net OPEB liability	3,892,979
		<hr/>
2000	Total liabilities	20,749,314
DEFERRED INFLOWS OF RESOURCES		
2605	Deferred inflows - pension	733,025
2606	Deferred inflows - OPEB	4,468,134
2610	Deferred gain on refunding	541,436
		<hr/>
2600	Total deferred inflows of resources	5,742,595
NET POSITION		
3200	Net investment in capital assets	4,147,054
3820	Restricted for grants	312,529
3850	Restricted for debt service	530,715
3900	Unrestricted (deficit)	(1,810,314)
		<hr/>
3000	TOTAL NET POSITION	\$ 3,179,984
		<hr/>

The Notes to the Financial Statements are an integral part of this statement.

Onalaska Independent School District
Statement of Activities
For the Fiscal Year Ended August 31, 2021

Exhibit B-1

Data Control Codes	Functions/Programs	1 Expenses	3 Program Revenues		4 Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position Governmental Activities
			Charges for Services			
PRIMARY GOVERNMENT						
Governmental activities:						
0011	Instruction	\$ 7,912,159	\$ -		\$ 1,264,611	\$ (6,647,548)
0012	Instructional resources and media services	35,420	-		-	(35,420)
0013	Curriculum and instructional staff development	267,282	-		149,022	(118,260)
0021	Instructional leadership	377,986	-		114,606	(263,380)
0023	School leadership	800,170	-		41,123	(759,047)
0031	Guidance, counseling, and evaluation services	192,785	-		10,711	(182,074)
0033	Health services	98,082	-		3,579	(94,503)
0034	Student transportation	699,370	-		126,248	(573,122)
0035	Food services	955,087	64,172		1,002,723	111,808
0036	Extracurricular activities	612,487	163,040		21,859	(427,588)
0041	General administration	526,202	-		21,855	(504,347)
0051	Plant maintenance and operations	1,371,939	-		98,245	(1,273,694)
0052	Security and monitoring services	81,338	-		32,616	(48,722)
0053	Data processing services	292,698	-		13,686	(279,012)
0061	Community services	6,988	-		33,921	26,933
0072	Interest on long-term debt	298,126	-		31,268	(266,858)
0073	Issuance costs and fees	106,981	-		-	(106,981)
0093	Payments related to shared services arrangements	271,260	-		-	(271,260)
0099	Other intergovernmental charges	152,869	-		-	(152,869)
TG	Total governmental activities	<u>15,059,229</u>	<u>227,212</u>		<u>2,966,073</u>	<u>(11,865,944)</u>
TP	TOTAL PRIMARY GOVERNMENT	<u>\$ 15,059,229</u>	<u>\$ 227,212</u>		<u>\$ 2,966,073</u>	<u>(11,865,944)</u>
General revenues:						
MT	Property taxes, levied for general purposes					5,994,135
DT	Property taxes, levied for debt service					1,154,499
GC	Grants and contributions not restricted to specific programs					6,642,630
IE	Investment earnings					21,280
MI	Miscellaneous					383,677
TR	Total general revenues					<u>14,196,221</u>
CN	Change in net position					2,330,277
NB	Net position - beginning					<u>849,707</u>
NE	NET POSITION - ENDING					<u>\$ 3,179,984</u>

The Notes to the Financial Statements are an integral part of this statement.

Onalaska Independent School District

Balance Sheet
 Governmental Funds
 August 31, 2021

Data Control Codes		199	599
		General Fund	Debt Service Fund
ASSETS			
1110	Cash and cash equivalents	\$ 7,467,021	\$ 1,511,304
1220	Property taxes receivable	586,335	102,537
1230	Allowance for uncollectible taxes	(29,310)	(5,125)
1240	Due from other governments	776,369	-
1260	Due from other funds	583,582	-
1290	Other receivables	128,306	2,398
1300	Inventories	-	-
1000	Total assets	<u>9,512,303</u>	<u>1,611,114</u>
1000a	TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 9,512,303</u>	<u>\$ 1,611,114</u>
LIABILITIES			
2110	Accounts payable	\$ 108,735	\$ -
2160	Accrued wages payable	757,763	-
2170	Due to other funds	-	-
2180	Due to other governments	-	1,619
2000	Total liabilities	<u>866,498</u>	<u>1,619</u>
DEFERRED INFLOWS OF RESOURCES			
2600	Unavailable revenue - property taxes	<u>557,025</u>	<u>97,412</u>
	Total deferred inflows of resources	557,025	97,412
FUND BALANCES			
3410	Nonspendable - inventories	-	-
3450	Restricted - grant funds	-	-
3480	Restricted - debt service	-	1,512,083
3545	Committed - other	2,241,233	-
3600	Unassigned	<u>5,847,547</u>	<u>-</u>
3000	Total fund balances	<u>8,088,780</u>	<u>1,512,083</u>
4000	TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 9,512,303</u>	<u>\$ 1,611,114</u>

The Notes to the Financial Statements are an integral part of this statement.

Total Nonmajor Funds	98 Total Governmental Funds
\$ 411,678	\$ 9,390,003
-	688,872
-	(34,435)
685,387	1,461,756
-	583,582
-	130,704
47,318	47,318
<u>1,144,383</u>	<u>12,267,800</u>
<u>\$ 1,144,383</u>	<u>\$ 12,267,800</u>
\$ 68,856	\$ 177,591
44,889	802,652
583,582	583,582
-	1,619
<u>697,327</u>	<u>1,565,444</u>
-	654,437
-	654,437
47,318	47,318
312,529	312,529
-	1,512,083
87,209	2,328,442
-	5,847,547
<u>447,056</u>	<u>10,047,919</u>
<u>\$ 1,144,383</u>	<u>\$ 12,267,800</u>

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Onalaska Independent School District
 Reconciliation of the Governmental Funds Balance Sheet
 to the Statement of Net Position
 August 31, 2021

Exhibit C-1R

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS (EXHIBIT C-1) \$ 10,047,919

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

Capital assets used in governmental activities are not financial resources and therefore, are not reported as assets in governmental funds. The governmental capital assets at year-end consist of:

Governmental capital assets costs	\$ 25,506,967	
Accumulated depreciation of governmental capital assets	<u>(9,502,770)</u>	16,004,197

Property taxes receivable, which will be collected subsequent to year-end, but are not available soon enough to pay expenditures are deferred in the funds.		654,437
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Long-term liabilities, including bonds payable, note payable, and net pension and net OPEB liability, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Liabilities at year-end related to such items consist of:

Bonds payable, at original par	\$ (10,159,405)	
Premium on bonds payable	(705,678)	
Accreted interest	(1,062,975)	
Accrued interest on the bonds	(15,805)	
Note payable	(450,624)	
Accrued interest on note payable	(4,778)	
Net pension liability	(3,475,208)	
Net OPEB liability	<u>(3,892,979)</u>	(19,767,452)

Deferred gain on refunding is reported as a deferred inflow in the statement of net position and it is not reported in the funds due to it is not a current financial resource available to pay for current expenditures.		(541,436)
---	--	-----------

Deferred outflows of resources for pension represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditures) until then.		1,455,750
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Deferred inflows of resources for pension represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.		(733,025)
--	--	-----------

Deferred outflows of resources for OPEB represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditures) until then.		527,728
--	--	---------

Deferred inflows of resources for OPEB represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.		<u>(4,468,134)</u>
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TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES (EXHIBIT A-1) **\$ 3,179,984**

Onalaska Independent School District
Statement of Revenues, Expenditures, and Changes
in Fund Balances
Governmental Funds
For the Fiscal Year Ended August 31, 2021

Data Control Codes		199	599
		General Fund	Debt Service Fund
REVENUES			
5700	Local and intermediate sources	\$ 6,420,197	\$ 1,161,775
5800	State program revenues	7,117,986	31,268
5900	Federal program revenues	170,065	-
		<hr/>	<hr/>
5020	Total revenues	13,708,248	1,193,043
EXPENDITURES			
Current:			
0011	Instruction	6,929,915	-
0012	Instructional resources and media services	12,560	-
0013	Curriculum and instructional staff development	108,607	-
0021	Instructional leadership	267,173	-
0023	School leadership	748,772	-
0031	Guidance, counseling, and evaluation services	176,865	-
0033	Health services	93,308	-
0034	Student transportation	559,240	-
0035	Food services	-	-
0036	Extracurricular activities	335,276	-
0041	General administration	505,438	-
0051	Plant maintenance and operations	1,295,878	-
0052	Security and monitoring services	70,382	-
0053	Data processing services	286,232	-
0061	Community services	-	-
Debt service:			
0071	Principal on long-term debt	37,451	438,555
0072	Interest on long-term debt	11,203	578,409
0073	Issuance costs and fees	-	106,981
Capital outlay:			
0081	Facilities acquisition and construction	339,113	-
Intergovernmental:			
0093	Payments related to shared services arrangements	271,260	-
0099	Other intergovernmental charges	152,869	-
		<hr/>	<hr/>
6030	Total expenditures	12,201,542	1,123,945
1100	Excess (deficiency) of revenues over (under) expenditures	1,506,706	69,098
OTHER FINANCING SOURCES (USES)			
7911	Issuance of bonds	-	2,545,000
7916	Premium or discount on issuance of bonds	-	331,699
8949	Other uses	-	(2,764,564)
		<hr/>	<hr/>
7080	Total other financing sources (uses)	-	112,135
1200	Net change in fund balances	1,506,706	181,233
0100	Fund balances - beginning	6,582,074	1,330,850
		<hr/>	<hr/>
3000	FUND BALANCES - ENDING	\$ 8,088,780	\$ 1,512,083

The Notes to the Financial Statements are an integral part of this statement.

<u>Total Nonmajor Funds</u>	<u>98 Total Governmental Funds</u>
\$ 218,701	\$ 7,800,673
86,367	7,235,621
<u>2,097,353</u>	<u>2,267,418</u>
2,402,421	17,303,712
797,263	7,727,178
-	12,560
126,375	234,982
82,166	349,339
-	748,772
-	176,865
-	93,308
107,497	666,737
829,794	829,794
138,181	473,457
-	505,438
70,374	1,366,252
32,616	102,998
-	286,232
33,921	33,921
-	476,006
-	589,612
-	106,981
-	339,113
-	271,260
-	152,869
<u>2,218,187</u>	<u>15,543,674</u>
184,234	1,760,038
-	2,545,000
-	331,699
-	(2,764,564)
-	112,135
184,234	1,872,173
<u>262,822</u>	<u>8,175,746</u>
<u>\$ 447,056</u>	<u>\$ 10,047,919</u>

Onalaska Independent School District
 Reconciliation of the Statement of Revenues,
 Expenditures, and Changes in Fund Balances of
 Governmental Funds to the Statement of Activities
 For the Fiscal Year Ended August 31, 2021

Exhibit C-3

TOTAL NET CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS (EXHIBIT C-2) \$ 1,872,173

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

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is capitalized and allocated over their estimated useful lives as depreciation expense.

Capital assets increased	\$ 541,053	
Depreciation expense	<u>(799,493)</u>	(258,440)

Because some property taxes will not be collected for several months after the District's fiscal year end, they are not considered "available" revenues and are deferred in the governmental funds. Deferred tax revenues increased (decreased) by this amount this year. (19,870)

Issuance of bonds provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position.

Par value	\$ (2,545,000)	
(Premium) discount	(331,699)	
Payment to escrow agent	<u>2,764,564</u>	(112,135)

Repayment of bond and note principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 476,006

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due, and includes amortization of related long-term debt accounts. The changes reported in the statement of activities consist of the following:

Accrued interest on current interest bonds payable (increased) decreased	\$ 1,941	
Accrued interest on notes payable (increased) decreased	(51)	
Interest accreted on the capital appreciation bonds (increased) decreased	194,950	
Amortization of bond premium and discount	59,173	
Amortization of deferred charge and gain on refunding	<u>35,473</u>	291,486

The net change in net pension liability, deferred outflows, and deferred inflows is reported in the statement of activities but does not require the use of current financial resources and, therefore, is not reported as expenditures in the governmental funds. The net change consists of the following:

Deferred outflows increased (decreased)	\$ (400,218)	
Deferred inflows (increased) decreased	95,645	
Net pension liability (increased) decreased	<u>13,482</u>	(291,091)

The net change in net OPEB liability, deferred outflows, and deferred inflows is reported in the statement of activities but does not require the use of current financial resources and, therefore, is not reported as expenditures in the governmental funds. The net change consists of the following:

Deferred outflows increased (decreased)	\$ (81,622)	
Deferred inflows (increased) decreased	(729,181)	
Net OPEB liability (increased) decreased	<u>1,182,951</u>	<u>372,148</u>

CHANGE IN NET POSITION FOR GOVERNMENTAL ACTIVITIES (EXHIBIT B-1) \$ 2,330,277

The Notes to the Financial Statements are an integral part of this statement.

Onalaska Independent School District
 Statement of Fiduciary Net Position
 Fiduciary Fund
 August 31, 2021

Exhibit E-1

	865 Custodial Fund <hr/> Scholarship Funds <hr/>
ASSETS	
Cash and cash equivalents	\$ 64,872
Total assets	64,872
NET POSITION	
Restricted for:	
Scholarships	64,872
TOTAL NET POSITION	\$ 64,872

The Notes to the Financial Statements are an integral part of this statement.

Onalaska Independent School District
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Fiscal Year Ended August 31, 2021

Exhibit E-2

	865 Custodial Fund Scholarship Funds
	<u> </u>
ADDITIONS	
Investment income	\$ 159
Contributions	<u>65,419</u>
Total additions	65,578
DEDUCTIONS	
Scholarship awards	<u>74,794</u>
Total deductions	<u>74,794</u>
Net change in fiduciary net position	(9,216)
Net position - beginning of year, as originally reported	-
Cumulative effect of adoption of GASB 84	<u>74,088</u>
Net position - beginning of year, as restated	<u>74,088</u>
NET POSITION - END OF YEAR	<u><u>\$ 64,872</u></u>

The Notes to the Financial Statements are an integral part of this statement.

Onalaska Independent School District

Notes to the Financial Statements

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The Onalaska Independent School District (the District) is governed by a seven-member board of trustees (the Board), which has governance responsibilities over all activities related to public, elementary and secondary, education within the District. Members of the Board are elected by the public; have authority to make decisions; appoint management and significantly influence operations; and have primary accountability for fiscal matters; the District is not included in any other governmental reporting entity.

B. Description of Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government (the District). All fiduciary activities are reported only in the fund financial statements. Governmental activities normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions

C. Basis of Presentation – Government-wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds. Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

D. Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category—governmental and fiduciary—are presented. 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:

The *general fund* is the District's primary operating fund. It accounts for all financial resources of the District, except those accounted for in another fund.

The *debt service fund* is used to account for the accumulation of resources that are restricted, committed, or assigned for the payment of principal and interest on long-term obligations of governmental funds.

Additionally, the District reports the following governmental fund types:

The *special revenue funds* are used to account for the proceeds of specific revenues (other than those identified as a major fund) that are restricted or committed to expenditures for specific purposes.

Onalaska Independent School District

Notes to the Financial Statements

The District reports the following fiduciary fund types:

The *custodial fund* accounts for assets held by the District for scholarships. Contributions, gifts and fundraisers benefit the related scholarships.

During the course of operations the District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds are eliminated in governmental activities.

E. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District generally considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as required under accrual accounting. However, debt service and note payable expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Interest associated with the current fiscal period is considered to be susceptible to accrual and has been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items, including property taxes, are considered to be measurable and available only when cash is received by the District.

Onalaska Independent School District

Notes to the Financial Statements

F. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand and bank demand or time deposits with original maturities of three months or less from the date of acquisition.

2. Investments

Investments for the District, except for certain investment pools, are reported at fair value. The investment pools operate in accordance with appropriate state laws and regulations and are reported at amortized cost or net asset value.

3. Inventories and Prepaid Items

Inventories are valued at cost using the average cost method and consist of expendable supplies. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

4. Capital Assets

Capital assets, which include land and improvements, buildings and improvements, and furniture and equipment, are reported in the applicable governmental activities column in the government-wide financial statements. The District's infrastructure includes parking lots and sidewalks associated with various buildings. The cost of the infrastructure was initially capitalized with the building cost and is being depreciated over the same useful life as the building. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000, and an estimated useful life in excess of one year.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities), the District chose to include all such items regardless of their acquisition date or amount. The District was able to estimate the historical cost for the initial reporting of these assets through back trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the District constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

Land and improvements and construction in progress are not depreciated. The buildings and improvements and furniture and equipment of the District are depreciated using the straight line method over the following estimated useful lives:

<u>Capital Asset Classes</u>	<u>Lives</u>
Buildings and improvements	10-40
Furniture and equipment	5-15

Onalaska Independent School District

Notes to the Financial Statements

5. **Deferred Outflows/Inflows of Resources**

Deferred outflows of resources represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditures) until then. Deferred inflows of resources represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.

Deferred outflows/inflows of resources are amortized as follows:

- Deferred outflows/inflows from pension and OPEB activities are amortized over the weighted average remaining service life of all participants in the respective qualified pension plan and OPEB plan, except for projected and actual earnings differences on investments which are amortized on a closed basis over a 5-year period.
- District contributions to the pension and OPEB plans after the measurement date of each plan are recognized in the subsequent fiscal year.
- Deferred charge/gain on refunding is amortized over the shorter of the life of the refunded or refunding debt.
- Property taxes are recognized in the period the amount becomes available.

6. **Compensated Absences**

Vacation

The District does not have a liability for unpaid vacation at year-end due to the District's policy not allowing a carryover of vacation not taken by August 31.

Sick Leave

Accumulated sick leave lapses when employees end employment with the District and, upon separation from service, no monetary obligation exists.

7. **Net Position Flow Assumption**

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or 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 to be applied.

It is the District's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

8. **Fund Balance Flow Assumptions**

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.

9. **Fund Balance Policies**

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The District itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

Onalaska Independent School District

Notes to the Financial Statements

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision-making authority. The board of trustees (the Board) is the highest level of decision-making authority for the District that can, by board action or adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the board action or resolution remains in place until a similar action is taken (the board action or adoption of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as committed. The Board has by policy authorized the superintendent or his designee to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Unassigned fund balance represents the residual amount for the general fund that is not contained in the other classifications. The general fund is the only fund that reports a positive unassigned fund balance. Additionally, any deficit fund balance within the other governmental fund types is reported as unassigned.

10. Pension

The fiduciary net position of the Teacher Retirement System of Texas (TRS) Pension 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 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 Pension Plan 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.

11. Other Postemployment Benefits

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

G. Revenues and Expenditures/Expenses

1. Program Revenues

Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

2. Property Taxes

Property taxes for the current calendar year are levied on approximately October 1 of each year and are payable by January 31 of the following year. Property tax receivables are recorded as of the date levied. Unpaid taxes become delinquent on February 1 and a tax lien on real property is created as of July 1 of each year.

Onalaska Independent School District

Notes to the Financial Statements

H. Use of Estimates

The presentation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

I. 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 TEA in order to ensure accuracy in building a statewide database for policy development and funding plans.

J. Implementation of New Accounting Standards

GASB Statement No. 84, *Fiduciary Activities* (GASB 84), establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on 1) whether a government is controlling the assets of the fiduciary activity and 2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this statement were originally effective for reporting periods beginning after December 15, 2018; however, issuance of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance* (GASB 95), extended the effective date of GASB 84 to reporting periods beginning after December 15, 2019, with earlier application encouraged. GASB 84 was implemented in the District's 2021 financial statements, resulting in a cumulative effect adjustment of \$74,088 as of September 1, 2020 to net position in the fiduciary financial statements due to reclassification of certain fiduciary activities to conform to the new standard.

K. Recent Accounting Pronouncements

GASB Statement No. 87, *Leases* (GASB 87), establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under GASB 87, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this statement were originally effective for reporting periods beginning after December 15, 2019; however, issuance of GASB 95 extended the effective date of GASB 87 to reporting periods beginning after June 15, 2021, with earlier application encouraged. GASB 87 will be implemented in the District's fiscal year 2022 financial statements and the impact has not yet been determined.

Onalaska Independent School District

Notes to the Financial Statements

Note 2. Stewardship, Compliance, and Accountability

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund, National School Breakfast and Lunch Program special revenue fund, and the debt service fund. All annual appropriations lapse at fiscal year end. The following procedures are followed in establishing the budgetary data.

1. Prior to August 20 of the preceding fiscal year, 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 after ten days' public notice of the meeting has been given.
3. Prior to September 1, the budget is legally enacted through passage of a resolution by the Board.

The appropriated budget is prepared by fund, function, and campus/department. The District's campus/department heads may make transfers of appropriations within a campus/department. Transfers of appropriations between campus/departments require the approval of the District's management. Transfers of appropriations between functions require the approval of the Board. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the function level within a fund. The District made several supplemental budgetary amendments during the year.

B. Encumbrances

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as restricted, committed, or assigned fund balances as appropriate. The encumbrances do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year. The District did not have any outstanding encumbrances at August 31, 2021.

Note 3. Detailed Notes on All Funds

A. Deposits

Cash Deposits

The District's funds are required to be deposited and invested under the terms of a depository contract pursuant to the Texas School Depository Act. The depository bank pledges securities which comply with state law and these securities are held for safekeeping and trust with the District's and the depository banks' agent bank. The pledged securities are approved by the TEA and shall be 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.

Onalaska Independent School District

Notes to the Financial Statements

Custodial Credit Risk – Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. As of August 31, 2021, the District's banks' balances at the local bank were insured and collateralized with securities held by the District's agent and in the District's name.

B. Receivables

Tax revenues of the general and debt service funds are reported net of uncollectible amounts. Total change in uncollectible amounts related to revenues of the current period increased (decreased) revenues as follows:

Change in uncollectibles related to general fund property taxes	\$	810
Change in uncollectibles related to debt service property taxes		<u>245</u>
Total change in uncollectibles of the current fiscal year	\$	<u>1,055</u>

Approximately 64% of the outstanding balance of property taxes receivable is anticipated to go uncollected within the next year.

C. Interfund Receivables, Payables, and Transfers

1. Receivables/Payables

The composition of interfund receivable/payable balances as of August 31, 2021, is as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General fund	\$ 583,582	\$ -
Nonmajor governmental funds	<u>-</u>	<u>583,582</u>
Total	<u>\$ 583,582</u>	<u>\$ 583,582</u>

Interfund balances consist of short-term lending/borrowing arrangements that generally result from payroll and other regularly occurring charges that are paid by the general fund and then charged back to the appropriate other fund. Additionally, some lending/borrowing may occur between two or more nonmajor governmental funds.

Onalaska Independent School District

Notes to the Financial Statements

D. Capital Assets

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

	Beginning Balance	Additions	Reductions	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land and improvements	\$ 129,553	\$ -	\$ -	\$ 129,553
Construction in progress	-	-	-	-
Total capital assets, not being depreciated	129,553	-	-	129,553
Capital assets, being depreciated:				
Buildings and improvements	22,612,413	381,992	-	22,994,405
Furniture and equipment	2,362,249	159,061	(138,301)	2,383,009
Total capital assets, being depreciated	24,974,662	541,053	(138,301)	25,377,414
Less accumulated depreciation for:				
Buildings and improvements	(7,378,593)	(626,051)	-	(8,004,644)
Furniture and equipment	(1,462,985)	(173,442)	138,301	(1,498,126)
Total accumulated depreciation	(8,841,578)	(799,493)	138,301	(9,502,770)
Total capital assets, being depreciated, net	16,133,084	(258,440)	-	15,874,644
Governmental activities capital assets, net	\$ 16,262,637	\$ (258,440)	\$ -	\$ 16,004,197

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

Governmental activities:	
11 Instruction	\$ 417,550
12 Instructional resources and media services	22,860
13 Curriculum and staff development	12,301
23 School leadership	15,084
31 Guidance, counseling, and evaluation services	6,461
33 Health services	1,614
34 Student transportation	110,513
35 Food service	64,170
36 Extracurricular activities	119,727
41 General administration	1,464
51 Plant maintenance and operations	23,952
52 Security and monitoring services	3,340
61 Community service	457
Total depreciation expense-governmental activities	\$ 799,493

Onalaska Independent School District

Notes to the Financial Statements

E. Long-term Liabilities

The District's long-term liabilities consist of bond indebtedness, note payable, and net pension and OPEB liability. The current requirements for general obligation bonds principal and interest expenditures are accounted for in the debt service fund. Other long-term liabilities are generally liquidated with resources of the general fund.

Changes in Long-term Liabilities

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds, par	\$ 10,762,960	\$ 2,545,000	\$ (3,148,555)	\$ 10,159,405	\$ 421,817
Premium on bonds	1,240,605	331,699	(866,626)	705,678	-
Accreted interest (CAB)	1,257,925	36,495	(231,445)	1,062,975	243,183
Total bonds payable	13,261,490	2,913,194	(4,246,626)	11,928,058	665,000
Note payable from direct placement	488,075	-	(37,451)	450,624	38,332
Net pension liability	3,488,690	365,606	(379,088)	3,475,208	-
Net OPEB liability	5,075,930	185,451	(1,368,402)	3,892,979	-
Governmental activities long-term liabilities	\$ 22,314,185	\$ 3,464,251	\$ (6,031,567)	\$ 19,746,869	\$ 703,332

General Obligation Bonds

The District issues general obligation bonds to provide funds for the construction and equipment of school buildings (BLDG) and to refund general obligation bonds (REF).

General obligation bonds are direct obligations and pledge the full faith and credit of the District. These bonds are issued as 14-25 year current interest and capital appreciation bonds (CAB) with various amounts of principal maturing each year.

The following is a summary of changes in the general obligation bonds for the fiscal year:

Series	Interest Rate	Original Issue	Maturity Date	Beginning Balance	Additions	Reductions	Ending Balance
2011 REF CAB	2.85-4.20%	\$ 1,887,206	2025	\$ 412,960	\$ -	\$ (103,555)	\$ 309,405
2011 REF	4.00-4.20%	2,710,000	2032	2,710,000	-	(2,710,000)	-
2014 BLDG	2.00-4.00%	9,445,000	2039	7,640,000	-	(285,000)	7,355,000
2020 REF	3.00%	2,545,000	2032	-	2,545,000	(50,000)	2,495,000
Totals				\$ 10,762,960	\$ 2,545,000	\$ (3,148,555)	\$ 10,159,405

Onalaska Independent School District

Notes to the Financial Statements

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending August 31,	Principal	Interest	Total Requirements
2022	\$ 421,817	\$ 600,258	\$ 1,022,075
2023	421,408	600,767	1,022,175
2024	387,182	600,318	987,500
2025	383,998	599,052	983,050
2026	655,000	310,450	965,450
2027	675,000	287,375	962,375
2028	700,000	263,475	963,475
2029	720,000	238,675	958,675
2030	745,000	213,175	958,175
2031	775,000	186,700	961,700
2032	800,000	159,325	959,325
2033	440,000	136,700	576,700
2034	460,000	119,100	579,100
2035	475,000	103,000	578,000
2036	495,000	84,000	579,000
2037	515,000	64,200	579,200
2038	535,000	43,600	578,600
2039	555,000	22,200	577,200
Totals	\$ 10,159,405	\$ 4,632,370	\$ 14,791,775

In November 2020, the District authorized issuance of \$2,545,000 of unlimited tax refunding bonds. The proceeds of the refunding bonds were used to legally defease \$2,710,000 of previously issued District bonds in order to lower its overall debt service requirements. The net carrying value of the old debt exceeded the reacquisition price by \$580,109. The amount of the gain is deferred and amortized over the life of the new debt. The refunding resulted in a debt service savings of \$511,278 and an economic gain of \$460,141.

In prior years, the District defeased certain previously issued and outstanding bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. At August 31, 2021, there were no outstanding defeased bonds.

As of August 31, 2021, the District had \$80,000 authorized but unissued bonds from the May 10, 2014 bond election.

Note Payable

The District issued a direct placement note to provide funds for the construction and equipment of school facilities. The direct placement note is secured by maintenance and operations property tax revenues. The note issued as a 15 year current interest note. The direct placement note contains a provision that in an event of default, outstanding amounts become immediately due if the District is unable to make payment.

Onalaska Independent School District

Notes to the Financial Statements

The following is a summary of changes in the note payable for the fiscal year:

Description	Interest Rate	Original Issue	Maturity Date	Beginning Balance	Additions	Reductions	Ending Balance
2016 Direct Placement Note	2.34%	\$ 612,500	2031	\$ 488,075	\$ -	\$ (37,451)	\$ 450,624
Totals				<u>\$ 488,075</u>	<u>\$ -</u>	<u>\$ (37,451)</u>	<u>\$ 450,624</u>

Annual debt service requirements to maturity for the note payable are as follows:

Notes Payable from Direct Placement			
Year Ending August 31,	Principal	Interest	Total Requirements
2022	\$ 38,332	\$ 10,322	\$ 48,654
2023	39,235	9,419	48,654
2024	40,158	8,496	48,654
2025	41,103	7,551	48,654
2026	42,071	6,583	48,654
2027	43,061	5,593	48,654
2028	44,074	4,580	48,654
2029	45,112	3,542	48,654
2030	46,173	2,481	48,654
2031	47,260	1,394	48,654
2032	24,045	281	24,326
Totals	<u>\$ 450,624</u>	<u>\$ 60,242</u>	<u>\$ 510,866</u>

F. Fund Balance

Other committed fund balance includes the following commitments of funds:

General fund - transportation	\$ 335,240
General fund - facility maintenance and capital projects	910,493
General fund - furnishings	100,000
General fund - technology	425,500
General fund - debt retirement	470,000
Other governmental fund - campus activity	87,209
Total other committed fund balance	<u>\$ 2,328,442</u>

Onalaska Independent School District

Notes to the Financial Statements

G. Revenues from Local and Intermediate Sources

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

	General	Debt Service	Nonmajor Governmental Funds	Totals
Property taxes	\$ 6,009,396	\$ 1,159,108	\$ -	\$ 7,168,504
Investment income	17,873	2,667	740	21,280
Food sales	-	-	64,172	64,172
Extracurricular activities	9,791	-	153,249	163,040
Other	383,137	-	540	383,677
Totals	\$ 6,420,197	\$ 1,161,775	\$ 218,701	\$ 7,800,673

Note 4. Other Information

A. Risk Management

Property/Casualty Insurance

The District is exposed to various risks of loss related to property/liability losses for which the District participates in the Texas Association of School Boards Risk Management Fund (Fund) for property/liability insurance. The Fund was created to formulate, develop and administer a program of modified self-funding for the Fund's membership, obtain competitive costs for coverages and develop a comprehensive loss control program. The District pays a premium to the Fund for its property/casualty coverage and transfers the risk of loss to the Fund. The District's agreement with the Fund provides that the Fund will be self-sustaining through member premiums and may provide, through commercial companies, reinsurance contracts. In the event that the Fund was to discontinue operations, the member districts would be responsible for any eligible claims not funded by the Fund. In addition, 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.

Health Insurance

During the fiscal year end August 31, 2021, employees of the District were covered by TRS Active-Care (the Plan) a statewide health coverage program of Texas public education employees, implemented by the Teacher Retirement System of Texas (TRS). The District paid premiums of \$179 per month, per employee to the Plan. Employees, at their option, authorized payroll withholdings to pay premiums for dependents. All premiums were paid to the TRS. The legislature created the Plan for public school employee group health coverage in 2002-03, requiring all Districts with fewer than 500 employees to participate in the Plan.

Onalaska Independent School District

Notes to the Financial Statements

Workers' Compensation

The District participates in the Deep East Texas Workers' Compensation Insurance Fund. The Fund was created to formulate, develop and administer a program of modified self-funding for the Fund's membership, obtain competitive costs for workers' compensation coverage and develop a comprehensive loss control program. The District pays an annual premium to the Fund for its workers' compensation coverage and transfers the risk of loss to the Fund. The District's agreement with the Fund provides that the Fund will be self-sustaining through member premiums and will provide, through commercial companies, reinsurance contracts. The Fund maintains stop loss coverage for any claim in excess of the Fund's self-insured retention of \$1,000,000 per individual. In the event that the Fund was to discontinue operations, the member districts would be responsible for any eligible claims not funded by the Fund. In addition, 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.

B. Contingencies

The District participates in a number of federal and state financial assistance programs. Although the District's grant programs have been audited in accordance with the provisions of the Single Audit Act through August 31, 2021, these programs are subject to financial and compliance audits by the grantor agencies. The District is also subject to audit by the TEA of the attendance data upon which payments from the agency are based. These audits could result in questioned costs or refunds to be paid back to the granting agencies.

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

All employees of public, state-supported educational institutions in Texas who are employed for one-half or more of the standard work load and who are not exempted from membership under Texas Government Code, Title 8, Section 822.002 are covered by 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 (CAFR) that includes financial statements and required supplementary information. That report may be obtained on the Internet at http://www.trs.texas.gov/Pages/about_archive_cafr.aspx; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

Onalaska Independent School District

Notes to the Financial Statements

Benefits Provided

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

Contributions

Employee contribution rates are set in state statute, Texas Government Code 825.402. Contribution requirements are established or amended pursuant to Article XVI, 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.

Rates for such plan fiscal years are as follows:

	Contribution Rates	
	2021	2020
Member	7.7%	7.7%
Non-employer contributing entity (State)	7.5%	7.5%
Employers (District)	7.5%	7.5%

The contribution amounts for the District's fiscal year 2021 are as follows:

District contributions	\$	275,314
Member contributions		648,945
NECE on-behalf contributions (State)		488,953

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.

Onalaska Independent School District

Notes to the Financial Statements

As the non-employer contributing entity, 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 the 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, local or non-educational and general 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 surcharges an employer is subject to:

- When employing a retiree of the Teacher Retirement System, the employer shall pay both the member contribution and the state contribution as an employment-after-retirement surcharge.
- Public education employer contribution - all public schools, charter schools and regional education service centers must contribute 1.5% of the member's salary beginning in September 1, 2019, gradually increasing to 2.0% on September 1, 2024.

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

At August 31, 2021, the District reported a liability of \$3,475,208 for its proportionate share of the TRS's net pension liability. 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 are as follows:

District's proportionate share of the net pension liability	\$ 3,475,208
State's proportionate share of the net pension liability associated with the District	<u>6,064,872</u>
Total	<u>\$ 9,540,080</u>

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

At the measurement date of August 31, 2020, the District's proportion of the collective net pension liability was 0.0064887% which was a decrease of 0.0002225% from its proportion measured as of August 31, 2019.

For the fiscal year ended August 31, 2021, the District recognized pension expense of \$1,296,054 and revenue of \$729,649 for support provided by the State.

Onalaska Independent School District

Notes to the Financial Statements

At August 31, 2021, the District reported 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 experience	\$ 6,345	\$ 96,984
Changes of assumptions	806,372	342,864
Difference between projected and actual earnings on pension plan investments	70,353	-
Changes in proportion and difference between District's contributions and the proportionate share of contributions	297,366	293,177
District contributions paid subsequent to the measurement date	275,314	-
Totals	\$ 1,455,750	\$ 733,025

\$275,314 reported as deferred outflows of resources resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended August 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending August 31,		
2022	\$	158,855
2023		202,087
2024		149,857
2025		8,685
2026		(66,701)
Thereafter		(5,372)
Total	\$	447,411

Onalaska Independent School District

Notes to the Financial Statements

Actuarial Methods and Assumptions

The actuarial valuation of the total pension liability was performed as of August 31, 2019. Update procedures were used to roll forward the total pension liability to August 31, 2021 and was determined using the following actuarial methods and assumptions:

Actuarial cost method	Individual entry age normal
Asset valuation method	Market value
Single discount rate	7.25%
Long-term expected rate of return	7.25%
Municipal bond rate as of August 2020	2.33%. Source for the rate is the Fixed Income Market Data / Yield Curve / Data Municipal Bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index."
Last year ending August 31 in projection period (100 years)	2119
Inflation	2.30%
Salary increases	3.05% to 9.05% including inflation
Ad hoc postemployment benefit changes	None
Active mortality rates	Based on 90% of the RP 2014 Employee Mortality Tables for males and females with full generational mortality. The post-retirement mortality rates for healthy lives were based on the 2018 TRS of Texas Healthy Pensioner Mortality Tables with full generational projection using the ultimate improvement rates from the most recently published projection scale U-MP.

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

Onalaska Independent School District

Notes to the Financial Statements

Discount Rate and Long-Term Expected Rate of Return

A single discount rate of 7.25% was used to measure the total pension liability. The single discount rate was based on the expected rate of return on pension plan investments of 7.25%. The projection of cash flows used to determine the single discount rate assumed that contributions from active members and those of the contributing employers and the non-employer contributing entity will be made at the statutorily required rates. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in TRS's target asset allocation as of August 31, 2020 are summarized below:

Asset Class	Target Allocation*	Long-term Expected Geometric Real Rate of Return**	Expected Contribution to Long-Term Portfolio Returns
Global equity:			
U.S.	18.00%	3.90%	0.99%
Non-U.S. developed	13.00%	5.10%	0.92%
Emerging markets	9.00%	5.60%	0.83%
Private equity	14.00%	6.70%	1.41%
Stable value:			
Government bonds	16.00%	-0.70%	-0.05%
Stable value hedge funds	5.00%	1.90%	0.11%
Real return:			
Real estate	15.00%	4.60%	1.02%
Energy, natural resources and infrastructure	6.00%	6.00%	0.42%
Risk parity:			
Risk parity	8.00%	3.00%	0.30%
Asset allocation leverage:			
Cash	2.00%	-1.50%	-0.03%
Asset allocation leverage cash	-6.00%	-1.30%	0.08%
Inflation expectation			2.00%
Volatility drag***			-0.67%
Total	100.00%		7.33%

* Target allocations are based on the FY 2020 policy model.

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

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

Onalaska Independent School District

Notes to the Financial Statements

Discount Rate Sensitivity Analysis

The following table presents the District's proportionate share of the TRS net pension liability calculated using the discount rate of 7.25%, as well as what the District's proportionate share of the net pension liability would be if it was calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
District's proportionate share of the net pension liability	\$ 5,358,709	\$ 3,475,208	\$ 1,944,905

Change of Assumptions Since the Prior Measurement Date

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

Change of Benefit Terms Since the Prior Measurement Date

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

D. Defined Other Postemployment Benefit Plan

Plan Description

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

OPEB Plan Fiduciary Net Position

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 http://www.trs.texas.gov/Pages/about_archive_cafr.aspx; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

Benefits Provided

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

Eligible non-Medicare retirees and their dependents may enroll in TRS-Care Standard, a high-deductible health plan. Eligible Medicare retirees and their dependents may enroll in the TRS-Care Medicare Advantage medical plan and the TRS-Care Medicare Rx prescription drug plan. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in the TRS pension system. The Board of Trustees of TRS 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.

Onalaska Independent School District

Notes to the Financial Statements

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

TRS-Care Monthly Premium Rates

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

Contributions

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

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

Rates for such plan fiscal years are as follows:

	Contribution Rates	
	2021	2020
Active employee	0.65%	0.65%
Non-employer contribution entity (State)	1.25%	1.25%
Employers (District)	0.75%	0.75%
Federal/private funding*	1.25%	1.25%

*Contributions paid from federal funds and private grants are remitted by the employer (District) and paid at the State rate.

The contribution amounts for the District’s fiscal year 2021 are as follows:

District contributions	\$ 82,495
Member contributions	54,611
NECE on-behalf contributions (State)	98,708

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 hiring a TRS retiree, employers are required to pay TRS-Care a monthly surcharge of \$535 per retiree.

The State of Texas also contributed \$40,324, \$34,530, and \$21,966 in 2021, 2020, and 2019, respectively, for on-behalf payments for Medicare Part D.

Onalaska Independent School District

Notes to the Financial Statements

TRS-Care received a supplemental appropriation from the State of Texas as the Non-Employer Contributing Entity in the amount of \$230.8 million in fiscal year 2020.

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

At August 31, 2021, the District reported a liability of \$3,892,979 for its proportionate share of the TRS's net OPEB liability. 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 are as follows:

District's proportionate share of the net OPEB liability	\$ 3,892,979
State's proportionate share of the net OPEB liability associated with the District	<u>5,231,230</u>
Total	<u>\$ 9,124,209</u>

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

At the measurement date of August 31, 2020, the employer's proportion of the collective net OPEB liability was 0.0102408% which was a decrease of 0.0004926% from its proportion measured as of August 31, 2019.

GASB 75 requires the District to record OPEB expense for the amount of the State's proportionate share of collective OPEB expense that is associated with the District, and record revenue in the same amount for the support provided by the State. For the measurement period ended August 31, 2020, the State's proportionate share of the collective OPEB expense was a negative expense of \$151,336,663 and the portion of that amount that is associated with the District is a negative expense of \$36,324. This amount is recorded as a negative revenue and negative expense for the year ended August 31, 2021.

For the year ended August 31, 2021, the District recognized total negative OPEB expense of \$325,977, which includes both the District's proportionate share of collective OPEB expense and the portion of the State's proportionate share of collective OPEB expense that is associated with the District, as described above.

Onalaska Independent School District

Notes to the Financial Statements

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 203,835	\$ 1,781,626
Changes of assumptions	240,116	1,069,032
Net difference between projected and actual earnings on OPEB plan investments	1,266	-
Changes in proportion and difference between District's contributions and the proportionate share of contributions	16	1,617,476
District contributions paid subsequent to the measurement date	82,495	-
Totals	\$ 527,728	\$ 4,468,134

\$82,495 reported as deferred outflows of resources resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended August 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending August 31,	
2022	\$ (635,824)
2023	(635,993)
2024	(636,090)
2025	(636,063)
2026	(532,083)
Thereafter	(946,848)
Total	\$ (4,022,901)

Actuarial Methods and Assumptions

The actuarial valuation of the total OPEB liability was performed as of August 31, 2019. Update procedures were used to roll forward the total OPEB liability to August 31, 2020.

The actuarial valuation of the OPEB plan offered through TRS-Care is similar to the actuarial valuation performed for the pension plan, except that the OPEB valuation is more complex. The following assumptions used for the valuation of the TRS-Care OPEB liability are identical to the assumptions employed in the August 31, 2020 TRS annual pension actuarial valuation:

Demographic Assumptions	Economic Assumptions
Rates of mortality	General inflation
Rates of retirement	Wage inflation
Rates of termination	Salary increases
Rates of disability	

See Note 4.C. for detail on these assumptions. The demographic assumptions were developed in the experience study performed for TRS for the period ending August 31, 2017.

Onalaska Independent School District

Notes to the Financial Statements

The initial medical trend rates were 9.00% for Medicare retirees and 7.30% for non-Medicare retirees. There was an initial prescription drug trend rate of 9.00% for all retirees. The initial trend rates decrease to an ultimate trend rate of 4.25 % over a period of 13 years.

The following methods and additional assumptions were used in the TRS-Care OPEB valuation:

Actuarial cost method	Individual entry age normal
Single discount rate	2.33%
Aging factors	Based on plan specific experience
Election rates	Normal retirement: 65% participation prior to age 65 and 40% after age 65. 25% of pre-65 retirees are assumed to discontinue coverage at age 65.
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
Ad hoc postemployment benefit changes	None

Discount Rate

A single discount rate of 2.33% was used to measure the total OPEB liability at August 31, 2021. This was a decrease of 0.3% in the discount rate since the August 31, 2019 measurement date. The plan is essentially a "pay-as-you-go" plan, and based on the assumption that contributions are made at the statutorily required rates, the OPEB plan's fiduciary net position was projected to not be able to make all future benefit payments to current members and therefore, the single discount rate is equal to the prevailing municipal bond rate. The source for the rate is the Fixed Income Market Data / Yield Curve / Data Municipal Bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index".

Sensitivity Analysis of Rates

Discount Rate

The following table presents the District's proportionate share of the TRS-Care net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that was 1% less than and 1% greater than the discount rate that was used (2.33%) in measuring the net OPEB liability.

	1% Decrease (1.33%)	Current Discount Rate (2.33%)	1% Increase (3.33%)
District's proportionate share of the net OPEB liability	\$ 4,671,566	\$ 3,892,979	\$ 3,278,007

Onalaska Independent School District

Notes to the Financial Statements

Healthcare Cost Trend Rates

The following table presents the District's proportionate share of net OPEB liability 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% lower or 1% higher than the assumed health-care cost trend rate:

	<u>1% Decrease</u>	<u>Current Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
District's proportionate share of the net OPEB liability	\$ 3,180,065	\$ 3,892,979	\$ 4,842,479

Change of Assumptions Since the Prior Measurement Date

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

- The discount rate changed from 2.63% as of August 31, 2019 to 2.33% as of August 31, 2021. This change increased the total OPEB liability.
- The participation rate for pre-65 retirees was lowered from 50% to 40%. This change decreased the total OPEB liability.
- The ultimate health care trend assumption was lowered from 4.50% to 4.25% as a result of Congress' repeal of the excise (Cadillac) tax on high-cost employer health plans in December 2019. This change decreased the total OPEB liability.

Change of Benefit Terms Since the Prior Measurement Date

There were no changes in benefit terms since the prior measurement date.

E. Joint Venture-Shared Service Arrangement

The District participates in the following shared service arrangement:

Polk County Special Services Cooperative

The District participates in a shared service arrangement for special education funded under IDEA-B Formula and Preschool and for the education of students with a visual impairment funded under State Supplemental Visually Impaired Funds with other school districts. The District does not account for revenues or expenditures in these programs and does not disclose them in these financial statements. The revenues and expenditures are disclosed in the financial statements of the fiscal agent, Corrigan-Camden I.S.D. The District neither has a joint ownership interest in fixed assets purchased by the fiscal agent, 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 manager is responsible for all financial activities of the shared service arrangement.

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Required Supplementary Information

Onalaska Independent School District
 Schedule of Revenues, Expenditures, and Changes in
 Fund Balance – Budget and Actual
 General Fund
 For the Fiscal Year Ended August 31, 2021

Exhibit G-1

Data Control Codes		Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
		Original	Final		
REVENUES					
5700	Local and intermediate sources	\$ 6,030,251	\$ 6,355,251	\$ 6,420,197	\$ 64,946
5800	State program revenues	5,917,095	6,595,079	7,117,986	522,907
5900	Federal program revenues	150,000	150,000	170,065	20,065
5020	Total revenues	12,097,346	13,100,330	13,708,248	607,918
EXPENDITURES					
Current:					
0011	Instruction	6,793,489	7,383,951	6,929,915	454,036
0012	Instructional resources and media services	15,800	15,800	12,560	3,240
0013	Curriculum and instructional staff development	157,556	159,056	108,607	50,449
0021	Instructional leadership	254,602	281,024	267,173	13,851
0023	School leadership	718,434	758,034	748,772	9,262
0031	Guidance, counseling, and evaluation services	185,194	185,194	176,865	8,329
0033	Health services	103,568	103,568	93,308	10,260
0034	Student transportation	650,422	655,422	559,240	96,182
0035	Food services	-	-	-	-
0036	Extracurricular activities	401,979	401,979	335,276	66,703
0041	General administration	506,541	526,541	505,438	21,103
0051	Plant maintenance and operations	1,375,355	1,370,355	1,295,878	74,477
0052	Security and monitoring services	82,800	82,800	70,382	12,418
0053	Data processing services	317,451	317,451	286,232	31,219
Debt service:					
0071	Principal on long-term debt	-	37,451	37,451	-
0072	Interest on long-term debt	49,155	11,204	11,203	1
0073	Issuance costs and fees	-	500	-	500
Capital outlay:					
0081	Facilities acquisition and construction	-	325,000	339,113	(14,113) *
Intergovernmental:					
0093	Payments related to shared services arrangements	325,000	325,000	271,260	53,740
0099	Other intergovernmental charges	160,000	160,000	152,869	7,131
6030	Total expenditures	12,097,346	13,100,330	12,201,542	898,788
1100	Excess (deficiency) of revenues over (under) expenditures	-	-	1,506,706	1,506,706
0100	Fund balance - beginning	6,582,074	6,582,074	6,582,074	-
3000	FUND BALANCE - ENDING	\$ 6,582,074	\$ 6,582,074	\$ 8,088,780	\$ 1,506,706

* Expenditures exceeded budget at the legal level of control.

Onalaska Independent School District

Exhibit G-2

Schedule of the District's Proportionate Share of the Net Pension Liability of a Cost-Sharing Multiple-Employer Pension Plan Teacher Retirement System of Texas For the Last Seven Fiscal Years*

Year	District's Proportion of Net Pension Liability	District's Proportionate Share of the Net Pension Liability	State's Proportionate Share of the Net Pension Liability Associated with the District	Total	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2021	0.0064887%	\$ 3,475,208	\$ 6,064,872	\$ 9,540,080	\$ 8,146,190	42.66%	75.54%
2020	0.0067112%	\$ 3,488,690	\$ 5,280,650	\$ 8,769,340	\$ 7,178,324	48.60%	75.24%
2019	0.0075265%	\$ 4,142,789	\$ 5,650,413	\$ 9,793,202	\$ 6,864,319	60.35%	73.74%
2018	0.0070437%	\$ 2,252,182	\$ 3,275,411	\$ 5,527,593	\$ 6,379,090	35.31%	82.17%
2017	0.0066222%	\$ 2,502,442	\$ 3,636,219	\$ 6,138,661	\$ 5,679,385	44.06%	78.00%
2016	0.0057989%	\$ 2,049,834	\$ 3,598,759	\$ 5,648,593	\$ 5,311,762	38.59%	78.43%
2015	0.0041913%	\$ 1,119,555	\$ 3,161,613	\$ 4,281,168	\$ 5,298,625	21.13%	83.25%

* The amounts presented for the fiscal years were determined as of the Plan's fiscal year end, August 31 of the prior year. Ten years of data is not available.

Onalaska Independent School District
 Schedule of the District's Contributions to the
 Teacher Retirement System of Texas Pension Plan
 For the Last Seven Fiscal Years*

Exhibit G-3

<u>Year</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>District's Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
2021	\$ 275,314	\$ (275,314)	\$ -	\$ 8,427,854	3.27%
2020	\$ 267,725	\$ (267,725)	\$ -	\$ 8,146,190	3.29%
2019	\$ 234,900	\$ (234,900)	\$ -	\$ 7,178,324	3.27%
2018	\$ 249,195	\$ (249,195)	\$ -	\$ 6,864,319	3.63%
2017	\$ 228,877	\$ (228,877)	\$ -	\$ 6,379,090	3.59%
2016	\$ 210,311	\$ (210,311)	\$ -	\$ 5,679,385	3.70%
2015	\$ 171,426	\$ (171,426)	\$ -	\$ 5,311,762	3.23%

* The amounts presented for the fiscal years were determined as of the District's fiscal year end.
 Ten years of data is not available.

Onalaska Independent School District

Exhibit G-4

Schedule of the District's Proportionate Share of the Net OPEB Liability of a Cost-Sharing Multiple-Employer OPEB Plan Teacher Retirement System of Texas Last Four Fiscal Years*

Year	District's Proportion of Net OPEB Liability	District's Proportionate Share of the Net OPEB Liability	State's Proportionate Share of the Net OPEB Liability Associated with the District	Total	District's Covered Payroll	District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2021	0.0102408%	\$ 3,892,979	\$ 5,231,230	\$ 9,124,209	\$ 8,146,190	47.79%	4.99%
2020	0.0107333%	\$ 5,075,930	\$ 6,744,773	\$ 11,820,703	\$ 7,178,324	70.71%	2.66%
2019	0.0126054%	\$ 6,293,974	\$ 5,790,672	\$ 12,084,646	\$ 6,864,319	91.69%	1.57%
2018	0.0136607%	\$ 5,940,515	\$ 5,032,061	\$ 10,972,576	\$ 6,379,090	93.12%	0.91%

* The amounts presented for the fiscal years were determined as of the Plan's fiscal year end, August 31 of the prior year. Ten years of data is not available.

Onalaska Independent School District
 Schedule of the District's Contributions to the
 Teacher Retirement System of Texas OPEB Plan
 Last Four Fiscal Years*

Exhibit G-5

<u>Year</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>District's Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
2021	\$ 82,495	\$ (82,495)	\$ -	\$ 8,427,854	0.98%
2020	\$ 77,837	\$ (77,837)	\$ -	\$ 8,146,190	0.96%
2019	\$ 76,177	\$ (76,177)	\$ -	\$ 7,178,324	1.06%
2018	\$ 84,284	\$ (84,284)	\$ -	\$ 6,864,319	1.23%

* The amounts presented for the fiscal years were determined as of the District's fiscal year end.
 Ten years of data is not available.

Onalaska Independent School District
Notes to the Required Supplementary Information

Note 1. Budget

A. Budgetary Information

Each school district in Texas is required by law to prepare annually a budget of anticipated revenues and expenditures for the general fund, debt service fund, and the National School Breakfast and Lunch Program special revenue fund. The Texas Education Code requires the budget to be prepared not later than August 20 and adopted by August 31 of each year. The budgets are prepared on a basis of accounting that is used for reporting in accordance with generally accepted accounting principles.

The following procedures are followed in establishing the budgetary data reflected in the fund financial schedules:

1. Prior to August 20 of the preceding fiscal year, 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 after ten days' public notice of the meeting has been given.
3. Prior to September 1, the budget is formally approved and adopted by the Board.

The appropriated budget is prepared by fund and function. The District's campus/department heads may make transfers of appropriations within a campus or department. Transfers of appropriations between campuses or departments require the approval of the District's management. Increasing any one of the functional spending categories, or revenues object accounts and other resources require the approval of the Board. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the function level within a fund. All annual appropriations lapse at fiscal year end.

Note 2. Net Pension Liability and Net OPEB Liability

The following factors significantly affect trends in the amounts reported for the District's proportionate share of the net pension liability and net OPEB liability:

Changes in actuarial assumptions and inputs

Measurement Date August 31,	Net Pension Liability		Net OPEB Liability
	Discount Rate	Long-term Expected Rate of Return	Discount Rate
2020	7.250%	7.250%	2.330%
2019	7.250%	7.250%	2.630%
2018	6.907%	7.250%	3.690%
2017	8.000%	8.000%	3.420%
2016	8.000%	8.000%	
2015	8.000%	8.000%	
2014	8.000%	8.000%	

Onalaska Independent School District

Notes to the Required Supplementary Information

Changes in demographic and economic assumptions

For measurement date August 31, 2018 – Net Pension Liability and Net OPEB Liability:

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

For measurement date August 31, 2020 - Net OPEB Liability:

- The participation rate for pre-65 retirees was lowered from 50% to 40%. This change decreased the total OPEB liability.
- The ultimate health care trend assumption was lowered from 4.50% to 4.25% as a result of Congress' repeal of the excise (Cadillac) tax on high-cost employer health plans in December 2019. This change decreased the total OPEB liability.

Supplementary Information

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Onalaska Independent School District
 Combining Balance Sheet
 Nonmajor Governmental Funds
 Special Revenue Funds
 August 31, 2021

Exhibit H-1
 (Page 1 of 2)

<u>Data Control Codes</u>	211	240	255
	<u>ESSA Title I Improving Basic Programs</u>	<u>National School Breakfast/ Lunch Program</u>	<u>ESSA Title II Training and Recruiting</u>
ASSETS			
1110 Cash and cash equivalents	\$ -	\$ 321,940	\$ -
1240 Due from other governments	166,226	58,534	51,971
1300 Inventories	-	47,318	-
1000 TOTAL ASSETS	<u>\$ 166,226</u>	<u>\$ 427,792</u>	<u>\$ 51,971</u>
LIABILITIES			
2110 Accounts payable	\$ -	\$ 40,841	\$ -
2160 Accrued wages payable	12,604	27,104	-
2170 Due to other funds	153,622	-	51,971
2000 Total liabilities	166,226	67,945	51,971
FUND BALANCES			
3410 Nonspendable - inventories	-	47,318	-
3450 Restricted - grant funds	-	312,529	-
3545 Committed - other	-	-	-
3000 Total fund balances	<u>-</u>	<u>359,847</u>	<u>-</u>
4000 TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 166,226</u>	<u>\$ 427,792</u>	<u>\$ 51,971</u>

Onalaska Independent School District
 Combining Balance Sheet
 Nonmajor Governmental Funds
 Special Revenue Funds- Continued
 August 31, 2021

<u>Data Control Codes</u>	266	270	276
	Elementary and Secondary School Emergency Relief Funds - CARES Act	Rural and Low-Income Program	Title I School Improvement Program Academy Grant
ASSETS			
1110 Cash and cash equivalents	\$ -	\$ -	\$ -
1240 Due from other governments	159,848	5,708	6,000
1300 Inventories	-	-	-
1000 TOTAL ASSETS	\$ 159,848	\$ 5,708	\$ 6,000
LIABILITIES			
2110 Accounts payable	\$ 11,099	\$ -	\$ -
2160 Accrued wages payable	5,181	-	-
2170 Due to other funds	143,568	5,708	6,000
2000 Total liabilities	159,848	5,708	6,000
FUND BALANCES			
3410 Nonspendable - inventories	-	-	-
3450 Restricted - grant funds	-	-	-
3545 Committed - other	-	-	-
3000 Total fund balances	-	-	-
4000 TOTAL LIABILITIES AND FUND BALANCES	\$ 159,848	\$ 5,708	\$ 6,000

277	282	289	410	427	461	
Governor's Emergency Education Relief Funds - CARES Act	ESSER III of the American Rescue Plan Act of 2021	Federally Funded Special Revenue Funds	State Textbook Fund	Texas Workforce Commission	Campus Activity Funds	Total Nonmajor Funds (See Exhibit C-1)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 89,738	\$ 411,678
-	205,266	10,944	20,890	-	-	685,387
-	-	-	-	-	-	47,318
<u>\$ -</u>	<u>\$ 205,266</u>	<u>\$ 10,944</u>	<u>\$ 20,890</u>	<u>\$ -</u>	<u>\$ 89,738</u>	<u>\$ 1,144,383</u>
\$ -	\$ 13,793	\$ -	\$ 594	\$ -	\$ 2,529	\$ 68,856
-	-	-	-	-	-	44,889
-	191,473	10,944	20,296	-	-	583,582
-	205,266	10,944	20,890	-	2,529	697,327
-	-	-	-	-	-	47,318
-	-	-	-	-	-	312,529
-	-	-	-	-	87,209	87,209
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>87,209</u>	<u>447,056</u>
<u>\$ -</u>	<u>\$ 205,266</u>	<u>\$ 10,944</u>	<u>\$ 20,890</u>	<u>\$ -</u>	<u>\$ 89,738</u>	<u>\$ 1,144,383</u>

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Onalaska Independent School District
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
Special Revenue Funds
For the Fiscal Year Ended August 31, 2021

Exhibit H-2
(Page 1 of 2)

<u>Data Control Codes</u>	211	240	255
<u>REVENUES</u>	<u>ESSA Title I Improving Basic Programs</u>	<u>National School Breakfast/ Lunch Program</u>	<u>ESSA Title II Training and Recruiting</u>
5700 Local and intermediate sources	\$ -	\$ 65,215	\$ -
5800 State program revenues	-	6,932	-
5900 Federal program revenues	406,943	926,576	65,747
5020 Total revenues	406,943	998,723	65,747
EXPENDITURES			
Current:			
0011 Instruction	246,440	-	33,997
0013 Curriculum and instructional staff development	65,279	-	31,750
0021 Instructional leadership	82,166	-	-
0034 Student transportation	13,058	-	-
0035 Food services	-	829,794	-
0036 Extracurricular activities	-	-	-
0051 Plant maintenance and operations	-	-	-
0052 Security and monitoring services	-	-	-
0061 Community services	-	-	-
6030 Total expenditures	406,943	829,794	65,747
1100 Excess (deficiency) of revenues over (under) expenditures	-	168,929	-
0100 Fund balances - beginning	-	190,918	-
3000 FUND BALANCES - ENDING	\$ -	\$ 359,847	\$ -

Onalaska Independent School District

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
Special Revenue Funds - Continued
For the Fiscal Year Ended August 31, 2021

Data Control Codes	266	270	276
	Elementary and Secondary School Emergency Relief Funds - CARES Act	Rural and Low-Income Program	Title I School Improvement Program Academy Grant
REVENUES			
5700	\$ -	\$ -	\$ -
5800	-	-	-
5900	360,393	15,880	6,000
5020	360,393	15,880	6,000
EXPENDITURES			
Current:			
0011	265,457	15,880	-
0013	16,946	-	6,000
0021	-	-	-
0034	-	-	-
0035	-	-	-
0036	-	-	-
0051	70,374	-	-
0052	7,616	-	-
0061	-	-	-
6030	360,393	15,880	6,000
1100	-	-	-
0100	-	-	-
3000	\$ -	\$ -	\$ -

277	282	289	410	427	461	
Governor's Emergency Education Relief Funds - CARES Act	ESSER III of the American Rescue Plan Act of 2021	Federally Funded Special Revenue Funds	State Textbook Fund	Texas Workforce Commission	Campus Activity Funds	Total Nonmajor Funds (See Exhibit C-2)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 153,486	\$ 218,701
-	-	-	54,435	25,000	-	86,367
83,260	205,266	27,288	-	-	-	2,097,353
83,260	205,266	27,288	54,435	25,000	153,486	2,402,421
83,260	70,506	27,288	54,435	-	-	797,263
-	6,400	-	-	-	-	126,375
-	-	-	-	-	-	82,166
-	94,439	-	-	-	-	107,497
-	-	-	-	-	-	829,794
-	-	-	-	-	138,181	138,181
-	-	-	-	-	-	70,374
-	-	-	-	25,000	-	32,616
-	33,921	-	-	-	-	33,921
83,260	205,266	27,288	54,435	25,000	138,181	2,218,187
-	-	-	-	-	15,305	184,234
-	-	-	-	-	71,904	262,822
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 87,209	\$ 447,056

Onalaska Independent School District
 Schedule of Delinquent Taxes Receivable
 For the Fiscal Year Ended August 31, 2021

Year Ended August 31,	1		2		3	
	Tax Rates				Assessed/ Appraised Value for School Tax Purposes	
	Maintenance		Debt Service			
2012 and prior years	\$	Various	\$	Various	\$	Various
2013		1.0400		0.12500		401,325,494
2014		1.0400		0.11600		434,566,349
2015		1.0400		0.25883		447,789,780
2016		1.0400		0.23980		480,533,599
2017		1.0400		0.19500		506,208,907
2018		1.0400		0.20890		545,051,806
2019		1.0600		0.18890		555,868,044
2020		0.9900		0.18890		600,502,926
2021		0.9764		0.18890		608,381,018
1000 TOTALS						

10	20	31	32	40	50
<u>Beginning Balance 9/1/2020</u>	<u>Current Year's Total Levy</u>	<u>Maintenance Collections</u>	<u>Debt Service Collections</u>	<u>Entire Year's Adjustments</u>	<u>Ending Balance 8/31/2021</u>
\$ 132,801	\$ -	\$ 14,571	\$ 1,794	\$ (18,058)	\$ 98,378
20,612	-	1,593	192	(668)	18,159
24,563	-	1,882	210	(650)	21,821
29,020	-	2,927	729	(879)	24,485
47,656	-	6,747	1,556	(879)	38,474
53,890	-	6,799	1,275	(870)	44,946
72,292	-	8,401	1,688	(3,021)	59,182
97,426	-	25,941	4,623	(4,186)	62,676
231,537	-	99,014	18,893	(27,731)	85,899
-	7,089,464	5,709,236	1,104,542	(40,834)	234,852
<u>\$ 709,797</u>	<u>\$ 7,089,464</u>	<u>\$ 5,877,111</u>	<u>\$ 1,135,502</u>	<u>\$ (97,776)</u>	<u>\$ 688,872</u>

Onalaska Independent School District
 Schedule of Revenues, Expenditures, and Changes
 in Fund Balance – Budget and Actual
 National School Breakfast and Lunch Program
 For the Fiscal Year Ended August 31, 2021

Exhibit J-2

Data Control Codes		Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
		Original	Final		
REVENUES					
5700	Local and intermediate sources	\$ 74,402	\$ 74,402	\$ 65,215	\$ (9,187)
5800	State program revenues	3,000	3,000	6,932	3,932
5900	Federal program revenues	864,292	864,292	926,576	62,284
5020	Total revenues	941,694	941,694	998,723	57,029
EXPENDITURES					
Current:					
0035	Food services	941,694	941,694	829,794	111,900
6030	Total expenditures	941,694	941,694	829,794	111,900
1200	Net change in fund balance	-	-	168,929	168,929
0100	Fund balance - beginning	190,918	190,918	190,918	-
3000	FUND BALANCE - ENDING	\$ 190,918	\$ 190,918	\$ 359,847	\$ 168,929

Onalaska Independent School District
 Schedule of Revenues, Expenditures, and Changes
 in Fund Balance – Budget and Actual
 Debt Service Fund
 For the Fiscal Year Ended August 31, 2021

Exhibit J-3

Data Control Codes		Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
		Original	Final		
REVENUES					
5700	Local and intermediate sources	\$ 991,648	\$ 991,648	\$ 1,161,775	\$ 170,127
5800	State program revenues	30,848	30,848	31,268	420
5020	Total revenues	1,022,496	1,022,496	1,193,043	170,547
EXPENDITURES					
Debt service:					
0071	Principal on long-term debt	438,555	438,555	438,555	-
0072	Interest on long-term debt	578,409	578,409	578,409	-
0073	Issuance costs and fees	5,532	117,667	106,981	10,686
6030	Total expenditures	1,022,496	1,134,631	1,123,945	10,686
1100	Excess (deficiency) of revenues over (under) expenditures	-	(112,135)	69,098	181,233
OTHER FINANCING SOURCES (USES)					
7911	Issuance of bonds	-	2,545,000	2,545,000	-
7916	Premium or discount on issuance of bonds	-	331,699	331,699	-
8949	Other uses	-	(2,764,564)	(2,764,564)	-
7080	Total other financing sources (uses)	-	112,135	112,135	-
1200	Net change in fund balance	-	-	181,233	181,233
0100	Fund balance - beginning	1,330,850	1,330,850	1,330,850	-
3000	FUND BALANCE - ENDING	\$ 1,330,850	\$ 1,330,850	\$ 1,512,083	\$ 181,233

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**Overall Compliance, Internal Control Section
and Federal Awards**

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

To the Board of Trustees of
Onalaska Independent School District
Onalaska, Texas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Onalaska Independent School District (the District) as of and for the year ended August 31, 2021 and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 10, 2021.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free 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*.

The Board of Trustees of
Onalaska Independent School District

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.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Houston, Texas
November 10, 2021

Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with the Uniform Guidance

To the Board of Trustees of
Onalaska Independent School District
Onalaska, Texas

Report on Compliance for Each Major Federal Program

We have audited Onalaska Independent School District's (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended August 31, 2021. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* (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 the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

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

Report on Internal Control over Compliance

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

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

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

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

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Houston, Texas
November 10, 2021

Onalaska Independent School District
 Schedule of Findings and Questioned Costs
 For the Fiscal Year Ended August 31, 2021

Section 1. Summary of Auditor's Results

Financial Statements

- 1. Type of auditor's report issued Unmodified
- 2. Internal control over financial reporting:
 - a. Material weakness(es) identified? No
 - b. Significant deficiency(ies) identified that are not considered to be material weaknesses? None reported
- 3. Noncompliance material to financial statements noted? No

Federal Awards

- 4. Internal control over major programs:
 - a. Material weakness(es) identified? No
 - b. Significant deficiency(ies) identified that are not considered to be material weaknesses? None reported
- 5. Type of auditor's report issued on compliance with major programs Unmodified
- 6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? No
- 7. Identification of major programs Child Nutrition Cluster
- 8. Dollar threshold used to distinguish between Type A and Type B federal programs \$750,000
- 9. Auditee qualified as a low-risk auditee? Yes

Section 2. Financial Statement Findings

None reported

Section 3. Federal Awards Findings and Questioned Costs

None reported

Onalaska Independent School District
Summary Schedule of Prior Audit Findings
For the Fiscal Year Ended August 31, 2021

Prior Year Findings

None reported

Onalaska Independent School District
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended August 31, 2021

Exhibit K-1

(1)	(2)	(2A)	(3)
Federal Grantor/ Pass-Through Grantor/ Program Title	Federal Assistance Listing Number	Project Number	Federal Expenditures
U.S. DEPARTMENT OF EDUCATION			
Passed Through State Department of Education:			
ESEA Title I, Part A-Improving Basic Programs	84.010A	20610101187910	\$ 86,518
ESEA Title I, Part A-Improving Basic Programs	84.010A	21610101187910	320,425
Total Assistance Listing Number 84.010A			406,943
ESEA Title VI, Part B, Subpart 2 - Rural and Low Income School	84.358B	20696001187910	1,315
ESEA Title VI, Part B, Subpart 2 - Rural and Low Income School	84.358B	21696001187910	14,565
Total Assistance Listing Number 84.358A			15,880
ESEA Title II, Part A-Teacher and Principal Training and Recruiting	84.367A	20694501187910	25,855
ESEA Title II, Part A-Teacher and Principal Training and Recruiting	84.367A	21694501187910	39,892
Total Assistance Listing Number 84.367A			65,747
Title I School Improvement Program Academy Grant	84.377A	17610740187910	6,000
ESEA Title IV, Part A, Subpart 1	84.424A	20680101187910	8,370
ESEA Title IV, Part A, Subpart 1	84.424A	21680101187910	18,918
Total Assistance Listing Number 84.424A			27,288
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425D	20521001187910	360,393
COVID-19 - American Rescue Plan Act of 2021	84.425U	21528001187910	205,266
Total Assistance Listing Number 84.425			565,659
TOTAL U.S. DEPARTMENT OF EDUCATION			1,087,517
U.S. DEPARTMENT OF AGRICULTURE			
Child Nutrition Cluster:			
Pass Through State Department of Education- Cash Assistance:			
COVID-19 - School Breakfast Program	10.553	71402001	27,579
COVID-19 - School Breakfast Program	10.553	71402101	238,197
Total Assistance Listing Number 10.553			265,776
Passed Through State Department of Agriculture - Non Cash Assistance:			
National School Lunch Program	10.555	806780706	56,991
Passed Through State Department of Agriculture:			
COVID-19 - School Programs Emergency Operational Cost Reimbursement Program	10.555	806780706	92,734
COVID-19 - National School Lunch Program	10.555	71302001	50,407
COVID-19 - National School Lunch Program	10.555	71302101	457,983
Total Assistance Listing Number 10.555			658,115
Total Child Nutrition Cluster			923,891
COVID-19 - Commodity Storage and Delivery	10.560	806780706	2,685
TOTAL U.S. DEPARTMENT OF AGRICULTURE			926,576

The Notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

Onalaska Independent School District
 Schedule of Expenditures of Federal Awards - Continued
 For the Fiscal Year Ended August 31, 2021

Exhibit K-1

(1)	(2)	(2A)	(3)
Federal Grantor/ Pass-Through Grantor/ Program Title	Federal Assistance Listing Number	Project Number	Federal Expenditures
U.S. DEPARTMENT OF THE TREASURY			
Passed Through Polk County, Texas:			
COVID-19 - Coronavirus Relief Funds	21.019	N/A	83,260
Passed Through State Department of Education:			
COVID-19 - Remote Learning Operation Connectivity	21.019	52202003	17,436
Total Assistance Listing Number 21.019			<u>100,696</u>
TOTAL U.S. DEPARTMENT OF THE TREASURY			<u>100,696</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 2,114,789</u>

The Notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

Onalaska Independent School District

Notes to the Schedule of Expenditures of Federal Awards

Note 1. Summary of Significant Accounting Policies

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Onalaska Independent School District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Single Audit Act Amendments of 1996 and 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 presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

National School Lunch Program non-cash commodities are recorded at their estimated market value at the time of donation.

Note 2. De Minimis Cost Rate

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

Note 3. COVID-19 - Coronavirus Relief Fund

In March of 2020, The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was signed into law by the President and established the Coronavirus Relief Fund (CRF) (Assistance Listing 21.019). The CARES Act requires that payments from the CRF be used to cover expenses that: (1) are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019; (2) were not accounted for in the budget most recently approved as of March 27, 2020 for the State or government; and (3) were incurred during the period that begins on March 1, 2020, and ends on December 31, 2021. As of August 31, 2021, \$17,436 of eligible expenditures incurred in the prior year are included in the schedule of expenditures of federal awards for fiscal year 2021.

Note 4. Reconciliation to Basic Financial Statements

Presented below is a reconciliation of federal revenues:

Total expenditures of federal awards per Exhibit K-1	\$ 2,114,789
General fund - federal revenue:	
School health and related services (SHARS)	<u>152,629</u>
Total federal revenues per Exhibit C-2	<u>\$ 2,267,418</u>

Onalaska Independent School District
 Schedule of Required Responses to Selected
 School FIRST Indicators (Unaudited)
 For the Year Ending August 31, 2021

Exhibit L-1

<u>Data Codes</u>		<u>Responses</u>
SF1	Was there an unmodified opinion in the Annual Financial Report on the financial statements as a whole?	Yes
SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement at fiscal year-end?	No
SF3	Did the school district make timely payments to the Teacher Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies? (If the school district was issued a warrant hold and the warrant hold was not cleared within 30 days from the date the warrant hold was issued, the school district is considered to not have made timely payments.)	Yes
	Payments to the TRS and TWC are considered timely if a warrant hold that was issued in connection to the untimely payment was cleared within 30 days from the date the warrant hold was issued.	
	Payments to the IRS are considered timely if a penalty or delinquent payment notice was cleared within 30 days from the date the notice was issued.	
SF4	Was the school district issued a warrant hold? Even if the issue surrounding the initial warrant hold was resolved and cleared within 30 days, the school district is considered to have been issued a warrant hold.	No
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds?	No
SF6	Was there any disclosure in the Annual Financial Report of material noncompliance for grants, contracts, and laws related to local, state, or federal funds?	No
SF7	Did the school district post the required financial information on its website in accordance with Government Code, Local Government Code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules that were in effect at the school district's fiscal year end?	Yes
SF8	Did the school board members discuss the school district's property values at a board meeting within 120 days before the school district adopted its budget?	Yes
SF9	Total accumulated accretion on CABs included in government-wide financial statements at fiscal year-end.	\$ 1,062,975

November 10, 2021

To the Board of Trustees of
Onalaska Independent School District
P.O. Box 2289
Onalaska, Texas 77360

We have audited the financial statements of Onalaska Independent School District (the District) as of and for the year ended August 31, 2021, and have issued our report thereon dated November 10, 2021. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated March 2, 2021, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the internal control of the District solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

As part of our engagement we performed certain nonattest services as previously described in our engagement letter. With respect to nonattest services, as per our engagement letter, the District understands and has acknowledged that the District has the responsibility for (a) making all management decisions and performing all management functions; (b) assigning an individual with suitable skills, knowledge, and experience to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) establishing and maintaining internal controls, including monitoring ongoing activities. Nonattest services do not constitute an audit under *Government Auditing Standards* and are not conducted in accordance with *Government Audit Standards*.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the District is included in Note 1 to the financial statements. As described in Note 1 to the financial statements, during the year, the District changed its method of accounting for fiduciary activities by adopting Governmental Accounting Standards Board (GASB) Statement No. 84, Fiduciary Activities (GASB 84). Accordingly the cumulative effect of the accounting change as of the beginning of the year has been reported in the Statement of Changes in Fiduciary Net Position – Fiduciary Fund.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are:

1. Foundation School Program state aid revenue.
2. Allowance for uncollectible taxes.
3. District's proportionate share of TRS' net pension and OPEB liabilities and the related deferred inflows and deferred outflows of resources.

The Foundation School Program revenue estimate is based on information from the Texas Education Agency, the allowance for uncollectible taxes estimate is based on historical experience, and the estimates related to pension and OPEB items are based on information received from TRS.

We evaluated the key factors and assumptions used to develop these estimates and determined that they are reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Financial Statement Disclosures

The financial statement disclosures are neutral, consistent, and clear.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. There were no such uncorrected misstatements identified during the audit.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. None of the misstatements identified by us as a result of our audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole or applicable opinion units.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the District's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated November 10, 2021.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Modification of the Auditor's Report

We have made the following modification to our auditor's report.

Our auditor's report includes an emphasis of matter paragraph regarding the District's implementation of GASB 84. Our opinion is not modified with respect to this matter.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the District we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the District's auditors.

This report is intended solely for the information and use of the Board of Trustees and management of the District and is not intended to be and should not be used by anyone other than these specified parties.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Houston, Texas