

***ANNUAL FINANCIAL AND  
COMPLIANCE REPORT***

**DOSS CONSOLIDATED COMMON  
SCHOOL DISTRICT**

***Doss, Texas***

**For the Year Ended  
August 31, 2020**

**DOSS CONSOLIDATED COMMON  
SCHOOL DISTRICT**

**ANNUAL FINANCIAL REPORT FOR THE  
YEAR ENDED AUGUST 31, 2020**

DOSS CONSOLIDATED COMMON SCHOOL DISTRICT  
ANNUAL FINANCIAL REPORT  
YEAR ENDED AUGUST 31, 2020  
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CERTIFICATE OF BOARD

Doss Consolidated Common School District  
Name of School District

Gillepsie  
County

086-024  
Co.-Dist. Number

We, the undersigned, certify that the attached annual financial reports of the above named school district were reviewed and (check one) ☒ approved ☐ disapproved for the year ended August 31, 2020, at a meeting of the board of trustees of such school district on the 21st day of January, 2021.

Andrea Chupik  
Signature of Board Secretary

Carol J. Crennelge  
Signature of Board President

If the board of trustees disapproved of the auditor's report, the reason(s) for disapproving it is(are):

(attach list as necessary)

# NEFFENDORF & KNOPP, P.C.

## Certified Public Accountants

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MEMBER  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

MEMBER  
TEXAS SOCIETY OF  
CERTIFIED PUBLIC ACCOUNTANTS

### Standard Report on Financial Statements Issued in Accordance with Government Auditing Standards or in a Single Audit

#### Independent Auditor's Report

Board of Trustees  
Doss Consolidated Common School District  
Doss, TX 78618

Members of the Board:

#### **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 Doss Consolidated Common School District as of and for the year ended August 31, 2020 and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

#### ***Auditor's Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 Doss Consolidated Common School District as of August 31, 2020 and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of the district's proportionate share of the net pension liability, schedule of district contributions, schedule of the District's proportionate share of the net OPEB liability and the schedule of District contributions for other post-employment benefits on pages 4-9, and 37-44 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Doss Consolidated Common School District's basic financial statements. The Texas Education Agency requires school districts to include certain information in the Annual Financial and Compliance Report in conformity with laws and regulations of the State of Texas. This information is in the Exhibit identified in the Table of Contents as J-1. This schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 8, 2021, on our consideration of Doss Consolidated Common School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 Doss Consolidated Common School District's internal control over financial reporting and compliance.



NEFFENDORF & KNOPP, P.C.

Fredericksburg, Texas

January 8, 2021

## MANAGEMENT'S DISCUSSION AND ANALYSIS

In this section of the Annual Financial and Compliance Report, we, the managers of Doss Consolidated Common School District, discuss and analyze the District's financial performance for the fiscal year ended August 31, 2020. Please read it in conjunction with the independent auditor's report on page 2, and the District's Basic Financial Statements which begin on page 10.

### FINANCIAL HIGHLIGHTS

- The District's total combined net position was \$1,715,803.
- During the year, the District had expenses that were \$(677,486) versus revenue of \$820,897 for an increase in net position of \$143,411.
- Total cost of all of the District's programs was \$677,486.
- The General Fund revenues for the year ended August 31, 2020 were \$781,506 and expenditures were \$760,352 resulting in an increase in fund balance of \$21,154.

### USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The government-wide financial statements include the Statement of Net Position and the Statement of Activities (on pages 10 and 11). These provide information about the activities of the District as a whole and present a longer-term view of the District's property and debt obligations and other financial matters. They reflect the flow of total economic resources in a manner similar to the financial reports of a business enterprise.

Fund financial statements (starting on page 12) report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds. For governmental activities, these statements tell how services were financed in the short term as well as what resources remain for future spending. They reflect the flow of current financial resources, and supply the basis for tax levies and the appropriations budget. For proprietary activities, fund financial statements tell how goods or services of the District were sold to departments within the District or to external customers and how the sales revenues covered the expenses of the goods or services. The remaining statements, fiduciary statements, provide financial information about activities for which the District acts solely as a trustee or agent for the benefit of those outside of the district.

The notes to the financial statements (starting on page 17) provide narrative explanations or additional data needed for full disclosure in the government-wide statements or the fund financial statements.

## **Reporting the District as a Whole**

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

The analysis of the District's overall financial condition and operations begins on page 10. Its primary purpose is to show whether the District is better off or worse off as a result of the year's activities. The Statement of Net Position includes all the District's assets and liabilities at the end of the year while the Statement of Activities includes all the revenues and expenses generated by the District's operations during the year. These apply the accrual basis of accounting which is the basis used by private sector companies.

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

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

In the Statement of Net Position and the Statement of Activities, the District has one kind of activity:

- **Governmental activity** - Most of the District's basic services are reported here, including the instruction, counseling, co-curricular activities, transportation, maintenance, community services, and general administration. Property taxes, tuition, fees, and state and federal grants finance most of these activities.

## **Reporting the District's Most Significant Funds**

### ***Fund Financial Statements***

The fund financial statements begin on page 12 and provide detailed information about the most significant funds - not the District as a whole. Laws and contracts require the District to establish some funds. The District's administration establishes many other funds to help it control and manage money for particular purposes (like campus activities). The District has one type of fund – governmental.

- **Governmental funds** - Most of the District's basic services are reported in governmental funds. These use modified accrual accounting (a method that measures the receipt and disbursement of cash and all other financial assets that can be readily converted to cash) and report balances that are available for future spending. The governmental fund statements provide a detailed short-term view of the District's general operations and the basic services it provides. We describe the differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliation schedules following each of the fund financial statements.

## **The District as Trustee**

### ***Reporting the District's Fiduciary Responsibilities***

All of the District's fiduciary activities are reported in a separate Statement of Fiduciary Net Position on page 16. We exclude these resources from the District's other financial statements because the District cannot use these assets to finance its operations. The District is only responsible for ensuring that the assets reported in these funds are used for their intended purposes.



## GOVERNMENT-WIDE FINANCIAL ANALYSIS

Our analysis focuses on the net position (Table I) and changes in net position (Table II) of the District's governmental activities.

Net position of the District's governmental activities for the year ended August 31, 2020 increased from \$1,572,392 to \$1,715,803. Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements - was \$411,545 at August 31, 2020. This decrease in governmental net position was the result of five factors. First, the District's combined revenues exceeded combined expenditures by \$21,154. Second, the District acquired capital assets in the amount of \$165,759. Third, the District recorded depreciation in the amount of \$26,810. Fourth, a net decrease of \$6,270 due to recognition of deferred inflows, outflows and OPEB liability related to GASB 75 accounting and financial reporting for other post-employment benefits. Fifth, a net decrease of \$10,402 due to recognition of deferred inflows, outflows and pension liability related to GASB 68 accounting and financial reporting for pensions.

**Table I**  
**Doss Consolidated Common School District**

**NET POSITION**  
in thousands

	Governmental Activities	
	2020	2019
Current and Other Assets	\$ 1,284	\$ 1,279
Capital Assets	600	461
Total Assets	<u>\$ 1,884</u>	<u>\$ 1,740</u>
Deferred Outflows of Resources		
Deferred Resources Outflow Related to TRS	97	107
Total Deferred Outflows of Resources	<u>\$ 97</u>	<u>\$ 107</u>
Long-Term Liabilities	179	197
Other Liabilities	17	33
Total Liabilities	<u>\$ 196</u>	<u>\$ 230</u>
Deferred Inflow of Resources		
Deferred Resources Inflow Related to TRS	70	45
Total Deferred Inflow of Resources	<u>\$ 70</u>	<u>\$ 45</u>
Net Position:		
Net Investment In		
Capital Assets	\$ 600	\$ 461
Restricted	704	758
Unrestricted	412	353
Total Net Position	<u><u>\$ 1,716</u></u>	<u><u>\$ 1,572</u></u>

**Table II**  
**Doss Consolidated Common School District**

**CHANGES IN NET POSITION**  
**in thousands**

	<u>Governmental Activities</u>	
	<u>2020</u>	<u>2019</u>
<b>Revenues:</b>		
<b>Program Revenues:</b>		
Charges for Service	\$ -	\$ -
Operating Grants & Contributions	39	15
<b>General Revenues:</b>		
Maintenance & Operations Taxes	512	455
Grants and Contributions	256	117
Miscellaneous Local & Intermediate Revenue	14	25
<b>Total Revenue</b>	<b>\$ 821</b>	<b>\$ 612</b>
<b>Expenses:</b>		
Instruction	\$ 320	\$ 304
Curriculum	11	11
School Leadership	39	49
Student (Pupil) Transportation	32	37
Food Service	1	1
Extra- Curricular	1	1
General Administration	154	163
Facilities Maintenance & Operations	52	44
Data Processing	46	38
Payments to SSA	13	12
Other Intergovernmental Charges	8	11
<b>Total Expenses</b>	<b>\$ 677</b>	<b>\$ 671</b>
<b>Change in Net Position</b>	<b>\$ 144</b>	<b>\$ (59)</b>
<b>Net Position - Beginning</b>	<b>1,572</b>	<b>1,631</b>
<b>Net Position - Ending</b>	<b>\$ 1,716</b>	<b>\$ 1,572</b>

The cost of all governmental activities this year was \$677,486. However, as shown in the Statement of Activities on page 11, the amount that our taxpayers ultimately financed for these activities through District taxes was \$511,348. Additional funds were paid by other governments and organizations that subsidized certain programs with grants and contributions \$309,549.

## THE DISTRICT'S FUNDS

As the District completed the year, its governmental funds (as presented on the balance sheet on page 12) reported a combined fund balance of \$1,264,350, which is more than last year's total of \$1,243,196. Included in this year's total change in fund balance is an increase of \$21,154 in the District's General Fund.

Over the course of the year, the Board of Trustees revised the District's budget. These budget amendments fall into two categories. The first category includes amendment for the purchase of a bus. The second category involved amendments moving funds from programs that did not need all the resources originally appropriated to them to programs with resource needs.

The District's General Fund balance of \$1,264,350 reported on page 14 differs from the General Fund's budgetary fund balance of \$1,145,196 reported in the budgetary comparison schedule on page 37.

## CAPITAL ASSET AND DEBT ADMINISTRATION

At the end of 2020 the District had \$600,249 invested in a broad range of capital assets, including facilities and equipment for instruction, transportation, administration, and maintenance. This amount represents a net increase of \$138,949 or 30 percent, more than last year.

This year's major additions included:

HVAC	\$ 15,450
Bus	101,165
Security Camera System	8,149
Fence	38,595
Construction in Progress	2,400
Total	<u>\$ 165,759</u>

More detailed information about the District's capital assets is presented in Note F to the financial statements.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The District's elected and appointed officials considered many factors when setting the fiscal-year 2021 budget and tax rates. The major factors are the property appraised values and enrollment. These indicators were taken into account when adopting the General Fund budget for 2021. Amounts available for appropriation in the General Fund budget are \$833,316 and expenditures are estimated to be \$833,316.

If these estimates are realized, the District's budgetary General fund balance is expected to remain the same by the close of 2021.

## EFFECTS OF THE COVID-19 PANDEMIC

On March 13, 2020, the President of the United States declared a national emergency and the Governor of Texas declared COVID-19 as a statewide public health disaster. Subsequent actions by the Governor imposed temporary restrictions on certain businesses and ordered all schools in the State to temporarily close. Upon closing, the District was forced to modify its operations to complete the 2019-2020 school year. Although campus was closed, the District was able to re-assign all employees and was not forced to reduce its workforce through furloughs or lay-offs. Looking ahead to fiscal year 2021 and the future, the District's administration realizes the negative impact of the pandemic may extend to effect the District's funding both through collection of local property taxes as well as state funding received from the Texas Education Agency. These factors were considered when approving the budget for the 2020-21 school year. Additional discussion about the District's assessment of the impact that COVID-19 has had on the District's operations can be found in Note III (S) to the financial statements.

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

**This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's business office at Doss Consolidated Common School District, Doss, Texas.**

**BASIC  
FINANCIAL STATEMENTS**

DOSS CONSOLIDATED COMMON SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
AUGUST 31, 2020

EXHIBIT A-1

Data	Primary Government
Control Codes	Governmental Activities
<b>ASSETS</b>	
1110 Cash and Cash Equivalents	\$ 360,097
1120 Current Investments	902,605
1220 Property Taxes - Delinquent	3,532
1230 Allowance for Uncollectible Taxes	(530)
1240 Due from Other Governments	17,506
1267 Due from Fiduciary Funds	420
1410 Prepayments	513
Capital Assets:	
1510 Land	45,135
1520 Buildings, Net	408,078
1530 Furniture and Equipment, Net	144,635
1580 Construction in Progress	2,400
1000 Total Assets	<u>1,884,391</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
1705 Deferred Outflow Related to TRS Pension	47,089
1706 Deferred Outflow Related to TRS OPEB	49,720
1700 Total Deferred Outflows of Resources	<u>96,809</u>
<b>LIABILITIES</b>	
2110 Accounts Payable	2,084
2160 Accrued Wages Payable	14,405
2200 Accrued Expenses	301
Noncurrent Liabilities:	
2540 Net Pension Liability (District's Share)	72,551
2545 Net OPEB Liability (District's Share)	106,215
2000 Total Liabilities	<u>195,556</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
2605 Deferred Inflow Related to TRS Pension	23,891
2606 Deferred Inflow Related to TRS OPEB	45,950
2600 Total Deferred Inflows of Resources	<u>69,841</u>
<b>NET POSITION</b>	
3200 Net Investment in Capital Assets	600,248
3860 Restricted for Capital Projects	704,010
3900 Unrestricted	411,545
3000 Total Net Position	<u>\$ 1,715,803</u>

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

DOSS CONSOLIDATED COMMON SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED AUGUST 31, 2020

EXHIBIT B-1

Data Control Codes	1	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		3	4	
		Charges for Services	Operating Grants and Contributions	
	Expenses			6 Primary Gov. Governmental Activities
<b>Primary Government:</b>				
<b>GOVERNMENTAL ACTIVITIES:</b>				
11 Instruction	\$ 319,102	\$ -	\$ 11,744	\$ (307,358)
12 Instructional Resources and Media Services	561	-	-	(561)
13 Curriculum and Instructional Staff Development	10,589	-	-	(10,589)
23 School Leadership	38,806	-	1,216	(37,590)
34 Student (Pupil) Transportation	31,864	-	879	(30,985)
35 Food Services	1,195	-	-	(1,195)
36 Extracurricular Activities	1,332	-	15	(1,317)
41 General Administration	153,641	-	608	(153,033)
51 Facilities Maintenance and Operations	51,568	-	-	(51,568)
52 Security and Monitoring Services	1,313	-	24,948	23,635
53 Data Processing Services	46,272	-	-	(46,272)
61 Community Services	449	-	-	(449)
93 Payments Related to Shared Services Arrangements	13,334	-	-	(13,334)
99 Other Intergovernmental Charges	7,460	-	-	(7,460)
<b>[TP] TOTAL PRIMARY GOVERNMENT:</b>	<b>\$ 677,486</b>	<b>\$ -</b>	<b>\$ 39,410</b>	<b>(638,076)</b>

Data  
Control  
Codes

**General Revenues:**

**Taxes:**

MT	Property Taxes, Levied for General Purposes	511,348
SF	State Aid - Formula Grants	235,961
GC	Grants and Contributions not Restricted	20,163
IE	Investment Earnings	10,219
MI	Miscellaneous Local and Intermediate Revenue	3,796
TR	<b>Total General Revenues</b>	<b>781,487</b>
CN	Change in Net Position	143,411
NB	Net Position - Beginning	1,572,392
NE	Net Position - Ending	<b>\$ 1,715,803</b>

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

DOSS CONSOLIDATED COMMON SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
AUGUST 31, 2020

Data Control Codes	10 General Fund	429 Safety & Security Fund	410 State Textbook Fund	Total Governmental Funds
<b>ASSETS</b>				
1110 Cash and Cash Equivalents	\$ 356,541	\$ -	\$ 3,556	\$ 360,097
1120 Investments - Current	902,605	-	-	902,605
1220 Property Taxes - Delinquent	3,532	-	-	3,532
1230 Allowance for Uncollectible Taxes	(530)	-	-	(530)
1240 Due from Other Governments	706	16,800	-	17,506
1260 Due from Other Funds	20,776	-	-	20,776
1410 Prepayments	513	-	-	513
1000 Total Assets	<u>\$ 1,284,143</u>	<u>\$ 16,800</u>	<u>\$ 3,556</u>	<u>\$ 1,304,499</u>
<b>LIABILITIES</b>				
2110 Accounts Payable	\$ 2,084	\$ -	\$ -	\$ 2,084
2160 Accrued Wages Payable	14,405	-	-	14,405
2170 Due to Other Funds	-	16,800	3,556	20,356
2200 Accrued Expenditures	301	-	-	301
2000 Total Liabilities	<u>16,790</u>	<u>16,800</u>	<u>3,556</u>	<u>37,146</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
2601 Unavailable Revenue - Property Taxes	3,003	-	-	3,003
2600 Total Deferred Inflows of Resources	<u>3,003</u>	<u>-</u>	<u>-</u>	<u>3,003</u>
<b>FUND BALANCES</b>				
Committed Fund Balance:				
3510 Construction	704,010	-	-	704,010
3600 Unassigned Fund Balance	560,340	-	-	560,340
3000 Total Fund Balances	<u>1,264,350</u>	<u>-</u>	<u>-</u>	<u>1,264,350</u>
4000 Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 1,284,143</u>	<u>\$ 16,800</u>	<u>\$ 3,556</u>	<u>\$ 1,304,499</u>

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



DOSS CONSOLIDATED COMMON SCHOOL DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE  
STATEMENT OF NET POSITION  
AUGUST 31, 2020

EXHIBIT C-2

<b>Total Fund Balances - Governmental Funds</b>	<b>\$ 1,264,350</b>
Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. At the beginning of the year, the cost of these assets was \$878,649 and the accumulated depreciation was (\$417,349). The net effect of including the beginning balances for capital assets (net of depreciation) in the governmental activities is to increase net position.	461,300
Current year capital outlays are expenditures in the fund financial statements, but they should be shown as increases in capital assets in the government-wide financial statements. The net effect of including the 2020 capital outlays is to increase net position.	165,759
Included in the items related to debt is the recognition of the District's proportionate share of the net pension liability required by GASB 68. The net position related to TRS included a deferred resource outflow in the amount of \$47,089, a deferred resource inflow in the amount of \$23,891, and a net pension liability in the amount of \$72,551. This resulted in a decrease in net position.	(49,353)
Included in the items related to debt is the recognition of the District's proportionate share of the net OPEB liability required by GASB 75. The net position related to TRS included a deferred resource outflow in the amount of \$49,720, a deferred resource inflow in the amount of \$45,950, and a net OPEB liability in the amount of \$106,215. This resulted in a decrease in net position.	(102,445)
The 2020 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position.	(26,810)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. This includes recognizing unavailable revenue from property taxes as revenue. The net effect of this recognition is to increase net position.	3,002
<b>Net Position of Governmental Activities</b>	<b>\$ 1,715,803</b>

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

DOSS CONSOLIDATED COMMON SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2020

Data Control Codes	10 General Fund	429 Safety & Security Fund	410 State Textbook Fund	Total Governmental Funds
<b>REVENUES:</b>				
5700 Total Local and Intermediate Sources	\$ 525,382	\$ -	\$ -	\$ 525,382
5800 State Program Revenues	256,124	24,948	2,090	283,162
5020 Total Revenues	<u>781,506</u>	<u>24,948</u>	<u>2,090</u>	<u>808,544</u>
<b>EXPENDITURES:</b>				
Current:				
0011 Instruction	282,468	-	2,090	284,558
0012 Instructional Resources and Media Services	561	-	-	561
0013 Curriculum and Instructional Staff Development	10,209	-	-	10,209
0023 School Leadership	35,210	-	-	35,210
0034 Student (Pupil) Transportation	124,676	-	-	124,676
0035 Food Services	1,195	-	-	1,195
0036 Extracurricular Activities	1,260	-	-	1,260
0041 General Administration	147,027	-	-	147,027
0051 Facilities Maintenance and Operations	49,891	-	-	49,891
0052 Security and Monitoring Services	2,356	24,948	-	27,304
0053 Data Processing Services	44,611	-	-	44,611
0061 Community Services	449	-	-	449
Capital Outlay:				
0081 Facilities Acquisition and Construction	39,645	-	-	39,645
Intergovernmental:				
0093 Payments to Fiscal Agent/Member Districts of SSA	13,334	-	-	13,334
0099 Other Intergovernmental Charges	7,460	-	-	7,460
6030 Total Expenditures	<u>760,352</u>	<u>24,948</u>	<u>2,090</u>	<u>787,390</u>
1200 Net Change in Fund Balances	21,154	-	-	21,154
0100 Fund Balance - September 1 (Beginning)	<u>1,243,196</u>	<u>-</u>	<u>-</u>	<u>1,243,196</u>
3000 Fund Balance - August 31 (Ending)	<u>\$ 1,264,350</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,264,350</u>

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

DOSS CONSOLIDATED COMMON SCHOOL DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED AUGUST 31, 2020

EXHIBIT C-4

<b>Total Net Change in Fund Balances - Governmental Funds</b>	<b>\$ 21,154</b>
Current year capital outlays are expenditures in the fund financial statements, but they should be shown as increases in capital assets in the government-wide financial statements. The net effect of removing the 2020 capital outlays is to increase net position.	165,759
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net position.	(26,810)
GASB 68 required that certain plan expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of the plan caused the change in ending net position to increase by \$5,294. Contributions made before the measurement date and during the previous fiscal year were also expended and recorded as a reduction in net pension liability. This caused a decrease in the change in net position totaling \$4,907. Finally, the proportionate share of the TRS pension expense on the plan as a whole had to be recorded. The net pension expense decreased the change in net position by \$10,789. The net result is a decrease in the change in net position.	(10,402)
GASB 75 required that certain plan expenditures by de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of the plan caused the change in ending net position to increase by \$1,751. Contributions made before the measurement date and during the previous fiscal year were also expended and recorded as a reduction in net OPEB liability. This caused a decrease in the change in net position totaling \$1,594. Finally, the proportionate share of the TRS OPEB expense on the plan as a whole had to be recorded. The net OPEB expense decreased the change in net position by \$6,427. The net result is a decrease in the change in net position.	(6,270)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. This includes recognizing unavailable revenue from property taxes as revenue and adjusting current year revenue to show the revenue earned from the current year's tax levy. The net effect of these reclassifications and recognitions is to decrease net position.	(20)
<b>Change in Net Position of Governmental Activities</b>	<b>\$ 143,411</b>

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

DOSS CONSOLIDATED COMMON SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
AUGUST 31, 2020

	Agency Fund
<hr/>	
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 5,906
Total Assets	<u>\$ 5,906</u>
<b>LIABILITIES</b>	
Accounts Payable	\$ 212
Due to Other Funds	420
Due to Student Groups	5,274
Total Liabilities	<u>\$ 5,906</u>

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

DOSS CONSOLIDATED COMMON SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2020

I. Summary of Significant Accounting Policies

Doss Consolidated Common School District (the "District") is a public educational agency operating under the applicable laws and regulations of the State of Texas. It is governed by a seven member Board of Trustees (the "Board") elected by registered voters of the District. The District prepares its basic financial statements in conformity with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board and other authoritative sources identified in *GASB Statement No. 56* and it complies with the requirements of the appropriate version of Texas Education Agency's *Financial Accountability System Resource Guide* (the "Resource Guide") and the requirements of contracts and grants of agencies from which it receives funds.

A. Reporting Entity

The Board of Trustees (the "Board") is elected by the public and it has the authority to make decisions, appoint administrators and managers, and significantly influence operations. It also has the primary accountability for fiscal matters. Therefore, the District is a financial reporting entity as defined by the Governmental Accounting Standards Board ("GASB") in its Statement No. 14, "The Financial Reporting Entity." There are no component units included within the reporting entity.

B. Government-Wide and Fund Financial Statements

The Statement of Net Position and the Statement of Activities are government-wide financial statements. They report information on all of the Doss Consolidated Common School District nonfiduciary activities with most of the interfund activities removed. *Governmental activities* include programs supported primarily by taxes, State foundation funds, grants and other intergovernmental revenues. *Business-type activities* include operations that rely to a significant extent on fees and charges for support.

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

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

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

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

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

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

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

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

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

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

Agency Funds utilize the accrual basis of accounting but do not have a measurement focus as they report only assets and liabilities.

D. Fund Accounting

The District reports the following major governmental funds:

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

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

Additionally, the District reports the following fund type(s):  
Governmental Funds:

Fiduciary Funds:

**Agency Funds** - The District accounts for resources held for others in a custodial capacity in agency funds. Agency funds and trust funds typically involve only the receipt, temporary investments, and remittance of fiduciary resources to individuals, private organizations, or other governments.

E. Fund Balance Policy

Doss Consolidated Common School District reports fund balance for governmental funds in classifications based primarily on the extent to which the district is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The nonspendable classification represents assets that will be consumed or "must be maintained in tact" and therefore will never convert to cash, such as inventories of supplies and endowments. Provisions of laws, contracts, and grants specify how fund resources can be used in the restricted classification. The nature of these two classifications precludes a need for a policy from the Board of Trustees. However, the Board has adopted fund balance policies for the three unrestricted classifications - committed, assigned, and unassigned.

From time to time, the Board of Trustees may commit fund balances by a majority vote in a scheduled meeting. The Board's commitment may be modified or rescinded by a majority vote in a scheduled meeting. Board commitments cannot exceed the amount of fund balance that is greater than the sum of nonspendable and restricted fund balances since that practice would commit funds that the district does not have. Commitments may be for facility expansion or renovation, program modifications, wage and salary adjustments, financial cushions and other purposes determined by the Board.

The Board of Trustees may delegate authority to specified persons or groups to make assignments of certain fund balances by a majority vote in a scheduled meeting. The Board may modify or rescind its delegation of authority by the same action. The authority to make assignments shall be in effect until modified or rescinded by the Board by majority vote in a scheduled meeting.

When the District incurs expenditures that can be made from either restricted or unrestricted balances, the expenditures should be charged to restricted balances. When the District incurs expenditures that can be made from either committed, assigned, or unassigned balances, the expenditures should be charged in that same order.

Committed		
Construction	\$	704,010
Unassigned		560,340
Total Fund Balances	\$	<u>1,264,350</u>

E. Other Accounting Policies

1. For purposes of the statement of cash flows for proprietary and similar fund-types, the District considers highly liquid investments to be cash equivalents if they have a maturity of three months or less when purchased.
2. The District reports inventories of supplies at cost including consumable maintenance, instructional, office, and transportation items. Supplies are recorded as expenditures when they are consumed. When requisitioned, inventory and deferred revenue are relieved, expenditures are charged, and revenue is recognized for an equal amount.

3. The District provides risk management obligations by carrying appropriate insurance. Property and general liability insurance is obtained from a licensed insurer. Risk of loss is not retained by the District.
4. The preparation 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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.
5. In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

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

6. Vacation benefits do not accumulate and are lost if not used by employees in each year. Each District's Local Board of Education is required to establish a sick leave plan. Local school districts may provide additional sick leave beyond the state minimum. The District has not computed the liability for accumulated sick leave at August 31, 2019 and no liability is reflected in the accompanying financial statements.
7. Capital assets, which include land, buildings, furniture and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Buildings, furniture and equipment of the District is depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings and Improvements	12-40
Furniture and Equipment	5-7

8. In the fund financial statements, governmental funds report restricted and committed fund balances for amounts that are not available for appropriations or are legally restricted by outside parties for use for a specific purpose.



9. When the District incurs an expense for which it may use either restricted or unrestricted assets, it uses the restricted assets first unless unrestricted assets will have to be returned because they were not used.
10. The Data Control Codes refer to the account code structure prescribed by TEA in the *Financial Accountability System Resource Guide*. Texas Education Agency requires school districts to display these codes in the financial statements filed with the Agency in order to insure accuracy in building a Statewide data base for policy development and funding plans.
11. *Pensions.* The fiduciary net position of the Teacher Retirement System of Texas (TRS) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities and additions to/deductions from TRS's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.
12. The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America ("GAAP") requires the use of management's estimates.
13. *Other Post-Employment Benefits.* The fiduciary net position of the Teacher Retirement System of Texas (TRS) TRS Care Plan has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, OPEB expense, and information about assets, liabilities and additions to/deductions from TRS Care's fiduciary net position. Benefit payments are recognized when due and payable in accordance with the benefit terms. There are no investments as this is a pay-as you-go plan and all cash is held in a cash account.
14. In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District's deferred outflows of resources consist of deferred charges for pension contributions made after the measurement date of August 31, 2019 and during the District's current reporting period, differences between the expected and actual economic experience in the pension plan and changes in actuarial assumptions.
15. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one type of item which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Uncollected property taxes which are assumed collectible are reported in this category on the balance sheet for governmental funds. They are not reported in this category on the government wide statement of net position. In the government wide financial statements, the District reports the deferred inflows for pension for the District's proportionate share of the deferred inflow for the difference between the projected and actual investment earnings in the pension plan.

## II. Stewardship, Compliance and Accountability

### A. Budgetary Data

The Board of Trustees adopts an "appropriated budget" for the General Fund. The District is required to present the adopted and final amended budgeted revenues and expenditures for this fund. The District compares the final amended budget to actual revenues and expenditures. The General Fund Budget report appears in Exhibit G-1.

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

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

<u>August 31, 2020 Fund Balance</u>	
Appropriated Budget Funds	\$ -
Nonappropriated Budget Fund	-
All Special Revenue Funds	\$ -

## III. Detailed Notes on all Funds and Account Groups

### A. District Policies and Legal and Contractual Provisions Governing Deposits

The funds of the District must be deposited and invested under the terms of a contract, contents of which are set out in the **Depository Contract Law**. The depository bank places approved pledged securities for safekeeping and trust with the District's agent bank 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.

At August 31, 2020, the carrying amount of the District's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$360, 097 and the bank balance was \$506,296.

**Custodial Credit Risk for Deposits** - State law requires governmental entities to contract with financial institutions in which funds will be deposited to secure those deposits with insurance or pledged securities with a fair value equaling or exceeding the amount on deposit at the end of each business day. The pledged securities must be in the name of the governmental entity and held by the entity or its agent. Since the District complies with this law, it has no custodial credit risk for deposits.

## District Policies and Legal and Contractual Provisions Governing Investments

### **Compliance with the Public Funds Investment Act**

The **Public Funds Investment Act** (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires a governmental entity to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit.

Statutes authorize the District to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas, (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, and (10) common trust funds. The Act also requires the District to have independent auditors perform test procedures related to investment practices as provided by the Act. The District is in substantial compliance with the requirements of the Act and with local policies.

As of August 31, 2020, Doss Consolidated Common School District had the following investments:

Investment Type	Carrying Value	Market Value	Investment Category	Minimum Legal Rating
<u>Non-Maturity Investments</u>				
TexPool	\$ 902,605	\$ 902,605	AAA	AAA

The District invests in a Local Government Investment Pool to provide its primary liquidity needs. The Local Government Investment Pool is established in conformity with the Inter-local Cooperation Act, Chapter 791 of the Texas Government Code and the Public Funds Investment Act, Chapter 2256, Texas Government Code, Chapter 2256. The Local Government Investment Pool is structured similar to a money market mutual fund. Such funds allow shareholders the ability to deposit or withdraw funds on a daily basis. Interest rates are adjusted daily and the fund seeks to maintain a constant net asset value of \$1.00, although this cannot be guaranteed. TexPool is rated AAAm. At August 31, 2020, TexPool had a weighted average maturity of 32 days. The District considers the holding is these funds to have a one-day weighted average maturity. This is due to the fact that the share position can usually be redeemed each day at the discretion of the shareholder, short of a significant change in value.

**Credit Risk** – In accordance with the state law and the District's investment policy, investments in investment pools must be rated at least AAA or AAAm or equivalent rating by a nationally recognized rating service.

**Concentration of Credit Risk** – The District places no limit on the amount the District may invest in any one issuer; rather investments are governed by the objectives of preservation and safety of principal, liquidity and yield.

**Interest Rate Risk** – State law does not permit investments with maturities greater than (5) years. As a means of limiting its exposure to fair value losses arising from rising interest rates, the District's investment policy limits the stated maturity of investments to one year from the time of purchase. The Board may specifically authorize a longer maturity for a given investments, within legal limits.

**Custodial Credit Risk – Investments:** This is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Any investment that is both uninsured and unregistered is exposed to custodial credit risk if the investment is held by the counterparty, or if the investment is held by the counterparty's trust department or agent, but not in the name of the investor government. Investments are subject to custodial credit risk only if they are evidenced by securities that exist in physical or book entry form. Positions in external investment pools are not subject to custodial credit risk.

B. Property Taxes

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the District in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 31 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available (1) when they become due or past due and receivable within the current period and (2) when they are expected to be collected during a 60-day period after the close of the school fiscal year.

C. Delinquent Taxes Receivable

Delinquent taxes are allocated to the General Fund since no debt service tax has been levied. Allowances for uncollectible tax receivables within the General Fund are based on historical experience in collecting property taxes. Uncollectible property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

D. Interfund Receivables and Payables

Interfund balances at August 31, 2020 consisted of the following individual fund balances:

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
<u>General Fund</u>		
Special Revenue Funds	\$ 20,356	\$
Agency Fund	420	
<u>Special Revenue Funds</u>		
General Fund		20,356
<u>Agency Fund</u>		
General Fund		420
<b>TOTAL</b>	<b>\$ 20,776</b>	<b>\$ 20,776</b>

E. Disaggregation of Receivables and Payables

Receivables at August 31, 2020, were as follows:

	<u>Property Taxes</u>	<u>Due From Other Governments</u>	<u>Due From Other Funds</u>	<u>Total Receivables</u>
<b>Governmental Activities:</b>				
General Fund	\$ 3,532	\$ 706	\$ 20,776	\$ 25,014
Safety & Security Grant Fund	-	16,800	-	16,800
Nonmajor Governmental Funds	-	-	-	-
<b>Total Governmental Activities</b>	<b>\$ 3,532</b>	<b>\$ 17,506</b>	<b>\$ 20,776</b>	<b>\$ 41,814</b>
 Amounts not scheduled for collection during the subsequent year	 \$ 530	 \$ -	 \$ -	 \$ 530

Payables at August 31, 2020, were as follows:

	Accounts Payable	Salaries and Benefits	Due to Other Funds	Accrued Expenditures	Total Payables
Governmental Activities:					
General Fund	\$ 2,084	\$ 14,405	\$ -	\$ 301	\$ 16,790
Safety & Security Grant Fund	-	-	16,800	-	16,800
Nonmajor Governmental Funds	-	-	3,556	-	3,556
Total Governmental Activities	<u>\$ 2,084</u>	<u>\$ 14,405</u>	<u>\$ 20,356</u>	<u>\$ 301</u>	<u>\$ 37,146</u>
Amounts not scheduled for payment during the subsequent year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

F. Capital Asset Activity

Capital asset activity for the District for the year ended August 31, 2020, was as follows:

	Primary Government			
	Beginning Balance	Additions	Retirements	Ending Balance
Governmental Activities:				
Land	\$ 45,135	\$ -	\$ -	\$ 45,135
Buildings & Improvements	586,589	54,045	-	640,634
Furniture & Equipment	246,925	109,313	(50,504)	305,734
Construction In Progress	-	2,400	-	2,400
Totals at Historic Cost	<u>\$ 878,649</u>	<u>\$ 165,759</u>	<u>\$ (50,504)</u>	<u>\$ 993,904</u>
Less Accumulated Depreciation For:				
Buildings & Improvements	(216,637)	(15,919)	-	(232,556)
Furniture & Equipment	(200,712)	(10,891)	50,504	(161,099)
Total Accumulated Depreciation	<u>\$ (417,349)</u>	<u>\$ (26,810)</u>	<u>\$ 50,504</u>	<u>\$ (393,655)</u>
Governmental Activities Capital Assets Net	<u>\$ 461,300</u>	<u>\$ 138,949</u>	<u>\$ -</u>	<u>\$ 600,249</u>

Depreciation expense was charged to  
governmental functions as follows:

Instruction	\$ 10,610
Curriculum and Instruction	380
School Leadership	1,310
Student (Pupil) Transportation	4,640
Cocurricular/Extracurricular Activities	45
General Administration	5,472
Facilities Maintenance and Operations	1,677
Security and Monitoring Services	1,016
Data Processing Services	1,660
Total Depreciation Expense	<u>\$ 26,810</u>

G. Bonds Payable

The District had no outstanding bond indebtedness at August 31, 2020.

H. Long-Term Liabilities

Changes in long-term obligations for the year ended August 31, 2020, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<u>Governmental activities:</u>					
Net Pension Liability	89,408	-	16,857	72,551	
Net OPEB Liability	107,555	254	1,594	106,215	
Total Long-Term Liabilities	\$ 196,963	\$ 254	\$ 18,451	\$ 178,766	\$ -

I. Defined Benefit Pension Plan

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

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

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

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

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.

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

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

Employee contribution rates are set in state statute, Texas Government Code 825.402. Senate Bill 1458 of the 83<sup>rd</sup> Texas Legislature amended Texas Government Code 825.402 for member contributions and established employee contribution rates for fiscal years 2020 thru 2025.

	<u><b>Contribution Rates</b></u>	
	<u><b>2019</b></u>	<u><b>2020</b></u>
<b>Member</b>	<b>7.7%</b>	<b>7.7%</b>
<b>Non-Employer Contributing Entity (State)</b>	<b>6.8%</b>	<b>7.5%</b>
<b>Employers</b>	<b>6.8%</b>	<b>7.5%</b>
<b>Doss CCSD – Current Fiscal Year Employer Contributions</b>	<b>\$ 5,294</b>	
<b>Doss CCSD – Current Fiscal Year Member Contributions</b>	<b>\$ 17,976</b>	
<b>Doss CCSD - 2019 NECE On-behalf Contributions</b>	<b>\$ 11,966</b>	

Contributors to the plan include members, employers and the State of Texas as the only non-employer contributing entity. The State contributes to the plan in accordance with state statutes and the General Appropriations Act (GAA).

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

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment.
- When any part or all of an employee's salary is paid by federal funding sources, a privately sponsored source, from non-educational and general, or local funds.
- When the employing district is a public or charter school, the employer shall contribute 1.5% of covered payroll to the pension fund beginning in fiscal year 2020. This contribution rate called the Public Education Employer Contribution will replace the Non(OASDI) surcharge that was in effect in fiscal year 2019.

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

- When employing a retiree of the Teacher Retirement System the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.
- When a school district does not contribute to the Federal Old-Age, Survivors and Disability Insurance (OASDI) Program for certain employees, they must contribute 1.5% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.

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

Valuation Date	August 31, 2018 rolled forward to August 31, 2019
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Single Discount Rate	7.25%
Long-term expected Investment Rate of Return	7.25%
Inflation	2.63%. Source for the rate is the Fixed Income Market Data/Yield Curve/Data Municipal Bonds with 20 years to maturity that include Only federally tax-exempt Municipal bonds as reported in Fidelity Index's "20 year Municipal GO AA Index."
Last year ending August 31 in Projection Period (100 Years)	2116
Inflation	2.30%
Salary Increases	3.05% to 9.05%, including inflation
Ad hoc Post Employment Benefit Changes	None

The actuarial methods and assumptions are used in the determination of the total pension liability and are the same assumptions used in the actuarial valuation as of August 31, 2018.

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

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term rate of return on pension plan investments is 7.25%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the System target asset allocation as of August 31, 2019 are summarized below:



Asset Class	FY 2019 Target Allocation <sup>(1)</sup>	New Target Allocation <sup>(2)</sup>	Long-Term Expected Geometric Real Rate of Return <sup>(3)</sup>
<b>Global Equity</b>			
U.S.	18.00%	18.00%	6.40%
Non-U.S. Developed	13.00%	13.00%	6.30%
Emerging Markets	9.00%	9.00%	7.30%
Directional Hedge Funds	4.00%	0.00%	0.00%
Private Equity	13.00%	14.00%	8.40%
<b>Stable Value</b>			
U.S. Treasuries <sup>(4)</sup>	11.00%	16.00%	3.10%
Stable Value Hedge Funds	4.00%	5.00%	4.50%
Absolute Return (Including Credit Sensitive Investments)	0.00%	0.00%	0.00%
<b>Real Return</b>			
Global Inflation Linked Bonds <sup>(4)</sup>	3.00%	0.00%	0.00%
Real Estate	14.00%	15.00%	8.50%
Energy and Natural Resources and Infrastructure	5.00%	6.00%	7.30%
Commodities	0.00%	0.00%	0.00%
<b>Risk Parity</b>			
Risk Parity	5.00%	8.00%	5.8%/6.5%
Asset Allocation Leverage			0.00%
Cash	1.00%	2.00%	2.50%
Asset Allocation Leverage		-6.00%	2.70%
<b>Total</b>	<b>100%</b>		<b>7.23%</b>

<sup>(1)</sup> FY 2019 Target Allocation based on the Strategic Asset Allocation dated 10/1/2018

<sup>(2)</sup> New Target allocation based on the Strategic Asset Allocation dated 10/1/2019

<sup>(3)</sup> 10-Year annualized geometric nominal returns include the real rate of return and inflation of 2.1%

<sup>(4)</sup> New Target Allocation groups Government Bonds within the stable value allocation. This includes global sovereign

<sup>(5)</sup> 5.8% (6.5%) return expectation corresponds to Risk Parity with a 10% (12%) target volatility.

**Discount Rate Sensitivity Analysis.** The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (7.25%) in measuring the Net Pension Liability.

	1% Decrease in Discount Rate (6.25%)	Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
Doss CCSD's proportionate share of the net pension liability:	\$ 111,522	\$ 72,551	\$ 40,977

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.** At August 31, 2020, the Doss Consolidated Common School District reported a liability of \$72,551 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the Doss Consolidated Common School District. The amount recognized by the Doss Consolidated Common School District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the Doss Consolidated Common School District were as follows:

District's Proportionate share of the collective net pension liability	\$ 72,551
State's proportionate share that is associated with the District	<u>177,718</u>
Total	<u>\$ 250,269</u>

The net pension liability was measured as of August 31, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer's proportion of the net pension

liability was based on the employer's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2018 thru August 31, 2019.

At August 31, 2019 the employer's proportion of the collective net pension liability was .0001395666% which was an decrease of .0000228677% from its proportion measured as of August 31, 2018.

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

- The single discount rate as of August 31, 2018 was a blended rate of 6.907 percent and that has changes to the long-term rate of return of 7.25 percent as of August 31, 2019.
- With the enactment of SB 3 by the 2019 Texas Legislature, an assumption has been made about how this would impact future salaries. It is assumed that eligible active members will each receive a 2,700 increase in fiscal year 2020. This is in addition to the salary increased expected in the actuarial assumptions.
- The Texas Legislature approved funding for a 13<sup>th</sup> check. All eligible active members retired as of December 31, 2018 will receive an extra annuity check in September 2019 in either the matching amount of their monthly annuity payment of \$2,000, whichever is less.

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

For the year ended August 31, 2020, Doss Consolidated Common School District recognized pension expense of \$43,613 and revenue of \$27,917 for support provided by the State in the Government Wide Statement of Activities.

At August 31, 2020, the Doss Consolidated Common School District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual actuarial experiences	\$ 305	\$ 2,519
Changes in actuarial assumptions	22,509	9,302
Difference between projected and actual investment earnings	729	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	18,252	12,070
<b>Total as of August 31, 2019 measurement date</b>	<b>\$ 41,795</b>	<b>\$ 23,891</b>
Contributions paid to TRS subsequent to the measurement date	5,294	
<b>Total</b>	<b>\$ 47,089</b>	<b>\$ 23,891</b>

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

Year ended August 31:	Pension Expense Amount
2021	4,979
2022	4,133
2023	4,664
2024	3,846
2025	1,445
Thereafter	(1,163)

#### J. Defined Other Post-Employment Benefit Plans

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

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

**Benefits Provided.** TRS-Care provides a basic health insurance coverage to retirees from public school district who are members of the TRS Pension plan. Optional dependent coverage is available for an additional fee.

Eligible retirees and their dependents not enrolled in Medicare may pay premiums to participate in one of two optional insurance plans with more comprehensive benefits (TRS-Care 2 and TRS-Care 3). Eligible retirees and dependents enrolled in Medicare may elect to participate in one of the two Medicare health plans for an additional fee. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in the TRS pension system. The Board of Trustees is granted the authority to establish basic and optional group insurance coverage for participants as well as to amend benefit terms as needed under Chapter 1575.052. There are no automatic post-employment benefit changes; including automatic COLAs.

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

TRS-Care Monthly for Retirees January 1, 2019 thru December 31, 2019			
		Medicare	Non-Medicare
Retiree*	\$	135	\$ 200
Retiree and Spouse		529	689
Retiree* and Children		468	408
Retiree and Family		1,020	999

\*or surviving spouse

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

Texas Insurance Code, section 1575.202 establishes the state's contribution rate which is 1.25% of the employee's salary. Section 1575.203 establishes the active employee's rate which is .75% of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25 percent or not more than 0.75 percent of the salary of each active employee of the public. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act. The following table shows contributions to the TRS-Care plan by type of contributor.

<u>Contribution Rates</u>		
	<u>2019</u>	<u>2020</u>
Active Employee	0.65%	0.65%
Non-Employer Contributing Entity (State)	1.25%	1.25%
Employers	0.75%	0.75%
Federal/private Funding remitted by Employers	1.25%	1.25%
 Doss CCSD- Current Fiscal Year Employer Contributions	 \$1,751	
Doss CCSD- Current Fiscal Year Member Contributions	\$1,517	
Doss CCSD- 2019 NECE On-Behalf Contributions	\$2,118	

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

TRS-Care received supplemental appropriations from the State of Texas as the Non-Employer Contributing Entity in the amount of \$73.6 million in fiscal year 2019.

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

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

Rates of Mortality	General Inflation
Rates of Retirement	Wage Inflation
Rates of Termination	Expected Payroll Growth
Rates of Disability Incidence	

**Additional Actuarial Methods and Assumptions:**

Valuation Date	August 31, 2018 rolled forward to August 31, 2019
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Single Discount Rate	2.63% as of August 31, 2019
Aging Factors	Based on plan specific experience
Election Rates	Normal Retirement: 65% participation prior to age 65 and 50% after age 65. 25% of pre-65 retirees are assumed to discontinue coverage at 65
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
Salary Increases	3.05% to 9.05%, including inflation
Ad hoc post-employment benefit changes	None

**Discount Rate.** A single discount rate of 2.63% was used to measure the total OPEB liability. There was a decrease of 1.06 percent in the discount rate since the previous year. Because the plan is essentially a “pay-as-you-go” plan, the single discount rate is equal to the prevailing municipal bond rate. The projection of cash flows used to determine the discount rate assumed that contributions from active members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to *not be able* to make all future benefit payments of current plan members. Therefore, the municipal bond rate was applied to all periods of projected benefit payments to determine the total OPEB liability.

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

	1% Decrease in Discount Rate (1.63%)	Current Single Discount Rate (2.63%)	1% Increase in Discount Rate (3.63%)
Doss CCSD’s proportionate share of the Net OPEB Liability:	\$ 128,234	\$ 106,215	\$ 88,987

**Healthcare Cost Trend Rates Sensitivity Analysis.** The following presents the net OPEB liability of the plan using the assumed healthcare cost trend rate, as well as what the net OPEB liability would be if it were calculated using a trend rate that is one-percentage point lower or one-percentage point higher than the assumed healthcare cost trend rate.

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Proportionate share of net OPEB liability	\$ 86,645	\$ 106,215	\$ 132,426

**OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs.** At August 31, 2020, the Doss Consolidated Common School District reported a liability of \$106,215 for its proportionate share of the TRS's Net OPEB Liability. This liability reflects a reduction for State OPEB support provided to the district. The amount recognized by the district as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the district were as follows:

Doss CCSD's Proportionate share of the collective Net OPEB Liability	\$106,215
State's proportionate share that is associated with Doss ISD	<u>\$141,134</u>
Total	<u>\$247,349</u>

The Net OPEB Liability was measured as of August 31, 2018 and rolled forward to August 31, 2019 and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of that date. The employer's proportion of the Net OPEB Liability was based on the employer's contributions to the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2018 thru August 31, 2019.

At August 31, 2019 the employer's proportion of the collective Net OPEB Liability was .0002245946%, which was an increase of .0000091877% from its proportionate share measured as of August 31, 2018.

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

- The discount rate changed from 3.69 percent as of August 31, 2018 to 2.63 percent as of August 31, 2019. This change increased the TOL.
- The health care trend rates were reset to better reflect the plan's anticipated experience. This change increased the TOL.
- The participation rate for pre-65 retirees were lowered from 70 percent to 65 percent. The participation rate for post-65 retirees were lowered from 75 percent to 50 percent. 25 percent of pre-65 retirees are assumed to discontinue their coverage at age 65. There was no lapse assumption in the prior valuation. These changes decreased the TOL.
- The percentage of retirees who are assumed to have two-person coverage was lowered from 20 percent to 15 percent. In addition, the participation assumption for the surviving spouses of employees that die while actively employed was lowered from 20 percent to 10 percent. These changes decreased the TOL.

For the year ended August 31, 2020, the Doss Consolidated Common School District recognized OPEB expense of \$11,740 and revenue of \$3,720 for support provided by the State.

At August 31, 2020, the district reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual actuarial experience	\$ 5,211	\$ 17,381
Changes in actuarial assumptions	\$ 5,899	\$ 28,569
Difference between projected and actual investment earnings	\$ 12	\$ -
Changes in proportionate and difference between the employer's contributions and the proportionate share of contributions	\$ 36,847	\$ -
Total as of August 31, 2019 measurement date	\$ 47,969	\$ 45,950
Contributions paid to TRS subsequent to the measurement date	\$ 1,751	\$ -
Total	\$ 49,720	\$ 45,950

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

Year ended August 31:	OPEB Expense Amount
2021	(714)
2022	(714)
2023	(718)
2024	(720)
2025	(720)
Thereafter	5,605

K. Medicare Part D – On Behalf Payments

The Medicare Prescription Drug, Improvement and Modernization Act of 2003, which was effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. Payments made on behalf of Doss Consolidated Common School District for fiscal years 2020, 2019, and 2018 were \$1,007, \$675, and \$442.

L. Health Care Coverage

Beginning September 1, 2002, House Bill 3343 created a statewide program and requirement for public school employee group health coverage. All employees are eligible for coverage provided they are either active contributing TRS member or are employed for 10 or more hours each week. The Teacher Retirement System is the primary administering agency for the health insurance program, and both TEA and TRS provide funding for the program.

M. Revenue from Local and Intermediate Sources

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

	General Fund
Property Taxes	\$ 510,141
Penalties, Interest & Other Tax-Related Income	4,063
Investment Income	10,218
Co-curricular Student Activities	-
Other	960
Total	\$ 525,382

N. Workers Compensation

During the year ended August 31, 2020, Doss Consolidated CSD met its statutory workers' compensation obligations through participation in the TASB Risk Management Fund (the Fund). The Fund was created and is operated under the provisions of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. The Fund's Workers' Compensation Program is authorized by Chapter 504, Texas Labor Code. All members participating in the Fund execute Interlocal Agreements that define the responsibilities of the parties. The Fund provides statutory workers' compensation benefits to its members' injured employees.

The Fund and its members are protected against higher than expected claims costs through the purchase of stop loss coverage for any claim in excess of the Fund's self-insured retention of \$2 million. The Fund uses the services of an independent actuary to determine the reserve adequacy and fully funds those reserves. As of August 31, 2019, the Fund carries a discounted reserve of \$45,439,534 for future development on reported claims and claims that have been incurred but not yet reported. For the year ended August 31, 2020, the Fund anticipates no additional liability to members beyond their contractual obligations for payment of contributions.

The Fund engages the services of an independent auditor to conduct a financial audit after the close of each year on August 31. The audit is accepted by the Fund's Board of Trustees in February of the following year. The Fund's audited financial statements as of August 31, 2019, are available on the TASB Risk Management website and have been filed with the Texas Department of Insurance in Austin.

O. Insurance Coverage

During the year ended August 31, 2020, Doss Consolidated CSD participated in the following TASB Risk Management Fund (the Fund) programs:

Auto Liability  
Auto Physical Damage  
Legal Liability  
Privacy & Information Security  
Property

The Fund was created and is operated under the provision of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. All members participating in the Fund execute Interlocal Agreements that define the responsibilities of the parties.

The Fund purchases stop-loss coverage for protection against catastrophic and larger than anticipated claims for its Auto, Liability and Property programs. The terms and limits of the stop-loss program vary by line of coverage. The Fund uses the services of an independent actuary to determine the adequacy of reserves and fully funds those reserves. For the year ended August 31, 2020, the Fund anticipates Doss Consolidated CSD has no additional liability beyond the contractual obligations for payment of contributions.

The Fund engages the services of an independent auditor to conduct a financial audit after the close of each plan year on August 31. The audit is accepted by the Fund's Board of Trustees in February of the following year. The Fund's audited financial statements as of August 31, 2019, are available at the TASB offices and have been filed with the Texas Department of Insurance in Austin.

P. Risk Management

State law allows school districts to retain risk through its own risk management program (i.e. a "self-insurance" program), insure through a commercial carrier, or insure through a public entity risk pool. The District has insurable risks in various areas, including property, casualty, automobile, and comprehensive liability and worker's compensation. During the current fiscal year, the District obtained insurance against risks through commercial carriers.

Q. Joint Venture – Shared Service Arrangement

The District participates in a shared service arrangement for special education programs with Fredericksburg ISD, Harper ISD and Doss CCSD. Fredericksburg ISD is the fiscal agent manager and responsible for all financial activities of the consortium. The District receives state program revenues and records the expenditure in the general fund. 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.

R. Commitments and Contingencies

The District participates in numerous State and Federal grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, if any, refunds of any money received may be required and the collectability of any related receivable at August 31, 2020 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying combined financial statements for such contingencies.

S. Effect of COVID-19 Pandemic

The ongoing COVID-19 pandemic has caused an economic downturn on a global scale, disrupted global supply chains, and created significant uncertainty, volatility, and disruption across economies and financial markets, impacting essentially all entities, including Texas independent school districts. In line with recommendations by public health officials and in accordance with governmental authority orders, the District took actions to close its campus and move to a virtual learning platform to complete the 2019-2020 school year. The District's campus has re-opened for the 2020-2021 school year with a combination of online and in-class learning. While the ultimate health and economic impact of the COVID-19 pandemic is highly uncertain, the District's administration continues to monitor the spread of COVID-19 and following guidance from local, state and national agencies continues to assess the potential impact of the pandemic on the District. While the potential impact of the pandemic on the District cannot be quantified at this time, the continued outbreak of COVID-19 could have an adverse effect on the District's operations and financial condition. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

T. Subsequent Events

The District has evaluated subsequent events through January 8, 2021 the date which the financial statements were available to be issued. The District is not aware of any subsequent events that materially impact the financial statements.



**REQUIRED SUPPLEMENTARY  
INFORMATION**

DOSS CONSOLIDATED COMMON SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED AUGUST 31, 2020

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 520,903	\$ 520,903	\$ 525,382	\$ 4,479
5800 State Program Revenues	327,325	327,325	256,124	(71,201)
5020 Total Revenues	848,228	848,228	781,506	(66,722)
EXPENDITURES:				
Current:				
0011 Instruction	344,050	343,050	282,468	60,582
0012 Instructional Resources and Media Services	1,250	1,250	561	689
0013 Curriculum and Instructional Staff Development	22,500	22,500	10,209	12,291
0023 School Leadership	39,790	39,790	35,210	4,580
0034 Student (Pupil) Transportation	35,123	133,123	124,676	8,447
0035 Food Services	1,200	1,700	1,195	505
0036 Extracurricular Activities	3,250	3,250	1,260	1,990
0041 General Administration	178,327	178,327	147,027	31,300
0051 Facilities Maintenance and Operations	63,848	63,848	49,891	13,957
0052 Security and Monitoring Services	17,500	17,500	2,356	15,144
0053 Data Processing Services	45,111	45,111	44,611	500
0061 Community Services	500	1,000	449	551
Capital Outlay:				
0081 Facilities Acquisition and Construction	66,779	66,779	39,645	27,134
Intergovernmental:				
0093 Payments to Fiscal Agent/Member Districts of SSA	16,000	16,000	13,334	2,666
0099 Other Intergovernmental Charges	13,000	13,000	7,460	5,540
6030 Total Expenditures	848,228	946,228	760,352	185,876
1200 Net Change in Fund Balances	-	(98,000)	21,154	119,154
0100 Fund Balance - September 1 (Beginning)	1,243,196	1,243,196	1,243,196	-
3000 Fund Balance - August 31 (Ending)	\$ 1,243,196	\$ 1,145,196	\$ 1,264,350	\$ 119,154

**DOSS CONSOLIDATED COMMON SCHOOL DISTRICT**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**TEACHER RETIREMENT SYSTEM OF TEXAS**  
**FOR THE YEAR ENDED AUGUST 31, 2020**

	<u>FY 2020</u> <u>Plan Year 2019</u>	<u>FY 2019</u> <u>Plan Year 2018</u>	<u>FY 2018</u> <u>Plan Year 2017</u>
District's Proportion of the Net Pension Liability (Asset)	0.000139567%	0.000162434%	0.000115426%
District's Proportionate Share of Net Pension Liability (Asset)	\$ 72,551	\$ 89,408	\$ 36,907
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	177,718	185,072	75,878
Total	<u>\$ 250,269</u>	<u>\$ 274,480</u>	<u>\$ 112,785</u>
District's Covered Payroll	\$ 209,544	\$ 205,095	\$ 141,115
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	34.62%	43.59%	26.15%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.24%	73.74%	82.17%

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

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

<u>FY 2017</u> <u>Plan Year 2016</u>	<u>FY 2016</u> <u>Plan Year 2015</u>	<u>FY 2015</u> <u>Plan Year 2014</u>
0.000139901%	0.0001198%	0.0000759%
\$ 52,866	\$ 42,348	\$ 20,274
141,743	141,221	119,386
<u>\$ 194,609</u>	<u>\$ 183,569</u>	<u>\$ 139,660</u>
\$ 205,560	\$ 230,532	\$ 229,856
25.70%	18.37%	8.82%
72.83%	78.43%	83.25%

DOSS CONSOLIDATED COMMON SCHOOL DISTRICT  
SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR PENSIONS  
TEACHER RETIREMENT SYSTEM OF TEXAS  
FOR FISCAL YEAR 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually Required Contribution	\$ 5,294	\$ 4,907	\$ 4,927
Contribution in Relation to the Contractually Required Contribution	(5,294)	(4,907)	(4,927)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 238,371	\$ 209,544	\$ 205,095
Contributions as a Percentage of Covered Payroll	2.22%	2.34%	2.40%

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

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

2017			2016		
2015					
\$	3,783	\$	4,322	\$	4,803
	(3,783)		(4,322)		(4,803)
\$	-	\$	-	\$	-
\$	141,115	\$	205,560	\$	230,532
	2.68%		2.10%		2.08%

DOSS CONSOLIDATED COMMON SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY  
TEACHER RETIREMENT SYSTEM OF TEXAS  
FOR THE YEAR ENDED AUGUST 31, 2020

	FY 2020 Plan Year 2019	FY 2019 Plan Year 2018	FY 2018 Plan Year 2017
District's Proportion of the Net Liability (Asset) for Other Postemployment Benefits	0.000224595%	0.000215407%	0.000149259%
District's Proportionate Share of Net OPEB Liability (Asset)	\$ 106,215	\$ 107,555	\$ 64,907
State's Proportionate Share of the Net OPEB Liability (Asset) Associated with the District	141,134	179,586	117,385
Total	<u>\$ 247,349</u>	<u>\$ 287,141</u>	<u>\$ 182,292</u>
District's Covered Payroll	\$ 209,544	\$ 205,095	\$ 141,115
District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	50.69%	52.44%	46.00%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	2.66%	1.57%	0.91%

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

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

DOSS CONSOLIDATED COMMON SCHOOL DISTRICT  
SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR OTHER POSTEMPLOYMENT BENEFITS (OPEB)  
TEACHER RETIREMENT SYSTEM OF TEXAS  
FOR FISCAL YEAR 2020

	2020	2019	2018
Contractually Required Contribution	\$ 1,751	\$ 1,594	\$ 1,405
Contribution in Relation to the Contractually Required Contribution	(1,751)	(1,594)	(1,405)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 238,371	\$ 209,544	\$ 205,095
Contributions as a Percentage of Covered Payroll	0.73%	0.76%	0.69%

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

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



DOSS CONSOLIDATED COMMON SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
YEAR ENDED AUGUST 31, 2020

Notes to Schedules for the TRS Pension

***Changes of Benefit Terms***

There were no changes of benefit terms that affected the measurement of the Total Pension Liability during the measurement period.

***Changes of Assumptions***

There were no changes in the actuarial assumptions used in the determination of the Total Pension Liability during the measurement period.

Notes to Schedules for the TRS OPEB Plan

***Changes of Benefit Terms***

There were no changes of benefit terms during the measurement period that affected the Total OPEB Liability.

***Changes of Assumptions***

The following were changes to the actuarial assumptions or other inputs that affected measurement of the Total OPEB Liability (TOL) since the prior measurement period:

- The discount rate changed from 3.69 percent as of August 31, 2018 to 2.63 percent as of August 31, 2019. This change increased the TOL.
- The health care trend rates were reset to better reflect the plan's anticipated experience. This change increased the TOL.
- The participation rate for pre-65 retirees were lowered from 70 percent to 65 percent. The participation rate for post-65 retirees was lowered from 75 percent to 50 percent. 25 percent of pre-65 retirees are assumed to discontinue their coverage at age 65. There was no lapse assumption in the prior valuation. These changes decreased the TOL.
- The percentage of retirees who are assumed to have two-person coverage was lowered from 20 percent to 15 percent. In addition, the participation assumption for the surviving spouses of employees that die while actively employed was lowered from 20 percent to 10 percent. These changes decreased the TOL.

## **REQUIRED TEA SCHEDULES**

**DOSS CONSOLIDATED COMMON SCHOOL DISTRICT  
SCHEDULE OF DELINQUENT TAXES RECEIVABLE  
FISCAL YEAR ENDED AUGUST 31, 2020**

Last 10 Years Ended August 31	(1)	(2)	(3)
	Tax Rates		Assessed/Appraised Value for School Tax Purposes
	Maintenance	Debt Service	
2011 and prior years	Various	Various	\$ 180,399,450
2012	0.926700	0.000000	33,936,333
2013	0.926700	0.000000	35,890,256
2014	0.926700	0.000000	37,507,391
2015	0.926700	0.000000	34,435,092
2016	0.926700	0.000000	40,993,177
2017	0.926700	0.000000	42,320,708
2018	0.926700	0.000000	41,837,772
2019	0.926700	0.000000	49,295,349
2020 (School year under audit)	0.926700	0.000000	54,723,751
1000 TOTALS			

(10) Beginning Balance 9/1/2019			(20) Current Year's Total Levy			(31) Maintenance Collections			(32) Debt Service Collections			(40) Entire Year's Adjustments			(50) Ending Balance 8/31/2020		
\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-		
	406		-		-		-		-		(406)		-		-		
	346		-		-		-		-		(346)		-		-		
	507		-		-		-		-		(402)		105				
	507		-		-		-		-		-		507				
	393		-		-		-		-		-		393				
	36		-		-		-		-		-		36				
	938		-		354		-		-		-		584				
	5,158		-		4,546		-		-		-		612				
	-		507,125		505,241		-		(589)		1,295						
\$	8,291	\$	507,125	\$	510,141	\$	-	\$	(1,743)	\$	3,532						

**REPORT ON INTERNAL CONTROL  
AND COMPLIANCE**

**NEFFENDORF & KNOPP, P.C.**  
**Certified Public Accountants**

P.O. BOX 874 · 736 S. WASHINGTON ST.  
FREDERICKSBURG, TEXAS 78624-0874

(830) 997-3348

FAX: (830) 997-3333

Email: [audit@nkpcpa.com](mailto:audit@nkpcpa.com)

MEMBER  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

MEMBER  
TEXAS SOCIETY OF  
CERTIFIED PUBLIC ACCOUNTANTS

**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***

Independent Auditor's Report

Board of Trustees  
Doss Consolidated Common School District  
Doss, TX 78618

**Members of the Board:**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Doss Consolidated Common School District, as of and for the year ended August 31, 2020 and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 8, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Doss Consolidated Common School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Doss Consolidated Common School 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 Doss Consolidated Common School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

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

A handwritten signature in blue ink that reads "Neffendorf + Knopp, P.C.".

NEFFENDORF & KNOPP, P.C.

Fredericksburg, Texas

January 8, 2021

**NEFFENDORF & KNOPP, P.C.**  
**Certified Public Accountants**

P.O. BOX 874 · 736 S. WASHINGTON ST.  
FREDERICKSBURG, TEXAS 78624-0874  
(830) 997-3348

FAX: (830) 997-3333  
Email: info@nkpcpa.com

MEMBER  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

MEMBER  
TEXAS SOCIETY OF  
CERTIFIED PUBLIC ACCOUNTANTS

January 8, 2021

Board of Trustees  
Doss Consolidated Common School District  
Doss, TX78618

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Doss Consolidated Common School District for the year ended August 31, 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated December 5, 2019. Professional standards also require that we communicate to you the following information related to our audit.

**Significant Audit Matters**

***Qualitative Aspects of Accounting Practices***

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Doss Consolidated Common School District are described in Note I to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended August 31, 2020. We noted no transactions entered into by Doss Consolidated Common School District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's 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 significantly from those expected.

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

***Difficulties Encountered in Performing the Audit***

We encountered no significant difficulties in dealing with management in performing and completing our audit.

***Corrected and Uncorrected Misstatements***

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.



### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated January 8, 2021.

### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to Doss Consolidated Common School District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Doss Consolidated Common School District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### Other Matters

We applied certain limited procedures to the management's discussion and analysis and budgetary comparison information, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining and individual nonmajor fund financial statements and the Texas Education Agency required Exhibits, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

### Restriction on Use

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

Very truly yours,



NEFFENDORF & KNOPP, P.C.  
Fredericksburg, Texas

**Board of Trustees**  
**Cecil Crenwelge**  
Board President  
**Anna Sattler**  
Vice President/Treasurer  
**Andrea Chupik**  
Secretary  
**Evan Tune**  
Trustee



**Mission:**  
**Doss CCSD will**  
create and sustain an  
environment to  
*inspire curiosity,*  
*respect tradition,* and  
*embrace excellence.*

**District Values:**  
*Love, Respect, Serve*

**Pam Seipp, Administrative Consultant**

## **Notice for Regular Board Meeting of the Board of Trustees**

Notice is hereby given that on Thursday, January 21, 2021, the Board of Trustees of the Doss Consolidated Common School District will hold a Regular Board Meeting at 6:30 PM in the Doss School Cafeteria, 11431 Ranch Road 648, P.O. Box 50, Doss, TX 78618. The subjects to be discussed are listed on the agenda, which is attached to and made a part of this notice.

If during the regular meeting covered by this notice, the Board of Trustees should determine that a closed meeting or session of the Board of Trustees is required, then such closed meeting or session as authorized by the Texas Open Meetings Act, Texas Government Code, Section 551.001 et. seq., will be held by the School Board at the date, hour, and place given in this Notice or as soon after the commencement of the meeting covered by this Notice as the School Board may conveniently meet in such closed meeting or session concerning any and all purposes permitted by the Act, including, but not limited to, the following sections and purposes:

### **Texas Government Code (abbreviated):**

<b>551.071</b>	consultation with a school attorney
<b>551.072</b>	discussing real estate property
<b>551.073</b>	discussing contracts or gifts or donations
<b>551.074</b>	discussing personnel / complaints of personnel
<b>551.076</b>	considering security personnel or devices
<b>551.082</b>	hearing discipline appeals
<b>551.0821</b>	considering confidential student related matters
<b>551.083</b>	considering standards for the board to follow
<b>551.084</b>	excluding witnesses from a hearing

Should any final action, final decision, or final vote be required in the opinion of the School Board with regard to any matter considered in such closed meeting or session, then the final action, final decision, or final vote shall be either in the open meeting covered by the Notice upon the reconvening of the public meeting; or at a subsequent public meeting of the School Board upon notice thereof; as the School Board shall determine.

This **Notice and the attached Agenda** were sent to Judge Mark Stroeher, Superintendent, all the members of the Doss CCSD Board of Trustees, any individual or organization requesting a copy, an original copy was posted on the front door of Doss School, and was posted on the school district website at [www.dossccsd.org](http://www.dossccsd.org).

**Issued and Posted at 1:00 PM on Friday, January 15, 2021**

**Posting for the Board of Trustees:**

**Administrative Consultant**

**Doss Consolidated Common School District**

**Regular Board Meeting**

**Thursday, January 21, 2021 - 6:30 PM Doss School Cafeteria, 11431 Ranch Road  
648, P.O. Box 50, Doss, TX 78618**

**The subjects to be discussed or considered, or upon which any formal action may be taken,  
are listed below. Items do not have to be taken in the order as shown on the agenda.**

---

**I. OPEN REGULAR MEETING**

- A. Call to Order and Establish Quorum
- B. Pledges and Moment of Silence

**II. WELCOME AND PUBLIC COMMENTS**

- A. Welcome Visitors and Special Guests
- B. Hear Public Comments on General Topics According to BED(Local)
- C. Hear Public Comments on Posted Agenda Items According to §551.007

**III. ANNUAL AUDIT REPORT AND RELATED ACTION ITEMS**

- A. Audit Report: 2019-2020 Doss CCSD Audit Report as Prepared by Independent Auditors, Neffendorf & Knopp, P.C.
- B. Consider and Take Possible Action on the 2019-2020 Doss CCSD Audit Report as Prepared by Independent Auditors, Neffendorf & Knopp, P.C.
- C. Consider and Take Possible Action to Approve Neffendorf & Blocker, P.C. as Independent Auditors for Doss CCSD for Fiscal Year 2020-2021

**IV. BOARD ANNOUNCEMENT AND SPECIAL REPORTS**

- A. Recognize: *Navigating to Success* and Board Appreciation
- B. Participate: Sharing Student and Staff Appreciation and Trustee Photo Opportunity
- C. Announce: Board Positions and May 2021 Election Filing Period

**V. CAMPUS AND DISTRICT REPORTS**

- A. Update: Campus Enrollment, Activities, and Student Recognition
- B. Describe: Planning, Including Instruction, Assessments, and Calendar Development
- C. Review: CDC, DSHS, and TEA Guidelines and Recommendations for Pandemic

**VI. CONSENT AGENDA ITEMS**

- A. Approve: Special and Regular Board Meeting Minutes for 12.01.20 and 12.08.20
- B. Acknowledge: Filing of Financials, Including Bills and Expenditures
- C. Acknowledge: Commitment to Policy BBF(Local) Board Member Ethics

**VII. POSSIBLE BUSINESS ACTION ITEMS**

- A. Consider and Take Possible Action to Approve Policy Update 116, Affecting Local Board Policies (Full Policy Listing Below)

- B. Consider and Take Possible Action to Approve an "Application for Other Waiver" to Schedule Periodic Asynchronous Instructional Days During the Spring of 2020-2021 for a Maximum of 2,100 Minutes
- C. Consider and Take Possible Action to Acknowledge Next Steps to Improve School Safety, Including the Appointment of a Safety Committee
- D. Consider and Take Possible Action to Approve the Selection of a Contractor to Provide Various Installation and Construction Services for the Window Replacement Project, and Authorize the Administrative Consultant to Execute a Contract with the Ranked Bidder for the Facilities Improvement Project
- E. Consider and Take Possible Action to Approve the Selection of a Contractor to Provide Supplementary Painting, Striping, and/or Other Surface Services for the Play Court Replacement Project, and Authorize the Administrative Consultant to Execute a Contract with a Contractor to Finish the Facilities Improvement Project
- F. Consider and Take Possible Action to Authorize a Budget Amendment (FY21-001) for Previously Approved Facilities Improvement Projects
- G. Consider, Discuss, and Take Possible Action to Approve Appointments to the Board of Trustees per Policy BBC(Legal)

#### **VIII. POSSIBLE CLOSED SESSION ITEMS**

- A. Pursuant to Texas Government Code §551.0821, Closed Session for Discussion Regarding Confidential Student Related Matters
- B. Pursuant to Texas Government Code §551.074, Closed Session for Discussion Regarding Personnel, the Personnel Report, Possible New Hires, Possible Resignations, and a Formative Evaluation of the Administrative Consultant

#### **IX. POSSIBLE OPEN MEETING ACTION ITEM**

- A. Consider and Take Possible Action(s) Regarding Personnel, the Personnel Report, Possible New Hires, Possible Resignations, and the Formative Evaluation of the Administrative Consultant

#### **X. BOARD ASSURANCE AND ANNOUNCEMENTS**

- A. Assure: Loyalty to District Mission, Vision, Values, and Goals
- B. Announce: Board Meeting Dates for February, March, and April
- C. Dialogue: Discussion of Options for Required Team Building Training

#### **XI. CLOSE REGULAR MEETING**

- A. Thank Visitors for Attending
- B. Adjourn Meeting

#### **XII. POLICY UPDATE 116 POLICY LISTING**

CQB(LOCAL): TECHNOLOGY RESOURCES - CYBERSECURITY  
 DCD(LOCAL): EMPLOYMENT PRACTICES - AT-WILL EMPLOYMENT  
 FFAC(LOCAL): WELLNESS AND HEALTH SERVICES - MEDICAL TREATMENT  
 GKA(LOCAL): COMMUNITY RELATIONS - CONDUCT ON SCHOOL PREMISES

---

This **Notice and the attached Agenda** is in compliance with the Texas Open Meetings Act and was sent to Mark Stroeher, Superintendent, all the members of the Doss CCSD Board of Trustees, any individual or organization requesting a copy, an original copy was posted on the front door of Doss School, and was posted on the school district website at [www.dossccsd.org](http://www.dossccsd.org).

**Posting for the Board:**  
Friday, January 15, 2021

Pam Seipp, Administrative Consultant

A handwritten signature in black ink that reads "Pam Seipp". The signature is written in a cursive, flowing style.