

# ROCKWALL INDEPENDENT SCHOOL DISTRICT ANNUAL COMPREHENSIVE FINANCIAL REPORT



**FOR THE YEAR ENDED JUNE 30, 2021**

1050 Williams St. Rockwall, Texas 75087



**Rockwall**  
INDEPENDENT SCHOOL DISTRICT

# **Rockwall Independent School District**

Annual Comprehensive Financial Report  
For the Fiscal Year Ended June 30, 2021

Prepared by  
Rockwall ISD Finance Department  
Rockwall, Texas



**Rockwall**  
INDEPENDENT SCHOOL DISTRICT

**Rockwall Independent School District**  
 Annual Comprehensive Financial Report  
 For the Fiscal Year Ended June 30, 2021  
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# Rockwall

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INDEPENDENT SCHOOL DISTRICT



**Certificate of Board**

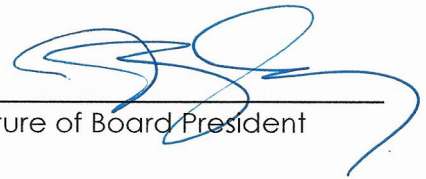
Rockwall Independent School District  
Name of School District

Rockwall  
County

199-901  
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 fiscal year ended June 30, 2021 at a meeting of the Board of Trustees of such school district on the 18<sup>th</sup> day of October, 2021.

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

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

If the Board of Trustees disapproved of the auditors' report, the reason(s) for disapproving it is (are):



# Rockwall

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INDEPENDENT SCHOOL DISTRICT

# Introductory Section



# Rockwall

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INDEPENDENT SCHOOL DISTRICT



# Rockwall

INDEPENDENT SCHOOL DISTRICT

October 13, 2021

Board of School Trustees  
Rockwall Independent School District  
1050 Williams Street  
Rockwall, Texas 75087

Members of the Board of Trustees and Citizens of Rockwall Independent School District:

The Annual Comprehensive Financial Report (ACFR) of the Rockwall Independent School District (District) for the year ended June 30, 2021, is submitted herewith. This report was prepared by the District's Finance Department. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the District. We believe the data, as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and the results of operations of the District as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included. This report includes all funds of the District. The District discusses in greater detail its financial position in the narrative, introduction, overview and analysis sections of the Management's Discussion and Analysis (MD&A).

The ACFR for the year ended June 30, 2021 is presented in conformance with the reporting model adopted by the Governmental Accounting Standards Board ("GASB") in their Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, issued in June 1999.

## GOVERNANCE

The governance of the District is overseen by a seven-member board of trustees (Board) that are elected by the citizens. Each member is elected to a three-year term. Terms are staggered, so that not all positions are voted on during the same year. See page xv for a listing of the present members of the Board along with the administrative officials who are appointed by the Board.

Regular action meetings are scheduled the third Monday of the month and are held in the District's Administration Building. Regular work sessions are scheduled the first Monday of the month and are also held at the District's Administration Building. Special meetings are scheduled as needed and announced in compliance with public notice requirements.

The Board has final control over local school matters limited only by the state legislature, by the courts and by the will of the people as expressed in School Board elections. Board decisions are based on a majority vote of a quorum of the Board.

## DEPARTMENT OF FINANCE AND OPERATIONS

1050 Williams Street • Rockwall, Texas 75087 • 469-698-7000 • [www.rockwallisd.com](http://www.rockwallisd.com)

In general, the Board adopts policies, sets direction for curriculum, employs the superintendent and oversees the operations of the District and its schools. Besides general Board business, trustees are charged with numerous statutory regulations, including appointing the tax assessor/collector, calling trustee and other school elections and canvassing the results, organizing the Board and electing its officers. The Board is also responsible for setting the tax rate, setting salary schedules, and acting as a board of appeals in personnel and student matters, confirming recommendations for textbook adoptions, and adopting and amending the annual budget. Since members of the Board are elected by the public and have the authority to make decisions, significantly influence operations, appoint administrators, and have primary accountability for fiscal matters, the District is not included in any other governmental "reporting entity" as defined in GASB Statement No. 14 and as amended by GASB Statements No. 39 and No. 61. Also there are no component units for which the District or the Board are financially accountable.

The Board solicits and evaluates community input and support concerning school policies.

### MISSION AND BELIEFS

Rockwall ISD empowers learners to embody independence, value relationships and achieve excellence as thriving members of a dynamic global community.

To accomplish its mission, the District provides a full range of educational services appropriate to grade levels ranging from pre-kindergarten through grade 12. These include regular and enriched academic education, special education for the handicapped, career education and special programs for those with limited English proficiency. These programs are supplemented by a wide variety of co-curricular offerings, including those in fine arts and athletics. The District's curriculum is well-defined for the purpose of preparing students early for college readiness. The participation rate of RISD students in Advanced Placement programs ranks among the highest in the state and nation. RISD participates in the International Baccalaureate program which provides additional high quality educational program choices for RISD high school students. RISD students' performance on these exams gives them a competitive edge for college admission and college success.

As reflected in the District's mission and belief statements, activities of the District focus on learning opportunities for students. The District is providing educational services to more than 17,000 students in state of the art facilities that include an early childhood center for prekindergarten age students, 16 elementary schools, three middle schools, two high schools, a college and career academy, and two special program centers.

### ECONOMIC CONDITIONS AND OUTLOOK

Rockwall Independent School District is a political subdivision of the State of Texas located in Rockwall County. The District, founded in 1841, is located in Rockwall and has experienced rapid growth since the 1970's. The City of Rockwall enjoys easy access to major transportation and shipping hubs in air, rail and trucking to any destination in the United States. The combined effects of increases in population, income, employment and residential growth have ensured continued growth in the District, especially during the past ten years. Demographers project that the District will continue to grow at an average rate of 2 percent per year over the next 10 years. Rockwall ISD experienced a -0.4% growth rate for the 2020-2021 school year compared to an average 5% - 6% decline by most districts in the DFW area due to the COVID19 Pandemic. While a one-year slowdown in enrollment growth was expected, the long-term forecast sees a robust new home market due to historically low mortgage interest rates. In fact, Rockwall ISD is forecasted to close roughly 900 – 1,000 new homes annually for the next 3 -5 years.

The District's last multi-year bond program was successfully approved by the voters in November, 2015. The purpose of this \$257 million program was to provide funding for four new elementary schools for district growth, a College and Career Academy, renovations and upgrades to schools with an average age of 20 years, land and bus purchases, and technology upgrades.

Included in the renovations are the replacement of Dobbs and Reinhardt Elementary Schools to ensure that these facilities meet new building standards as well as curriculum and technology requirements. The District has issued \$238.8 M through June 30, 2021.

During the current year proceeds were used for the following:

- Construction of Elementary School #16 – Lupe Garcia Elementary
- Furniture, Fixtures, and Equipment for the opening of Elementary School #15 – Hamm Elementary
- Renovations to Rockwall High School and Rockwall Heath High School to convert former Career and Technology classroom space into additional regular classrooms
- District wide technology upgrades including improved wireless access and network operations center upgrades
- Safety and security upgrades to security cameras
- Classroom Technology including new presentation equipment at the Middle Schools and District Network Switch upgrades
- Purchase of 23 Buses for route growth and to replace an aging fleet
- Additional Board of Trustees Approved Projects utilizing bond savings including restroom and HVAC renovations

In addition to the Bond Program Projects, the District has a Facility Improvement Program overseen by the District Facilities Construction Committee through which facility upgrades such as flooring, painting, fencing, etc are recommended to ensure facilities remain up to date. These improvements are funded through the General Operating Fund.

Much of the District's planning effort is focused on the District's Improvement Plan. The plan demonstrates the commitment to increase student achievement for all students. Campus Improvement Plans, which work in concert with the District's plan, address specific needs of students at individual campuses. The District and Campus Improvement Plans include annual goals for improving student achievement and objective evaluation criteria for measuring success. In addition, the District adopted a new Strategic Plan in 2018, which identifies the District's Beliefs, Learner Outcomes and Profiles as well as Eight Goals for the next 10 years. Rockwall ISD's Core Values are Relationships, Innovation, and Excellence.

#### 2020-21 Budget and Tax Rate

The Board of Trustees is required to adopt a final budget by no later than the close of the fiscal year, June 30. Annual budgets for the General Operating Fund, Debt Service Fund and Food Service Fund were adopted by the Board of Trustees on June 21, 2021. The budget is prepared by fund and function. Site based decisions are made throughout the year as campuses and departments manage their budgets. Budget transfers between functions; however, require approval from the Board of Trustees. The District operates a tightly controlled budget in all areas of operation while maintaining a high quality educational program.

As part of the implementation of House Bill 3 from the 86th Legislative Session, for Texas ISDs the Maximum Compressed Rate (MCR) portion of the M&O tax rate is calculated by reducing the prior year's MCR (\$0.89) by an amount equal to the excess of current year property tax value growth above 2.5% from the prior year's total values. For Rockwall ISD, the new MCR is calculated at  $\$0.89 \times (1.025 \div 1.069) = \$0.8536$ . Additionally, Texas ISD's have the ability to access five additional pennies providing for Tier 2 funding. On August 16, 2021, the District adopted a M&O tax rate of \$0.9036 (MCR \$0.8536 + Tier 2 pennies \$0.05 = \$0.9036) and an I&S rate of \$0.37. The \$0.37 I&S rate will generate enough revenue to cover the District's interest and debt obligations even in light of increase debt outstanding.

For additional information about the financial status of the District, readers should refer to Management's Discussion and Analysis section of this report.

## OTHER INFORMATION

### Internal Controls

An internal control structure that has been designed, managed and maintained by the District is in place to ensure the District's assets are protected from loss, theft and misuse, and to ensure that accurate accounting data is compiled in the preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP). The cost of a control should not exceed the benefits to be derived therefore internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met.

### Independent Audit

State law and District policy require an annual audit of the accounts and financial records of the District by independent certified public accountants selected by the Board of Trustees. Weaver has issued an unmodified opinion on the financial statements of Rockwall Independent School District for the fiscal year ended June 30, 2021. The independent auditor's report has been included in this report at the front of the financial section.

### Awards

In 1999, the 76<sup>th</sup> Texas Legislature, approved legislation requiring the commissioner of education in consultation with the comptroller of public accounts to develop a rating system for school district financial accountability. The 77<sup>th</sup> Texas Legislature in 2001 subsequently adopted rules for the implementation and administration of the financial accountability rating system known as School FIRST, Financial Integrity Rating System of Texas. The financial accountability rating system benefits the public by having in place a system to ensure that school districts will be held accountable for the quality of their financial management practices and achieve improved performance in the management of their financial resources. Rockwall Independent School District has received a Superior Achievement rating since the implementation of the rating system in the 2001-02 year.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting and the Association of School Business Officials (ASBO) awarded the Certificate of Excellence in Financial Reporting to Rockwall Independent School District for its Annual Comprehensive Financial Report for the fiscal period ended June 30, 2020.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized annual comprehensive financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

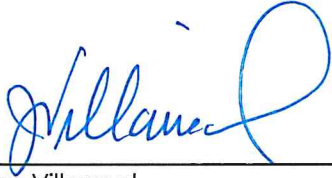
A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement Program requirements. We are submitting the current report for the fiscal year ended June 30, 2021 to GFOA and ASBO to determine its eligibility for another certificate.



Acknowledgments


The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the Finance Department. We would like to express our appreciation to all members of the department who assisted and contributed to its preparation.

We also wish to thank the members of the Board of Trustees for their continued leadership and support and for planning and conducting the financial operations of the District in a responsible and progressive manner.



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Dr. John Villarreal  
Superintendent



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David Carter, CPA  
Senior Chief Financial Officer

## Rockwall Independent School District

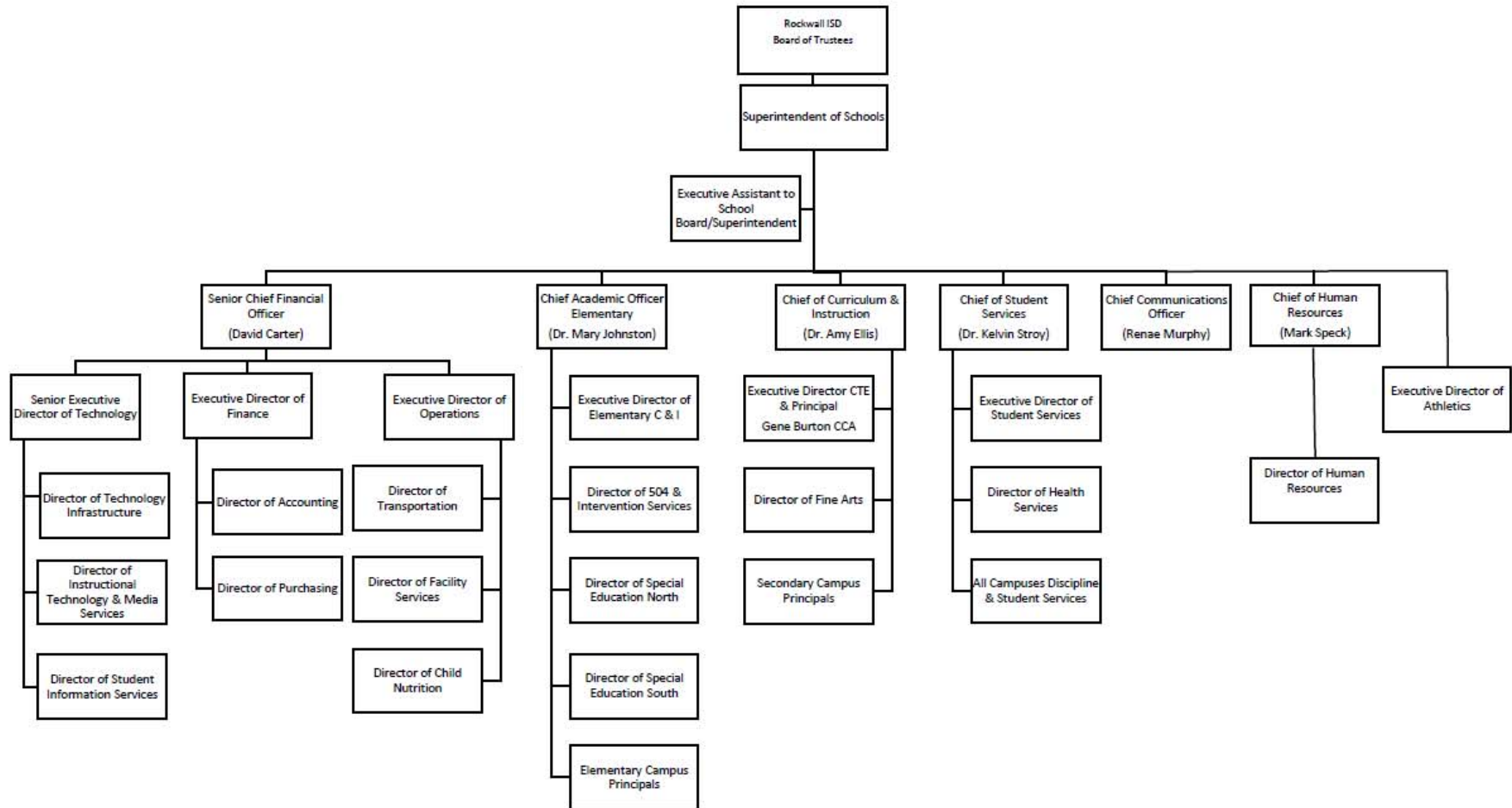
### List of Principal Officials

June 30, 2021

Name	Term Expires	<u>Board of Trustees</u>	
		Years of Service	Occupation
Jon Bailey President	May 2022	9 years	CEO, Nonprofit Organization
Linda Mitchell Duran Vice President	May 2024	9 Years	Consultant/Retired Teacher
Stephanie Adams Secretary	May 2023	10 Years	Realtor
Frank Conselman Trustee	May 2024	1 Year	Business Owner
Amy Hilton Trustee	May 2023	1 Year	Certified Public Accountant
Sherry Packer Trustee	May 2024	1 Year	Retired Educator
Jim White Trustee	May 2022	9 Years	Sales Consultant

Name	<u>Administrative Officials</u>	
	Position	Length of District Service
Dr. John Villarreal	Superintendent *total school district experience 28 years	5 Years*
David Carter	Senior Chief Financial Officer *total school district experience 13 years	4 Years*
Mark Speck	Chief Human Resources Officer *total school district experience 38 years	10 Years*
Dr. Kelvin Stroy	Chief Student Services Officer *total school district experience 22 years	1 Year*
Dr. Amy Ellis	Chief Curriculum and Instruction Officer *total school district experience 15 years	4 Years*
Renaë Murphy	Chief Communications Officer *total school district experience 24 years	6 Years*
Dr. Mary Johnston	Chief Administrative Officer-Elementary *total school district experience 27 years	4 Years*

**Rockwall Independent School District**  
**Organizational Chart**  
 June 30, 2021





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Rockwall Independent School District  
Texas**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2020

*Christopher P. Morill*

Executive Director/CEO



**The Certificate of Excellence in Financial Reporting  
is presented to**

**Rockwall Independent School District**

**for its Comprehensive Annual Financial Report  
for the Fiscal Year Ended June 30, 2020.**

The district report meets the criteria established for  
ASBO International's Certificate of Excellence.



A handwritten signature in black ink that reads 'W. Edward Chabal'.

**W. Edward Chabal  
President**

A handwritten signature in black ink that reads 'David J. Lewis'.

**David J. Lewis  
Executive Director**



# Rockwall

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INDEPENDENT SCHOOL DISTRICT

# Financial Section



# Rockwall

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INDEPENDENT SCHOOL DISTRICT





## Independent Auditor's Report

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Rockwall Independent School District (the District), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

### *Auditor's Responsibility*

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

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

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

### *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2021, 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.

Weaver and Tidwell, L.L.P.  
2300 North Field Street, Suite 1000 / Dallas, Texas 75201  
Main: 972.490.1970

***Emphasis of Matter***

As discussed in Note 1 to the basic financial statements, during the year ended June 30, 2021, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. Beginning net position in the custodial fiduciary fund has been restated as a result of the implementation of this statement. Our opinions are not modified with respect to this matter.

***Other Matters***

*Required Supplementary Information*

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

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, other supplementary information, statistical section, and Schedule of Required Responses to Selected School FIRST Indicators are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by requirements of Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is also not a required part of the basic financial statements.

The other supplementary information and schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information and schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

The Board of Trustees  
Rockwall Independent School District

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 13, 2021 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas  
October 13, 2021



# Rockwall

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INDEPENDENT SCHOOL DISTRICT

## Management's Discussion and Analysis

Our discussion and analysis of Rockwall Independent School District's (the District) financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2021. Please read it in conjunction with the District's financial statements, which follow this section.

### Financial Highlights

- The general fund reported an ending fund balance of \$72,506,423. The net change in fund balance resulted in an increase in the general fund balance from the prior year in the amount of \$115,270. The increase in fund balance was the result of conservative spending which caused actual expenditures to be well under budgeted expenditures. Revenues were greater than budget due to higher actual property tax collections received compared to budget.
- The District's long-term debt (bonds) is to meet the facility needs associated with student population growth. Because the District's debt management practice is to utilize appropriate bond instruments depending upon the economic circumstances, capital appreciation bonds have been issued. As a result, the liabilities and deferred inflows of resources of the District exceeded its assets and deferred outflows of resources at year end by \$140.9 million (net deficit).
- Capital appreciation bonds outstanding necessitated the accreted interest accrual of \$76.7 million in the government-wide financial statements, which reduces the net position of the District.
- General revenues accounted for \$179.8 million (84%) of all fiscal year 2021 revenue. Program-specific revenues in the form of charges for services and operating grants and contributions accounted for \$35.5 million (16%) of total fiscal year revenues.
- The District had approximately \$217.3 million in expenses related to governmental activities, of which approximately \$34.5 million was offset by program-specific charges for services or operating grants and contributions.
- As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$117.7 million. The general fund represents approximately 62% of this total amount, \$56.2 million, which is available for spending at the government's discretion (unassigned fund balance). Total unassigned fund balances total \$56.2 million.

### Overview of the Financial Statements

This annual report consists of a series of financial statements. The government-wide financial statements include the Statement of Net Position (Exhibit A-1) and the Statement of Activities (Exhibit B-1). These reports provide information about the activities of the District as a whole, long-term view of the District's property, 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.

Governmental fund financial statements (starting with Exhibit C-1) 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 funds, these statements tell how services were financed in the short term as well as what resources remain for future spending. They also reflect the flow of current financial resources, and supply the basis for tax levies and the appropriations budget.

Proprietary fund financial statements (starting with Exhibit D-1) offer short-term and long-term financial information about the activities the District operates like businesses. The District has two enterprise funds reflected in the proprietary fund financial statements.

Fiduciary fund financial statements (starting with Exhibit E-1) provide financial information about activities for which the District acts solely as a trustee or custodian for the benefit of those outside of the District.

The notes to the financial statements (following Exhibit E-1) provide narrative explanations or additional data needed for full disclosure in the government-wide statements or the fund financial statements.

The sections labeled required supplementary information and other supplementary information contain additional information about the District's budget, pension schedules, and individual funds. This information may be found in Exhibits G-1 through J-2.

The section labeled Overall Compliance and Internal Controls Section contains data used by monitoring or regulatory agencies for assurance that the District is using funds in compliance with the terms of the grants awarded.

### **Government-Wide Financial Statements**

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid. The two government-wide statements report the District's net position and how they have changed. Net position is one way to measure the District's financial health or position.

Over time, increases or decreases in the District's net position is an indicator of whether its financial health is improving or deteriorating, respectively. To assess the overall health of the District, you need to consider additional nonfinancial factors such as changes in the District's tax base. The government-wide financial statements of the District are divided into two categories:

***Governmental activities.*** Most of the District's basic services are included here, such as instruction, extracurricular activities, curriculum and staff development, health services, and general administration. Property taxes and grants finance most of these activities.

***Business-type activities.*** Account for funds where the District charges fees to customers to help it cover the costs of certain services it provides.

The government-wide financial statements can be found on pages 19-21 of this report.

### **Fund Financial Statements**

The fund financial statements provide more detailed information about the District's most significant funds—not the District as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

The governmental fund financial statements can be found on pages 22-28 of this report.

**Proprietary funds.** Services for which the District charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long- and short-term financial information. There are two proprietary fund types: enterprise funds and an internal service fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. As mentioned above in the government-wide definition, the District has two business-type activities or enterprise funds. Internal service funds are an accounting device used to accumulate and allocate costs internally among various functions. The District has one internal service fund that predominantly benefits governmental rather than business-type functions and has been included within governmental activities in the government-wide financial statements.

The proprietary fund financial statements can be found on pages 29-31 of this report.

**Fiduciary funds.** The District is the trustee, or fiduciary, for certain funds. It is also responsible for other assets that—because of a trust arrangement—can be used only for the trust beneficiaries. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position. Fiduciary funds are excluded from the District's government-wide financial statements because the District cannot use these assets to finance its operations.

The fiduciary fund financial statements can be found on pages 32-33 of this report.

**Notes to the Financial Statements.** The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 34-67 of this report.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the budgetary comparison of the general fund and child nutrition fund. The required supplementary information also provides information on the District's cost-sharing multiple employer pension and OPEB plan of which the District is a participant. The required supplementary information is referenced as Exhibits G-1 through G-6, and the associated notes immediately follow the exhibits in this report.

Required supplementary information can be found on pages 69-79 of this report.

## Financial Analysis of the District as a Whole

**Net position.** The overall deficit in net position increased between fiscal years 2020 and 2021 – the deficit increased by \$2.6 million. (See Table A-1).

**Table A-1**  
**Rockwall Independent School District's Net Position**

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
<b>Assets:</b>						
Cash and investments	\$ 134,709,829	\$ 154,128,157	\$ 899,943	\$ 877,349	\$ 135,609,772	\$ 155,005,506
Other assets	8,807,997	12,684,389	237,230	72,707	9,045,227	12,757,096
Capital assets less accumulated depreciation	432,723,130	413,117,549	195,023	221,673	432,918,153	413,339,222
<b>Total assets</b>	<b>576,240,956</b>	<b>579,930,095</b>	<b>1,332,196</b>	<b>1,171,729</b>	<b>577,573,152</b>	<b>581,101,824</b>
Total deferred outflows of resource	50,223,417	48,430,719	-	-	50,223,417	48,430,719
<b>Liabilities:</b>						
Current liabilities	29,064,075	30,873,283	249,037	141,242	29,313,112	31,014,525
Long-term liabilities	701,363,518	707,804,691	-	-	701,363,518	707,804,691
<b>Total liabilities</b>	<b>730,427,593</b>	<b>738,677,974</b>	<b>249,037</b>	<b>141,242</b>	<b>730,676,630</b>	<b>738,819,216</b>
Total deferred inflows of resources	37,990,040	29,002,460	-	-	37,990,040	29,002,460
<b>Net position:</b>						
Net investment in capital assets	(81,804,677)	(97,423,782)	195,023	221,673	(81,609,654)	(97,202,109)
Restricted	5,357,491	6,710,788	-	-	5,357,491	6,710,788
Unrestricted	(65,506,074)	(48,606,626)	888,136	808,814	(64,617,938)	(47,797,812)
<b>Total net position</b>	<b>\$ (141,953,260)</b>	<b>\$ (139,319,620)</b>	<b>\$ 1,083,159</b>	<b>\$ 1,030,487</b>	<b>\$ (140,870,101)</b>	<b>\$ (138,289,133)</b>

Unrestricted net position showed a \$64.6 million deficit at the end of this year. This deficit does not mean that the District does not have significant resources available to pay its bills next year. Rather, it is the result of having long-term commitments that are more than currently available resources.

**Changes in net position.** The District's total revenues decreased 1% to \$215.4 million. (See Table A-2.) A significant portion, 68% of the District's revenue comes from taxes. (See Graph A-1.) 29% comes from state allocations and from operating grants and contributions. The remaining 3% relates to charges for services, investment earnings, and miscellaneous revenues. The total cost of all programs and services were \$218.3 million. The District's expenses cover a range of services.



## Governmental Activities

Revenues for the District's governmental activities decreased 1%. Revenues decreased due primarily to lower investment income as a result of near zero interest rates and fewer charges for services as a result of the COVID-19 pandemic's continued disruption of normal school operations.

**Table A-2**  
**Changes in the Rockwall Independent School District's Net Position**

	Governmental Activities		Business-type Activities		Total	
	Year Ended 2021	Year Ended 2020	Year Ended 2021	Year Ended 2020	Year Ended 2021	Year Ended 2020
<b>Program revenues:</b>						
Charges for services	\$ 3,564,708	\$ 5,634,937	\$ 1,013,641	\$ 1,531,293	\$ 4,578,349	\$ 7,166,230
Operating grants and contributions	30,903,801	30,805,102	48,795	48,610	30,952,596	30,853,712
<b>General revenues:</b>						
Property taxes	146,629,894	139,154,838	-	-	146,629,894	139,154,838
State aid - formula	32,250,801	34,247,168	-	-	32,250,801	34,247,168
Investment earnings	449,496	3,229,622	-	-	449,496	3,229,622
Other	500,549	1,949,079	-	-	500,549	1,949,079
<b>Total revenues</b>	<b>214,299,249</b>	<b>215,020,746</b>	<b>1,062,436</b>	<b>1,579,903</b>	<b>215,361,685</b>	<b>216,600,649</b>
<b>Expenses:</b>						
Instruction	\$ 112,786,648	\$ 115,233,902	\$ -	\$ -	\$ 112,786,648	\$ 115,233,902
Instructional resources and media services	2,943,979	2,942,296	-	-	2,943,979	2,942,296
Curriculum and staff development	5,306,457	5,199,215	-	-	5,306,457	5,199,215
Instructional leadership	1,518,405	1,675,996	-	-	1,518,405	1,675,996
School leadership	9,953,368	10,048,791	-	-	9,953,368	10,048,791
Guidance, counseling and evaluation services	7,163,222	7,174,640	-	-	7,163,222	7,174,640
Social work services	368,686	379,523	-	-	368,686	379,523
Health services	2,937,333	2,621,539	-	-	2,937,333	2,621,539
Student (pupil) transportation	6,216,349	6,139,932	-	-	6,216,349	6,139,932
Food services	7,779,430	8,231,309	-	-	7,779,430	8,231,309
Cocurricular/extracurricular activities	12,259,535	12,707,493	-	-	12,259,535	12,707,493
General administration	5,024,010	5,192,272	-	-	5,024,010	5,192,272
Plant maintenance and operations	16,153,172	13,510,457	-	-	16,153,172	13,510,457
Security and monitoring services	2,067,646	2,106,411	-	-	2,067,646	2,106,411
Data processing services	3,376,780	3,355,035	-	-	3,376,780	3,355,035
Community services	34,944	175,477	-	-	34,944	175,477
Debt service	19,921,514	25,145,798	-	-	19,921,514	25,145,798
Facilities acquisition and construction	10,237	452	-	-	10,237	452
Payments for shared service arrangements	10,685	10,685	-	-	10,685	10,685
Other intergovernmental charges	1,457,451	1,173,117	-	-	1,457,451	1,173,117
Sports marketing	-	-	94,930	76,268	94,930	76,268
ROCK after school program	-	-	914,834	1,040,273	914,834	1,040,273
<b>Total expenses</b>	<b>217,289,851</b>	<b>223,024,340</b>	<b>1,009,764</b>	<b>1,116,541</b>	<b>218,299,615</b>	<b>224,140,881</b>
Increase (decrease) in net position	\$ (2,990,602)	\$ (8,003,594)	\$ 52,672	\$ 463,362	\$ (2,937,930)	\$ (7,540,232)
Transfers	-	500,000	-	(500,000)	-	-
<b>Change in net position</b>	<b>(2,990,602)</b>	<b>(7,503,594)</b>	<b>52,672</b>	<b>(36,638)</b>	<b>(2,937,930)</b>	<b>(7,540,232)</b>
Extraordinary item	356,962	-	-	-	356,962	-
Net position - beginning	(139,319,620)	(131,816,026)	1,030,487	1,067,125	(138,289,133)	(130,748,901)
<b>Net position - ending</b>	<b>\$(141,953,260)</b>	<b>\$(139,319,620)</b>	<b>\$ 1,083,159</b>	<b>\$ 1,030,487</b>	<b>\$(140,870,101)</b>	<b>\$(138,289,133)</b>

**Business-Type Activities-** Business type activities increased the District's net position by \$52,672. The increase in net position is a direct result of the suspension of fund transfers to the General Fund in light of the Covid -19 Pandemic.

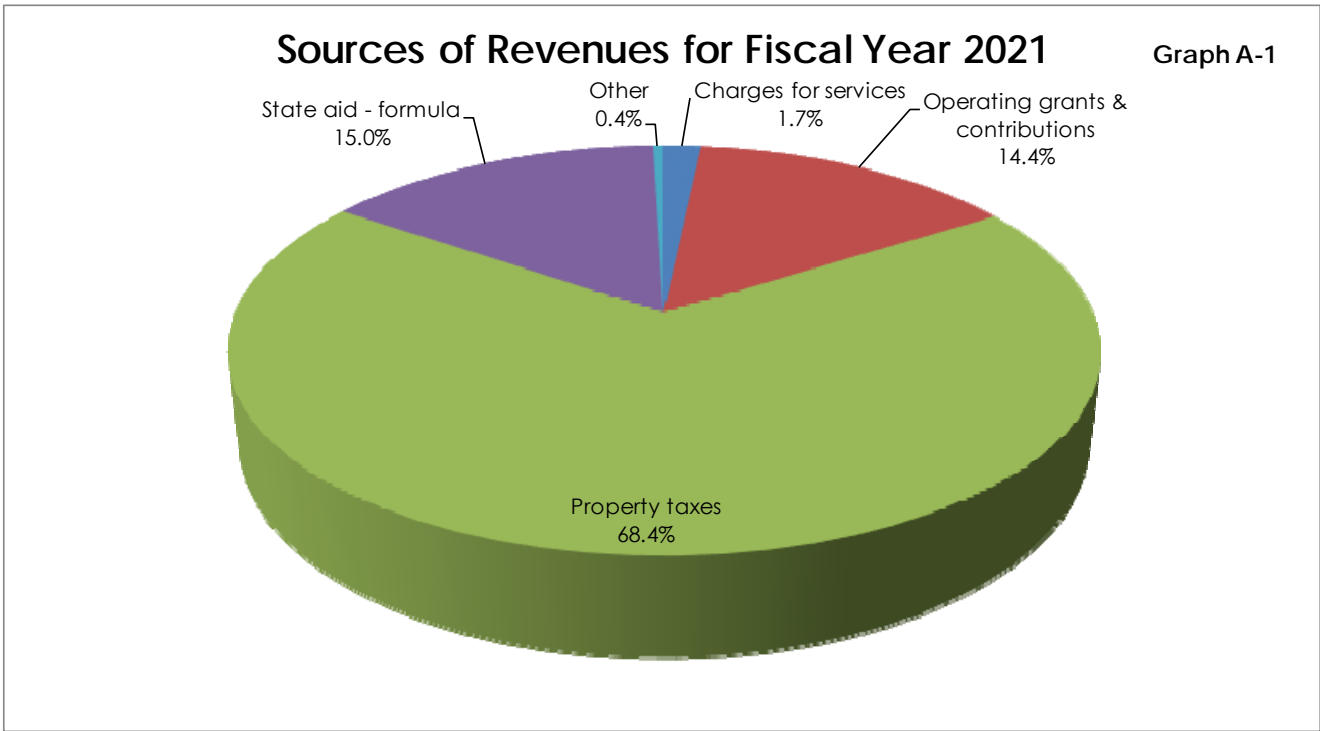


Table A-3 presents the cost of each of the District's largest functions as well as each function's net cost (total cost less fees generated by the activities and intergovernmental aid). The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

The cost of all activities this year was \$218.3 million. However, the amount that our taxpayers paid for these activities through property taxes was \$146.6 million.

Some of the cost was paid by those who directly benefited from the programs (\$4.6 million).

**Table A-3**  
**Rockwall Independent School District**  
**Net Cost of Selected District Functions**

	Total Cost of Services			Net Cost of Services		
	Year Ended 2021	Year Ended 2020	% Change	Year Ended 2021	Year Ended 2020	% Change
Instruction	\$ 112,786,648	\$ 115,233,902	-2.1%	\$ 94,723,532	\$ 95,186,342	-0.5%
School leadership	9,953,368	10,048,791	-0.9%	8,823,774	8,694,954	1.5%
Cocurricular/extracurricular	12,259,535	12,707,493	-3.5%	10,460,792	11,308,055	-7.5%
Plant maintenance and operation:	16,153,172	13,510,457	19.6%	13,977,768	11,800,871	18.4%
Debt service	19,921,514	25,145,798	-20.8%	19,386,457	24,564,422	-21.1%

## Financial Analysis of the District's Funds

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

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

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$117.7 million. Approximately 48% of this total amount or \$56.2 million constitutes the unassigned fund balance. The remainder of fund balance is nonspendable, restricted, committed, or assigned to indicate that it is not available for new spending because it has already been: 1) restricted for retirement of long-term debt \$22.8 million, 2) restricted for capital projects \$18.8 million, and 3) restricted, committed, or assigned for other purposes, or nonspendable, totaling \$19.6 million.

The general fund is the primary operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the general fund was \$56.2 million, while the total fund balance of all governmental funds was \$117.7 million.

The general fund reported an ending fund balance of \$72,506,423. The net change in fund balance resulted in an increase in the general fund balance from the prior year in the amount of \$115,270. The increase in fund balance was the result of conservative spending which caused actual expenditures to be well under budgeted expenditures. Revenues were greater than budget due to higher property tax collections received compared to budget.

The child nutrition fund has a total fund balance of \$1,785,890 which represents a decrease of \$1,405. This decrease is due to decreases in food service activity as a result of lower in-person attendance for much of the school year due to Covid-19.

The debt service fund has a total fund balance of \$22,817,771, all of which is restricted for the payment of debt service. The net decrease in fund balance during the period in the debt service fund was \$670,799. The decrease is due to increased debt payments resulting from issuance of Series 2020 Bonds.

The capital projects fund has a fund balance of \$18,803,903 at year end. The net decrease in fund balance of \$21,976,427 is a result of issuance of 2020 Bonds offset by capital expenditures to complete Hamm Elementary, build Lupe Garcia Elementary, and other miscellaneous bond projects.

## General Fund Budgetary Highlights

Over the course of the year, the District recommended and the Board approved several revisions to budgeted revenues and appropriations. The amendments fall into the following categories:

- Amendments approved throughout the year for Covid-19 related school re-opening costs of \$2.4 million, increases in insurance premiums of \$135,000, one-time incentive payment to all employees of \$3.9 million, and facility improvements \$2.2 million.
- Revenue amendment to revise estimates for SHARS income.

After appropriations were amended as described above, actual revenues for the general fund were \$4 million above the final budget amounts as The District saw an increase in property tax collections above budgeted amounts. Actual expenditures were \$5.8 million below final budget amounts, primarily due to personnel vacancies in budgeted payroll positions, conservative spending practices, and timing of facility improvement program project completions.

## Capital Assets and Debt Administration

### Capital Assets

The District's investment in capital assets as of June 30, 2021, amounts to \$432.9 million (net of accumulated depreciation). This amount represents a net increase (including additions and deletions) of \$19.6 million or 4.7%. The investment in capital assets includes land, buildings and improvements, vehicles, equipment, and construction in progress.

Table A-4  
Rockwall Independent School District's Capital Assets

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 20,309,012	\$ 20,415,566	\$ -	\$ -	\$ 20,309,012	\$ 20,415,566
Construction in progress	37,644,490	37,439,237	-	-	37,644,490	37,439,237
Buildings and improvements	639,120,926	597,320,322	-	-	639,120,926	597,320,322
Furniture and equipment	28,552,551	25,333,534	548,230	548,230	29,100,781	25,881,764
Totals at historical cost	725,626,979	680,508,659	548,230	548,230	726,175,209	681,056,889
Less accumulated depreciation	(292,903,849)	(267,391,110)	(353,207)	(326,557)	(293,257,056)	(267,717,667)
<b>Net capital assets</b>	<b>\$ 432,723,130</b>	<b>\$ 413,117,549</b>	<b>\$ 195,023</b>	<b>\$ 221,673</b>	<b>\$ 432,918,153</b>	<b>\$ 413,339,222</b>

Additional information on the District's capital assets can be found in Note 5.

## Long-Term Debt

At year-end the District had \$614.9 million in long term debt – an increase of 1.6% over last year – as shown in Table A-5.

**Table A-5**  
**Rockwall Independent School District's Long Term Debt**

	2021	2020
Bonds payable	\$ 514,758,573	\$ 507,656,046
Accreted interest	76,736,088	58,036,041
Bond premiums	23,419,739	39,583,335
	<u>\$ 614,914,400</u>	<u>\$ 605,275,422</u>

The “AAA” long term rating of the District’s Texas bonds reflects the Texas Permanent School guarantee. The District has an underlying bond rating of “Aa2” and “AA” given to it by both Moody’s and Standard & Poors, respectively. This rating reflects the District’s (1) strong economic situation, (2) strong administrative management, and (3) excellent financial performance.

Additional information on the District’s long-term debt can be found in Note 7.

## Economic Factors and Next Year’s Budgets and Tax Rates

As part of the implementation of House Bill 3 from the 86th Legislative Session, for Texas ISDs the Maximum Compressed Rate (MCR) portion of the M&O tax rate is calculated by reducing the prior year’s MCR (\$0.89) by an amount equal to the excess of current year property tax value growth above 2.5% from the prior year’s total values. For Rockwall ISD, the new MCR is calculated at  $\$0.89 \times (1.025 \div 1.069) = \$0.8536$ . Additionally, Texas ISD’s have the ability to access five additional pennies providing for Tier 2 funding. On August 16, 2021, the District adopted a M&O tax rate of \$0.9036 (MCR \$0.8536 + Tier 2 pennies \$0.05 = \$0.9036) and an I&S rate of \$0.37. The \$0.37 I&S rate will generate enough revenue to cover the District’s interest and debt obligations even in light of increase debt outstanding.

Student enrollment saw a slight decrease for the 2020-2021 school year due to the pandemic but is expected to return to increases at an average rate of 2% each year. With annual increases in student enrollment, the District continues to strategically plan and build for continued student growth. Voters approved a bond referendum of \$256,820,000 by a 65% margin on November 3, 2015. This bond allows for a new high school STEM academy, four new elementary campuses, major additions and renovations to three campuses, athletic facility upgrades, and other capital facility improvements at many other campuses. These projects are approximately 95 percent complete. The District issued Series 2016 Bonds in February 2016 comprised of \$26.2 million of 2007 authorization bonds for construction of Linda Lyon Elementary School which opened in August of 2017, and \$98.8 million for 2015 authorization projects. An additional \$75 million of 2015 authorization bonds were issued in April of 2017, \$45 million in November 2018, \$81.5 million in November 2019, and \$20 million in December 2020. All proceeds are invested at Texas CLASS and Lone Star Investment Pool and are available for continuing payments on construction projects in progress. The District expects to issue the final \$18 million by the end of 2022.

To prepare for continued increases in student population, the RISD Board of Trustees took a community-driven approach to prioritizing the District's future needs and commissioned a Facilities Bond Committee who developed a \$475.8 million bond proposal. The proposal calls for funding of two 9th grade campuses, a middle school, a replacement elementary school, additional classroom space for 6<sup>th</sup> graders at existing middle schools, modern security, and additional buses to maintain a safe and modern fleet. The 2021 Bond Referendum will be held on Tuesday, November 2, 2021.

The Board of Trustees adopted a 2021-2022 general fund budget reflecting revenues and transfers from other funds of \$149,439,111 and expenditures of \$151,021,522. The adopted budget includes funding for a \$1,200 raise for teachers, nurses, and librarians and a general pay increase for all other employees of 2% of the mid-point of each respective pay grade. The budget also includes funding for additional staff for enrollment growth and to open Lupe Garcia Elementary School.

The district received federal reimbursements through the Prior Purchase Reimbursement Program for technology devices and through ESSER for personal protective equipment expenditures to safely re-open schools in light of the ongoing pandemic during 2020-2021. Further ESSER funding opportunities were announced during 2020-2021 and the district was awarded both the ESSER III and ESSER Supplemental funds after year-end. ESSER II funds have been announced and the District is in the process of applying for these funds. The planned uses of ESSER II, III, and Supplemental funds are for the hiring of additional teachers, counselors, and special education positions to help close or eliminate learning gaps caused by the pandemic, construction of a Technology Fiber Ring to provide unlimited speed and throughput for the District's network, and for the claiming of indirect costs related to the accounting, budgeting, purchasing, auditing, and payroll processing of grant funds.

The District will continue to review its priorities to maintain the level of service to its children and taxpayers for future budget years.

### **Requests for Information**

This financial report is designed to provide a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact David Carter, Senior Chief Financial Officer for the District.

# Basic Financial Statements



# Rockwall

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INDEPENDENT SCHOOL DISTRICT



Rockwall Independent School District  
Statement of Net Position  
June 30, 2021

Exhibit A-1

Data Control Codes		1 Governmental Activities	2 Business-type Activities	3 Total
<b>ASSETS</b>				
1110	Cash and cash equivalents	\$ 134,709,829	\$ 899,943	\$ 135,609,772
1220	Property taxes receivables (delinquent)	3,607,453	-	3,607,453
1230	Allowance for uncollectible taxes (credit)	(180,373)	-	(180,373)
1240	Due from other governments	4,274,665	-	4,274,665
1260	Internal balances	974	(974)	-
1290	Other receivables, net	761,485	238,204	999,689
1300	Inventories	125,040	-	125,040
1410	Prepaid items	218,753	-	218,753
	Capital assets:			
1510	Land	20,309,012	-	20,309,012
1520	Buildings, net	365,788,388	-	365,788,388
1530	Furniture and equipment, net	8,981,240	195,023	9,176,263
1580	Construction in progress	37,644,490	-	37,644,490
1000	Total assets	576,240,956	1,332,196	577,573,152
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
1701	Accumulated decrease in fair value of hedging derivative	9,607,710	-	9,607,710
1702	Deferred loss on refunding	18,016,469	-	18,016,469
1705	Deferred outflows of resources - pensions	14,194,100	-	14,194,100
1706	Deferred outflows of resources - OPEB	8,405,138	-	8,405,138
	Total deferred outflows of resources	50,223,417	-	50,223,417
<b>LIABILITIES</b>				
2110	Accounts payable	7,105,660	7,394	7,113,054
2140	Interest payable	6,884,384	-	6,884,384
2150	Payroll deductions and withholdings	617,034	2,313	619,347
2160	Accrued wages payable	14,157,650	248	14,157,898
2300	Unearned revenue	299,347	239,082	538,429
2302	Derivative instrument	9,607,710	-	9,607,710
	Long term liabilities:			
2501	Due within one year	22,630,000	-	22,630,000
2502	Due in more than one year	592,284,400	-	592,284,400
2540	Net pension liability (District's share)	37,439,933	-	37,439,933
2545	Net OPEB liability (District's share)	39,401,475	-	39,401,475
2000	Total liabilities	730,427,593	249,037	730,676,630
<b>DEFERRED INFLOWS OF RESOURCES</b>				
2600	Deferred gain	613,296	-	613,296
2605	Deferred inflows of resources - pensions	7,364,650	-	7,364,650
2606	Deferred inflows of resources - OPEB	30,012,094	-	30,012,094
	Total deferred inflows of resources	37,990,040	-	37,990,040
<b>NET POSITION (DEFICIT)</b>				
3200	Net investment in capital assets	(81,804,677)	195,023	(81,609,654)
	Restricted for:			
3820	Federal and state programs	142,027	-	142,027
3840	Food service	1,785,890	-	1,785,890
3850	Debt service	3,429,574	-	3,429,574
3900	Unrestricted	(65,506,074)	888,136	(64,617,938)
3000	TOTAL NET POSITION (DEFICIT)	\$ (141,953,260)	\$ 1,083,159	\$ (140,870,101)

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

Rockwall Independent School District  
Statement of Activities  
For the Fiscal Year Ended June 30, 2021

Data Control Codes		1 Expenses	Program Revenues	
			3 Charges for Services	4 Operating Grants and Contributions
<b>PRIMARY GOVERNMENT</b>				
	Governmental activities:			
11	Instruction	\$ 112,786,648	\$ 1,396,117	\$ 16,666,999
12	Instructional resources and media services	2,943,979	72,750	254,325
13	Curriculum and instructional staff development	5,306,457	-	1,337,173
21	Instructional leadership	1,518,405	-	307,101
23	School leadership	9,953,368	-	1,129,594
31	Guidance, counseling, and evaluation services	7,163,222	39,189	1,614,834
32	Social work services	368,686	-	38,049
33	Health services	2,937,333	-	258,243
34	Student (pupil) transportation	6,216,349	-	332,793
35	Food services	7,779,430	609,071	4,622,408
36	Cocurricular/Extracurricular activities	12,259,535	1,256,692	542,051
41	General administration	5,024,010	-	491,810
51	Plant maintenance and operations	16,163,409	190,889	2,021,103
52	Security and monitoring services	2,067,646	-	362,910
53	Data processing services	3,376,780	-	263,701
61	Community services	34,944	-	34,826
72	Debt service - interest on long-term debt	17,963,597	-	535,057
73	Debt service - amortization and fees	1,957,917	-	-
93	Payments to fiscal agent/member districts of SSA	10,685	-	-
99	Other intergovernmental charges	1,457,451	-	90,824
	Total governmental activities	217,289,851	3,564,708	30,903,801
	Business-type activities:			
01	Sports marketing	94,930	118,725	-
02	ROCK after school program	914,834	894,916	48,795
	Total business-type activities	1,009,764	1,013,641	48,795
TP	<b>TOTAL PRIMARY GOVERNMENT:</b>	<b>\$ 218,299,615</b>	<b>\$ 4,578,349</b>	<b>\$ 30,952,596</b>
	General revenues:			
	Taxes:			
MT	Property taxes, levied for general purposes			
DT	Property taxes, levied for debt service			
GC	Grants and contributions not restricted			
IE	Investment earnings			
MI	Miscellaneous			
TR	Total general revenues			
EI	Extraordinary item			
CN	Change in net position			
NB	Net position (deficit)- beginning			
NE	<b>NET POSITION (DEFICIT)- ENDING</b>			

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

## Net (Expense) Revenue and Changes in Net Position

6	7	8
Governmental Activities	Business-type Activities	Total
\$ (94,723,532)	\$ -	\$ (94,723,532)
(2,616,904)	-	(2,616,904)
(3,969,284)	-	(3,969,284)
(1,211,304)	-	(1,211,304)
(8,823,774)	-	(8,823,774)
(5,509,199)	-	(5,509,199)
(330,637)	-	(330,637)
(2,679,090)	-	(2,679,090)
(5,883,556)	-	(5,883,556)
(2,547,951)	-	(2,547,951)
(10,460,792)	-	(10,460,792)
(4,532,200)	-	(4,532,200)
(13,951,417)	-	(13,951,417)
(1,704,736)	-	(1,704,736)
(3,113,079)	-	(3,113,079)
(118)	-	(118)
(17,428,540)	-	(17,428,540)
(1,957,917)	-	(1,957,917)
(10,685)	-	(10,685)
(1,366,627)	-	(1,366,627)
(182,821,342)	-	(182,821,342)
-	23,795	23,795
-	28,877	28,877
-	52,672	52,672
(182,821,342)	52,672	(182,768,670)
105,275,649	-	105,275,649
41,354,245	-	41,354,245
32,250,801	-	32,250,801
449,496	-	449,496
500,549	-	500,549
179,830,740	-	179,830,740
356,962	-	356,962
(2,633,640)	52,672	(2,580,968)
(139,319,620)	1,030,487	(138,289,133)
\$ (141,953,260)	\$ 1,083,159	\$ (140,870,101)

Rockwall Independent School District  
 Balance Sheet  
 Governmental Funds  
 June 30, 2021

Data Control Codes		10 General Fund	24 Child Nutrition Fund
<b>ASSETS</b>			
1110	Cash and cash equivalents	\$ 84,685,979	\$ 1,429,988
1220	Property taxes delinquent	2,638,332	-
1230	Allowance for uncollectable taxes (credit)	(131,917)	-
1240	Due from other governments	3,120,439	16,793
1260	Due from other funds	805,358	851,880
1290	Other receivables	761,485	-
1300	Inventories	30,516	91,168
1410	Prepaid items	187,652	-
1000	Total assets	<u>\$ 92,097,844</u>	<u>\$ 2,389,829</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
Liabilities:			
2110	Accounts payable	\$ 1,833,323	\$ 1,301
2150	Payroll deductions and withholdings	436,937	75,399
2160	Accrued wages payable	13,469,624	247,660
2170	Due to other funds	858,338	31
2300	Unearned revenue	19,799	279,548
2000	Total liabilities	<u>16,618,021</u>	<u>603,939</u>
Deferred inflows of resources			
2600	Unavailable revenue	2,973,400	-
	Total deferred inflows of resources	<u>2,973,400</u>	<u>-</u>
Fund balances:			
Nonspendable			
3410	Inventories	30,516	-
3430	Prepaid items	187,652	-
Restricted			
3480	Debt service	-	-
3470	Capital projects	-	-
3450	Grant funds	-	1,785,890
Committed			
3545	Local special revenue	-	-
Assigned			
	Reserve for facility improvement program	1,100,000	-
	Assigned for operating cash deficits	15,000,000	-
3600	Unassigned	56,188,255	-
3000	Total fund balances	<u>72,506,423</u>	<u>1,785,890</u>
4000	<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<u>\$ 92,097,844</u>	<u>\$ 2,389,829</u>

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

Exhibit C-1

50 Debt Service Fund	60 Capital Projects Fund	Other Governmental Funds	98 Total Governmental Funds
\$ 22,319,019	\$ 24,054,438	\$ 2,220,405	\$ 134,709,829
969,121	-	-	3,607,453
(48,456)	-	-	(180,373)
244,140	-	893,293	4,274,665
-	-	6,585	1,663,823
-	-	-	761,485
-	-	3,356	125,040
-	-	31,101	218,753
<u>\$ 23,483,824</u>	<u>\$ 24,054,438</u>	<u>\$ 3,154,740</u>	<u>\$ 145,180,675</u>
\$ -	\$ 5,178,176	\$ 92,860	\$ 7,105,660
-	1,529	103,169	617,034
-	18,333	422,033	14,157,650
-	52,497	751,983	1,662,849
-	-	-	299,347
<u>-</u>	<u>5,250,535</u>	<u>1,370,045</u>	<u>23,842,540</u>
666,053	-	-	3,639,453
<u>666,053</u>	<u>-</u>	<u>-</u>	<u>3,639,453</u>
-	-	3,356	33,872
-	-	31,101	218,753
22,817,771	-	-	22,817,771
-	18,803,903	-	18,803,903
-	-	142,027	1,927,917
-	-	1,608,211	1,608,211
-	-	-	1,100,000
-	-	-	15,000,000
-	-	-	56,188,255
<u>22,817,771</u>	<u>18,803,903</u>	<u>1,784,695</u>	<u>117,698,682</u>
<u>\$ 23,483,824</u>	<u>\$ 24,054,438</u>	<u>\$ 3,154,740</u>	<u>\$ 145,180,675</u>



# Rockwall

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INDEPENDENT SCHOOL DISTRICT

**Rockwall Independent School District****Exhibit C-1R**Reconciliation of the Balance Sheet - Governmental Funds  
to the Government-Wide Statement of Net Position  
June 30, 2021

<b>TOTAL FUND BALANCES - GOVERNMENTAL FUNDS</b>	\$ 117,698,682
1 Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental fund financial statements.	725,626,979
2 Accumulated depreciation has not been included in the governmental fund financial statements.	(292,903,849)
3 Bonds payable and contractual obligations have not been included in the governmental fund financial statements.	(514,758,573)
4 Accreted interest for capital appreciation bonds have not been included in the governmental fund financial statements as a liability.	(76,736,088)
5 Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the governmental fund financial statements, interest expenditures are reported when due.	(6,884,384)
6 Revenue reported as a deferred inflow of resources in the governmental fund financial statements was recorded as revenue in the government-wide financial statements.	3,639,453
7 Premiums and discounts on the issuance of current interest bonds are reflected in the statement of net position in the government-wide financial statements, net of amortization.	(23,419,739)
8 Gains from partial refundings of hedges is reported as other resources in the governmental fund financial statements, however, they are recorded as a liability in the government-wide financial statements, net of amortization.	(613,296)
9 The loss on refunding amount is reflected in the statement of net position in the government-wide financial statements, net of amortization.	18,016,469
10 Included in the items related to debt is the recognition of the District's proportionate share of the TRS net pension liability (\$37,439,933) and a deferred inflow of resources (\$7,364,650), and a deferred outflow of resources (\$14,194,100). The result is a decrease in net position.	(30,610,483)
11 Included in the items related to debt is the recognition of the District's proportionate share of the TRS-Care net OPEB liability (\$39,401,475) and a deferred inflow of resources (\$30,012,094), and a deferred outflow of resources (\$8,405,138). The result is a decrease in net position.	(61,008,431)
<b>19 NET POSITION (DEFICIT) OF GOVERNMENTAL ACTIVITIES</b>	<u><u>\$ (141,953,260)</u></u>

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

**Rockwall Independent School District**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2021**

Data Control Codes		General Fund	Child Nutrition Fund
<b>REVENUES</b>			
5700	Total local and intermediate sources	\$ 107,069,495	\$ 625,053
5800	State program revenues	39,986,366	205,112
5900	Federal program revenues	1,240,395	4,105,583
5020	Total revenues	<u>148,296,256</u>	<u>4,935,748</u>
<b>EXPENDITURES</b>			
Current:			
0011	Instruction	85,354,988	-
0012	Instructional resources and media services	1,872,242	-
0013	Curriculum and staff development	4,260,347	-
0021	Instructional leadership	1,326,069	-
0023	School leadership	8,716,366	-
0031	Guidance, counseling, and evaluation services	5,640,059	-
0032	Social work services	333,293	-
0033	Health services	2,197,525	-
0034	Student (pupil) transportation	5,189,033	-
0035	Food services	-	5,850,660
0036	Cocurricular/extracurricular activities	4,361,074	-
0041	General administration	4,402,157	-
0051	Plant maintenance and operations	17,838,943	-
0052	Security and monitoring services	1,860,304	-
0053	Data processing services	2,981,410	-
0061	Community services	16,469	-
Debt service:			
0071	Debt service - Principal on long-term debt	-	-
0072	Debt service - Interest on long-term debt	-	-
0073	Debt service - Bond issuance costs and fees	-	-
Capital outlay:			
0081	Facilities acquisition and construction	-	-
Intergovernmental:			
0093	Payments to member districts of SSA	-	10,685
0099	Other intergovernmental charges	1,457,451	-
6030	Total expenditures	<u>147,807,730</u>	<u>5,861,345</u>
1100	Excess (deficiency) of revenues over (under) expenditures	488,526	(925,597)
<b>OTHER FINANCING SOURCES (USES) :</b>			
7901	Issuance of refunding bonds	-	-
7911	Issuance of bonds	-	-
7912	Proceeds from sale of assets	122,974	-
7916	Premium on issuance of bonds	-	-
7915	Transfers in	-	924,192
8911	Transfers out	(853,192)	-
8940	Payments to refunded bond escrow agent	-	-
7080	Total other financing sources (uses)	<u>(730,218)</u>	<u>924,192</u>
7919	Extraordinary items - winter storm damage	356,962	-
1200	Net change in fund balances	115,270	(1,405)
0100	Fund balances - July 1 (beginning)	<u>72,391,153</u>	<u>1,787,295</u>
3000	<b>FUND BALANCES - JUNE 30 (ENDING)</b>	<u>\$ 72,506,423</u>	<u>\$ 1,785,890</u>

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



Debt Service Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
\$ 41,496,137	\$ 237,769	\$ 2,080,793	\$ 151,509,247
534,986	13,856	1,650,671	42,390,991
-	-	6,393,270	11,739,248
42,031,123	251,625	10,124,734	205,639,486
-	1,752,894	6,130,188	93,238,070
-	128,853	32,901	2,033,996
-	-	717,847	4,978,194
-	-	77,589	1,403,658
-	-	162,114	8,878,480
-	-	863,762	6,503,821
-	-	-	333,293
-	7,788	1,029	2,206,342
-	2,401,194	-	7,590,227
-	-	35,404	5,886,064
-	127,188	1,141,785	5,630,047
-	241,751	22,929	4,666,837
-	-	773,333	18,612,276
-	790,262	297,830	2,948,396
-	455,603	-	3,437,013
-	-	22,485	38,954
9,882,285	-	-	9,882,285
32,622,604	-	-	32,622,604
1,741,043	216,874	-	1,957,917
-	36,342,519	71,686	36,414,205
-	-	-	10,685
-	-	-	1,457,451
44,245,932	42,464,926	10,350,882	250,730,815
(2,214,809)	(42,213,301)	(226,148)	(45,091,329)
163,789,812	-	-	163,789,812
-	16,985,000	-	16,985,000
-	-	-	122,974
31,781,527	3,251,874	-	35,033,401
-	-	49,956	974,148
-	-	(120,956)	(974,148)
(194,027,329)	-	-	(194,027,329)
1,544,010	20,236,874	(71,000)	21,903,858
-	-	-	356,962
(670,799)	(21,976,427)	(297,148)	(22,830,509)
23,488,570	40,780,330	2,081,843	140,529,191
\$ 22,817,771	\$ 18,803,903	\$ 1,784,695	\$ 117,698,682

**Rockwall Independent School District**  
**Reconciliation of the Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances - Governmental Funds**  
**to the Government-Wide Statement of Activities**  
**For the Fiscal Year Ended June 30, 2021**

**Exhibit C-2R**

<b>TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS</b>	\$ (22,830,509)
Current year capital outlays are expenditures in the fund financial statements, but they are shown as increases in capital assets in the government-wide financial statements. The effect of removing the 2021 capital outlays is to increase net position.	45,224,874
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The effect of recording the current year's depreciation is to decrease net position.	(25,512,739)
The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.	(106,554)
Current year long-term debt principal payments on bonds payable are expenditures in the fund financial statements, but are shown as reductions in long-term debt in the government-wide financial statements.	9,882,285
Net decrease in current year accretion on capital appreciation bonds is not reflected in the fund financial statements, but is shown as a decrease in accreted interest on the government-wide financial statements.	11,596,442
Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the fund financial statements an interest expenditure is reported when due. This amount represents the current year decrease in interest payable.	1,341,228
Proceeds from debt issued through bond proceeds are reflected as other financing sources on the governmental fund financial statements, but are shown as a long term liability in the government-wide financial statements.	(180,774,812)
Current year payment to escrow agent for refunded debt are other financing uses as well as a District contribution in the fund financial statements, but are shown as reductions in long-term debt in the government-wide financial statements.	194,027,329
Premiums are recognized in the fund financial statements as other financing sources, but they are shown as long term liabilities in the government-wide financial statements.	(35,033,401)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	3,769
The net change in net pension liability, deferred outflows, and deferred inflows is reported in the statement of activities but does not require the use of current financial resources and, therefore, is not reported as expenditures in the governmental funds. The net change consists of a decrease in deferred outflows (\$4,885,565); an increase in deferred inflows (\$651,222); and a decrease in net pension liability (\$2,371,562).	(3,165,225)
The net change in net OPEB liability, deferred outflows, and deferred inflows is reported in the statement of activities but does not require the use of current financial resources and, therefore, is not reported as expenditures in the governmental funds. The net change consists of an decrease in deferred outflows (\$1,221,289); an increase in deferred inflows (\$8,382,422); and a decrease in net OPEB liability (\$10,596,047).	992,336
Amortization of the deferred loss on refunding is not recognized on the governmental fund financial statements.	(1,349,440)
Amortization of the gain on swap agreement is not recognized on the governmental fund financial statements.	46,064
Amortization of the premium on issuance of current interest bonds is not recognized on the governmental fund financial statements.	3,024,713
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<u><u>\$ (2,633,640)</u></u>

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

Rockwall Independent School District  
Statement of Net Position  
Proprietary Funds  
June 30, 2021

Exhibit D-1

<u>Data Control Codes</u>	<b>ASSETS</b>	<b>Business-Type Activities</b>
		<b>Total Nonmajor Enterprise Funds</b>
	Current assets:	
1110	Cash and cash equivalents	\$ 899,943
1290	Other receivables, net	238,204
	Total current assets	1,138,147
	Noncurrent assets:	
1530	Furniture and equipment, net	195,023
	Total noncurrent assets	195,023
1000	Total assets	<u>\$ 1,333,170</u>
	<b>LIABILITIES AND NET POSITION</b>	
	Current liabilities:	
2110	Accounts payable	\$ 7,394
2150	Payroll deductions and withholdings	2,313
2160	Accrued wages payable	248
2170	Due to other funds	974
2300	Unearned revenue	239,082
	Total current liabilities	250,011
2000	Total liabilities	250,011
	Net position:	
3200	Investment in capital assets	195,023
3620	Unrestricted	888,136
3000	Total net position	1,083,159
4000	<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$ 1,333,170</u>

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

**Rockwall Independent School District**  
Statement of Revenues, Expenses, and Changes  
in Fund Net Position - Proprietary Funds  
For the Fiscal Year Ended June 30, 2021

**Exhibit D-2**

<u>Data Control Codes</u>	<u>Business-Type Activities Total Nonmajor Enterprise Funds</u>
<b>OPERATING REVENUES</b>	
5700 Total local and intermediate sources	\$ 1,013,641
5800 State program revenues	48,795
	<hr/>
5020 Total operating revenues	1,062,436
	<hr/>
<b>OPERATING EXPENSES</b>	
6100 Payroll costs	793,634
6200 Professional and contracted services	78,312
6300 Supplies and materials	56,557
6400 Depreciation	26,650
6400 Other operating costs	54,611
	<hr/>
6030 Total operating expenses	1,009,764
	<hr/>
1300 Change in net position	52,672
0100 Total net position, beginning (July 1)	1,030,487
	<hr/>
3300 Total net position, ending (June 30)	\$ 1,083,159
	<hr/> <hr/>

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

Rockwall Independent School District  
Statement of Cash Flows  
Proprietary Funds  
For the Fiscal Year Ended June 30, 2021

Exhibit D-3

	<b>Business-Type Activities</b>
	<b>Total Nonmajor Enterprise Funds</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Cash received from user charges	\$ 1,157,622
Payments to employees	(828,873)
Payments to suppliers	(49,909)
Other payments	(256,246)
	<hr/>
Net cash provided by operating activities	22,594
	<hr/>
Net increase in cash and cash equivalents	22,594
Cash and cash equivalents, beginning of year	877,349
	<hr/>
Cash and cash equivalents, end of year	<u>\$ 899,943</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>	
Operating income:	\$ 52,672
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation expense	26,650
Changes in current assets and liabilities:	
Other receivables	(135,470)
Accounts payable	5,918
Interfund payable	(29,053)
Accrued liabilities	(35,239)
Unearned revenue	137,116
	<hr/>
Net cash provided by operating activities	<u>\$ 22,594</u>

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

**Rockwall Independent School District**  
 Statement of Fiduciary Net Position  
 Custodial Funds  
 June 30, 2021

**Exhibit E-1**

	<b>Student Activity</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 242,289
<b>TOTAL ASSETS</b>	<u>\$ 242,289</u>
<b>LIABILITIES</b>	
Accounts payable	\$ 2,033
<b>TOTAL LIABILITIES</b>	<u>2,033</u>
<b>NET POSITION</b>	
Restricted for other purposes	\$ 240,256
<b>TOTAL NET POSITION</b>	<u>\$ 240,256</u>

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

**Rockwall Independent School District**  
Statement of Changes in Fiduciary Net Position  
Custodial Funds  
June 30, 2021

**Exhibit E-2**

	<u>Student Activity</u>
<b>ADDITIONS</b>	
Miscellaneous revenue from student groups	\$ 166,326
<b>TOTAL ADDITIONS</b>	<u>166,326</u>
<b>DEDUCTIONS</b>	
Scholarships and awards granted	35,000
Dues and fees	<u>180,064</u>
<b>TOTAL DEDUCTIONS</b>	<u>215,064</u>
Change in net position	(48,738)
<b>NET POSITION</b>	
Restricted for students and other organizations	
Net position, beginning	-
Cumulative effect of implementation of GASB 84	<u>288,994</u>
Net position, beginning, restated	<u>288,994</u>
Net position, ending	<u><u>\$ 240,256</u></u>

# Rockwall Independent School District

## Notes to the Basic Financial Statements

### Note 1. Summary of Significant Accounting Policies

Rockwall Independent 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 School 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 (GASB) 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, a seven member group, has governance responsibilities over all activities related to public elementary and secondary education within the jurisdiction of the District. The Board is elected by the public and as a body corporate has the exclusive power and duty to govern and oversee the management of the public schools of the District. All powers and duties not specifically delegated by statute to the Texas Education Agency (Agency) or to the State Board of Education are reserved for the Board, and the Agency may not substitute its judgment for the lawful exercise of those powers and duties by the Board. The District is not included in any other governmental "reporting entity".

As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the District (primary government) and its component units. There are no component units of the District that are required to be presented in the financial statements.

The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities.

#### 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 District's non-fiduciary activities with most of the interfund activities removed except for interfund services provided and used which are not eliminated. *Governmental activities* include programs supported primarily by taxes, state foundation funds, grants and other intergovernmental revenues. *Business-type activities*, which are reported separately, rely to a significant extent, on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identified with a specific function. *Program revenues* include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function. Taxes are reported as *general revenues*.

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 emphasis on fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

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



## Rockwall Independent School District

### Notes to the Basic Financial Statements

#### 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 proprietary 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. The effect of interfund activity has been eliminated from the government-wide financial statements.

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 unearned revenues until related and authorized expenditures have been made. If balances have not been expended by the end of the project period, grantors sometimes require the District to refund all or part of the unused amount.

The proprietary and custodial 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.

#### D. Fund Accounting

The District reports the following major governmental funds:

1. **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.
2. **Child Nutrition Fund** – This fund accounts for the child nutrition program's transactions. The child nutrition fund is considered a special revenue fund because it meets the following criteria: 1) user fees are charged to supplement the national school lunch program (NSLP), 2) the general fund subsidizes the child nutrition program for all expenditures in excess of NSLP, and 3) the District does not consider the child nutrition program completely self-supporting. Child nutrition fund balances are used exclusively for child nutrition program purposes.

## Rockwall Independent School District

### Notes to the Basic Financial Statements

3. **Debt Service Fund** – The District accounts for resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds in a debt service fund.
4. **Capital Projects Funds** – The proceeds from long-term debt financing and revenues and expenditures related to authorized construction and other capital asset acquisitions are accounted for in the capital projects funds.

Additionally, the District reports the following fund types:

#### Governmental Funds:

1. **Special Revenue Funds** – The District accounts for resources restricted to, or designated for, a specific purpose 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.

#### Proprietary Funds:

1. **Enterprise Funds** – The two funds account for the operation of a self-supporting activity which provides services to outside parties in return for fees. The funds account for assets, liabilities, revenues and expenses of the sports marketing effort of the District and the ROCK after school program.

#### Fiduciary Funds:

1. **Custodial Fund** – The District accounts for resources held for others in a custodial capacity in a custodial fund. The District's custodial fund is the student activity fund. The fund is used to account for assets held by the District as an agent for student and other organizations. These funds were previously reported in an agency fund. This change resulted in reporting more detail of additions to and deductions from custodial funds than was reported for agency funds.

## E. Financial Statement Amounts

### Cash and Cash Equivalents

The District pools cash resources of its various funds in order to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the pooled accounts is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing securities and disclosed as a part of the District's cash and cash equivalents. 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.

### Inventories and Prepaid Items

Inventories of materials, supplies and food commodities are reported on the balance sheet at weighted average cost. Inventory items are recorded as expenditures when consumed. Supplies are used for almost all functions of activities, while food commodities are used only in the food service functional activity.

# Rockwall Independent School District

## Notes to the Basic Financial Statements

Prepaid balances are for payments made by the District for which benefits extend beyond June 30, 2021. The cost of governmental fund type prepaid balances are recorded as an expenditure when consumed rather than when purchased.

### 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 they were 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.

Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. Allowances for uncollectible tax receivables within the general and debt service funds are based on historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas legislature.

The tax rates assessed for the fiscal year ended June 30, 2021 to finance general fund operations and the payment of principal and interest on general obligation debt were \$0.940 and \$0.370 per \$100 valuation, respectively, for a total of \$1.310 per \$100 valuation.

### Capital Assets

Capital assets, which include land, construction in progress, 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 \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement should be reported at acquisition value rather than fair value.

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.

Land improvements, buildings, furniture and equipment of the District are depreciated using the straight line method over the following estimated useful lives:

Assets Class	Estimated Useful Lives
Buildings and improvements	15-50
Vehicles	5-10
Other equipment	3-15

# Rockwall Independent School District

## Notes to the Basic Financial Statements

### Long-Term Debt

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. Gains or losses on refunding are deferred and amortized over the lesser of the remaining life of the old debt or the life of the new debt using the straight line method and are presented as deferred inflows/outflows in the government-wide financial statements. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize 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.

### Accretion

Accretion is an adjustment of the difference between the price of a bond issued at an original discount and the par value of the bond. For governmental activities debt, the accreted value is recognized as it accrues by fiscal year.

### Fund Balances and Net Position

#### 1. Government-Wide Financial Statements

Net position on the statement of net position includes the following:

Net investment in capital assets -- the component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, net of premiums and discounts, excluding unspent proceeds, that is directly attributable to the acquisition, construction or improvement of these capital assets.

Restricted for debt service -- the component of net position that reports the difference between assets and liabilities with constraints placed on their use by the bond covenants.

Restricted for federal and state grants -- the component of net position that reports the difference between assets and liabilities with constraints placed on their use by the U.S. Department of Agriculture or other federal and state agencies.

Unrestricted -- the difference between the assets and liabilities that is not reported in net position net investment in capital assets, net position restricted for federal and state grants, net position restricted for food service or net position restricted for debt service.

#### 2. Governmental Fund Financial Statements

Fund balance classifications, under GASB Statement No. 54, *Fund Balance Reporting and Government Fund Type Definitions* (GASB 54) are: nonspendable, restricted, committed, assigned, and unassigned. These classifications reflect not only the nature of funds, but also provide clarity to the level of restriction placed upon fund balance. Fund balance can have different levels of constraint, such as external versus internal compliance requirements. Unassigned fund balance is a residual classification within the general fund. The general fund should be the only fund that reports a positive unassigned balance. In all other funds, unassigned is limited to negative residual fund balance. In accordance with GASB 54, the District classifies governmental fund balances as follows:

## Rockwall Independent School District

### Notes to the Basic Financial Statements

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

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

Committed -- includes fund balance amounts that are constrained for specific purposes that are internally imposed by the District through formal action of the highest level of decision making authority. Committed fund balance is reported pursuant to resolution passed by the District's Board of Trustees. This classification includes campus activity funds, local special revenue funds and potential litigation, claims and judgments. Commitments may be changed or lifted only by the governing body taking the same formal action that imposed the constraint originally.

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

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

The order of spending is to first use committed fund balance, then assigned fund balance, and last of all, unassigned fund balance. Restricted fund balance will be used before the unrestricted portion.

### **3. Interfund Activities**

Interfund activity results from loans, service provided, reimbursements or transfers between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses.

Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers in and transfers out are netted and presented as a single "transfer" line on the government-wide statement of activities. Similarly, interfund receivables and payables are netted and presented as a single "internal balances" line of government-wide statement of net position.

### **4. Data Control Codes**

Data control codes refer to the account code structure prescribed by the Agency in the Resource Guide. The Agency requires the District to display these codes in its financial statements filed with the Agency in order to ensure accuracy in building a statewide database for policy development and funding plans.

## Rockwall Independent School District

### Notes to the Basic Financial Statements

#### 5. Account Code Reporting

In accordance with Texas Education Code, Chapter 44, Subchapter A, the District adopted and implemented an accounting system which at least meets the minimum requirements prescribed by the State Board of Education and approved by the state auditor. The District's accounting system uses codes and the code structure presented in the accounting code section of the *Resource Guide*. Mandatory codes are utilized in the form provided in that section.

#### 6. Estimates

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

The amount of state foundation revenue a school district earns for a year can and does vary until the time when final values for each of the factors in the formula become available. Availability can be as late as midway into the next fiscal year. It is at least reasonably possible that the foundation revenue estimates as of June 30, 2021 will change.

#### 7. 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.

#### 8. 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.

#### GASB Pronouncements implemented by the District

GASB Statement No. 84, *Fiduciary Activities*. This Statement was issued in January 2017 and provides guidance to enhance the consistency and comparability of fiduciary activity reporting by (1) establishing specific criteria for identifying activities that should be reported as fiduciary activities and (2) clarifying whether and how business-type activities should report their fiduciary activities.

#### Note 2. Cash, Cash Equivalents and Investments

The funds of the District must be deposited and invested under the terms of a depository contract, contents of which are set out in the Depository Contract Law.

## Rockwall Independent School District

### Notes to the Basic Financial Statements

The Public Funds Investment Act (Government Code Chapter 2256) (the Act) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the District to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity, 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 and the District's investment policy authorized the District to invest in the following investments as summarized in the table below:

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment In One Issuer
U.S. Treasury obligations	10 years	None	None
U.S. agencies securities	10 years	None	None
Certificates of deposits	n/a	None	None
Fully collateralized repurchase agreements	90 days	None	None
Securities lending program	1 year	None	None
Banker's acceptance	270 days	None	None
Commercial paper	270 days	None	None
No-load money market mutual funds	90 days	None	None
No-load mutual funds	2 years	None	None
Guaranteed investment contracts	5 years	None	None
Public funds investment pools	n/a	None	None

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.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. GASB Statement No. 72, *Fair Value Measurement and Application* provides a framework for measuring fair value which establishes a three-level fair value hierarchy that describes the inputs that are used to measure assets and liabilities.

- Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- Level 2 inputs are inputs—other than quoted prices included within Level 1—that are observable for an asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for an asset or liability.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. If the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

## Rockwall Independent School District

### Notes to the Basic Financial Statements

District's investments are in investment pools and are not subject to fair value measurement as presented in the table below. The District's investment balances and weighted average maturity of such investments are as follows:

Investment Type	June 30, 2021	Fair Value Measurements Using			Percent of Total Investments	Weighted Average Maturity (Days)
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)		
Investments measured at Amortized cost:						
Investment pools:						
TexPool	\$ 9,392,540	\$ -	\$ -	\$ -	8%	29 days
Investments measured at Net asset value:						
Investment pools:						
Texas CLASS	14,538,300	-	-	-	12%	52 days
Lone Star Corporate Overnight Plus Fund	109,270,313	-	-	-	88%	50 days
Investment derivative instrument						
Interest rate swap	(9,607,710)	-	(9,607,710)	-		
<b>Total value</b>	<b>\$ 123,593,443</b>	<b>\$ -</b>	<b>\$ (9,607,710)</b>	<b>\$ -</b>		

The investment in derivative instrument is classified as level 2 of the fair value hierarchy and is valued using the zero coupon method. This method calculates the future net settlement payments, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. For more information on this interest rate swap agreement, see Note 7.B.

Investment Pools are measured at amortized cost or net asset value and are exempt for fair value reporting.

The Lone Star Investment Pool is an investment pool available to governmental entities. The pool was established under the guidance of the Texas Public Funds Investment Act. A board of directors made up of members of the pool is responsible for the overall operation of the pool. The Board has employed various third party organizations to assist in the operations. These third parties are as follows: American Beacon Advisors- Investment Managers, CAPTRUST Financial Advisors- Investment Consultant, State Street Bank- Custodian, and First Public- Administration. In combination with these third party organizations, the pool has received an AAA rating from Standard & Poor's. This rating allows the pool to meet the standards required by the Texas Public Funds Investment Act.

The Texas Cooperative Liquid Assets Securities System Trust (Texas CLASS) was created as an investment pool for its participants pursuant to Section 2256.016 of the Public Funds Investment Act, Texas Government Code. The Texas CLASS Trust Agreement (Trust) is an agreement of indefinite term regarding the investment, reinvestment and withdrawal of local government funds. The parties to the Trust Agreement are Texas local government entities that choose to participate (the Participants), MBIA Municipal Investors Service Corporation as Program Administrator (the Program Administrator) and Wells Fargo Bank Texas, NA as Custodian (the Custodian).

Texas CLASS is supervised by a Board of Trustees who are elected by the Participants. The Board of Trustees supervises the Trust and its affairs and acts as the liaison between the Participants, the Custodian, and the Program Administrator. The Board administers the affairs of the Trust. It also selects the consultants for Texas CLASS, including the Program Administrator and the Custodian. Starting in August 2016, the District began to utilize UMB Public Trust Advisors as an investment advisor. At June 30, 2021, \$3.2 million of the Texas CLASS balance is invested with UMB Public Trust Advisors.



## Rockwall Independent School District

### Notes to the Basic Financial Statements

The Board of Trustees has appointed an Advisory Board composed of Participants and other persons who do not have a business relationship with the Trust and are qualified to advise the Trust. The Advisory Board provides advice to the Board of Trustees and the Program Administrator about the investment policy and investment strategy of the Trust and about other matters as requested by the Board of Trustees and the Program Administrator.

The Fund is rated AAA by Standard & Poor's rating agency. This rating is the highest principal stability fund rating assigned by Standard & Poor's.

The District is a voluntary participant in TexPool. The State Comptroller of Public Accounts exercises responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters.

Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. TexPool operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. TexPool uses amortized cost rather than the market value to report net position to compute share prices. Accordingly, the fair value of the position in TexPool is the same as the value of TexPool shares.

TexPool is rated AAAM by Standard & Poor's rating agency. This rating is the highest principal stability fund rating assigned by Standard & Poor's.

The following table categorizes the District's investments at June 30, 2021:

Investment Type	Amount	Minimum Legal Rating	Rating as of Year End
Lone Star Corporate Overnight Plus Fund	\$ 109,270,313	AAA/AAAm	AAA
Texas CLASS	14,538,300	AAA/AAAm	AAAm
TexPool	9,392,540	AAA/AAAm	AAAm
<b>Total cash equivalents</b>	<b>\$ 133,201,153</b>		

At June 30, 2021, the carrying amount of the District's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$2,643,554 and the bank balance was \$3,783,881. The District's cash deposits as of and during the year ended June 30, 2021 were covered by the FDIC and pledged securities.

In addition, the following is disclosed regarding coverage of combined balances on the date of highest deposit:

- Depository: American National Bank.
- The market value of securities pledged as of the date of the highest combined balance on deposit was \$13,459,621.
- The highest combined balances of cash, savings, and time deposit accounts amounted to \$11,528,387 and occurred on June 24, 2021.
- Total amount of FDIC coverage at the time of the highest combined balance was \$250,000.

# Rockwall Independent School District

## Notes to the Basic Financial Statements

Cash and investments as of June 30, 2021 are classified in the accompanying financial statements as follows:

Statement of net position:	
Cash and cash equivalents	\$ 135,609,772
Fiduciary funds:	
Cash and cash equivalents	242,289
<b>Total cash and cash equivalents</b>	<b>\$ 135,852,061</b>

Cash and investments as of June 30, 2021 consist of the following:

Cash on hand	\$ 7,354
Deposits with financial institutions	2,643,554
Cash equivalents	133,201,153
<b>Total cash and investments</b>	<b>\$ 135,852,061</b>

### Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The table on the previous page presents the minimum rating required by (where applicable) the Public Funds Investment Act, the District's investment policy, or debt agreements, and the actual rating as of the year-end for each investment type held by the District.

#### A. Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party.

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Investments held by third parties were fully collateralized and held in the District's name.

#### B. Concentration of Credit Risk

This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At year end, the District was not exposed to concentration of credit risk.

#### C. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. As of June 30, 2021 the District did not invest in any securities which are highly sensitive to interest rate fluctuations.

#### D. Foreign Currency Risk

This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, the District was not exposed to foreign currency risk.

# Rockwall Independent School District

## Notes to the Basic Financial Statements

### Note 3. Due from Other Governments

The District participates in a variety of federal and state programs from which it receives grants to partially or fully finance certain activities. The District also receives federal grants from the Region X Service Center. In addition, the District receives entitlements from the state through the school foundation and per capita programs. Amounts due from federal and state governments as of June 30, 2021 are summarized below. All federal grants shown below are passed through the Agency and are reported on the balance sheet as due from other governments. Furthermore, there are times whenever overpayment is received from a state agency and money may be due to other governments.

Purpose	General Fund	Child Nutrition Fund	Debt Service Fund	Nonmajor Funds	Total
State entitlement	\$ 1,517,894	\$ -	\$ -	\$ -	\$ 1,517,894
Federal grants	976,461	16,793	-	878,837	1,872,091
State grants	-	-	-	13,638	13,638
Other	626,084	-	244,140	818	871,042
	<u>\$ 3,120,439</u>	<u>\$ 16,793</u>	<u>\$ 244,140</u>	<u>\$ 893,293</u>	<u>\$ 4,274,665</u>

### Note 4. Interfund Receivables, Payables, and Transfers

Interfund balances at June 30, 2021 consisted of the following individual fund receivables and payables:

Payable Fund	Receivable Fund	Amount	Primary Purpose
Nonmajor Governmental Funds	General Fund	\$ 751,856	To cover cash shortage
Enterprise Fund	General Fund	974	To cover cash shortage
Capital Projects Fund	General Fund	52,497	To cover cash shortage
General Fund	Nonmajor Governmental Funds	6,458	To cover cash shortage
General Fund	Child Nutrition Fund	851,880	To cover cash shortage
Child Nutrition Fund	General Fund	31	To cover cash shortage
Nonmajor Governmental Funds	Nonmajor Governmental Funds	127	To cover cash shortage
		<u>\$ 1,663,823</u>	

All amounts due are scheduled to be repaid within one year.

The detail transfer schedule for the fiscal year ended June 30, 2021 includes the following:

Transfer In:	Transfer Out:	Amount	Purpose
Child Nutrition Fund	General Fund	\$ 853,192	BOT Approved TRF
Child Nutrition Fund	Nonmajor Governmental Funds	71,000	BOT Approved TRF
Nonmajor Governmental Funds	Nonmajor Governmental Funds	49,956	BOT Approved TRF
		<u>\$ 974,148</u>	

**Rockwall Independent School District**  
Notes to the Basic Financial Statements

**Note 5. Capital Asset Activity**

Capital asset activity for the District for the fiscal year ended June 30, 2021, was as follows:

	Beginning Balance	Additions	Retirements	Transfers	Ending Balance
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 20,415,566	\$ -	\$ (106,554)	\$ -	\$ 20,309,012
Construction in progress	37,439,237	39,002,897	-	(38,797,644)	37,644,490
Total capital assets not being depreciated	57,854,803	39,002,897	(106,554)	(38,797,644)	57,953,502
Capital assets being depreciated:					
Buildings and improvements	597,320,322	3,002,960	-	38,797,644	639,120,926
Furniture and equipment	25,333,534	3,219,017	-	-	28,552,551
Total capital assets being depreciated	622,653,856	6,221,977	-	38,797,644	667,673,477
Less accumulated depreciation for:					
Buildings and improvements	(249,628,385)	(23,704,153)	-	-	(273,332,538)
Furniture and equipment	(17,762,725)	(1,808,586)	-	-	(19,571,311)
Total accumulated depreciation	(267,391,110)	(25,512,739)	-	-	(292,903,849)
Total capital assets being depreciated, net	355,262,746	(19,290,762)	-	38,797,644	374,769,628
<b>Governmental activities capital assets, net</b>	<b>\$ 413,117,549</b>	<b>\$ 19,712,135</b>	<b>\$ (106,554)</b>	<b>\$ -</b>	<b>\$ 432,723,130</b>
Business-type activities:					
Capital assets being depreciated:					
Furniture and equipment	\$ 548,230	\$ -	\$ -	\$ -	\$ 548,230
Total capital assets being depreciated	548,230	-	-	-	548,230
Less accumulated depreciation for:					
Furniture and equipment	(326,557)	(26,650)	-	-	(353,207)
Total accumulated depreciation	(326,557)	(26,650)	-	-	(353,207)
Total capital assets being depreciated, net	221,673	(26,650)	-	-	195,023
<b>Business-type activities capital assets, net</b>	<b>\$ 221,673</b>	<b>\$ (26,650)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 195,023</b>

**Rockwall Independent School District**  
Notes to the Basic Financial Statements

Depreciation expense was charged to governmental functions as follows:

Function	Depreciation
Instruction	\$ 13,693,710
Instructional resources and media services	866,129
School leadership	340,810
Guidance, counseling and evaluation services	82,172
Health services	563,580
Pupil transportation	698,857
Food services	1,918,583
Co-curricular/ Extracurricular activities	6,604,104
General administration	56,286
Plant maintenance and operations	280,233
Security and monitoring services	150,938
Data processing services	257,337
<b>Total governmental activities depreciation expense</b>	<b>\$ 25,512,739</b>
Sports marketing	\$ 26,650
<b>Total business-type activities depreciation expense</b>	<b>\$ 26,650</b>

**A. Construction Commitments**

The District had several active construction projects as of June 30, 2021. Projects included land purchase, new school construction, additions to buildings and renovation or upgrades of existing facilities. Expenses through June 30, 2021 and estimated future expenditures for capital projects are funded from operating and capital project funds, unexpended bond proceeds and additional general obligation bonds. The following summarizes the projects in process at year end:

# Rockwall Independent School District

## Notes to the Basic Financial Statements

Project	Estimated Total Cost	Project Expenditures Incurred through 6/30/21	Estimated Future Expenditures
<b>2015 Bond Authorization:</b>			
Fine Arts	\$ 500,000	\$ 532,177	Project Complete
Cain Parking Lot Expansion	520,000	686,642	Project Complete
Roofing Projects	6,058,018	7,109,378	Project Complete
Tennis Complex - Wilkerson Sanders	1,036,000	1,026,466	Project Complete
Land Purchases	8,250,000	859,903	\$ 7,390,097
College & Career Academy and HS CTE Upgrades	53,013,088	54,330,976	(1,317,888)
Dobbs Elementary Replacement	29,277,500	24,655,297	Project Complete
Reinhardt Rebuild	22,062,300	27,207,412	Project Complete
Amy Parks Heath Elementary Renovations	7,469,000	7,943,225	Project Complete
Elementary School #15 - Hamm	35,000,000	29,994,870	Project Complete
Elementary School #16 - Williamsburg	39,000,000	29,471,967	9,528,033
Transportation - Buses	4,500,000	4,558,184	Project Complete
Transportation - Canopy	30,000	-	30,000
Technology Projects	17,800,527	15,251,670	2,548,857
Athletics Improvements	13,041,800	14,614,043	Project Complete
Rockwall High School Improvements	5,075,000	3,526,679	Project Complete
Electrical Upgrades	2,237,700	1,999,493	Project Complete
Flooring Projects	2,006,374	2,466,687	Project Complete
Kitchen Equipment	2,965,100	1,560,481	Project Complete
HVAC and Energy Mgmt Upgrades	1,570,700	879,395	Project Complete
Safety and Security Projects	5,403,000	1,429,973	Project Complete
CMS and WMS Restroom Renovations	-	279,444	670,413 *
Aquatics HVAC Replacement	-	138,041	811,816 *
	256,816,107	230,522,403	19,661,328
<b>2007 Bond Authorization:</b>			
Cain Middle School & Pullen Elementary HVAC Renovation	-	2,076,099	Project Complete *
Security Camera Upgrades	-	779,162	Project Complete *
Multicampus Elementary Restroom Upgrades	-	1,322,366	2,159,808 *
	-	4,177,627	2,159,808
<b>Facility Improvement Program:</b>			
Entry Mats	80,839	80,839	Project Complete
Interior Lighting - Elementary Gyms	177,000	162,000	Project Complete
Multicampus Marquees	389,057	359,057	Project Complete
Gym Wall Painting	59,300	52,550	Project Complete
Gym Wall Pads	93,715	96,629	Project Complete
Parking Lot Striping	67,155	65,975	Project Complete
Middle School Lighting Retrofit	274,000	274,000	Project Complete
Fencing and Security Gates Phase I	153,384	142,325	Project Complete
Fencing Phase II	213,456	213,381	Project Complete
Flooring Phase II	331,769	331,769	Project Complete
Hartman Elementary Erosion	137,086	129,150	Project Complete
RHHS HVAC	184,463	174,463	Project Complete
RHHS Fencing and Security Gates	88,500	83,500	Project Complete
RHHS Retaining Wall	19,995	16,795	Project Complete
RHHS Well Repair	93,560	93,560	Project Complete
Playgrounds Phase I	943,655	892,665	Project Complete
Playgrounds Phase II	649,793	624,591	Project Complete
Multicampus Paint and Flooring	2,120,607	1,857,082	Project Complete
RHS Carpet Replacement	305,189	300,343	Project Complete
RHS Gym Bleachers	72,175	72,175	Project Complete
RHS Retaining Wall	499,108	488,953	Project Complete
Administration Building Upgrades	477,597	468,352	9,245
Multicampus Elementary Restroom Upgrades	1,049,894	413,857	636,037
Cullins Lakepointe Elementary Casework	110,000	106,288	3,712
Agriculture Facility Improvements	219,278	119,998	99,280
Insurance - Winter Weather Storm Repairs	2,818,103	643,038	2,175,065 **
	11,628,678	8,263,335	2,923,339

\* Additional Board Approved Project utilizing Bond Savings

\*\* Expenditures Offset by Insurance Proceeds

**Rockwall Independent School District**  
Notes to the Basic Financial Statements

**Note 6. Unearned and Unavailable Revenue**

Unearned and unavailable revenue reported in the governmental funds at year end consisted of the following:

	General Fund	Child Nutrition Fund	Debt Service Fund	Nonmajor Governmental Funds	Total
Net tax unavailable revenue	\$ 1,996,939	\$ -	\$ 666,053	\$ -	\$ 2,662,992
SHARS unavailable revenue	976,461	-	-	-	976,461
<b>Total deferred inflows</b>	<b>\$ 2,973,400</b>	<b>\$ -</b>	<b>\$ 666,053</b>	<b>\$ -</b>	<b>\$ 3,639,453</b>
Other unearned revenues	\$ 19,799	\$ 279,548	\$ -	\$ -	\$ 299,347
<b>Total unearned revenues</b>	<b>\$ 19,799</b>	<b>\$ 279,548</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 299,347</b>

Revenue that is not considered available at year end is reported as a deferred inflow of resources in the governmental funds and is recorded as revenue in the government-wide financial statements. Accordingly, tax, state aid, and SHARS unavailable revenues are reported as revenue in the government-wide financial statements.

**Note 7. Long-Term Liabilities**

**A. Unlimited Tax Bonds**

Long-term obligation activities during the year ended June 30, 2021 were as follows:

	Beginning Balance	Additions	Reductions/ Refunded	Ending Balance	Due Within One Year
Governmental activities					
Bonds payable:					
General obligation bonds	\$ 507,656,046	\$ 180,774,812	\$ (173,672,285)	\$ 514,758,573	\$ 9,460,134
Accreted interest	58,036,041	32,538,425	(13,838,378)	76,736,088	13,169,866
Bond premium (discount)	39,583,335	4,236,248	(20,399,844)	23,419,739	-
<b>Total bonds payable</b>	<b>\$ 605,275,422</b>	<b>\$ 217,549,485</b>	<b>\$ (207,910,507)</b>	<b>\$ 614,914,400</b>	<b>\$ 22,630,000</b>
Net pension liability	39,811,495	3,585,298	(5,956,860)	37,439,933	-
Net OPEB liability	49,997,522	2,077,713	(12,673,760)	39,401,475	-
<b>Total long-term liabilities</b>	<b>\$ 695,084,439</b>	<b>\$ 223,212,496</b>	<b>\$ (226,541,127)</b>	<b>\$ 691,755,808</b>	<b>\$ 22,630,000</b>

The District issues unlimited tax bonds for the governmental activities to provide funds for the acquisition and construction of major capital facilities. Unlimited tax bonds are direct obligations and pledge the full faith and credit of the District. Bonded indebtedness of the District is reflected in the statement of net position. The bonds issued require the District to levy an ad valorem tax annually to retire the current maturities.

# Rockwall Independent School District

## Notes to the Basic Financial Statements

On August 15, 2020, the District issued "Rockwall Independent School District Unlimited Tax Refunding Bonds, Series 2020," totaling \$163,789,812 to refund a portion of the outstanding bonds. These bonds incur an average cost over the life of the bonds at a rate of 1.69-5.00% and mature annually with semi-annual interest payments. The proceeds were used to purchase U.S. Government securities and these securities were placed in an irrevocable escrow account until the refunded bonds are redeemed. The District, in effect, decreased its aggregate debt service payments by \$40,842,904 through 2046 and resulted in an economic gain (difference between present values of the old and new debt service payment) of \$31,864,390. The bonds will fully mature in 2046.

On November 15, 2020, the District issued "Rockwall Independent School District Unlimited Tax School Building Bonds, Series 2020," totaling \$16,985,000. These bonds incur an average cost over the life of the bonds at a rate of 4.00-5.00% and mature annually with semi-annual interest payments. The proceeds were used to construct and renovate school buildings and to purchase new school buses. The bonds will fully mature in 2050.

In prior years, the District issued refunding bonds for the purpose of generating resources and decreasing the total debt service payments. Placing the proceeds of the refunding bonds in an irrevocable trust has provided for all future debt service payments on the original bonds. As of June 30, 2021, the outstanding balance of defeased bonds is \$360,488,572.

Unlimited tax bonds outstanding as of June 30, 2021 are as follows:

Purpose and Lawful Authority	Interest Rate	Final Maturity	Amount	Amounts Outstanding 07/01/20	Issued	Retired/Refunded	Amounts Outstanding 06/30/21	Interest Accretion 6/30/21
Variable Rate Unlimited Tax School Building Bonds, Series 2006	4.50% to 4.82%	2037	\$ 32,000,000	\$ 27,000,000	\$ -	\$ -	\$ 27,000,000	\$ -
Unlimited Tax School Building and Refunding Bonds, Series 2011	4.00% to 4.50%	2027	9,425,000	3,045,000	-	-	3,045,000	-
Unlimited Tax Refunding Bonds Series 2012	2.00% to 5.00%	2031	49,620,000	3,420,000	-	1,610,000	1,810,000	-
Unlimited Tax Refunding Bonds Series 2012A	2.00% to 4.00%	2032	9,280,000	2,850,000	-	105,000	2,745,000	-
Unlimited Tax Refunding Bonds Series 2013	2.00% to 5.00%	2037	72,284,998	18,560,000	-	18,560,000	-	-
Unlimited Tax Refunding Bonds Series 2015	1.86% to 3.98%	2037	89,568,204	89,025,557	-	40,044,742	48,980,815	27,846,957
Unlimited Tax Refunding Bonds Series 2015A	2.00 to 5.13%	2032	32,193,467	27,280,963	-	74,078	27,206,885	20,343,038
Unlimited Tax School Building Bonds, Series 2016	2.00 to 5.00%	2046	107,960,000	107,110,000	-	106,610,000	500,000	-
Unlimited Tax School Building Bonds, Series 2017	2.00 to 5.00%	2047	69,555,000	69,085,000	-	210,000	68,875,000	-
Unlimited Tax Refunding Bonds Series 2017A	4.00% to 5.00%	2042	37,300,000	36,860,000	-	-	36,860,000	-
Unlimited Tax School Building Bonds, Series 2018	4.00% to 5.00%	2048	42,605,000	42,605,000	-	280,000	42,325,000	-
Unlimited Tax Refunding Bonds Series 2019	2.52% to 4.00%	2042	81,569,977	80,814,526	-	14,525	80,800,001	-
Unlimited Tax Refunding Bonds Series 2020	1.696% to 5.00%	2046	163,789,812	-	163,789,812	4,748,940	159,040,872	-
Unlimited Tax School Building Bonds, Series 2020	4.00% to 5.00%	2050	16,985,000	-	16,985,000	1,415,000	15,570,000	28,546,093
				<u>\$ 507,656,046</u>	<u>\$ 180,774,812</u>	<u>\$ 173,672,285</u>	<u>\$ 514,758,573</u>	<u>\$ 76,736,088</u>



## Rockwall Independent School District

### Notes to the Basic Financial Statements

Debt service requirements are as follows:

Year Ending June 30,	Principal Requirements	Interest Requirements	Total Requirements
2022	\$ 9,460,134	\$ 31,383,684	\$ 40,843,818
2023	8,858,569	28,949,099	37,807,668
2024	8,567,321	29,407,973	37,975,294
2025	16,658,093	22,753,850	39,411,943
2026	18,862,974	20,420,969	39,283,943
2027 - 2031	88,566,084	101,217,883	189,783,967
2032 - 2036	100,805,398	68,862,970	169,668,368
2037 - 2041	112,225,000	36,125,996	148,350,996
2042 - 2046	115,065,000	17,552,599	132,617,599
2047 - 2050	35,690,000	2,405,800	38,095,800
	<u>\$ 514,758,573</u>	<u>\$ 359,080,823</u>	<u>\$ 873,839,396</u>

There are a number of limitations and restrictions contained in the unlimited tax school building and refunding bond indentures. Management has indicated that the District is in compliance with all significant limitations and restrictions at June 30, 2021.

Voters have authorized the issuance of additional bonds for construction and improvements. The following represents these authorizations:

Date of Authorization	Amount Authorized	Amount Issued	Remaining Unissued
November 03, 2015	\$ 256,820,000	\$ 238,820,000	\$ 18,000,000

#### B. Interest Rate Swap Agreement

##### Objective

The objective of the swap is to hedge against the potential of rising rates associated with the District's Variable Rate Unlimited Tax School Building Bonds, Series 2006 (Series 2006 Bonds).

##### Terms

The notional amount totals \$27,000,000, the principal amount of the Series 2006 Bonds. The District's swap agreement contains scheduled reductions to outstanding notional amounts that follow anticipated payments of principal of the Series 2006 Bonds in varying amounts during the years 2031 through 2036.

Under the terms of the swap, the District is obligated to make payments to JP Morgan Chase Bank (JPMCB) at a fixed rate of 3.853% per annum, and JPMCB is obligated to make floating rate payments to the District calculated on a notional amount that is equal to the hedge portion of the Series 2006 Bonds at a rate equal to 62.5% of the 5-year constant maturity swap rate (a reported market fixed rate at which 5-year interest rate swaps for a one-month U.S. dollar LIBOR rate are entered into from time to time). The Series 2006 Bonds and the 2006 Swap Agreement have a stated final maturity date of June 1, 2037. On August 11, 2010 the terms were amended to the floating rate from 68% of 1 month LIBOR to 68% of LIBOR.

## Rockwall Independent School District

### Notes to the Basic Financial Statements

Interest in the maturity schedule was calculated at a rate, representing the sum of: (a) the actual fixed payment swap rate of 3.853% pursuant to the 2006 Swap Agreement; (b) the estimated cost of the liquidity facility for the Series 2006 Bonds (0.120%); (c) the estimated cost of remarketing the Series 2006 Bonds (0.125%); and (d) 0.72% per year to offset the potential differences between the floating rates payable to the District pursuant to the 2006 Swap Agreement and the actual interest rates payable by the District on the Series 2006 Bonds.

Arrangements made in respect of the 2006 Swap Agreement do not alter the District's obligation to pay principal of and interest on the Series 2006 Bonds. The 2006 Swap Agreement does not provide a source of security or other credit for the Series 2006 Bonds. The District's obligations under the 2006 Swap Agreement are secured by a levy of an annual ad valorem tax on parity with the District's obligation to pay principal and interest on the Series 2006 Bonds.

The District applies GASB Statement No. 53 – Accounting and Financial Reporting for Derivative Instruments, which addresses the recognition, measurement, and disclosures related to derivative instruments. The District evaluated all potential hedging derivative instruments for effectiveness utilizing the regression method as of June 30, 2021 and determined the derivatives to be effective in substantially offsetting the change in cash flows of the hedgeable items. These derivatives act as cash flow hedges.

#### **Fair Value**

Because long-term interest rates have changed since inception of the swaps, the swaps had a negative fair value of \$9,607,710 or a positive change of \$3,112,542. Fair market value is determined to be the amount the District would have paid, should the swap have terminated at June 30, 2021.

#### **Credit Risk**

As of June 30, 2021, the District was not exposed to credit risk with JPMCB on the 2006 Swap Agreement because the swap has a negative fair value. However, should interest rates change so that the fair value of the 2006 Swap Agreement became positive, the District would be exposed to credit risk in the amount of the fair value of the 2006 Swap Agreement.

As of June 30, 2021, JPMCB was rated Aa3 and A+ by Moody's Investors Service (Moody's) and Standard & Poor's (S&P), respectively.

#### **Termination Risk**

The 2006 Swap Agreement is subject to mandatory termination in the event of default or as follows:

If the ratings assigned to the District's unenhanced long-term debt obligations are withdrawn or reduced to Baa3 by Moody's or BBB- by S&P, or if the ratings assigned to JPMCB's unenhanced long-term debt obligations are withdrawn or reduced to Baa3 by Moody's or BBB- by S&P.

The 2006 Swap Agreement is also subject to optional termination by the District at any time over the term of the 2006 Swap Agreement at the then prevailing market value. JPMCB does not have the elective right to optionally terminate the 2006 Swap Agreement.

#### **Swap Payments and Associated Debt**

The debt service requirements of the hedged portion of the Series 2006 Bonds are included in the debt service maturity schedule on page 50. As interest rates change in the future, the differences between the floating rates payable to the District under the 2006 Swap Agreements and the actual interest rates payable by the District on the Series 2006 Bonds will vary.

**Rockwall Independent School District**  
Notes to the Basic Financial Statements

**Note 8. General Fund Federal Source Revenues**

During the current year, general fund federal source revenues consisted of the following:

Program or Source	CFDA Number	Amount
Indirect cost reimbursement	N/A	\$ 75,895
Medicare reimbursement (SHARS)	N/A	1,093,509
Coronavirus Relief Funds	21.019	70,991
		<u>\$ 1,240,395</u>

**Note 9. Revenue from Local and Intermediate Sources**

During the year ended June 30, 2021, the District received revenues from local and intermediate sources consisting of the following:

	General Fund	Child Nutrition Fund	Debt Service Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Property taxes-current	\$ 103,284,594	\$ -	\$ 40,661,842	\$ -	\$ -	\$ 143,946,436
Property taxes-delinquent	1,444,392	-	536,338	-	-	1,980,730
Penalties, interest, and other	690,474	-	237,202	-	-	927,676
Investment earnings	148,701	2,271	60,755	237,769	-	449,496
Food service income	-	622,782	-	-	-	622,782
Gifts and bequest	6,427	-	-	-	149,645	156,072
Co-curricular/extracurricular activities	531,931	-	-	-	345,394	877,325
Other	962,976	-	-	-	1,585,754	2,548,730
<b>Total local revenue</b>	<u>\$ 107,069,495</u>	<u>\$ 625,053</u>	<u>\$ 41,496,137</u>	<u>\$ 237,769</u>	<u>\$ 2,080,793</u>	<u>\$ 151,509,247</u>

**Note 10. Receivables**

Receivables at June 30, 2021 for the District's individual major funds and aggregate non major funds including any applicable allowances for uncollectible accounts are as follows:

	General Fund	Child Nutrition Fund	Debt Service Fund	Nonmajor Governmental Funds	Nonmajor Proprietary Funds	Total
Due from other governments	\$ 3,120,439	\$ 16,793	\$ 244,140	\$ 893,293	\$ -	\$ 4,274,665
Property taxes	2,638,332	-	969,121	-	-	3,607,453
Other receivables	761,485	-	-	-	290,484	1,051,969
Less: Allowance for uncollectible accounts	(131,917)	-	(48,456)	-	(52,280)	(232,653)
<b>Net receivables</b>	<u>\$ 6,388,339</u>	<u>\$ 16,793</u>	<u>\$ 1,164,805</u>	<u>\$ 893,293</u>	<u>\$ 238,204</u>	<u>\$ 8,701,434</u>

## Rockwall Independent School District

### Notes to the Basic Financial Statements

#### Note 11. Employees' Retirement Plan

##### A. Plan Description

The District participates in a cost-sharing multiple-employer defined benefit pension plan 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.

##### B. Pension Plan Fiduciary Net Position

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

##### C. Benefits Provided

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

##### D. Contributions

Employee contribution rates are set in state statute, Texas Government Code 825.402. Contribution requirements are established or amended pursuant to Article XVI, section 67 of the Texas Constitution which requires the Texas legislature to establish a member contribution rate of not less than 6% of the member's annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to members of the system during the fiscal year. Texas Government Code section 821.006 prohibits benefit improvements if, as a result of the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action.

**Rockwall Independent School District**  
Notes to the Basic Financial Statements

Rates for such plan fiscal years are as follows:

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

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

Contributions:	
2021 Employer contributions	\$ 2,906,625
2021 Member contributions	7,773,039
2021 NECE on-behalf contributions	5,307,648

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

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

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment.
- When any part or all of an employee's salary is paid by federal funding sources, a privately sponsored source, from non-educational and general, or local funds.
- When the employing district is a public junior college or junior college district, the employer shall contribute to the retirement system an amount equal to 50% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.

# Rockwall Independent School District

## Notes to the Basic Financial Statements

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.
- Public education employer contribution - all public schools, charter schools and regional education service centers must contribute 1.5% of the member's salary beginning in September 1, 2019, gradually increasing to 2.0% on September 1, 2024.

### E. Actuarial Assumptions

The actuarial valuation of the total pension liability was performed as of August 31, 2019. Update procedures were used to roll forward the total pension liability to August 31, 2020 and was determined using the following actuarial methods and assumptions:

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

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

# Rockwall Independent School District

## Notes to the Basic Financial Statements

### F. Discount Rate

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

Asset Class	Target Allocation*	Long-term Expected Geometric Real Rate of Return**	Expected Contribution to Long-Term Portfolio Returns
Global equity:			
U.S.	18.00%	3.90%	0.99%
Non-U.S. developed	13.00%	5.10%	0.92%
Emerging markets	9.00%	5.60%	0.83%
Private equity	14.00%	6.70%	1.41%
Stable value:			
Government bonds	16.00%	-0.70%	-0.05%
Absolute return	-	1.80%	-
Stable value hedge funds	5.00%	1.90%	0.11%
Real return:			
Real estate	15.00%	4.60%	1.02%
Energy, natural resources and infrastructure	6.00%	6.00%	0.42%
Commodities	-	0.80%	-
Risk parity:			
Risk parity	8.00%	3.00%	0.30%
Asset allocation leverage:			
Cash	2.00%	-1.50%	-0.03%
Asset allocation leverage	-6.00%	-1.30%	0.08%
Inflation expectation			2.00%
Volatility drag***			-0.67%
<b>Totals</b>	<b>100.00%</b>		<b>7.33%</b>

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

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

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

# Rockwall Independent School District

## Notes to the Basic Financial Statements

### G. Discount Rate Sensitivity Analysis

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

	1% Decrease in Discount Rate (6.25%)	Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
District's proportionate share of the net pension liability:	\$ 57,731,707	\$ 37,439,933	\$ 20,953,312

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

At June 30, 2021, the District reported a liability of \$37,439,933 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	\$ 37,439,933
State's proportionate share that is associated with District	74,886,740
<b>Total</b>	<b>\$ 112,326,673</b>

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

At the measurement date of August 31, 2020 the District's proportion of the collective net pension liability was 0.06990545% which was a decrease of 0.006680% from its proportion measured as of August 31, 2019.

### I. Changes Since the Prior Actuarial Valuation

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



## Rockwall Independent School District

### Notes to the Basic Financial Statements

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

For the fiscal year ended June 30, 2021, the District recognized pension expense of \$12,172,437 and revenue of \$9,007,212 for support provided by the State.

At June 30, 2021, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 68,362	\$ (1,044,849)
Changes in actuarial assumptions	8,687,397	(3,693,820)
Difference between projected and actual investment earnings	757,940	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	2,254,941	(2,625,981)
Contributions paid to TRS subsequent to the measurement date	2,425,460	-
<b>Total</b>	<b>\$ 14,194,100</b>	<b>\$ (7,364,650)</b>

\$2,425,460 reported as deferred outflows of resources resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	Pension Expense (Income)
2022	\$ 1,644,041
2023	1,821,250
2024	1,553,601
2025	291,292
2026	(760,145)
Thereafter	(146,049)
<b>Total</b>	<b>\$ 4,403,990</b>

## Note 12. Defined Other Post-Employment Benefit Plan

### A. Plan Description

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

# Rockwall Independent School District

## Notes to the Basic Financial Statements

### B. OPEB Plan Fiduciary Net Position

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

### C. Benefits Provided

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

Eligible non-Medicare retirees and their dependents may enroll in TRS-Care Standard, a high-deductible health plan. Eligible Medicare retirees and their dependents may enroll in the TRS-Care Medicare Advantage medical plan and the TRS-Care Medicare Rx prescription drug plan. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in the TRS pension system. The Board of Trustees of TRS is granted the authority to establish basic and optional group insurance coverage for participants as well as to amend benefit terms as needed under Chapter 1575.052.

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

TRS-Care Monthly Premium Rates

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

### D. Contributions

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

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

**Rockwall Independent School District**  
Notes to the Basic Financial Statements

Rates for such plan fiscal years are as follows:

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

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

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

2021 District contributions	\$	789,308
2021 Member contributions		656,166
2021 NECE on-behalf contributions (state)		1,229,663

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

The State of Texas contributed \$491,614 and \$428,045, in 2021 and 2020, respectively, for on-behalf payments for Medicare Part D.

TRS-Care received a supplemental appropriation from the State of Texas as the Non-Employer Contributing Entity in the amount of \$2.2 million in fiscal year 2020.

**E. Actuarial Assumptions**

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

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

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

See Note 11 for detail on these assumptions. The demographic assumptions were developed in the experience study performed for TRS for the period ending August 31, 2017.

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

# Rockwall Independent School District

## Notes to the Basic Financial Statements

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

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

### F. Discount Rate

A single discount rate of 2.33% was used to measure the total OPEB liability at August 31, 2020. This was a decrease of 0.3% in the discount rate since the August 31, 2019 measurement date. The plan is essentially a "pay-as-you-go" plan, and based on the assumption that contributions are made at the statutorily required rates, the OPEB plan's fiduciary net position was projected to not be able to make all future benefit payments to current members and therefore, the single discount rate is equal to the prevailing municipal bond rate. The source for the rate is the Fixed Income Market Data / Yield Curve / Data Municipal Bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index".

# Rockwall Independent School District

## Notes to the Basic Financial Statements

### G. Sensitivity of the Net OPEB Liability

#### Discount Rate

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

1% Decrease (1.33%)	Current Single Discount Rate (2.33%)	1% Increase (3.33%)
\$ 47,281,679	\$ 39,401,475	\$ 33,177,244

#### Healthcare Cost Trend Rates

The following table presents the District's proportionate share of net OPEB liability using the assumed healthcare cost trend rate, as well as what the net OPEB liability would be if it were calculated using a trend rate that is 1% lower or 1% higher than the assumed health-care cost trend rate:

1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
\$ 32,185,957	\$ 39,401,475	\$ 49,011,525

### H. OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs

At June 30, 2021, the District reported a liability of \$39,401,475 for its proportionate share of the TRS's Net OPEB Liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the net OPEB liability	\$ 39,401,475
State's proportionate share of the net OPEB liability associated with the District	<u>52,946,137</u>
<b>Total</b>	<b><u><u>\$ 92,347,612</u></u></b>

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

## Rockwall Independent School District

### Notes to the Basic Financial Statements

At August 31, 2020 the employer's proportion of the collective Net OPEB Liability was 0.1036485% which was a decrease of 0.0020741% from its proportion measured as of August 31, 2019.

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

- The discount rate changed from 2.63% as of August 31, 2019 to 2.33% as of August 31, 2020. This change increased the total OPEB liability.
- The participation rate for pre-65 retirees was lowered from 50% to 40%. This change decreased the total OPEB liability.
- The ultimate health care trend assumption was lowered from 4.50% to 4.25% as a result of Congress' repeal of the excise (Cadillac) tax on high-cost employer health plans in December 2019. This change decreased the total OPEB liability.

**Change of Benefit Terms Since the Prior Measurement Date** – There were no changes in benefit terms since the prior measurement date.

For the fiscal year ended June 30, 2021, the District recognized negative OPEB expense of \$570,666 and revenue of \$367,638 for support provided by the State.

At June 30, 2021, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u>                    </u>	<u>                    </u>
Differences between expected and actual economic experience	\$ 2,063,046	\$ (18,032,129)
Changes of assumptions	2,430,252	(10,819,849)
Net difference between projected and actual earnings on investments	12,804	-
Changes in proportion and differences between District contributions and proportionate share of contributions (cost-sharing plan)	3,241,277	(1,160,116)
District contributions after measurement date	657,759	-
	<u>                    </u>	<u>                    </u>
<b>Totals</b>	<u><u>\$ 8,405,138</u></u>	<u><u>\$ (30,012,094)</u></u>

## Rockwall Independent School District

### Notes to the Basic Financial Statements

\$657,759 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2022. 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 Ending June 30,	
2022	\$ (3,703,669)
2023	(3,705,383)
2024	(3,706,362)
2025	(3,706,094)
2026	(2,653,670)
Thereafter	(4,789,537)
<b>Total</b>	<b>\$ (22,264,715)</b>

### Note 13. Risk Management

#### A. Health Care

The District terminated the previously established health self insurance plan (Plan) beginning September 10, 2010. The plan will continue to pay claims until all are settled.

The District had a contract and inter-local agreement with United Healthcare, Inc. which limited the District's exposure on individual health claims incurred prior to October 1, 2008.

The latest financial statements available for United Healthcare, Inc. are filed with the Texas State Board of Insurance, Austin, Texas, and are public record. The District does not provide any post-retirement health benefits to its employees.

#### B. Unemployment Compensation Pool

During the year ended June 30, 2021, the District provided unemployment compensation coverage to its employees through participation in the TASB Risk Management Fund (the Fund). The Fund was created and is operated under the provisions of the Interlocal Cooperation Act, Chapter 791 of the Texas Local Government Code. The Fund's Unemployment Compensation program is authorized by Section 22.005 of Government Code. All members participating in the Fund execute interlocal agreements that define the responsibilities of the parties.

The Fund meets its quarterly obligation to the Texas Workforce Commission. Expenses are accrued each month until the quarterly payment has been made. Expenses can be reasonably estimated; therefore, there is no need for specific or aggregate stop loss coverage for Unemployment Compensation pool members.

## Rockwall Independent School District

### Notes to the Basic Financial Statements

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, 2020 are available at the TASB offices and have been filed with the Texas Department of Insurance in Austin.

#### C. Other Risk Management

The District is exposed to various risks of loss related to torts; thefts of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2020, the District purchased commercial insurance to cover these liabilities. There were no significant reductions in coverage in the past fiscal year, and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

#### Note 14. Commitments and Contingencies

The District is a party to various legal actions, none of which are believed by administration to have a material effect on the financial condition of the District. Accordingly, no provision for losses has been recorded in the accompanying basic financial statements for such contingencies. The District participates in numerous state and federal grant programs that are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2021 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 financial statements for such contingencies.

The Tax Reform Act of 1986 imposed regulations on tax-exempt bond issues. Governmental bonds issued after August 31, 1986 are subject to the rebate provisions of the Tax Reform Act of 1986. The rebate applies to earnings from bond issue proceeds investments that exceed bond issue stated interest rates. There is a complicated formula based on a five year history, therefore the exact amount of liability, if any, is not known until five years from the bond issuance date. Total rebate liability as of June 30, 2021 was \$8,432.

#### Note 15. New Accounting Pronouncements

**GASB Statement No. 87: Leases. Statement 87** was issued in June 2017. This Statement establishes standards of accounting and financial reporting for lease by lessees and lessors. This standard is effective for the District in fiscal year 2022. The District has not yet determined the impact of this statement.

**GASB Statement No. 89: Accounting for Interest Cost Incurred before the End of a Construction Period. Statement 89** was issued in June 2018. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. This Standard becomes effective for the District in fiscal year 2022. The District has not yet determined the impact of this statement.

**GASB Statement No. 91: Conduit Debt Obligations. Statement 91** was issued in May 2019. This Statement establishes a single method of reporting conduit debt obligations by issuers to eliminate diversity in practice. This Standard becomes effective for the District in fiscal year in fiscal year 2021. The District has not yet determined the impact of this statement.



## Rockwall Independent School District

### Notes to the Basic Financial Statements

**GASB Statement No. 92: Omnibus 2020. Statement 92** was issued in January 2020. This Statement establishes accounting and financial reporting requirements for specific issues related to leases, intra-entity transfers of assets, postemployment benefits, government acquisitions, risk financing and insurance-related activities of public entity risk pools, fair value measurements, and derivative instruments. This Standard becomes effective for the District in fiscal year in fiscal year 2022. The District has not yet determined the impact of this statement.

**GASB Statement No. 93: Replacement of Interbank Offered Rates. Statement 93** was issued in March 2020. This Statement establishes accounting and financial reporting requirements related to the replacement of IBORs in hedging derivative instruments and leases. This Standard becomes effective for the District in fiscal year in fiscal year 2022. The District has not yet determined the impact of this statement.

**GASB Statement No. 94: Public-Private and Public-Public Partnerships and Availability Payment Arrangements. Statement 94** was issued in March 2020. This Statement establishes standards of accounting and financial reporting for PPPs and APAs for governments. This Standard becomes effective for the District in fiscal year in fiscal year 2023. The District has not yet determined the impact of this statement.

**GASB Statement No. 96: Subscription-Based Information Technology Arrangements. Statement 96** was issued in May 2020. This Statement establishes standards of accounting and financial reporting for Subscription-based information technology arrangements by a government end user (a government). This Standard becomes effective for the District in fiscal year in fiscal year 2023. The District has not yet determined the impact of this statement.

**GASB Statement No. 97: Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans-an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32." Statement 97** was issued in June 2020. This Statement modifies the applicability of certain component unit criteria as they relate to defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans. This Standard becomes effective for the District in fiscal year in fiscal year 2022. The District has not yet determined the impact of this statement.

#### Note 16. Nonmonetary Transactions

The District received textbooks purchased by the State of Texas for the benefit of the District for a purchase price of \$1,214,420. The District receives the textbooks as part of state funding for textbook allotment. The textbooks have been recorded in the amount of \$1,214,420 in a special revenue fund as both state revenues and expenditures, which represents the amount of consideration given by the State of Texas.

## **Required Supplementary Information**

Rockwall Independent School District  
 Budgetary Comparison Schedule – General Fund  
 For the Fiscal Year Ended June 30, 2021

Exhibit G-1

Data Control Codes		Budgeted Amounts		Actual Amounts	Variance With
		Original	Final	GAAP BASIS Fund	Final Budget Positive or (Negative)
<b>REVENUES</b>					
5700	Total local and intermediate sources	\$ 104,087,752	\$ 104,087,752	\$ 107,069,495	\$ 2,981,743
5800	State program revenues	39,294,786	39,294,786	39,986,366	691,580
5900	Federal program revenues	620,000	855,000	1,240,395	385,395
5020	Total revenues	144,002,538	144,237,538	148,296,256	4,058,718
<b>EXPENDITURES</b>					
Current:					
0011	Instruction	84,477,171	87,388,173	85,354,988	2,033,185
0012	Instructional resources and media services	1,928,597	1,966,530	1,872,242	94,288
0013	Curriculum and instructional staff development	4,427,883	4,478,572	4,260,347	218,225
0021	Instructional leadership	1,377,068	1,453,728	1,326,069	127,659
0023	School leadership	8,665,154	8,900,256	8,716,366	183,890
0031	Guidance, counseling, and evaluation services	6,188,030	6,406,092	5,640,059	766,033
0032	Social work services	287,743	377,743	333,293	44,450
0033	Health services	1,866,891	2,253,988	2,197,525	56,463
0034	Student (pupil) transportation	5,481,324	5,649,955	5,189,033	460,922
0036	Cocurricular/extracurricular activities	4,415,001	4,490,931	4,361,074	129,857
0041	General administration	4,397,556	4,597,286	4,402,157	195,129
0051	Plant maintenance and operations	15,164,752	19,064,785	17,838,943	1,225,842
0052	Security and monitoring services	1,839,045	1,913,496	1,860,304	53,192
0053	Data processing services	3,015,152	3,135,095	2,981,410	153,685
0061	Community services	71,050	73,687	16,469	57,218
0099	Other intergovernmental charges	1,225,000	1,475,000	1,457,451	17,549
6030	Total expenditures	144,827,417	153,625,317	147,807,730	5,817,587
1100	Excess (deficiency) of revenues over (under) expenditures	(824,879)	(9,387,779)	488,526	9,876,305
<b>OTHER FINANCING SOURCES (USES) :</b>					
7912	Proceeds from sale of assets	-	-	122,974	122,974
7915	Transfers in	925,000	925,000	-	(925,000)
8911	Transfers out	-	-	(853,192)	(853,192)
7080	Total other financing sources (uses)	925,000	925,000	(730,218)	(1,655,218)
7919	Extraordinary items - hail damage repair	-	-	356,962	356,962
1200	Net change in fund balances	100,121	(8,462,779)	115,270	8,578,049
0100	Fund balance - July 1 (beginning)	72,391,153	72,391,153	72,391,153	-
3000	<b>FUND BALANCE - JUNE 30 (ENDING)</b>	<b>\$ 72,491,274</b>	<b>\$ 63,928,374</b>	<b>\$ 72,506,423</b>	<b>\$ 8,578,049</b>

**Rockwall Independent School District**  
 Budgetary Comparison Schedule – Child Nutrition Fund  
 For the Fiscal Year Ended June 30, 2021

**Exhibit G-2**

Data Control Codes		Budgeted Amounts		Actual Amounts GAAP BASIS Fund	Variance With Final Budget Positive or (Negative)
		Original	Final		
<b>REVENUES</b>					
5700	Total local and intermediate sources	\$ 4,373,882	\$ 4,373,881	\$ 625,053	\$ (3,748,828)
5800	State program revenues	39,000	39,000	205,112	166,112
5900	Federal program revenues	3,267,636	3,267,636	4,105,583	837,947
5020	Total revenues	7,680,518	7,680,517	4,935,748	(2,744,769)
<b>EXPENDITURES</b>					
0035	Food service	7,904,814	8,144,814	5,850,660	2,294,154
0093	Payments to member districts of SSA	10,685	10,685	10,685	-
6030	Total expenditures	7,915,499	8,155,499	5,861,345	2,294,154
1100	Excess (deficiency) of revenues over (under) expenditures	(234,981)	(474,982)	(925,597)	(450,615)
<b>OTHER FINANCING USES</b>					
7915	Transfers in	-	254,984	924,192	669,208
8911	Transfers out	(235,000)	(489,984)	-	489,984
6030	Total other financing uses	(235,000)	(235,000)	924,192	1,159,192
1200	Net change in fund balances	(469,981)	(709,982)	(1,405)	708,577
0100	Fund balance - July 1 (beginning)	1,787,295	1,787,295	1,787,295	-
3000	<b>FUND BALANCE - JUNE 30 (ENDING)</b>	<b>\$ 1,317,314</b>	<b>\$ 1,077,313</b>	<b>\$ 1,785,890</b>	<b>\$ 708,577</b>



# Rockwall

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INDEPENDENT SCHOOL DISTRICT

## Rockwall Independent School District

### Schedule of the District's Proportionate Share of the Net Pension Liability - TRS For the Last Seven Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>
District's proportion of the net pension liability	0.0699055%	0.0765854%	0.0735503%
District's proportionate share of net pension liability	\$ 37,439,933	\$ 39,811,495	\$ 40,483,878
States proportionate share of the net pension liability associated with the District	<u>74,886,740</u>	<u>71,026,015</u>	<u>75,253,136</u>
<b>TOTALS</b>	<b><u>\$ 112,326,673</u></b>	<b><u>\$ 110,837,510</u></b>	<b><u>\$ 115,737,014</u></b>
District's covered payroll	\$ 99,407,924	\$ 94,713,335	\$ 89,139,344
District's proportionate share of the net pension liability as a percentage of its covered payroll	38%	42%	45%
Plan fiduciary net position as a percentage of the total pension liability	75.54%	75.24%	73.74%

Note: GASB 68, 81,2,a requires that the information on this schedule be data from the period corresponding with the period covered as of the measurement date of August 31, 2020 - the period from September 1, 2019 - August 31, 2020.

Note: Ten years of data is not available.

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
0.0744381%	0.0737156%	0.0725289%	0.0453196%
\$ 23,801,309	\$ 27,856,026	\$ 25,638,002	\$ 12,105,493
<u>44,716,694</u>	<u>51,129,846</u>	<u>49,558,520</u>	<u>42,347,090</u>
<u>\$ 68,518,003</u>	<u>\$ 78,985,872</u>	<u>\$ 75,196,522</u>	<u>\$ 54,452,583</u>
\$ 87,243,269	\$ 82,343,778	\$ 78,362,239	\$ 75,269,028
27%	34%	33%	16%
82.17%	78.00%	78.43%	83.25%

**Rockwall Independent School District**  
 Schedule of the District's Contributions - TRS  
 For the Last Seven Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contributions	\$ 1,589,048	\$ 1,679,943	\$ 1,530,802
Contributions in relation to the contractually required contributions	<u>(1,589,048)</u>	<u>(1,679,943)</u>	<u>(1,530,802)</u>
<b>CONTRIBUTIONS DEFICIENCY (EXCESS)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 100,948,561	\$ 98,751,203	\$ 93,809,596
Contribution as a percentage of covered payroll	1.57%	1.70%	1.63%

Note: GASB 68, Paragraph 81.2.b requires that the data in this schedule be presented as of the District's current fiscal year as opposed to the time period covered by the measurement date of September 1, 2019 - August 31, 2020.

Note: Ten years of data is not available.



<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 1,399,462	\$ 1,390,393	\$ 1,373,794	\$ 2,009,059
<u>(1,399,462)</u>	<u>(1,390,393)</u>	<u>(1,373,794)</u>	<u>(2,009,059)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 88,789,854	\$ 86,453,007	\$ 81,771,581	\$ 77,683,359
1.58%	1.61%	1.68%	2.59%

## Rockwall Independent School District

Exhibit G-5

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
District's proportion of the net OPEB liability	0.103648498%	0.105722627%	0.102197692%	0.098472187%
District's proportionate share of the net OPEB liability	\$ 39,401,475	\$ 49,997,522	\$ 51,028,243	\$ 42,821,860
State's proportionate share of the net OPEB liability associated with the District	<u>52,946,137</u>	<u>66,435,528</u>	<u>78,169,183</u>	<u>69,998,997</u>
<b>TOTALS</b>	<u><u>\$ 92,347,612</u></u>	<u><u>\$ 116,433,050</u></u>	<u><u>\$ 129,197,426</u></u>	<u><u>\$ 112,820,857</u></u>
District's covered payroll	\$ 99,407,924	\$ 94,713,335	\$ 89,139,344	\$ 87,243,269
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	39.64%	52.79%	57.25%	49.08%
Plan fiduciary net position as a percentage of the total OPEB liability	4.99%	2.66%	1.57%	0.91%

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

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

**Exhibit G-6**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>TRS</b>				
Contractually required contributions	\$ 789,308	\$ 781,766	\$ 741,834	\$ 671,699
Contributions in relation to the contractually required contributions	<u>(789,308)</u>	<u>(781,766)</u>	<u>(741,834)</u>	<u>(671,699)</u>
<b>CONTRIBUTIONS DEFICIENCY (EXCESS)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 100,948,561	\$ 98,751,203	\$ 93,809,596	\$ 88,789,854
Contribution as a percentage of covered payroll	0.78%	0.79%	0.79%	0.76%

Note: The amounts presented for the fiscal year were determined as of the District's fiscal year end June 30. Ten years of data is not

## **Rockwall Independent School District**

Notes to Required Supplementary Information

For the Fiscal Year Ended June 30, 2021

### **Note 1. Budgetary Data**

#### **A. Budgetary Information**

The official budget was prepared for adoption for the general, child nutrition, and debt service funds. The following procedures are followed in establishing the budgetary data reflected in the basic financial statements:

1. Prior to June 20 of the preceding fiscal year, the District prepares a budget for the next succeeding fiscal year beginning July 1.
2. A meeting of the Board is called for the purpose of adopting the proposed budget with public notice given at least 10 days prior to the meeting.
3. Prior to the expenditures of funds, the budget is adopted by the Board.

After adoption, the budget may be amended through action by the Board. Budget amendments are approved at the functional expenditure level. All amendments are before the fact and reflected in the official minutes of the Board. Budgets are controlled at the functional level by personnel responsible for the organizational financial reporting. All budget appropriations lapse at the year end. Budget amendments throughout the year were not significant.

# Combining Statements and Schedules



# Rockwall

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INDEPENDENT SCHOOL DISTRICT

# **Nonmajor Governmental Funds Combining Statements**

Rockwall Independent School District  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2021

Exhibit H-1

Data Control Codes		Federal Special Revenue Funds	State Special Revenue Funds	Local Special Revenue Funds	Total Nonmajor Governmental Funds
<b>ASSETS</b>					
1110	Cash and cash equivalents	\$ 392,719	\$ 167,601	\$ 1,660,085	\$ 2,220,405
1240	Due from other governments	878,837	13,638	818	893,293
1260	Due from other funds	5,446	-	1,139	6,585
1300	Inventories	-	-	3,356	3,356
1410	Prepaid items	-	31,101	-	31,101
1000	Total assets	<u>\$ 1,277,002</u>	<u>\$ 212,340</u>	<u>\$ 1,665,398</u>	<u>\$ 3,154,740</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
2110	Accounts payable	\$ 74,162	\$ 4,762	\$ 13,936	\$ 92,860
2150	Payroll payable	98,435	18	4,716	103,169
2160	Accrued wages payable	386,981	-	35,052	422,033
2170	Due to other funds	717,424	34,432	127	751,983
2000	Total liabilities	1,277,002	39,212	53,831	1,370,045
<b>Fund balances:</b>					
Nonspendable:					
3410	Inventory	-	-	3,356	3,356
3430	Prepaid expenditures	-	31,101	-	31,101
Restricted:					
3450	Grant funds	-	142,027	-	142,027
Committed:					
3545	Local special revenue	-	-	1,608,211	1,608,211
3000	Total fund balances	<u>-</u>	<u>173,128</u>	<u>1,611,567</u>	<u>1,784,695</u>
4000	<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 1,277,002</u>	<u>\$ 212,340</u>	<u>\$ 1,665,398</u>	<u>\$ 3,154,740</u>



**Rockwall Independent School District**  
Combining Statement of Revenues, Expenditures and Changes  
in Fund Balance – Nonmajor Governmental Funds  
For the Fiscal Year Ended June 30, 2021

**Exhibit H-2**

<b>Data Control Codes</b>		<b>Federal Special Revenue Funds</b>	<b>State Special Revenue Funds</b>	<b>Local Special Revenue Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>REVENUES</b>					
5700	Total local and intermediate sources	\$ -	\$ 119,044	\$ 1,961,749	\$ 2,080,793
5800	State program revenues	691	1,623,154	26,826	1,650,671
5900	Federal program revenues	6,393,270	-	-	6,393,270
5020	Total revenues	6,393,961	1,742,198	1,988,575	10,124,734
<b>EXPENDITURES</b>					
Current:					
0011	Instruction	3,974,329	1,463,421	692,438	6,130,188
0012	Instructional resources and media services	-	8,162	24,739	32,901
0013	Curriculum and staff development	705,571	10,193	2,083	717,847
0021	Instructional leadership	77,589	-	-	77,589
0023	School leadership	6,757	20,787	134,570	162,114
0031	Guidance, counseling, and evaluation services	862,555	407	800	863,762
0033	Health services	-	1,029	-	1,029
0035	Food services	-	35,404	-	35,404
0036	Cocurricular/extracurricular activities	-	-	1,141,785	1,141,785
0041	General administration	-	-	22,929	22,929
0051	Plant maintenance and operations	759,670	-	13,663	773,333
0052	Security and monitoring services	-	238,348	59,482	297,830
0061	Community services	7,490	-	14,995	22,485
Capital Outlay:					
0081	Facilities Acquisition and Construction	-	-	71,686	71,686
6030	Total expenditures	6,393,961	1,777,751	2,179,170	10,350,882
1100	Excess (deficiency) of revenues over (under) expenditures	-	(35,553)	(190,595)	(226,148)
<b>OTHER FINANCING SOURCES (USES)</b>					
7915	Transfers in	-	18,321	31,635	49,956
8911	Transfers out	-	(31,635)	(89,321)	(120,956)
7080	Total other financing sources (uses)	-	(13,314)	(57,686)	(71,000)
1200	Net change in fund balances	-	(48,867)	(248,281)	(297,148)
0100	Fund balance - July 1 (beginning)	-	221,995	1,859,848	2,081,843
3000	Fund balance - June 30 (ending)	\$ -	\$ 173,128	\$ 1,611,567	\$ 1,784,695



# Rockwall

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INDEPENDENT SCHOOL DISTRICT

# **Nonmajor Enterprise Funds Combining Statements**

Rockwall Independent School District  
Combining Statement of Net Position  
Nonmajor Enterprise Funds  
June 30, 2021

Exhibit H-3

Data Control Codes		Business-Type Activities		
		Sports Marketing Fund	ROCK After School Program Fund	Total
	<b>ASSETS</b>			
	Current assets:			
1110	Cash and cash equivalents	\$ 29,302	\$ 870,641	\$ 899,943
1290	Other receivables, net	237,387	817	238,204
	Total current assets	266,689	871,458	1,138,147
	Noncurrent assets:			
1530	Furniture and equipment, net	195,023	-	195,023
	Total noncurrent assets	195,023	-	195,023
1000	Total assets	<u>\$ 461,712</u>	<u>\$ 871,458</u>	<u>\$ 1,333,170</u>
	<b>LIABILITIES AND NET POSITION</b>			
	Liabilities:			
2110	Accounts payable	\$ 4,804	\$ 2,590	\$ 7,394
2150	Payroll deductions and withholdings	-	2,313	2,313
2160	Accrued wages payable	-	248	248
2170	Due to other funds	-	974	974
2300	Unearned revenue	239,082	-	239,082
2000	Total liabilities	243,886	6,125	250,011
	Net position:			
3200	Investment in capital assets	195,023	-	195,023
3620	Unrestricted	22,803	865,333	888,136
3000	Total net position	217,826	865,333	1,083,159
4000	<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 461,712</u>	<u>\$ 871,458</u>	<u>\$ 1,333,170</u>

**Rockwall Independent School District**

**Exhibit H-4**

Combining Statement of Revenues, Expenses and Changes  
in Net Position – Nonmajor Enterprise Funds  
For the Fiscal Year Ended June 30, 2021

Data Control Codes		Business-Type Activities		
		Sports Marketing Fund	ROCK After School Program Fund	Total
<b>OPERATING REVENUES</b>				
5700	Total local and intermediate sources	\$ 118,725	\$ 894,916	\$ 1,013,641
5800	State program revenues	-	48,795	48,795
5020	Total operating revenues	118,725	943,711	1,062,436
<b>OPERATING EXPENSES</b>				
6100	Payroll costs	-	793,634	793,634
6200	Professional and contracted services	61,632	16,680	78,312
6300	Supplies and materials	6,648	49,909	56,557
6400	Depreciation	26,650	-	26,650
6400	Other operating costs	-	54,611	54,611
6030	Total operating expenses	94,930	914,834	1,009,764
	Operating income	23,795	28,877	52,672
1300	Change in net position	23,795	28,877	52,672
0100	Total net position, beginning (July 1)	194,031	836,456	1,030,487
3300	<b>TOTAL NET POSITION, ENDING (JUNE 30)</b>	<b>\$ 217,826</b>	<b>\$ 865,333</b>	<b>\$ 1,083,159</b>

Rockwall Independent School District  
Combining Statement of Cash Flows  
Nonmajor Enterprise Funds  
For the Fiscal Year Ended June 30, 2021

Exhibit H-5

	Business-Type Activities		Total
	Sports Marketing Fund	ROCK After School Program Fund	
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash received from user charges	\$ 260,520	\$ 897,102	\$ 1,157,622
Payments to employees	-	(828,873)	(828,873)
Payments to suppliers	-	(49,909)	(49,909)
Other payments	(233,750)	(22,496)	(256,246)
Net cash provided by (used in) operating activities	26,770	(4,176)	22,594
Net increase (decrease) in cash and cash equivalents	26,770	(4,176)	22,594
Cash and cash equivalents at beginning of the year	2,532	874,817	877,349
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	<b>\$ 29,302</b>	<b>\$ 870,641</b>	<b>\$ 899,943</b>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>			
Operating income:	\$ 23,795	\$ 28,877	\$ 52,672
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:			
Depreciation expense	26,650	-	26,650
Effect of increases and decreases in current assets and liabilities:			
Other receivables	(135,470)	-	(135,470)
Accounts payable	4,679	1,239	5,918
Interfund payables	(30,000)	947	(29,053)
Accrued liabilities	-	(35,239)	(35,239)
Unearned revenue	137,116	-	137,116
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<b>\$ 26,770</b>	<b>\$ (4,176)</b>	<b>\$ 22,594</b>

## **T.E.A. Required Schedules**

**Rockwall Independent School District**  
 Schedule of Delinquent Taxes Receivable  
 For the Fiscal Year Ended June 30, 2021

Last Ten Years Ended June 30,	1	2	3
	Tax Rates		Net Assessed/Appraised Value For School Tax Purposes
	Maintenance	Debt Service	
2012 and prior years	Various	Various	Various
2013	1.0400	0.4300	6,755,906,922
2014	1.0400	0.4200	6,973,258,049
2015	1.0400	0.4000	7,756,813,337
2016	1.0400	0.4000	8,237,025,065
2017	1.0400	0.4250	9,037,027,555
2018	1.0400	0.4000	8,624,101,389
2019	1.0400	0.3900	9,508,845,944
2020	0.9700	0.3800	10,298,916,593
2021 (School year under audit)	0.9400	0.3700	11,152,619,995
<b>1000 TOTALS</b>			



Exhibit J-1

10 Beginning Balance 7/1/2020	20 Current Year's Total Levy	31 Maintenance Collections	32 Debt Service Collections	40 Entire Year's Adjustments	50 Ending Balance 6/30/2021
\$ 633,441	\$ -	\$ 19,269	\$ 6,525	\$ (5,588)	\$ 602,059
(36,239)	-	5,528	2,286	-	(44,053)
(9,403)	-	9,433	3,792	-	(22,628)
38,233	-	33,805	12,945	(3,600)	(12,117)
242,579	-	37,337	14,282	(4,793)	186,167
439,873	-	55,392	22,415	(558)	361,508
270,259	-	114,288	43,811	51,922	164,082
475,140	-	179,076	66,886	54,086	283,264
1,790,356	-	930,182	363,396	(64,806)	431,972
-	146,099,322	103,354,495	40,661,842	(425,786)	1,657,199
<u>\$ 3,844,239</u>	<u>\$ 146,099,322</u>	<u>\$ 104,738,805</u>	<u>\$ 41,198,180</u>	<u>\$ (399,123)</u>	<u>\$ 3,607,453</u>

Rockwall Independent School District  
 Budgetary Comparison Schedule – Debt Service Fund  
 For the Fiscal Year Ended June 30, 2021

Exhibit J-2

Data Control Codes		Budgeted Amounts		Actual Amounts GAAP BASIS Fund	Variance With Final Budget Positive or (Negative)
		Original	Final		
<b>REVENUES</b>					
5700	Total local and intermediate sources	\$ 40,666,513	\$ 40,831,513	\$ 41,496,137	\$ 664,624
5800	State program revenues	500,000	535,000	534,986	(14)
5020	Total revenues	41,166,513	41,366,513	42,031,123	664,610
<b>EXPENDITURES</b>					
0071	Debt service - principal on long-term debt	6,348,346	9,882,318	9,882,285	33
0072	Debt service - interest on long-term debt	32,794,788	32,643,816	32,622,604	21,212
0073	Debt service - bond issuance costs and fees	1,620,000	1,814,010	1,741,043	72,967
6030	Total expenditures	40,763,134	44,340,144	44,245,932	94,212
1100	Excess (deficiency) of revenues over (under) expenditures	403,379	(2,973,631)	(2,214,809)	758,822
<b>OTHER FINANCING SOURCES (USES)</b>					
7901	Issuance of refunding bonds	-	163,789,812	163,789,812	-
7916	Premium or discount on issuance of bonds	-	31,781,527	31,781,527	-
8940	Payments to refunded bond escrow agent	-	(194,027,329)	(194,027,329)	-
7080	Total other financing sources (uses)	-	1,544,010	1,544,010	-
1200	Net change in fund balances	403,379	(1,429,621)	(670,799)	758,822
0100	Fund balance - July 1 (beginning)	23,488,570	23,488,570	23,488,570	-
3000	<b>FUND BALANCE - JUNE 30 (ENDING)</b>	<b>\$ 23,891,949</b>	<b>\$ 22,058,949</b>	<b>\$ 22,817,771</b>	<b>\$ 758,822</b>

# Statistical Section



# Rockwall

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INDEPENDENT SCHOOL DISTRICT

# Rockwall Independent School District

## Index for Statistical Section

This section presents detailed information as a context for understanding what the information in the financial statements, note disclosures, required supplementary information, and supplementary information says about Rockwall Independent School District's overall financial health.

<b>Contents</b>	<b>Exhibits</b>
<b>Financial Trends Information</b> These schedules contain trend information intended to help the reader understand how the district's financial position has changed over time.	S1 – S6
<b>Revenue Capacity Information</b> These schedules contain information intended to help the reader assess the district's most significant revenue source, state tax collections.	S7 – S10
<b>Debt Capacity information</b> These schedules contain information intended to assist users in understanding and assessing the district's current levels of outstanding debt and the ability to issue additional debt.	S11 – S13
<b>Demographic and Economic information</b> These schedules provide demographic and economic indicators intended to help the reader understand the socioeconomic environment within which the district's financial activities take place.	S14 – S15
<b>Operating Information</b> These schedules provide contextual information about the district's operations and resources intended to assist readers in using financial statement information to understand and assess the district's economic condition.	S16 – S19

## Rockwall Independent School District

### Net Position by Component

Last Ten Fiscal Years (Unaudited)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>Governmental Activities</b>				
Net investment in capital assets	\$ 2,038,357	\$ (4,506,937)	\$ (9,843,204)	\$ (22,146,745)
Restricted	12,305,454	10,415,814	12,112,318	6,629,448
Unrestricted	<u>(35,293,841)</u>	<u>(36,416,082)</u>	<u>(44,842,744)</u>	<u>(56,342,202)</u>
Total Governmental Net Position	<u>\$ (20,950,030)</u>	<u>\$ (30,507,205)</u>	<u>\$ (42,573,630)</u>	<u>\$ (71,859,499)</u>
<b>Business Type Activities</b>				
Net investment in capital assets	\$ 400,586	\$ 422,571	\$ 342,818	\$ 341,709
Restricted	-	-	-	-
Unrestricted	<u>234,939</u>	<u>139,846</u>	<u>87,875</u>	<u>84,575</u>
Total Business Type Activities	<u>\$ 635,525</u>	<u>\$ 562,417</u>	<u>\$ 430,693</u>	<u>\$ 426,284</u>
<b>Total Primary Government</b>				
Net investment in capital assets	\$ 2,438,943	\$ (4,084,366)	\$ (9,500,386)	\$ (21,805,036)
Restricted	12,305,454	10,415,814	12,112,318	6,629,448
Unrestricted	<u>(35,058,902)</u>	<u>(36,276,236)</u>	<u>(44,754,869)</u>	<u>(56,257,627)</u>
<b>Total Primary Government</b>	<u>\$ (20,314,505)</u>	<u>\$ (29,944,788)</u>	<u>\$ (42,142,937)</u>	<u>\$ (71,433,215)</u>

Source: The Statement of Net Position for Rockwall Independent School District

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ (50,600,171)	\$ (58,071,395)	\$ (71,719,278)	\$ (81,744,687)	\$ (97,423,782)	\$ (81,804,677)
10,298,420	9,793,739	9,004,022	8,367,897	6,710,788	5,357,491
<u>(38,407,402)</u>	<u>(29,532,596)</u>	<u>(66,277,575)</u>	<u>(58,439,236)</u>	<u>(48,606,626)</u>	<u>(65,506,074)</u>
<u>\$ (78,709,153)</u>	<u>\$ (77,810,252)</u>	<u>\$ (128,992,831)</u>	<u>\$ (131,816,026)</u>	<u>\$ (139,319,620)</u>	<u>\$ (141,953,260)</u>
\$ 336,470	\$ 303,684	\$ 274,973	\$ 248,323	\$ 221,673	\$ 195,023
-	-	-	-	-	-
<u>48,015</u>	<u>395,069</u>	<u>673,328</u>	<u>818,802</u>	<u>808,814</u>	<u>888,136</u>
<u>\$ 384,485</u>	<u>\$ 698,753</u>	<u>\$ 948,301</u>	<u>\$ 1,067,125</u>	<u>\$ 1,030,487</u>	<u>\$ 1,083,159</u>
\$ (50,263,701)	\$ (57,767,711)	\$ (71,444,305)	\$ (81,496,364)	\$ (97,202,109)	\$ (81,609,654)
10,298,420	9,793,739	9,004,022	8,367,897	6,710,788	5,357,491
<u>(38,359,387)</u>	<u>(29,137,527)</u>	<u>(65,604,247)</u>	<u>(57,620,434)</u>	<u>(47,797,812)</u>	<u>(64,617,938)</u>
<u>\$ (78,324,668)</u>	<u>\$ (77,111,499)</u>	<u>\$ (128,044,530)</u>	<u>\$ (130,748,901)</u>	<u>\$ (138,289,133)</u>	<u>\$ (140,870,101)</u>

**Rockwall Independent School District**  
**Change in Net Position**  
**Last Ten Fiscal Years (Unaudited)**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>Expenses</b>				
Governmental activities:				
Instruction	\$ 76,296,145	\$ 74,658,394	\$ 77,702,515	\$ 79,192,286
Instructional resources and media services	3,149,644	3,155,851	3,244,541	3,224,971
Curriculum and staff development services	1,866,593	2,282,918	2,287,128	2,486,061
Instructional leadership	778,855	868,334	1,270,122	1,343,145
School leadership	6,402,809	6,550,942	6,711,312	6,802,363
Guidance, counseling, & evaluation services	4,287,283	4,315,689	4,588,083	4,727,900
Social work services	176,128	272,740	201,715	214,704
Health services	1,636,192	1,667,256	1,748,698	1,764,320
Student transportation	3,743,446	3,803,881	3,894,882	4,027,627
Food service	5,901,810	6,119,653	6,225,510	6,202,018
Extracurricular activities	8,461,610	8,903,179	8,978,902	9,498,917
General administration	3,601,560	3,256,873	3,343,939	3,610,599
Plant maintenance and operations	11,171,920	11,440,704	11,783,768	10,935,114
Security and monitoring services	757,922	880,966	1,306,536	1,394,242
Data processing services	2,226,951	2,232,590	2,532,153	2,644,750
Community services	250,126	206,984	225,245	174,601
Debt Service-Interest on long-term debt	14,854,333	20,518,280	18,481,558	28,204,035
Debt Service-Bond issuance cost and fees	663,596	365,272	181,206	1,174,418
Facilities acquisition/construction	45,955	8,252	10,337	697
Payments to fiscal agent/Member districts of SSA	10,000	25,885	16,875	14,070
Other intergovernmental charges	606,826	645,043	676,270	729,845
Total governmental activities expenses	<u>\$ 146,889,704</u>	<u>\$ 152,179,686</u>	<u>\$ 155,411,295</u>	<u>\$ 168,366,683</u>
Business-type activities:				
Sports marketing	\$ 43,454	\$ 72,055	\$ 96,542	\$ 83,950
ROCK after school program	747,136	739,700	796,512	787,298
Total business-type activities expenses	<u>\$ 790,590</u>	<u>\$ 811,755</u>	<u>\$ 893,054</u>	<u>\$ 871,248</u>
Total primary government expenses	<u>\$ 147,680,294</u>	<u>\$ 152,991,441</u>	<u>\$ 156,304,349</u>	<u>\$ 169,237,931</u>
<b>Program Revenues</b>				
Governmental activities:				
Charges for services:				
Instruction	\$ 1,052,854	\$ 1,391,176	\$ 1,417,173	\$ 1,439,325
Instructional resources and media services	6,155	68,628	101,306	58,124
School leadership	-	-	-	-
Guidance, counseling, & evaluation services	41,376	78,501	89,008	71,471
Health services	1,514	-	-	-
Food service	3,201,690	3,095,055	3,124,904	3,256,504
Extracurricular activities	1,694,326	1,593,132	1,717,539	1,876,387
General administration	-	-	-	-
Plant maintenance and operations	336,668	304,619	369,718	327,484
Community services	-	-	-	-
Payments to fiscal agent/Member districts of SSA	-	-	19,009	204,786
Operating grants and contributions	11,616,030	11,699,405	11,742,340	13,669,763
Capital grants and contributions	-	-	-	-
Total governmental activities revenues	<u>\$ 17,950,613</u>	<u>\$ 18,230,516</u>	<u>\$ 18,580,997</u>	<u>\$ 20,903,844</u>
Business-type activities:				
Charges for services:				
Sports marketing	\$ 297,563	\$ 180,016	\$ 194,536	\$ 195,030
ROCK after school program	804,651	958,631	966,794	1,071,809
Operating grants and contributions	-	-	-	-
Total business-type activities revenues	<u>\$ 1,102,214</u>	<u>\$ 1,138,647</u>	<u>\$ 1,161,330</u>	<u>\$ 1,266,839</u>
Total primary government revenues	<u>\$ 19,052,827</u>	<u>\$ 19,369,163</u>	<u>\$ 19,742,327</u>	<u>\$ 22,170,683</u>



2016	2017	2018	2019	2020	2021
\$ 88,676,101	\$ 90,046,691	\$ 65,749,750	\$ 104,671,459	\$ 115,233,902	\$ 112,786,648
2,680,267	2,874,252	2,044,659	2,728,610	2,942,296	2,943,979
4,844,851	5,141,772	3,111,212	4,880,358	5,199,215	5,306,457
1,401,004	1,546,403	862,592	1,608,194	1,675,996	1,518,405
7,495,998	8,151,606	5,462,115	9,351,608	10,048,791	9,953,368
5,594,877	5,524,173	3,831,562	6,586,904	7,174,640	7,163,222
284,546	309,443	247,534	336,844	379,523	368,686
1,970,855	2,028,299	1,628,366	2,453,913	2,621,539	2,937,333
3,860,682	4,012,447	4,304,754	6,081,847	6,139,932	6,216,349
6,851,672	6,598,830	5,818,376	8,446,726	8,231,309	7,779,430
9,770,851	10,328,331	10,140,062	12,121,460	12,707,493	12,259,535
4,094,058	4,105,074	3,541,680	4,808,671	5,192,272	5,024,010
11,282,806	11,701,515	11,532,875	13,256,624	13,510,457	16,163,409
1,310,266	1,353,645	1,446,027	2,026,062	2,106,411	2,067,646
2,502,355	2,358,619	2,149,542	2,737,805	3,355,035	3,376,780
178,985	158,817	68,768	173,497	175,477	34,944
16,180,585	20,286,770	21,918,457	23,504,464	24,200,402	17,963,597
1,788,861	793,515	577,289	636,327	945,396	1,957,917
64,321	24,827	7,240	2,716,289	452	-
10,675	10,500	10,685	10,685	10,685	10,685
808,556	861,757	969,650	988,400	1,173,117	1,457,451
<u>\$ 171,653,172</u>	<u>\$ 178,217,286</u>	<u>\$ 145,423,195</u>	<u>\$ 210,126,747</u>	<u>\$ 223,024,340</u>	<u>\$ 217,289,851</u>
\$ 78,137	\$ 93,672	\$ 93,672	\$ 78,994	\$ 76,268	\$ 94,930
850,736	1,009,279	1,009,279	1,175,524	1,040,273	914,834
<u>\$ 928,873</u>	<u>\$ 1,102,951</u>	<u>\$ 1,102,951</u>	<u>\$ 1,254,518</u>	<u>\$ 1,116,541</u>	<u>\$ 1,009,764</u>
<u>\$ 172,582,045</u>	<u>\$ 179,320,237</u>	<u>\$ 146,526,146</u>	<u>\$ 211,381,265</u>	<u>\$ 224,140,881</u>	<u>\$ 218,299,615</u>
\$ 1,587,130	\$ 1,476,383	\$ 1,460,547	\$ 1,713,627	\$ 1,476,803	\$ 1,396,117
91,875	88,160	100,355	-	-	72,750
-	-	-	-	-	-
121,300	75,766	122,980	-	-	39,189
-	-	-	-	-	-
3,490,701	3,571,541	3,708,408	3,972,651	2,908,691	609,071
1,894,080	1,976,250	2,102,485	686,820	754,436	1,256,692
-	-	-	-	-	-
390,895	472,214	435,344	600,672	495,007	190,889
-	-	-	-	-	-
213,347	272,093	245,312	-	-	-
18,736,682	20,170,764	(2,577,669)	27,621,892	30,805,102	30,903,801
-	-	-	-	-	-
<u>\$ 26,526,010</u>	<u>\$ 28,103,171</u>	<u>\$ 5,597,762</u>	<u>\$ 34,595,662</u>	<u>\$ 36,440,039</u>	<u>\$ 34,468,509</u>
\$ 200,736	\$ 224,645	\$ 207,905	\$ 214,259	\$ 180,167	\$ 118,725
1,376,338	1,542,574 #	1,754,413	1,819,802	1,351,126	894,916
-	-	47,361	39,281	48,610	48,795
<u>\$ 1,577,074</u>	<u>\$ 1,767,219</u>	<u>\$ 2,009,679</u>	<u>\$ 2,073,342</u>	<u>\$ 1,579,903</u>	<u>\$ 1,062,436</u>
<u>\$ 28,103,084</u>	<u>\$ 29,870,390</u>	<u>\$ 7,607,441</u>	<u>\$ 36,669,004</u>	<u>\$ 38,019,942</u>	<u>\$ 35,530,945</u>

**Rockwall Independent School District**  
**Change in Net Position**  
**Last Ten Fiscal Years (Unaudited)**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>Net (Expense)/Revenue</b>				
Governmental activities	\$ (128,939,091)	\$ (133,949,170)	\$ (136,830,298)	\$ (147,462,839)
Business-type activities	311,624	326,892	268,276	395,591
<b>Total primary government net expense</b>	<u>\$ (128,627,467)</u>	<u>\$ (133,622,278)</u>	<u>\$ (136,562,022)</u>	<u>\$ (147,067,248)</u>
<b>General Revenues and Other Changes in Net Position</b>				
Governmental activities:				
Taxes				
Property taxes levied for general purposes	\$ 60,003,422	\$ 61,117,242	\$ 63,732,151	\$ 70,459,616
Property taxes levied for debt service	24,770,157	25,244,572	25,687,569	27,075,031
Unrestricted grants and contributions	37,756,514	37,081,797	37,915,078	35,432,517
Investment earnings	250,959	192,884	121,994	136,194
Miscellaneous	386,480	355,500	423,253	305,642
Transfers	-	400,000	400,000	400,000
Extraordinary item	-	-	-	-
<b>Total governmental activities</b>	<u>\$ 123,167,532</u>	<u>\$ 124,391,995</u>	<u>\$ 128,280,045</u>	<u>\$ 133,809,000</u>
Business-type activities:				
Investment earnings	\$ -	\$ -	\$ -	\$ -
Transfers	-	(400,000)	(400,000)	(400,000)
<b>Total business-type activities</b>	<u>\$ -</u>	<u>\$ (400,000)</u>	<u>\$ (400,000)</u>	<u>\$ (400,000)</u>
<b>Total primary government</b>	<u>\$ 123,167,532</u>	<u>\$ 123,991,995</u>	<u>\$ 127,880,045</u>	<u>\$ 133,409,000</u>
<b>Change in Net Position</b>				
Governmental activities	\$ (5,771,559)	\$ (9,557,175)	\$ (8,550,253)	\$ (13,653,839)
Business-type activities	311,624	(73,108)	(131,724)	(4,409)
Prior period adjustments	-	-	-	(15,632,030)
<b>Total primary government</b>	<u>\$ (5,459,935)</u>	<u>\$ (9,630,283)</u>	<u>\$ (8,681,977)</u>	<u>\$ (29,290,278)</u>

2016	2017	2018	2019	2020	2021
\$ (145,127,162)	\$ (150,114,115)	\$ (139,825,433)	\$ (175,531,085)	\$ 186,584,301	\$ (182,821,342)
648,201	664,268	699,548	818,824	(463,362)	52,672
<u>\$ (144,478,961)</u>	<u>\$ (149,449,847)</u>	<u>\$ (139,125,885)</u>	<u>\$ (174,712,261)</u>	<u>\$ 186,120,939</u>	<u>\$ (182,768,670)</u>
\$ 73,293,886	\$ 80,649,718	\$ 89,793,446	\$ 99,698,785	\$ 100,007,173	\$ 105,275,649
28,087,712	32,693,419	34,506,581	37,319,539	39,147,665	41,354,245
35,265,553	33,757,591	31,800,777	27,798,408	34,247,168	32,250,801
637,736	2,059,475	3,516,819	4,914,450	3,229,622	449,496
302,621	1,502,813	3,749,425	2,276,708	1,949,079	500,549
690,000	350,000	450,000	700,000	500,000	-
-	-	-	-	-	356,962
<u>\$ 138,277,508</u>	<u>\$ 151,013,016</u>	<u>\$ 163,817,048</u>	<u>\$ 172,707,890</u>	<u>\$ 179,080,707</u>	<u>\$ 180,187,702</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(690,000)	(350,000)	(450,000)	(700,000)	(500,000)	-
<u>\$ (690,000)</u>	<u>\$ (350,000)</u>	<u>\$ (450,000)</u>	<u>\$ (700,000)</u>	<u>\$ (500,000)</u>	<u>\$ -</u>
<u>\$ 137,587,508</u>	<u>\$ 150,663,016</u>	<u>\$ 163,367,048</u>	<u>\$ 172,007,890</u>	<u>\$ 178,580,707</u>	<u>\$ 180,187,702</u>
\$ (6,849,654)	\$ 898,901	\$ 23,991,615	\$ (2,823,195)	\$ (7,503,594)	\$ (2,633,640)
(41,799)	314,268	249,548	118,824	(36,638)	52,672
-	-	(75,174,194)	-	-	-
<u>\$ (6,891,453)</u>	<u>\$ 1,213,169</u>	<u>\$ (50,933,031)</u>	<u>\$ (2,704,371)</u>	<u>\$ (7,540,232)</u>	<u>\$ (2,580,968)</u>

## Rockwall Independent School District

### Fund Balances Governmental Funds

Last Ten Fiscal Years (Unaudited)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General Fund				
Nondisposable	\$ 143,790	\$ 215,173	\$ 43,817	\$ 151,395
Assigned	-	-	-	-
Unassigned	41,417,355	43,211,949	44,101,148	43,631,288
<b>Total general fund</b>	<u>\$ 41,561,145</u>	<u>\$ 43,427,122</u>	<u>\$ 44,144,965</u>	<u>\$ 43,782,683</u>
All Other Governmental Funds				
Nondisposable	\$ 69,703	\$ 67,903	\$ 69,360	\$ 64,974
Restricted:				
Debt service	16,560,225	16,507,851	15,542,918	16,479,717
Capital projects	17,226,651	10,915,593	7,775,968	7,190,061
Grant funds	865,489	1,193,480	1,628,736	2,025,670
Committed	1,229,264	1,298,923	1,650,596	1,991,413
Unassigned	-	-	-	-
<b>Total all other governmental funds</b>	<u>\$ 35,951,332</u>	<u>\$ 29,983,750</u>	<u>\$ 26,667,578</u>	<u>\$ 27,751,835</u>
<b>Total governmental funds</b>	<u>\$ 77,512,477</u>	<u>\$ 73,410,872</u>	<u>\$ 70,812,543</u>	<u>\$ 71,534,518</u>

Source: The Balance Sheet Governmental Funds for Rockwall Independent School District

Exhibit S-3

2016	2017	2018	2019	2020	2021
\$ 75,609	\$ 104,988	\$ 95,516	\$ 156,600	\$ 240,748	\$ 218,168
-	1,105,086	2,026,174	-	2,071,317	16,100,000
42,310,037	47,403,403	57,728,550	64,104,432	70,079,088	56,188,255
<u>\$ 42,385,646</u>	<u>\$ 48,613,477</u>	<u>\$ 59,850,240</u>	<u>\$ 64,261,032</u>	<u>\$ 72,391,153</u>	<u>\$ 72,506,423</u>
\$ 77,403	\$ 75,309	\$ 72,337	\$ 392,603	\$ 237,816	\$ 34,457
19,708,768	21,158,984	21,315,445	22,454,985	23,488,570	22,817,771
128,001,391	146,499,880	78,220,677	79,244,742	40,780,330	18,803,903
2,416,165	2,617,700	2,987,173	2,340,780	1,787,295	1,927,917
1,941,883	1,881,037	1,864,722	1,931,213	1,857,284	1,608,211
-	-	-	(82,942)	(13,257)	-
<u>\$ 152,145,610</u>	<u>\$ 172,232,910</u>	<u>\$ 104,460,354</u>	<u>\$ 106,281,381</u>	<u>\$ 68,138,038</u>	<u>\$ 45,192,259</u>
<u>\$ 194,531,256</u>	<u>\$ 220,846,387</u>	<u>\$ 164,310,594</u>	<u>\$ 170,542,413</u>	<u>\$ 140,529,191</u>	<u>\$ 117,698,682</u>

## Rockwall Independent School District

### Governmental Funds – Revenues

Last Ten Fiscal Years (Unaudited)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Federal sources:				
Federal grants	\$ 3,936,175	\$ 3,816,715	\$ 3,893,869	\$ 3,970,128
Food service	2,331,675	2,424,305	2,491,514	2,456,549
<b>Total federal sources</b>	<b><u>\$ 6,267,850</u></b>	<b><u>\$ 6,241,020</u></b>	<b><u>\$ 6,385,383</u></b>	<b><u>\$ 6,426,677</u></b>
State sources:				
State grants and other	\$ 42,811,924	\$ 42,050,291	\$ 42,846,908	\$ 42,328,869
Food service	29,306	27,422	27,408	27,168
Debt service	-	-	-	-
Capital projects	-	-	-	-
<b>Total state sources</b>	<b><u>\$ 42,841,230</u></b>	<b><u>\$ 42,077,713</u></b>	<b><u>\$ 42,874,316</u></b>	<b><u>\$ 42,356,037</u></b>
Local sources:				
Local & intermediate sources	\$ 64,638,274	\$ 65,425,630	\$ 68,440,430	\$ 75,157,558
Food service	3,204,300	3,092,550	3,126,693	3,259,280
Debt service	25,230,852	25,382,160	25,810,097	27,130,748
Capital projects	250,501	32,517	9,345	15,536
<b>Total local sources</b>	<b><u>\$ 93,323,927</u></b>	<b><u>\$ 93,932,857</u></b>	<b><u>\$ 97,386,565</u></b>	<b><u>\$ 105,563,122</u></b>
<b>Total revenues</b>	<b><u>\$ 142,433,007</u></b>	<b><u>\$ 142,251,590</u></b>	<b><u>\$ 146,646,264</u></b>	<b><u>\$ 154,345,836</u></b>

**Source:** Statement of Revenues, Expenditures, and Changes in Fund Balances-Governmental Funds  
for Rockwall Independent School District

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 4,292,186	\$ 4,415,336	\$ 4,294,503	\$ 5,322,849	\$ 6,006,568	\$ 7,633,665
2,692,735	2,829,538	2,818,087	3,033,117	2,754,122	4,105,583
<u>\$ 6,984,921</u>	<u>\$ 7,244,874</u>	<u>\$ 7,112,590</u>	<u>\$ 8,355,966</u>	<u>\$ 8,760,690</u>	<u>\$ 11,739,248</u>
\$ 43,006,853	\$ 40,367,195	\$ 39,873,691	\$ 34,902,470	\$ 44,332,588	\$ 41,637,037
28,285	28,484	347	59,920	81,767	205,112
628,696	610,386	595,879	614,926	581,376	534,986
-	-	13,581	8,423	13,412	13,856
<u>\$ 43,663,834</u>	<u>\$ 41,006,065</u>	<u>\$ 40,483,498</u>	<u>\$ 35,585,739</u>	<u>\$ 45,009,143</u>	<u>\$ 42,390,991</u>
\$ 78,001,174	\$ 86,241,500	\$ 96,287,809	\$ 106,628,458	\$ 106,165,617	\$ 109,150,288
3,536,402	3,593,073	3,779,589	4,029,359	2,979,081	625,053
28,129,502	33,186,620	35,178,283	38,141,199	39,712,331	41,496,137
281,244	1,220,505	1,827,366	2,301,719	1,225,450	237,769
<u>\$ 109,948,322</u>	<u>\$ 124,241,698</u>	<u>\$ 137,073,047</u>	<u>\$ 151,100,735</u>	<u>\$ 150,082,479</u>	<u>\$ 151,509,247</u>
<u>\$ 160,597,077</u>	<u>\$ 172,492,637</u>	<u>\$ 184,669,135</u>	<u>\$ 195,042,440</u>	<u>\$ 203,852,312</u>	<u>\$ 205,639,486</u>

## Rockwall Independent School District

### Governmental Funds – Expenditures and Debt Service Ratio

Last Ten Fiscal Years (Unaudited)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Expenditures:				
Instruction & instruction-related services	\$ 72,262,022	\$ 70,996,930	\$ 73,552,037	\$ 76,364,214
Instructional & school leadership	6,997,339	7,237,889	7,781,038	8,082,268
Support services-Student	17,957,301	19,144,403	20,121,235	20,412,485
Administrative support services	3,503,713	3,217,020	3,302,817	3,642,972
Support services-Nonstudent	13,451,971	14,162,839	15,219,570	15,129,770
Ancillary services	250,163	207,056	225,281	179,798
Debt service-Principal on long-term debt	8,615,000	10,530,000	10,869,998	11,030,000
Debt service-Interest on long-term debt	13,966,286	14,763,951	15,723,826	14,982,666
Debt service-Bond issuance costs and fees	831,220	1,222,869	181,206	1,174,418
Facilities acquisition & construction	3,230,874	18,517,705	2,832,712	1,549,531
Intergovernmental charges	616,826	670,928	693,145	743,915
<b>Total expenditures</b>	<b>\$ 141,682,715</b>	<b>\$ 160,671,590</b>	<b>\$ 150,502,865</b>	<b>\$ 153,292,037</b>
Capital Expenditures	\$ 8,104,562	\$ 3,230,980	\$ 18,277,937	\$ 3,324,443
Debt service as a percentage of noncapital expenditures	16.9%	16.1%	20.1%	17.3%

**Source:** Statement of Revenues, Expenditures, and Changes in Fund Balances-Governmental Funds  
for Rockwall Independent School District



	2016	2017	2018	2019	2020	2021
\$	83,321,198	\$ 84,285,956	\$ 92,851,022	\$ 95,708,536	\$ 96,384,729	\$ 100,250,260
	8,358,646	8,795,655	8,650,331	9,613,529	9,810,094	10,282,138
	22,875,326	22,784,840	26,045,410	27,066,897	25,457,192	28,149,794
	3,985,426	3,849,717	4,118,901	4,350,570	4,611,778	4,666,837
	14,813,449	15,815,529	17,238,592	19,208,426	22,117,168	24,997,685
	166,822	155,894	149,566	162,278	164,734	38,954
	5,224,345	8,173,739	6,856,296	7,630,810	7,914,757	9,882,285
	20,124,784	23,964,241	27,600,263	29,778,861	31,146,789	32,622,604
	1,788,861	793,515	1,577,289	636,327	945,396	1,957,917
	3,431,394	53,728,052	59,421,542	37,068,426	35,375,915	36,414,205
	819,231	872,257	980,335	999,085	1,183,802	1,468,136
<u>\$</u>	<u>164,909,482</u>	<u>\$ 223,219,395</u>	<u>\$ 245,489,547</u>	<u>\$ 232,223,745</u>	<u>\$ 235,112,354</u>	<u>\$ 250,730,815</u>
\$	2,211,185	\$ 4,653,579	\$ 58,243,437	\$ 47,563,258	\$ 42,576,142	\$ 45,224,874
	15.6%	14.7%	18.4%	20.3%	20.3%	20.7%

## Rockwall Independent School District

### Governmental Funds – Other Financing Sources and Uses and Net Change in Fund Balances Last Ten Fiscal Years (Unaudited)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>Excess of revenues over (under) expenditures</b>	\$ 750,292	\$ (18,420,000)	\$ (3,856,601)	\$ 1,053,799
<b>Other financing sources (uses)</b>				
Capital-related debt issued (Regular bonds)	11,115,000	10,600,000	-	-
Capital-related debt issued (Refunding bonds)	49,620,000	81,564,998	-	89,568,204
Sale of real or personal property	-	59,162	166,743	-
Transfers in	2,970,000	623,805	820,838	545,858
Premium or discount on issuance of bonds	7,343,943	11,951,042	-	29,538,170
Insurance recoveries	-	776,947	691,529	-
Other resources	-	-	-	-
Transfers out	(70,000)	(223,805)	(420,838)	(145,858)
Payments to refunded bond escrow agents	(55,351,046)	(91,033,754)	-	(118,113,239)
<b>Total other financing sources (uses)</b>	<u>\$ 15,627,897</u>	<u>\$ 14,318,395</u>	<u>\$ 1,258,272</u>	<u>\$ 1,393,135</u>
<b>Extraordinary item source (use)</b>	\$ -	\$ -	\$ -	\$ -
<b>Prior Period Adjustment</b>	-	-	-	(1,724,959)
<b>Net change in fund balances</b>	<u>\$ 16,378,189</u>	<u>\$ (4,101,605)</u>	<u>\$ (2,598,329)</u>	<u>\$ 721,975</u>

Source: Statement of Revenues, Expenditures, and Changes in Fund Balances-Governmental Funds  
for Rockwall Independent School District

Exhibit S-6

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ (4,312,405)	\$ (50,726,758)	\$ (60,820,412)	\$ (37,181,305)	\$ (31,260,042)	\$ (45,091,329)
107,960,000	69,555,000	-	42,605,000	-	16,985,000
32,193,467	-	37,300,000	-	81,569,977	163,789,812
8,000	-	17,946	-	-	122,974
1,017,000	777,000	960,798	1,025,000	928,000	974,148
73,910,181	6,031,803	6,890,285	2,824,413	6,236,496	35,033,401
-	1,105,086	3,238,826	-	-	-
-	-	-	-	-	-
(327,000)	(427,000)	(349,098)	(325,000)	(428,000)	(974,148)
(87,452,505)	-	(43,774,138)	-	(87,059,653)	(194,027,329)
<u>\$ 127,309,143</u>	<u>\$ 77,041,889</u>	<u>\$ 4,284,619</u>	<u>\$ 46,129,413</u>	<u>\$ 1,246,820</u>	<u>\$ 21,903,858</u>
\$ -	\$ -	\$ -	\$ (2,716,289)	\$ -	\$ 356,962
-	-	-	-	-	-
<u>\$ 122,996,738</u>	<u>\$ 26,315,131</u>	<u>\$ (56,535,793)</u>	<u>\$ 6,231,819</u>	<u>\$ (30,013,222)</u>	<u>\$ (22,830,509)</u>

**Rockwall Independent School District**  
 Assessed Value and Actual Value of Taxable Property  
 Last Ten Fiscal Years (Unaudited)

**Exhibit S-7**

Fiscal Year	Actual Value					Total Assessed Value	Total District Rate <sup>1</sup>
	Residential Property	Rural Acreage	Commercial & Industrial Property	Personal Property	Less: Exemptions		
2012	5,468,501,288	265,772,475	982,440,977	433,735,790	495,947,084	6,654,503,446	1.470
2013	5,559,724,362	265,702,610	989,006,917	441,405,307	499,932,274	6,755,906,922	1.470
2014	5,603,556,270	268,302,006	1,099,946,944	496,375,802	494,922,973	6,973,258,049	1.460
2015	6,144,345,132	279,373,579	1,307,608,819	563,984,541	538,498,734	7,756,813,337	1.440
2016	6,863,905,015	291,273,716	1,310,240,781	518,112,283	746,506,730	8,237,025,065	1.440
2017	7,750,555,890	291,428,149	1,402,117,931	578,178,886	985,253,301	9,037,027,555	1.465
2018	8,867,036,664	333,548,372	1,467,043,510	693,889,006	1,253,079,794	10,108,437,758	1.440
2019	9,826,995,523	336,533,198	1,579,065,284	662,199,355	1,232,889,477	11,171,903,883	1.430
2020	10,472,436,628	349,711,035	1,690,288,956	729,504,546	1,239,450,426	12,002,490,739	1.350
2021	11,317,470,413	357,309,871	1,880,916,013	799,328,232	1,300,444,306	13,054,580,223	1.310

**Source:** Comptroller of Public Accounts-School District Summary Worksheet

**Notes:**

<sup>1</sup> Per \$100 of assessed value.



# Rockwall

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INDEPENDENT SCHOOL DISTRICT

**Rockwall Independent School District**  
 Direct and Overlapping Property Tax Rates  
 Last Ten Fiscal Years (Unaudited)

Fiscal Year	District Direct Rates			Overlapping Rates <sup>1</sup>			
	Maintenance and Operations	Debt Service	Total	City of Rockwall	Rockwall County	Collin County	Kaufman County
2012	1.040	0.430	1.470	0.503	0.386	0.240	0.499
2013	1.040	0.430	1.470	0.503	0.396	0.238	0.557
2014	1.040	0.420	1.460	0.496	0.396	0.235	0.557
2015	1.040	0.400	1.440	0.485	0.396	0.225	0.576
2016	1.040	0.400	1.440	0.454	0.376	0.208	0.060
2017	1.040	0.425	1.465	0.424	0.350	0.192	0.589
2018	1.040	0.400	1.440	0.424	0.350	0.193	0.589
2019	1.040	0.390	1.430	0.402	0.328	0.181	0.479
2020	0.970	0.380	1.350	0.388	0.325	0.175	0.439
2021	0.940	0.370	1.310	0.370	0.313	0.173	0.505

**Source:** Texas State Comptroller's Office and appropriate governmental entities' Tax Departments

**Notes:**

<sup>1</sup> Includes levies for operating and debt service costs.

Overlapping Rates <sup>1</sup>

City of Fate	City of Heath	City of McLendon-Chisholm	City of Rowlett	City of Wylie	City of Dallas	Rockwall County MUD #1
0.246	0.343	0.098	0.747	0.899	0.797	0.700
0.266	0.343	0.097	0.747	0.884	0.797	0.650
0.307	0.427	0.097	0.787	0.879	0.797	0.600
0.307	0.427	0.184	0.787	0.869	0.797	0.550
0.291	0.417	0.152	0.787	0.849	0.783	0.500
0.291	0.417	0.150	0.787	0.781	0.780	0.500
0.291	0.417	0.150	0.777	0.781	0.780	0.450
0.291	0.389	0.150	0.757	0.726	0.777	0.390
0.281	0.379	0.150	0.757	0.688	0.777	0.340
0.273	0.377	0.150	0.745	0.672	0.776	0.295

**Rockwall Independent School District**  
Principal Property Taxpayers  
Last Ten Fiscal Years (Unaudited)

**Exhibit S-9**

Taxpayer	2021			2012		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value <sup>1</sup>	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value <sup>2</sup>
Oncor Electric Delivery Company	\$ 74,854,730	1	0.6%	\$ 45,641,040	1	0.7%
Excel Rockwall, LLC	56,000,000	2	0.4%	45,458,300	2	0.7%
Terra Lago Apartments, LLC	45,220,590	3	0.3%			
Star Hubbard LLC	41,000,000	4	0.3%			
Rockwall Crossing, LTD	36,380,460	5	0.3%	23,244,236	8	0.3%
Capital Boulevard Venture LLC	34,200,000	6	0.3%			
Rockwall Dunhill, LLC	32,000,000	7	0.2%			
SWBC RW2, LP	30,297,750	8	0.2%			
Lollicup USA	36,069,530	9	0.3%			
Stag Rockwall, L.P.	29,453,860	10	0.2%			
Rockwall Regional Hospital LLP	-			32,069,270	4	0.5%
Western Rim Investors 2008 2 LP	-			45,311,463	3	0.7%
Rockwall Hotel and Conference Group, INC	-			28,480,380	5	0.4%
Lake Pointe Medical Center	-			23,244,236	7	0.3%
Continental Pet Technology	-			28,377,560	6	0.4%
Walmart Real Estate	-			22,014,952	9	0.3%
Texas Star Express	-			20,928,950	10	0.3%
	<u>\$ 415,476,920</u>		<u>3.2%</u>	<u>\$ 314,770,387</u>		<u>4.7%</u>

Source: Rockwall Central Appraisal District

**Notes:**

<sup>1</sup> Total appraised taxable value for 2021 = \$13,054,580,223

<sup>2</sup> Total appraised taxable value for 2012 = \$6,654,503,446



**Rockwall Independent School District**  
Property Tax Levies and Collections  
Last Ten Fiscal Years (Unaudited)

**Exhibit S-10**

Fiscal Year	Taxes Levied <sup>1</sup>	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date <sup>2</sup>	
		Amount	Percentage of Levy		Amount	Percentage of Total Collections to Tax Levy
2012	84,478,540	84,260,265	99.74%	123	84,260,388	99.74%
2013	85,740,844	85,468,201	99.68%	70	85,468,271	99.68%
2014	88,736,003	88,400,091	99.62%	69,757	88,469,848	99.70%
2015	96,868,624	96,479,610	99.60%	17	96,479,627	99.60%
2016	100,657,685	99,101,569	98.45%	51,740	99,153,309	98.51%
2017	112,771,125	111,064,117	98.49%	40,814	111,104,931	98.52%
2018	123,576,662	122,108,305	98.81%	88,969	122,197,274	98.88%
2019	135,743,327	133,889,948	98.63%	124,002	134,013,950	98.73%
2020	137,975,005	136,184,718	98.70%	64,337	136,249,055	98.75%
2021	145,663,540	144,016,336	98.87%	64,766	144,081,102	98.91%

Source: Rockwall Central Appraisal District

**Notes:**

<sup>1</sup> The tax levy reflects the original levy, net of any supplements occurring during the year.

<sup>2</sup> Total collections, net of penalties and interest and other judgements, may result in collections that exceed 100% of original levy.

**Rockwall Independent School District**  
**Outstanding Debt by Type**  
**Last Ten Fiscal Years (Unaudited)**

**Exhibit S-11**

<u>Governmental Activities</u>									
Fiscal Year	General Obligation Bonds	Loans Payable	Total Primary Government	Resources Restricted for Debt Service	Net Bonded Debt Outstanding	Ratio of Debt to Assessed Value <sup>2</sup>	Debt per ADA <sup>3</sup>	Per Capita <sup>4</sup>	Percentage of Personal Income <sup>4</sup>
2012	411,797,589	-	411,797,589	11,516,040	400,281,549	6.02%	28,163	6,268	17.25%
2013	419,374,625	-	419,374,625	9,222,334	410,152,291	6.07%	28,564	6,268	16.64%
2014	424,353,183	-	424,353,183	10,483,582	413,869,601	5.94%	28,297	6,160	16.22%
2015	431,284,120	-	431,284,120	4,603,778	426,680,342	5.50%	28,461	6,192	16.49%
2016	547,581,172	-	547,581,172	7,882,255	539,698,917	6.55%	34,905	7,597	19.50%
2017	608,932,139	-	608,932,139	7,176,039	601,756,100	6.66%	38,021	8,284	21.36%
2018	594,680,236	-	594,680,236	6,016,849	588,663,387	5.82%	36,125	7,927	19.83%
2019	623,506,456	-	623,506,456	6,027,117	617,479,339	5.53%	37,227	8,169	19.77%
2020	605,275,422	-	605,275,422	4,923,493	600,351,929	5.00%	35,300	7,806	18.21%
2021	614,914,400	-	614,914,400	3,429,574	611,484,826	4.68%	35,997	7,771	17.56%

**Notes:**

<sup>1</sup> Details of the District's outstanding debt can be found in the notes to the financial statements.

<sup>2</sup> Refer to Exhibit S-7 for assessed value data.

<sup>3</sup> Refer to Exhibit S-17 for student enrollment data.

<sup>4</sup> Refer to Exhibit S-14 for Per Capita personal income information.

**Rockwall Independent School District**  
 Direct and Overlapping Governmental Activities Debt  
 Last Ten Fiscal Years (Unaudited)

**Exhibit S-12**

<b>Governmental Unit</b>	<b>Debt Outstanding</b>	<b>Estimated Percentage Applicable <sup>1</sup></b>	<b>Estimated Share of Direct and Overlapping Debt</b>
City of Rockwall	\$ 68,444,630	100.00%	\$ 68,444,630
Rockwall County	124,280,292	86.32%	107,278,748
Collin County	474,476,708	0.00%	-
Kaufman County	108,765,397	1.17%	1,272,555
City of Fate	6,283,955	56.45%	3,547,293
City of Heath	24,879,252	100.00%	24,879,252
City of McLendon-Chisholm	1,271,118	100.00%	1,271,118
City of Rowlett	97,017,265	14.31%	13,883,171
City of Garland	247,432,785	0.00%	-
City of Dallas	2,087,033,175	0.01%	208,703
Rockwall County MUD #1	8,946,589	66.86%	5,981,689
Subtotal, overlapping bonded debt			\$ 226,767,159
<b>Rockwall Independent School District debt outstanding</b>			<b>\$ 614,914,400</b>
<b>Total direct and overlapping debt</b>			<b>\$ 841,681,559</b>
<b>Ratio of (net) general bonded debt to the estimated actual property value</b>			<b>4.71%</b>

Source: The Municipal Advisory of Texas (Texas MAC)

**Notes:**

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the district. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the district. This process recognizes that, when considering the district's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

**Rockwall Independent School District**  
Demographic and Economic Statistics  
Last Ten Fiscal Years (Unaudited)

**Exhibit S-13**

<b>Period Ending</b>	<b>Population <sup>1</sup></b>	<b>Personal Income <sup>2</sup> (thousands of dollars)</b>	<b>Per Capita Personal Income (dollars)</b>	<b>Unemployment Rate <sup>3</sup></b>
2012	63,860	2,320,346	36,335	6.80%
2013	65,438	2,464,978	37,669	6.40%
2014	67,186	2,551,412	37,975	4.90%
2015	68,911	2,587,159	37,543	4.10%
2016	71,041	2,767,682	38,959	3.90%
2017	72,641	2,817,729	38,790	3.70%
2018	74,260	2,969,265	39,985	3.50%
2019	75,584	3,123,252	41,322	3.20%
2020	76,907	3,297,288	42,874	7.30%
2021	78,689	3,482,763	44,260	5.40%

**Sources:**

<sup>1</sup> Information obtained from the Texas Municipal Report - Population

<sup>2</sup> Information obtained from the NCTGOV and City of Rockwall and City of Heath ACFR

<sup>3</sup> Unemployment rate obtained from the Bureau of Labor and Statistics

Rockwall Independent School District  
Principal Employers  
Last Ten Fiscal Years (Unaudited)

Exhibit S-14

Employer	2021			2012		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Rockwall ISD	1,985	1	3.63%	1,550	1	3.75%
Lake Pointe Hospital	700	2	1.28%			
Texas Health Presbyterian Hospital	600	3	1.10%	419	4	1.01%
Texas Star Express/Epes Transport	484	4	0.89%	484	3	1.17%
Walmart Superstore	450	5	0.82%	492	2	1.19%
Rockwall County	315	6	0.58%	296	5	0.72%
City of Rockwall	280	7	0.51%	256	6	0.62%
Special Products & Manufacturing	168	8	0.31%	205	8	0.50%
L-3 Communications	150	9	0.27%			
Home Depot	140	10	0.26%			
Hilton Bellas Harbor				250	7	0.61%
Target				200	9	0.48%
Rockwall Nursing Home				160	10	0.39%
<b>Total</b>	<b>5,272</b>		<b>9.65%</b>	<b>4,312</b>		<b>10.44%</b>

Sources:

Bureau of Labor Statistics - FRED Economic Data provided total labor force numbers - 2021 (54,618); 2012 (41,304)  
Rockwall Economic Development Corporation provided Principal Employers

Note:

<sup>1</sup> Information not available.

**Rockwall Independent School District**  
 Full-Time-Equivalent District Employees by Type  
 Last Ten Fiscal Years (Unaudited)

	<u>2012</u>	<u>2013</u>	<u>2014</u>
<b>Teachers</b>	875.0	883.7	902.3
<b>Professional Support</b>			
Corrective Therapist	2.0	2.0	2.0
Counselor	29.0	28.8	30.0
Educational Diagnostician	12.0	12.0	13.0
Librarian	17.0	15.8	18.0
Occupational Therapist	4.6	4.6	4.6
Certified Orientation & Mobility Specialist	3.0	3.0	3.0
Physical Therapist	1.7	1.9	1.9
Recreational Therapist	1.0	1.0	1.0
School Nurse	17.0	16.9	18.0
LSSP/Psychologist	3.0	3.0	4.0
Social Worker			
Speech Therapist/Speech-Language Pathologist	14.9	15.3	17.2
Truant Officer/Visiting Teacher			
Teacher Facilitator	5.7	6.0	4.3
Department Head	14.9	15.3	12.7
Athletic Trainer	2.0	2.0	2.0
Other Campus Professional Personnel	12.9	14.0	17.0
Other Non-Campus Professional Personnel	23.9	25.9	33.6
<b>Total Professional Support</b>	<u>164.6</u>	<u>167.5</u>	<u>182.3</u>
<b>Campus Administration</b>			
Assistant Principal	28.0	28.0	29.1
District Instructional Program Director or Executive Director	0.0	0.0	1.0
Principal	18.0	18.0	18.0
Athletic Director	1.5	1.3	1.0
<b>Total Campus Administration</b>	<u>47.5</u>	<u>47.3</u>	<u>49.1</u>
<b>Central Administration</b>			
Assistant/Assoc./Deputy Superintendent	3.0	4.0	3.0
District Instructional Program Director or Executive Director	18.6	20.3	20.3
Superintendent/Chief Administrative Officer/ CEO/President	1.0	1.0	1.0
Athletic Director	0.5	0.3	1.0
Business Manager	2.0	1.0	1.0
Director of Personnel/HR	2.0	1.0	2.0
<b>Total Central Administration</b>	<u>27.1</u>	<u>27.6</u>	<u>28.3</u>
<b>Other District Professional Support</b>	0.0	0.0	0.0
<b>Educational Aides</b>	121.9	120.0	80.1
<b>Auxiliary Staff</b>	296.4	291.9	280.2
<b>Total All Full-Time Equivalent Employees</b>	<u><u>1,532.5</u></u>	<u><u>1,538.0</u></u>	<u><u>1,522.3</u></u>

Source: Fall Public Education Information Management System (PEIMS) Submissions with full-time equivalent employees

2015	2016	2017	2018	2019	2020	2021
919.3	942.3	957.7	971.8	1,013.9	1014.8	1,043.2
2.0	4.0	4.0	3.4	4.0	3	2.5
31.8	21.3	32.5	33.5	34.5	34.1	35.1
13.0	13.0	16.0	15.2	17.0	16	17.0
18.0	17.1	17.1	15.4	14.7	16	19.0
4.6	5.1	5.5	5.5	5.5	6	6.0
3.0	3.0	3.0	2.0	2.0	3	4.0
1.9	1.0	1.0	2.0	2.0	2	2.0
1.0	1.0	1.0	1.0	0.0	1	1.0
18.0	18.0	17.8	19.5	20.5	21	24.9
5.0	2.0	4.0	5.6	5.6	5	5.5
1.0	1.0	1.0	1.0	1.0	1	1.0
17.9	17.1	16.3	18.1	19.0	18.5	20.5
4.3	2.9	3.0	34.0	32.4	33.9	38.9
13.3	11.8	16.4	7.8	9.5	11.2	10.4
2.5	2.9	3.9	2.7	2.3	2	2.0
19.0	20.3	32.1	0.0	8.0	7.5	11.0
33.9	56.0	58.2	0.0	40.5	44	44.0
<u>190.2</u>	<u>197.5</u>	<u>232.8</u>	<u>166.7</u>	<u>218.5</u>	<u>225.2</u>	<u>244.8</u>
24.0	28.0	26.0	29.0	32.2	33	34.2
1.0	0.0	0.0	0.0	0.0	0	0.0
18.0	19.0	18.4	20.0	21.0	21	22.0
1.8	1.0	0.0	1.0	1.0	1.7	1.5
<u>44.8</u>	<u>48.0</u>	<u>44.4</u>	<u>50.0</u>	<u>54.2</u>	<u>55.7</u>	<u>57.7</u>
5.0	3.9	4.0	6.0	5.0	8	7.0
22.0	7.0	5.0	4.0	8.0	7	8.0
1.0	1.0	1.0	1.0	1.0	1	1.0
1.0	1.0	1.0	1.0	1.0	1	1.0
1.0		0.0	1.0	1.0	1	1.0
2.0	1.0	1.0	2.0	1.0	1	1.0
<u>32.0</u>	<u>13.9</u>	<u>12.0</u>	<u>15.0</u>	<u>17.0</u>	<u>19.0</u>	<u>19.0</u>
0.0	0.0	0.0	42.4	0.0	0.0	0.0
69.7	129.7	140.2	147.5	154.9	154.9	163.5
290.5	311.3	429.8	446.0	462.2	452.8	456.4
<u>1,546.5</u>	<u>1,642.7</u>	<u>1,816.9</u>	<u>1,839.4</u>	<u>1,920.7</u>	<u>1,922.4</u>	<u>1,984.6</u>

Rockwall Independent School District  
 Operating Statistics  
 Last Ten Fiscal Years (Unaudited)

Exhibit S-16

Fiscal Year	Enrollment	Operating Expenditures	Cost per Pupil	Percentage Change	Teaching Staff	Pupil-Teacher Ratio	Percentage of Students Receiving Free or Reduced-Price Meals
2012	14,213	103,766,498	7,301	3.91 %	875.0	16.2	25.5%
2013	14,359	103,263,322	7,192	(1.50)%	883.7	16.2	25.7%
2014	14,626	108,518,467	7,420	3.17 %	902.3	16.2	25.0%
2015	14,992	112,304,132	7,491	0.96 %	919.3	16.3	24.8%
2016	15,462	118,503,730	7,664	2.31 %	942.3	16.4	24.6%
2017	15,827	118,941,863	7,515	(1.94)%	957.7	16.5	24.2%
2018	16,295	122,957,397	7,546	0.41 %	971.8	16.8	24.2%
2019	16,587	132,252,608	7,973	5.67 %	1,013.9	16.4	24.2%
2020	17,007	140,576,661	8,266	3.67 %	2,021.0	8.4	25.7%
2021	16,987	147,807,730	8,701	5.27 %	1,043.2	16.3	24.2%

Source: PEIMS, AEIS, and District records



# Rockwall Independent School District

## Teacher Base Salaries

Last Ten Fiscal Years (Unaudited)

Exhibit S-17

<u>Fiscal Year</u>	<u>Minimum Salary</u>	<u>Maximum Salary</u>	<u>District Average Salary</u>	<u>Statewide Average Salary</u>
2012	46,050	56,691	50,589	48,375
2013	46,050	64,270	50,948	48,821
2014	46,700	65,381	51,437	49,692
2015	47,540	66,555	52,433	50,715
2016	49,000	71,197	54,004	51,891
2017	50,000	71,769	54,379	52,525
2018	50,900	73,521	55,394	53,334
2019	51,800	74,785	56,344	54,122
2020	52,700	76,885	58,065	57,091
2021	53,500	76,885	57,349	- <sup>1</sup>

Source: IEA reports and DISTRICT records

**Notes:**

<sup>1</sup> Information not available.

# Rockwall Independent School District

## School Building Information

Last Ten Fiscal Years (Unaudited)

Schools	2012	2013	2014	2015
<b>Elementary</b>				
Buildings	12	13	13	13
Square feet	892,882	984,882	984,882	984,882
Enrollment	7,325	7,462	7,458	7,639
<b>Middle</b>				
Buildings	3	3	3	3
Square feet	492,352	492,352	492,352	492,352
Enrollment	2,237	2,324	2,380	2,427
<b>High</b>				
Buildings	2	2	2	2
Square feet	900,966	900,966	900,966	900,966
Enrollment	4,362	4,300	4,406	4,568
<b>Early Childhood Schools</b>				
Buildings	1	1	1	1
Square feet	10,680	10,680	10,680	10,680
Enrollment	289	273	382	358
<b>Total Schools</b>				
<b>Buildings</b>	18	19	19	19
<b>Square feet</b>	2,296,880	2,388,880	2,388,880	2,388,880
<b>Enrollment</b>	14,213	14,359	14,626	14,992
<b>Other RISD Facilities:</b>				
<b>Other Educational Facilities</b>				
Buildings	3	3	3	3
Square feet	55,603	55,603	55,603	55,603
<b>Administrative</b>				
Buildings	1	1	1	1
Square feet	94,132	94,132	94,132	94,132
<b>Facilities Services</b>				
Buildings	3	3	3	3
Square feet	42,790	42,790	42,790	42,790
<b>Athletics</b>				
Stadiums	2	2	2	2
Aquatic Center	1	1	1	1
Running tracks	5	5	5	5
Tennis Courts	3	3	3	3
Softball Fields	2	2	2	2
Baseball Fields	2	2	2	2
Indoor Athletic Fields	2	2	2	2

Source: PEIMS, AEIS, and District records

2016	2017	2018	2019	2020	2021
13 984,882 7,908	13 984,882 7,981	14 1,076,882 8,151	14 1,174,125 8,250	14 1,207,249 8,735	15 1,299,241 8,554
3 492,352 2,429	3 492,352 2,529	3 492,352 2,678	3 492,352 2,716	3 492,352 2,784	3 492,352 2,751
2 900,966 4,736	2 900,966 4,918	2 900,966 5,058	3 1,052,426 5,209	3 1,052,426 5,353	3 1,052,426 5,546
1 10,680 389	1 10,680 394	1 10,680 408	1 10,680 412	1 10,680 135	1 10,680 136
19 2,388,880 15,462	19 2,388,880 15,822	19 2,480,880 16,295	21 2,729,583 16,587	21 2,762,707 16,587	22 2,854,699 16,987
3 55,603	3 55,603	3 55,603	3 55,603	3 55,603	3 55,603
1 94,132	1 94,132	1 94,132	1 94,132	1 94,132	1 94,132
3 42,790	3 42,790	3 42,790	3 42,790	3 42,790	3 42,790
2 1 5 3 2 2 2	5 1 5 3 2 2 2	5 1 5 5 2 2 2	5 1 5 5 2 2 2	5 1 5 5 2 2 2	5 1 5 5 2 2 2



# Rockwall

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INDEPENDENT SCHOOL DISTRICT

## **Overall Compliance and Internal Controls Section**



# Rockwall

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INDEPENDENT SCHOOL DISTRICT



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

To the Board of Trustees  
Rockwall Independent School District

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Rockwall Independent School District (the District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 13, 2021.

### **Internal Control over Financial Reporting**

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

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

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

### **Compliance and Other Matters**

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

Weaver and Tidwell, L.L.P.  
2300 North Field Street, Suite 1000 / Dallas, Texas 75201  
Main: 972.490.1970

To the Board of Trustees  
Rockwall Independent School District

**Purpose of this Report**

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

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas  
October 13, 2021





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

To the Board of Trustees  
Rockwall Independent School District

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

We have audited Rockwall Independent School District's (the District) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2021. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award (Uniform Guidance)*. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

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

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Weaver and Tidwell, L.L.P.  
2300 North Field Street, Suite 1000 / Dallas, Texas 75201  
Main: 972.490.1970

To the Board of Trustees  
Rockwall Independent School District

## Report on Internal Control over Compliance

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

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

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

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

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas  
October 13, 2021

**Rockwall Independent School District**  
 Schedule of Findings and Questioned Costs  
 For the Fiscal Year Ended June 30, 2021

**Section I. Summary of Auditor's Results:**

**Financial Statements**

- a. An unmodified opinion was issued on the financial statements.
- b. Internal control over financial reporting:
  - Material weakness(es) identified? No
  - Significant deficiency(ies) identified that are not considered a material weakness? None Reported
- c. Noncompliance material to financial statements noted? No

**Federal Awards**

- d. Internal control over major programs:
  - Material weakness(es) identified? No
  - Significant deficiency(ies) identified that are not considered a material weakness? None Reported
- e. An unmodified opinion was issued on compliance for major programs.
- f. Any audit findings disclosed that were required to be reported in accordance with 2 CFR 200.516(a)? No

g. Identification of major federal programs:

<u>Program Title</u>	<u>Assistance Listing Numbers</u>
Child Nutrition Cluster	10.553, 10.555, 10.559
Special Education Cluster	84.027A, 84.173A
COVID-19 Elem and Secondary Emer Relief	84.425D
COVID-19 Prior Purchase Reimbursement Program	84.425D

- h. The dollar threshold used to distinguish between Type A and Type B programs: \$750,000
- i. Auditee qualified as a low-risk auditee? Yes

**Rockwall Independent School District**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2021

**Section 2. Financial Statement Findings:**

None

**Section 3. Federal Awards Findings:**

None

**Section 4. Prior Year Findings and Questioned Costs:**

None

**Rockwall Independent School District**  
**Schedule of Expenditures of Federal Awards**  
**For the Fiscal Year Ended June 30, 2021**

**Exhibit K-1**

(1) Federal Grantor Pass-Through Grantor/ Program Title	(2) Federal Assistance Listing	(2A) Pass-Through Entity Identifying Number	(3) Federal Expenditures
<b>U.S. DEPARTMENT OF TREASURY</b>			
Passed through Texas Department of Emergency Management: COVID-19 CRF - Coronavirus Relief Fund	21.019	2020-CF-21019	\$ 70,991
<b>TOTAL U.S. DEPARTMENT OF TREASURY</b>			<u>70,991</u>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
Passed through Education Service Center, Region X: Head Start	93.600	06CH0392	231,621
Total passed through Education Service Center, Region X			<u>231,621</u>
Direct Program:			
Medicaid Cluster:			
Medicare Administrative Claiming (MAC)	93.778	199-901	14,930
Total Medicaid Cluster			<u>14,930</u>
<b>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			<u>246,551</u>
<b>U.S. DEPARTMENT OF EDUCATION</b>			
Passed through Texas Department of Education: ESEA Title I, Part A- Improving Basic Programs	84.010A	20610101199901	999,377
Special Education Cluster (IDEA)*:			
IDEA- Part B, Formula	84.027A	206600011999016600	2,755,261
IDEA- Part B, Preschool	84.173A	206610011999016610	20,829
Total Special Education Cluster			<u>2,776,090</u>
Carl D. Perkins Basic Formula Grant	84.048A	20420006199901	121,231
ESEA Title III, Part A, LEP	84.365A	20671001057950	135,755
ESEA Title II, Part A, Teacher Principal Training	84.367	20694501199901	219,820
COVID-19 Elem & Secondary Emer Relief I*	84.425D	S425D200042	751,975
COVID-19 Prior Purchase Reimb Program*	84.425D	512102135	1,134,055
Total Assistance Listing 84.425D			<u>1,886,030</u>
Instructional Continuity Grant	84.377A	17610740199901	17,162
Title IV, Part A, Subpart 1	84.424A	20680101199901	67,149
Total passed through Texas Department of Education			<u>6,222,614</u>
<b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>			<u>6,222,614</u>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
Child Nutrition Cluster*:			
Passed through Texas Department of Agriculture: Commodity Supplemental Food Program - Noncash assistance	10.555	806780706	455,765
Passed through Texas Department of Education:			
National School Breakfast Program	10.553	71400701	22,318
National School Lunch Program	10.555	71300701	102,400
COVID-19 Summer Food Service Program - SSO	10.555	71300701	3,438,740
COVID-19 Summer Food Service Program - SSO COVID Meals	10.555	71300701	86,360
Total Child Nutrition Cluster			<u>4,105,583</u>
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>			<u>4,105,583</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>\$ 10,645,739</u>

\* Denotes Major Federal Program

**Rockwall Independent School District**  
 Notes to Schedule of Expenditures of Federal Awards  
 For the Fiscal Year Ended June 30, 2021

1. The District utilizes the funds specified in the Texas Education Agency Resource Guide.

**Special Revenue Funds** – are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes by a grantor. Federal and state awards generally are accounted for in the general fund and in special revenue funds. Generally, unused balances are returned to the grantor at the close of specified project periods.

2. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental funds are accounted for using a current financial resources measurement focus. All federal grant funds were accounted for in the general fund and special revenue funds, which are governmental funds. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases or decreases in net current assets.

The modified accrual basis of accounting is used for the governmental funds. Accordingly, the schedule of expenditures of federal awards was prepared under this basis of accounting, which requires that revenues are recognized in the accounting period in which they become susceptible to accrual, i.e., both measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for interest on long-term debt, which is recognized when due, and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

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

3. The period of performance for federal grant funds for the purpose of liquidation of outstanding obligations made on or before the ending date of the federal project period extended 30 days beyond the federal project period ending date, in accordance with provisions in Section H, Period of Performance of Federal Funds, 2 CFR 200 Uniform Guidance.
4. The following table reconciles total expenditures per the schedule of expenditures of federal awards (Exhibit K-1) to the federal program revenues per Exhibit C-2:

Total expenditures of federal awards per Exhibit K-1	\$ 10,645,739
SHARS revenue	1,093,509
	<hr/>
<b>Total federal programs revenue per Exhibit C-2</b>	<b>\$ 11,739,248</b>
	<hr/> <hr/>

5. The District has elected not to use the 10% de minimis indirect cost rate.

**Rockwall Independent School District**  
 Schedule of Required Responses to Selected  
 School FIRST Indicators (Unaudited)  
 For the Fiscal Year Ended June 30, 2021

<u>Data Control Codes</u>		<u>Response</u>
SF1	Was there an unmodified opinion in the Annual Comprehensive Financial Report on the financial statements as a whole?	Yes
SF2	Were there any disclosures in the Annual Comprehensive Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement at fiscal year end?	No
SF3	Did the school district make timely payments to the Teacher Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies?	Yes
SF4	Was the school district issued a warrant hold? Even if the issue surrounding the initial warrant hold was resolved and cleared within 30 days, the school district is considered to have been issued a warrant hold.	No
SF5	Did the Annual Comprehensive Financial Report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds?	No
SF6	Was there any disclosure in the Annual Comprehensive Financial Report of material noncompliance for grants, contracts, and laws related to local, state, or federal funds?	No
SF7	Did the school district post the required financial information on its website in accordance with Government Code, Local Government Code, Texas Education Code, Texas Administrative Code, and other statutes, laws and rules that were in effect at the school district's fiscal year-end?	Yes
SF8	Did the school board members discuss the school district's property values at a board meeting within 120 days before the school district adopted its budget?	Yes
SF9	Total accumulated accretion on capital appreciation bonds included in government-wide financial statements at fiscal year-end:	\$ 76,736,088