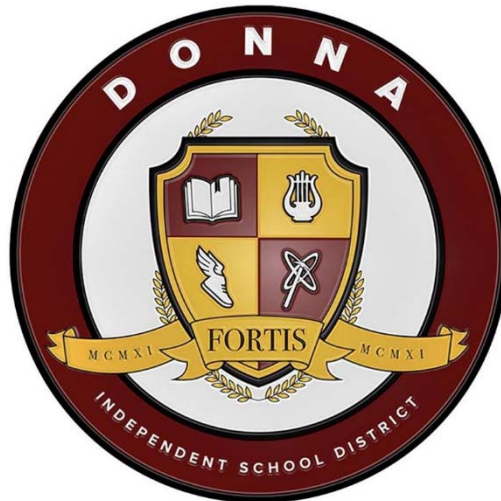


# Donna Independent School District

Donna, Texas



*"THE DISTRICT"*

## **Comprehensive Annual Financial Report For the Year Ended August 31, 2020**

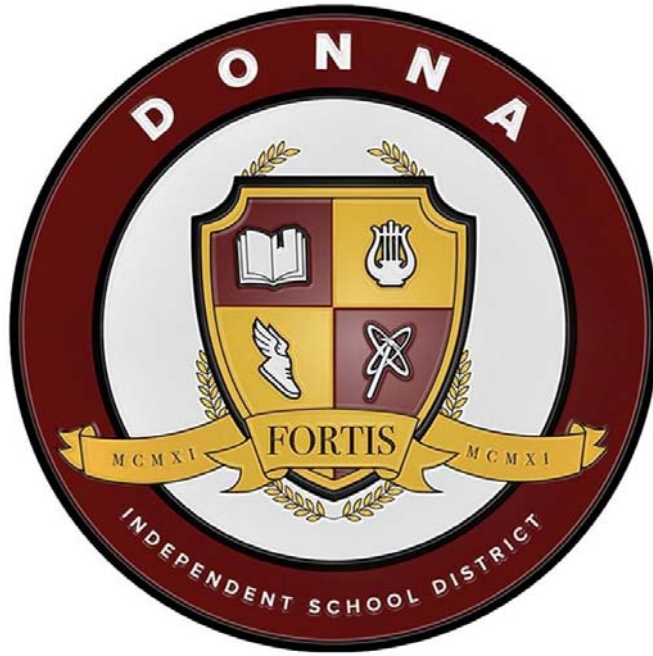
**Prepared by the Business & Finance Office:**

Ms. Ludivina Cansino, Assistant Superintendent for  
Business and Finance

*Donna Independent School District  
116 North 10<sup>th</sup> Street  
Donna, Texas 78537  
[www.donnaisd.net](http://www.donnaisd.net)*

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*“THE DISTRICT”*

# **INTRODUCTORY SECTION**

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DONNA INDEPENDENT SCHOOL DISTRICT  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE YEAR ENDED AUGUST 31, 2020

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DONNA INDEPENDENT SCHOOL DISTRICT  
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## Donna Independent School District

116 North 10th Street \* Donna, Texas 78537  
Telephone (956) 461-4320 \* Fax (956) 464-1636

---

“The District”

December 15, 2020

**Dr. Maricela Valdez, President, and  
Members of the Board of Trustees, and  
Citizens of the Donna Independent School District  
Donna, Texas 78537**

Dear Dr. Maricela Valdez, Board of Trustees, and the Citizens:

The Texas Education Code requires that all school districts file a complete set of financial statements with the Texas Education Agency (TEA) within 150 days of the close of each fiscal year. The financial statements must be presented in conformity with generally accepted accounting principles (GAAP) and audited by a firm of licensed certified public accountants in accordance with the generally accepted auditing standards. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report of the Donna Independent School District (the “District”) for the year ending August 31, 2020.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures contained in the report, rests solely with the District. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designate to present fairly the position and results of operation of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District’s financial activities have been included.

Management of the District is responsible for establishing and maintaining internal control structures designed to ensure that the assets of the District are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of the District’s financial statement in conformity with generally accepted accounting principles (GAAP). The internal control structure is designated to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) that valuation of costs and benefits requires estimates and judgments by management.

The financial statements of the District have been audited by Cascos & Associates, PC., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of Donna Independent School District for fiscal year ended August 31, 2020, are free of material misstatement and are presented in conformity with generally accepted accounting principles (GAAP). The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit,

that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended August 31, 2020 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the District was part of a broader, federally mandated "Single Audit" designated to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statement, but also on the audited government's internal controls and compliance with legal requirement, with special emphasis on internal controls and legal requirements involving the administration of federal awards. Information related to this single audit, including a schedule of expenditures of federal awards, the independent auditors' reports on the internal controls and compliance with applicable laws and regulations, and a schedule of finding sand questioned costs are included in the Federal Awards Section of the report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditors.

This comprehensive annual financial report consists of four major sections: (1) the Introductory Section which describes our District and the contents of the report; (2) the Financial Section which contains the basic financial statements and notes, combining schedules and required TEA schedules; (3) the Statistical Section which shows prior years' information for comparison purposes and other general information; and (4) the Federal Awards Section, as required.

## **GOVERNING BODY**

The District is a political subdivision of the State of Texas and governed and operating as an independent school district under the laws thereof. The District is located entirely in Hidalgo County, Texas and serves a population of approximately 50,000 persons and provides services to the City of Donna and surrounding areas. The District originally chartered by the State on or about 1919, now encompasses eighty-nine and a third square miles.

The policy-making functions of the District lie with a seven-member Board of Trustees (the Board) composed of District residents, each of which is elected by the voters of the district for four-year staggered terms. Regular meetings are scheduled the second Tuesday of the month and are held in the Staff Development/Board Room of the Administrative building. Special called meetings, committee meetings and workshop sessions are scheduled as needed and announced to the public in compliance with public notice requirements.

The Board has final control over local school matters limited only by the state legislature, the court system and by the will of its citizens as expressed in school Board elections and bond referendums. Board decisions are based on a majority vote of those present.

In general, the Board is responsible for adopting policy, employing and evaluating the Superintendent and overseeing the operations of the District and its schools. The Board is also responsible for setting the tax rate, adopting the annual budget along with periodic amendments, setting salary schedules, approving pay increases and serving as a board of appeals in personnel and student matters. The Board receives funding from local, state and federal source entities. This report contains all funds pertaining to the District. Serving without compensation, Board members establish the policies by which schools operate. In carrying out the task of setting policy, the board identifies needs and establishes priorities for the school system, allocates financial and human resources among the priority areas and evaluates school performance. The District's Superintendent of Schools and staff assist the Board with financial and administrative matters and oversee the day-to-day operations of the District.

### *Budgetary Controls*

On an annual basis, the District presents the Board of Trustees with the proposed budgets for the General Operating Fund, the Debt Service Fund, and the Food Service Fund for approval as required by the Texas Education Code and as described in the Texas Education Agency's Financial Accountability Systems Resource Guide. The proposed budget is presented to the Board summarized at the function level for each of the funds above. The Board is required to hold a public hearing on the proposed budget and to adopt a final budget no later than August 31, the close of the District's fiscal year. After adoption of the budget, the appropriation amounts are entered into the District's accounting and encumbrance system and monitoring of the expenditures and encumbrances in relation to the approved budget begins.

Budget managers have the authority to approve budget transfers anytime during the year. A budget transfer is the movement of appropriations between budget line items within the same function. Any request to move appropriations between budget line items to different functions is considered a budget amendment. Any budget amendment requested by budget managers requires Board approval. Expenditure requests will not be processed unless appropriations are available in the line item.

The District feels that the budgetary controls currently in place are adequate to ensure that expenditures remain within the approved budget and that the District complies with regulations established by the Texas Education Code and the Financial Accountability Systems Resource Guide.

The District evaluates the existing system of internal controls annually through self-evaluation and the annual independent financial and compliance audit. Internal controls are designed to provide reasonable, but not absolute, assurance regarding: 1) the safeguarding of assets against loss from authorized use or disposition; and 2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: 1) the cost of controls should not exceed benefits expected to be derived; and 2) the evaluation of costs and benefits requires estimates and judgments by management.

*Services Provided*

The District provides a safe and learning environment that ensures a quality education for grade levels Pre-kindergarten through the 12<sup>th</sup> grade. Beginning in the 14 elementary schools, four middle schools, one alternative education program and extending through the four high schools which include a nontraditional magnet high school, 3-D Academy and an Early College High School; students study the essential elements of language arts, reading, science, mathematics, art, music, physical education and computer literacy. This includes a special education program for students with disabilities, occupational education, bilingual instruction for those with limited English proficiency, and specialized instruction for disadvantaged students.

*Enrollment*

Donna I.S.D is a Title I District and has a total enrollment of 14,400 students for the 2019-2020 school year. Of these students, 99.7% are Hispanic and 0.2% White, 0.05% African-American, and 0.01% Asian; 94.03% of the students are economically disadvantaged, 52.65% of all students are identified as Limited English Proficient language learners.

The breakdown of our student membership is as follows:

• Early Ed (Sp. Ed)	38
• Pre-K	884
• K-5	5,814
• 6-8	3,236
• 9-12	<u>4,428</u>
TOTAL	14,400

Projected membership for school year 2020-21 is expected to decrease approximately 1,224 students, Average Daily Attendance (ADA) growth is forecasted to decrease 8.5%.

*Mission Statement*

The mission of the Donna I.S.D. is to provide a rigorous and supportive learning environment with meaningful and relevant learning experiences that inspire creativity, character development, and critical thinking that ensures educational excellence for all students.

*District Goals*

- I. Donna ISD will create an inviting educational climate that enhances learning and academic performance for all students so that they may excel in all areas of education and meet state and federal passing standards.
  
- II. Donna ISD will continue to follow sound fiscal and managerial practices to provide a highly qualified staff, appropriate resources, technology, and well-maintained facilities to promote increased student achievement.

III. Donna ISD will provide all students and all stakeholders with a safe and nurturing school environment that supports academic success and provides meaningful and relevant learning experiences that inspire creativity, character development, and critical thinking inclusive of all student populations.

IV. Donna ISD will collaborate with parents, community members, and staff to promote continuous success for all students through an effective planning and advisory process.

V. Donna ISD will establish a technological infrastructure that promotes communication and learning within the district and community.

VI. Donna ISD will provide administrators with the technology needed to plan and strengthen administrators' role in the implementation of technology.

### *District Vision*

The vision of Donna I.S.D. is to be a bold district at the forefront of education all students to be passionate, motivated leaders who will be a powerful force for positive change in our community, state, and nation.

### *Achievements*

The District received a Superior rating on the School FIRST (Financial Integrity Rating System of Texas) financial accountability system for the fiscal year ending August 31, 2020. The rating system was established during the 77<sup>th</sup> Legislative session. School districts received its first official rating by TEA in August 2003 for the fiscal year 2001-2002.

### **Factors Affecting Financial Condition**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within the District operates.

### **Local Economy**

#### *Employment and the Labor Force*

Donna is considered the “Heart of the Valley” and is a strategically positioned land port that connects Mexico’s city of Rio Bravo to FM 495 and Expressway 83. International trade, transportation, retail trade, oil and gas, residential site for “Winter Texans” and tourism continue to play a major role in the Donna area economy. The economic outlook for the city of Donna is positive as new retailers have moved to the city. Walmart Supercenter opened a 180,000+ sq. ft. retail store in 2015 and construction for additional retail shops was finalized in 2018. The 2019-2020 school year saw adjusted property value growth of 4.7%.

## **Long-term Financial Planning**

The District continues to maintain a healthy General Fund Balance. The District has maintained the fund balance to ensure that needed resources are available when required to meet unexpected revenue shortfalls and one-time expenditures that may exceed the annual available resources. The fund balance reflects an increase of \$1.10 million which is attributed to attrition of personnel and prudent fiscal management practices.

Growth in the District's tax base has averaged 5.3% annual growth from fiscal years 2012-20. The District's fiscal 2020 taxable assessed valuation (TAV) grew to \$1.525 billion, an increase of 4.7% over 2019. The estimated property tax value growth for the 2020-2021 fiscal year is 9.8%

## **Debt Service**

Debt Service is a major area of cost due to the District's building program which is primarily financed by the sale of general obligation bonds. The Texas Education Code (TEC) authorizes the District to issue negotiable coupon bonds to construct, acquire, or equip school buildings, to purchase necessary sites, or to acquire or refinance property financed under a contract entered into under the Public Property Finance Act. The District is further authorized to levy and assess annual ad valorem taxes sufficient to pay the principal and interest on the bonds as they become due. The District's primary objective in debt management is to keep the level of indebtedness within available resources and within legal debt limitations.

All bond elections are held in accordance with statutory requirements and bonds are issued and taxes are levied in compliance with Sections 45.001, 45.003(b) (1), and 45.003(e) of the Texas Education Code.

As of August 31, 2020, the District had \$58,550,000 of School Building Unlimited Tax Bonds and Capital Appreciation Bonds, with maturities extending into the year 2040. The District's Debt Service fund balance is \$ 4,498,576 .

In October 2019, Moody assigned A2 underlying and Aaa Enhanced rating to the District. Also, in March 2013, Standard & Poor's assigned the District a rating of A+ and views the outlook for this rating as stable.

## **Fiduciary Operations**

The District maintains the fiduciary responsibility of monitoring the individual campus' student activity funds. The District ensures that proper control over cash is maintained and that all procedures are in accordance with TEA's Financial Accountability Systems Resource Guide. As of August 31, 2020, total assets for student activity funds were \$627,138.

## Acknowledgments

Preparation of the Comprehensive Annual Financial Report on a timely basis was made possible by the dedicated service of Finance Department directly under Assistant Superintendent, Ms. Ludivina Cansino and the dedicated services of other staff members districtwide. The Business and Finance Office would like to thank the following personnel for the time and effort given to the preparation of this report:

### **Executive Administration**

Dr. Hafedh Azaiez, Superintendent  
Dr. Debra A. Aceves, Assistant Superintendent for Leadership  
Ms. Ludivina Cansino, Assistant Superintendent for Business and Operations  
Mr. Rashad J. Rana, Assistant Superintendent for Curriculum & Instruction  
Mrs. Velma Rangel, Assistant Superintendent for District Operations  
Dr. Anthony Sorola, Assistant Superintendent for Human Resources

### **Business and Finance**

Mr. Gerardo Cavazos, Accounting Supervisor  
Mr. Jesus A. Garcia, Accountant  
Mrs. Yadira Y. Tamez, Accountant  
Mr. Jose L. Marines, Payroll Coordinator  
Mr. Joe D. Smedley, Purchasing Agent  
Ms. Luz Rodriguez, Accounts Payable Supervisor  
Ms. Maria E. Gonzales, CFO Secretary/Bookkeeper  
Ms. Norma Rodriguez, Bookkeeper

### **Federal Programs**

Ms. Rebecca Castaneda, Federal Programs Director  
Mrs. Nelida Alvarado, Federal Programs Coordinator

Respectfully,



Ms. Ludivina Cansino  
Assistant Superintendent for Business and Operations



Mr. Gerardo Cavazos,  
Accounting Supervisor

It is the policy of the Donna Independent School District not to discriminate on the basis of race, color, national origin, gender, religion, limited English proficiency, or handicapping condition in its programs.

# **DONNA INDEPENDENT SCHOOL DISTRICT**

Donna, Texas

## **PRINCIPAL OFFICIALS, CONSULTANTS & ADVISORS**

For the Year Ended August 31, 2020

### **ELECTED OFFICIALS**

Eva Castillo Watts-President

Dr. Maricela Valdez-Vice President

LTC (R) Robert Perez-Secretary

David De Los Rios-Member

Valentin Guerrero-Member

Dr. Donna Mery-Member

Alicia Reyna-Member

### **CONSULTANTS & ADVISORS**

Financial Advisors..... Estrada-Hinojosa & Company, Inc.  
..... Dallas and San Antonio, Texas

Bond Counsel..... Norton Rose Fulbright US, LLP  
..... Houston, Texas

General Counsel..... Flores & Torres, LLP  
..... Edinburg, Texas

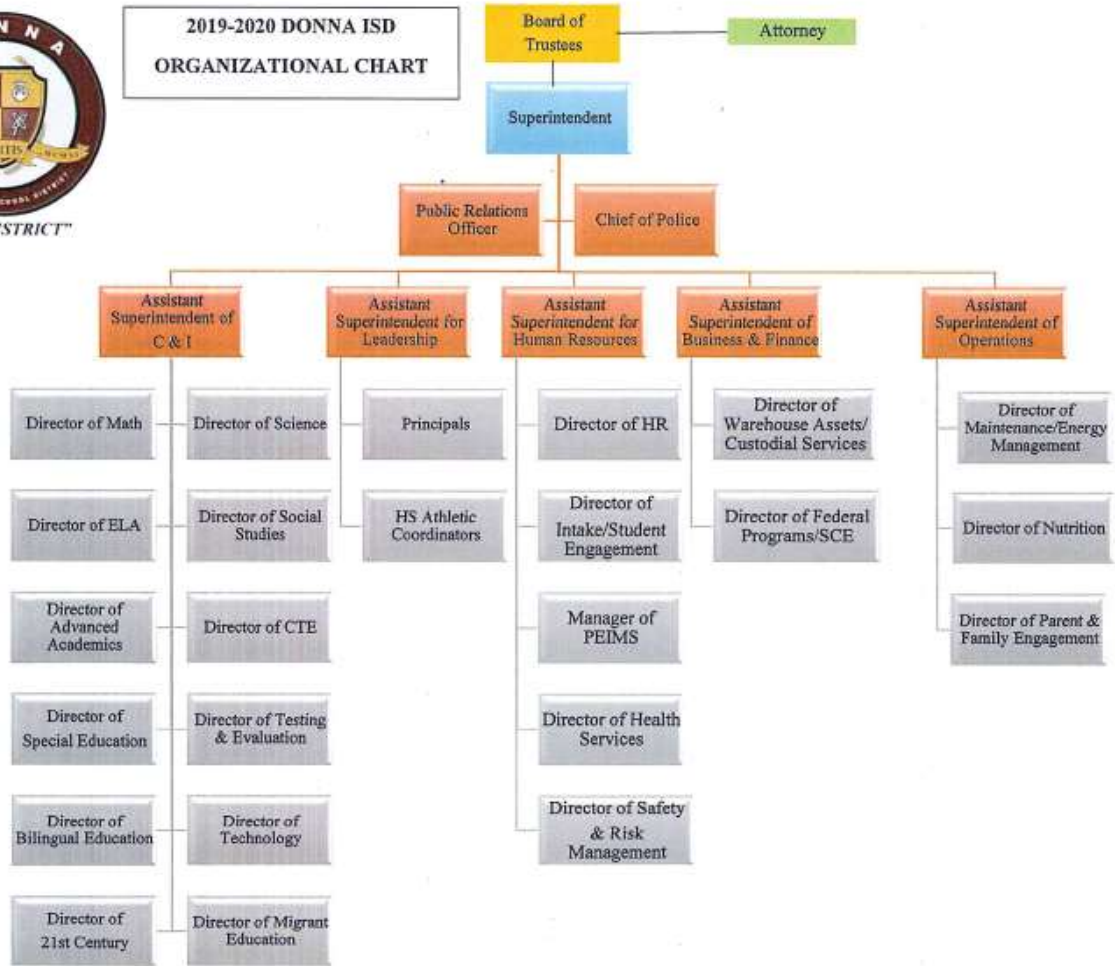
Independent Auditors..... Cascos & Associates, P.C.  
..... Brownsville, Texas



# Donna Independent School District Organizational Chart



**2019-2020 DONNA ISD  
ORGANIZATIONAL CHART**



**CERTIFICATE OF BOARD**

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**Donna Independent School District**  
*Name of School District*

**Hidalgo**  
*County*

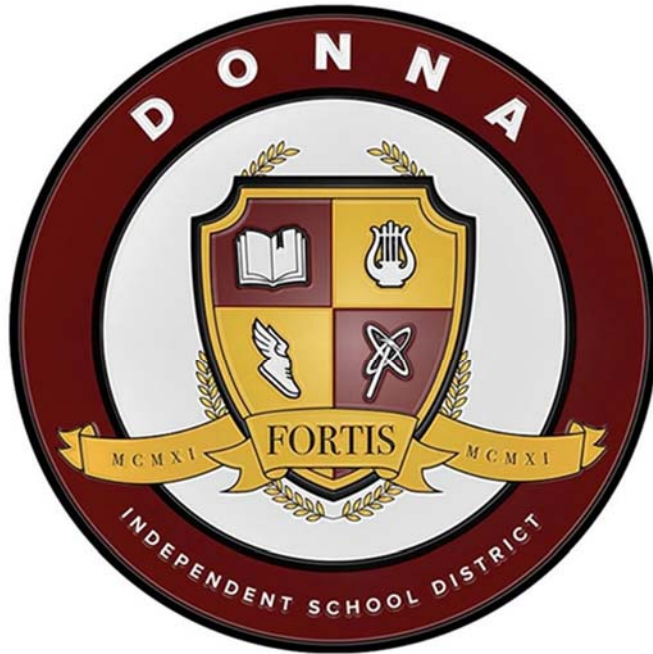
**108-902**  
*County District Number*

We, the undersigned, certify that the attached annual financial reports of the above named school district were reviewed and  approved  disapproved for the year ended August 31, 2020 at the meeting of the Board of Trustees of such school district on the 15<sup>th</sup> day of December, 2020.

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

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

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*"THE DISTRICT"*

## **FINANCIAL SECTION**



# Cascos & Associates, PC

Certified Public Accountants  
Audit/Accounting/Tax/Consulting

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## INDEPENDENT AUDITORS' REPORT

The Board of Trustees  
Donna Independent School District  
Donna, Texas

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Donna Independent School District, (the "District"), as of and for the year ended August 31, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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.

### *Auditors' Responsibility*

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

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

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

### *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of August 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison, pension and OPEB information on pages listed in the table of contents to 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, combining statements, required TEA Schedules and statistical section, 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 Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and is also not a required part of the basic financial statements.

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

The introductory and statistical sections 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 them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2020, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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.



Cascos & Associates, PC  
Brownsville, Texas  
December 15, 2020



# Donna Independent School District

## “The District”

Dr. Hafeedh Azaiez, Superintendent

### MANAGEMENT’S DISCUSSION AND ANALYSIS

As management of the Donna Independent School District (the “District”), we are providing readers of the District’s financial statements this narrative overview and analysis of the District’s financial performance for the fiscal year ended August 31, 2020. Please read this discussion in conjunction with the transmittal letter, which can be found at the front of this report, and the District’s financial statements, which follow this section.

### FINANCIAL HIGHLIGHTS

- The District’s total combined net position as reflected in the government-wide Statement of Net Position were \$53,105,709 at August 31, 2020. Of this amount, -\$68,751,522 (unrestricted net position) may be used to meet the District’s ongoing obligations.
- The District’s Statement of Activities reflects an increase in net position for Governmental Activities in the amount of \$3,585,072. This is a result of expenses being less than the \$191,233,951 generated in taxes, state aid, investment earnings, and other revenues such as charges for services and federal grants.
- The General Fund reported a fund balance in the governmental funds financial statement this year of \$56,851,525. Approximately 91.8% of this total amount, \$52,197,551 is available for spending at the District’s discretion (unassigned fund balance).
- As of the close of the fiscal year, the District governmental funds reported combined ending fund balances of 71,982,034, an increase of \$5,261,946 in comparison with the prior year, primarily due to the attrition of personnel and prudent fiscal management practices.

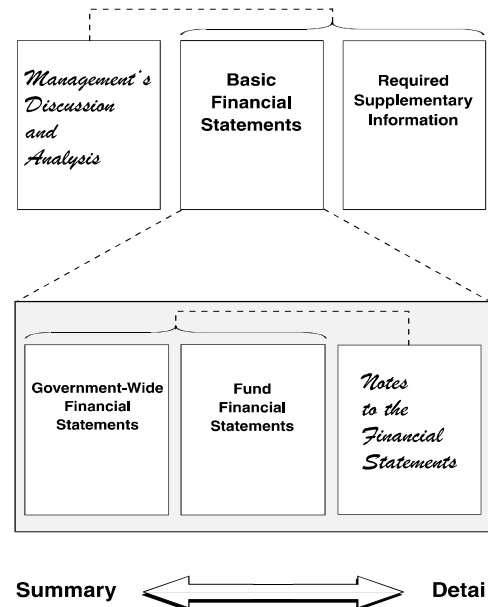
### OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts—*management’s discussion and analysis* (this section), the *basic financial statements*, and *required supplementary information*. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the District’s overall financial status.

- The remaining statements are *fund financial statements* that focus on *individual parts* of the government, reporting the District’s operations in more detail than the government-wide statements.
- *The governmental funds* statements tell how *general government* services were financed in the *short term* as well as what remains for future spending.
- *Proprietary fund* statements offer *short- and long-term* financial information about the activities the government operates *like businesses*, such as food service.
- *Fiduciary fund* statements provide information about the financial relationships in which the District’s acts solely as a *trustee or agent* for the benefit of others, to whom the resources in question belong.

Figure A-1, Required Components of the District’s Annual Financial Report



The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and related to one another.

Figure A-2 summarizes the major features of the District’s financial statements, including the portion of the District’s government they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis explains the structure and contents of each of the statements.



**Figure A-2. Major Features of the District's Government-wide and Fund Financial Statements**

Type of Statements	Fund Statements			
	Government-wide	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire Agency's government (except fiduciary funds) and the Agency's component units	The activities of the district that are not proprietary or fiduciary	Activities the district operates similar to private businesses: self insurance	Instances in which the district is the trustee or agent for someone else's resources
Required financial statements	♦ Statement of net assets	♦ Balance sheet	♦ Statement of net assets	♦ Statement of fiduciary net assets
	♦ Statement of activities	♦ Statement of revenues, expenditures & changes in fund balances	♦ Statement of revenues, expenses and changes in fund net assets ♦ Statement of cash flows	♦ Statement of changes in fiduciary net assets
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; the Agency's funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

### Government-wide 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 and liabilities. 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—the difference between the District's assets plus deferred outflows of resources and liabilities plus deferred inflows of resources—is one way to measure the District's financial health or *position*.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the District, one needs to consider additional non-financial factors such as changes in the District's tax base.

The government-wide financial statements of the District include the *Governmental activities*. Most of the District's basic services are included here, such as instruction, curriculum and staff development, school district administrative support services and general administration. Grants and charges for services finance most of these activities.

## Fund Financial Statements

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

- Some funds are required by State law.
- The Board of Trustees establishes other funds to control and manage money for particular purposes or to show that it is properly using certain grants and local sources.

The District's has the following kinds of funds:

- *Governmental funds*—Most of the District's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explain the relationship (or differences) between them.
- *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-term and short-term financial information.
- We use *internal service funds* to report revenues and expenses related to services provided to organizations inside the District on a cost reimbursement basis are accounted for in internal service fund.
- *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 and a statement of changes in fiduciary net position. We exclude these activities from the District's government-wide financial statements because the District cannot use these assets to finance its operations.

## **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

### **Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain Required Supplementary Information concerning budget to actual presentations for the General Fund in accordance with State Board of Education rules. In addition, budget to actual presentations for the Food Service Fund and the Debt Service Fund are included in the TEA Required Schedules section.

The combining statements referred to earlier in connection with Non-major governmental funds are presented immediately following the Required Supplementary Information.

## **FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE**

Net position may serve over time as a useful indicator of a government's financial position. The District's combined net position were \$53,105,709 at August 31, 2020 (See Table A-1); of which, unrestricted net position (those net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements) equaled -\$68,751,522 or about -129.5% of net position. The government-wide increase in net position was \$3,585,072.

**TABLE A-1**

DONNA INDEPENDENT SCHOOL DISTRICT  
GOVERNMENTAL ACTIVITIES  
NET POSITION

	FY 2020	FY 2019	Percentage Change
Current Assets and Other Assets	\$90,910,991	\$86,173,780	5.5%
Capital Assets	167,573,154	170,668,350	-1.8%
Total Assets	<u>258,484,145</u>	<u>256,842,130</u>	<u>0.6%</u>
Deferred Charge for Refunding	844,441	141,054	498.7%
Deferred Outflow Related to TRS OPEB	21,057,741	5,628,391	274.1%
Deferred Outflow Related to TRS Pension	7,484,844	25,535,723	-70.7%
Total Deferred Outflows of Resources	<u>29,387,026</u>	<u>31,305,168</u>	<u>100.0%</u>
Current Liabilities	12,551,772	14,988,980	-16.3%
Long-Term Liabilities	183,095,598	196,876,194	-7.0%
Total Liabilities	<u>195,647,370</u>	<u>211,865,174</u>	<u>-7.7%</u>
Deferred Inflow Related to TRS OPEB	29,459,297	22,851,925	28.9%
Deferred Inflow Related to TRS Pension	9,658,795	3,909,562	147.1%
Total Deferred Inflows of Resources	<u>39,118,092</u>	<u>26,761,487</u>	<u>100.0%</u>
Net Position:			
Net Investment in Capital Assets	102,770,918	99,637,301	3.1%
Restricted for Federal and State Programs	4,039,620	4,572,695	-11.7%
Restricted for Debt Service	4,498,576	4,758,460	-5.5%
Restricted for Capital Projects	10,548,117	4,230,111	149.4%
Unrestricted	<u>(68,751,522)</u>	<u>(63,677,930)</u>	<u>8.0%</u>
Total Net Position	<u>53,105,709</u>	<u>49,520,637</u>	<u>7.2%</u>

Approximately 93.6% of the District's largest liability is for the repayment of general obligation bonds. Other liabilities, representing about 6.4% of the District's total liabilities, consist almost entirely of payables on accounts and salaries and benefits.

The largest portion of the District's net position 193.5% reflects its investments in capital assets (e.g., land, buildings, and equipment) less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources (generally property taxes and state aid), since the capital assets themselves cannot be used to liquidate these liabilities.

The smallest portion of the District's net position 35.9% represents resources that are subject to external restrictions on how they may be used. Restricted net position increased by \$5,525,047 during the year ended August 31, 2020. The remaining balance of unrestricted net position,

-\$68,751,522 may be used to meet the District's ongoing obligations to students, employees, and creditors and to honor next year's budget.

The District's current assets of \$90,910,991 were sufficient to cover current liabilities of \$12,551,772. This represents a current ratio of 7.24 which means that for every dollar the District owes there is \$7.24 available in current assets.

### **Governmental Activities**

Governmental activities increased the District's total net position by \$3,585,072, accounting for a 6.8% increase in net position for the District.

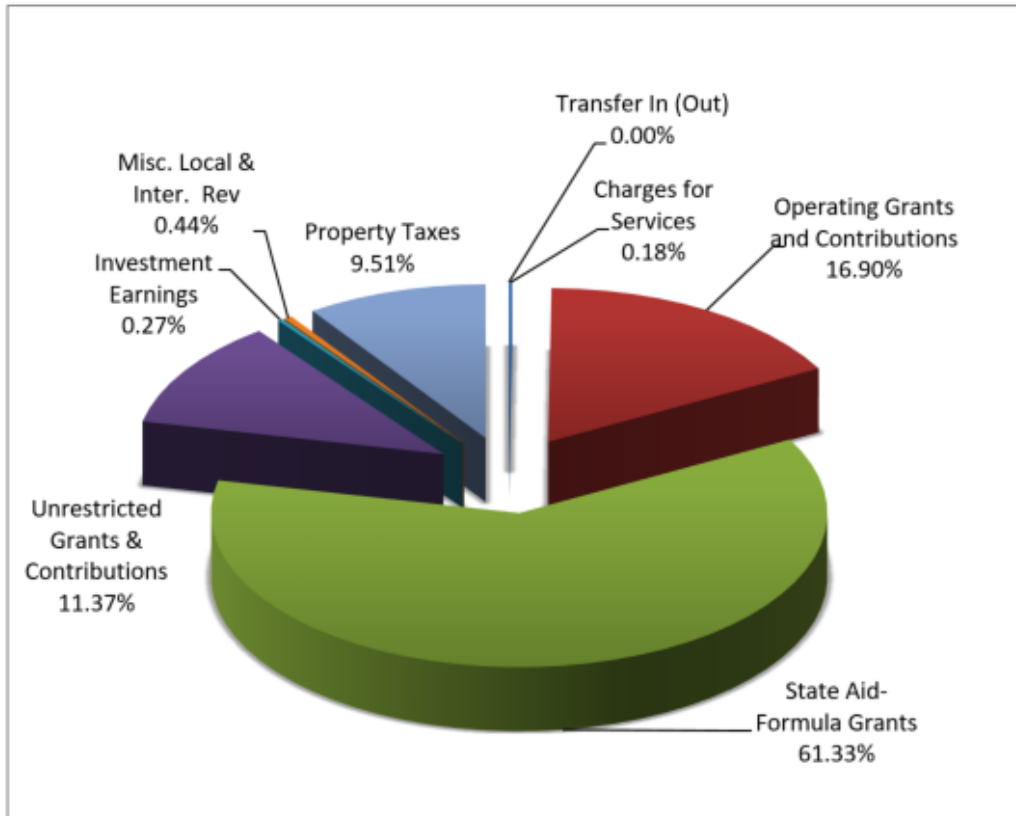
**TABLE A-2**

**DONNA INDEPENDENT SCHOOL DISTRICT  
GOVERNMENTAL ACTIVITIES  
CHANGES IN NET POSITION**

<b>Program Revenues:</b>	<b>FY 2020</b>	<b>FY 2019</b>
Charges for Services	\$342,500	\$542,948
Operating Grants and Contributions	32,312,180	31,901,409
 <b>General Revenues:</b>		
State Aid- Formula Grants	\$ 117,288,397	\$ 116,481,466
Unrestricted Grants & Contributions	21,737,592	19,839,870
Investment Earnings	523,831	1,097,156
Misc. Local & Inter. Rev	844,967	2,726,804
Property Taxes	18,184,484	17,517,685
Transfer In (Out)	0	0
<b>Total Program and General Revenues</b>	<b>\$ 191,233,951</b>	<b>\$ 190,107,338</b>
 <b>Expenses</b>		
Instruction	\$ 104,478,933	\$ 97,962,868
Instructional Resources and Media Services	2,595,232	2,589,036
Curriculum Dev. And Instructional Staff Dev.	6,138,376	5,684,353
Instructional Leadership	2,778,644	2,428,533
School Leadership	7,592,332	7,448,193
Guidance, Counseling and Evaluation Services	6,050,324	6,001,786
Social Work Services	1,049,664	1,091,058
Health Services	2,250,867	2,149,972
Student (Pupil) Transportation	5,985,994	6,581,455
Food Services	13,204,199	12,354,328
Curricular/Extracurricular Activities	6,484,923	6,529,281
General Administration	3,546,076	8,953,937
Facilities Maintenance & Oper.	16,084,552	14,511,446
Security & Monitoring Svcs.	3,319,456	2,734,462
Data Processing Services	3,393,719	2,991,670
Community Services	1,241,885	1,159,546
Debt Service	1,034,533	2,872,654
Facilities Acquisition and Construction	135,972	1,342,557
Payments to Juvenile Justice Alternative Ed Prg.	19,350	113,760
Other Intergovernmental Charges	263,848	258,191
<b>Total Expenses</b>	<b>\$ 187,648,879</b>	<b>\$ 185,759,086</b>
<b>Increase (Decrease) in Net Position</b>	<b>\$ 3,585,072</b>	<b>\$ 4,348,252</b>
 <b>Net Position at Beginning of Year</b>		
	<b>\$49,520,637</b>	<b>\$ 45,182,384</b>
<b>Increase (Decrease) in Net Position</b>	<b>3,585,072</b>	<b>4,348,252</b>
<b>Prior Period Adjustment</b>	<b>-</b>	<b>(9,999)</b>
<b>Net Position at Beginning of Year, as Restated</b>	<b>49,520,637</b>	<b>45,172,385</b>
<b>Net Position at End of Year</b>	<b>\$53,105,709</b>	<b>\$49,520,637</b>

The following chart highlights the District's revenues by funding source for the governmental activities. As you can see, State Aid comprises 61.33% of the total.

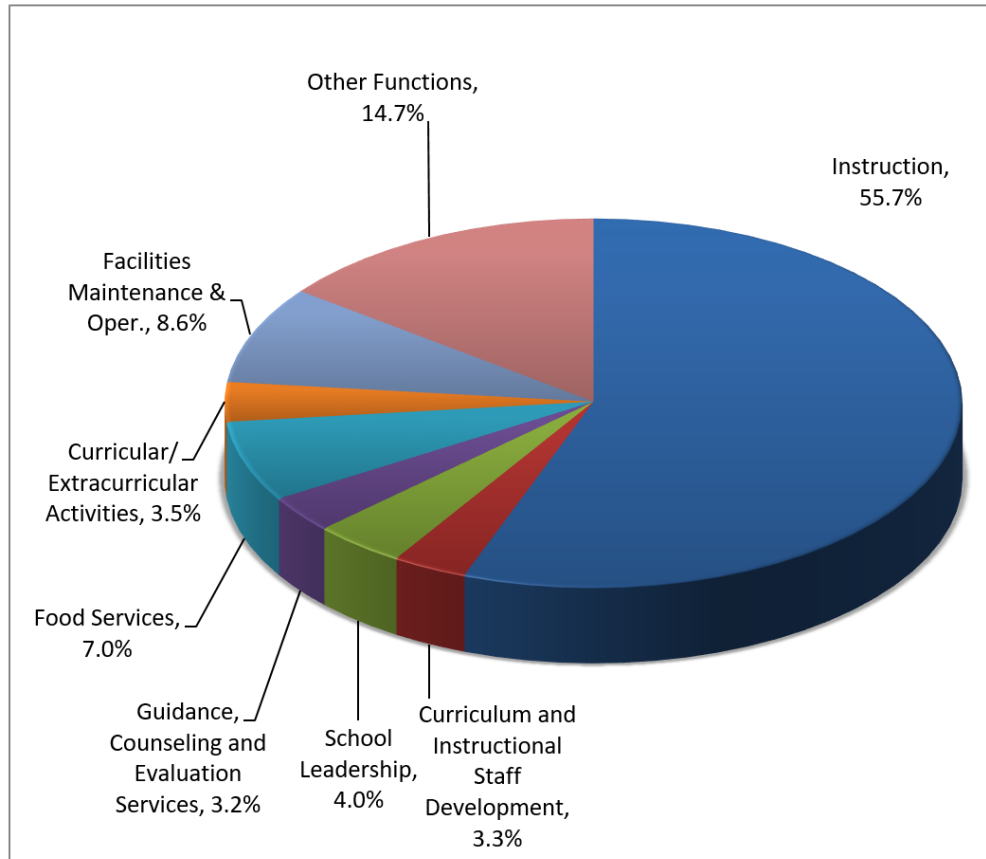
**Figure A-3 District's Total Program Revenues**



Total program and general revenues were \$191,233,951. Revenues for the District's governmental activities increased 0.6% compared to prior year. The increase was due to more funding from state aid formula grants and unrestricted grants and contributions.

The next chart presents the cost of each of the District’s largest functions. Of the total expenses, instructional services represent the largest dollar expense \$104,478,933 or 55.7% followed by facilities maintenance & operations at \$16,084,552 or 8.6%.

**Figure A-4 District’s Functional Expenses**



Total expenses were \$187,648,879. Total expenses increased by \$1,889,793 or 1.0%. The increase in expenses was mostly for personnel salary increases.

**Governmental Funds**

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

As of the end of the fiscal year, the District’s governmental funds reported combined ending fund balances of \$71,982,034 an increase of \$5,261,946 in comparison with the prior year. Approximately 72.5% or \$52,197,551 of this total amount constitutes unassigned fund balance, which is available for spending at the district’s discretion. The remainder of fund balance is



restricted to indicate that it is not available for new spending because it has already been assigned: 1) Federal or State Funds Grant Restriction \$4,039,620; 2) for capital acquisition and contractual obligation of \$10,548,117; 3) for retirement of long-term debt \$4,498,576.

*General Fund.* The General Fund is the chief operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the General fund was \$52,197,551, while total fund balance reached \$56,851,525. As a measure of the general fund’s liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 34.5% of total general fund expenditures, while total fund balance represents 37.6% of total general fund expenditures.

The \$52,197,551 in the unassigned fund balance gives the District a balance that is the equivalent of 126 days of expenditures. This fund balance is adequate to minimize the likelihood of the District entering the short-term debt market to pay for current operating expenditures. The District will be using the increase in the fund balance to maintain the monthly minimum expenditures required by the Texas Education Agency.

*Debt Service Fund.* The Debt Service Fund ended with a total combined fund balance of \$4,498,576, all of which was reserved for the payment of debt service. This amount was set aside to repay bond issues

### District’s Analysis of Debt Service Fund

Debt Service Fund (599)			
	<u>2020</u>	<u>2019</u>	<u>% Change</u>
Revenues			
Property Taxes	\$2,390,448	\$1,420,951	68.2%
State Program Revenues	3,908,539	4,094,593	-4.5%
Total Revenues	6,298,987	5,515,544	14.2%
Expenditures by Function			
Principal Long Term Debt	4,480,000	3,644,999	22.9%
Interest on Long Term Debt	2,056,216	2,897,450	-29.0%
Other Fees	511,966	24,250	2011.2%
Total Expenditures	7,048,182	6,566,699	7.3%
Other Financing Sources/(Uses)	489,311	-	0.0%
	489,311	-	0.0%
Net Change in Fund Balance	(259,884)	(1,051,155)	-75.3%
Fund Balance, Beginning	4,758,460	5,809,615	-18.1%
Prior Period Adjustment	-	-	0.0%
Fund Balance, Ending	4,498,576	4,758,460	-5.5%

*Child Nutrition Fund.* The Child Nutrition Fund as part of the General Fund has a total fund balance of \$4,105,469. The net decrease in fund balance during the year was \$1,568,147 and is attributed to salary increases.

### **District's Analysis of Child Nutrition Fund**

<b>Child Nutrition Fund (101)</b>			
	<u>2020</u>	<u>2019</u>	<u>% Change</u>
Revenues			
Local Sources	\$161,828	\$221,081	-26.8%
State Program Revenues	50,864	54,353	-6.4%
Federal Program Revenues	11,341,566	12,656,955	-10.4%
Total Revenues	<u>11,554,258</u>	<u>12,932,389</u>	<u>-10.7%</u>
Expenditures by Function			
Food Service	13,122,405	11,899,670	10.3%
Facilities Maintenance and Operations	-	-	-
Total Expenditures	<u>13,122,405</u>	<u>11,899,670</u>	<u>10.3%</u>
Net Change in Fund Balance	(1,568,147)	1,032,719	-251.8%
Fund Balance, Beginning	<u>5,673,616</u>	<u>4,640,897</u>	<u>22.3%</u>
Fund Balance, Ending	<u>\$4,105,469</u>	<u>\$5,673,616</u>	<u>-27.6%</u>

### **Business-Type Activities**

The District did not have any business type of activities.

### **FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

Revenues from governmental fund types totaled \$184,008,520 an increase of 0.17% over the preceding year.

### **General Fund Budgetary Highlights**

The fiscal year 2019-20 budget was developed by balancing the challenge of student/staff ratios while adhering to state mandated property tax rate compression requirements. The most significant fund for the District is the General Fund, funded primarily through state aid and property tax revenue. Over the course of the year, the District revised its budget several times.

The General Fund budget was amended 12 times. The original appropriation was increased by \$1,050,706 as of the final amended budget. This increase was primarily made to purchase furniture and equipment for the food service program.

## **CAPITAL ASSETS AND DEBT ADMINISTRATION**

The Capital Projects Fund is used to account for the costs incurred in acquiring and improving sites, constructing and remodeling facilities, and procuring equipment necessary for providing educational programs for all students in the District. At the end of 2020, the District had a net investment of \$167,573,154 in a broad range of capital assets, including land, equipment, buildings, and vehicles. (See Table A-3.) This amount represents a decrease of \$3,095,196 over last year. For readers interested in more detailed information please refer to the notes to the financials.

**TABLE A-3**

### **DONNA INDEPENDENT SCHOOL DISTRICT GOVERNMENTAL ACTIVITIES SCHEDULE OF CAPITAL ASSETS**

Capital Assets	FYE 2020	FYE 2019	Percentage Change
Land	\$ 7,078,411	\$ 7,078,411	0.0%
Buildings and Improvements	232,498,861	230,672,591	0.8%
Furniture & Equipment	37,190,266	35,640,628	4.3%
Capital Leases	2,862,908	2,862,908	0.0%
Construction in Progress	3,957,507	3,400,364	16%
Totals at Historical Cost	283,587,953	279,654,902	1.4%
Less Accumulated Depreciation	(116,014,799)	(108,986,552)	6.4%
Net Capital Assets	<u>\$ 167,573,154</u>	<u>\$ 170,668,350</u>	<u>-1.8%</u>

## LONG TERM DEBT

At year end, the District has \$183,095,598 in outstanding debt as shown in Table A-4. More detailed information about the District’s debt is presented in the notes to the financial statements.

**TABLE A-4**

### SCHEDULE OF LONG-TERM DEBT

Governmental Activities:	FYE 2020	FYE 2019	Percentage Change
Bonds Payable	\$58,550,000	\$67,980,000	-13.9%
Unamortized Bond Premium	7,214,569	2,594,485	178.1%
Note Payable	5,099,777	5,871,920	-13.1%
Accreted Interest	0	210,000	-100.0%
Capital Lease Payable	2,109,211	1,139,095	85.2%
Compensated Absences	404,178	340,299	18.8%
Net Pension	47,183,875	51,900,966	-9.1%
Net OPEB	62,533,988	66,839,429	-6.4%
Totals	<u>\$183,095,598</u>	<u>\$196,876,194</u>	<u>7.5%</u>

**Bond Ratings:** The District’s bonds carry “AAA” rating with underlying ratings as follows: Moody’s Investor Services “A2” and Standard & Poor’s “A+/Stable”.

The note payable decreased by 13.1% due to a payment on the note related to the district-wide energy efficiency project. Capital leases payable increased due to a new lease of instructional technology equipment. The bonds payable decreased by 13.9% due to the retirement of debt in the amount of \$4,480,000.

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

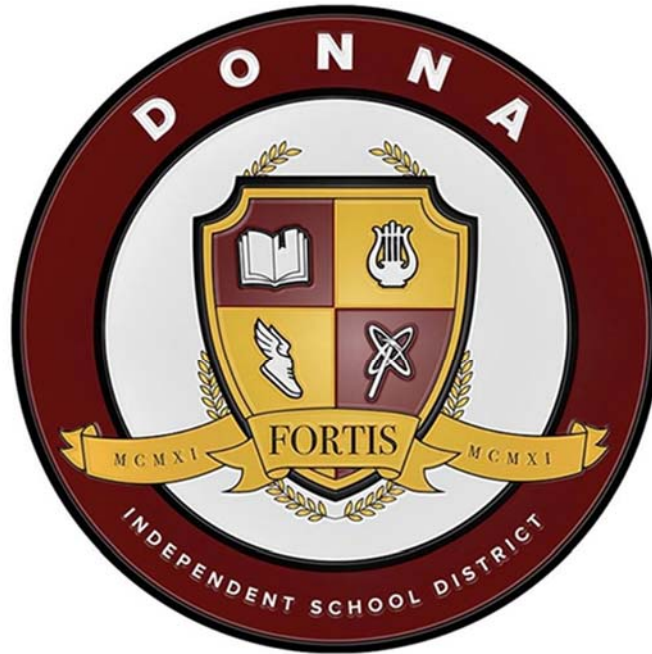
The District's board members considered many factors when setting the fiscal year 2020-21 budget and tax rates. Some of these factors were the district needs, the campus needs, appraised property values, and the Donna economy. The following factors are highlights of the budget:

- The Average Daily Attendance (ADA) is projected to decrease in fiscal year 2020-2021. The District's ADA is projected to be 12,480, which reflects a decrease of 620 students.
- The total budgeted tax rate is \$1.1304 which is composed of \$0.9914 compressed rate for maintenance and operations and \$0.1390 for the payment of principal and interest on bonds.
- The taxable value amount of \$1,674,852,048 was used for the fiscal year 2020-21 budget preparation, an increase of 9.8% over the previous year's \$1,525,387,875.

These indicators were taken into account when adopting the general fund budget for fiscal year 2020-21. Amounts available for appropriation are \$149,876,994 in the General Operating Fund, \$12,919,778 in the Food Service Fund and \$5,920,584 in the Debt Service Fund budgets, respectively. Total appropriations are \$168,717,356. This is a decrease of 2.93% versus the final fiscal year 2019-20 budget of \$173,806,517.

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

This comprehensive financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Ms. Ludivina Cansino, Assistant Superintendent for Business and Finance, Business & Finance Office, Donna I.S.D., 116 North 10<sup>th</sup> Street, Donna, Texas 78537 or by calling (956) 464-1620.



*“THE DISTRICT”*

# **BASIC FINANCIAL STATEMENTS**

DONNA INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
AUGUST 31, 2020

EXHIBIT A-1

Data Control Codes	Primary Government
	Governmental Activities
<b>ASSETS</b>	
1110 Cash and Cash Equivalents	\$ 33,772,600
1120 Current Investments	48,000,897
1210 Property Taxes - Current	1,237,319
1220 Property Taxes - Delinquent	3,174,483
1230 Allowance for Uncollectible Taxes	(1,270,775)
1240 Due from Other Governments	5,197,991
1267 Due from Fiduciary Funds	3,119
1290 Other Receivables, Net	97,187
1300 Inventories	698,170
Capital Assets:	
1510 Land	7,078,411
1520 Buildings, Net	151,930,817
1530 Furniture and Equipment, Net	4,606,419
1580 Construction in Progress	3,957,507
1000 Total Assets	258,484,145
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
1701 Deferred Charge for Refunding	844,441
1705 Deferred Outflow Related to TRS Pension	21,057,741
1706 Deferred Outflow Related to TRS OPEB	7,484,844
1700 Total Deferred Outflows of Resources	29,387,026
<b>LIABILITIES</b>	
2110 Accounts Payable	5,320,358
2150 Payroll Deductions and Withholdings	3,496
2160 Accrued Wages Payable	1,593,354
2180 Due to Other Governments	3,102,576
2200 Accrued Expenses	1,739,391
2300 Unearned Revenue	585,541
2400 Payable from Restricted Assets	207,056
Noncurrent Liabilities:	
2501 Due Within One Year	3,515,459
2502 Due in More Than One Year	69,862,276
2540 Net Pension Liability (District's Share)	47,183,875
2545 Net OPEB Liability (District's Share)	62,533,988
2000 Total Liabilities	195,647,370
<b>DEFERRED INFLOWS OF RESOURCES</b>	
2605 Deferred Inflow Related to TRS Pension	9,658,795
2606 Deferred Inflow Related to TRS OPEB	29,459,297
2600 Total Deferred Inflows of Resources	39,118,092
<b>NET POSITION</b>	
3200 Net Investment in Capital Assets	102,770,918
3820 Restricted for Federal and State Programs	4,039,620
3850 Restricted for Debt Service	4,498,576
3860 Restricted for Capital Projects	10,548,117
3900 Unrestricted	(68,751,522)
3000 Total Net Position	\$ 53,105,709

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

DONNA INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED AUGUST 31, 2020

EXHIBIT B-1

Data	Program Revenues			Net (Expense)
Control	1	3	4	Revenue and
Codes	Expenses	Charges for	Operating	Changes in Net
		Services	Grants and	Position
			Contributions	Primary Gov.
				Governmental
				Activities

**Primary Government:**

GOVERNMENTAL ACTIVITIES:

11 Instruction	\$ 104,478,933	\$ 87,834	\$ 13,712,523	\$ (90,678,576)
12 Instructional Resources and Media Services	2,595,232	-	606,547	(1,988,685)
13 Curriculum and Instructional Staff Development	6,138,376	-	3,146,147	(2,992,229)
21 Instructional Leadership	2,778,644	-	857,492	(1,921,152)
23 School Leadership	7,592,332	-	44,925	(7,547,407)
31 Guidance, Counseling, and Evaluation Services	6,050,324	-	440,761	(5,609,563)
32 Social Work Services	1,049,664	-	177,349	(872,315)
33 Health Services	2,250,867	-	536,136	(1,714,731)
34 Student (Pupil) Transportation	5,985,994	-	-	(5,985,994)
35 Food Services	13,204,199	161,354	11,392,430	(1,650,415)
36 Extracurricular Activities	6,484,923	93,312	-	(6,391,611)
41 General Administration	3,546,076	-	41,103	(3,504,973)
51 Facilities Maintenance and Operations	16,084,552	-	225	(16,084,327)
52 Security and Monitoring Services	3,319,456	-	414,845	(2,904,611)
53 Data Processing Services	3,393,719	-	-	(3,393,719)
61 Community Services	1,241,885	-	941,697	(300,188)
72 Debt Service - Interest on Long-Term Debt	522,286	-	-	(522,286)
73 Debt Service - Bond Issuance Cost and Fees	512,247	-	-	(512,247)
81 Capital Outlay	135,972	-	-	(135,972)
95 Payments to Juvenile Justice Alternative Ed. Prg.	19,350	-	-	(19,350)
99 Other Intergovernmental Charges	263,848	-	-	(263,848)
<b>[TP] TOTAL PRIMARY GOVERNMENT:</b>	<b>\$ 187,648,879</b>	<b>\$ 342,500</b>	<b>\$ 32,312,180</b>	<b>(154,994,199)</b>

Data	General Revenues:		
Control	Taxes:		
Codes			
MT	Property Taxes, Levied for General Purposes		15,999,704
DT	Property Taxes, Levied for Debt Service		2,184,780
SF	State Aid - Formula Grants		117,288,397
GC	Grants and Contributions not Restricted		21,737,592
IE	Investment Earnings		523,831
MI	Miscellaneous Local and Intermediate Revenue		844,967
TR	<b>Total General Revenues</b>		<b>158,579,271</b>
CN	Change in Net Position		3,585,072
NB	Net Position - Beginning		49,520,637
NE	Net Position - Ending		<b>\$ 53,105,709</b>

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



DONNA INDEPENDENT SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
AUGUST 31, 2020

Data Control Codes	10 General Fund	ESEA I, A Improving Basic Program	60 Capital Projects
<b>ASSETS</b>			
1110 Cash and Cash Equivalents	\$ 18,578,642	\$ -	\$ 11,138,946
1120 Investments - Current	45,037,715	-	-
1210 Property Taxes - Current	1,075,676	-	-
1220 Property Taxes - Delinquent	2,719,603	-	-
1230 Allowance for Uncollectible Taxes	(1,163,730)	-	-
1240 Due from Other Governments	924,870	2,988,943	-
1260 Due from Other Funds	7,578,902	-	-
1290 Other Receivables	37,867	28,396	-
1300 Inventories	698,170	-	-
1000 Total Assets	<u>\$ 75,487,715</u>	<u>\$ 3,017,339</u>	<u>\$ 11,138,946</u>
<b>LIABILITIES</b>			
2110 Accounts Payable	\$ 3,740,492	\$ 519,703	\$ 590,829
2150 Payroll Deductions and Withholdings Payable	3,496	-	-
2160 Accrued Wages Payable	1,487,162	-	-
2170 Due to Other Funds	7,598,617	2,497,636	-
2180 Due to Other Governments	2,967,817	-	-
2300 Unearned Revenue	-	-	-
2400 Payable from Restricted Assets	207,056	-	-
2000 Total Liabilities	<u>16,004,640</u>	<u>3,017,339</u>	<u>590,829</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
2601 Unavailable Revenue - Property Taxes	2,631,549	-	-
2600 Total Deferred Inflows of Resources	<u>2,631,549</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>			
Nonspendable Fund Balance:			
3410 Inventories	698,170	-	-
Restricted Fund Balance:			
3450 Federal or State Funds Grant Restriction	3,955,804	-	-
3470 Capital Acquisition and Contractual Obligation	-	-	10,548,117
3480 Retirement of Long-Term Debt	-	-	-
3600 Unassigned Fund Balance	52,197,551	-	-
3000 Total Fund Balances	<u>56,851,525</u>	<u>-</u>	<u>10,548,117</u>
4000 Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 75,487,714</u>	<u>\$ 3,017,339</u>	<u>\$ 11,138,946</u>

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

50 Debt Service Fund	Other Funds	Total Governmental Funds
\$ 2,643,695	\$ 654,997	\$ 33,016,280
1,919,998	-	46,957,713
161,643	-	1,237,319
454,880	-	3,174,483
(107,045)	-	(1,270,775)
20,894	1,263,284	5,197,991
19,386	-	7,598,288
-	30,924	97,187
-	-	698,170
<u>\$ 5,113,451</u>	<u>\$ 1,949,205</u>	<u>\$ 96,706,656</u>
\$ 5,001	\$ 127,763	\$ 4,983,788
-	-	3,496
-	106,192	1,593,354
-	1,011,531	11,107,784
100,397	34,362	3,102,576
-	585,541	585,541
-	-	207,056
<u>105,398</u>	<u>1,865,389</u>	<u>21,583,595</u>
509,478	-	3,141,027
<u>509,478</u>	<u>-</u>	<u>3,141,027</u>
-	-	698,170
-	83,816	4,039,620
-	-	10,548,117
4,498,576	-	4,498,576
-	-	52,197,551
<u>4,498,576</u>	<u>83,816</u>	<u>71,982,034</u>
<u>\$ 5,113,452</u>	<u>\$ 1,949,205</u>	<u>\$ 96,706,656</u>

DONNA INDEPENDENT SCHOOL DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE  
STATEMENT OF NET POSITION  
AUGUST 31, 2020

EXHIBIT C-2

<b>Total Fund Balances - Governmental Funds</b>	\$	71,982,034
1 The District uses internal service funds to charge the costs of certain activities, such as self-insurance and printing, to appropriate functions in other funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. The net effect of this consolidation is to increase net position.		3,236,158
2 Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. At the beginning of the year, the cost of these assets was \$279,654,902 and the accumulated depreciation was (\$108,986,552). In addition, long-term liabilities, including bonds payable, are not due and payable in the current period, and, therefore are not reported as liabilities in the funds. The net effect of including the beginning balances for capital assets (net of depreciation) and long-term debt in the governmental activities is to increase net position.		92,673,606
3 Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of including the 2020 capital outlays and debt principal payments is to (decrease) net position.		(35,693,281)
4 Included in the items related to debt is the recognition of the District's proportionate share of the net pension liability required by GASB 68. The net position related to TRS included a deferred resource outflow in the amount of \$21,057,741, a deferred resource inflow in the amount of \$9,658,795, and a net pension liability in the amount of \$47,183,875. This resulted in a (decrease) in net position. The combination of the beginning of the year amounts and the changes during the year resulted in a difference between the ending fund balance and the ending net position.		(35,784,929)
5 Included in the items related to debt is the recognition of the District's proportionate share of the net OPEB liability required by GASB 75. The net position related to TRS included a deferred resource outflow in the amount of \$7,484,844, a deferred resource inflow in the amount of \$29,459,297, and a net OPEB liability in the amount of \$62,533,988. This resulted in a (decrease) in net position of (\$84,508,441).		(84,508,441)
6 The 2020 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to (decrease) net position.		(7,433,852)
7 Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unavailable revenue from property taxes as revenue, reclassifying the proceeds of bond sales as an increase in bonds payable, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase net position.		48,634,414
<b>19 Net Position of Governmental Activities</b>	<b>\$</b>	<b>53,105,709</b>

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

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

Data Control Codes	10 General Fund	ESEA I, A Improving Basic Program	60 Capital Projects
<b>REVENUES:</b>			
5700 Total Local and Intermediate Sources	\$ 17,176,240	\$ -	\$ -
5800 State Program Revenues	124,908,677	-	-
5900 Federal Program Revenues	14,694,448	10,624,601	-
5020 Total Revenues	<u>156,779,365</u>	<u>10,624,601</u>	<u>-</u>
<b>EXPENDITURES:</b>			
<b>Current:</b>			
0011 Instruction	79,069,589	6,434,866	-
0012 Instructional Resources and Media Services	1,698,086	601,045	-
0013 Curriculum and Instructional Staff Development	2,545,643	2,084,959	-
0021 Instructional Leadership	1,687,000	250,495	-
0023 School Leadership	6,925,079	5,903	-
0031 Guidance, Counseling, and Evaluation Services	5,101,129	-	-
0032 Social Work Services	791,659	18,956	-
0033 Health Services	1,516,855	536,136	-
0034 Student (Pupil) Transportation	5,277,558	-	-
0035 Food Services	13,122,405	-	-
0036 Extracurricular Activities	5,901,159	-	-
0041 General Administration	4,672,566	-	-
0051 Facilities Maintenance and Operations	15,016,301	225	-
0052 Security and Monitoring Services	2,823,651	-	-
0053 Data Processing Services	2,433,749	-	-
0061 Community Services	184,898	692,016	-
<b>Debt Service:</b>			
0071 Principal on Long-Term Debt	1,273,614	-	-
0072 Interest on Long-Term Debt	182,056	-	-
0073 Bond Issuance Cost and Fees	281	-	-
<b>Capital Outlay:</b>			
0081 Facilities Acquisition and Construction	641,375	-	1,615,056
<b>Intergovernmental:</b>			
0095 Payments to Juvenile Justice Alternative Ed. Prg.	19,350	-	-
0099 Other Intergovernmental Charges	263,848	-	-
6030 Total Expenditures	<u>151,147,851</u>	<u>10,624,601</u>	<u>1,615,056</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>5,631,514</u>	<u>-</u>	<u>(1,615,056)</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
7911 Capital Related Debt Issued	-	-	-
7912 Sale of Real and Personal Property	15,421	-	-
7913 Capital Leases	1,454,960	-	-
7915 Transfers In	-	-	6,000,000
7916 Premium or Discount on Issuance of Bonds	-	-	-
8911 Transfers Out (Use)	(6,000,000)	-	-
8949 Other (Uses)	-	-	-
7080 Total Other Financing Sources (Uses)	<u>(4,529,619)</u>	<u>-</u>	<u>6,000,000</u>
1200 Net Change in Fund Balances	1,101,895	-	4,384,944
0100 Fund Balance - September 1 (Beginning)	55,749,630	-	6,163,173
3000 Fund Balance - August 31 (Ending)	<u>\$ 56,851,525</u>	<u>\$ -</u>	<u>\$ 10,548,117</u>

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

	50 Debt Service Fund	Other Funds	Total Governmental Funds
\$	2,390,448	\$ 25,754	\$ 19,592,442
	3,908,539	1,593,493	130,410,709
	-	8,686,320	34,005,369
	6,298,987	10,305,567	184,008,520
	-	7,287,253	92,791,708
	-	4,291	2,303,422
	-	1,061,188	5,691,790
	-	606,997	2,544,492
	-	39,022	6,970,004
	-	440,761	5,541,890
	-	158,393	969,008
	-	-	2,052,991
	-	-	5,277,558
	-	-	13,122,405
	-	-	5,901,159
	-	8,145	4,680,711
	-	-	15,016,526
	-	414,845	3,238,496
	-	-	2,433,749
	-	249,681	1,126,595
	4,480,000	-	5,753,614
	2,056,216	-	2,238,272
	511,966	-	512,247
	-	-	2,256,431
	-	-	19,350
	-	-	263,848
	7,048,182	10,270,576	180,706,266
	(749,195)	34,991	3,302,254
	39,840,000	-	39,840,000
	-	-	15,421
	-	-	1,454,960
	-	-	6,000,000
	6,142,698	-	6,142,698
	-	-	(6,000,000)
	(45,493,387)	-	(45,493,387)
	489,311	-	1,959,692
	(259,884)	34,991	5,261,946
	4,758,460	48,825	66,720,088
\$	4,498,576	\$ 83,816	\$ 71,982,034

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

EXHIBIT C-4

<b>Total Net Change in Fund Balances - Governmental Funds</b>	\$	5,261,946
<p>The District uses internal service funds to charge the costs of certain activities, such as self-insurance and printing, to appropriate functions in other funds. The net income (loss) of internal service funds are reported with governmental activities. The net effect of this consolidation is to increase net position.</p>		
		1,615,019
<p>Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of removing the 2020 capital outlays and debt principal payments is to (decrease) net position.</p>		
		(35,693,281)
<p>Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to (decrease) net position.</p>		
		(7,433,852)
<p>Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unavailable revenue from property taxes as revenue, adjusting current year revenue to show the revenue earned from the current year's tax levy, reclassifying the proceeds of bond sales, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase net position.</p>		
		45,790,842
<p>GASB 68 required that certain plan expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of the plan caused the change in ending net position to increase by \$3,530,765 . Contributions made before the measurement date and during the previous fiscal year were also expended and recorded as a reduction in net pension liability. This caused a decrease in the change in net position totaling \$3,118,532. Finally, the proportionate share of the TRS pension expense on the plan as a whole had to be recorded. The net pension expense decreased the change in net position by \$5,922,357 The net result is a (decrease) in the change in net position.</p>		
		(5,510,124)
<p>GASB 75 required that certain plan expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of the plan caused the change in ending net position to increase by year were also expended and recorded as a reduction in net OPEB liability. This caused a decrease in the change in net position totaling \$954,176 whole had to be recorded. The net OPEB expense decreased the change in net position by \$428,101. The net result is a (decrease) in the change in net position.</p>		
		(445,478)
<b>Change in Net Position of Governmental Activities</b>	<b>\$</b>	<b><u>3,585,072</u></b>

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

DONNA INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
AUGUST 31, 2020

	Governmental Activities -
	Total Internal Service Funds
<b>ASSETS</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 756,320
Investments - Current	1,043,184
Due from Other Funds	<u>3,512,615</u>
Total Assets	<u>5,312,119</u>
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts Payable	336,570
Accrued Expenses	<u>1,739,391</u>
Total Liabilities	<u>2,075,961</u>
<b>NET POSITION</b>	
Unrestricted Net Position	<u>3,236,158</u>
Total Net Position	<u><u>\$ 3,236,158</u></u>

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

DONNA INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2020

	Governmental Activities -
	Total Internal Service Funds
<hr/>	
OPERATING REVENUES:	
Local and Intermediate Sources	\$ 17,349,566
Total Operating Revenues	17,349,566
OPERATING EXPENSES:	
Professional and Contracted Services	794,042
Other Operating Costs	14,940,505
Total Operating Expenses	15,734,547
Operating Income	1,615,019
Total Net Position - September 1 (Beginning)	1,621,139
 Total Net Position - August 31 (Ending)	 \$ 3,236,158

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



DONNA INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2020

	Governmental Activities -
	Total Internal Service Funds
<u>Cash Flows from Operating Activities:</u>	
Cash Received from User Charges	\$ 7,715
Cash Received from Assessments - Other Funds	16,951,832
Cash Payments for Insurance Claims	(17,415,315)
Cash Payments for Suppliers	(151,064)
Net Cash Used for Operating Activities	(606,832)
<u>Cash Flows from Investing Activities:</u>	
Interest and Dividends on Investments	11,958
Net Cash Provided by Investing Activities	11,958
Net Decrease in Cash and Cash Equivalents	(594,874)
Cash and Cash Equivalents at Beginning of Year	1,351,194
Cash and Cash Equivalents at End of Year	\$ 756,320
<u>Reconciliation of Operating Income to Net Cash</u>	
<u>Used for Operating Activities:</u>	
Operating Income:	\$ 1,615,019
Effect of Increases and Decreases in Current Assets and Liabilities:	
Decrease (increase) in Receivables	2,348,934
Increase (decrease) in Accounts Payable	(1,364,218)
Increase (decrease) in Payables	(3,206,567)
Net Cash Used for Operating Activities	\$ (606,832)

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

DONNA INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
AUGUST 31, 2020

	Private Purpose Trust Funds	836-849 Investment Trust Fund	Agency Funds
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 114,503	\$ 3,769	\$ 718,703
Other Receivables	-	-	1,315
Total Assets	<u>114,503</u>	<u>3,769</u>	<u>720,018</u>
<b>LIABILITIES</b>			
Accounts Payable	500	-	17,138
Due to Other Funds	2,164	-	955
Due to Other Governments	-	-	2,252
Due to Student Groups	111,839	-	699,673
Total Liabilities	<u>114,503</u>	<u>-</u>	<u>720,018</u>
<b>NET POSITION</b>			
Restricted for Scholarships	-	2,769	-
Restricted for Other Purposes	-	1,000	-
Total Net Position	<u>\$ -</u>	<u>\$ 3,769</u>	<u>\$ -</u>

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

DONNA INDEPENDENT SCHOOL DISTRICT  
 STATEMENT OF CHANGES IN FIDUCIARY FUND NET POSITION  
 FIDUCIARY FUNDS  
 FOR THE YEAR ENDED AUGUST 31, 2020

	Private Purpose Trust Funds	836-849 Investment Trust Fund
Change in Fiduciary Net Position	-	-
Total Net Position - September 1 (Beginning)	<u>-</u>	<u>3,769</u>
Total Net Position - August 31 (Ending)	<u>\$ -</u>	<u>\$ 3,769</u>

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

DONNA INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2020

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Donna Independent School District (the “District”) is a public educational agency operating under the applicable laws and regulations of the State of Texas. The Board of Trustees (“Board”), a seven-member group, has governance responsibilities over all activities related to educational services within the jurisdiction of the District. The District prepares its basic financial statements in conformity with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board and 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.

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

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

**A. REPORTING ENTITY**

The Board of Trustees, a seven-member group, has fiscal accountability over all activities related to public elementary and secondary education within the jurisdiction of the District. The public elects the members of the Board. The Board, as a corporate body, have 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 of the Texas Education Agency (TEA) or to the State Board of Education are reserved for the trustees, and the Agency may not substitute its judgement for the lawful exercise of those powers and duties by the Trustees. The District is not included in any other governmental "reporting entity" as defined in Section 2 100, Codification of Governmental Accounting and Financial Reporting Standards. There are no component units included within the reporting entity. The financial statements of the District include all activities for which the Board exercise these governance responsibilities.

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 the entire District’s nonfiduciary activities with the interfund activities removed. *Governmental activities* include programs supported primarily by grants, state foundation funds and other intergovernmental revenues.

The Statement of Activities demonstrates how other people or entities that participate in programs the District operates have shared in the payment of the direct costs. The “charges for services” column include payments made by parties that purchase, use or directly benefit from goods or services provided by a given function or segment of the District. The “grants and contributions” column includes amounts paid by organizations outside the District to help meet the operational or capital requirements of a given function.

DONNA INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2020

Examples include grants through the Department of Education, Department of Health & Human Services and Texas Education Agency. If revenue is not program revenue, it is general revenue used to support all of the District's functions.

Interfund activities between governmental funds appear as due to/due from on the Governmental Fund Balance Sheet and Proprietary Fund Statement of Net Position and as other resources and other uses on the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance and on the Proprietary Fund Statement of Revenues, Expenses and Changes in Net Position. All interfund transactions between governmental funds and between governmental funds and internal service funds are eliminated on the government-wide statements.

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

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.

**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 and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

Revenues from local sources consist primarily of property tax revenue. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available. Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as deferred revenues until related and authorized expenditures have been made. If balances have not been expended by the end of the project period, grantors sometimes require the District to refund all or part of the unused amount.

The Proprietary Fund Types and Fiduciary Funds are accounted for on a flow of economic resources measurement focus and utilize the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred and become measurable.

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

**D. BASIS OF PRESENTATION - FUND ACCOUNTING**

The District reports the following major governmental funds:

1. **General Fund** - is used to account for financial resources used for general operations. This is a budgeted fund and any fund balances are considered resources available for current operations. All revenues and expenditures not required to be accounted for in other funds, are accounted for in this fund.
2. **Capital Projects Fund** - is used to account for proceeds from long-term debt financing and revenues and expenditures related to authorized construction and other capital asset acquisitions.
3. **ESEA Title I, Part A Improving Basic Program** – is used to account for funds to help the District provide supplemental resources to help schools with high concentrations of students from low-income families acquire the knowledge and skills in the state content standards and to meet the state student performance standards.
4. **Debt Service Fund** - is used to account for resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds in a debt service fund.

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

Governmental Funds:

1. **Special Revenue Funds** - are used to account for resources restricted to, or designated for, specific purposes by a grantor. Federal and state financial assistance generally is accounted for in a Special Revenue Fund. Normally, unused balances are returned to the grantor at the close of specified project periods.
2. **Permanent Funds** - is used to account for donations for which the donor has stipulated that the principal may not be expended and where the income may only be used for purposes that support the District's programs. The District has no permanent funds.

Proprietary Funds:

1. **Enterprise Funds** - are used to account for those operations that are financed and operated in a manner similar to private business. The District has no enterprise funds.
2. **Internal Service Funds** - are used to account for revenues and expenses related to self-funded insurance and workers' compensation provided to employees within the District which are accounted for as internal service funds.

Fiduciary Funds:

1. **Private Purpose Trust Funds** - are used to account for scholarships, which have stipulations for the participants awarded; only the income may be used for a specific purpose.
2. **Agency Funds** – are used to account for resources held for others in a custodial capacity in an Agency Fund. The District's Agency Fund is the Student Activity Funds.

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**E. OTHER ACCOUNTING POLICIES**

1. For purposes of the statement of cash flows, the District considers highly liquid investments to be cash equivalents if they have a maturity of three months or less when purchased.
2. Inventory is valued at cost (average). The District accounts for school supply and food inventories by using the consumption method whereby expenditures are recognized only when inventory items are used. Maintenance supplies inventory is accounted for by using the purchase method whereby purchases of inventories are recognized as expenditures when the goods are received, and the transaction is vouchered. Reported inventories are equally offset by a fund balance reserve, which indicates that they do not constitute “available spendable resources” even though they are a component of net current assets. Commodity inventory is offset by deferred revenue.
3. Other current assets are prepaid expenses that will benefit periods beyond August 31, 2020. The only prepaid expenses included are for unexpired insurance policy premiums paid by August 31, 2020, and which extend beyond that date. The reported prepaid insurance is equally offset by a fund balance reserve, which indicates that they do not constitute “available spendable resources” even though they are a component of net current assets.
4. In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term obligations are reported as liabilities in the applicable governmental activities statement of net position.
5. Capital assets, which include land, buildings, vehicles, furniture & equipment and construction in progress, are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value, which is the price that would be paid to acquire an asset with equivalent service potential at the acquisition date.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Buildings, vehicles and furniture & equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings & Improvements	50
Building Improvements	20
Vehicles	10
Furniture & Equipment	3-15

6. Interfund activity results from loans, services provided, reimbursements or transfers between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided are treated as revenues or expenditures. Transfers In and Transfers Out are netted and presented as a single “Transfers” line on the government-wide statement of activities. Similarly, interfund receivables and payables are netted and presented as a single “Internal Balances” line of the government-wide statement of net position.
7. When the District incurs an expense for which it may use either restricted or unrestricted assets, it uses the restricted assets first unless unrestricted assets will have to be returned because they were not used.
8. Accumulated compensatory absences that is expected to be liquidated with expendable available resources is reported as an expenditure and a liability in the Governmental Funds only if they have matured.

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9. In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statements' element, deferred outflows of resources, presents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District only has one item that qualifies for reporting in this category. It is deferred charged on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statements' element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has only one type of item, which arises only under a modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item, *unavailable*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source: property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

10. Net position represents the differences between assets, deferred outflows (inflows) of resources and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
11. Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond and grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered applied. It is the District's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.
12. Sometimes the District will fund outlays for a particular purpose from both restricted (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.
13. The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:
- **Nonspendable:** This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. Nonspendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.



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- **Restricted:** This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- **Committed:** This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by board resolution by the Board. The Board's commitment may be modified or rescinded by a majority vote in a scheduled meeting. Board commitments cannot exceed the amount of fund balance that is greater than the sum of non-spendable and restricted fund balances since that practice would commit funds that the District does not have. Board commitments must occur before the end of the reporting period with amounts to be determined subsequently.
- **Assigned:** This classification includes amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board, the Superintendent, or Superintendent's designee.
- **Unassigned:** This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

The order of spending and availability shall be to reduce funds from the listed areas in the following order: restricted, committed, assigned, and unassigned.

14. The Data Control Codes refer to the account code structure prescribed by TEA in the *Financial Accountability System Resource Guide*. The Texas Education Agency requires school districts to display these codes in the financial statements filed with the Agency in order to insure accuracy in building a statewide data base for policy development and funding plans.

## **II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

### **A. BUDGETARY DATA**

The Board of Trustees adopts an "appropriated budget" on a basis consistent with GAAP for the General Fund, Debt Service Fund and Food Service Fund (which is included in the General Fund). The District is required to present the adopted and final amended budgeted revenues and expenditures for these three funds. The General Fund Budget report is presented in Exhibit G-1 and the Child Nutrition Program Budget and Debt Service Fund Budget report is presented in Exhibit J-4 and J-5.

The following procedures are followed in establishing the budgetary data reflected in the basic financial statements:

1. Prior to August 20<sup>th</sup> the District prepares a budget for the next succeeding fiscal year beginning September 1<sup>st</sup>. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Board is then called for the purpose of adopting the proposed budget. Public notice of the meeting must be given at least ten days prior to the meeting.
3. Prior to September 1<sup>st</sup>, the budget is legally enacted through passage of a resolution by the Board. Once a budget is approved, it can only be amended at the function and fund level by approval of a majority of the members of the Board. Amendments are presented to the Board at its regular meetings. Each amendment must have Board approval. As required by law, such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year-end. During the year, the budget was amended as necessary.

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4. Each budget is controlled by the budget coordinator at the revenue and expenditure functions or object level. Budgeted amounts are as amended by the Board. All budget appropriations lapse at year-end.
5. Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under Texas law, appropriations lapse at August 31st, and encumbrances outstanding at that time are to be either canceled or appropriately provided for in the subsequent year's budget.

**B. EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

As of August 31, 2020, the District's General Fund did not exceed expenditures over the appropriated budget.

**C. DEFICIT FUND EQUITY**

At August 31, 2020, the District had no deficit fund balances.

**III. DETAILED NOTES ON ALL FUNDS**

**A. DEPOSITS AND INVESTMENTS**

The funds of the District must be deposited and invested under the terms of a contract, contents of which are set out in the **Depository Contract Law**. The depository bank places approved pledged securities for safekeeping and trust with counterparty's trust department in the District's name in an amount sufficient to protect District funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

At August 31, 2020, the carrying amount of the District's deposits, excluding agency funds, was \$33,772,600 and the bank balance was \$36,776,014. The District's cash deposits at August 31, 2020 and during the year were covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name. The District monitors cash flows regularly when TEA funds are received to ensure that the bank pledges sufficient collateral.

District Policies and Legal Contractual Provisions Governing Deposits

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

**Foreign Currency Risk for Deposits** – The District limits the risk that changes in exchange rates will adversely affect the fair value of a deposit. At year-end, the District was not exposed to foreign currency risk.

District Policies and Legal Contractual Provisions Governing Investments

The **Public Funds Investment Act** (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the District to adopt, implement, and publicize an investment policy. The 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.

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

The District's temporary investments at August 31, 2020, are shown below:

Investment Type	Fair Value	Investment Maturities (in years )			
		Less Than 1	1 to 5	6 to 10	More Than 10
TexPool	\$ 48,000,897	\$ 48,000,897	\$ -	\$ -	\$ -
Total	<u>\$ 48,000,897</u>	<u>\$ 48,000,897</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Additional policies and contractual provisions governing deposits and investments for the District are specified below:

**Credit Risk** – In accordance with state law and the District's investment policy, investments in mutual funds and investment pools must be rated at least AAA or have an equivalent rating, commercial paper must be rated at least A-1, P-1 or have an equivalent rating, and obligations of states, agencies, counties, and cities must be at least A or its equivalent. As of August 31, 2020, the District's investments in TexPool was rated AAAM by Standard and Poor's (S&P).

**Custodial Risk for Investments** – For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All investments held by third parties were fully collateralized and held in the District's name.

**Concentration of Credit Risk** – The investment portfolio is diversified in terms of investment instruments and maturity scheduling to reduce risk of loss resulting from over concentration of assets in specific class of investments, specific maturity or specific issuer. As of August 31, 2020, The District had 100% of its investments in TexPool investment pools rated AAA as noted above.

**Interest Rate Risk** – In accordance with state law and the District's investment policy, the District does not purchase any investments greater than five (5) years for its operating funds.

**Foreign Currency Risk for Investments** – The District limits the risk that changes in exchange rates will adversely affect the fair value of an investment. At year-end, the District was not exposed to foreign currency risk.

**B. PROPERTY TAXES**

Property taxes are considered available when collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. The District levies its taxes on October 1<sup>st</sup> in conformity with Subtitle E, Texas Property Tax Code. The assessed value of the property tax roll on January 1, 2020, upon which the levy for the 2019-2020 fiscal year was based, was \$1,525,387,875. Taxes are due upon receipt of the tax bill and are past due and subject to interest if not paid by February 1<sup>st</sup> of the year following the October 1<sup>st</sup> levy date. Taxes are delinquent if not paid by August 31<sup>th</sup>. Delinquent taxes are subject to both penalty and interest charges plus 15% delinquent collection fees for attorney costs.

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The tax rates assessed for the year ended August 31, 2020 to finance General Fund operations and the payment of principal and interest on general obligation long-term debt were \$1.068400 and \$0.15830 per \$100 valuation, respectively, for a total of \$1.226700 per \$100 valuation.

Current tax collections for the year ended August 31, 2020 were 92% of the year-end adjusted tax levy. Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. Allowances for uncollectible taxes within the General and Debt Service Funds are based on historical experience in collecting 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. As of August 31, 2020, property taxes receivable of \$3,795,279 and \$616,523 net of estimated uncollectible taxes of \$1,163,730 and \$107,045, totaled \$2,631,549 and \$509,478 for the General and Debt Service Funds, respectively.

**C. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

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

	Due From Other Funds	Due To Other Funds
General Fund		
General Fund	\$ -	\$ 4,066,616
Special Revenue Fund	-	3,509,167
Debt Service Fund	19,386	-
Internal Service Fund	2,323,643	-
Payroll Fund	4,066,617	-
Trust and Agency Fund	-	3,119
Special Revenue Fund		
General Fund	3,511,329	-
Debt Service Fund		
General Fund	-	19,386
Internal Services Fund		
General Fund	-	1,141,562
Payroll Fund	-	2,371,053
Trust and Agency Fund		
General Fund	956	-
Internal Service Fund	1,188,972	-
Total	\$ 11,110,903	\$ 11,110,903

Balances resulted from the time lag between the dates that 1) interfund goods and services are provided and/or reimbursable expenditures occur, and 2) transactions are recorded in the accounting system, and 3) payments between funds are made. Balances also result from interfund payroll transactions and end of year reclasses made between funds. Transfers are indicative of subsidies of various District operations. The following schedule briefly summarizes the District's transfer activities at August 31, 2020:

Transfers In	Transfers Out	Amount
Capital Project	General	\$ 6,000,000
	Totals	\$ 6,000,000

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**D. DUE FROM OTHER GOVERNMENTS AND AGENCIES**

Amounts due from other governments and agencies are as follows:

Fund Group	State Entitlements	Other	Total
General Fund	\$ 737,902	\$ 186,968	\$ 924,870
Special Revenue Fund	4,171,390	80,837	4,252,227
Debt Service Fund	-	20,894	20,894
	<u>\$ 4,909,292</u>	<u>\$ 288,699</u>	<u>\$ 5,197,991</u>

**E. CAPITAL ASSET ACTIVITY**

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

	Balance 8/31/2019	Additions	Deletions	Balance 8/31/2020
Governmental Activities:				
Capital Assets, not being depreciated:				
Land	\$ 7,078,411	\$ -	\$ -	\$ 7,078,411
Construction In Progress	3,400,364	557,143	-	3,957,507
Totals at Historic Cost	<u>10,478,775</u>	<u>557,143</u>	<u>-</u>	<u>11,035,918</u>
Capital Assets, being depreciated:				
Buildings & Improvements	230,672,591	1,826,270	-	232,498,861
Furniture & Equipment	35,640,628	1,955,243	(405,605)	37,190,266
Vehicles	2,862,908	-	-	2,862,908
Totals at Historic Cost	<u>269,176,127</u>	<u>3,781,513</u>	<u>(405,605)</u>	<u>272,552,035</u>
Less Accumulated Depreciation:				
Buildings & Improvements	(75,523,469)	(5,044,575)	-	(80,568,044)
Furniture & Equipment	(31,244,688)	(1,904,529)	405,605	(32,743,612)
Vehicles	(2,218,395)	(484,748)	-	(2,703,143)
Total Accumulated Depreciation	<u>(108,986,552)</u>	<u>(7,433,852)</u>	<u>405,605</u>	<u>(116,014,799)</u>
Governmental Activities Capital Assets, Net	<u>\$ 170,668,350</u>	<u>\$ (3,095,196)</u>	<u>\$ -</u>	<u>\$ 167,573,154</u>

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 3,894,810
Instructional Resources & Media Services	87,413
Curriculum & Instructional Staff Development	5,557
Social Work Services	9,534
Student (Pupil) Transportation	905,347
Food Services	501,552
Extracurricular Activities	243,626
General Administration	51,312
Facilities Maintenance and Operations	450,527
Security and Monitoring Services	19,957
Data Processing Services	1,240,238
Facilities Acquisition and Construction	23,979
Total Depreciation Expense	<u>\$ 7,433,852</u>

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**F. LONG-TERM OBLIGATIONS**

**General Obligation Bonds** – The District issues general obligations bonds for the governmental activities to refund a portion of the outstanding bonds of the District for debt services savings and to pay costs of issuance. General obligation bonds are direct obligations and the full faith and credit of the District. Current principal and interest requirements are payable solely from future revenues of the Debt Service Fund which consists principally of property taxes collected by the District, interest earnings, and State funds. Certain outstanding bonds may be redeemed at their par value prior to their normal maturity dates in accordance with the terms of the related bond indentures.

Description	Interest Rate	Original Issue Amount	Interest Current Year	Balance 8/31/2019	Principal Issued	Principal Refunded	Principal Retired	Balance 8/31/2020
2007 CABS		\$ -	\$ -	\$ 10,000	\$ -	\$ -	\$ -	\$ 10,000
2010	2.0%-5.0%	51,955,000	18,013	41,740,000	-	40,430,000	1,310,000	-
2010 REFUNDING	2.0%-4.0%	7,990,000	10,300	4,875,000	-	4,360,000	515,000	-
2011 REFUNDING	2.0%-4.0%	8,630,000	313,825	8,030,000	-	-	295,000	7,735,000
2013 REFUNDING	2.0%-3.5%	7,150,000	148,225	4,755,000	-	-	490,000	4,265,000
2014 REFUNDING	2.0%-4.0%	12,390,000	25,900	1,295,000	-	-	1,295,000	-
2016 REFUNDING	2.0%-4.0%	7,595,000	272,300	7,275,000	-	-	85,000	7,190,000
2019 REFUNDING	4.0%-5.0%	39,840,000	1,267,653	-	39,840,000	-	490,000	39,350,000
Totals		<u>\$ 135,550,000</u>	<u>\$ 2,056,216</u>	<u>\$67,980,000</u>	<u>\$39,840,000</u>	<u>\$44,790,000</u>	<u>\$ 4,480,000</u>	<u>\$ 58,550,000</u>

Description	Balance 8/31/2019	Adjustment	Balance 8/31/2020
2011 REF ACCRETED INTEREST	\$ 210,000	\$ (210,000)	\$ -
	<u>\$ 210,000</u>	<u>\$ (210,000)</u>	<u>\$ -</u>

In the 2020 Fiscal Year, the District entered into a Unlimited Tax Refunding Bonds, Series 2019 in the amount of \$39,840,000. The bonds were issued to refund the District's Unlimited Tax Refunding Bonds, Series 2010 and Unlimited Tax Refunding School Building Bonds, Series 2010. The bonds were issued with interest rates varying from 4.0% to 5.0%.

The District has never defaulted on any principal and interest payments. There are a number of limitations and restrictions contained in the general obligation bond indentures. Management has indicated that the District is in compliance with all significant limitations and restrictions at August 31, 2020.

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

Year Ended August 31,	Principal	Interest	Total Required
2021	\$ 1,880,000	\$ 4,008,451	\$ 5,888,451
2022	3,515,000	2,281,701	5,796,701
2023	3,670,000	2,136,551	5,806,551
2024	3,810,000	1,979,326	5,789,326
2025	3,965,000	1,818,676	5,783,676
2026-2030	14,145,000	6,983,063	21,128,063
2031-2035	14,335,000	4,050,900	18,385,900
2036-2040	13,230,000	1,365,000	14,595,000
Total	<u>\$ 58,550,000</u>	<u>\$ 24,623,668</u>	<u>\$ 83,173,668</u>

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**Note Payable** – The District issued a note payable for the governmental activities to provide funds for the renovations to existing facilities. The note is being issued pursuant to the Constitution and general laws of the State of Texas, including Sections 45.108 and the Texas Education Code, as amended. The Note is a direct obligation of the District, payable from and secured by ad valorem taxes levied by the District for maintenance purposes, within the limits prescribed by law, against all taxable property located within the District.

Description	Interest Rate	Original Issue Amount	Interest Current Year	Balance 8/31/2019	Principal Issued	Principal Retired	Balance 8/31/2020
Entegral	2.75%	\$ 8,066,551	\$ 161,478	\$ 5,871,920	\$ -	\$ 772,143	\$ 5,099,777
Totals			<u>\$ 161,478</u>	<u>\$ 5,871,920</u>	<u>\$ -</u>	<u>\$ 772,143</u>	<u>\$ 5,099,777</u>

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

Year Ended	Total		
August 31,	Principal	Interest	Requirements
2021	\$ 793,377	\$ 140,244	\$ 933,621
2022	815,194	118,426	933,620
2023	837,612	96,008	933,620
2024	860,647	72,974	933,621
2025	884,314	49,306	933,620
2026-2030	<u>908,633</u>	<u>24,987</u>	<u>933,620</u>
Total	<u>\$ 5,099,777</u>	<u>\$ 501,945</u>	<u>\$ 5,601,722</u>

**G. CHANGES IN LONG-TERM LIABILITIES**

The following is a summary of changes in long-term debt:

Governmental Activities	Balance 8/31/2019	Additions	Reductions	Adjustments	Balance 8/31/2020	Current Portion
Bonds Payable	\$ 67,980,000	\$ 39,840,000	\$ 4,480,000	\$(44,790,000)	\$ 58,550,000	\$ 1,880,000
Premium on Bonds	2,594,485	6,142,698	1,522,614	-	7,214,569	-
Accretion on CAB's	210,000	-	-	(210,000)	-	-
Capital Lease Payable	1,139,094	1,454,960	501,471	16,628	2,109,211	842,082
Note Payable	5,871,920	-	772,143	-	5,099,777	793,377
Compensated Absences	340,299	63,879	-	-	404,178	-
Totals	<u>\$ 78,135,798</u>	<u>\$ 47,501,537</u>	<u>\$ 7,276,228</u>	<u>\$(44,983,372)</u>	<u>\$ 73,377,735</u>	<u>\$ 3,515,459</u>
Net Pension Liability	\$ 51,900,966	\$ -	\$ 4,717,091	\$ -	\$ 47,183,875	\$ -
Net OPEB Liability	66,839,429	-	4,305,441	-	62,533,988	-
Total Other Liabilities	<u>\$ 118,740,395</u>	<u>\$ -</u>	<u>\$ 9,022,532</u>	<u>\$ -</u>	<u>\$ 109,717,863</u>	<u>\$ -</u>
Totals	<u>\$ 196,876,193</u>	<u>\$ 47,501,537</u>	<u>\$ 16,298,760</u>	<u>\$(44,983,372)</u>	<u>\$ 183,095,598</u>	<u>\$ 3,515,459</u>

The net pension and OPEB liabilities and compensated absences are generally paid from the General Fund and appropriate Special Revenue Funds.

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**H. COMMITMENTS UNDER LEASES**

Capital Leases

The District has entered into capital leases to acquire iPads and accessories for an original cost of \$1,454,960. The interest rates for the lease is 2.54%. The leases were authorized under section 61.003 of the Local Government Code.

The minimum annual lease payments, which are paid from the general fund, are as follows:

Capital Leases future debt service requirements are as follows:

<u>August 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 842,082	\$ 29,788	\$ 871,870
2022	539,685	17,557	557,242
2023	361,912	7,274	369,186
2024	365,532	3,655	369,187
	<u>\$ 2,109,211</u>	<u>\$ 58,274</u>	<u>\$ 2,167,485</u>

Capital Leases Payable - Governmental Funds

Capital Leases Payable at August 31, 2020 are as follows:

Capital lease payable to Insight Investments, LLC for HP Prodesk, in annual payments of \$660,493 with interest at 5.910% through 2020. Texas Education Code Sec. 61.003.	\$ 298,000
Capital Lease payable to Apple for Ipads and accessories in annual payments of \$369,187 with interest at 2.54% through 2023. Texas Education Code Sec.61.003	1,454,960
Capital lease payable to Governmental Capital Corporation for buses, in annual payments of \$188,054.80 with interest at 3.694% through 2022. Texas Education Code Sec.61.003.	<u>356,251</u>
	<u>\$ 2,109,211</u>

Operating Leases

Commitments under operating (noncapitalized) leases agreements for facilities and equipment provide for minimum future rental payments as of August 31, 2020, as follows:

Rental expenditures during the year totaled \$1,234,085 for governmental activities, which included month to month leases. The District has operating leases for computers, and office equipment. Commitments under lease agreements as of August 31, 2020 provide for future minimum lease obligations as follows:

<u>Year Ending August</u>	<u>Operating Leases</u>
2021	\$ 867,740



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**I. CONTINGENT LIABILITIES**

As of August 31, 2020, the District does not have any contingent liabilities.

The District participates in a number of grant programs funded by State and Federal Agencies. These programs are subject to compliance audits by the grantor agencies or their representatives.

Audits of all of these programs for the year ended August 31, 2020, have not been conducted. Accordingly, the District's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

**J. DEFINED BENEFIT PENSION PLAN**

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

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

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

**Benefits Provided.** TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension benefits are established or amended under the authority of the Texas Constitution, Article XVI, Section 67 and by the Legislature in the Texas Government Code, Title 8, Subtitle C. The Board of Trustees does not have the authority to establish or amend benefits. State law requires the plan to be actuarially sound in order for the legislature to consider a benefit enhancement, such as supplemental payment to the retirees. In May 2019, the 86th Texas legislature approved the TRS Pension Reform Bill (SB12) that provides for gradual contribution increases from the state, participating employers, and active employees to make the pension fund actuarially sound. These increases immediately made the pension fund actuarially sound and the legislature approved funding for a 13th check. All eligible members retired as of December 31, 2018 received an extra annuity check in September 2019 in either the matching amount of their monthly annuity payment of \$2,000, whichever was less.

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

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Employee contribution rates are set in state statute, Texas Government Code 825.402. Senate Bill 1458 of the 83rd Texas Legislature amended Texas Government Code 825.402 for member contributions and established employee contribution rates for fiscal years 2014 thru 2017. The 85th Texas Legislature, General Appropriations Act (GAA) affirmed that the employer contribution rates for fiscal years 2018 and 2019 would remain the same. SB12 in the 86th Legislature set higher contribution rates for FY 2020 and FY 2021. Beginning September 1, 2019, all employers are required to pay the Public Education Employer contribution of 1.5%. This "surcharge" was previously only charged to employers not participating in social security. Contribution Rates can be found in the TRS 2019 CAFR, Note 11, on page 76.

<b>Contribution Rates</b>		
	<b><u>2019</u></b>	<b><u>2020</u></b>
Member	7.7%	7.5%
Non-Employer Contributing Entity (State)	6.8%	7.5%
Employers	6.8%	7.5%
Current fiscal year employer contributions		\$ 3,530,765
Current fiscal year member contributions		8,137,041
2019 NECE On-behalf Contributions		5,152,976

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

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

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

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.
- Employers must contribute 1.5% of the member's salary ("Public Education Employer Surcharge").

***Actuarial Assumptions.***

**Roll Forward** - A change was made in the measurement date of the total pension liability for the 2019 measurement year. The actuarial valuation was performed as of August 31, 2018. Update procedures were used to roll forward the total pension liability to August 31, 2019.

DONNA INDEPENDENT SCHOOL DISTRICT  
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The total pension liability is determined by an annual actuarial valuation. The actuarial methods and assumptions were selected by the Board of Trustees based upon analysis and recommendations by the System's actuary. The Board of Trustees has sole authority to determine the actuarial assumptions used for the Plan. The actuarial methods and assumptions were primarily based on a study of actual experience for the three-year period ending August 31, 2018 and were adopted in July 2018.

The active mortality rates were based on 90 percent of the RP 2014 Employee Mortality Tables for males and females. The post-retirement mortality rates were based on the 2018 TRS of Texas Healthy Pensioner Mortality Tables.

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

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

The actuarial methods and assumptions used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2018. For a full description of these assumptions please see the TRS actuarial valuation report date November 9, 2018.

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**Discount Rate.** The single discount rate used to measure the total pension liability was 7.25%. 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 discount rate assumed that contributions from active members, employers and the non-employer contributing entity will be made at the statutorily required rates set by the Legislature during the 2019 legislative session. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payment of current plan members.

	Target	New Target	Long-Term Expected Geometric Real Rate
U.S.	18.00%	18.00%	6.40%
Non-U.S. Developed	13.00%	13.00%	6.30%
Emerging Markets	9.00%	9.00%	7.30%
Directional Hedge Funds	4.00%	0.00%	0.00%
Private Equity	13.00%	14.00%	8.40%
Stable Value			
U.S. Treasuries****	11.00%	16.00%	3.10%
Stable Value Hedge Funds	4.00%	5.00%	4.50%
Stable Value Hedge Funds	0.00%	0.00%	0.00%
Cash	0.00%	0.00%	0.00%
Real Return			
Global Inflation Linked Bonds****	3.00%	0.00%	0.00%
Real Assets	14.00%	15.00%	8.50%
Energy and Natural Resources and Infrastructure	5.00%	6.00%	7.30%
Risk Parity			
Risk Parity	5.00%	8.00%	5.8%/6.5 *****
Asset Allocation Leverage Cash	1%	2.0%	2.50%
Asset Allocation Leverage	0%	-6.0%	2.70%
Total	<u>100%</u>		
Expected Return			<u>7.23%</u>

\* FY 2019 Target Allocations are based on the Strategic Asset Allocation dated 10/01/2018

\*\* New target allocation based on the Strategic Asset Allocation dated 10/1/2019

\*\*\* 10-Year annualized geometric nominal returns include the real rate of return and inflation of 2.1%

\*\*\*\* New Target Allocation groups Government Bonds within the stable value allocation. This includes global sovereign nominal and inflation-linked bonds

\*\*\*\*\* 5.8% (6.5%) return expectation corresponds to Risk Parity with a 10% (12%) target volatility

DONNA INDEPENDENT SCHOOL DISTRICT  
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**Discount Rate Sensitivity Analysis.** The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (7.25%) in measuring the Net Pension Liability. The discount rate can be found in the 2019 TRS CAFR, Note 11, page 77.

	1% Decrease in Discount Rate (6.25%)	Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
Proportionate share of the net pension liability:	\$ 72,528,470	\$ 47,183,875	\$ 26,649,861

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.** At August 31, 2020, the District reported a liability of \$47,183,875 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	\$ 47,183,875
State's proportionate share that is associated with the District	<u>76,534,258</u>
Total	<u>\$ 123,718,133</u>

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

At August 31, 2019 the employer’s proportion of the collective net pension liability was 0.0907676744%, which was a decrease of -0.0035249808% from its proportion measured as of August 31, 2018.

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

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

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

For the year ended August 31, 2020, the District recognized pension expense of \$21,063,343 and revenue of \$12,022,454 for support provided by the State in the Government Wide Statement of Activities.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experiences	\$ 198,214	\$ 1,638,299
Changes in actuarial assumptions	14,638,755	6,049,426
Differences between projected and actual investment earnings	473,781	-
Changes in proportion and differences between the employer's contributions and the proportionate share of contributions	2,216,226	1,971,070
Contributions paid to TRS subsequent to the measurement date	3,530,765	-
Total as fiscal year-end	<u>\$ 21,057,741</u>	<u>\$ 9,658,795</u>

The net amounts of the employer's balances of deferred outflows and inflows (not including the deferred contribution paid subsequent to the measurement date) of resources related to pensions will be recognized in pension expense as follows:

Year ended August 31,	Pension Expense Amount
2021	\$ 2,143,464
2022	1,590,585
2023	2,085,264
2024	2,048,175
2025	511,273
Thereafter	(510,580)

**K. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS**

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

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

**Benefits Provided.** TRS-Care provides health insurance coverage to retirees from public schools, charter schools, regional education service centers and other educational districts who are members of the TRS pension system. Eligible non-Medicare retirees and their dependents may pay premiums to participate in the high-deductible health plans. 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.

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The General Appropriations Act passed by the 86th Legislature included funding to maintain TRS Care premiums at their current level through 2021. The 86th legislature also passed SB 1682 which requires TRS to establish a contingency reserve in the TRS-Care fund equal to 60 days of expenditures. The premium rates for retirees are presented in the following table:

TRS-Care Monthly Premium Rates		
	<u>Medicare</u>	<u>Non-Medicare</u>
Retiree or Surviving Spouse	\$135	\$200
Retiree and Spouse	529	689
Retiree or Surviving Spouse and Children	468	408
Retiree and Family	1,020	999

**Contributions.** Contribution rates for the TRS-Care plan are established in state statute by the Texas Legislature, and there is no continuing obligation to provide benefits beyond each fiscal year. The TRS-Care plan is currently funded on a pay-as-you-go basis and is subject to change based on available funding. Funding for TRS-Care is provided by retiree premium contributions and contributions from the state, active employees, and participating employers based on active employee compensation. 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 .65% of salary. Section 1575.204 establishes a public school contribution rate of not less than 0.25 percent or not more than 0.75 percent of the salary of each active employee of the employer. The actual public school contribution rate is prescribed by the Legislature in the General Appropriations Act which is 0.75% of each active employee's pay for fiscal year 2019. The following table shows contributions to the TRS-Care plan by type of contributor.

<b><u>Contribution Rates</u></b>		
	<u>2019</u>	<u>2020</u>
Member	0.65%	0.65%
Non-Employer Contributing Entity (State)	1.25%	1.25%
Employers	0.75%	0.75%
Federal/Private Funding Remitted by Employers	1.25%	1.25%
Current fiscal year employer contributions		\$ 936,799
Current fiscal year member contributions		687,077
2018 measurement year NECE on-behalf contributions		1,246,954

In addition to the employer contributions listed above, there is an additional surcharge all TRS employers are subject to (regardless of whether or not they participate in the TRS Care OPEB program). When employers hire a TRS retiree, they are required to pay to TRS-Care, a monthly surcharge of \$535 per retiree. TRS-Care received supplemental appropriations from the State of Texas as the Non-Employer Contributing Entity in the amount of \$73.6 million in fiscal year 2019.

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

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

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

Additional Actuarial Methods and Assumptions:

Valuation Date	August 31, 2018 Rolled Forward to August 31, 2019
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Single Discount Rate	2.63% as of August 31, 2019
Aging Factors	Based on Plan Specific Experience
Election Rates	Normal Retirement: 65% participation prior to age 65 and 50% after age 65. 25% of pre-65 retirees are assumed to discontinue coverage at age 65.
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
Projected Salary Increases	3.05% - 9.05%
Ad-hoc Post Employment Benefit Changes	None

The impact of the Cadillac Tax that is returning in fiscal year 2023, has been calculated as a portion of the trend assumption. Assumptions and methods used to determine the impact of the Cadillac Tax include:

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

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

**Discount Rate.** A single discount rate of 2.63% was used to measure the total OPEB liability. There was a decrease of 1.06 percent in the discount rate since the previous year. The Discount Rate can be found in the 2019 TRS CAFR on page 70. Because the plan is essentially a "pay-as-you-go" plan, the single discount rate is equal to the prevailing municipal bond rate. The projection of cash flows used to determine the discount rate assumed that contributions from active members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, the municipal bond rate was applied to all periods of projected benefit payments to determine the total OPEB liability.



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**Discount Rate Sensitivity Analysis.** The following schedule shows the impact of the Net OPEB Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (2.63%) in measuring the Net OPEB Liability.

	1% Decrease in Discount Rate (1.63%)	Discount Rate (2.63%)	1% Increase in Discount Rate (3.63%)
Proportionate share of the net OPEB liability:	\$ 75,498,589	\$ 62,533,988	\$ 52,391,769

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

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Proportionate share of the net OPEB liability:	\$ 51,013,034	\$ 62,533,988	\$ 77,966,776

**OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs.** At August 31, 2020, the District reported a liability of \$62,533,988 for its proportionate share of the TRS's Net OPEB Liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the Net OPEB liability, the related State support, and the total portion of the Net OPEB liability that was associated with the District were as follows:

District's proportionate share of the collective net OPEB liability	\$ 62,533,988
State's proportionate share that is associated with the District	<u>83,093,682</u>
Total	<u>\$ 145,627,670</u>

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

At August 31, 2019 the employer's proportion of the collective Net OPEB liability was 0.1322316943% which was a decrease of -0.0016321223% from its proportion measured as of August 31, 2018.

**Changes in Actuarial Assumptions 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.

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

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

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

**Changes in Benefit Terms:** There were no changes in benefit terms since the prior measurement date.

For the year ended August 31, 2020, the District recognized OPEB expense of \$3,572,285 and revenue of \$2,190,008 for support provided by the State.

At August 31, 2020, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows or resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experiences	\$ 3,067,824.00	\$ 10,233,024
Changes in actuarial assumptions	3,473,275	16,820,108
Differences between projected and actual investment earnings	6,746	-
Changes in proportion and differences between the employer's contributions and the proportionate share of contributions	200	2,406,165
Contributions paid to TRS subsequent to the measurement date	936,799	-
Total as of fiscal year-end	\$ 7,484,844	\$ 29,459,297

The net amounts of the employer's balances of deferred outflows and inflows (not including the deferred contribution paid subsequent to the measurement date) of resources related to OPEBs will be recognized in OPEB expense as follows:

Year ended August 31,	OPEB Expense Amount
2021	\$ (3,776,265)
2022	(3,776,265)
2023	(3,778,449)
2024	(3,779,698)
2025	(3,779,356)
Thereafter	(4,021,219)

DONNA INDEPENDENT SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED AUGUST 31, 2020

**L. RISK MANAGEMENT**

**Health Care Coverage**

The District provides the employees with a health insurance plan. As a self-insured program, premiums of \$505 per month are paid by the District per employee; and employees, at their option authorized payroll withholdings to pay premiums for dependents. The plan was authorized by Article 21.922, Texas Education Code, and was documented by contractual agreement.

**Claims Liabilities**

The claims for health and dental insurance liability reported in the Internal Service Fund at August 31, 2020 is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date the financial statements and the amount of the loss can be reasonably estimated.

Balances related to health and dental insurance are below:

	<u>Health and Dental</u>
Beginning of Fiscal Year Claims Liability	\$ 457,112
Current Year Claims and Charges in Estimates	383,279
End of Fiscal Year Claims Liability	\$ 840,391

**Worker's Compensation Coverage**

District's workers' compensation plan is administered by an independent claims administrator who reviews and processes all workers' compensation claims. The District pays each month an amount equal to the actual paid losses plus a fee based on the number of claimants. The District has in place specific stop loss coverage of \$450 for any one accident or occurrence up to a maximum limit of \$ 1,000,000.

	<u>Workers' Compensation</u>
Claims Payables Beginning of Year	\$ 1,134,000
Current Year Claims and Changes in Estimates	5,647,000
Claims Payments Net of Stop Loss	(5,882,000)
Claims Payable End of Year	\$ 899,000

**M. CONSTRUCTION COMMITMENTS**

At August 31, 2020, the District had no construction commitments.

**N. UNEARNED REVENUE**

Unearned revenue at year-end consisted of the following:

Advance on Donations	\$ 449,621
Refundable Advances	135,920
Total	\$ 585,541

DONNA INDEPENDENT SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED AUGUST 31, 2020

**O. USE OF ESTIMATES IN THE PREPARATION OF FINANCIAL STATEMENTS**

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

**P. SHARED SERVICES AGREEMENTS**

The District is a member in a Shared Service Arrangement (SSA), with McAllen ISD, which provides deaf education services to district members whose students are enrolled in the Regional Day School Program for the Deaf. According to the SSA agreement, costs incurred by the SSA shall be divided among the members districts in proportion to the number of students of each member district attending the Regional Day School Program. As of August 31, 2020, expenditures allocated to Donna ISD are in the amount of \$327,000.

**Q. GENERAL FUND FEDERAL SOURCE REVENUES**

Federally financed programs are generally accounted for in the Special Revenue Funds of the District, except for indirect costs charged to federal programs which are accounted for in the General Fund as prescribed by TEA and certain direct revenues. The District recognized in the General Fund such revenues for the year ended August 31, 2020 from various federal sources as follows:

	CFDA	Amount
National School Lunch/Breakfast	10.555/ 10.553	\$ 10,249,784
Commodity Supplemental Food Program	10.555	774,640
Fresh Fruit and Vegetable Program	10.582	317,142
R.O.T.C. Program	12	65,968
Medicaid	Not Applicable	1,946,302
Indirect Cost Revenue Various Federal Programs	Various	1,148,500
E-Rate Infrastructure	Not Applicable	192,112
		\$ 14,694,448

**REQUIRED SUPPLEMENTARY  
INFORMATION**

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

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
<b>REVENUES:</b>				
5700 Total Local and Intermediate Sources	\$ 18,043,264	\$ 18,113,076	\$ 17,176,240	\$ (936,836)
5800 State Program Revenues	132,863,950	127,829,932	124,908,677	(2,921,255)
5900 Federal Program Revenues	16,691,856	14,933,710	14,694,448	(239,262)
5020 Total Revenues	167,599,070	160,876,718	156,779,365	(4,097,353)
<b>EXPENDITURES:</b>				
Current:				
0011 Instruction	84,567,482	85,834,776	79,069,589	6,765,187
0012 Instructional Resources and Media Services	1,769,505	1,816,528	1,698,086	118,442
0013 Curriculum and Instructional Staff Development	2,306,978	2,623,483	2,545,643	77,840
0021 Instructional Leadership	1,707,862	1,794,361	1,687,000	107,361
0023 School Leadership	7,822,644	7,458,485	6,925,079	533,406
0031 Guidance, Counseling, and Evaluation Services	5,723,524	5,493,585	5,101,129	392,456
0032 Social Work Services	922,681	926,848	791,659	135,189
0033 Health Services	1,885,905	1,892,370	1,516,855	375,515
0034 Student (Pupil) Transportation	6,338,954	6,105,519	5,277,558	827,961
0035 Food Services	12,391,990	13,761,874	13,122,405	639,469
0036 Extracurricular Activities	6,608,543	6,656,230	5,901,159	755,071
0041 General Administration	5,912,209	5,610,224	4,672,566	937,658
0051 Facilities Maintenance and Operations	18,969,962	17,709,154	15,016,301	2,692,853
0052 Security and Monitoring Services	3,060,938	3,117,658	2,823,651	294,007
0053 Data Processing Services	3,133,131	3,151,521	2,433,749	717,772
0061 Community Services	203,704	223,765	184,898	38,867
Debt Service:				
0071 Principal on Long-Term Debt	1,273,616	1,273,616	1,273,614	2
0072 Interest on Long-Term Debt	182,058	182,058	182,056	2
0073 Bond Issuance Cost and Fees	-	3,000	281	2,719
Capital Outlay:				
0081 Facilities Acquisition and Construction	550,000	740,337	641,375	98,962
Intergovernmental:				
0095 Payments to Juvenile Justice Alternative Ed. Prg.	113,760	113,760	19,350	94,410
0099 Other Intergovernmental Charges	261,500	268,500	263,848	4,652
6030 Total Expenditures	165,706,946	166,757,652	151,147,851	15,609,801
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	1,892,124	(5,880,934)	5,631,514	11,512,448
<b>OTHER FINANCING SOURCES (USES):</b>				
7912 Sale of Real and Personal Property	-	13,243	15,421	2,178
7913 Capital Leases	-	1,454,961	1,454,960	(1)
8911 Transfers Out (Use)	-	(3,000,000)	(6,000,000)	(3,000,000)
7080 Total Other Financing Sources (Uses)	-	(1,531,796)	(4,529,619)	(2,997,823)
1200 Net Change in Fund Balances	1,892,124	(7,412,730)	1,101,895	8,514,625
0100 Fund Balance - September 1 (Beginning)	55,749,630	55,749,631	55,749,631	-
3000 Fund Balance - August 31 (Ending)	\$ 57,641,754	\$ 48,336,901	\$ 56,851,526	\$ 8,514,625

DONNA INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
TEACHER RETIREMENT SYSTEM OF TEXAS  
FOR THE YEAR ENDED AUGUST 31, 2020

	FY 2020 Plan Year 2019	FY 2019 Plan Year 2018	FY 2018 Plan Year 2017
District's Proportion of the Net Pension Liability (Asset)	0.090767674%	0.094292655%	0.095855167%
District's Proportionate Share of Net Pension Liability (Asset)	\$ 47,183,875	\$ 51,900,966	\$ 30,649,319
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	76,534,258	83,764,239	54,803,422
Total	<u>\$ 123,718,133</u>	<u>\$ 135,665,205</u>	<u>\$ 85,452,741</u>
District's Covered Payroll	\$ 102,598,751	\$ 104,839,529	\$ 108,113,665
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	45.99%	49.51%	28.35%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.24%	73.74%	82.17%

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

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

FY 2017 Plan Year 2016	FY 2016 Plan Year 2015	FY 2015 Plan Year 2014
0.097353211%	0.1024154%	0.0723063%
\$ 36,788,331	\$ 36,202,481	\$ 19,314,013
65,026,422	61,977,021	51,381,407
<u>\$ 101,814,753</u>	<u>\$ 98,179,502</u>	<u>\$ 70,695,420</u>
\$ 104,845,274	\$ 101,375,603	\$ 97,802,467
35.09%	35.71%	19.75%
78.00%	78.43%	83.25%



DONNA INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR PENSIONS  
TEACHER RETIREMENT SYSTEM OF TEXAS  
FOR FISCAL YEAR 2020

	2020	2019	2018
Contractually Required Contribution	\$ 3,530,765	\$ 3,118,532	\$ 3,212,214
Contribution in Relation to the Contractually Required Contribution	(3,530,765)	(3,118,532)	(3,212,214)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 106,877,657	\$ 102,598,751	\$ 103,963,924
Contributions as a Percentage of Covered Payroll	3.30%	3.04%	3.09%

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

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

	2017	2016	2015
\$	3,141,617	\$ 3,092,157	\$ 3,032,563
	(3,141,617)	(3,092,157)	(3,032,563)
\$	-	\$ -	\$ -
\$	108,113,665	\$ 104,845,274	\$ 101,375,603
	2.91%	2.95%	2.99%

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

	FY 2020 Plan Year 2019	FY 2019 Plan Year 2018	FY 2018 Plan Year 2017
District's Proportion of the Net Liability (Asset) for Other Postemployment Benefits	0.132231694%	0.133863817%	0.136987973%
District's Proportionate Share of Net OPEB Liability (Asset)	\$ 62,533,988	\$ 66,839,429	\$ 59,570,930
State's Proportionate Share of the Net OPEB Liability (Asset) Associated with the District	83,093,682	83,535,495	80,357,296
Total	<u>\$ 145,627,670</u>	<u>\$ 150,374,924</u>	<u>\$ 139,928,226</u>
District's Covered Payroll	\$ 102,598,751	\$ 104,839,529	\$ 108,113,665
District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	60.95%	63.75%	55.10%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	2.66%	1.57%	0.91%

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

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

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

	2020	2019	2018
Contractually Required Contribution	\$ 936,799	\$ 954,176	\$ 905,509
Contribution in Relation to the Contractually Required Contribution	(936,799)	(954,176)	(905,509)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 106,877,657	\$ 102,598,751	\$ 103,963,924
Contributions as a Percentage of Covered Payroll	0.88%	0.93%	0.87%

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

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

## **COMBINING AND OTHER STATEMENTS**

DONNA INDEPENDENT SCHOOL DISTRICT  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 AUGUST 31, 2020

Data Control Codes	206 ESEA Title X, Pt.C Homeless	212 ESEA Title I Part C Migrant	224 IDEA - Part B Formula	225 IDEA - Part B Preschool
<b>ASSETS</b>				
1110 Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ 1,875
1240 Due from Other Governments	4,609	137,713	222,087	1,619
1290 Other Receivables	-	-	-	841
1000 Total Assets	<u>\$ 4,609</u>	<u>\$ 137,713</u>	<u>\$ 222,087</u>	<u>\$ 4,335</u>
<b>LIABILITIES</b>				
2110 Accounts Payable	\$ -	\$ 13,030	\$ -	\$ -
2160 Accrued Wages Payable	304	13,808	15,899	-
2170 Due to Other Funds	4,305	86,934	205,930	-
2180 Due to Other Governments	-	23,941	258	4,335
2300 Unearned Revenue	-	-	-	-
2000 Total Liabilities	<u>4,609</u>	<u>137,713</u>	<u>222,087</u>	<u>4,335</u>
<b>FUND BALANCES</b>				
Restricted Fund Balance:				
3450 Federal or State Funds Grant Restriction	-	-	-	-
3000 Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000 Total Liabilities and Fund Balances	<u>\$ 4,609</u>	<u>\$ 137,713</u>	<u>\$ 222,087</u>	<u>\$ 4,335</u>

226 IDEA - Part B Discretionary	244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	263 Title III, A English Lang. Acquisition	265 Title IV, B Community Learning	274 GEAR UP	276 Title I - SIP Academy Grant	287 Education Jobs Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 760	\$ -	\$ 549
3,775	-	77,672	76,553	142,991	77,062	75,416	104,016
-	1,008	-	-	29,075	-	-	-
<u>\$ 3,775</u>	<u>\$ 1,008</u>	<u>\$ 77,672</u>	<u>\$ 76,553</u>	<u>\$ 172,066</u>	<u>\$ 77,822</u>	<u>\$ 75,416</u>	<u>\$ 104,565</u>
\$ -	\$ -	\$ 41	\$ -	\$ 70,581	\$ 2,623	\$ 8,154	\$ -
-	-	28,800	12,512	-	24,379	8,015	2,475
3,775	1,008	48,831	58,213	101,485	50,820	59,247	102,090
-	-	-	5,828	-	-	-	-
-	-	-	-	-	-	-	-
<u>3,775</u>	<u>1,008</u>	<u>77,672</u>	<u>76,553</u>	<u>172,066</u>	<u>77,822</u>	<u>75,416</u>	<u>104,565</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 3,775</u>	<u>\$ 1,008</u>	<u>\$ 77,672</u>	<u>\$ 76,553</u>	<u>\$ 172,066</u>	<u>\$ 77,822</u>	<u>\$ 75,416</u>	<u>\$ 104,565</u>

DONNA INDEPENDENT SCHOOL DISTRICT  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 AUGUST 31, 2020

Data Control Codes	289 Other Federal Special Revenue Funds	386 Regional Day School for the Deaf	397 Advanced Placement Incentives	410 State Instructional Materials	
<b>ASSETS</b>					
1110	Cash and Cash Equivalents	\$ -	\$ -	\$ 164	\$ 330,835
1240	Due from Other Governments	310,975	-	-	390
1290	Other Receivables	-	-	-	-
1000	Total Assets	<u>\$ 310,975</u>	<u>\$ -</u>	<u>\$ 164</u>	<u>\$ 331,225</u>
<b>LIABILITIES</b>					
2110	Accounts Payable	\$ 32,083	\$ 301	\$ -	\$ -
2160	Accrued Wages Payable	-	-	-	-
2170	Due to Other Funds	278,892	(301)	-	-
2180	Due to Other Governments	-	-	-	-
2300	Unearned Revenue	-	-	-	331,225
2000	Total Liabilities	<u>310,975</u>	<u>-</u>	<u>-</u>	<u>331,225</u>
<b>FUND BALANCES</b>					
Restricted Fund Balance:					
3450	Federal or State Funds Grant Restriction	-	-	164	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>164</u>	<u>-</u>
4000	Total Liabilities and Fund Balances	<u>\$ 310,975</u>	<u>\$ -</u>	<u>\$ 164</u>	<u>\$ 331,225</u>



429 Other State Special Revenue Funds	480 Aetna Foundation Fund	482 Latchkey Program Fund	483 Children's Defense Fund	484 CCMS Day Care Fund	488 Private Mini Grants	489 Verizon Innovative Project Fund	490 TWC JET Grant
\$ 119,270	\$ 1,613	\$ 26,175	\$ 3,909	\$ 156,014	\$ 3,338	\$ 5,237	\$ -
-	-	-	-	-	-	-	28,406
-	-	-	-	-	-	-	-
<u>\$ 119,270</u>	<u>\$ 1,613</u>	<u>\$ 26,175</u>	<u>\$ 3,909</u>	<u>\$ 156,014</u>	<u>\$ 3,338</u>	<u>\$ 5,237</u>	<u>\$ 28,406</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 950	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	10,302
-	-	-	-	-	-	-	-
118,395	1,613	12,770	3,909	106,779	1,305	4,287	-
<u>118,395</u>	<u>1,613</u>	<u>12,770</u>	<u>3,909</u>	<u>106,779</u>	<u>1,305</u>	<u>5,237</u>	<u>10,302</u>
875	-	13,405	-	49,235	2,033	-	18,104
<u>875</u>	<u>-</u>	<u>13,405</u>	<u>-</u>	<u>49,235</u>	<u>2,033</u>	<u>-</u>	<u>18,104</u>
<u>\$ 119,270</u>	<u>\$ 1,613</u>	<u>\$ 26,175</u>	<u>\$ 3,909</u>	<u>\$ 156,014</u>	<u>\$ 3,338</u>	<u>\$ 5,237</u>	<u>\$ 28,406</u>

DONNA INDEPENDENT SCHOOL DISTRICT  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 AUGUST 31, 2020

Data Control Codes	499 Other Local Special Revenue Funds	Total Nonmajor Governmental Funds
<b>ASSETS</b>		
1110 Cash and Cash Equivalents	\$ 5,258	\$ 654,997
1240 Due from Other Governments	-	1,263,284
1290 Other Receivables	-	30,924
1000 Total Assets	<u>\$ 5,258</u>	<u>\$ 1,949,205</u>
<b>LIABILITIES</b>		
2110 Accounts Payable	\$ -	\$ 127,763
2160 Accrued Wages Payable	-	106,192
2170 Due to Other Funds	-	1,011,531
2180 Due to Other Governments	-	34,362
2300 Unearned Revenue	5,258	585,541
2000 Total Liabilities	<u>5,258</u>	<u>1,865,389</u>
<b>FUND BALANCES</b>		
Restricted Fund Balance:		
3450 Federal or State Funds Grant Restriction	-	83,816
3000 Total Fund Balances	<u>-</u>	<u>83,816</u>
4000 Total Liabilities and Fund Balances	<u>\$ 5,258</u>	<u>\$ 1,949,205</u>

DONNA INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED AUGUST 31, 2020

Data Control Codes	206 ESEA Title X, Pt.C Homeless	212 ESEA Title I Part C Migrant	224 IDEA - Part B Formula	225 IDEA - Part B Preschool
<b>REVENUES:</b>				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800 State Program Revenues	-	-	-	-
5900 Federal Program Revenues	80,874	1,477,913	2,363,278	29,457
5020 Total Revenues	80,874	1,477,913	2,363,278	29,457
<b>EXPENDITURES:</b>				
Current:				
0011 Instruction	-	854,724	2,117,383	29,457
0012 Instructional Resources and Media Services	-	-	-	-
0013 Curriculum and Instructional Staff Development	-	-	-	-
0021 Instructional Leadership	-	257,450	-	-
0023 School Leadership	-	-	-	-
0031 Guidance, Counseling, and Evaluation Services	-	80,811	245,895	-
0032 Social Work Services	80,874	77,519	-	-
0041 General Administration	-	-	-	-
0052 Security and Monitoring Services	-	-	-	-
0061 Community Services	-	207,409	-	-
6030 Total Expenditures	80,874	1,477,913	2,363,278	29,457
1200 Net Change in Fund Balance	-	-	-	-
0100 Fund Balance - September 1 (Beginning)	-	-	-	-
3000 Fund Balance - August 31 (Ending)	\$ -	\$ -	\$ -	\$ -

226 IDEA - Part B Discretionary	244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	263 Title III, A English Lang. Acquisition	265 Title IV, B Community Learning	274 GEAR UP	276 Title I - SIP Academy Grant	287 Education Jobs Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	205,383	759,082	538,837	826,325	166,153	1,212,543	290,762
-	205,383	759,082	538,837	826,325	166,153	1,212,543	290,762
-	123,886	22,786	231,153	684,601	165,746	1,198,337	-
-	-	-	-	-	-	-	-
-	-	704,783	57,430	1,365	407	5,191	290,762
-	-	1,206	207,982	140,359	-	-	-
-	-	30,007	-	-	-	9,015	-
-	81,497	300	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	42,272	-	-	-	-
-	205,383	759,082	538,837	826,325	166,153	1,212,543	290,762
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

DONNA INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED AUGUST 31, 2020

Data Control Codes	289 Other Federal Special Revenue Funds	386 Regional Day School for the Deaf	397 Advanced Placement Incentives	410 State Instructional Materials
<b>REVENUES:</b>				
5700 Total Local and Intermediate Sources	\$ -	\$ 301	\$ -	\$ -
5800 State Program Revenues	-	-	164	1,423,631
5900 Federal Program Revenues	735,713	-	-	-
5020 Total Revenues	735,713	301	164	1,423,631
<b>EXPENDITURES:</b>				
Current:				
0011 Instruction	414,809	-	-	1,417,192
0012 Instructional Resources and Media Services	-	-	-	-
0013 Curriculum and Instructional Staff Development	1,250	-	-	-
0021 Instructional Leadership	-	-	-	-
0023 School Leadership	-	-	-	-
0031 Guidance, Counseling, and Evaluation Services	32,258	-	-	-
0032 Social Work Services	-	-	-	-
0041 General Administration	-	-	-	6,439
0052 Security and Monitoring Services	287,396	-	-	-
0061 Community Services	-	-	-	-
6030 Total Expenditures	735,713	-	-	1,423,631
1200 Net Change in Fund Balance	-	301	164	-
0100 Fund Balance - September 1 (Beginning)	-	(301)	-	-
3000 Fund Balance - August 31 (Ending)	\$ -	\$ -	\$ 164	\$ -

429 Other State Special Revenue Funds	480 Aetna Foundation Fund	482 Latchkey Program Fund	483 Children's Defense Fund	484 CCMS Day Care Fund	488 Private Mini Grants	489 Verizon Innovative Project Fund	490 TWC JET Grant
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,235	\$ 16,218	\$ -
137,205	-	-	-	14,389	-	-	18,104
-	-	-	-	-	-	-	-
137,205	-	-	-	14,389	9,235	16,218	18,104
8,050	-	-	-	-	2,911	16,218	-
-	-	-	-	-	4,291	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,706	-	-	-	-	-	-	-
127,449	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
137,205	-	-	-	-	7,202	16,218	-
-	-	-	-	14,389	2,033	-	18,104
875	-	13,405	-	34,846	-	-	-
\$ 875	\$ -	\$ 13,405	\$ -	\$ 49,235	\$ 2,033	\$ -	\$ 18,104

DONNA INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED AUGUST 31, 2020

Data Control Codes	499 Other Local Special Revenue Funds	Total Nonmajor Governmental Funds
<b>REVENUES:</b>		
5700 Total Local and Intermediate Sources	\$ -	\$ 25,754
5800 State Program Revenues	-	1,593,493
5900 Federal Program Revenues	-	8,686,320
5020 Total Revenues	-	10,305,567
<b>EXPENDITURES:</b>		
Current:		
0011 Instruction	-	7,287,253
0012 Instructional Resources and Media Services	-	4,291
0013 Curriculum and Instructional Staff Development	-	1,061,188
0021 Instructional Leadership	-	606,997
0023 School Leadership	-	39,022
0031 Guidance, Counseling, and Evaluation Services	-	440,761
0032 Social Work Services	-	158,393
0041 General Administration	-	8,145
0052 Security and Monitoring Services	-	414,845
0061 Community Services	-	249,681
6030 Total Expenditures	-	10,270,576
1200 Net Change in Fund Balance	-	34,991
0100 Fund Balance - September 1 (Beginning)	-	48,825
3000 Fund Balance - August 31 (Ending)	\$ -	\$ 83,816

DONNA INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF NET POSITION  
 INTERNAL SERVICE FUNDS  
 AUGUST 31, 2020

	752	753	754	771	Total
	Print Shop	Insurance	Computer Operations	Workers' Compensation Fund	Internal Service Funds
<b>ASSETS</b>					
Current Assets:					
Cash and Cash Equivalents	\$ 69,246	\$ 85,260	\$ 468,343	\$ 133,471	\$ 756,320
Investments - Current	-	642,615	-	400,569	1,043,184
Due from Other Funds	-	1,807,678	-	1,704,937	3,512,615
Total Assets	<u>69,246</u>	<u>2,535,553</u>	<u>468,343</u>	<u>2,238,977</u>	<u>5,312,119</u>
<b>LIABILITIES</b>					
Current Liabilities:					
Accounts Payable	-	240,960	-	95,610	336,570
Accrued Expenses	-	840,391	-	899,000	1,739,391
Total Liabilities	<u>-</u>	<u>1,081,351</u>	<u>-</u>	<u>994,610</u>	<u>2,075,961</u>
<b>NET POSITION</b>					
Unrestricted Net Position	<u>\$ 69,246</u>	<u>\$ 1,454,202</u>	<u>\$ 468,343</u>	<u>\$ 1,244,367</u>	<u>\$ 3,236,158</u>
Total Net Position	<u>\$ 69,246</u>	<u>\$ 1,454,202</u>	<u>\$ 468,343</u>	<u>\$ 1,244,367</u>	<u>\$ 3,236,158</u>



DONNA INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
 INTERNAL SERVICE FUNDS  
 FOR THE YEAR ENDED AUGUST 31, 2020

	752	753	754	771	Total
	Print Shop	Insurance	Computer Operations	Workers' Compensation Fund	Internal Service Funds
<b>OPERATING REVENUES:</b>					
Local and Intermediate Sources	\$ -	\$ 15,961,956	\$ 7,715	\$ 1,379,895	\$ 17,349,566
Total Operating Revenues	<u>-</u>	<u>15,961,956</u>	<u>7,715</u>	<u>1,379,895</u>	<u>17,349,566</u>
<b>OPERATING EXPENSES:</b>					
Professional and Contracted Services	-	55,000	-	739,042	794,042
Other Operating Costs	-	14,940,505	-	-	14,940,505
Total Operating Expenses	<u>-</u>	<u>14,995,505</u>	<u>-</u>	<u>739,042</u>	<u>15,734,547</u>
Operating Income	-	966,451	7,715	640,853	1,615,019
Total Net Position - September 1 (Beginning)	<u>69,246</u>	<u>487,751</u>	<u>460,628</u>	<u>603,514</u>	<u>1,621,139</u>
Total Net Position - August 31 (Ending)	<u>\$ 69,246</u>	<u>\$ 1,454,202</u>	<u>\$ 468,343</u>	<u>\$ 1,244,367</u>	<u>\$ 3,236,158</u>

DONNA INDEPENDENT SCHOOL DISTRICT  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2020

	752	753	754	771	Total
	Print Shop	Insurance	Computer Operations	Workers' Compensation Fund	Internal Service Funds
<u>Cash Flows from Operating Activities:</u>					
Cash Received from User Charges	\$ -	\$ -	\$ 7,715	\$ -	\$ 7,715
Cash Received from Assessments - Other Funds	-	16,069,042	-	882,790	16,951,832
Cash Payments for Insurance Claims	-	(16,419,763)	-	995,552	(15,424,211)
Cash Payments for Suppliers	-	(151,064)	-	-	(151,064)
Net Cash Provided by (Used for) Operating Activities	-	(501,785)	7,715	1,878,342	1,384,272
<u>Cash Flows from Investing Activities:</u>					
Interest and Dividends on Investments	-	6,856	-	5,102	11,958
Net Increase (Decrease) in Cash and Cash Equivalents	-	(494,927)	7,715	(107,662)	(594,874)
Cash and Cash Equivalents at Beginning of Year	69,246	580,187	460,628	241,133	1,351,194
Cash and Cash Equivalents at End of Year	<u>\$ 69,246</u>	<u>\$ 85,260</u>	<u>\$ 468,343</u>	<u>\$ 133,471</u>	<u>\$ 756,320</u>
<u>Reconciliation of Operating Income to Net Cash</u>					
<u>Provided by (Used for) Operating Activities:</u>					
Operating Income:	\$ -	\$ 966,451	\$ 7,715	\$ 640,853	\$ 1,615,019
Effect of Increases and Decreases in Current Assets and Liabilities:					
Decrease (increase) in Receivables	-	3,102,551	-	(753,617)	2,348,934
Increase (decrease) in Accounts Payable	-	(1,364,218)	-	-	(1,364,218)
Increase (decrease) in Payables	-	(3,206,567)	-	-	(3,206,567)
Net Cash Provided by (Used for) Operating Activities	<u>\$ -</u>	<u>\$ (501,783)</u>	<u>\$ 7,715</u>	<u>\$ (112,764)</u>	<u>\$ (606,832)</u>

DONNA INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 ALL AGENCY FUNDS  
 FOR THE YEAR ENDED AUGUST 31, 2020

	BALANCE SEPTEMBER 1 2019	ADDITIONS	DEDUCTIONS	BALANCE AUGUST 31 2020
<b>AGENCY FUND FOR TEXTBOOK WAIVER REFUNDS</b>				
Assets:				
Cash and Temporary Investments	\$ 2,252	\$ -	\$ -	\$ 2,252
Liabilities:				
Due to Other Governments	\$ 2,252	\$ -	\$ -	\$ 2,252
<b>STUDENT ACTIVITY ACCOUNT</b>				
Assets:				
Cash and Temporary Investments	\$ 479,924	\$ 1,482,432	\$ 1,335,218	\$ 627,138
Due From Other Governments	87	840	927	-
Total Assets	\$ 480,011	\$ 1,483,272	\$ 1,336,145	\$ 627,138
Liabilities:				
Accounts Payable	\$ 18,223	\$ 572,959	\$ 575,841	\$ 15,341
Due to Other Funds	-	955	-	955
Due to Student Groups	461,788	737,337	588,283	610,842
Total Liabilities	\$ 480,011	\$ 1,311,251	\$ 1,164,124	\$ 627,138
<b>CAMPUS CHECKING ACCOUNT</b>				
Assets:				
Cash and Temporary Investments	\$ 13,632	\$ 128,422	\$ 110,154	\$ 31,900
Other Receivables	1,315	-	-	1,315
Total Assets	\$ 14,947	\$ 128,422	\$ 110,154	\$ 33,215
Liabilities:				
Accounts Payable	\$ 1,151	\$ 38,333	\$ 37,887	\$ 1,597
Due to Student Groups	13,796	58,426	40,604	31,618
Total Liabilities	\$ 14,947	\$ 96,759	\$ 78,491	\$ 33,215
<b>Library Fund</b>				
Assets:				
Cash and Temporary Investments	\$ 17,731	\$ 96,804	\$ 95,673	\$ 18,862
Liabilities:				
Due to Student Groups	\$ 17,731	\$ 44,238	\$ 43,107	\$ 18,862
<b>CAMPUS STAFF ACCOUNT</b>				
Assets:				
Cash and Temporary Investments	\$ 35,694	\$ 55,254	\$ 52,397	\$ 38,551
Liabilities:				
Accounts Payable	\$ 442	\$ 6,149	\$ 6,391	\$ 200
Due to Student Groups	35,252	9,448	6,349	38,351
Total Liabilities	\$ 35,694	\$ 15,597	\$ 12,740	\$ 38,551
<b>TOTAL AGENCY FUNDS</b>				
Assets:				
Cash and Temporary Investments	\$ 549,233	\$ 1,762,912	\$ 1,593,442	\$ 718,703
Due From Other Governments	87	840	927	-
Other Receivables	1,315	-	-	1,315

DONNA INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 ALL AGENCY FUNDS  
 FOR THE YEAR ENDED AUGUST 31, 2020

	BALANCE SEPTEMBER 1 2019	ADDITIONS	DEDUCTIONS	BALANCE AUGUST 31 2020
Total Assets	\$ 550,635	\$ 1,763,752	\$ 1,594,369	\$ 720,018
Liabilities:				
Accounts Payable	\$ 19,816	\$ 617,441	\$ 620,119	\$ 17,138
Due to Other Funds	-	955	-	955
Due to Other Governments	2,252	-	-	2,252
Due to Student Groups	528,567	849,449	678,343	699,673
Total Liabilities	\$ 550,635	\$ 1,467,845	\$ 1,298,462	\$ 720,018

DONNA INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF FIDUCIARY NET POSITION  
 PRIVATE PURPOSE TRUST FUNDS  
 AUGUST 31, 2020

	801 Fine Arts Scholarship Fund	802 REACH Scholarship Fund	804 Superintendent Scholarship Fund	806 Scholarship Fund
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 128	\$ 11,105	\$ 47,138	\$ 5,273
Total Assets	<u>\$ 128</u>	<u>\$ 11,105</u>	<u>\$ 47,138</u>	<u>\$ 5,273</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-
Due to Student Groups	128	11,105	47,138	5,273
Total Liabilities	<u>\$ 128</u>	<u>\$ 11,105</u>	<u>\$ 47,138</u>	<u>\$ 5,273</u>

807 Admin Scholarship Fund	808 School Board Scholarship Fund	809 Chisholm Festival Scholarship	Total Private Purpose Trust Funds
\$ 49,359	\$ -	\$ 1,500	\$ 114,503
\$ 49,359	\$ -	\$ 1,500	\$ 114,503
\$ -	\$ 500	\$ -	\$ 500
-	2,164	-	2,164
49,359	(2,664)	1,500	111,839
\$ 49,359	\$ -	\$ 1,500	\$ 114,503

## **T.E.A. REQUIRED SCHEDULES**

DONNA INDEPENDENT SCHOOL DISTRICT  
 SCHEDULE OF DELINQUENT TAXES RECEIVABLE  
 FISCAL YEAR ENDED AUGUST 31, 2020

Last 10 Years Ended August 31	(1)                      (2)		(3) Assessed/Appraised Value for School Tax Purposes
	Tax Rates		
	Maintenance	Debt Service	
2011 and prior years	Various	Various	\$ Various
2012	1.170000	0.088200	1,010,956,895
2013	1.170000	0.088200	1,021,676,581
2014	1.170000	0.088200	1,038,735,273
2015	1.170000	0.088200	1,157,884,013
2016	1.170000	0.088200	1,148,531,241
2017	1.170000	0.088200	1,236,680,522
2018	1.170000	0.088200	1,429,157,741
2019	1.170000	0.088200	1,457,278,404
2020 (School year under audit)	1.068400	0.158300	1,525,387,875
1000            TOTALS			



(10) Beginning Balance 9/1/2019	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 8/31/2020
\$ 1,178,797	\$ -	\$ 66,674	\$ 450	\$ (44,425)	\$ 1,067,248
131,661	-	9,553	720	(2,814)	118,574
135,954	-	9,782	737	(4,479)	120,956
141,155	-	11,751	886	(4,541)	123,977
173,377	-	24,789	1,869	14,912	161,631
236,916	-	52,040	3,923	6,192	187,145
370,042	-	96,491	7,274	11,928	278,205
638,485	-	165,150	12,450	(29,259)	431,626
1,261,993	-	457,670	34,501	(89,156)	680,666
-	18,330,703	14,745,539	2,184,780	(158,610)	1,241,774
<u>\$ 4,268,380</u>	<u>\$ 18,330,703</u>	<u>\$ 15,639,439</u>	<u>\$ 2,247,590</u>	<u>\$ (300,252)</u>	<u>\$ 4,411,802</u>

DONNA INDEPENDENT SCHOOL DISTRICT  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - CHILD NUTRITION PROGRAM  
 FOR THE YEAR ENDED AUGUST 31, 2020

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 289,134	\$ 289,134	\$ 161,828	\$ (127,306)
5800 State Program Revenues	61,000	61,000	50,864	(10,136)
5900 Federal Program Revenues	12,041,856	11,229,610	11,341,566	111,956
5020 Total Revenues	<u>12,391,990</u>	<u>11,579,744</u>	<u>11,554,258</u>	<u>(25,486)</u>
EXPENDITURES:				
Current:				
0035 Food Services	<u>12,391,990</u>	<u>13,761,874</u>	<u>13,122,405</u>	<u>639,469</u>
6030 Total Expenditures	<u>12,391,990</u>	<u>13,761,874</u>	<u>13,122,405</u>	<u>639,469</u>
1200 Net Change in Fund Balances	-	(2,182,130)	(1,568,147)	613,983
0100 Fund Balance - September 1 (Beginning)	<u>5,673,616</u>	<u>5,673,616</u>	<u>5,673,616</u>	<u>-</u>
3000 Fund Balance - August 31 (Ending)	<u>\$ 5,673,616</u>	<u>\$ 3,491,486</u>	<u>\$ 4,105,469</u>	<u>\$ 613,983</u>

DONNA INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - DEBT SERVICE FUND  
FOR THE YEAR ENDED AUGUST 31, 2020

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
<b>REVENUES:</b>				
5700 Total Local and Intermediate Sources	\$ 2,354,706	\$ 2,414,706	\$ 2,390,448	\$ (24,258)
5800 State Program Revenues	4,193,339	3,854,888	3,908,539	53,651
5020 Total Revenues	6,548,045	6,269,594	6,298,987	29,393
<b>EXPENDITURES:</b>				
Debt Service:				
0071 Principal on Long-Term Debt	3,990,000	4,480,000	4,480,000	-
0072 Interest on Long-Term Debt	2,554,113	2,056,217	2,056,216	1
0073 Bond Issuance Cost and Fees	23,337	512,648	511,966	682
6030 Total Expenditures	6,567,450	7,048,865	7,048,182	683
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	(19,405)	(779,271)	(749,195)	30,076
<b>OTHER FINANCING SOURCES (USES):</b>				
7911 Capital Related Debt Issued	-	39,840,000	39,840,000	-
7916 Premium or Discount on Issuance of Bonds	-	6,142,698	6,142,698	-
8949 Other (Uses)	-	(45,493,387)	(45,493,387)	-
7080 Total Other Financing Sources (Uses)	-	489,311	489,311	-
1200 Net Change in Fund Balances	(19,405)	(289,960)	(259,884)	30,076
0100 Fund Balance - September 1 (Beginning)	4,758,460	4,758,460	4,758,460	-
3000 Fund Balance - August 31 (Ending)	\$ 4,739,055	\$ 4,468,500	\$ 4,498,576	\$ 30,076

## STATISTICAL SECTION OVERVIEW

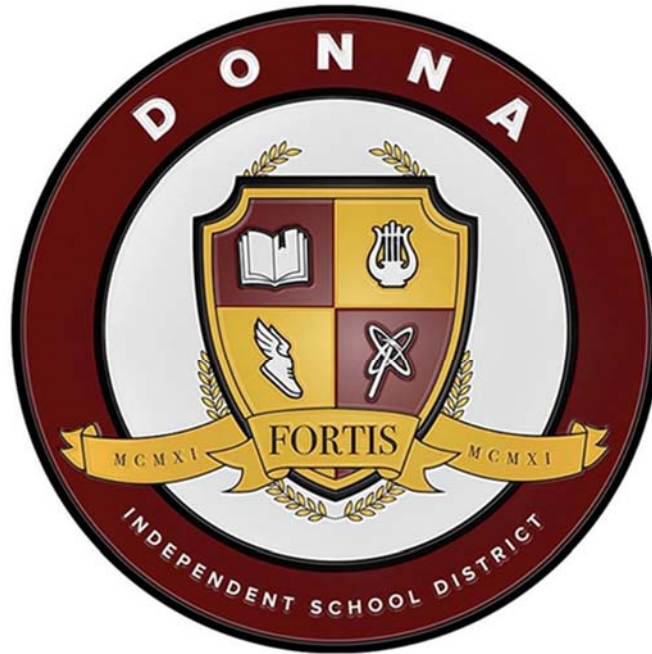
(Unaudited)

*The Statistical Section of the District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.*

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<b>Revenue and Expenditure Capacity</b>	
<i>This section contains schedules that provide information about the District's most significant major own-source revenue, which is property taxes, and the factors that impact the District's ability to generate such revenue.</i>	101
<b>Debt Capacity Information</b>	
<i>These schedules contain information to help the reader assess the affordability of the District's current levels of outstanding debt, the District's ability to repay the debt, and the District's ability to issue additional debt in the future.</i>	108
<b>Demographic and Economic Information</b>	
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.</i>	120
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### **SOURCES**

*Unless otherwise noted, the information in these schedules is derived from the annual financial reports for the relevant year. The District implemented GASB statement No. 34 in 2002; schedules presenting government-wide information include information beginning in that year.*



*“THE DISTRICT”*

## **FINANCIAL TRENDS INFORMATION**

SCHEDULE 1  
DONNA INDEPENDENT SCHOOL DISTRICT  
NET POSITION BY COMPONENT

LAST TEN YEARS

(Unaudited)

**Governmental Activities**

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Fiscal Year	Net Investment in Capital Assets	Restricted	Unrestricted	Total Net Position
2011	\$ 30,391,064	\$ 58,937,880	\$ 45,796,966	\$ 135,125,910
2012	74,864,776	38,562,529	40,866,491	154,293,796
2013	106,407,127	989,488	56,514,620	163,911,235
2014	118,040,932	3,251,004	48,285,898	169,577,834
2015	133,659,906	2,921,505	17,721,993	154,303,404
2016	127,444,937	10,252,062	27,453,797	165,150,796
2017	94,224,776	13,496,375	20,560,236	128,281,387
2018	92,021,898	14,007,345	(60,846,859)	45,182,384
2019	99,637,301	13,561,266	(63,677,930)	49,520,637
2020	102,770,918	19,086,313	(68,751,522)	53,105,709

SCHEDULE 2  
DONNA INDEPENDENT SCHOOL DISTRICT  
GOVERNMENTAL ACTIVITIES EXPENSES & PROGRAM REVENUES

LAST TEN YEARS

(Unaudited)

	2011	2012	2013	2014
<b>Expenses</b>				
Governmental Activities:				
Instruction	\$ 86,326,231	\$ 77,300,681	\$ 81,972,747	\$ 87,387,522
Instructional Resources & Media Services	2,220,169	2,029,449	2,341,117	2,449,631
Curriculum & Staff Development	2,874,356	2,413,753	2,411,339	2,646,150
Instructional Leadership	2,956,089	2,954,997	2,720,745	2,431,218
School Leadership	5,825,824	5,831,746	6,915,932	6,720,242
Guidance, Counseling & Evaluation Services	5,494,943	5,195,801	5,562,415	6,133,190
Social Work Services	681,714	824,204	922,422	1,113,654
Health Services	2,025,251	1,877,525	2,059,341	2,046,147
Student (Pupil) Transportation	3,713,419	3,831,318	4,408,911	4,379,595
Food Services	9,064,614	9,567,517	10,804,179	10,600,019
Cocurricular/Extracurricular Activities	3,063,751	2,989,869	5,307,959	5,709,568
General Administration	3,613,924	5,723,605	7,562,423	4,532,916
Facilities Maintenance & Operations	13,343,828	13,312,712	13,612,836	14,612,182
Security & Monitoring Services	1,820,604	1,738,595	2,046,844	2,411,637
Data Processing Services	1,236,943	1,439,788	1,605,700	1,470,093
Community Service & ESC (62)	1,057,036	1,063,861	1,153,400	1,169,832
Debt Service - Interest on Long Term Debt	6,225,016	5,401,040	4,540,986	3,854,612
Debt Service - Bond Issuance Cost and Fees	-	-	-	8,463
Facilities Acquisition and Construction	-	-	-	1,606
Payments to Juvenile Justice Alternative Ed. Prg.	113,760	4,661	46,215	7,224
Other Inergovernmental Charges				
Total Governmental Activities	151,657,472	143,501,122	155,995,511	159,685,501
<b>Program Revenues</b>				
Charges for Services				
Instruction	\$ 5,375	\$ 140,631	\$ 101,082	\$ 66,834
Instructional Resources and Media Services	-	-	-	-
Curriculum and Instructional Staff Development	-	-	-	-
Instructional Leadership	-	-	-	-
School Leadership	-	-	-	-
Guidance, Counseling and Evaluation Services	-	-	-	-
Social Work Services	-	-	-	-
Health Services	-	-	-	-
Student (Pupil) Transportation	91,265	-	-	-
Food Services	341,893	320,851	277,714	282,128
Extracurricular Activities	78,787	130,930	162,165	118,853
General Administration	219,238	46,077	29,646	-
Facilities Maintenance and Operations	-	-	-	-
Security and Monitoring Services	-	-	-	-
Data Processing Services	-	-	-	-
Community Services & ESC (62)	-	-	-	-
Debt Service - Interest on Long Term Debt	-	-	-	-
Operating Grants and Contributions	56,434,151	41,122,929	37,169,647	36,092,850
Total Governmental Activities				
Program Revenues	57,170,709	41,761,418	37,740,254	36,560,665
Net Governmental Activities				
Revenue/(Expense)	\$ (94,486,763)	\$ (101,739,704)	\$ (118,255,257)	\$ (123,124,836)

Source: The District's Statement of Activities (Exhibit B-1)

Fiscal Year						
	2015	2016	2017	2018	2019	2020
\$	96,168,387	\$ 106,880,247	\$ 100,279,869	\$ 66,199,817	\$ 97,962,868	\$ 104,478,933
	2,724,239	2,572,520	2,692,165	1,687,837	2,589,036	2,595,232
	3,074,859	2,998,637	3,366,957	3,531,680	5,684,353	6,138,376
	2,828,873	3,001,216	3,206,101	1,887,763	2,428,533	2,778,644
	7,596,144	7,744,313	7,775,839	5,069,773	7,448,193	7,592,332
	6,188,167	6,617,835	6,389,294	4,050,082	6,001,786	6,050,324
	1,334,917	1,228,680	1,100,464	781,300	1,091,058	1,049,664
	2,062,011	2,517,433	2,539,540	1,494,297	2,149,972	2,250,867
	4,817,662	6,074,153	6,306,057	4,946,089	6,581,455	5,985,994
	11,911,922	12,596,022	12,503,742	11,714,865	12,354,328	13,204,199
	6,571,489	6,198,459	6,841,449	4,910,982	6,529,281	6,484,923
	5,628,202	6,639,663	6,116,071	5,353,024	8,953,937	3,546,076
	15,975,999	16,446,936	15,666,704	12,695,346	14,511,446	16,084,552
	2,670,271	3,144,522	3,096,049	1,928,873	2,734,462	3,319,456
	1,608,877	2,620,196	3,172,912	2,300,398	2,991,670	3,393,719
	1,382,778	1,459,340	1,430,301	738,531	1,159,546	1,241,885
	3,694,105	2,670,917	1,561,959	3,323,079	2,844,653	522,286
	227,032	207,993	186,248	4,250	28,001	512,247
	-	-	-	-	1,342,557	135,972
	26,746	15,737	9,976	12,040	113,760	19,350
				246,823	258,191	263,848
	176,492,680	191,634,819	184,241,697	132,876,849	185,759,086	187,648,879
\$	99,003	\$ 361,272	\$ 7,750	\$ 71,270	\$ 209,522	\$ 87,834
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	270,549	225,027	241,464	237,415	208,308	161,354
	147,426	185,405	155,183	156,292	125,118	93,312
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	40,434,599	48,446,740	41,273,927	17,959,396	31,901,409	32,312,180
	40,951,577	49,218,444	41,678,324	18,424,373	32,444,357	32,654,680
\$	(135,541,103)	\$ (142,416,375)	\$ (142,563,373)	\$ (114,452,476)	\$ (153,314,729)	\$ (154,994,199)



SCHEDULE 3  
DONNA INDEPENDENT SCHOOL DISTRICT  
GENERAL REVENUES AND CHANGES IN NET POSITION

LAST TEN YEARS

(Unaudited)

	<b>Fiscal Year</b>			
	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>Net Governmental Activities</b>				
<b>Revenue / (Expense)</b>	\$ (94,486,763)	\$ (101,739,704)	\$ (118,255,257)	\$ (123,124,836)
General Revenues and Changes in Net Position:				
Property Taxes - M&O	11,173,904	11,496,760	11,618,705	11,474,974
Property Taxes - Debt Service	726,431	770,508	799,521	874,962
State Aid	106,933,453	98,575,441	103,612,874	110,937,658
Grants & Contributions not Restricted	497,758	9,003,877	9,782,208	3,971,165
Investment Earnings	383,187	112,235	83,837	60,972
Special Item -Misc. Revenue	-	-	-	-
Special - Premium new bond	1,930	-	-	-
Special Item - (use)	-	-	2,498	-
Transfer In (Out)	-	-	-	-
Miscellaneous Local and Intermediate Revenue	709,434	948,769	1,045,009	1,471,704
Total General Revenues	120,426,097	120,907,590	126,944,652	128,791,435
Change in Net Position	<u>\$ 25,939,334</u>	<u>\$ 19,167,886</u>	<u>\$ 8,689,395</u>	<u>\$ 5,666,599</u>

Source: The District's Statement of Activities (Exhibit B-1)

2015	2016	2017	2018	2019	2020
\$ (135,541,103)	\$(142,416,375)	\$ (142,563,373)	\$(114,452,476)	\$ (153,314,729)	\$(154,994,199)
13,073,525	13,138,458	14,060,899	16,464,842	16,289,707	15,99,704
987,689	989,969	1,069,810	1,185,463	1,227,978	2,184,780
122,028,788	121,682,893	121,757,504	122,162,181	116,481,466	117,288,397
3,969,831	8,238,432	9,433,632	564,370	19,839,870	21,737,592
44,280	194,183	356,753	755,633	1,097,156	523,831
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
708,523	-	-	-	-	-
1,373,592	874,304	205,855	1,242,309	2,726,804	844,967
142,186,228	145,118,239	146,884,453	142,374,798	157,662,981	158,579,271
\$ 6,645,125	\$ 2,701,864	\$ 4,321,080	\$ 27,922,322	\$ 4,348,252	\$ 3,585,072

SCHEDULE 4  
DONNA INDEPENDENT SCHOOL DISTRICT  
FUND BALANCES  
GOVERNMENTAL FUNDS

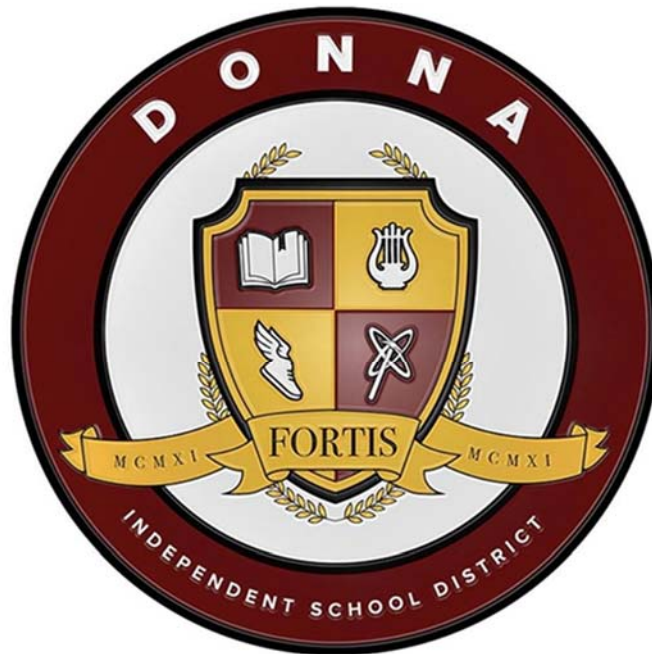
LAST TEN YEARS

(Unaudited)

	2011	2012	2013	2014
<b>General Fund</b>				
<b>PRE GASB 54</b>				
<i>Reserved Fund Balances:</i>				
Investments in Inventory	\$ -	\$ -	\$ -	\$ -
<i>Unreserved Designated For:</i>				
Claims and Judgments	-	-	-	-
<i>Unreserved and Undesignated:</i>				
Reported in the General Fund	-	-	-	-
<b>POST GASB 54</b>				
<i>Nonspendable:</i>				
Investments in Inventory	514,417	483,272	545,389	493,935
<i>Restricted:</i>				
Restricted - Federal or State Funds Grant Restriction	-	-	-	1,873,005
<i>Assigned:</i>				
Assigned for Construction	10,000,000	19,500,000	2,500,000	2,500,000
<i>Unassigned:</i>				
Reported in the General Fund	32,697,987	29,000,803	44,440,834	40,604,942
Reported in the Other Funds	-	-	-	-
<b>Total General Fund Balance</b>	<b>43,212,404</b>	<b>48,984,075</b>	<b>47,486,223</b>	<b>45,471,882</b>
<b>All Other Governmental Funds</b>				
<b>PRE GASB 54</b>				
<i>Reserved, Reported In:</i>				
<i>Special Revenues</i>				
Retirement of Long-Term Debt	-	-	-	-
Other Purposes	-	-	-	-
<i>Debt Service</i>				
Retirement of Long Term Debt	-	-	-	-
<i>Capital Projects</i>				
Other Purposes	-	-	-	-
<i>Unreserved and Undesignated:</i>				
Reported in the General Fund	-	-	-	-
Reported in the Capital Projects funds	-	-	-	-
Reported in Special Revenue funds	-	-	-	-
<b>POST GASB 54</b>				
<i>Special Revenues</i>				
<i>Unassigned:</i>				
Federal or State Funds Grant Restriction	274,461	244,696	239,044	(23,831)
<i>Debt Service</i>				
<i>Restricted:</i>				
Retirement of Long-Term Debt	660,980	683,308	1,133,673	1,018,643
<i>Other Funds</i>				
<i>Restricted:</i>				
Restricted - Federal or State Funds Grant Restriction	-	-	-	359,356
<i>Capital Projects</i>				
<i>Restricted:</i>				
Other Purposes	456,094	-	-	-
<i>Assigned:</i>				
Other Assigned Fund Balance	47,031,928	17,651,253	-	-
Total All Other Governmental Fund Balance	48,423,463	18,579,257	1,372,717	1,354,168
<b>Total Government Funds -- Fund Balance</b>	<b>\$ 91,635,867</b>	<b>\$ 67,563,332</b>	<b>\$ 48,858,940</b>	<b>\$ 46,826,050</b>
<b>Governmental Funds</b>				
Beginning Fund Balance	\$ 26,901,483	\$ 91,635,867	\$ 67,563,332	\$ 48,858,940
Net Change in Fund Balance	64,734,384	(24,072,535)	(18,704,392)	(2,032,890)
<b>Ending Balance</b>	<b>\$ 91,635,867</b>	<b>\$ 67,563,332</b>	<b>\$ 48,858,940</b>	<b>\$ 46,826,050</b>

Source: The District's Governmental Funds Balance Sheets (Exhibit C-1) and Combined Statements of Revenues, Expenditures and changes in Fund Balances (Exhibit C-3 for fiscal years 2005-2013 & 2015-2020) (Exhibit C-2 for fiscal year 2014) .

	2015	2016	2017	2018	2019	2020
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -
	-	-	-	-	-	-
	-	-	-	-	-	-
	505,295	516,655	523,010	495,277	604,642	698,170
	1,415,420	1,450,645	5,985,581	4,570,337	4,523,569	3,955,804
	-	-	-	-	588,414	-
	41,962,571	48,482,280	45,799,463	44,055,423	50,033,005	52,197,551
	-	-	-	-	-	-
	43,883,286	50,449,580	52,308,054	49,121,037	55,749,630	56,851,525
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	1,013,273	8,371,761	6,899,299	5,809,616	4,758,460	4,498,576
	359,356	429,656	477,638	49,126	49,126	83,816
	-	-	-	4,230,111	4,230,111	10,548,117
	-	-	-	(301)	1,932,761	-
	1,372,629	8,801,417	7,376,937	10,088,552	10,970,458	15,130,509
\$	45,255,915	\$ 59,250,997	\$ 59,684,991	\$ 59,209,589	\$ 66,720,088	\$ 71,982,034
\$	46,826,050	\$ 45,255,915	\$ 59,250,996	\$ 59,684,990	\$ 59,209,589	\$ 66,720,088
	(1,570,135)	13,995,384	433,995	(475,401)	7,510,499	5,261,946
\$	45,255,915	\$ 59,251,299	\$ 59,684,991	\$ 59,209,589	\$ 66,720,088	\$ 71,982,034



*"THE DISTRICT"*

# **REVENUE AND EXPENDITURE CAPACITY**

SCHEDULE 5  
DONNA INDEPENDENT SCHOOL DISTRICT  
GOVERNMENTAL FUND REVENUES BY SOURCE

LAST TEN YEARS

(Unaudited)

Fiscal Year	Local and Intermediate Sources			State Programs			Federal Programs	Total
	Property Tax	Tuition	Other	Per Capita and Foundation	On-behalf TRS Payments	Other		
2011	\$ 11,480,135	\$ 5,375	\$ 1,989,906	\$ 95,176,438	\$ 5,816,758	\$ 18,694,832	\$ 44,177,334	\$ 177,340,778
2012	12,452,116	2,400	1,741,876	98,575,441	5,628,921	10,528,579	33,932,604	162,861,937
2013	12,824,144	12,145	1,705,761	103,612,874	5,850,791	10,777,220	30,305,391	165,088,326
2014	12,880,563	13,075	1,947,540	110,937,658	6,560,608	3,803,029	29,739,477	165,881,950
2015	14,714,949	7,875	1,773,229	114,156,918	11,552,833	9,968,225	30,755,241	182,929,271
2016	13,256,209	8,450	2,869,110	119,125,645	12,526,382	13,641,489	29,616,401	191,043,686
2017	14,023,916	7,750	2,936,865	121,757,504	6,592,616	7,064,934	35,192,162	187,575,747
2018	15,192,210	-	4,808,578	122,233,721	7,407,823	6,504,037	33,875,170	190,021,539
2019	15,473,314	-	5,039,299	116,543,196	6,628,427	5,055,929	34,958,206	183,698,371
2020	14,745,540	-	4,846,902	117,288,397	7,439,061	5,683,251	34,005,369	184,008,520

Source: The District's Governmental Funds Statements of Revenues, Expenditures, and Changes in Fund Balances (Exhibit C-3 for fiscal years 2005-2013 & 2015-2020)(Exhibit C-2 for fiscal year 2014); and Notes (12) to Financial Statements.

SCHEDULE 6  
DONNA INDEPENDENT SCHOOL DISTRICT  
GOVERNMENTAL FUND EXPENDITURES BY FUNCTION

LAST TEN YEARS

(Unaudited)

Fiscal Year	Instruction and Instructional - Related Services	Instructional and School Leadership	Support Services - Student (Pupil)	Administrative Support Services	Support Services - Nonstudent Based	Auxiliary Services	Debt Service Principal
2011	\$ 90,021,057	\$ 8,696,197	\$ 23,976,810	\$ 3,988,533	\$ 16,055,942	\$ 1,051,149	\$ 6,523,490
2012	79,886,795	8,791,688	24,718,765	4,288,074	16,124,951	1,057,368	6,708,083
2013	84,282,314	9,571,780	29,371,087	4,326,972	16,778,409	1,146,446	6,978,782
2014	90,593,266	8,786,027	31,164,768	4,344,061	18,369,195	1,140,617	6,282,311
2015	97,496,719	9,838,439	26,829,720	5,322,424	24,113,156	2,859,253	7,964,400
2016	100,910,637	10,258,852	27,941,413	6,349,092	24,872,507	3,930,697	7,055,475
2017	97,654,075	10,522,008	26,658,716	5,920,504	24,852,552	3,897,173	7,554,195
2018	99,535,592	10,145,664	26,701,529	4,660,012	25,859,487	3,276,212	7,069,782
2019	96,168,603	9,278,645	26,055,240	4,191,500	22,430,956	2,773,403	5,306,563
2020	100,786,920	9,514,496	26,963,850	4,680,713	24,156,181	3,560,344	6,265,861

Source: The District's Annual Financial Report - Governmental Funds Statements of Revenues, Fund Expenditures, and Changes in Balances (Exhibit C-3 for fiscal years 2005-2013 & 2015-2020) (Exhibit C-2 for fiscal year 2014).

Note: Operating expenditures excludes capital outlay (Function 81)

Debt Service Interest	Capital Outlay	Inter-Governmental Charges	Total Governmental Fund Expenditures	Ratio of Debt Service to Operating Expenditures
\$ 4,900,822	\$ 9,689,184	\$ 113,760	\$ 165,016,944	7.95%
4,479,312	40,905,577	4,661	186,965,274	8.30%
3,824,867	29,652,967	46,215	185,979,839	7.43%
3,927,391	5,237,617	7,224	169,852,477	6.61%
3,629,283	3,499,258	26,746	181,579,398	6.96%
3,270,099	6,804,193	15,738	191,408,703	5.93%
3,171,232	2,682,997	9,976	182,923,428	6.33%
3,250,369	938,023	258,863	181,695,533	6.06%
3,082,050	2,866,938	371,951	172,525,849	5.21%
2,238,272	2,256,431	283,198	180,706,266	5.01%



SCHEDULE 7  
DONNA INDEPENDENT SCHOOL DISTRICT  
GOVERNMENTAL FUNDS OTHER SOURCES, USES  
AND CHANGES IN FUND BALANCES

LAST TEN YEARS

(Unaudited)

	2011	2012	2013	2014
Excess of Revenues Over (Under) Expenditures	\$ 12,323,834	\$ (24,103,337)	\$ (20,891,513)	\$ (3,970,527)
Other Financing Sources (Uses)				
Issuance of Bonds	-	-	-	-
Capital-Related Debt Issued	59,945,000	8,630,000	7,150,000	-
Capital Leases	-	-	773,493	2,937,637
Prepaid Interest	-	-	-	-
Sale of Real and Personal Property	-	-	-	-
Non-Current Loans	-	-	1,391,191	-
Transfers In	-	1,850,000	6,812,185	7,348,514
Insurance Recovery	1,930	-	-	-
Premium or Discount on Issuance of Bonds	1,192,957	904,685	542,817	-
Other Resources	-	-	-	-
Transfers Out	-	(1,850,000)	(6,812,185)	(8,348,514)
Non Operating Expenses	-	-	-	-
Other Uses	(8,565,118)	(9,392,852)	(7,512,617)	-
Total Other Financing Sources (Uses)	52,574,769	141,833	2,344,884	1,937,637
Special Items	-	-	-	-
Net Change in Fund Balances	\$ 64,898,603	\$ (23,961,504)	\$ (18,546,629)	\$ (2,032,890)

Source: The District's Governmental Funds Balance Sheets and Combined Statements of Revenues, Expenditures and Changes in Fund Balances (Exhibit C-3 for fiscal years 2005-2013 & 2015-2020) (Exhibit C-2 for fiscal year 2014).

	2015	2016	2017	2018	2019	2020
\$	1,409,873	\$ (365,017)	\$ 4,652,319	\$ 8,326,010	\$ 11,172,522	\$ 3,302,254
	-	-	7,595,000	-	-	-
	12,390,000	-	-	-	-	39,840,000
	2,635,015	-	-	104,434	711,874	1,454,960
	-	-	-	-	-	-
	16,003	-	13,036	-	12,072	15,421
	-	8,066,551	-	-	-	-
	3,800,000	500,000	-	5,309,994	4,800,000	6,000,000
	-	-	-	-	-	-
	949,336	-	795,374	-	-	6,142,698
	-	-	-	-	-	-
	(9,635,000)	(2,351,980)	(3,703,731)	(9,651,241)	(9,185,969)	(6,000,000)
	-	-	-	-	-	-
	(13,135,376)	-	(8,213,137)	-	-	(45,493,387)
	(2,980,022)	6,214,571	(3,513,458)	(4,236,813)	(3,662,023)	1,959,692
	14	-	-	-	-	-
\$	(1,570,135)	\$ 5,849,554	\$ 1,138,861	\$ 4,089,197	\$ 7,510,499	\$ 5,261,946

SCHEDULE 8  
DONNA INDEPENDENT SCHOOL DISTRICT  
GOVERNMENTAL FUND EXPENDITURES BY FUNCTION  
PER AVERAGE DAILY ATTENDANCE

LAST TEN YEARS

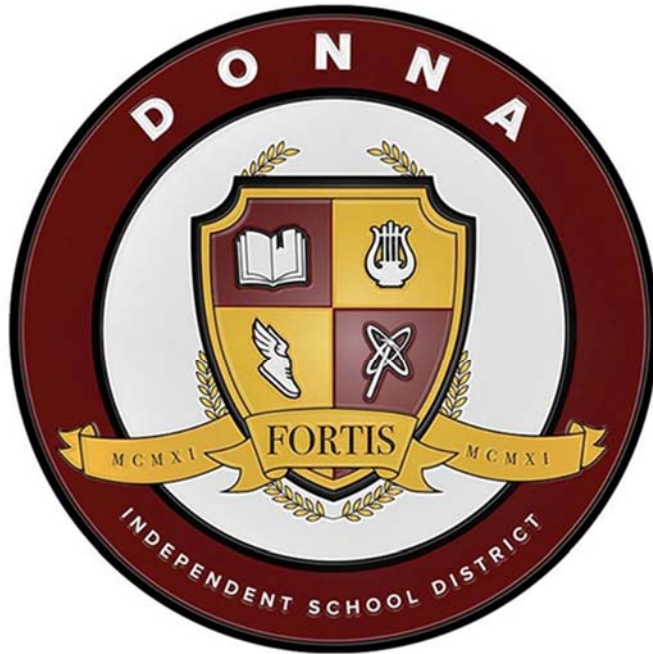
(Unaudited)

Fiscal Year	Average Daily Attendance *	Instruction and Instructional Related Services	Instructional and School Leadership	Support Services Student (Pupil)	Administrative Support Services	Support Services Nonstudent Based
2011	14,306	\$ 6,293	\$ 608	\$ 1,676	\$ 279	\$ 1,122
2012	13,785	5,795	638	1,793	311	1,170
2013	13,941	6,046	687	2,107	310	1,204
2014	14,203	6,378	619	2,194	306	1,293
2015	14,182	6,875	694	1,892	375	1,700
2016	14,220	7,096	721	1,965	446	1,749
2017	14,154	6,899	743	1,883	418	1,756
2018	13,643	7,296	744	1,957	342	1,895
2019	13,606	7,068	682	1,915	308	1,649
2020	13,596	7,413	700	1,983	344	1,777

Source: Average Daily Attendance provided by the District's PEIMS and A.E.I.S. reports. Function expenditures are from the Governmental Funds Statements of Revenues, Expenditures, and Changes in Fund Balances (Exhibit C-3 for fiscal years 2005-2013 & 2015-2020) (Exhibit C-2 for fiscal year 2014-2015).

Note: \* Average Daily Attendance - the average daily attendance of eligible enrollees, district-wide, over the official number of instructional days.

Ancillary Services	Debt Service Principal	Debt Service Interest and Other	Capital Outlay	Inter-Governmental Charges	Total
\$ 73	\$ 456	\$ 343	\$ 677	\$ 8	\$ 11,535
77	487	325	2,967	-	13,563
82	501	274	2,127	3	13,340
80	442	277	369	1	11,959
202	562	256	247	2	12,804
276	496	230	478	1	13,461
275	534	224	190	1	12,924
240	518	238	69	19	13,318
204	390	227	211	27	12,680
262	461	165	166	21	13,291



*“THE DISTRICT”*

## **DEBT CAPACITY INFORMATION**

SCHEDULE 9  
DONNA INDEPENDENT SCHOOL DISTRICT  
ASSESSED AND ESTIMATED ACTUAL VALUE OF PROPERTY

LAST TEN YEARS

(Unaudited)

Fiscal Year	Assessed Taxable Value			Estimated Actual Market Value	Ratio of Total Assessed To Total Estimated Actual Value	*Total Direct Tax Rate
	Real Property	Personal Property	Total			
2011	\$ 1,202,480,951	\$ 89,993,799	\$ 1,292,474,750	\$ 1,541,491,832	83.85%	\$ 1.258200
2012	1,262,532,049	88,453,799	1,350,985,848	1,617,194,609	83.54%	1.258200
2013	1,277,941,251	88,541,924	1,366,483,175	1,629,388,176	83.86%	1.258200
2014	1,303,693,450	90,062,105	1,393,755,555	1,650,616,629	84.44%	1.258200
2015	1,433,897,740	95,948,529	1,529,846,269	1,815,558,170	84.26%	1.258200
2016	1,513,838,292	89,746,558	1,603,584,850	1,883,969,328	85.12%	1.258200
2017	1,575,877,688	130,224,878	1,706,102,566	1,976,485,528	86.32%	1.258200
2018	1,744,648,335	170,674,662	1,915,322,997	2,207,727,301	86.76%	1.258200
2019	1,810,086,320	151,740,197	1,961,826,517	2,240,503,960	87.56%	1.258200
2020	1,880,322,820	164,464,330	2,044,787,150	2,316,529,687	88.27%	1.068400

Source: Hidalgo County Appraisal District

\* Per \$100 of assessed value

SCHEDULE 10  
DONNA INDEPENDENT SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN YEARS

(Unaudited)

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Current Taxes Collected	Delinquent Tax Collections	Total Tax Collections	Ratio of Total Tax Collections to Total Tax Levy	Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Total Tax Levy
2011	\$ 11,758,170	\$ 10,362,750	88.13%	\$ 1,283,486	\$ 11,646,236	99.05%	\$ 5,951,578	50.62%
2012	12,337,441	11,055,434	89.61%	1,404,764	12,460,198	100.99%	5,718,284	46.35%
2013	12,462,349	11,362,097	91.17%	1,462,047	12,824,144	102.90%	5,267,265	42.27%
2014	12,715,480	11,902,563	93.61%	1,597,113	13,499,676	106.17%	4,677,860	36.79%
2015	14,195,490	13,198,549	92.98%	1,516,562	14,715,111	103.66%	4,122,138	29.04%
2016	14,098,249	13,259,351	94.05%	1,004,458	14,263,809	101.17%	4,036,285	28.63%
2017	15,236,606	14,044,276	92.17%	1,061,051	15,105,327	99.14%	4,306,249	28.26%
2018	17,612,741	16,209,002	92.03%	1,225,259	17,434,261	98.99%	4,379,092	24.86%
2019	17,946,700	16,655,133	92.80%	1,259,045	17,914,178	99.82%	4,268,380	23.78%
2020	18,330,703	15,633,626	85.29%	2,253,402	17,887,028	97.58%	4,411,803	24.07%

Source: Donna Independent School District Annual Financial and Compliance Reports (Exhibit J-1)/Hidalgo County Tax Assessor-Collector

Note (1): The tax levy shown above is the adjusted tax levy as of the fiscal year end.

Note (2): Total Tax Collections include only the taxes collected for current and prior year. Penalty charges and interest are not included in Total Tax Collections.

SCHEDULE 11  
DONNA INDEPENDENT SCHOOL DISTRICT  
ALLOCATION OF PROPERTY TAX RATES AND LEVIES

LAST TEN YEARS

(Unaudited)

Fiscal Year	Tax Rates (Per \$100 of Assessed Value)			Tax Levies			
	General Fund	Debt		General Fund	Debt		Original Levy Total
		Service Fund	Total		Service Fund	Total	
2011	\$ 1.170000	\$0.088200	\$ 1.258200	\$ 10,904,852	\$ 853,318	\$11,758,170	
2012	1.170000	0.088200	1.258200	11,445,777	891,664	12,337,441	
2013	1.170000	0.088200	1.258200	11,588,737	873,612	12,462,349	
2014	1.170000	0.088200	1.258200	11,824,123	891,357	12,715,480	
2015	1.170000	0.088200	1.258200	13,200,386	995,104	14,195,490	
2016	1.170000	0.088200	1.258200	13,109,962	1,000,976	14,098,249	
2017	1.170000	0.088200	1.258200	14,168,520	1,081,799	15,236,606	
2018	1.170000	0.088200	1.258200	16,378,088	1,250,505	17,612,741	
2019	1.170000	0.088200	1.258200	16,688,636	1,274,216	17,946,700	
2020	1.068400	0.158300	1.226700	17,045,721	1,301,480	18,330,703	

Source: Donna Independent School District Annual Financial and Compliance Reports

Note: The basis for the property tax rate is \$100 assessed valuation.



SCHEDULE 12  
DONNA INDEPENDENT SCHOOL DISTRICT  
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS  
(PER \$100 ASSESSED VALUATION)

LAST TEN YEARS

(Unaudited)

Fiscal Year	Tax Year	Direct Tax Rate	Overlapping Tax Rates						Total Direct and Overlapping Tax Rate
		Donna Independent School District	South Texas ISD	City of Donna	Donna Water District #1	Hidalgo County	Drainage District #1	South Texas College	
2011	2010	\$1.258200	\$ 0.049200	\$ 1.125900	\$0.210000	\$0.590000	\$ 0.072500	\$0.149700	\$ 3.455500
2012	2011	1.258200	0.049200	1.252300	0.210000	0.590000	0.073300	0.150700	3.583700
2013	2012	1.258200	0.049200	1.252376	0.210000	0.590000	0.075000	0.150700	3.585476
2014	2013	1.258200	0.049200	1.252376	0.210000	0.590000	0.095700	0.150000	3.605476
2015	2014	1.258200	0.049200	0.982828	0.210000	0.590000	0.095100	0.185000	3.370328
2016	2015	1.258200	0.049200	0.923201	0.210000	0.590000	0.095100	0.185000	3.310701
2017	2016	1.258200	0.049200	0.798855	0.210000	0.580000	0.095100	0.185000	3.176355
2018	2017	1.258200	0.049200	0.798855	0.210000	0.580000	0.095100	0.185000	3.176355
2019	2018	1.258200	0.049200	0.798855	0.210000	0.580000	0.095100	0.185000	3.176355
2020	2019	1.226700	0.049200	0.798855	0.210000	0.580000	0.095100	0.178000	3.137855

Source: Hidalgo County Tax Assessor-Collector

SCHEDULE 13  
DONNA INDEPENDENT SCHOOL DISTRICT  
PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND NINE YEARS PRIOR

(Unaudited)

Taxpayer	Type of Business	Fiscal Year 2020			Fiscal Year 2011		
		Tax Year		Percentage of Total Assessed	Tax Year		Percentage of Total Assessed
		2019 Assessed Valuation	Rank		2010 Assessed Valuation	Rank	
Electric Transmission of Texas	Electricity Utility	\$ 25,867,750	1	1.12%			0.00%
Wal-Mart Property Tax Department	Retail	21,914,076	2	0.95%			0.00%
AEP Texas Central CO	Electricity Utility	16,210,840	3	0.70%			0.00%
MHC Victoria Palms LLC	RV Park - Hotel	13,746,813	4	0.59%			0.00%
Wal-Mart Property Tax Department	Retail	7,350,388	5	0.32%			0.00%
Tennessee Gas Pipeline	Gas Utility	5,872,610	6	0.25%			0.00%
Bit O Heaven LLC	RV Park - Hotel	4,890,542	7	0.21%			0.00%
Magic Valley Electric Coop	Electricity Utility	4,752,510	8	0.21%			0.00%
Love's Travel Stops	Retail	4,738,941	9	0.20%			0.00%
Packcaging Corporation of America	Packaging	4,444,665	10	0.19%			0.00%
Victoria Palms I LP	RV Park - Hotel	-		0.00%	\$ 8,497,987	1	0.55%
AEP Texas Central CO	Electricity Utility	-		0.00%	7,417,590	2	0.48%
Southwestern Bell Tele	Phone Utility	-		0.00%	4,887,560	3	0.32%
Triple Medical Facilities	Medical	-		0.00%	4,065,306	4	0.26%
Tennessee Gas Pipeline	Gas Utility	-		0.00%	3,558,570	5	0.23%
Allied Waste North America	Waste	-		0.00%	3,505,324	6	0.23%
Arbor Cove LTD	Housing	-		0.00%	3,104,662	7	0.20%
Bland Farms LLC	Produce Industry	-		0.00%	2,851,285	8	0.18%
South Texas Moulding Inc	Construction	-		0.00%	2,707,477	9	0.18%
J&S Palm Shadows LTD	RV Park - Hotel	-		0.00%	2,600,692	10	0.17%
		<u>\$ 109,789,135</u>		<u>4.74%</u>	<u>\$ 43,196,453</u>		<u>2.80%</u>

Source: Hidalgo County Appraisal District

SCHEDULE 14  
DONNA INDEPENDENT SCHOOL DISTRICT  
OUTSTANDING DEBT BY TYPE

LAST TEN YEARS

(Unaudited)

Fiscal Year	Bonds Payable	Notes Payable	Capital Lease Payable	Unamortized Bond Premium	Accreted Interest	Total Debt
2011	\$ 110,080,000	\$ 435,000	\$ 3,079,981	\$ -	\$ 1,087,195	\$114,682,176
2012	105,225,000	300,000	1,345,802	-	1,134,098	108,004,900
2013	100,215,000	1,079,176	727,529	2,550,111	1,528,040	106,099,856
2014	95,135,000	466,323	3,075,708	2,416,391	1,590,452	102,683,874
2015	89,045,000	-	4,160,563	3,232,007	1,655,275	98,092,845
2016	83,885,000	8,066,551	2,415,762	1,990,728	1,722,558	98,080,599
2017	77,265,000	7,354,761	1,317,507	3,355,121	396,276	89,688,665
2018	71,625,000	6,623,397	727,771	2,974,803	206,667	82,157,638
2019	67,980,000	5,871,920	1,139,095	2,594,485	210,000	77,795,500
2020	58,550,000	5,099,777	2,109,211	7,214,568	-	72,973,556

Source: Donna Independent School District Annual Financial and Compliance Reports

\* Note: See Estimated Actual Property Value and Average Daily Membership amounts in Demographic and Economic Information Schedule in Demographic and Economic Information section of this report.

<u>* Total Debt as % of Personal Income</u>	<u>* Total Debt Per Capita Income</u>	<u>* Ratio of Total Debt to Estimated Actual Property Value</u>	<u>* Total Debt Per Average Daily Membership</u>
1%	\$ 5,135.10	7.44%	\$ 7,644
1%	4,766.74	6.68%	7,247
1%	4,619.06	6.51%	6,946
1%	4,322.99	6.22%	6,916
0%	4,009.42	5.40%	6,390
0%	3,874.20	5.21%	6,396
0%	3,615.75	4.54%	5,951
0%	3,312.14	3.72%	5,544
0%	2,945.68	3.47%	5,380
0%	2,661.81	3.15%	5,068

SCHEDULE 15  
DONNA INDEPENDENT SCHOOL DISTRICT  
DIRECT AND OVERLAPPING DEBT  
GENERAL OBLIGATION BONDS

As of August 31, 2020

(Unaudited)

Political Subdivision	Net Debt Amounts		As of	Estimated Percentage Applicable	Estimated Share of Overlapping Debt	Net Taxable Value
Hidalgo County	\$ 350,540,000	A	08/31/19	4.57%	\$ 16,019,678	\$ 34,117,570,982
Hidalgo County Drainage District No. 1	183,725,000	A	08/31/19	4.76%	8,745,310	36,453,447,769
City of Donna	52,210,000	A	08/31/19	100.00%	52,210,000	668,255,430
South Texas College	136,110,000	A	08/31/19	4.29%	5,839,119	34,380,616,082
					<u>\$ 82,814,107</u>	
Donna ISD Direct Debt		B	08/31/19	100.00%	<u>\$ 58,550,000</u>	2,044,787,150
Total Direct and Overlapping Debt					<u><u>\$ 141,364,107</u></u>	

A - Municipal Advisory Council of Texas  
B - Long-Term Liabilities Note

Note: 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 business 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 governmental.

SCHEDULE 16  
DONNA INDEPENDENT SCHOOL DISTRICT  
COMPUTATION OF LEGAL DEBT MARGIN

LAST TEN YEARS

(Unaudited)

	2011	2012	2013	2014	2015
Assessed Valuation	\$ 1,292,474,750	\$ 1,350,985,848	\$ 1,366,483,175	\$ 1,393,755,555	\$ 1,529,846,269
Debt Limit - 10% of Assessed Valuation	\$ 129,247,475	\$ 135,098,585	\$ 136,648,318	\$ 139,375,556	\$ 152,984,627
General Obligation Bonds	110,080,000	105,225,000	100,215,000	95,135,000	89,045,000
Deduct Amount Available in Debt Service Fund	660,980	683,308	713,237	1,018,643	1,013,273
Applicable Debt	109,419,020	104,541,692	99,501,763	94,116,357	88,031,727
Legal Debt Margin	\$ 19,828,455	\$ 30,556,892	\$ 37,146,555	\$ 45,259,199	\$ 64,952,900
Debt Margin as a Percentage of the Debt Limit	15.34%	22.62%	27.18%	32.47%	42.46%

Source: Donna Independent School District Annual Financial and Compliance Reports: Assessed Valuation (Exhibit J-1); General Obligations Bonds (Notes to Financial Statements); and Debt Service Fund, Amount Available in Debt Service (Exhibit C-1).

Note: Texas statutes do not prescribe a debt limit; however, by custom, a practical economic debt limit of 10% of the assessed valuation is used.

<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
\$ 1,603,584,850	\$ 1,706,102,566	\$ 1,915,322,997	\$ 1,961,826,517	\$ 2,044,787,150
\$ 160,358,485	\$ 170,610,257	\$ 191,532,300	\$ 196,182,652	\$ 204,478,715
83,885,000	77,265,000	71,625,000	67,980,000	58,550,000
8,371,761	6,899,299	5,809,616 <sup>z</sup>	4,758,460	4,498,576
75,513,239	70,365,701	65,815,384	63,221,540	54,051,424
\$ 84,845,246	\$ 100,244,556	\$ 125,716,916	\$ 132,961,112	\$ 150,427,291
52.91%	58.76%	65.64%	67.77%	73.57%

SCHEDULE 17  
DONNA INDEPENDENT SCHOOL DISTRICT  
RATIO OF NET GENERAL OBLIGATION BONDED DEBT  
TO ESTIMATED ACTUAL VALUE AND  
PER AVERAGE DAILY MEMBERSHIP

LAST TEN YEARS

(Unaudited)

Fiscal Year	Average Daily Membership	Estimated Actual Value	Total Bonded Debt	Debt Service Fund Balance	Net Bonded Debt	Ratio of Net Bonded Debt to Estimated Actual Value	Net Bonded Debt Per Average Daily Membership
2011	15,002	\$ 1,541,491,832	\$ 114,682,176	\$ 660,980	\$ 114,021,196	7.40%	\$ 7,600.40
2012	14,904	1,617,194,609	108,004,900	683,308	107,321,592	6.64%	7,200.86
2013	15,276	1,629,388,176	106,099,856	713,237	105,386,619	6.47%	6,898.84
2014	14,848	1,650,616,629	102,683,874	1,018,643	101,665,231	6.16%	6,847.07
2015	15,351	1,815,558,170	98,092,845	1,013,273	97,079,572	5.35%	6,323.99
2016	15,334	1,883,969,328	98,080,599	8,371,761	89,708,838	4.76%	5,850.32
2017	15,072	1,976,485,528	89,688,665	6,899,299	82,789,366	4.19%	5,492.93
2018	14,818	2,207,727,301	82,157,638	5,809,616	76,348,022	3.46%	5,152.38
2019	14,459	2,240,503,960	77,795,500	4,758,460	73,037,040	3.26%	5,051.32
2020	14,400	2,316,529,687	72,973,556	4,498,576	68,474,980	2.96%	4,755.21

Source: Average Daily Membership provided by the District's PEIMS Office. Estimated Actual Value obtained from the Hidalgo County Tax Assessor-Collector.

Note (1): Average Daily Membership represents the average daily enrollment of students, district-wide, over the official number of instructional days.

Note (2): Estimated actual property value and average daily membership are used because they are more relevant to the school district than personal income and population



SCHEDULE 18  
DONNA INDEPENDENT SCHOOL DISTRICT  
RATIO OF ANNUAL DEBT SERVICE FOR GENERAL BONDED DEBT  
TO TOTAL GENERAL FUND EXPENDITURES

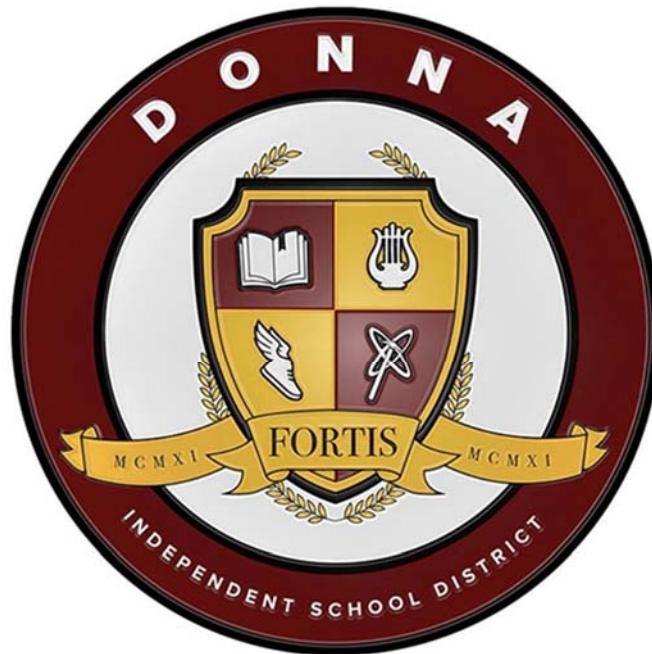
LAST TEN YEARS

(Unaudited)

Fiscal Year	Principal	Interest*	Total Debt Service	Total General Fund Expenditures	Ratio of Debt Service To General Fund Expenditures
2011	\$ 6,523,490	\$ 4,900,822	\$ 11,424,312	\$ 112,835,006	10.12%
2012	6,708,083	4,479,312	11,187,395	125,212,435	8.93%
2013	6,978,782	4,255,232	11,234,014	135,452,557	8.29%
2014	6,282,311	3,918,928	10,201,239	143,841,864	7.09%
2015	7,964,400	3,629,283	11,593,683	153,823,458	7.54%
2016	7,055,475	3,270,099	10,325,574	164,081,358	6.29%
2017	7,554,195	3,171,232	10,725,427	155,268,904	6.91%
2018	7,069,782	3,250,369	10,320,151	154,594,066	6.68%
2019	5,306,563	3,082,050	8,388,613	143,873,179	5.83%
2020	6,265,861	2,238,272	8,504,133	151,147,851	5.63%

Source: Donna Independent School District Annual Financial and Compliance Reports

Note: \* Excludes Other Fees



*“THE DISTRICT”*

# **DEMOGRAPHIC AND ECONOMIC INFORMATION**

SCHEDULE 19  
DONNA INDEPENDENT SCHOOL DISTRICT  
DEMOGRAPHIC INFORMATION

LAST TEN YEARS

(Unaudited)

Calendar Year	Population *	Personal Income *	Per Capita Income*	Average Daily Attendance	Unemployment Rate **
2011	795,303	\$ 17,761,750,000	\$ 22,333	14,306	12.1%
2012	807,725	18,301,724,000	22,658	13,785	11.1%
2013	818,942	18,810,847,000	22,970	13,941	10.5%
2014	831,073	19,740,566,000	23,753	14,203	9.1%
2015	842,304	20,702,876,000	24,579	14,182	7.8%
2016***	867,573	21,323,962,280	25,316	14,220	7.7%
2017	849,843	21,080,611,000	24,805	14,154	7.9%
2018	849,843	21,080,611,000	24,805	13,643	5.5%
2019	865,939	22,869,448,990	26,410	13,606	6.6%
2020	868,707	23,815,443,000	27,415	13,596	10.9%

Source: \* Statistics for Population, Personal Income, and Per Capita Income, were taken from the Bureau of Economic Analysis based on the McAllen-Edinburg-Mission, TX Metropolitan Area (BEARFACTS) Based on Hidalgo County reports last updated November 16,2017.

\*\* The unemployment rates for the McAllen-Edinburg-Mission, TX Metropolitan Area were used as reported by the Bureau of Labor Statistics

\*\*\* The information was not available by the time of printing. Therefore a 3% increase was added to the 2015 amounts.

SCHEDULE 20  
DONNA INDEPENDENT SCHOOL DISTRICT  
PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS PRIOR

(Unaudited)

Employer	2020			2011		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Donna ISD	2,286	1	13.79%	2,280	1	7.86%
A&E Health Services, Inc.	780	2	4.71%			
Walmart	280	3	1.69%			
Idea Public Schools	169	4	1.02%	161	2	0.56%
City of Donna	140	5	0.84%	92	4	0.32%
HEB Food Store	106	6	0.64%	115	3	0.40%
Whataburger	78	7	0.47%	20	7	0.07%
Victoria Palms Resort	71	10	0.43%	40	6	0.14%
McDonalds	65	8	0.39%	18	8	0.06%
Bland Distribution	50	9	0.30%			
Burger King	21	11	0.13%	16	9	0.06%
Plain Capital Bank	12	12	0.07%			
Wells Fargo Bank				14	10	0.05%
Paramount Citrus						
Rio Grande Container						
Rio Grande Canning Company				48	5	0.17%
Total	<u>4,058</u>		<u>24.45%</u>	<u>2,804</u>		<u>9.67%</u>

Source:

(1) \*City of Donna EDC information and direct communication with employers.

(2) \*Census.gov Est. Population is 16,576 and Unemployment Rate is 7.5%. Population x Unemployment Rate = Unemployed.  
Unemployed: 16,576 x 7.5%= 1,243

SCHEDULE 21  
DONNA INDEPENDENT SCHOOL DISTRICT  
CONSTRUCTION AND PROPERTY VALUES

LAST TEN YEARS

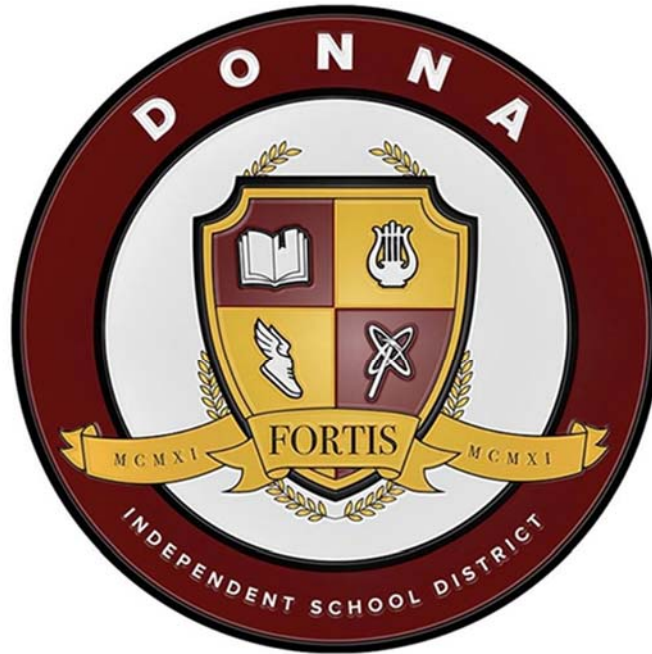
(Unaudited)

Fiscal Year	Single-Family Construction Permits	Average Construction Value	Total Property Value
2011	45	\$ 58,335	\$ 1,541,491,832
2012	49	59,230	1,617,194,609
2013	23	54,068	1,629,388,176
2014	25	54,756	1,650,616,629
2015	36	58,370	1,815,558,170
2016*	31	N/A	1,883,969,328
2017*	37	N/A	1,976,485,528
2018	35	67,524	2,207,727,301
2019	32	69,550	2,240,503,960
2020	43	71,637	2,316,529,687

Source: City of Donna

\* Information from "socds.huduser.gov/permits/" as of 2020

\*Average Construction Value was not available for 2020 at the time of publication. The value was increase by 3% from prior year.



*"THE DISTRICT"*

## **OPERATING INFORMATION**

SCHEDULE 22  
DONNA INDEPENDENT SCHOOL DISTRICT  
WORK FORCE COMPOSITION BY EMPLOYEE CLASSIFICATION

LAST TEN YEARS

(Unaudited)

Classification	2011	2012	2013	2014
<b>Number of Employees</b>				
Teachers	999	941	944	1023
Professional Support	202	200	216	261
Campus Administration	50	49	50	45
Central Administration	6	5	5	18
Educational Aides	239	229	220	267
Auxiliary Staff	773	857	889	867
Total Employees	2,269	2,280	2,324	2,481
<b>Percent of Total</b>				
Teachers	44.02%	41.26%	40.62%	41.23%
Professional Support	8.92%	8.76%	9.29%	10.52%
Campus Administration	2.18%	2.15%	2.15%	1.81%
Central Administration	0.26%	0.22%	0.22%	0.73%
Educational Aides	10.55%	10.05%	9.47%	10.76%
Auxiliary Staff	34.06%	37.57%	38.25%	34.95%
	100.00%	100.00%	100.00%	100.00%

Source: Texas Academic Performance Report  
The District's Human Resources Department and the Academic Excellence Indicator System (AEIS).  
Data taken from P.E.I.M.S. report(s).

2015	2016	2017	2018	2019	2020
1067	1068	1058	1064	1029	979
257	269	299	284	265	263
45	45	45	44	44	43
20	17	19	17	17	18
275	288	289	298	260	233
879	916	898	843	780	750
2,544	2,603	2,608	2,550	2,395	2,286
41.96%	41.03%	40.57%	41.73%	42.97%	42.83%
10.10%	10.33%	11.46%	11.14%	11.08%	11.50%
1.77%	1.73%	1.73%	1.73%	1.83%	1.88%
0.79%	0.65%	0.73%	0.67%	0.71%	0.79%
10.82%	11.06%	11.08%	11.69%	10.85%	10.19%
34.56%	35.19%	34.43%	33.06%	32.56%	32.81%
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%



SCHEDULE 23  
DONNA INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF TEACHER INFORMATION

LAST TEN YEARS

(Unaudited)

Fiscal Year	Teacher Hiring Salaries		Average Teacher Salary	Average Years of Experience	Bachelor's Education	Master's Education
	Minimum	Maximum				
2011	\$ 40,500	\$ 54,959	\$ 47,031	9.0	88.5%	10.6%
2012	40,500	54,244	46,363	8.8	88.1%	10.8%
2013	42,650	54,844	47,652	8.8	87.2%	11.8%
2014	43,000	54,876	48,117	7.9	86.2%	12.6%
2015	44,000	55,176	48,754	8.4	85.6%	13.0%
2016	45,500	56,676	49,025	8.7	86.5%	13.0%
2017	45,086	62,506	50,703	9.2	85.2%	13.9%
2018	45,086	62,506	50,464	9.8	85.2%	14.9%
2019	46,320	60,415	50,169	10.1	83.4%	15.5%
2020	48,347	64,174	54,857	11.1	81.8%	17.1%

Source: Texas Academic Performance Reports (TAPR)  
Academic Excellence Indicator System (AEIS)

SCHEDULE 24  
DONNA INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF ATTENDANCE AND MEMBERSHIP

LAST TEN YEARS

(Unaudited)

Fiscal Year	Average Daily Attendance *	Average Daily Membership	Percent of Attendance
2011	14,306	15,002	95.36%
2012	13,785	14,904	92.49%
2013	13,941	15,276	91.26%
2014	14,203	14,848	95.66%
2015	14,182	15,351	92.38%
2016	14,220	15,334	92.74%
2017	14,154	15,072	93.91%
2018	13,643	14,818	92.07%
2019	13,606	14,459	94.10%
2020	13,596	14,400	94.42%

Source: The District's PEIMS Office

\* Average Daily Attendance - the average daily attendance of eligible enrollees, district-wide, over the official number of instructional days.

SCHEDULE 25  
DONNA INDEPENDENT SCHOOL DISTRICT  
OPERATING STATISTICS

LAST TEN YEARS

(Unaudited)

Fiscal Year	Average Daily Attendance	Operating Expenditures	Cost per Pupil	Percent Change	Operating Expenses	Cost per Pupil	Percent Change
2011	14,306	\$ 106,536,179	\$ 7,447	-4.72%	\$ 145,318,696	\$ 10,158	-1.58%
2012	13,785	115,765,601	8,398	12.77%	138,095,421	10,018	-1.38%
2013	13,941	127,656,743	9,157	9.04%	151,408,310	10,861	8.41%
2014	14,203	137,468,113	9,679	5.70%	155,813,596	10,970	1.01%
2015	14,182	147,921,208	10,430	7.76%	172,544,797	12,166	10.90%
2016	14,220	155,724,118	10,951	4.99%	188,740,172	13,273	9.09%
2017	14,154	150,795,387	10,654	-2.71%	182,483,514	12,893	-2.86%
2018	13,643	152,583,784	11,184	4.98%	129,537,480	9,495	-26.36%
2019	13,606	141,679,314	10,413	-6.89%	181,171,924	13,316	40.24%
2020	13,596	148,767,327	10,942	5.08%	186,195,176	13,694	2.84%

Source: Average Daily Attendance provided by the District's PEIMS and A.E.I.S. reports.  
Operating Expenditures and Expenses obtained from the District's Annual Financial Reports.

SCHEDULE 26  
DONNA INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF STUDENT INFORMATION

LAST TEN YEARS

(Unaudited)

Fiscal Year	Teacher / Student Ratio	Percentage of Free and Reduced Lunch	No. of Economically Disadvantaged Students	Percentage of Economically Disadvantaged Students
2011	15.0	89%	14,571	97.0%
2012	15.9	89%	14,527	97.2%
2013	16.2	89%	14,818	97.0%
2014	15.0	100%	14,941	97.2%
2015	14.4	100%	12,502	81.6%
2016	14.3	100%	14,230	92.9%
2017	14.2	100%	14,095	93.7%
2018	13.9	100%	14,095	93.7%
2019	14.0	100%	13,587	94.1%
2020	14.7	100%	13,541	94.0%

Source: Texas Academic Performance Report

Academic Excellence Indicator System (AEIS) & District's PEIMS office.

The District currently has Provision 2 status with Texas Department of Agriculture for the percentage of Free and Reduced Lunch.

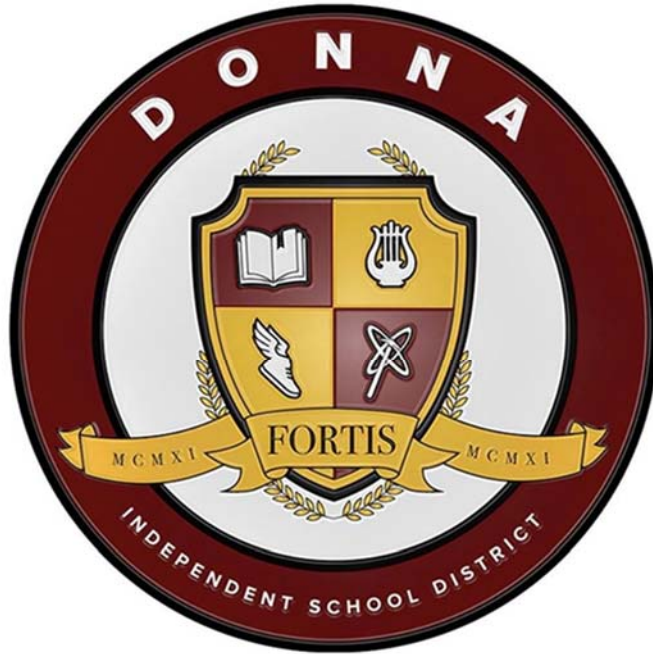
SCHEDULE 27  
DONNA INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF SCHOOL BUILDINGS

(Unaudited)

	Estimated Square Footage	Recommended Capacity		Estimated Square Footage	Recommended Capacity
<b>HIGH SCHOOLS</b>				<b>ELEMENTARY SCHOOLS</b>	
DONNA HIGH SCHOOL	321,801	1,800		ADAME	86,069      880
DONNA NORTH HIGH SCHOOL	321,000	2,400		CACERES	57,390      704
DONNA EARLY COLLEGE HIGH SCHOOL	22,500	175			
TOTAL	642,801	4,200		GARZA	76,438      1,056
				GUZMAN	51,227      616
<b>MIDDLE SCHOOLS</b>				LENOIR	86,733      528
A.P. SOLIS	139,150	1,700		MUNOZ	76,438      968
SAUCEDA	147,500	1,248		OCHOA	62,811      638
VETERANS	149,872	1,300		PRICE	52,752      575
W.A. TODD	118,099	825		RIVAS	59,396      616
TOTAL	554,621	5,073		RUNN	59,096      616
				SALAZAR	63,663      682
<b>SPECIAL CAMPUSES</b>				SALINAS	87,467      1,012
3-D ACADEMY	16,435	328		SINGLETERRY	63,404      638
DONNA ALTERNATIVE ED. PROGRAM	19,571	165		STAINKE	64,873      660
TOTAL	36,006	493		TOTAL	947,757      10,189

Source: DISD Facilities School Building Information

Note: The information presented above is as of August 31, 2018 and are indicators of the volume and usage of the District's buildings, which are the material capital assets. Ten years of data is not available for presentation.



*“THE DISTRICT”*

**SINGLE AUDIT**



# Cascos & Associates, PC

Certified Public Accountants  
Audit/Accounting/Tax/Consulting

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

The Board of Trustees  
Donna Independent School District  
Donna, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Donna Independent School District, ("the District"), as of and for the year ended August 31, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 15, 2020.

### ***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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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*.



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**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.



Cascos & Associates, PC  
Brownsville, Texas  
December 15, 2020





# Cascos & Associates, PC

Certified Public Accountants  
Audit/Accounting/Tax/Consulting

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

The Board of Trustees  
Donna Independent School District  
Donna, Texas

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

We have audited Donna Independent School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Donna Independent School District's, (the District), major federal programs for the year ended August 31, 2020. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### ***Management's Responsibility***

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

#### ***Auditors' Responsibility***

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

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

#### ***Opinion on Each Major Federal Program***

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2020.

## **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 a 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.

## **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the District as of and for the year ended August 31, 2020, and have issued our report thereon dated December 15, 2020, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.



Cascos & Associates, PC  
Brownsville, Texas  
December 15, 2020

DONNA INDEPENDENT SCHOOL DISTRICT  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 FOR THE YEAR ENDED AUGUST 31, 2020

**I. Summary of the Auditors' Results:**

Financial Statements:	
The type of auditors' report on financial statements:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified:	No
Significant Deficiency(ies) identified that are not considered to be material weakness(es)?	None reported
Noncompliance which is material to the basic financial statements	No
Federal Awards:	
Internal control over major programs:	
Material weakness(es) identified?	No
Significant Deficiency(ies) identified that are not considered to be material weakness(es)?	None reported
Type of auditors' report on compliance with major programs:	Unmodified
Findings and questioned costs for federal awards as defined in 2CFR 200.516(a)?:	No
Dollar threshold used to distinguish between Type A and Type B programs:	\$ 940,701 – Type A \$ 235,175 – Type B
Low risk auditee:	No
Identification of major programs :	
<u>CFDA Numbers :</u> 10.553, 10.555	<u>Name of Federal Program or Cluster</u> Child Nutrition Cluster
84.377A	Title I, SIP Academy Grant

**II. Financial Statement Findings**

None

**III. Federal Awards Findings and Questioned Costs**

None

DONNA INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED AUGUST 31, 2020

(1)	(2)	(3)	(4)
Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA No.	Pass-Through Entity Identifying No.	Total Federal Expenditures & Indirect Cost
<b>U.S. DEPARTMENT OF DEFENSE</b>			
<i>Direct Programs</i>			
J.R.O.T.C.	12.U01	N/A	\$ 65,968
Total U.S. Department of Defense			<u>65,968</u>
<b>U.S. DEPARTMENT OF EDUCATION</b>			
<i>Passed Through State Department of Education:</i>			
ESEA Title X, PLC Homeless	84.196	204600057110022	83,264
Total CFDA No. 84.196			<u>83,264</u>
ESEA, Title I, Part A-Improving Basic Programs	84.010A	20610101108902	10,688,225
ESEA, Title I, 1003 School Improvement	84.010A	20610141108902	258,935
Total CFDA No. 84.010A			<u>10,947,160</u>
ESEA Title I, Part C - Migrant	84.011A	20615001108902	1,503,683
MEP AIIMS	84.011A	196150207110002	18,224
Total CFDA No. 84.011A			<u>1,521,907</u>
*SSA IDEA Part B Formula	84.027A	206600011089026000	2,433,698
Total CFDA No. 84.027A			<u>2,433,698</u>
*SSA IDEA Part B Preschool	84.173A	206610011089026000	30,331
Total CFDA No. 84.173A			<u>30,331</u>
Career and Technical - Basic Grant	84.048	20420006108902	211,947
Total CFDA No. 84.048			<u>211,947</u>
Title IV, Part B 21st Century Community Learning Centers	84.287	206950247110008	853,702
Total CFDA No. 84.287			<u>853,702</u>
Title III, Part A English Language Acquisition	84.365A	20671001108902	554,953
Total CFDA No. 84.365A			<u>554,953</u>
ESEA Title II, Part A-Teacher & Principal Training & Recruitment	84.367A	20694501108902	781,662
Total CFDA No. 84.367A			<u>781,662</u>
Title I, SIP Academy Grant	84.377A	176107317110003	1,251,458
Total CFDA No. 84.377A			<u>1,251,458</u>
Title IV, Part A-Subpart 1	84.424	20680101108902	748,623
Total CFDA No. 84.424			<u>748,623</u>
LEP Summer School	84.369	69551902	9,350
Total CFDA No. 84.369			<u>9,350</u>
Total Passed Through State Department of Education			<u>19,428,055</u>
<i>Passed Through Region One Education Service Center:</i>			
Project Rise	84.374A	U384A16002-17A	299,546
Total CFDA No. 84.374A			<u>299,546</u>
Gaining Early Awareness and Readiness for Undergraduate Programs "GEAR UP"	84.334A	P334A110180	170,167
Total CFDA No. 84.334A			<u>170,167</u>
Total Passed Through Region One Education Service Center			<u>469,713</u>
Total U.S. Department of Education			<u>19,897,768</u>

DONNA INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED AUGUST 31, 2020

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	(1)	(2) Federal CFDA No.	(3) Pass-Through Entity Identifying No.	(4) Total Federal Expenditures & Indirect Cost
<b>U.S. DEPARTMENT OF HEALTH AND SERVICES</b>				
<i>Passed Through Texas Health and Human Services Commission:</i>				
Medicaid Administrative Claiming Program - MAC		93.778	529-07-0157-00259	<u>78,914</u>
Total U.S. Department of Health and Human Services				<u>78,914</u>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>				
<i>Passed Through Texas Education Agency:</i>				
**National School Breakfast Program		10.553	71401901	4,212,246
**National School Lunch Program - Cash Assistance		10.555	71301901	<u>6,266,076</u>
Total Passed Through Texas Education Agency				<u>10,478,322</u>
<i>Passed Through Texas Department of Agriculture:</i>				
**National School Lunch Program - Non-Cash Assistance		10.555	3001801	774,640
Fresh Fruit and Vegetable Program		10.582	00564	317,142
Child & Adult Care Food Program		10.555	00564	324,993
Equipment Grant		10.579	00564	<u>8,122</u>
Total Passed Through Texas Department of Agriculture				<u>1,424,896</u>
Total U.S. Department of Agriculture				<u>11,903,218</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>				<u>\$ 31,945,869</u>

\* Total Special Education Cluster - \$2,464,029

\*\* Total Child Nutrition Cluster - \$11,252,962

DONNA INDEPENDENT SCHOOL DISTRICT  
 NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED AUGUST 31, 2020

**1. GENERAL**

The Schedule of Expenditures of Federal Awards presents the activity of all applicable federal award programs of Donna Independent School District (the "District"). The District's reporting entity is defined in Note I of the financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the Schedule of Expenditures of Federal Awards.

In accordance with TEA instructions, federal funds for the E-Rate Program have been excluded from the Schedule of Expenditures of Federal Awards.

Federal program revenues for R.O.T.C, the Child Nutrition Cluster, School Health and Related Service (SHARS), Medicaid Administrative Claims (MAC), and reimbursement of indirect costs are reported in the General Fund. All other federal programs are accounted for and reported in Special Revenue Funds.

**2. BASIS OF ACCOUNTING AND PRESENTATION**

The Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting. The District's significant accounting policies, including the modified accrual basis of accounting, are presented in Note 1 of the basic financial statements.

The Schedule of Expenditures of Federal Awards is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some of the amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

**3. PASS-THROUGH EXPENDITURES**

None of the federal programs expended by the District were provided to subrecipients.

**4. INDIRECT COSTS**

The District has received a negotiated indirect cost rate from TEA and may not elect to use a de minimis cost rate of 10% as described at 2 CFR §200.414(f)—Indirect (F&A) costs.

**5. The following is the reconciliation of federal revenues and the Schedule of Expenditures of Federal Awards for the year ended August 31, 2020.**

Federal revenues per the Statement of Revenues, Expenditures and Changes in Fund Balance- Government Funds (Exhibit C-3)	\$ 34,005,369
Less:	
SHARS	1,867,388
E-Rate Program	192,112
	2,059,500
Federal expenditures	\$ 31,945,869