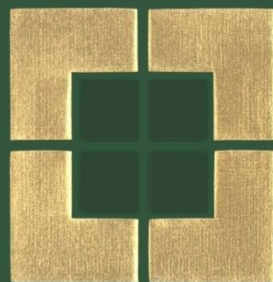


**Cameron**  
**Independent School District**  
**August 31, 2020**

***Financial Statements***



**BROCKWAY  
GERSBACH  
FRANKLIN &  
NIEMEIER, P.C.**

**CERTIFIED PUBLIC ACCOUNTANTS**



**CAMERON INDEPENDENT SCHOOL DISTRICT**  
**ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED AUGUST 31, 2020**



**CAMERON INDEPENDENT SCHOOL DISTRICT  
TABLE OF CONTENTS**

	<u>Page</u>	<u>Exhibit</u>
CERTIFICATE OF BOARD	3	
Independent Auditors' Report	5-7	
Management's Discussion and Analysis	9-14	
 <b><u>Basic Financial Statements</u></b>		
Government-Wide Financial Statements:		
Statement of Net Position	17	A-1
Statement of Activities	19	B-1
Governmental Fund Financial Statements:		
Balance Sheet	20-21	C-1
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	22	C-2
Statement of Revenues, Expenditures and Changes in Fund Balances	24-25	C-3
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	26	C-4
Agency Fund Financial Statements:		
Statement of Assets and Liabilities	27	E-1
Notes to the Financial Statements	29-52	
 <b><u>Required Supplementary Information</u></b>		
Statement of Revenues, Expenditures and Changes in Fund Balance		
Budget and Actual - General Fund	55	G-1
Schedule of the District's Proportionate Share of the Net Pension Liability		
Teacher Retirement System of Texas	56-57	G-2
Schedule of the District's Contributions for Pensions - Teacher Retirement System of Texas		
Teacher Retirement System of Texas	58-59	G-3
Schedule of the District's Proportionate Share of the Net OPEB Liability		
Teacher Retirement System of Texas	60	G-4
Schedule of the District's Contributions for OPEB - Teacher Retirement System of Texas	61	G-5
Notes to Required Supplementary Information	62	
 <b><u>Combining Schedules</u></b>		
Nonmajor Governmental Funds:		
Combining Balance Sheet	64-66	H-1
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	68-70	H-2
 <b><u>Required TEA Schedules</u></b>		
Schedule of Delinquent Taxes Receivable	72-73	J-1
Schedule of Revenues, Expenditures and Changes in Fund Balance		
Budget and Actual - Child Nutrition Program	74	J-4
Schedule of Revenues, Expenditures and Changes in Fund Balance		
Budget and Actual - Debt Service Fund	75	J-5
 <b><u>Federal Awards Section</u></b>		
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 <i>Government Auditing Standards</i>		
	79-80	
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance		
	81-82	
Schedule of Findings and Questioned Costs		
	83-84	
Schedule of Prior Audit Findings and Corrective Action Plan		
	85	
Schedule of Expenditures of Federal Awards		
	86	K-1
Notes to Schedule of Expenditures of Federal Awards		
	87-88	

This page is left blank intentionally.

**CERTIFICATE OF BOARD**

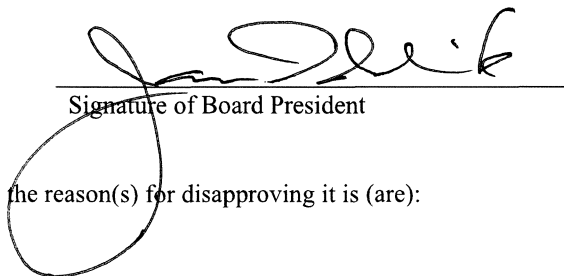
Cameron Independent School District  
Name of School District

Milam  
County

166-901  
Co.-Dist. Number

We, the undersigned, certify that the attached annual financial reports of the above-named school district were reviewed and (check one)  approved  disapproved for the year ended August 31, 2020, at a meeting of the Board of Trustees of such school district on the 14th day of December, 2020.

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

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

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

This page is left blank intentionally.





## INDEPENDENT AUDITORS' REPORT

Board of Trustees  
Cameron Independent School District  
Cameron, 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 Cameron 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***

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 auditors' 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's, as of August 31, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**INDEPENDENT AUDITORS' REPORT  
(CONTINUED)**

***Other Matters***

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 9 through 14, budgetary comparison information on page 55, schedules of the District's proportionate share of the net pension and other postemployment (OPEB) liability on pages 56 - 57 and page 60, and schedules of District contributions on pages 58 - 59 and 61 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 combining and nonmajor fund financial statement and the TEA required schedules 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 and nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management, 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 and individual nonmajor fund financial statements 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.

**INDEPENDENT AUDITORS' REPORT  
(CONTINUED)**

The Texas Education Agency requires school districts to include certain information in the Annual Financial Report in conformity with laws and regulations of the State of Texas. This information is included in schedules on pages 72 through 75. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance



Temple, Texas  
December 8, 2020

This page is left blank intentionally.

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
CAMERON INDEPENDENT SCHOOL DISTRICT  
FOR THE YEAR ENDED AUGUST 31, 2020**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

In this section of the Annual Financial Report, we, the managers of Cameron Independent School District (the District), discuss and analyze the District's financial performance for the fiscal year ended August 31, 2020. Please read it in conjunction with the Independent Auditors' Report on pages 5 - 7, and the District's Basic Financial Statements which begin on page 17.

**FINANCIAL HIGHLIGHTS**

- The General Fund ended the year with a fund balance of \$ 7,883,146.
- The General Fund had a decrease in total expenditures of approximately \$ 293,000 from the prior year, due to a decrease in capital outlay for construction and acquisition of long-term assets. General Fund expenditures were approximately \$ 1 million less than budgeted expenditures.
- During the year the District generated \$ 16,970,053 in tax and other revenues for governmental activities. These revenues exceeded the District's governmental activities expenses by \$ 383,862.
- The total cost of all the District's programs increased approximately \$ 134,135 from the prior year due primarily to increases in instruction costs, curriculum and instructional staff development costs and acquisition of long-term assets.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

The statement of net position presents information on all of the District's assets and deferred outflows of resources, and liabilities and deferred inflows of resources with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator as to whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods such as uncollected property tax.

The government-wide financial statements distinguish functions of the District that are principally supported by taxes, intergovernmental revenues, and user fees & charges (governmental activities). The governmental activities of the District include the education of District students and the programs necessary to support such education.

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
CAMERON INDEPENDENT SCHOOL DISTRICT  
FOR THE YEAR ENDED AUGUST 31, 2020**

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

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

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

The District maintains numerous individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General and Debt Service Funds as they are considered to be major funds. Data from the other funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The District adopts an annual appropriated budget for the General Fund. A budgetary comparison schedule has been provided for this fund to demonstrate compliance with this budget. Supplementary budgetary comparison schedules have also been prepared for the Child Nutrition and Debt Service Funds and are included in the other supplementary information section of this report.

**Agency funds.** Agency funds are used to account for resources held for the benefit of parties outside the government. Agency funds are *not* reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs.

***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.*** The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. In addition, certain information required by the Texas Education Agency and the federal government regarding tax collection and grant expenditures is also presented along with required supplementary information related to the District's contributions to a cost-sharing pension plan with the Teacher Retirement System of Texas.

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
CAMERON INDEPENDENT SCHOOL DISTRICT  
FOR THE YEAR ENDED AUGUST 31, 2020**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

We will present both current and prior year data and discuss significant changes in the accounts. Our analysis focuses on the Net Position (Table I) and Changes in Net Position (Table II) of the District's governmental activities.

Net position of the District's governmental activities increased from \$ 1,370,222 to \$ 1,754,084. Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – was (\$ 3,377,949) at August 31, 2020. This is an increase of \$ 424,508 in governmental unrestricted net position.

**Table I  
Cameron Independent School District**

**NET POSITION**

	Governmental Activities 2020	Governmental Activities 2019	Change
Current and Other Assets	\$ 11,379,585	\$ 10,531,054	\$ 848,531
Capital Assets	19,938,477	21,426,035	(1,487,558)
Total Assets	31,318,062	31,957,089	(639,027)
Deferred Outflows of Resources	2,813,312	3,263,546	(450,234)
Other Liabilities	1,706,354	1,880,812	(174,458)
Long-Term Liabilities	26,215,708	29,014,408	(2,798,700)
Total Liabilities	27,922,062	30,895,220	(2,973,158)
Deferred Inflows of Resources	4,455,228	2,955,193	1,500,035
Net Position:			
Invested in Capital Assets, Net of Related Debt	3,560,153	3,767,592	(207,439)
Restricted	1,571,880	1,405,087	166,793
Unrestricted (Deficit)	(3,377,949)	(3,802,457)	424,508
Total Net Position	\$ 1,754,084	\$ 1,370,222	\$ 383,862

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
CAMERON INDEPENDENT SCHOOL DISTRICT  
FOR THE YEAR ENDED AUGUST 31, 2020**

**Table II  
Cameron Independent School District**

**CHANGES IN NET POSITION**

	Governmental Activities 2020	Governmental Activities 2019	Change
Revenues:			
Program Revenues:			
Charges for Services	\$ 127,218	\$ 176,872	\$ (49,654)
Operating Grants and Contributions	3,625,137	3,610,957	14,180
General Revenues:			
Maintenance and Operations Taxes	4,168,321	4,148,997	19,324
Debt Service Taxes	1,498,537	1,304,452	194,085
State Aid - Formula Grants	11,022,641	11,093,650	(71,009)
Investment Earnings	155,465	259,726	(104,261)
Miscellaneous Income	125,089	160,987	(35,898)
Total Revenues	<u>20,722,408</u>	<u>20,755,641</u>	<u>(33,233)</u>
Expenses:			
Instruction, Curriculum and Media Services	11,294,771	11,414,078	(119,307)
Instructional and School Leadership	1,068,287	1,029,150	39,137
Student Support Services	1,131,156	1,014,158	116,998
Food Services	1,248,686	1,308,309	(59,623)
Extracurricular Activities	1,636,460	1,592,606	43,854
General Administration	852,283	778,043	74,240
Plant Maintenance, Security, and Data Processing	2,300,610	2,098,341	202,269
Community Services	117,571	81,958	35,613
Facilities Acquisition & Construction	47,684	-	47,684
Debt Services - Interest and Bond Fees	530,778	761,936	(231,158)
Payments to Other Districts/Agencies	110,260	125,832	(15,572)
Total Expenses	<u>20,338,546</u>	<u>20,204,411</u>	<u>134,135</u>
Excess of Revenues Over Expenses	<u>383,862</u>	<u>551,230</u>	<u>(167,368)</u>
Change in Net Position	383,862	551,230	(167,368)
Net Position - Beginning	<u>1,370,222</u>	<u>818,992</u>	<u>551,230</u>
Net Position - Ending	<u>\$ 1,754,084</u>	<u>\$ 1,370,222</u>	<u>\$ 383,862</u>



**MANAGEMENT’S DISCUSSION AND ANALYSIS  
CAMERON INDEPENDENT SCHOOL DISTRICT  
FOR THE YEAR ENDED AUGUST 31, 2020**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**

The District's total revenues decreased by approximately \$ 33,000 from the prior year. The District’s cost of all programs and services increased from the prior year by approximately \$ 134,000.

**THE DISTRICT'S FUNDS**

As the District completed the year, its governmental funds (as presented in the balance sheet on pages 20-21) reported a combined fund balance of \$ 9,458,310, which is \$ 1,027,741 more than last year’s total of \$ 8,430,569. This is due primarily to an increased in federal revenues and a decrease in instructional expenditures in 2020.

The District's General Fund balance of \$ 7,883,146 reported on page 20 differs from the General Fund's budgeted fund balance of \$ 7,032,896 reported in the budgetary comparison schedule on page 55 due to expenditures less than amounts budgeted.

Over the course of the year, the Board of Trustees revised the District's budget three times. Significant budget amendments include purchase of software, facilities maintenance, including gym AC replacement, renovations of the Ag building, CES and CJH, and old gym floor, recognition of prepaid expenditures, purchase of covid-related supplies and an increase in local and Fund 240 revenues.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of 2020, the District had \$ 19,938,477, net of depreciation, invested in a broad range of capital assets, including facilities and equipment for instruction, transportation, athletics, administration, and maintenance.

This year's major additions included:

Buildings and Improvements	\$	168,356
Furniture and Equipment		231,910
Total		400,266

**Debt**

At year-end, the District had \$ 15,328,113 in bonds and leases outstanding versus \$ 16,650,611 last year, a decrease due to principal payments made on balances during the year. More detailed information about the District's long-term liabilities is presented in the notes to the financial statements starting on page 37.

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
CAMERON INDEPENDENT SCHOOL DISTRICT  
FOR THE YEAR ENDED AUGUST 31, 2020**

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

The following factors were considered in establishing the District's budget for 2020-2021:

- The District's budgeted expenditures for the 2020-2021 school year total \$ 16,549,264.
- The District's total tax rate for 2019-2020 was \$ 1.3795 per \$ 100 of valuation. The rate adopted for the 2020-2021 schoolyear is \$ 1.28 per \$ 100 valuation. The rates approved were \$ 0.9614 for maintenance and operations and \$ 0.3186 for interest and sinking.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's business office, at Cameron Independent School District, P. O. Box 712, Cameron, Texas 76520.

## **BASIC FINANCIAL STATEMENTS**

This page is left blank intentionally.

**CAMERON INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
AUGUST 31, 2020**

Data Control Codes		<u>Primary Government</u> Governmental Activities
<b>ASSETS</b>		
1110	Cash and Cash Equivalents	\$ 9,853,367
1220	Property Taxes Receivable (Delinquent)	336,349
1230	Allowance for Uncollectible Taxes	(100,905)
1240	Due from Other Governments	1,058,930
1290	Other Receivables, Net	2,861
1410	Prepaid expenses	137,609
1995	Prepaid Expenses - noncurrent	91,374
	Capital Assets:	
1510	Land	728,654
1520	Buildings, Net	17,167,772
1530	Furniture and Equipment, Net	2,042,051
1000	Total Assets	<u>31,318,062</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
1705	Deferred Amount on Refunding	209,349
1705	Deferred Outflow Related to TRS Pension	1,936,087
1706	Deferred Outflow Related to TRS OPEB	667,876
1700	Total Deferred Outflows of Resources	<u>2,813,312</u>
<b>LIABILITIES</b>		
2110	Accounts Payable	308,464
2140	Interest Payable	20,522
2150	Payroll Deductions and Withholdings Payable	12,526
2160	Accrued Wages Payable	693,715
2200	Accrued Expenditures	19,676
2300	Unearned Revenues	651,451
	Noncurrent Liabilities:	
2501	Due Within One Year	1,403,325
2502	Due in More Than One Year	15,184,348
2540	Net Pension Liability (District's Portion)	4,081,411
2545	Net OPEB Liability (District's Portion)	5,546,624
2000	Total Liabilities	<u>27,922,062</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
2605	Deferred Inflow Related to TRS Pension	1,043,285
2606	Deferred Inflow Related to TRS OPEB	3,411,943
2600	Total Deferred Inflows of Resources	<u>4,455,228</u>
<b>NET POSITION</b>		
3200	Net Investment in Capital Assets	3,560,153
3820	Restricted for Federal and State Programs	350,578
3850	Restricted for Debt Service	1,221,302
3900	Unrestricted (Deficit)	(3,377,949)
3000	Total Net Position	<u>\$ 1,754,084</u>

The accompanying notes are an integral part of the financial statements.

This page is left blank intentionally.

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

Data Codes	Control	1	Program Revenues		Net (Expense) Revenue and Changes in Net Position
			3	4	6
		Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
<b>Primary Government:</b>					
GOVERNMENTAL ACTIVITIES:					
11	Instruction	\$ 10,690,047	\$ -	\$ 1,838,705	\$ (8,851,342)
12	Instructional Resources and Media Services	242,384	-	6,264	(236,120)
13	Curriculum and Instructional Staff Development	362,340	-	33,193	(329,147)
23	School Leadership	1,068,287	-	44,950	(1,023,337)
31	Guidance, Counseling and Evaluation Services	436,029	-	15,611	(420,418)
32	Social Work Services	39,713	-	1,365	(38,348)
33	Health Services	161,933	-	11,876	(150,057)
34	Student (Pupil) Transportation	493,481	-	33,602	(459,879)
35	Food Services	1,248,686	57,122	1,075,247	(116,317)
36	Extracurricular Activities	1,636,460	70,096	27,893	(1,538,471)
41	General Administration	852,283	-	25,789	(826,494)
51	Facilities Maintenance and Operations	1,712,059	-	22,950	(1,689,109)
52	Security and Monitoring Services	158,430	-	-	(158,430)
53	Data Processing Services	430,121	-	114,858	(315,263)
61	Community Services	117,571	-	8,226	(109,345)
81	Facilities Acquisition & Construction	47,684	-	-	(47,684)
72	Debt Service - Interest on Long-Term Debt	513,091	-	364,608	(148,483)
73	Debt Service - Bond Issuance Cost and Fees	17,687	-	-	(17,687)
93	Payments related to Shared Services Arrangements	110,260	-	-	(110,260)
	[TP] TOTAL PRIMARY GOVERNMENT:	<u>\$ 20,338,546</u>	<u>\$ 127,218</u>	<u>\$ 3,625,137</u>	<u>(16,586,191)</u>
	Data Control Codes	General Revenues:			
		Taxes:			
MT	Property Taxes, Levied for General Purposes				4,168,321
DT	Property Taxes, Levied for Debt Service				1,498,537
SF	State Aid - Formula Grants				11,022,641
IE	Investment Earnings				155,465
MI	Miscellaneous Local and Intermediate Revenue				125,089
TR	Total General Revenues				<u>16,970,053</u>
CN	Change in Net Position				383,862
NB	Net Position - Beginning				<u>1,370,222</u>
NE	Net Position - Ending				<u>\$ 1,754,084</u>

The accompanying notes are an integral part of the financial statements.

**CAMERON INDEPENDENT SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
AUGUST 31, 2020**

Data Control Codes	10 General Fund	50 Debt Service Fund	Other Funds
<b>ASSETS</b>			
1110	\$ 8,147,829	\$ 1,217,311	\$ 488,227
1220	255,331	81,018	-
1230	(76,599)	(24,306)	-
1240	578,812	3,991	476,127
1260	387,107	-	36,669
1290	2,861	-	-
1410	137,609	-	-
1995	91,374	-	-
1000	<u>\$ 9,524,324</u>	<u>\$ 1,278,014</u>	<u>\$ 1,001,023</u>
<b>LIABILITIES</b>			
2110	\$ 275,609	\$ -	\$ 32,855
2150	12,526	-	-
2160	656,968	-	36,747
2170	109,800	-	313,976
2200	13,389	-	6,287
2300	394,155	-	257,296
2000	<u>1,462,447</u>	<u>-</u>	<u>647,161</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
2600	178,731	56,712	-
	<u>178,731</u>	<u>56,712</u>	<u>-</u>
<b>FUND BALANCES</b>			
Nonspendable Fund Balance:			
3430	228,983	-	-
Restricted Fund Balance:			
3450	-	-	350,578
3480	-	1,221,302	-
Assigned Fund Balance:			
3590	-	-	3,284
3600	7,654,163	-	-
3000	<u>7,883,146</u>	<u>1,221,302</u>	<u>353,862</u>
4000	<u>\$ 9,524,324</u>	<u>\$ 1,278,014</u>	<u>\$ 1,001,023</u>

The accompanying notes are an integral part of the financial statements.



Total Governmental Funds	
<hr/>	
\$	9,853,367
	336,349
	(100,905)
	1,058,930
	423,776
	2,861
	137,609
	91,374
	<hr/>
\$	11,803,361
	<hr/> <hr/>
\$	308,464
	12,526
	693,715
	423,776
	19,676
	651,451
	<hr/>
	2,109,608
	<hr/>
	235,443
	<hr/>
	235,443
	<hr/>
	228,983
	350,578
	1,221,302
	3,284
	7,654,163
	<hr/>
	9,458,310
	<hr/>
\$	11,803,361
	<hr/> <hr/>

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

<b>Total Fund Balances - Governmental Funds</b>		\$ 9,458,310
<b>1</b>	Capital assets used in governmental activities are not current financial resources and therefore are not reported in governmental funds. These assets consist of:	
	Land	\$ 728,654
	Buildings and improvements	41,430,900
	Furniture and equipment	5,965,317
	Accumulated depreciation	<u>(28,186,394)</u>
	Total capital assets	<u>\$ 19,938,477</u> 19,938,477
<b>2</b>	Deferred outflows of resources represent the consumption of net position that applies to future periods and will not be recognized as an expense until then:	
	Deferred amounts on refunding	\$ 209,349
	Deferred outflows related to TRS Pension	1,936,087
	Deferred outflows related to TRS OPEB	<u>667,876</u>
		<u>\$ 2,813,312</u> 2,813,312
<b>3</b>	Some revenues in the governmental funds are deferred because they are not collected within the prescribed time period after year end. On the accrual basis, however, those revenues would be recognized, regardless of when they are collected.	235,443
<b>4</b>	Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds balance sheet. Those liabilities consist of:	
	Accrued interest on debt	\$ (20,522)
	Bonds	(15,200,000)
	Capital leases	(128,113)
	Premiums/discounts	(1,259,560)
	Net pension liability	(4,081,411)
	Net OPEB liability	<u>(5,546,624)</u>
		<u>\$ (26,236,230)</u> (26,236,230)
<b>5</b>	Deferred inflow of resources represent an acquisition of net position that applies to future periods and so will not be recognized as revenue until then:	
	Deferred inflows related to TRS Pension	\$ (1,043,285)
	Deferred inflows related to TRS OPEB	<u>(3,411,943)</u>
		<u>\$ (4,455,228)</u> (4,455,228)
<b>19</b>	<b>Net Position of Governmental Activities</b>	<u>\$ 1,754,084</u>

The accompanying notes are an integral part of the financial statements.

This page is left blank intentionally.

**CAMERON 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	50 Debt Service Fund	Other Funds
	<b>REVENUES:</b>			
5700	Total Local and Intermediate Sources	\$ 4,491,580	\$ 1,518,304	\$ 57,122
5800	State Program Revenues	11,036,384	364,608	245,062
5900	Federal Program Revenues	422,819	-	1,946,252
5020	Total Revenues	<u>15,950,783</u>	<u>1,882,912</u>	<u>2,248,436</u>
	<b>EXPENDITURES:</b>			
	Current:			
0011	Instruction	8,379,296	-	794,883
0012	Instructional Resources and Media Services	178,626	-	-
0013	Curriculum and Instructional Staff Development	160,978	-	163,980
0023	School Leadership	966,569	-	-
0031	Guidance, Counseling and Evaluation Services	400,909	-	463
0032	Social Work Services	36,803	-	-
0033	Health Services	149,560	-	-
0034	Student (Pupil) Transportation	476,323	-	-
0035	Food Services	37,105	-	1,061,563
0036	Extracurricular Activities	1,073,936	-	5,141
0041	General Administration	794,021	-	15,775
0051	Facilities Maintenance and Operations	1,724,121	-	5,287
0052	Security and Monitoring Services	95,403	-	62,580
0053	Data Processing Services	307,221	-	86,222
0061	Community Services	56,271	-	51,147
0081	Facilities Acquisition & Construction	47,684	-	-
	Debt Service:			
0071	Principal on Long-Term Debt	52,498	1,180,000	-
0072	Interest on Long-Term Debt	10,753	551,325	-
0073	Bond Issuance Cost and Fees	13,687	4,000	-
	Intergovernmental:			
0093	Payments to Fiscal Agent/Member Districts of SSA	110,260	-	-
6030	Total Expenditures	<u>15,072,024</u>	<u>1,735,325</u>	<u>2,247,041</u>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>878,759</u>	<u>147,587</u>	<u>1,395</u>
	<b>OTHER FINANCING SOURCES (USES):</b>			
7915	Operating transfers in	-	-	17,811
8911	Operating transfers out	(17,811)	-	-
7080	Total Other Financing Sources (Uses)	<u>(17,811)</u>	<u>-</u>	<u>17,811</u>
1200	Net Change in Fund Balances	<u>860,948</u>	<u>147,587</u>	<u>19,206</u>
0100	Fund Balance - September 1 (Beginning)	<u>7,022,198</u>	<u>1,073,715</u>	<u>334,656</u>
3000	Fund Balance - August 31 (Ending)	<u>\$ 7,883,146</u>	<u>\$ 1,221,302</u>	<u>\$ 353,862</u>

The accompanying notes are an integral part of the financial statements.

Total Governmental Funds
\$ 6,067,006
11,646,054
2,369,071
<u>20,082,131</u>
9,174,179
178,626
324,958
966,569
401,372
36,803
149,560
476,323
1,098,668
1,079,077
809,796
1,729,408
157,983
393,443
107,418
47,684
1,232,498
562,078
17,687
110,260
<u>19,054,390</u>
<u>1,027,741</u>
17,811
<u>(17,811)</u>
-
<u>1,027,741</u>
<u>8,430,569</u>
<u>\$ 9,458,310</u>

**CAMERON 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**

**Total Net Change in Fund Balances - Governmental Funds** \$ 1,027,741

Governmental funds report capital outlays as expenditures. However, in the government-wide statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:

Capital outlay	\$ 400,266	
Depreciation expense	<u>(1,887,824)</u>	
	<u><u>\$ (1,487,558)</u></u>	(1,487,558)

Revenues in the government-wide statement of activities that do not provide current financial resources are not reported as revenues in the funds. These include recognizing deferred revenue as revenue and adjusting current year revenue to show the revenue earned from the current year's tax levy and to reflect the disposals of capital assets. The net effect these reclassifications and recognitions is to decrease net position. (6,118)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt is an expenditure in the governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the government-wide statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:

Bond principal repayments	\$ 1,180,000	
Capital lease principal repayments	52,496	
Amortization of bond issuance premiums	123,164	
Amortization of deferred amounts on refundings	<u>(75,543)</u>	
Net adjustment	<u><u>\$ 1,280,117</u></u>	1,280,117

Accrued interest expense on long-term debt is reported in the government-wide statement of activities and changes in net position, but does not require the use of current financial resources; therefore, accrued interest expense is not reported as expenditures in governmental funds. This amount is the change in accrued interest. 1,368

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 \$ 276,669. 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 net position totaling \$ 274,107. 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 \$ 503,538. The net result is a decrease in the change in net position. (500,976)

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 \$ 87,076. Contributions made before the measurement date and during the previous fiscal year were also expended and recorded as a reduction in net OPEB liability. This caused a decrease in net position totaling \$ 83,241. Finally, the proportionate share of the TRS OPEB expense on the plan as a whole had to be recorded. The net OPEB expense decreased the change in net position by \$ (65,453). The net result is an increase to the change in net position. 69,288

**Change in Net Position of Governmental Activities** \$ 383,862

**CAMERON INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF ASSETS AND LIABILITIES  
AGENCY FUNDS  
AUGUST 31, 2020**

	Agency Funds
<hr/>	
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 136,701
Total Assets	<u>\$ 136,701</u>
<b>LIABILITIES</b>	
Due to Student Groups	\$ 136,701
Total Liabilities	<u>\$ 136,701</u>

The accompanying notes are an integral part of the financial statements.

This page is left blank intentionally.



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

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. REPORTING ENTITY**

The Board of Trustees (the "Board"), a seven-member group, has governance responsibilities over all activities related to public elementary and secondary education within the jurisdiction of the Cameron Independent School District (the "District"). Because members of the Board are elected by the public; have the authority to make decisions, appoint administrators, and significantly influence operations; and have the primary accountability for fiscal matters; the District is not included in any other governmental "reporting entity" as defined by the Governmental Accounting Standards Board ("GASB") Statement No. 61, "The Financial Reporting Entity-Omnibus" and GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units." There are no component units included within the reporting entity.

The District prepares its basic financial statements in conformity with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board and other authoritative sources identified in GASB Statement No. 76, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments"; 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.

The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding entities. However, the District is not included in any other governmental reporting entity. The District is a governmental entity exempt from federal income taxation and reporting under Internal Revenue Code Section 115.

**B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities normally are supported by taxes, state funding revenue, and user service charges.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. All capital asset depreciation is reported as a direct expense of the functional program that benefits from the use of the capital assets. Indirect costs associated with grant activities are allocated to administrative and support services functions to cover the overhead cost of providing the program. Program revenues include grants and contributions that are restricted to meeting the operational or capital requirement of a particular function, as well as, charges for services relating to the food service function. Taxes and other items are not properly included among program revenues and are reported instead as general revenues.

Separate financial statements are provided for governmental funds and agency funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

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

**C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Agency funds have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. This measurement focus means that only current assets and current liabilities are included on the balance sheet. Operating statements of these funds present resources (i.e. revenues and other financing sources) and decreases (i.e. expenditures and other financing uses) in net current assets. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when the obligation has matured.

Property taxes, state revenue, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

Grant funds are considered to be earned when all eligibility requirements have been met and to the extent of expenditures made under the provisions of the grant, and accordingly, when such funds are received in advance, they are recorded as unearned revenue.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed. The District reports the following major governmental funds:

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

The *Debt Service Fund* is used to account for revenues collected to pay interest and related costs and to retire long-term debt.

Additionally, the District reports the following non-major fund types:

*Special revenue funds* are used to account for resources restricted, committed, or assigned for specific purposes by a grantor or the Board. Federal and state financial assistance generally is accounted for in a *special revenue fund*. Generally, unused balances are returned to the grantor at the close of specified project periods. The food service funds are rolled over from year to year for use in the program(s).

*Agency funds* (a fiduciary fund type) are custodial in nature and are used to account for clearing accounts and the activities of student groups and District scholarships. The student activity organizations exist with the explicit approval of, and are subject to revocation by, the District's Board.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Amounts reported as program revenues include operating grants and contributions, food service user charges, and capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

**D. ASSETS, DEFERRED OUTFLOW OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION OR EQUITY**

Deposits and Investments

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

Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds". Another type of interfund transaction is a transfer, which occurs when resources of one fund are transferred to another.

All property tax receivables are shown net of an allowance for uncollectible taxes. 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 upon historical experience in collecting personal property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

Inventories and Prepaid Items

Inventories of supplies on the balance sheet are stated at weighted average cost, while inventories of donated food commodities are recorded at fair values supplied by the Texas Department of Human Services. Inventory items are recorded as expenditures when they are consumed. Supplies are used for almost all functions of activity, while food commodities are used only in the food service program. Although commodities are received at no cost, the fair value is supplied by the Texas Department of Human Services and recorded as inventory and revenue when received. When requisitioned, inventory is depleted and expenditures are charged. Inventories also include facilities maintenance and operation supplies, as well as instructional supplies. Supplies inventory reported in the General Fund and Child Nutrition Fund is offset in the fund level financial statements by a fund balance reserve that indicates that it is "non-spendable resources".

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. Prepaid items reported in the General Fund are offset in the fund level financial statements by a fund balance reserve that indicates that it is "non-spendable resources".

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. Benefits 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.

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

Governmental Fund Balances

Certain resources of the governmental funds are set aside for the repayment or use of specific programs and are recorded to four categories of designations:

Non-spendable - Amounts that cannot be spent because they are either not in a spendable form or are legally or contractually required to be maintained intact.

Restricted - Amounts that can be spent only for specific purposes because of constraints imposed by external providers, or imposed by constitutional provisions or enabling legislation.

Committed - Amounts that can only be used for specific purposes pursuant to approval by formal action by the Board.

Assigned - For the General Fund, amounts that are appropriated by the Board or Board designee that are to be used for specific purposes. For all other governmental funds, any remaining positive amounts not previously classified as non-spendable, restricted or committed.

Unassigned fund balances are amounts that are available for any purpose; these amounts can be reported only in the District's General Fund. The District's unassigned fund balance will be maintained to provide the District with sufficient working capital and a margin of safety to address local and regional emergencies without borrowing. The unassigned General Fund balance may only be appropriated by resolution of the Board. Amendments or modifications of the committed fund balance must also be approved by resolutions of the Board. When it is appropriate for fund balance to be assigned, the Board has delegated authority by resolution to the Superintendent. In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended is as follows: restricted, committed, assigned and unassigned.

Capital Assets

Capital assets, which include land, buildings, furniture and equipment are reported in the governmental activities columns in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$ 5,000 and an estimated life greater than one year. Such assets are recorded at historical cost. Donated capital assets are recorded at acquisition value at the date of the donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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

Assets	Years
Buildings	30-50
Building Improvements	10-30
Vehicles	5-10
Computer Equipment	3-5
Other Equipment	5-10

Compensated Absences

It is the District's policy to permit some employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the District does not have a policy to pay any amounts when employees separate from service with the government. There are limitations on carryover and accumulation of benefits and as a result the liability for accrued but unused benefits is not significant and therefore not recorded.

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

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses in the period incurred.

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

Fund Equity/Net Position

The District complies with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. In the fund financial statements, governmental funds report non-spendable, restrictions or commitments of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties or through action of the Board for use for a specific purpose. Assignments of fund balance represent tentative management plans that are subject to change and are neither restricted nor committed.

Deferred Outflows and Inflows of Resources

The District complies with GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, which provides guidance for reporting the financial statement elements of deferred outflows of resources, which represent the consumption of the District's net position that is applicable to a future reporting period, and deferred inflows of resources, which represent the District's acquisition of net position applicable to a future reporting period.

The District complies with GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, which establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

Estimates

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

Data Control Codes

The data control codes refer to the account code structure prescribed by TEA in the *Financial Accountability System Resource Guide*. The TEA requires school districts to display those codes in the financial statements filed with the Agency in order to ensure accuracy in building a stateside database for policy development and funding plans.

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

**II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. BUDGETARY DATA**

The Board of Trustees adopts an "appropriated budget" for the General Fund, Debt Service Fund and the Child Nutrition Program which is included in the Special Revenue Funds. The District is required to present the adopted and final amended budgeted revenues and expenditures for each of these funds. The District compares the final amended budget to actual revenues and expenditures. The General Fund Budget report appears in Exhibit G-1 and the other two reports appear in Exhibits J-4 and J-5.

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

1. Prior to August 20 the District prepares a budget for the next succeeding fiscal year beginning September 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Board is then called for the purpose of adopting the proposed budget. At least ten days' public notice of the meeting must be given.
3. Prior to September 1, the budget is legally enacted through passage of a resolution by the Board. Once a budget is approved, it can only be amended at the function and fund level by approval of a majority of the members of the Board. Amendments are presented to the Board at its regular meetings. Each amendment must have Board approval. As required by law, such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year end.
4. Each budget is controlled by the budget coordinator at the revenue and expenditure function/object level. Budgeted amounts are as amended by the Board. All budget appropriations lapse at year end.

**III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS**

**A. DEPOSITS AND INVESTMENTS**

Legal and Contractual Provisions Governing Deposits and 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. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit. Statutes authorize the District to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas, (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, (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.

At August 31, 2020, the District had no investments that meet these criteria.

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

Additional Contractual Provisions governing deposits and investments are as follows:

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

At August 31, 2020, the carrying amount of the District's deposits was \$ 9,853,366 and the bank balance was \$ 10,224,260. The District's cash deposits at August 31, 2020 and during the year ended August 31, 2018, were covered by FDIC insurance or by pledged securities by the District's agent bank in the District's name.

Policies Governing Deposits and Investments

1. Foreign Currency Risk – The District’s deposits and investments are not exposed to foreign currency risk.
2. Custodial Credit Risk – The District’s policy is to be collateralized. The District was fully collateralized during the year.
3. Interest Rate Risk – The District has no debt securities which have interest rate risk.
4. Other Credit Risk Exposure – The District does not have investments which would expose the District to credit risk.
5. Concentration of Credit Risk – The District does not have investments which would expose the District to this risk.

**B. PROPERTY TAXES**

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

**C. INTERFUND RECEIVABLES AND PAYABLES**

The purpose of the interfund balance is mainly for cash flows concerns, and the amounts are anticipated to be repaid in the current year. Interfund balances at August 31, 2020 consisted of the following balances:

Fund	Due from Other Funds	Due to Other Funds
<u>General Fund:</u>		
Non-major Special Revenue Funds	\$ 387,107	\$ 109,800
Total General Fund	<u>387,107</u>	<u>109,800</u>
<u>Non-major Special Revenue Funds:</u>		
General Fund	36,669	313,976
Total Non-major Special Revenue Funds	<u>36,669</u>	<u>313,976</u>
TOTAL	<u>\$ 423,776</u>	<u>\$ 423,776</u>

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

**D. CAPITAL ASSET ACTIVITY**

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

	Beginning Balance	Additions	Disposals	Ending Balance
Governmental Activities				
Land	\$ 728,654	\$ -	\$ -	\$ 728,654
Building and Improvements	41,262,544	168,356	-	41,430,900
Furniture and Equipment	5,733,407	231,910	-	5,965,317
Totals at Historic Cost	<u>47,724,605</u>	<u>400,266</u>	<u>-</u>	<u>48,124,871</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	(22,749,954)	(1,513,174)	-	(24,263,128)
Furniture and Equipment	(3,548,616)	(374,650)	-	(3,923,266)
Total Accumulated Depreciation	<u>(26,298,570)</u>	<u>(1,887,824)</u>	<u>-</u>	<u>(28,186,394)</u>
Governmental Activities Capital Assets, Net	<u>\$ 21,426,035</u>	<u>\$ (1,487,558)</u>	<u>\$ -</u>	<u>\$ 19,938,477</u>

Depreciation expense was charged to governmental activities functions as follows:

Instruction	\$ 847,993
Instructional Resources and Media Services	51,834
Curriculum Development	589
School Leadership	26,189
Guidance, Counseling and Evaluation Services	5,561
Health Services	2,342
Student Transportation	144,538
Food Services	79,965
Extracurricular Activities	551,871
General Administration	4,696
Facilities Maintenance and Operations	147,881
Security Monitoring	447
Data Processing Services	23,918
Total Depreciation Expense	<u>\$ 1,887,824</u>



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

**E. LEASES**

The District accounts for short-term debts through the appropriate funds. Short-term debts include leases made in accordance with the provisions of the Texas Education Code. The proceeds from leases are shown in the governmental fund financial statements as Other Resources.

In May 2018, the District entered into a capital lease agreement to purchase copy machines. The interest rate and payments for the capital lease is outlined below:

Date of Issue and Purpose	Interest Rate	Maturity Date	Amounts	Issued	(Retired)	Amounts	Due Within One Year
			Outstanding 9/1/2019	Current Year	Current Year	Outstanding 8/31/2020	
5/20/2018 Copier Lease	4.0%	6/20/2023	\$ 180,611	\$ -	\$ (52,498)	\$ 128,113	\$ 65,161
			<u>\$ 180,611</u>	<u>\$ -</u>	<u>\$ (52,498)</u>	<u>\$ 128,113</u>	<u>\$ 65,161</u>

The required payments to maturity are as follows:

Year Ending August 31,	Principal	Interest	Total Requirements
2021	\$ 65,161	\$ 3,840	\$ 69,001
2022	62,952	1,191	64,143
	<u>\$ 128,113</u>	<u>\$ 5,031</u>	<u>\$ 133,144</u>

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

**F. BONDS**

Bonded indebtedness of the District is reflected in the Statement of Net Position and current requirements for principal and interest expenditures are accounted for in the Debt Service Fund.

A summary of changes in general long-term debt for the year ended August 31, 2020, were as follows:

Date of Issue and Purpose	Interest Rate	Amounts Outstanding 9/1/2019	Issued Current Year	(Retired/ Refunded) Current Year	Amounts Outstanding 8/31/2020	Due Within One Year
7/15/2014 Unlimited Tax School Building Bonds, Series 2014	2.0-4.0%	\$ 4,635,000	\$ -	\$ (180,000)	\$ 4,455,000	\$ 190,000
11/1/2015 Unlimited Tax Refunding Bonds, Series 2015	4.0%	2,365,000	-	(450,000)	1,915,000	455,000
11/1/2018 Unlimited Tax Refunding Bonds, Series 2018	3.1-4.0%	9,380,000	-	(550,000)	8,830,000	570,000
<b>Total</b>		<u>\$ 16,380,000</u>	<u>\$ -</u>	<u>\$ (1,180,000)</u>	<u>\$ 15,200,000</u>	<u>\$ 1,215,000</u>

Debt service requirements are as follows:

Year Ending August 31,	Principal	Interest	Total Requirements
2021	\$ 1,215,000	\$ 514,775	\$ 1,729,775
2022	1,255,000	478,013	1,733,013
2023	1,295,000	438,600	1,733,600
2024	1,335,000	395,050	1,730,050
2025	1,100,000	350,950	1,450,950
2026-2030	6,195,000	1,058,990	7,253,990
2031-2032	2,805,000	96,945	2,901,945
	<u>\$ 15,200,000</u>	<u>\$ 3,333,323</u>	<u>\$ 18,533,323</u>

There are a number of limitations and restrictions contained in the general obligation bond indenture. Management has indicated that the District is in compliance with all significant limitations and restrictions at August 31, 2020.

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

**G. CHANGES IN LONG-TERM LIABILITIES, DEFERRED AMOUNT ON REFUNDING**

Long-term liability activity for the year ended August 31, 2020 was as follows:

	Beginning Balance	Additions	Reductions/ Amortization	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>					
Bonds Payable	\$ 16,380,000	\$ -	\$ (1,180,000)	\$ 15,200,000	\$ 1,215,000
Capital Leases	180,611	-	(52,498)	128,113	65,161
Bond Premium	1,382,724	-	(123,164)	1,259,560	123,164
Net Pension Liability	4,625,610	(274,809)	(269,390)	4,081,411	-
Net OPEB Liability	6,445,463	(83,241)	(815,598)	5,546,624	-
Total Governmental Activities					
Long-Term Liabilities	<u>\$ 29,014,408</u>	<u>\$ (358,050)</u>	<u>\$ (2,440,650)</u>	<u>\$ 26,215,708</u>	<u>\$ 1,403,325</u>

The following is a summary of deferred amounts on refunding for the year ended August 31, 2020:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>					
Unlimited Tax Refunding Bonds	<u>\$ 284,892</u>	<u>\$ -</u>	<u>\$ (75,543)</u>	<u>\$ 209,349</u>	<u>\$ (75,543)</u>

**H. DUE FROM OTHER GOVERNMENTS**

The District participates in a variety of federal and state programs from which it receives grants to partially or fully finance certain activities. In addition, the District receives entitlements from the State through the School Foundation and Per Capita Programs. Amounts due from federal and state governments as of August 31, 2020, are summarized below. Most federal grants shown below are passed through the TEA and all are reported on the statement of net position as Due from Other Governments.

Fund	State Entitlements	State & Federal Grants	Total
General	\$ 515,477	\$ 63,335	\$ 578,812
Debt Service	-	3,991	3,991
Nonmajor Governmental Funds	-	476,127	476,127
Total	<u>\$ 515,477</u>	<u>\$ 543,453</u>	<u>\$ 1,058,930</u>

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

**I. REVENUE FROM LOCAL AND INTERMEDIATE SOURCES**

During the current year, revenues from local and intermediate sources as shown on the statement of revenues, expenditures and changes in fund balances of governmental funds consisted of the following:

	General Fund	Debt Service Fund	Nonmajor Special Revenue Funds	Total
Property Taxes	\$ 4,114,951	\$ 1,478,654	\$ -	\$ 5,593,605
Penalties, Interest and Other				
Tax-Related Income	59,488	19,883	-	79,371
Investment Income	138,430	19,767	-	158,197
Food Sales	-	-	57,122	57,122
Extracurricular Student Activities	70,096	-	-	70,096
Other	108,615	-	-	108,615
<b>Total</b>	<b>\$ 4,491,580</b>	<b>\$ 1,518,304</b>	<b>\$ 57,122</b>	<b>\$ 6,067,006</b>

**J. DEFINED BENEFIT PENSION PLAN**

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

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

**Pension Plan Fiduciary Net Position.** Detailed information about the 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/about/documents/cafr.pdf#CAFR>; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

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

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

Texas Government Code section 821.006 prohibits benefit improvements, if, as a result of the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action.

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

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

Employee contribution rates are set in state statute, Texas Government Code 825.402. The TRS Pension Reform Bill (Senate Bill 12) of the 86<sup>th</sup> Texas Legislature amended Texas Government Code 825.402 for member contributions and increased employee and employer contribution rates for fiscal years 2020 thru 2025.

	<u>Contribution Rates</u>	
	<u>2019</u>	<u>2020</u>
Member	7.7%	7.7%
Non-Employer Contributing Entity (State)	6.8%	7.5%
Employers	6.8%	7.5%
Current fiscal year employer contributions		\$ 276,669
Current fiscal year member contributions		824,694
2019 measurement year NECE on-behalf contributions		546,852

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

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

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

- When employing a retiree of the Teacher Retirement System the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.
- When a school district or charter school does not contribute to the Federal Old-Age Survivors and Disability Insurance (OASDI) Program for certain employees, they must contribute 1.5% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees. The surcharge was in effect through fiscal year 2019 and was replaced with the Public Education Employer Contribution explained above.

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

Valuation Date	August 31, 2018 rolled forward to August 31, 2019
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Single Discount Rate	7.25%
Long-Term Expected Investment Rate of Return	7.25%
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

The actuarial methods and assumptions are 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 actuarial valuation report dated November 9, 2018.

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

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

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

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

Asset Class	FY19 Target Allocation <sup>1</sup>	New Target Allocation <sup>2</sup>	Long-Term Expected Geometric Real Rate of Return <sup>3</sup>
<b>Global Equity</b>			
U. S.	18.00%	18.00%	6.40%
Non-U.S. Developed	13.00%	13.00%	6.30%
Emerging Markets	9.00%	9.00%	7.30%
Directional Hedge Funds	4.00%	0.00%	-
Private Equity	13.00%	14.00%	8.40%
<b>Stable Value</b>			
U. S. Treasuries	11.00%	16.00%	3.10%
Stable Value Hedge Funds	4.00%	5.00%	4.50%
Absolute Return	0.00%	0.00%	0.00%
<b>Real Return</b>			
Global Inflation-Linked Bonds <sup>4</sup>	3.00%	0.00%	0.00%
Real Assets	14.00%	15.00%	8.50%
Energy and Natural Resources	5.00%	6.00%	7.30%
Commodities	0.00%	0.00%	0.00%
<b>Risk Parity</b>			
Risk Parity	5.00%	8.00%	5.8%/6.5% <sup>5</sup>
<b>Leverage</b>			
Cash	1.00%	2.00%	2.50%
Asset Allocation Leverage	-	-6.00%	2.70%
<b>Expected Return</b>	<u>100.00%</u>	<u>100.00%</u>	<u>7.23%</u>

<sup>1</sup> Target allocations are based on the Strategic Asset Allocation as of FY2019

<sup>2</sup> New allocations are based on the Strategic Asset Allocation to be implemented FY2020

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

<sup>4</sup> New Target Allocation groups Government Bonds within the stable value allocation. This include global sovereign nominal and inflation-linked bonds

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

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

**Discount Rate Sensitivity Analysis.** The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1.0% less than, and a 1.0% greater than the discount rate that was used (7.25%) in measuring the Net Pension Liability.

	1% Decrease in Discount Rate (6.25%)	Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
CISD's Proportionate Share of the Net Pension Liability:	\$ 6,273,722	\$ 4,081,411	\$ 2,305,216

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.** At August 31, 2019, the District reported a net pension liability of \$ 4,081,411 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	\$ 4,081,411
State's Proportionate Share that is Associated with the District	8,122,086
Total	\$ 12,203,497

The net pension liability was measured as of August 31, 2018 and rolled forward to 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 0.007851415% which is a decrease of 0.0005523027% from its proportion measured as of August 31, 2018.

**Changes Since the Prior Actuarial 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 in the actuarial assumptions.
- The Texas legislature approved funding for a 13<sup>th</sup> check. All eligible members retired as of December 31, 2018 will receive an extra annuity check in September 2019 in either the matching amount of their monthly annuity payment of \$ 2,000, which is less.

For the year ended August 31, 2020, the District recognized pension expense of \$ 2,053,510 and revenue of \$ 1,275,865 for support provided by the State.



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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 17,146	\$ 141,713
Changes in actuarial assumptions	1,266,254	523,276
Difference between projected and actual investment earnings	40,982	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	335,036	378,296
Total as of December 31, 2019 measurement date	1,659,418	1,043,285
Contributions paid to TRS subsequent to the measurement date	276,669	-
Total as of fiscal year end	\$ 1,936,087	\$ 1,043,285

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

Year Ending August 31,	Pension Expense Amount
2021	\$ 176,661
2022	128,848
2023	175,011
2024	171,718
2025	13,394
Thereafter	(49,499)
	\$ 616,133

**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.state.tx.us/about/documents/cafr.pdf#CAFR>; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

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

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

Eligible non-Medicare retirees and their dependents may enroll in TRS-Care standard, a high-deductible health plan. Eligible Medicare retirees and their dependents may enroll in the TRS-Care Medicare Advantage medical plan and the TRS-Care Medicare Rx prescription drug plan. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in the TRS pension system. The Board of Trustees is granted the authority to establish basic and optional group insurance coverage for participants as well as to amend benefit terms as needed under Chapter 1575.052. There are no automatic post-employment benefit changes; including automatic COLAs.

The premium rates for retired are reflected in the following table.

	<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 school districts based upon public school district payroll. The TRS Board of trustees does not have the authority to set or amend contribution rates.

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

	<u>Contribution Rates</u>	
	<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		\$ 87,076
Current fiscal year member contributions		69,617
2019 measurement year NECE on-behalf contributions		110,602

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.

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

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

The actuarial valuation of the OPEB plan offered through TRS-Care is similar to the actual valuation performed for the pension plan, except that the OPEB valuation is more complex. All of the demographic assumptions, including rates of retirement, termination, and disability, and most of the economic assumptions, including general inflation and salary increases, used in the OPEB valuation were identical to those used in the respective TRS pension valuation. The demographic assumptions were developed in the experience study performed for TRS for the period ending August 31, 2017.

The active mortality rates were based on 90 percent of the RP-2014 Employee Mortality Tables for males and females, with full generational mortality using scale BB. The post retirement mortality rates for healthy lives were based on the 2018 TRS of Texas Healthy Pensioner Mortality Tables, with full generational project using the ultimate improvement rates from the most recently published scale (U-MP).

The initial medical trend rates were 10.25 percent for Medicare retirees and 7.50 percent for non-Medicare retirees. There was an initial prescription drug trend rate of 10.25 percent for all retirees. The initial trend rates decrease to an ultimate trend rate of 4.50 percent over a period of 13 years.

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 2.30 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.

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

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

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

**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 that total OPEB liability.

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

	1% Decrease in Discount Rate (1.63%)	Current Single Discount Rate (2.63%)	1% Increase in Discount Rate (3.63%)
CISD's Proportionate Share of the Net OPEB Liability:	\$ 6,696,577	\$ 5,546,624	\$ 4,647,033

**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 \$ 5,546,624 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 Pension Liability	\$ 5,546,624
State's Proportionate Share that is Associated with the District	7,370,225
Total	\$ 12,916,849

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

At August 31, 2019 the employer’s proportion of the collective Net OPEB Liability was 0.0117286572% which was a decrease of 0.0011801038% from its proportion measured as of August 31, 2018.

The following schedule shows the impact of the Net OPEB Liability if a healthcare trend rate that is 1% less than and 1% greater than the assumed 8.5% rate is used.

	1% Decrease in Healthcare Trend Rate (7.5%)	Current Single Healthcare Trend Rate (8.5%)	1% Increase in Healthcare Trend Rate (9.5%)
CISD's Proportionate Share of the Net OPEB Liability:	\$ 4,524,743	\$ 5,546,624	\$ 6,915,480

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

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

- The discount rate changed from 3.69 percent as of August 31, 2018 to 2.63 percent as of August 31, 2019. This change increased the TOL.
- The health care trend rates were reset to better reflect the plan's anticipated experience. This change increased the TOL.
- The participation rate for pre-65 retirees 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.
- Change in Benefit Terms Since the Prior Measurement Date – 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 \$ 212,037 and revenue of \$ 194,249 to support provided by the State.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 272,109	\$ 907,646
Changes in actuarial assumptions	308,072	1,491,906
Difference between projected and actual investment earnings	599	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	20	1,012,391
Total as of December 31, 2019 measurement date	<u>580,800</u>	<u>3,411,943</u>
Contributions paid to TRS subsequent to the measurement date	87,076	-
Total as of fiscal year end	<u><u>\$ 667,876</u></u>	<u><u>\$ 3,411,943</u></u>

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

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

Year Ending August 31,	OPEB Expense Amount
2021	\$ (438,369)
2022	(438,369)
2023	(438,563)
2024	(438,673)
2025	(438,643)
Thereafter	(638,526)
	\$ (2,831,143)

**L. ON-BEHALF PAYMENTS FOR FRINGE BENEFITS**

The Medicare Prescription Drug, Improvement and Modernization Act of 2003, which was effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. These on-behalf payments are recognized as equal revenues and expenditures/expenses by the District. For the year ended August 31, 2020, the contribution made on behalf of the District was \$ 27,065.

**M. COMMITMENTS AND CONTINGENCIES**

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

**N. SHARED SERVICE ARRANGEMENTS**

Cameron ISD is not a fiscal agent for any shared service arrangements.

The District participates in the BURLESON-MILAM SPECIAL SERVICES COOPERATIVE which is a shared services arrangement (SSA) for resource education services. This SSA includes nine participating independent school district with the Rockdale ISD acting as fiscal agent for the SSA. Financial transactions of the SSA are accounted for in accordance with Model 3 of the SSA section of the Texas Education Agency *Financial Account System Resource Guide*. This SSA is funded partially through State and Local funds and partially through federal programs.

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

The individual programs and the Cameron ISD participation in each which were included in this SSA were as follows:

Program	CFDA Number	District Value
State and Local	--	\$ 109,186
IDEA-B,	84.027	264,747
IDEA-B, Preschool	84.173	13,754
Total		<u>\$ 387,687</u>

The expenditures under the above programs were classified as follows:

Classification	Amount
6100 - Payroll Costs	\$ 257,894
6200 - Contracted Services	93,859
6300 - Supplies and Materials	25,138
6400 - Other Operating Costs	10,796
6500 - Debt Service	-
6600 - Capital Outlay	-
	<u>\$ 387,687</u>

**O. HEALTH CARE COVERAGE AND MAINTENANCE OF EFFORT**

During the year ended August 31, 2020, employees of the District were covered by the state health insurance plan. The District contributed \$ 250 per month per full time employee, the state paid \$ 75 per month, and the employees authorized payroll deductions to cover the remaining premiums due for the desired coverage. Contributions were paid to TRS Active Care.

The total District premium paid for health care was approximately \$ 773,673 for the 191 participating employees at August 31, 2020. There were 251 employees eligible for coverage at August 31, 2020.

**P. RELATED PARTY TRANSACTIONS**

During fiscal year 2019, a company which is owned in part by a member of the District's Board of Trustees was hired for renovations at the high school. The total amount expended for the project was \$ 53,688. All amounts due were paid by October 31, 2020.

**Q. UNEMPLOYMENT COMPENSATION POOL**

During the year ended August 31, 2020, the District provided unemployment compensation coverage to its employees through participation in the TASB Risk Management Fund (the Fund). The Fund was created and is operated under the provisions of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. The Fund's Unemployment Compensation Program is authorized by Section 22.005 of the Texas Education Code and Chapter 172 of the Texas Local Government Code. All members participating in the Fund execute Interlocal Agreements that define the responsibilities of the parties.

The Fund meets its quarterly obligation to the Texas Workforce Commission. Expenses are accrued monthly until the quarterly payment has been made. Expenses can be reasonably estimated; therefore there is no need for specific or aggregate stop loss coverage for the Unemployment Compensation pool. For the year ended August 31, 2020, the Fund anticipates that Cameron ISD has no additional liability beyond the contractual obligation for payment of contribution.

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

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

**R. EVALUATION OF SUBSEQUENT EVENTS**

The District has evaluated all subsequent events through December 8, 2020, the date the financial statements were available to be issued. The District believes there has been no significant subsequent events.



**REQUIRED SUPPLEMENTARY INFORMATION**

This page is left blank intentionally.

**CAMERON INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT 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
		Original	Final		Positive or (Negative)
	REVENUES:				
5700	Total Local and Intermediate Sources	\$ 4,356,715	\$ 4,367,413	\$ 4,491,580	\$ 124,167
5800	State Program Revenues	11,396,100	11,396,100	11,036,384	(359,716)
5900	Federal Program Revenues	425,000	425,000	422,819	(2,181)
5020	Total Revenues	<u>16,177,815</u>	<u>16,188,513</u>	<u>15,950,783</u>	<u>(237,730)</u>
	EXPENDITURES:				
	Current:				
0011	Instruction	9,071,467	8,700,439	8,379,296	321,143
0012	Instructional Resources and Media Services	187,946	187,946	178,626	9,320
0013	Curriculum and Instructional Staff Development	212,130	212,130	160,978	51,152
0023	School Leadership	983,712	983,712	966,569	17,143
0031	Guidance, Counseling and Evaluation Services	409,548	419,548	400,909	18,639
0032	Social Work Services	41,443	41,443	36,803	4,640
0033	Health Services	157,263	165,623	149,560	16,063
0034	Student (Pupil) Transportation	869,549	869,549	476,323	393,226
0035	Food Services	41,273	41,273	37,105	4,168
0036	Extracurricular Activities	1,030,718	1,081,612	1,073,936	7,676
0041	General Administration	849,557	874,691	794,021	80,670
0051	Facilities Maintenance and Operations	1,570,107	1,745,052	1,724,121	20,931
0052	Security and Monitoring Services	78,200	105,895	95,403	10,492
0053	Data Processing Services	385,172	391,672	307,221	84,451
0061	Community Services	96,420	98,920	56,271	42,649
0081	Facilities Acquisition and Construction	-	55,000	47,684	7,316
	Debt Service:				
0071	Principal on Long-Term Debt	83,050	65,715	52,498	13,217
0072	Interest on Long-Term Debt	-	11,785	10,753	1,032
0073	Bond Issuance Cost and Fees	-	15,550	13,687	1,863
	Intergovernmental:				
0093	Payments to Fiscal Agent/Member Districts	110,260	110,260	110,260	-
6030	Total Expenditures	<u>16,177,815</u>	<u>16,177,815</u>	<u>15,072,024</u>	<u>1,105,791</u>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	-	10,698	878,759	868,061
	OTHER FINANCING SOURCES (USES):				
8911	Operating Transfers Out	-	-	(17,811)	17,811
7080	Total Other Financing Sources (Uses)	-	-	(17,811)	17,811
1200	Net Change in Fund Balances	-	10,698	860,948	885,872
0100	Fund Balance - September 1 (Beginning)	7,022,198	7,022,198	7,022,198	-
3000	Fund Balance - August 31 (Ending)	<u>\$ 7,022,198</u>	<u>\$ 7,032,896</u>	<u>\$ 7,883,146</u>	<u>\$ 885,872</u>

**CAMERON 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**

	2019	2018
District's Proportion of the Net Pension Liability (Asset)	0.007851415%	0.008403718%
District's Proportionate Share of Net Pension Liability (Asset)	\$ 4,081,411	\$ 4,625,610
State's Proportionate Share of the Net Pension Liability (Asset) associated with the District	8,122,086	8,860,664
Total	\$ 12,203,497	\$ 13,486,274
District's Covered Employee Payroll	\$ 10,359,918	\$ 10,016,716
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its covered Employee Payroll	39.40%	46.18%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.24%	73.74%

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

**EXHIBIT G-2  
(Continued)**

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
0.009006942%	0.008265662%	0.008996400%	0.006393600%
\$ 2,879,935	\$ 3,123,471	\$ 3,180,108	\$ 1,707,819
<u>4,955,912</u>	<u>5,613,014</u>	<u>5,414,269</u>	<u>4,516,526</u>
<u>\$ 7,835,847</u>	<u>\$ 8,736,485</u>	<u>\$ 8,594,377</u>	<u>\$ 6,224,345</u>
\$ 9,705,865	\$ 8,990,042	\$ 8,878,985	\$ 8,609,608
29.67%	34.74%	35.82%	19.84%
82.17%	78.00%	78.43%	83.25%

**CAMERON INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS FOR PENSIONS  
TEACHER RETIREMENT SYSTEM OF TEXAS  
FOR THE YEAR ENDED AUGUST 31, 2020**

	Fiscal Year Ended August 31,		
	2020	2019	2018
Contractually Required Contribution	\$ 276,669	\$ 274,107	\$ 283,418
Contribution in Relation to the Contractually Required Contribution	<u>(276,669)</u>	<u>(274,107)</u>	<u>(283,418)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered-Employee Payroll	\$ 10,709,066	\$ 10,359,918	\$ 10,016,716
Contributions as a Percentage of Covered Employee Payroll	2.58%	2.65%	2.83%

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

Fiscal Year Ended August 31,

2017	2016	2015
\$ 295,195	\$ 261,991	\$ 266,388
(295,195)	(261,991)	(266,388)
\$ -	\$ -	\$ -
\$ 9,705,865	\$ 8,990,042	\$ 8,878,985
3.04%	2.91%	3.00%

**CAMERON 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**

	Measurement Year Ended August 31,		
	2019	2018	2017
District's Proportion of the Net OPEB Liability (Asset)	0.0117286572%	0.0129087610%	0.0136564431%
District's Proportionate Share of Net OPEB Liability (Asset)	\$ 5,546,624	\$ 6,445,463	\$ 5,938,675
State's Proportionate Share of the Net OPEB Liability (Asset) associated with the District	<u>7,370,225</u>	<u>8,756,472</u>	<u>7,356,237</u>
Total	<u>\$ 12,916,849</u>	<u>\$ 15,201,935</u>	<u>\$ 13,294,912</u>
District's Covered Employee Payroll *	\$ 10,359,918	\$ 10,016,716	\$ 9,705,865
District's Proportionate Share of the Net OPEB Liability (Asset) as a percentage of its covered Employee Payroll	53.54%	64.35%	61.19%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	2.66%	1.57%	0.91%

\* As of the measurement

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



**CAMERON INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS FOR OTHER  
POST EMPLOYMENT BENEFITS (OPEB)  
TEACHER RETIREMENT SYSTEM OF TEXAS  
FOR THE YEAR ENDED AUGUST 31, 2020**

	Fiscal Year Ended August 31,		
	2020	2019	2018
Contractually Required Contribution	\$ 87,076	\$ 83,241	\$ 89,052
Contribution in Relation to the Contractually Required Contribution	<u>(87,076)</u>	<u>(83,241)</u>	<u>(89,052)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered-Employee Payroll	10,709,066	10,359,918	10,008,345
Contributions as a Percentage of Covered Employee Payroll	0.81%	0.80%	0.89%

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

**CAMERON INDEPENDENT SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED AUGUST 31, 2020**

Budgetary Information

The Board of Trustees adopts an “appropriated budget” for the General Fund, Debt Service Fund, and the National School Breakfast and Lunch Fund which is included in the Special Revenue Funds. The District is required to present the adopted and final amended budgeted revenue and expenditures. The District presented the General Fund budgetary comparison schedule as required supplementary information, while the National School Breakfast and Lunch and Debt Service Funds budgetary comparison schedules are presented as required TEA schedules.

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

1. Prior to August 20, the District prepares a budget for the next succeeding fiscal year beginning September 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Board is then called for the purpose of adopting the proposed budget. At least 10 days’ public notice of the meeting must be given.
3. Prior to September 1, the budget is legally enacted through passage of a resolution by the Board. Once a budget is approved, it can only be amended at the function and fund level by approval of a majority of the members of the Board. Amendments are presented to the Board at its regular meetings. Each amendment must have Board approval. As required by law, such amendments, made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year-end. Because the District has a policy of careful budgetary control, amendments were necessary during the year.
4. Each budget is controlled by the budget coordinator at the revenue and expenditure function/object level. Budgeted amounts are as amended by the Board. All budget appropriations lapse at year-end.

## **COMBINING SCHEDULES**

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

Data Control Codes	211 ESEA I, A Improving Basic Program	240 National Breakfast and Lunch Program	242 Summer Feeding Program	244 Vocational Education Basic Grant	255 ESEA II, A Training and Recruiting	
<b>ASSETS</b>						
1110	Cash and Cash Equivalents	\$ 88,944	\$ 330,107	\$ 16,302	\$ 3,667	\$ 11,992
1240	Due from Other Governments	-	39,748	-	-	-
1260	Due from Other Funds	-	-	-	-	-
1000	Total Assets	<u>\$ 88,944</u>	<u>\$ 369,855</u>	<u>\$ 16,302</u>	<u>\$ 3,667</u>	<u>\$ 11,992</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
2110	Accounts Payable	\$ 4,147	\$ 12,918	\$ -	\$ -	\$ 3,159
2160	Accrued Wages Payable	-	36,747	-	-	-
2170	Due to Other Funds	56,683	-	-	67	8,045
2200	Accrued Expenditures	362	5,871	-	-	54
2300	Unearned Revenue	27,752	-	-	-	-
2000	Total Liabilities	<u>88,944</u>	<u>55,536</u>	<u>-</u>	<u>67</u>	<u>11,258</u>
Fund Balances:						
Restricted Fund Balance:						
3450	Federal or State Funds Grant Restriction	-	314,319	16,302	3,600	734
Assigned Fund Balance:						
3590	Other Assigned Fund Balance	-	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>314,319</u>	<u>16,302</u>	<u>3,600</u>	<u>734</u>
4000	Total Liabilities and Fund Balances	<u>\$ 88,944</u>	<u>\$ 369,855</u>	<u>\$ 16,302</u>	<u>\$ 3,667</u>	<u>\$ 11,992</u>

EXHIBIT H-1

263 Title III Bilingual/ESL	266 Elementary and Secondary School Relief Fund	270 Title IV, B Rural & Low Inc Sch Prg	276 Instructional Continuity Fund	289 Rural Educ. Achievement Program	410 State Textbook Fund	429 Ready to Read Grant	484 Centex Workforce Grant
\$ 3,850 (3,850) -	\$ - 434,250 -	\$ 23,058 -	\$ - 5,745 -	\$ 6,232 -	\$ - 234 35,417	\$ 791 -	\$ 217 -
<u>\$ -</u>	<u>\$ 434,250</u>	<u>\$ 23,058</u>	<u>\$ 5,745</u>	<u>\$ 7,484</u>	<u>\$ 35,651</u>	<u>\$ 791</u>	<u>\$ 217</u>
\$ - - - -	\$ - - 217,723 - 216,527 434,250	\$ 591 - 1,311 - 11,681 13,583	\$ - - 5,745 - -	\$ - - -	\$ 11,249 - 24,402 - 1,336 35,651	\$ 791 - -	\$ - - -
-	-	9,475	-	6,148	-	-	-
-	-	-	-	-	-	-	217
-	-	9,475	-	6,148	-	-	217
<u>\$ -</u>	<u>\$ 434,250</u>	<u>\$ 23,058</u>	<u>\$ 5,745</u>	<u>\$ 7,484</u>	<u>\$ 35,651</u>	<u>\$ 791</u>	<u>\$ 217</u>

**CAMERON INDEPENDENT SCHOOL DISTRICT  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
AUGUST 31, 2020**

486 Austin Food Bank Grant	Total Nonmajor Governmental Funds
\$ 3,067	\$ 488,227
-	476,127
-	36,669
<u>\$ 3,067</u>	<u>\$ 1,001,023</u>
\$ -	\$ 32,855
-	36,747
-	313,976
-	6,287
-	<u>257,296</u>
<u>-</u>	<u>647,161</u>
-	350,578
<u>3,067</u>	<u>3,284</u>
<u>3,067</u>	<u>353,862</u>
<u>\$ 3,067</u>	<u>\$ 1,001,023</u>

This page is left blank intentionally.

**CAMERON 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	211 ESEA I, A Improving Basic Program	240 National Breakfast and Lunch Program	242 Summer Feeding Program	244 Vocational Education Basic Grant	255 ESEA II, A Training and Recruiting	
REVENUES:						
5700	Total Local and Intermediate Sources	\$ -	\$ 57,122	\$ -	\$ -	\$ -
5800	State Program Revenues	-	5,274	-	-	-
5900	Federal Program Revenues	514,691	1,017,899	-	34,021	91,068
5020	Total Revenues	<u>514,691</u>	<u>1,080,295</u>	<u>-</u>	<u>34,021</u>	<u>91,068</u>
EXPENDITURES:						
Current:						
0011	Instruction	312,364	-	-	31,021	91,068
0013	Curriculum and Instructional Staff Development	151,180	-	-	3,000	-
0034	Student (Pupil) Transportation	-	-	-	-	-
0035	Food Services	-	1,061,089	-	-	-
0036	Extracurricular Activities	-	-	-	-	-
0041	General Administration	-	-	-	-	-
0051	Facilities Maintenance and Operations	-	-	-	-	-
0052	Security and Monitoring Services	-	-	-	-	-
0053	Data Processing Services	-	-	-	-	-
0061	Community Services	51,147	-	-	-	-
6030	Total Expenditures	<u>514,691</u>	<u>1,061,089</u>	<u>-</u>	<u>34,021</u>	<u>91,068</u>
OTHER FINANCING SOURCES (USES):						
7915	Operating Transfers In	-	-	-	-	-
	Total Other Financing Sources (Uses)	-	-	-	-	-
1200	Net Change in Fund Balance	-	19,206	-	-	-
0100	Fund Balance - September 1 (Beginning)	-	295,113	16,302	3,600	734
3000	Fund Balance - August 31 (Ending)	<u>\$ -</u>	<u>\$ 314,319</u>	<u>\$ 16,302</u>	<u>\$ 3,600</u>	<u>\$ 734</u>



EXHIBIT H-2

263 Title III Bilingual/ESL	266 Elementary and Secondary School Relief Fund	270 Title IV, B Rural & Low Inc Sch Prg	276 Instructional Continuity Fund	289 Rural Educ. Achievement Program	410 State Textbook Fund	429 Ready to Read Grant	484 Centex Workforce Grant
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	210,937	28,851	-
8,116	217,723	23,260	5,745	33,729	-	-	-
<u>8,116</u>	<u>217,723</u>	<u>23,260</u>	<u>5,745</u>	<u>33,729</u>	<u>210,937</u>	<u>28,851</u>	<u>-</u>
8,116	104,361	13,460	5,745	-	228,748	-	-
-	-	9,800	-	-	-	-	-
-	463	-	-	-	-	-	-
-	474	-	-	-	-	-	-
-	5,141	-	-	-	-	-	-
-	15,775	-	-	-	-	-	-
-	5,287	-	-	-	-	-	-
-	-	-	-	33,729	-	28,851	-
-	86,222	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>8,116</u>	<u>217,723</u>	<u>23,260</u>	<u>5,745</u>	<u>33,729</u>	<u>228,748</u>	<u>28,851</u>	<u>-</u>
-	-	-	-	-	17,811	-	-
-	-	-	-	-	17,811	-	-
-	-	-	-	-	-	-	-
-	-	9,475	-	6,148	-	-	217
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,475</u>	<u>\$ -</u>	<u>\$ 6,148</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 217</u>

**CAMERON INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
 FOR THE YEAR ENDED AUGUST 31, 2020**

486 Austin Food Bank Grant	Total Nonmajor Governmental Funds
\$ -	\$ 57,122
-	245,062
-	<u>1,946,252</u>
<u>-</u>	<u>2,248,436</u>
-	794,883
-	163,980
-	463
-	1,061,563
-	5,141
-	15,775
-	5,287
-	62,580
-	86,222
-	51,147
<u>-</u>	<u>2,247,041</u>
-	17,811
<u>-</u>	<u>17,811</u>
-	19,206
<u>3,067</u>	<u>334,656</u>
<u>\$ 3,067</u>	<u>\$ 353,862</u>

**REQUIRED TEA SCHEDULES**

**CAMERON INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF DELINQUENT TAXES RECEIVABLE  
FOR THE YEAR ENDED AUGUST 31, 2020**

Last 10 Years Ended August 31,	Tax Rates		(3) Assessed/Appraised Value for School Tax Purposes
	(1) Maintenance	(2) Debt Service	
2011 and Prior Years	\$ 1.12870	\$ 0.28420	Various
2012	1.040000	0.270000	\$ 276,174,127
2013	1.040000	0.300000	249,705,919
2014	1.040000	0.300000	254,853,505
2015	1.040000	0.300000	294,157,324
2016	1.040000	0.280000	266,013,936
2017	1.040000	0.350000	290,193,772
2018	1.040000	0.350000	346,851,721
2019	1.040000	0.330000	398,564,903
2020 (School Year Under Audit)	0.970000	0.349500	407,114,844
100 TOTALS			

**EXHIBIT J-1**

(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
\$ 38,143	\$ -	\$ 881	\$ 221	\$ -	\$ 37,041
9,731	-	501	144	-	9,086
10,228	-	518	150	-	9,560
10,855	-	1,088	293	(186)	9,288
12,117	-	1,995	672	(276)	9,174
17,324	-	2,752	926	(766)	12,880
29,647	-	6,792	2,155	1,057	21,757
46,967	-	13,397	4,251	(1,580)	27,739
155,254	-	72,153	22,895	(3,809)	56,397
-	5,577,473	3,981,797	1,434,678	(17,571)	143,427
<u>\$ 330,266</u>	<u>\$ 5,577,473</u>	<u>\$ 4,081,874</u>	<u>\$ 1,466,385</u>	<u>\$ (23,131)</u>	<u>\$ 336,349</u>

**CAMERON 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
		Original	Final		Positive or (Negative)
	<b>REVENUES:</b>				
5700	Total Local and Intermediate Sources	\$ 85,500	\$ 85,500	\$ 57,122	\$ (28,378)
5800	State Program Revenues	5,200	5,275	5,274	(1)
5900	Federal Program Revenues	948,063	978,152	1,017,899	39,747
5020	Total Revenues	<u>1,038,763</u>	<u>1,068,927</u>	<u>1,080,295</u>	<u>11,368</u>
	<b>EXPENDITURES:</b>				
0035	Food Services	<u>1,038,763</u>	<u>1,058,763</u>	<u>1,061,089</u>	<u>(2,326)</u>
6030	Total Expenditures	<u>1,038,763</u>	<u>1,058,763</u>	<u>1,061,089</u>	<u>(2,326)</u>
1200	Net Change in Fund Balances	-	10,164	19,206	9,042
0100	Fund Balance - September 1 (Beginning)	<u>295,113</u>	<u>295,113</u>	<u>295,113</u>	-
3000	Fund Balance - August 31 (Ending)	<u>\$ 295,113</u>	<u>\$ 305,277</u>	<u>\$ 314,319</u>	<u>\$ 9,042</u>

**CAMERON 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		
	REVENUES:				
5700	Total Local and Intermediate Sources	\$ 1,731,325	\$ 1,509,345	\$ 1,518,304	\$ 8,959
5800	State Program Revenues	-	404,608	364,608	(40,000)
5020	Total Revenues	<u>1,731,325</u>	<u>1,913,953</u>	<u>1,882,912</u>	<u>(31,041)</u>
	EXPENDITURES:				
	Debt Service:				
0071	Principal on Long-Term Debt	1,464,538	1,180,000	1,180,000	-
0072	Interest on Long-Term Debt	263,787	551,375	551,325	50
0073	Bond Issuance Cost and Fees	<u>3,000</u>	<u>3,950</u>	<u>4,000</u>	<u>(50)</u>
6030	Total Expenditures	<u>1,731,325</u>	<u>1,735,325</u>	<u>1,735,325</u>	<u>-</u>
	Excess (Deficiency) of Revenues				
1100	Over (Under) Expenditures	<u>-</u>	<u>178,628</u>	<u>147,587</u>	<u>(31,041)</u>
	OTHER FINANCING SOURCES (USES):				
7911	Issuance of refunding debt	-	-	-	-
7916	Premium or discount on issuance of bonds	-	-	-	-
8940	Payment to bond refunding escrow agent	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
7080	Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1200	Net Change in Fund Balances	-	178,628	147,587	(31,041)
0100	Fund Balance - September 1 (Beginning)	<u>1,073,715</u>	<u>1,073,715</u>	<u>1,073,715</u>	<u>-</u>
3000	Fund Balance - August 31 (Ending)	<u>\$ 1,073,715</u>	<u>\$ 1,252,343</u>	<u>\$ 1,221,302</u>	<u>\$ (31,041)</u>

This page is left blank intentionally.



**FEDERAL AWARDS SECTION**

This page is left blank intentionally.



**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***

To the Board of Trustees  
Cameron Independent School District  
Cameron, 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 Cameron 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 District's basic financial statements, and have issued our report thereon dated December 8, 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 the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of District's internal control.

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

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

**Compliance and Other Matters**

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

**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***  
**(CONTINUED)**

**Purpose of this Report**

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

A handwritten signature in black ink that reads "Brockway Busch, Matthew Nissen, P.C." The signature is written in a cursive style and is positioned above the typed text.

Temple, Texas  
December 8, 2020



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

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

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

We have audited Cameron Independent School District's (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended August 31, 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 the 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.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND  
ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED THE UNIFORM GUIDANCE  
(CONTINUED)**

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

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

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



Temple, Texas  
December 8, 2020

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

**I. Summary of Auditors' Results**

**A. Financial Statements**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_ Yes \_\_\_ X No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? \_\_\_ Yes \_\_\_ X None reported

Noncompliance material to financial statements noted? \_\_\_ Yes \_\_\_ X No

**B. Federal Awards**

Internal control over major programs:

- Material weakness(es) identified? \_\_\_ Yes \_\_\_ X No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? \_\_\_ Yes \_\_\_ X None reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be Reported in accordance with the 2 CFR 200.516(a)? \_\_\_ Yes \_\_\_ X No

Identification of Major Programs:

<u>CFDA Number (s)</u>	<u>Name of Federal Program or Cluster</u>
10.553 and 10.555	Child Nutrition Cluster

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

Auditee qualified as low risk auditee? \_\_\_ X Yes \_\_\_ No

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

**II. Financial Statement Findings**

None

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

<u>Program</u>	<u>Finding/ Noncompliance</u>	<u>Questioned Costs</u>
	NONE	



**CAMERON INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF PRIOR AUDIT FINDINGS  
AND CORRECTIVE ACTION PLAN  
FOR THE YEAR ENDED AUGUST 31, 2020**

Prior Year Findings:

None

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

(1)	(2)	(3)	(4)	(5)
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
<b>U. S. DEPARTMENT OF EDUCATION</b>				
<u>Passed Through State Department of Education</u>				
ESEA, Title I, Part A - Improving Basic Programs	84.010A	S010A190043	\$ -	\$ 514,691
Career and Technical Education - Basic Grants	84.048A	V048A190043	-	34,021
Rural Education Achievement Program	84.358B	S358B190043	-	23,260
English Language Acquisition	84.365A	S365A190043	-	8,116
ESEA, Title II, Part A, Teacher/Principal Training	84.367A	S367A190041	-	91,068
ESEA Title IV, Part A	84.424A	S424A190045		33,729
Economic Stabilization Fund	84.425D	S425D200042		217,723
Instructional Continuity	84.377A	S377A160044		5,745
Total Passed Through State Department of Education			-	928,353
<b>TOTAL DEPARTMENT OF EDUCATION</b>			-	928,353
<b>U.S. DEPARTMENT OF AGRICULTURE</b>				
<u>Passed Through State Department of Agriculture</u>				
*School Breakfast Program	10.553	202020N109946	-	312,060
*National School Lunch Program	10.555	202020N109946	-	633,539
Total Child Nutrition Cluster			-	945,599
Commodity Supplemental Food Program	10.565		-	72,300
Total Passed Through the State Department of Agriculture			-	1,017,899
<b>TOTAL DEPARTMENT OF AGRICULTURE</b>			-	1,017,899
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			\$ -	\$ 1,946,252

\*Clustered Programs

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

**Note A – Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Cameron Independent School District under programs of the federal government for the year ended August 31, 2020. The information in this Schedule 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). Because the Schedule presents only a selected portion of the operations of Cameron Independent School District, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Cameron Independent School District.

**Note B – Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and/or OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**Note C – Indirect Cost Rate**

Cameron Independent School District has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

**Expenditures Reported:**

1. For all Federal programs, the District uses the fund types specified in Texas Education Agency's Financial Accountability System Resource Guide. 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.
2. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Governmental Fund types are accounted for using a current financial resources measurement focus. All Federal grant funds were accounted for in a Special Revenue Fund, which is a Governmental Fund type. With this measurement focus, only current assets, current liabilities, and the fund balance are included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets.

The modified accrual basis of accounting is used for the Governmental Fund types and Agency Funds. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual, i.e., both measurable and available, and expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on General Long-Term Debt, which is recognized when due, and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

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

3. During the current year, the District received the following funds which are not included in the Schedule of Expenditures of Federal Awards.

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

Total expenditures of Federal Awards	\$ 1,946,252
Medicaid Reimbursement (SHARS)	<u>422,819</u>
Federal Revenues per Financial Statements	<u><u>\$ 2,369,071</u></u>