

BELLVILLE INDEPENDENT SCHOOL DISTRICT

ANNUAL FINANCIAL REPORT

**FOR THE YEAR ENDED
AUGUST 31, 2023**

BELLVILLE INDEPENDENT SCHOOL DISTRICT

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED AUGUST 31, 2023

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CERTIFICATE OF BOARD

Bellville Independent School District
Name of School District

Austin
County

008-901
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, 2023, at a meeting of the Board of Trustees of such school district on the 13th day of November, 2023.


Signature of Board Secretary


Signature of Board President

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

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees of
Bellville Independent School District
Bellville, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Bellville Independent School District (the "District"), as of and for the year ended August 31, 2023, and the related notes to the financial statements, which collectively comprise Bellville Independent School District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Bellville Independent School District, as of August 31, 2023, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Bellville Independent School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

OFFICE LOCATIONS

TEXAS | Waco | Temple | Hillsboro | Houston
NEW MEXICO | Albuquerque

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Bellville Independent School District's basic financial statements. The combining statements, required TEA schedules and the Schedule of Expenditures of Federal Awards, as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements, required TEA schedules and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2023, 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.

Pattillo, Brown & Hill, L.L.P.

Waco, Texas
November 13, 2023

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MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis of the Bellville Independent School District's (the "District") financial performance provides an overview of the District's financial activities for the fiscal year ended August 31, 2023. It should be read in conjunction with the District's financial statements.

FINANCIAL HIGHLIGHTS

- The District's total combined net position at August 31, 2023 was \$30,553,671.
- For the fiscal year ended August 31, 2023, the District's general fund reported a total fund balance of \$15,203,973, of which \$2,974,733 is committed for construction and capital projects, \$600,000 is committed for self-insurance, \$600,000 is committed for residential placement, \$1,000,000 is committed for stabilization, and \$10,029,240 is unassigned.
- At the end of the fiscal year, the District's governmental funds (the general fund plus all state and federal grant funds and the debt service fund) reported combined ending fund balances of \$16,248,110.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis provided here are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) the notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the government, reporting the District's operations in more detail than the government-wide statements.
- The governmental funds statements tell how general government services were financed in the short-term as well as what remains for future spending.
- Fiduciary funds are used to account for resources held for the benefit of parties outside of the District. These funds include student activity funds.
- The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the District's assets and liabilities. All of the current period's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The government-wide statements report the District's net position and how it has changed. Net position is the difference between the District's assets, deferred outflow/inflows and liabilities and is one way to measure the District's financial health or position. Over time, increases or decreases in the District's net position are an indicator of whether its financial health is improving or deteriorating, respectively. To assess the overall health of the District, one needs to consider additional non-financial factors such as changes in the District's tax base, staffing patterns, enrollment, and attendance.

The government-wide financial statements of the District include the governmental activities. Most of the District's basic services such as instruction, extracurricular activities, curriculum and staff development, health services, general administration, and plant operation and maintenance are included in governmental activities. Locally assessed property taxes, together with State foundation program entitlements, which are based upon student enrollment and attendance, finance most of the governmental activities. 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 for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

FUND FINANCIAL STATEMENTS

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

- Some funds are required by State law and other funds are mandated by bond agreements or bond covenants.
- The Board of Trustees (the "Board") establishes other funds to control and manage money set aside for particular purposes or to show that the District is properly using certain taxes and grants.
- Other funds are used to account for assets held by the District in a custodial capacity — these assets do not belong to the District, but the District is responsible to properly account for them.

The District has the following kinds of funds:

- Governmental funds — Most of the District's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explains the relationship (or differences) between them.
- Fiduciary funds — The District serves as the trustee, or fiduciary, for certain funds such as student activity funds. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the District's government-wide financial statements because the District cannot use these assets to finance its governmental operations. The accounting method and focus used for fiduciary funds is much like that used for the government-wide statements.

The District adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with this budget.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The District's combined net position was \$30,553,671 at August 31, 2023. Table 1 focuses on net position while Table 2 shows the revenues and expenses that changed the net position balance during the fiscal year ended August 31, 2023.

Table 1 indicates the overall condition of the District improved. Current assets decreased due to a decrease in cash and cash equivalents due to capital purchases and ongoing capital projects and improvements within the District which also resulted in an increase in capital assets for the fiscal year when compared to the prior year. Long-term liabilities decreased as a result of decreases in the District's net pension, other post-employment benefit (OPEB) liabilities and bond defeasance and payments during the year.

TABLE 1
NET POSITION

	2023	2022	Change
Current and other assets	\$ 19,254,334	\$ 22,533,685	\$ (3,279,351)
Capital assets	<u>38,591,539</u>	<u>34,664,308</u>	<u>3,927,231</u>
Total assets	<u>57,845,873</u>	<u>57,197,993</u>	<u>647,880</u>
Deferred charges on refunding	321,904	462,464	(140,560)
Deferred outflows related to pensions	3,783,692	2,090,011	1,693,681
Deferred outflows related to OPEB	<u>2,251,093</u>	<u>1,734,543</u>	<u>516,550</u>
Total deferred outflows of resources	<u>6,356,689</u>	<u>4,287,018</u>	<u>2,069,671</u>
Current liabilities	1,681,984	2,686,752	(1,004,768)
Long-term liabilities	<u>23,828,816</u>	<u>24,131,504</u>	<u>(302,688)</u>
Total liabilities	<u>25,510,800</u>	<u>26,818,256</u>	<u>(1,307,456)</u>
Deferred inflow related to leases	524,407	542,092	(17,685)
Deferred inflows related to pensions	760,387	3,425,394	(2,665,007)
Deferred inflows related to OPEB	<u>6,853,297</u>	<u>4,696,248</u>	<u>2,157,049</u>
Total deferred inflows of resources	<u>8,138,091</u>	<u>8,663,734</u>	<u>(525,643)</u>
Net position:			
Net investment in capital assets	27,422,163	20,542,543	6,879,620
Restricted	794,996	592,639	202,357
Unrestricted	<u>2,336,512</u>	<u>4,867,839</u>	<u>(2,531,327)</u>
Total net position	<u>\$ 30,553,671</u>	<u>\$ 26,003,021</u>	<u>\$ 4,550,650</u>

Table 2 reflects the District reporting an overall increase in revenues when compared to the prior fiscal year mainly due to an increase in student enrollment, property taxes and investment earnings. Expenses increased as a direct result of an increase in capital asset purchases and projects throughout the district compared to the prior year.

**TABLE 2
CHANGES IN NET POSITION**

	2023	2022	Change
REVENUES			
Program revenues:			
Charges for services	\$ 1,100,313	\$ 739,447	\$ 360,866
Operating grants and contributions	5,307,545	5,683,340	(375,795)
Capital grants and contributions	295,200	-	295,200
General revenues:			
Property taxes	18,976,765	17,719,809	1,256,956
State foundation program	6,621,550	6,284,416	337,134
Investment earnings	1,052,525	347,648	704,877
Miscellaneous	274,858	318,789	(43,931)
Special item	-	2,005,561	(2,005,561)
Total revenues	<u>33,628,756</u>	<u>33,099,010</u>	<u>529,746</u>
EXPENSES			
Instruction	14,948,334	13,575,515	1,372,819
Instructional resources and media services	358,321	277,502	80,819
Curriculum and instructional staff development	557,039	355,603	201,436
Instructional leadership	326,127	280,641	45,486
School leadership	1,188,241	1,117,078	71,163
Guidance, counseling and evaluation services	982,644	841,734	140,910
Social work services	24,541	22,947	1,594
Health services	322,967	297,608	25,359
Student (pupil) transportation	1,263,863	1,086,250	177,613
Food services	1,582,239	1,473,677	108,562
Co-curricular/extra curricular activities	1,569,268	1,453,192	116,076
General administration	1,247,803	1,081,569	166,234
Plant maintenance and operations	3,157,976	2,815,691	342,285
Security and monitoring services	489,212	299,634	189,578
Data processing services	159,658	155,012	4,646
Community services	25,853	23,451	2,402
Debt service - interest on long-term debt	349,267	466,582	(117,315)
Debt service - bond issuance costs	12,827	110,585	(97,758)
Contracted instructional services	115,365	24,205	91,160
Other intergovernmental charges	396,561	385,731	10,830
Total expenses	<u>29,078,106</u>	<u>26,144,207</u>	<u>2,933,899</u>
CHANGE IN NET POSITION	<u>4,550,650</u>	<u>6,954,803</u>	<u>(2,404,153)</u>
NET POSITION, BEGINNING	<u>26,003,021</u>	<u>19,048,218</u>	<u>6,954,803</u>
NET POSITION, ENDING	<u>\$ 30,553,671</u>	<u>\$ 26,003,021</u>	<u>\$ 4,550,650</u>

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

At the close of the fiscal year ending August 31, 2023, the District's governmental funds reported a combined fund balance of \$16,248,110. This compares to a combined fund balance of \$18,603,451 at August 31, 2022. The fund balance in the general fund decreased \$2,578,733. Expenditures increased during the year for instruction and student transportation over the prior year.

BUDGETARY HIGHLIGHTS

In accordance with State law and generally accepted accounting standards, the District prepares an annual budget for the general fund, the food service special revenue fund, and the debt service fund. Special revenue funds have budgets approved by the funding agency and are amended throughout the year as required.

During the period ended August 31, 2023, the District amended its budget as required by State law to reflect current levels of revenue and anticipated expenses. Amendments were made during the fiscal year for capital projects in process from prior years and current year board approved capital expenses. The general fund's expenses increased mainly due to expiring ESSER funding and capital projects. The general fund's actual revenues were more than budgeted revenues by \$1,223,170 due to ESSER supplanted funding, interest on investments due to increasing interest rates, indirect cost reclassifications, and student enrollment growth. In addition, the District's actual expenditures were less than budgeted expenditures by \$1,869,404. Expenditures were less than budgeted mainly due to reclassification of current year expenditures reimbursed by ESSER funding and general cost savings throughout the district.

CAPITAL ASSETS

Capital assets are generally defined as those items that have useful lives of two years or more and have an initial cost of an amount determined by the Board. Donated capital assets are recorded at acquisition value at the date of donation. During the fiscal year ended August 31, 2023, the District used a capitalization threshold of \$5,000 per individual unit with a useful life of one year or more, or items purchased in aggregate greater than \$50,000 with a useful life of one year or more. Renovations or district improvements to facilities and grounds are reviewed on a case-by-case basis to determine capitalization based on the overall effect on the assets useful life that are valued above \$5,000.

At August 31, 2023, the District had a total of \$65,932,404 invested in capital assets such as land, construction in progress, buildings, vehicles, and District equipment. This total includes \$5,744,058 invested during the fiscal year ended August 31, 2023 with the major invested capital assets being:

- Purchase of School Buses
- HVAC Control System
- High School Track Replacement
- OBP Fence
- Batting Cage Covers
- High School Boiler
- Cafeteria Equipment (district wide)
- Junior High HVAC/Windows Project (construction in progress)
- BISD Learning Center (construction in progress)

More detailed information about the District's capital assets can be found in the notes to the financial statements.

LONG-TERM LIABILITIES

At year end, the District had \$10,285,000 in general obligation bonds outstanding versus \$13,085,000 last year. The decrease in long-term debt obligations is due to principal payments paid during the year totaling \$875,000 and defeasance in substance \$1,925,000 of its Series 2015 bonds using existing resources on hand.

The District had long-term lease liability in the amount of \$176,850 at the end of last year. Principle payments of \$33,276 were made during the year. The ending lease liability at August 31, 2023 is \$143,574.

The District carries a net pension liability of \$7,887,877, which increased over the prior year balance of \$2,950,144. Further, a net other post-employment benefits liability of \$4,425,121 decreased over the prior year balance of \$6,597,131.

More detailed information about the long-term liabilities is presented in the notes to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The following factors were considered in establishing the District's budget for 2023-2024:

- The 88th session of the Texas Legislation ended without any material changes to school funding. With Special Sessions imminent and without any increase in state funding since HB 3 in 2019, compensation plans and budgets were delayed until August.
- The Comptrollers Property Value Study was found invalid for 2023 and BISD was assigned state values for purposes of State Funding. Revenue losses were countered by the States transition grant allotment for the current year.
- Enrollment numbers were increased based on last year's ending enrollment numbers and some early increases in registrations, but attendance rates were held below long-term averages as rates have not rebounded after COVID.
- A Compensation plan was approved in two phases. The first phase was based on small revenue increases in golden penny yield and enrollment growth that allowed for a balanced budget. Phase II of the compensation plan is dependent upon the passage of a VATRE allowing the district to retain 4 pennies on the Maintenance and Operations tax rate to support these raises. Phase II of the compensation plan would bring teacher salaries up to market value for our area.
- The District adopted a tax rate that was compressed by 16.4 pennies due to rising property values and state compression legislation passed this session.
- The Elementary and Secondary School Emergency Relief Funds, ESSER II and ESSER III passed December 2020 and March 2021 are providing supplemental relief. The district is aware of the potential funding cliff and has put in appropriate measures to protect the district financially.
- The district is utilizing its' construction fund balance to maintain its' facilities as planned in its long range facility models. These funds were committed in prior years for facilities projects and are being utilized as intended.
- District officials anticipate the fund balance for the general fund will be fiscally sound and able to sustain cash flow requirements and meet recommended general fund balance level for 2023-2024.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, students, and creditors with a general fund overview of the District's finances and to demonstrate the District's commitment to accountability for the money it receives. If you have questions about this report or need additional financial information, contact Dennis Jurek, Assistant Superintendent of Finance and Operations at (979) 865-3133.

BASIC FINANCIAL STATEMENTS

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BELLVILLE INDEPENDENT SCHOOL DISTRICT

EXHIBIT A-1

STATEMENT OF NET POSITION

AUGUST 31, 2023

Data Control Codes		1 Governmental Activities
	ASSETS	
1110	Cash and cash equivalents	\$ 15,115,857
1220	Property taxes receivables	698,497
1230	Allowance for uncollectible taxes	(209,549)
1240	Due from other governments	3,125,122
1290	Other receivables	524,407
	Capital assets:	
1510	Land	953,729
1520	Buildings and improvements, net	26,366,747
1530	Furniture and equipment, net	3,199,977
1550	Right to use equipment, net	141,869
1580	Construction in progress	7,929,217
1000	Total assets	<u>57,845,873</u>
	DEFERRED OUTFLOWS OF RESOURCES	
1701	Related to loss on bond refunding	321,904
1705	Related to pensions	3,783,692
1706	Related to other post-employment benefits	2,251,093
1700	Total deferred outflows of resources	<u>6,356,689</u>
	LIABILITIES	
2110	Accounts payable	263,304
2140	Interest payable	15,063
2160	Accrued wages payable	1,366,439
2200	Accrued expenses	33,257
2310	Unearned revenue	3,921
	Noncurrent liabilities:	
	Due within one year:	
2501	Long-term debt	956,328
	Due in more than one year:	
2502	Long-term debt	10,559,490
2540	Net pension liability	7,887,877
2545	Net other post-employment benefits liability	4,425,121
2000	Total liabilities	<u>25,510,800</u>
	DEFERRED INFLOWS OF RESOURCES	
2601	Related to leases	524,407
2605	Related to pensions	760,387
2606	Related to other post-employment benefits	6,853,297
2600	Total deferred inflows of resources	<u>8,138,091</u>
	NET POSITION	
3200	Net investment in capital assets	27,422,163
	Restricted for:	
3820	Federal and state programs	347,963
3850	Debt service	427,414
3890	Other purposes	19,619
3900	Unrestricted	2,336,512
3000	Total net position	<u>\$ 30,553,671</u>

The accompanying notes are an integral part of this financial statement.

BELLVILLE INDEPENDENT SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED AUGUST 31, 2023

Data Control Codes	Functions/Programs	1	Program Revenues 3
		Expenses	Charges for Services
	Primary government:		
	Governmental activities:		
11	Instruction	\$ 14,948,334	\$ 353,789
12	Instructional resources and media services	358,321	-
13	Curriculum and staff development	557,039	-
21	Instructional leadership	326,127	-
23	School leadership	1,188,241	-
31	Guidance, counseling, and evaluation services	982,644	-
32	Social work services	24,541	-
33	Health services	322,967	-
34	Student transportation	1,263,863	-
35	Food service	1,582,239	644,417
36	Extracurricular activities	1,569,268	102,107
41	General administration	1,247,803	-
51	Facilities maintenance and operations	3,157,976	-
52	Security and monitoring services	489,212	-
53	Data processing services	159,658	-
61	Community services	25,853	-
72	Interest on long-term debt	349,267	-
73	Bond issuance costs and fees	12,827	-
91	Contracted instructional services between schools	115,365	-
99	Other intergovernmental charges	396,561	-
	[TG] Total governmental activities	<u>\$ 29,078,106</u>	<u>\$ 1,100,313</u>
	General revenues:		
	Taxes:		
MT	Property taxes, levied for general purposes		
DT	Property taxes, levied for debt service		
GC	Grants and contributions not restricted to specific programs		
IE	Investment earnings		
MI	Miscellaneous		
TR	Total general revenues		
CN	Change in net position		
NB	Net position, beginning		
NE	Net position, ending		

The accompanying notes are an integral
part of this financial statement.

Program Revenues		Net (Expenses) Revenue and Changes in in Net Position
4	5	6
Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
\$ 3,218,075	\$ -	\$ (11,376,470)
16,528	-	(341,793)
248,025	-	(309,014)
87,198	-	(238,929)
39,951	-	(1,148,290)
341,089	-	(641,555)
468	-	(24,073)
28,758	-	(294,209)
84,248	295,200	(884,415)
1,058,346	-	120,524
10,096	-	(1,457,065)
31,914	-	(1,215,889)
43,047	-	(3,114,929)
47,410	-	(441,802)
3,741	-	(155,917)
468	-	(25,385)
48,183	-	(301,084)
-	-	(12,827)
-	-	(115,365)
-	-	(396,561)
<u>\$ 5,307,545</u>	<u>\$ 295,200</u>	<u>(22,375,048)</u>

15,753,501
 3,223,264

 6,621,550
 1,052,525
274,858
26,925,698

4,550,650

26,003,021

\$ 30,553,671

BELLVILLE INDEPENDENT SCHOOL DISTRICT

EXHIBIT C-1

BALANCE SHEET

AUGUST 31, 2023

Data Control Codes		10	50		98
		General Fund	Debt Service	Other Funds	Total Governmental Funds
	ASSETS				
1110	Cash and cash equivalents	\$ 13,813,110	\$ 368,301	\$ 934,446	\$ 15,115,857
1220	Property taxes - delinquent	592,531	105,966	-	698,497
1230	Allowance for uncollectible taxes (credit)	(177,759)	(31,790)	-	(209,549)
1240	Due from other governments	2,697,614	-	427,508	3,125,122
1260	Due from other funds	558,717	-	-	558,717
1290	Other receivables	524,407	-	-	524,407
1000	Total assets	<u>18,008,620</u>	<u>442,477</u>	<u>1,361,954</u>	<u>19,813,051</u>
	LIABILITIES				
2110	Accounts payable	173,242	-	90,062	263,304
2160	Accrued wages payable	1,322,165	-	44,274	1,366,439
2170	Due to other funds	-	-	558,717	558,717
2200	Accrued expenditures	28,344	-	4,913	33,257
2300	Unearned revenues	-	-	3,921	3,921
2000	Total liabilities	<u>1,523,751</u>	<u>-</u>	<u>701,887</u>	<u>2,225,638</u>
	DEFERRED INFLOWS OF RESOURCES				
2601	Related to leases	524,407	-	-	524,407
2602	Unavailable revenue	756,489	58,407	-	814,896
2600	Total deferred inflows of resources	<u>1,280,896</u>	<u>58,407</u>	<u>-</u>	<u>1,339,303</u>
	FUND BALANCES				
	Restricted:				
3450	Federal and state grants	-	-	347,963	347,963
3480	Retirement of long-term debt	-	384,070	-	384,070
3490	Museum	-	-	155	155
3490	Education	-	-	1,232	1,232
3490	Endowment for capital items	-	-	18,232	18,232
	Committed:				
3510	Construction	2,974,733	-	-	2,974,733
3540	Self-insurance	600,000	-	-	600,000
3545	Other	1,600,000	-	292,485	1,892,485
3600	Unassigned	10,029,240	-	-	10,029,240
3000	Total fund balances	<u>15,203,973</u>	<u>384,070</u>	<u>660,067</u>	<u>16,248,110</u>
4000	Total liabilities, deferred inflows and fund balances	<u>\$ 18,008,620</u>	<u>\$ 442,477</u>	<u>\$ 1,361,954</u>	<u>\$ 19,813,051</u>

The accompanying notes are an integral part of this financial statement.

BELLVILLE INDEPENDENT SCHOOL DISTRICT**EXHIBIT C-2****RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION**

AUGUST 31, 2023

Total fund balances - governmental funds	\$ 16,248,110
1 Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	38,591,539
2 Some receivables are reported as deferred inflows of resources in the governmental funds balance sheet, but are recognized as a revenue in the statement of activities.	
Property taxes	385,000
School health and related services (SHARS)	429,896
3 Long-term liabilities, including bonds, and leases, are not due and payable in the current period and therefore are not reported in the funds. Also, the losses on refunding of bonds and the premium on issuance of bonds payable are not reported on the balance sheet in the funds.	(11,169,376)
4 Interest payable is not due and payable in the current period and, therefore, is not reported as a liability in the governmental funds.	(15,063)
5 The liabilities for workers' compensation is not due and payable in the current period and, therefore, is not reported as a liability in the governmental funds.	(24,538)
6 Included in the items related to debt is the recognition of the District's proportionate share of the net pension liability required by GASB 68. The net position related to pensions included a deferred resource outflow in the amount of \$3,783,692, a deferred resource inflow in the amount of \$760,387, and a net pension liability in the amount of \$7,887,877. This resulted in a decrease in net position.	(4,864,572)
7 Included in the items related to debt is the recognition of the District's proportionate share of the net other post-employment benefit (OPEB) liability required by GASB 75. The net position related to the OPEB included a deferred resource outflow in the amount of \$2,251,093, a deferred resource inflow in the amount of \$6,853,297, and a net OPEB liability in the amount of \$4,425,121. This resulted in a decrease in net position.	<u>(9,027,325)</u>
19 Net position of governmental activities	<u>\$ 30,553,671</u>

BELLVILLE INDEPENDENT SCHOOL DISTRICT

EXHIBIT C-3

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES GOVERNMENTAL FUNDS

FOR THE YEAR ENDED AUGUST 31, 2023

Data Control Codes		10 General Fund	50 Debt Service	Other Funds	98 Total Governmental Funds
REVENUES					
5700	Local and intermediate sources	\$17,224,353	\$ 3,314,232	\$ 1,039,949	\$ 21,578,534
5800	State programs	8,007,090	48,183	200,452	8,255,725
5900	Federal programs	<u>524,926</u>	<u>-</u>	<u>4,097,334</u>	<u>4,622,260</u>
5020	Total revenues	<u>25,756,369</u>	<u>3,362,415</u>	<u>5,337,735</u>	<u>34,456,519</u>
EXPENDITURES					
Current:					
0011	Instruction	12,282,928	-	2,532,092	14,815,020
0012	Instructional resources and media services	364,433	-	8,725	373,158
0013	Curriculum and instructional staff development	316,116	-	243,684	559,800
0021	Instructional leadership	287,012	-	50,894	337,906
0023	School leadership	1,225,320	-	18,667	1,243,987
0031	Guidance, counseling and evaluation services	752,185	-	262,573	1,014,758
0032	Social work services	25,826	-	-	25,826
0033	Health services	315,087	-	22,511	337,598
0034	Student (pupil) transportation	1,679,176	-	19,631	1,698,807
0035	Food services	1,200	-	1,625,300	1,626,500
0036	Extracurricular activities	1,105,220	-	313,008	1,418,228
0041	General administration	1,225,132	-	10,653	1,235,785
0051	Facilities maintenance and operations	2,806,288	-	22,313	2,828,601
0052	Security and monitoring services	420,831	-	47,214	468,045
0053	Data processing services	407,262	-	1,826	409,088
0061	Community services	26,368	-	770	27,138
Debt service:					
0071	Principal on long term debt	33,276	2,800,000	-	2,833,276
0072	Interest on long term debt	4,215	468,648	-	472,863
0073	Bond issuance costs and fees	-	12,827	-	12,827
Capital outlay:					
0081	Facilities acquisition and construction	4,545,301	-	15,422	4,560,723
Intergovernmental:					
0091	Contracted instructional services between schools	115,365	-	-	115,365
0099	Other intergovernmental charges	<u>396,561</u>	<u>-</u>	<u>-</u>	<u>396,561</u>
6030	Total expenditures	<u>28,335,102</u>	<u>3,281,475</u>	<u>5,195,283</u>	<u>36,811,860</u>
1200	Net change in fund balances	<u>(2,578,733)</u>	<u>80,940</u>	<u>142,452</u>	<u>(2,355,341)</u>
0100	Fund balance - Beginning	<u>17,782,706</u>	<u>303,130</u>	<u>517,615</u>	<u>18,603,451</u>
3000	Fund balance - Ending	<u>\$15,203,973</u>	<u>\$ 384,070</u>	<u>\$ 660,067</u>	<u>\$ 16,248,110</u>

The accompanying notes are an integral part of this financial statement.

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, 2023

Net change in fund balances - total governmental funds \$ (2,355,341)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period. 3,927,231

Some receivables are not considered available revenues and are reported as deferred inflows in the governmental funds.

Property taxes	(39,713)
School health and related services (SHARS)	119,056

The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount of principal repayment during the fiscal year. 2,833,276

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Amortization of premium and deferred loss on refunding of bonds payable	119,113
Accrued interest on long-term debt	4,483
Workers' compensation	(9,921)

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 \$548,897. Contributions made before the measurement date and during the previous fiscal year were expended and recorded as a reduction in net pension liability. This caused a decrease in net position totaling \$513,754. Finally, the proportionate share of pension expense on the plans as a whole had to be recorded. The net pension expense decreased the change in net position by \$614,188. (579,045)

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 \$129,041. Contributions made before the measurement date and during the previous fiscal year were expended and recorded as a reduction in net OPEB liability. This caused a decrease in net position totaling \$125,884. Finally, the proportionate share of OPEB expense on the plans as a whole had to be recorded. The net OPEB expense increased the change in net position by \$528,354. 531,511

Change in net position of governmental activities \$ 4,550,650

BELLVILLE INDEPENDENT SCHOOL DISTRICT**EXHIBIT E-1**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS

AUGUST 31, 2023

	Private-Purpose Trust Funds	Custodial Fund
ASSETS		
Cash and cash equivalents	\$ 5,148	\$ 40,952
Restricted assets	75,000	-
Total assets	<u>80,148</u>	<u>40,952</u>
NET POSITION		
Restricted for:		
Scholarships	80,148	-
Student groups	-	40,952
Total net position	<u>\$ 80,148</u>	<u>\$ 40,952</u>

BELLVILLE INDEPENDENT SCHOOL DISTRICT**EXHIBIT E-2**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS

FOR THE YEAR ENDED AUGUST 31, 2023

	Private-Purpose Trust Funds	Custodial Fund
ADDITIONS		
Investment earnings:		
Interest	\$ 3,914	\$ -
Total investment earnings	<u>3,914</u>	<u>-</u>
Collections from student groups	<u>-</u>	<u>107,782</u>
Total additions	<u>3,914</u>	<u>107,782</u>
DEDUCTIONS		
Beneficiary payments to individuals	2,000	-
Payments on-behalf of student groups	<u>-</u>	<u>107,423</u>
Total deductions	<u>2,000</u>	<u>107,423</u>
NET INCREASE IN FIDUCIARY NET POSITION	1,914	359
NET POSITION, BEGINNING	<u>78,234</u>	<u>40,593</u>
NET POSITION, ENDING	<u>\$ 80,148</u>	<u>\$ 40,952</u>

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BELLVILLE INDEPENDENT SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

AUGUST 31, 2023

I. Summary of Significant Accounting Policies

The basic financial statements of Bellville Independent School District (the "District") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) applicable to governmental units in conjunction with the Texas Education Agency's Financial Accountability System Resource Guide ("Resource Guide"). The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

A. Reporting Entity

The Board of School 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 District. The Board is elected by the public and has the exclusive power and duty to govern and oversee the management of the public schools of the District. All powers and duties not specifically delegated by statute to the Texas Education Agency (TEA) or to the State Board of Education are reserved for the Board, and the TEA may not substitute its judgment for the lawful exercise of those powers and duties by the Board. The District receives funding from local, state, and federal government sources and must comply with the requirements of those funding entities. However, the District is not included in any other governmental reporting entity and there are no component units included within the District's reporting entity.

B. Measurement Focus, Basis of Accounting, and Financial Presentation

Government-wide Financial Statements: The statement of net position and the statement of activities include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The District does not allocate indirect expenses in the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the District's funds, with separate statements presented for each fund category. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The District reports the following major governmental funds:

General Fund: This is the District's primary operating fund. It accounts for all financial resources of the District except those required to be accounted for in another fund.

Debt Service Fund: This fund is used to account for tax revenues and for the payment of principal, interest, and related costs on long-term debt for which a tax has been dedicated. This is a budgeted fund and a separate bank account is maintained for this fund. Any unused sinking fund balances are transferred to the General Fund after all the debt obligations have been met.

In addition, the District reports the following fund types:

Special Revenue Funds: These funds are used to account for revenues and expenditures related to grant awards and entitlements from federal, state, and local agencies. These funds are primarily on a reimbursement basis and have a program year that does not always coincide with the District's fiscal year. Nearly all of these funds cannot carry a fund balance and, other than the food service fund, none of these funds are legally required to have an adopted budget.

Private-Purpose Trust Funds: These funds are used to report trust arrangements under which principal and income benefit individuals, private organizations, or other governments not reported in other fiduciary fund types.

Custodial Funds: These funds are used to report student activity funds and other resources held in a purely custodial capacity.

Government-wide and Fiduciary Fund Financial Statements: These financial statements are reported using the economic resources measurement focus. They are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Fiduciary funds are reported in the fiduciary fund financial statements. However, because their assets are held in a trustee or agent capacity and are therefore not available to support District programs, these funds are not included in the government-wide statements

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District does not consider revenues collected after its year-end to be available in the current period. Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until received. Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

C. Assets, Liabilities, Deferred Inflows/Outflows of Resources, Net Position/Fund Balance, Revenues and Expenditures/Expenses

1. Deposits and Investments

Investments for the District are reported at fair value, except for the position in investment pools. The District's investments in Pools are reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method.

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments which have a remaining term of one year or less at time of purchase.

2. 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 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 1 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 when they become due or past due and receivable within the current period.

Allowances for uncollectible tax receivables within the General and Debt Service Funds are based upon historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

3. Due From Other Governments

The District participates in a variety of federal and state programs from which it receives grants to partially or fully finance certain activities. In addition, the District receives entitlements from the State through the School Foundation and Per Capita Programs. The amounts susceptible to accrual at year end are reported as due from other governments and have been recognized as revenue.

4. Capital Assets

Capital assets are tangible and intangible assets, which include land, buildings, furniture and equipment, are reported in the governmental activities' column in the financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed, except for intangible right-to-use lease assets, the measurement of which is discussed in the Lease note disclosure. Donated capital assets are recorded at acquisition value, which is the price that would be paid to acquire an asset with equivalent service potential at the acquisition date.

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

Land and construction in progress are not depreciated. The other tangible and intangible property, plant, and equipment, and right to use leased equipment of the primary government are depreciated/amortized using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Life</u>
Buildings and infrastructure	30-50
Building improvements	20
Vehicles	2-18
Equipment	3-18
Right to use equipment	4-6

5. 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 using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts 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.

6. Leases

The District is a lessee for a noncancellable lease of equipment. The District recognizes lease liability and an intangible right-to-use lease assets in the government-wide financial statements. The District recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

The District is a lessor for noncancellable leases and recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the District determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The District uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

7. *Deferred Outflows and Inflows of Resources*

A deferred outflow of resources is a consumption of a government's net position (a decrease in assets in excess of any related decrease in liabilities or an increase in liabilities in excess of any related increase in assets) by the government that is applicable to a future reporting period. The District had the following deferred outflows of resources:

- Deferred outflows of resources for refunding – Reported in the government-wide statement of net position, this deferred charge on refunding results from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

- Deferred outflows of resources for pension – Reported in the government-wide financial statement of net position, this deferred outflow results from pension plan contributions made after the measurement date of the net pension liability, the results of differences between expected and actual experience, changes in actuarial assumptions, and changes in proportion and difference between the employer's contributions and the proportionate share of contributions. The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the next fiscal year.
- Deferred outflows of resources for OPEB – Reported in the government-wide financial statement of net position, this deferred outflow results from OPEB plan contributions made after the measurement date of the net pension liability, the results of differences between expected and actual experience, changes in actuarial assumptions, the differences between projected and actual investment earnings, and changes in proportion and difference between the employer's contributions and the proportionate share of contributions. The deferred outflows related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the next fiscal year.

A deferred inflow of resources is an acquisition of a government's net position (an increase in assets in excess of any related increase in liabilities or a decrease in liabilities in excess of any related decrease in assets) by the government that is applicable to a future reporting period. The District had the following items that qualify for reporting in this category:

- Deferred inflow of resources for unavailable revenues – Reported only in the governmental funds balance sheet, for unavailable revenues from property taxes and grants arise under the modified accrual basis of accounting. These amounts are deferred and recognized as an inflow of revenues in the period that the amounts become available.
- Deferred inflow of resources related to leases - Reported in the government-wide and fund financial statements this deferred inflow relates to leases for lessor transactions. These amounts offset the receivable related to the lease and will be recognized systematically in future years over the life of the lease.
- Deferred inflow of resources for pensions – Reported in the government-wide financial statement of net position, these deferred inflows result from differences between expected and actual economic experience, changes in actuarial assumptions, differences between projected and actual investment earnings, as well as changes in proportion and difference between the employer's contributions and the proportionate share of contributions.
- Deferred inflow of resources for OPEB – Reported in the government-wide financial statement of net position, these deferred inflows result from differences between expected and actual economic experience, changes in actuarial assumptions, and changes in proportion and difference between the employer's contributions and the proportionate share of contributions.

8. *Interfund Activity*

Interfund activity results from loans, services provided, reimbursements or transfers between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers in and Transfers out are netted and presented as a single "Transfers" line on the government-wide statement of activities. Similarly, interfund receivables and payables are netted in the government-wide statement of net position.

9. Defined Benefit Pension Plan

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

10. Other Post-Employment Benefit Plans

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.

11. Net Position

Net position represents the difference between assets, deferred outflows (inflows) of resources and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

12. Net Position Flow Assumption

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond and grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered applied. It is the District's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

13. Fund Balance Flow Assumption

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

14. Fund Balances - Governmental Funds

Non-spendable Fund Balance - represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid insurance) or legally required to remain intact (such as notes receivable or principal of a permanent fund).

Non-spendable Fund Balance - represents amounts that are constrained by external parties, constitutional provisions, or enabling legislation.

Committed Fund Balance - represents amounts that can only be used for a specific purpose because of a formal action by the District's Board. Committed amounts cannot be used for any other purpose unless the Board removes those constraints by taking the same type of formal action. Committed fund balance amounts may be used for other purposes with appropriate due process by the Board. Commitments are typically done through adoption and amendment of the budget. Committed fund balance amounts differ from restricted balances in that the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

Assigned Fund Balance - represents amounts which the District intends to use for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent may be stipulated by the Board or by an official or body to which the Board delegates the authority. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service, or permanent fund are assigned for purposes in accordance with the nature of their fund type or the fund's primary purpose. Assignments within the general fund convey that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the District itself.

Unassigned Fund Balance - represents amounts which are unconstrained in that they may be spent for any purpose. Only the general fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification because of overspending for specific purposes for which amounts had been restricted, committed, or assigned.

15. Data Control Codes

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

16. Estimates

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

The amount of state foundation revenue a school district earns for a year can and does vary until the time when final values for each of the factors in the formula become available. Availability can be as late as midway into the next fiscal year. It is at least reasonably possible that the foundation revenue estimates as of August 31, 2023 will change.

II. Detailed Notes on All Activities and Funds

A. Deposits and Investments

The District's funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust with the District's agent bank approved pledged securities 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.

The District is required by Government Code Chapter 2256, The Public Funds Investment Act (the "Act"), 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, and (9) bid solicitation preferences for certificates of deposit.

The Act requires an annual audit of investment practices. Audit procedures in this area conducted as a part of the audit of the basic financial statements disclosed that in the areas of investment practices, management reports, and establishment of appropriate policies, the District adhered to the requirements of the Act. Additionally, investment practices of the District were in accordance with local policies.

The Act determines the types of investments which are allowable for the District. These include, with certain restrictions: 1) obligations of the U.S. Treasury, U.S. agencies, and the State of Texas; 2) certificates of deposit; 3) certain municipal securities; 4) securities lending program; 5) repurchase agreements; 6) bankers' acceptances; 7) mutual funds; 8) investment pools; 9) guaranteed investment contracts; and 10) commercial paper.

Deposit risk of the District includes the following:

Custodial Credit Risk - Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the District's name. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the District's name. The District's cash deposits at August 31, 2023, were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name.

B. Other Receivables

Leases Receivable

A summary of leases receivable as of August 31, 2023, are as follows:

Purpose of Lease	Interest Rate	Initial Year of Lease	Terms	Amount of Initial Receivable	Revenue Current Year	Receivable 08/31/23
Right to Use:						
Antenna facilities	3.4%	2021	30 Years	\$ 532,005	\$ 28,206	\$ 502,434
ATM	2.3%	2022	5 Years	33,985	7,200	21,973
Total leases receivable					<u>\$ 35,406</u>	<u>\$ 524,407</u>

C. Capital Assets

Capital asset activity for the year ended August 31, 2023, was as follows:

	Beginning Balance	Increases /Reclass	Decreases /Reclass	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 953,729	\$ -	\$ -	\$ 953,729
Construction in progress	<u>4,156,187</u>	<u>3,773,030</u>	<u>-</u>	<u>7,929,217</u>
Total capital assets, not being depreciated	<u>5,109,916</u>	<u>3,773,030</u>	<u>-</u>	<u>8,882,946</u>
Capital assets, being depreciated:				
Buildings and improvements	48,865,457	760,759	(209,523)	49,416,693
Furniture, equipment and vehicles	6,281,091	1,210,269	(39,748)	7,451,612
Right to use equipment	<u>181,153</u>	<u>-</u>	<u>-</u>	<u>181,153</u>
Total capital assets, being depreciated	<u>55,327,701</u>	<u>1,971,028</u>	<u>(249,271)</u>	<u>57,049,458</u>
Less accumulated depreciation for:				
Buildings and improvements	(21,945,272)	(1,286,871)	182,197	(23,049,946)
Furniture, equipment and vehicles	(3,823,877)	(464,870)	37,112	(4,251,635)
Right to use equipment	<u>(4,160)</u>	<u>(35,124)</u>	<u>-</u>	<u>(39,284)</u>
Total accumulated depreciation	<u>(25,773,309)</u>	<u>(1,786,865)</u>	<u>219,309</u>	<u>(27,340,865)</u>
Total governmental activities capital assets, net	<u>\$ 34,664,308</u>	<u>\$ 3,957,193</u>	<u>\$ (29,962)</u>	<u>\$ 38,591,539</u>

Depreciation was charged to functions as follows:

Governmental activities:	
Instruction	\$ 805,891
Instruction Resources & Media Services	6,854
Curriculum & Staff Development	7,626
Instructional Leadership	1,418
School Leadership	2,788
Guidance, Counseling & Evaluation Services	1,500
Health Services	2,634
Student (Pupil) Transportation	272,795
Food Services	29,226
Extracurricular Activities	174,669
General Administration	3,085
Plant Maintenance & Operations	450,734
Security & Monitoring Services	21,716
Data Processing Services	<u>5,929</u>
Total depreciation expense	<u>\$ 1,786,865</u>

D. Interfund Balances

Balances due to and due from other funds at August 31, 2023 consisted of the following:

<u>Due To Fund</u>	<u>Due From Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Non-major governmental	\$ 558,717	Short-term loans
Total		<u>\$ 558,717</u>	

E. Deferred Inflows of Resources – Unavailable Revenue

At year-end the District reported unavailable deferred inflows in the governmental funds for the following:

	<u>General Fund</u>	<u>Debt Service Fund</u>
Property taxes - unavailable	\$ 326,593	\$ 58,407
School health and related services (SHARS) cost reimbursement - unavailable	<u>429,896</u>	<u>-</u>
Totals	<u>\$ 756,489</u>	<u>\$ 58,407</u>

F. Long-Term Liabilities

Governmental long-term debt activity for the year ended August 31, 2023, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<u>Governmental activities:</u>					
Bonds	\$ 13,085,000	\$ -	\$ (2,800,000)	\$ 10,285,000	\$ 900,000
Issuance premium/discount	1,322,379	-	(259,673)	1,062,706	-
Leases	176,850	-	(33,276)	143,574	34,136
Workers' compensation	<u>17,074</u>	<u>18,428</u>	<u>(10,964)</u>	<u>24,538</u>	<u>22,192</u>
Total long-term debt	<u>14,601,303</u>	<u>18,428</u>	<u>(3,103,913)</u>	<u>11,515,818</u>	<u>956,328</u>
Net pension liability	2,950,144	5,557,722	(619,989)	7,887,877	-
Net OPEB liability	<u>6,597,131</u>	<u>(2,020,217)</u>	<u>(151,793)</u>	<u>4,425,121</u>	<u>-</u>
Total long-term liabilities	<u>\$ 24,148,578</u>	<u>\$ 3,555,933</u>	<u>\$ (3,875,695)</u>	<u>\$ 23,828,816</u>	<u>\$ 956,328</u>

Leases and worker's compensation debt are generally paid from the General Fund and appropriate Special Revenue Funds.

Bonds Payable

A summary of changes in governmental bonds payable for the year ended August 31, 2023, is as follows:

	Beginning Balance	Additions	Retirements /Refundings	Ending Balance	Due Within One Year
<u>Bonds payable:</u>					
Unlimited tax refunding bonds, series 2015	\$ 5,935,000	\$ -	\$ (2,245,000)	\$ 3,690,000	\$ 330,000
Unlimited tax refunding bonds, series 2016	2,220,000	-	(110,000)	2,110,000	115,000
Unlimited tax refunding bonds, series 2022	<u>4,930,000</u>	<u>-</u>	<u>(445,000)</u>	<u>4,485,000</u>	<u>455,000</u>
Total bonds payable	<u>\$ 13,085,000</u>	<u>\$ -</u>	<u>\$ (2,800,000)</u>	<u>\$ 10,285,000</u>	<u>\$ 900,000</u>

Bonded indebtedness of the District reflected in the general long-term debt and current requirements for principal and interest expenditures are accounted for in the Debt Service Fund. These bonds were issued as unlimited tax refunding bonds and the interest rates on the bonds ranged from 1.6% to 4.0% for Series 2015 bonds; 3.0% to 4.0% for Series 2016 bonds; and 2.0% to 3.0% for Series 2022. Interest expense was \$468,648 for the year ended August 31, 2023.

As of August 31, 2023, the District did not have defeased and still outstanding bonds.

The District's outstanding bonds payable contain a provision that in an event of default, outstanding amounts will be paid from the corpus of the Texas Permanent School Fund.

Debt service requirements on bonds payable at August 31, 2023 are as follows:

Year Ended August 31,	Principal	Interest	Total Requirements
2024	\$ 900,000	\$ 336,300	\$ 1,236,300
2025	925,000	312,950	1,237,950
2026	955,000	283,025	1,238,025
2027	985,000	249,000	1,234,000
2028	1,025,000	213,675	1,238,675
2029-2033	4,770,000	515,425	5,285,425
2034-2037	<u>725,000</u>	<u>59,700</u>	<u>784,700</u>
Totals	<u>\$ 10,285,000</u>	<u>\$ 1,970,075</u>	<u>\$ 12,255,075</u>

Leases Payable

A summary of leases payable as of August 31, 2023, are as follows:

Purpose of Lease	Interest Rate	Initial Year of Lease	Terms	Amount of Initial Liability	Interest Current Year	Amounts Outstanding 08/31/23	Amounts Due Within One Year
Right to Use:							
Copiers	2.3%	2022	4 Years	\$ 59,169	\$ 1,149	\$ 42,386	\$ 14,647
Phone system	2.8%	2022	6 Years	121,984	<u>3,066</u>	<u>101,188</u>	<u>19,489</u>
Total leases payable					<u>\$ 4,215</u>	<u>\$ 143,574</u>	<u>\$ 34,136</u>

The future principal and interest lease payments as of August 31, 2023, are as follows:

Year Ended August 31,	Principal	Interest	Total Requirements
2024	\$ 34,136	\$ 3,356	\$ 37,492
2025	68,359	4,046	72,405
2026	21,162	864	22,026
2027	19,917	274	20,191
Totals	<u>\$ 143,574</u>	<u>\$ 8,540</u>	<u>\$ 152,114</u>

District's outstanding leases contain provisions in the contracts that in the event of default, the underlying assets for the contracts will be automatically be repossessed.

G. Committed Fund Balance

The District reported committed fund balance on the governmental funds' balance sheet in the amount of \$5,467,218. The General Fund reported \$2,974,733 for capital expenditures/construction, \$600,000 for self-insurance, and \$1,600,000 other commitments which comprise of \$600,000 for residential care/day placement and \$1,000,000 for capital stabilization. The Campus Activity Fund (a nonmajor governmental fund) reported the amount of \$292,485 for activities at the various campuses.

H. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2023, the District purchased commercial insurance to cover general liabilities. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

I. Pension Plan

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

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

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

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

Texas Government Code section 821.006 prohibits benefit improvements, if, as a result of the particular action, the time required to amortize TRS unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action. Actuarial implications of the funding provided in the manner are determined by the System's actuary.

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 percent of the member's annual compensation and a state contribution rate of not less than 6 percent and not more than 10 percent 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 86th Texas Legislature amended Texas Government Code 825.402 for member contributions and increased employee and employer contribution rates for fiscal years 2020 thru 2025.

	Contribution Rates	
	2022	2023
Member	8.00%	8.00%
Non-employer contributing entity (State)	7.75%	8.00%
Employers	7.75%	8.00%
Current fiscal year employer contributions		\$ 655,001
Current fiscal year member contributions		1,332,474
2022 measurement year NECE on-behalf contributions		794,008

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

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

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

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

- All public schools, charter schools, and regional educational service centers must contribute 1.7 percent of the member's salary beginning in fiscal year 2022, gradually increasing to 2 percent in fiscal year 2025.
- 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.

Actuarial Assumptions. The total pension liability in the August 31, 2021 actuarial valuation rolled forward to August 31, 2022 was determined using the following actuarial assumptions:

Valuation Date	August 31, 2021 rolled forward to August 31, 2022
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Fair Value
Single Discount Rate	7.00%
Long-term expected Investment Rate of Return	7.00%
Municipal Bond Rate as of August 2022	3.91%
Inflation	2.30%
Salary increases including inflation	2.95% to 8.95%
Ad hoc post-employment benefit changes	None

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, 2021. For a full description of these assumptions please see the actuarial valuation report dated November 12, 2021.

Discount Rate. A single discount rate of 7.00 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 7.00 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 7.00 percent. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of August 31, 2022 are summarized below:

Asset Class ¹	Target Allocation ²	Long-Term Expected Geometric Real Rate of Return ³	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
U.S.	18.00%	4.60%	1.12%
Non-U.S. Developed	13.00%	4.90%	0.90%
Emerging Markets	9.00%	5.40%	0.75%
Private Equity	14.00%	7.70%	1.55%
Stable Value			
Government Bonds	16.00%	1.00%	0.22%
Absolute Return	-	3.70%	-
Stable Value Hedge Funds	5.00%	3.40%	0.18%
Real Return			-
Real Estate	15.00%	4.10%	0.94%
Energy, Natural Resources and Infrastructure	6.00%	5.10%	0.37%
Commodities	-	3.60%	-
Risk Parity			
Risk Parity	8.00%	4.60%	0.43%
Asset Allocation Leverage			
Cash	2.00%	3.00%	0.01%
Asset Allocation Leverage	-6.00%	3.60%	-0.05%
Inflation Expectation			2.70%
Volatility Drag ⁴			-0.91%
Total	<u>100.00%</u>		<u>8.21%</u>

¹ Absolute Return includes Credit Sensitive Investments.

² Target allocations are based on the FY2022 policy model

³ Capital Market Assumptions come from Aon Hewitt (as of 8/31/2022)

⁴ The volatility drag results from the conversion between arithmetic and geometric mean returns

Discount Rate Sensitivity Analysis. The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (7.00%) in measuring the Net Pension Liability.

	1% Decrease in Discount Rate (6.00%)	Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
District's proportionate share of net pension liability	\$ 12,270,545	\$ 7,887,877	\$ 4,335,518

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions. At August 31, 2023, the District reported a liability of \$7,887,877 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	\$ 7,887,877
State's proportionate share that is associated with the District	<u>10,101,851</u>
Total	<u>\$ 17,989,728</u>

The net pension liability was measured as of August 31, 2021 and rolled forward to August 31, 2022 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, 2021 thru August 31, 2022.

At August 31, 2022, the District's proportion of the collective net pension liability was 0.0132865393% which was an increase of 0.017021101% from its proportion measured as of August 31, 2021.

For the year ended August 31, 2023, the District recognized pension expense of \$2,093,564 and revenue of \$965,622 for support provided by the State.

At August 31, 2023, the District reported its proportionate share of the TRS' 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	\$ 114,374	\$ 171,971
Changes in actuarial assumptions	1,469,768	366,307
Difference between projected and actual investment earnings	779,297	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	871,356	222,109
Contributions paid to TRS subsequent to the measurement date	548,897	-
Total as of fiscal year-end	<u>\$ 3,783,692</u>	<u>\$ 760,387</u>

The \$548,897 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended August 31, 2024. The net amounts of the Districts balances of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

For the Year Ended August 31,	Pension Expense
2024	\$ 656,436
2025	381,344
2026	172,171
2027	1,042,056
2028	222,401

J. **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 with a special funding situation. The TRS-Care program was established in 1986 by the Texas Legislature.

The TRS Board of Trustees administers the TRS-Care program and the related fund in accordance with Texas Insurance Code Chapter 1575. 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. The Board may adopt rules, plans, procedures, and orders reasonably necessary to administer the program, including minimum benefits and financing standards.

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

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

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

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

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

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

Texas Insurance Code, section 1575.202 establishes the state's contribution rate which is 1.25% of the employee's salary. Section 1575.203 establishes the active employee's rate which is 0.65% of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25% or not more than 0.75% of the salary of each active employee of the public. 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.

	Contribution Rates	
	2022	2023
Active employee	0.65%	0.65%
Non-Employer Contributing Entity (State)	1.25%	1.25%
Employers	0.75%	0.75%
Federal/Private Funding Remitted by Employers	1.25%	1.25%
Current fiscal year employer contributions		\$ 154,950
Current fiscal year member contributions		108,264
2022 measurement year NECE on-behalf contributions		185,164

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 employees hire a TRS retiree, they are required to pay TRS Care, a monthly surcharge of \$535 per retiree.

A supplemental appropriation was authorized by Senate Bill 8 of the third-called legislature that granted \$83 million to TRS-Care from the federal American Rescue Plan Act (ARPA) to help defray Covid-19-related health care costs during fiscal year 2022.

Actuarial Assumptions. The actuarial valuation was performed as of August 31, 2021. Update procedures were used to roll forward the Total OPEB Liability to August 31, 2022. The actuarial valuation was determined using the following actuarial assumptions.

The actuarial valuation of the OPEB plan offered through TRS-Care is similar to the actuarial valuation performed for the pension plan, except that the OPEB valuation is more complex. The demographic assumptions were developed in the experience study performed for TRS for the period ending August 31, 2017. The following assumptions and other inputs used for members of TRS-Care are based on an established pattern of practice and are identical to the assumptions used in the August 31, 2021 TRS pension actuarial valuation that was rolled forward to August 31, 2022:

Rates of Mortality	Rates of Disability
Rates of Retirement	General Inflation
Rates of Termination	Wage Inflation

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

Additional Actuarial Methods and Assumptions

Valuation Date	August 31, 2021 rolled forward to August 31, 2022
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Discount Rate	3.91%
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 costs.
Projected Salary Increases	3.05% to 9.05%
Healthcare Trend Rates	The initial medical trend rates were 8.25 percent for Medicare retirees and 7.25 percent for non-Medicare retirees. The initial prescription drug trend rate was 8.25 percent for all retirees. The initial trend rates decrease to an ultimate trend rate of 4.25 percent over a period of 13 years.
Election Rates	Normal Retirement: 65% participation prior to age 65 and 40% participation after age 65. 25% of pre-65 retirees are assumed to discontinue coverage at age 65.
Ad hoc post-employment benefit changes	None

Discount Rate. A single discount rate of 3.91 percent was used to measure the Total OPEB Liability. There was an increase of 1.96 percent in the discount rate since the previous year. Because the plan is essentially a “pay-as-you-go” plan, the single discount rate is equal to the prevailing municipal bond rate. The projection of cash flows used to determine the discount rate assumed that contributions from active members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to *not be able to* make all future benefit payments of current plan members. Therefore, the municipal bond rate was used for the long-term rate of return and was applied to all periods of projected benefit payments to determine the total OPEB liability.

The source of the municipal bond rate is the Fidelity "20-year Municipal GO AA Index" as of August 31, 2022 using the Fixed Income Market Data/Yield Curve/ Data Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds.

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% more than the discount rate that was used (3.91%) in measuring the Net OPEB Liability.

	1% Decrease in Discount Rate (2.91%)	Discount Rate (3.91%)	1% Increase in Discount Rate (4.91%)
Proportionate share of net OPEB liability	\$ 5,217,568	\$ 4,425,121	\$ 3,783,137

OPEB Liabilities, OPEB Expense, and Deferred Outflows/Inflows of Resources Related to OPEB. At August 31, 2023, the District reported a liability of \$4,425,121 for its proportionate share of the TRS's net OPEB liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the collective net OPEB liability	\$ 4,425,121
State's proportionate share that is associated with the District	<u>5,397,952</u>
Total	<u>\$ 9,823,073</u>

The Net OPEB Liability was measured as of August 31, 2021 and rolled forward to August 31, 2022 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, 2021 thru August 31, 2022.

At the August 31, 2022, the District's proportion of the collective net OPEB liability was 0.0184811220% which was an increase of 0.0013787970% from its proportion measured as of August 31, 2021.

For the year ended August 31, 2023, the District recognized OPEB expense of \$(1,168,483) and revenue of \$(766,013) for support provided by the State.

Healthcare Cost Trend Rates Sensitivity Analysis. The following presents the net OPEB liability of the plan using the assumed healthcare cost trend rate, as well as what the net OPEB liability would be if it were calculated using a trend rate that is 1% less than and 1% greater than the assumed healthcare cost trend rate:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Proportionate share of net OPEB liability	\$ 3,646,319	\$ 4,425,121	\$ 5,434,737

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

- The discount rate changed from 1.95 percent as of August 31, 2021 to 3.91 percent as of August 31, 2022. This change decreased the Total OPEB Liability.

At August 31, 2023, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual actuarial experiences	\$ 246,021	\$ 3,686,523
Changes in actuarial assumptions	674,034	3,074,311
Differences between projected and actual investment earnings	13,181	-
Changes in proportion and differences between the employer's contributions and the proportionate share of contributions	1,188,816	92,463
Contributions paid to OPEB subsequent to the measurement date	<u>129,041</u>	<u>-</u>
Total as of fiscal year-end	<u>\$ 2,251,093</u>	<u>\$ 6,853,297</u>

The \$129,041 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended August 31, 2024. The net amounts of the District's balances of deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

For the Year Ended August 31,	OPEB Expense
2024	\$ (906,584)
2025	(906,540)
2026	(718,885)
2027	(464,832)
2028	(611,375)
Thereafter	(1,123,029)

K. Medicare Part D – On-behalf Payments

The Medicare Prescription Drug, Improvement and Modernization Act of 2003, which was effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of those provisions of Medicare Part D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive retiree drug expenditures for eligible TRS-Care participants. These on-behalf payments of \$90,907, \$64,983, and \$69,425 were recognized for the years ended August 31, 2023, 2022, and 2021, respectively, as equal revenues and expenditures.

L. Employee Health Care Coverage

During the year ended August 31, 2023, employees of the District were covered by a health insurance plan (the "Plan"). The District paid premiums of \$250 per month per employee to the Plan. Employees, at their option, authorized payroll withholdings to pay premiums for dependents. All premiums were paid to a third-party administrator, acting on behalf of the licensed insurer. The Plan was authorized by Section 21.922, Texas Education Code and was documented by contractual agreement.

The contract between the District and the third-party administrator is renewable September 1, and terms of coverage and premium costs are included in the contractual provisions.

M. Commitments and Contingencies

Federal and State Programs - The District participates in 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, refunds of any money received may be required and the collectability of any related receivable 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 basic financial statements for such contingencies.

N. Shared Services Arrangements

The District participates in a shared services arrangement (SSA) for the improvement of the education of limited English proficient children funded under ESEA Title III, Part A, English Language Acquisition and Language Enhancement. The District neither has a joint ownership interest in fixed assets purchased by the fiscal agent, Education Service Center, Region VI, nor does the District have a net equity interest in the fiscal agent. The fiscal agent is neither accumulating significant financial resources nor fiscal exigencies that would give rise to a future additional benefit or burden to the District. The fiscal agent is responsible for part of the financial activities of the SSA.

The District participates in an SSA with numerous other school districts for educational services for students with a hearing impairment. The District does not account for revenues or expenditures in this program and does not disclose them in these financial statements. The District neither has a joint ownership interest in fixed assets purchased by the fiscal agent, Katy Independent School District, nor does the District have a net equity interest in the fiscal agent. The fiscal agent is neither accumulating significant financial resources nor fiscal exigencies that would give rise to a future additional benefit or burden to the District. The fiscal agent is responsible for all of the financial activities of the SSA.

O. Workers' Compensation

During the year ended August 31, 2023, employees of the District were covered by a Workers' Compensation Plan (the "Plan"). The Plan was authorized by Section 21.922, Texas Education Code and was documented by contractual agreement.

A contract is in place between the District and a third-party administrator, Claims Administrative Services (CAS), acting on behalf of the self-funded pool for claims through August 31, 2006, and terms, as well as costs of coverage, are included in the contractual provisions. The District has an unfunded claim benefit obligation of \$2,346 at year-end through this plan.

The contract between the District and the third-party administrator, Workers' Compensation Solutions (WCS), acting on behalf of the District since September 1, 2006, is renewable September 1, and terms, as well as costs of coverage, are included in the contractual provisions.

In accordance with state statutes, the District was protected against unanticipated catastrophic individual or aggregate loss by reinsurance coverage carried through WCS, a commercial insurer licensed or eligible to do business in the state of Texas in accordance with Texas Insurance Code. According to WCS, the unfunded claim benefit obligation of \$19,846 included \$0 in estimated claims incurred, but not reported.

The claim liability is based on estimates of the ultimate cost of reported claims (including future claim adjustment expenses) and an estimate of claims in which have been incurred, but not reported based on historical experience. Changes in the claim's liability for workers' compensation benefits for the current and prior fiscal year are summarized below:

	Fiscal Year	
	2023	2022
Claims liability at beginning of year	\$ 17,074	\$ 26,546
Current year claims and estimated changes	18,424	14,313
Claims payments	(10,960)	(23,785)
Claims liability at year end	<u>\$ 24,538</u>	<u>\$ 17,074</u>

P. Unemployment Compensation

During the year ended August 31, 2023, 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, 2023, the Fund anticipates that the District has no additional liability beyond the contractual obligation for payment of contribution.

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, 2022 are available on the TASB Risk Management Fund website and have been filed with the Texas Department of Insurance in Austin.

Q. New Accounting Standards

Significant new accounting standards issued by the Governmental Accounting Standards Board (GASB) not yet implemented by the District include the following:

GASB Statement No. 99, Omnibus 2022 – The objective of this Statement is to correct practice issues identified during implementation and application of certain GASB Statements and financial reporting for financial guarantees. There are various effective dates 1.) upon issuance 2.) fiscal years beginning after June 15, 2022 and 3.) fiscal years beginning after June 15, 2023.

GASB Statement No. 100, Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62 – The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This Statement will become effective for reporting periods beginning after June 15, 2023, and the impact has not yet been determined.

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REQUIRED SUPPLEMENTARY INFORMATION

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BELLVILLE INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND

FOR THE YEAR ENDED AUGUST 31, 2023

Data Control Codes		Budgeted Amounts		Actual Amounts	Variance With Final Budget
		Original	Final		Positive or (Negative)
		REVENUES			
5700	Local and intermediate sources	\$16,939,208	\$17,357,394	\$17,224,353	\$ (133,041)
5800	State programs	6,726,943	6,726,943	8,007,090	1,280,147
5900	Federal programs	448,862	448,862	524,926	76,064
5020	Total revenues	24,115,013	24,533,199	25,756,369	1,223,170
EXPENDITURES					
Current:					
0011	Instruction	13,531,233	12,724,642	12,282,928	441,714
0012	Instructional resources and media services	308,734	408,734	364,433	44,301
0013	Curriculum and instructional staff development	243,464	358,006	316,116	41,890
0021	Instructional leadership	348,974	316,674	287,012	29,662
0023	School leadership	1,302,055	1,299,975	1,225,320	74,655
0031	Guidance, counseling and evaluation services	697,900	792,400	752,185	40,215
0032	Social work services	26,808	31,808	25,826	5,982
0033	Health services	349,235	349,235	315,087	34,148
0034	Student (pupil) transportation	1,133,767	1,862,519	1,679,176	183,343
0035	Food services	3,000	8,000	1,200	6,800
0036	Extracurricular activities	1,094,750	1,159,658	1,105,220	54,438
0041	General administration	1,206,614	1,236,374	1,225,132	11,242
0051	Facilities maintenance and operations	2,350,443	2,922,982	2,806,288	116,694
0052	Security and monitoring services	502,317	502,347	420,831	81,516
0053	Data processing services	263,838	534,338	407,262	127,076
0061	Community services	26,838	27,838	26,368	1,470
Debt Service:					
0071	Principal on long term debt	-	70,000	33,276	36,724
0072	Interest on long term debt	-	5,000	4,215	785
Capital Outlay:					
0081	Facilities acquisition and construction	259,701	5,053,634	4,545,301	508,333
Intergovernmental:					
0091	Contracted instructional services between schools	61,346	136,346	115,365	20,981
0099	Other intergovernmental charges	403,996	403,996	396,561	7,435
6030	Total expenditures	24,115,013	30,204,506	28,335,102	1,869,404
1200	Net change in fund balance	-	(5,671,307)	(2,578,733)	3,092,574
0100	Fund balance - Beginning	17,782,706	17,782,706	17,782,706	-
3000	Fund balance - Ending	\$17,782,706	\$12,111,399	\$15,203,973	\$ 3,092,574

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BELLVILLE INDEPENDENT SCHOOL DISTRICT

NOTES TO REQUIRED BUDGETARY SCHEDULE

AUGUST 31, 2023

Budgetary Information

The Board of Trustees adopts an "appropriated budget" for the General Fund, National Breakfast and Lunch Program Fund and the Debt Service Fund. 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 "Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund" and the other two reports are in Exhibit J-2 "Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – National Breakfast and Lunch Program Fund" and J-3 "Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Debt Service Fund."

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

1. Prior to August 20 the District prepares a budget for the next succeeding fiscal year beginning September 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Board is then called for the purpose of adopting the proposed budget. At least ten days' public notices 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 be amended at the function and fund level by approval of a majority of the members of the Board. Changes can be made to the budget at any detail within the function level without an amendment approved by the Board. During the year, several budget amendments were made with Board approval. The most significant amendments were for carryover funding; mid-year adjustments of operating costs; and year-end adjustments to expenditures based on the latest information concerning operating cost. All budget appropriations lapse at year-end.

BELLVILLE INDEPENDENT SCHOOL DISTRICT**SCHEDULE TO THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
TEACHER RETIREMENT SYSTEM****FOR THE YEAR ENDED AUGUST 31, 2023**

Measurement Year Ended August 31,	<u>2022</u>	<u>2021</u>	<u>2020</u>
District's proportion of the net pension liability (asset)	0.0132865%	0.0115844%	0.0111079%
District's proportionate share of net pension liability (asset)	\$ 7,887,877	\$ 2,950,144	\$ 5,949,152
States proportionate share of the net pension liability (asset) associated with the District	<u>10,101,851</u>	<u>5,204,191</u>	<u>11,215,910</u>
Total	<u>\$ 17,989,728</u>	<u>\$ 8,154,335</u>	<u>\$ 17,165,062</u>
District's covered payroll	\$ 15,567,358	\$ 15,416,511	\$ 15,052,697
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	50.67%	19.14%	39.52%
Plan fiduciary net position as a percentage of the total pension liability	75.62%	88.79%	75.54%

Note: 10 years of information is required, but information prior to 2014 is not available.

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
0.0120815%	0.0117706%	0.0113756%	0.0105979%	0.0099843%	0.0050625%
\$ 6,280,341	\$ 6,478,845	\$ 3,637,316	\$ 4,004,799	\$ 3,529,317	\$ 1,352,264
<u>10,164,716</u>	<u>11,358,928</u>	<u>6,933,612</u>	<u>8,304,136</u>	<u>8,102,911</u>	<u>7,080,982</u>
<u>\$ 16,445,057</u>	<u>\$ 17,837,773</u>	<u>\$ 10,570,928</u>	<u>\$ 12,308,935</u>	<u>\$ 11,632,228</u>	<u>\$ 8,433,246</u>
\$ 13,945,766	\$ 13,697,434	\$ 13,357,225	\$ 12,624,400	\$ 11,875,312	\$ 11,648,337
45.03%	47.30%	27.23%	31.72%	29.72%	11.61%
75.24%	73.74%	82.17%	78.00%	78.43%	83.25%

BELLVILLE INDEPENDENT SCHOOL DISTRICT**SCHEDULE OF THE DISTRICT'S PENSION CONTRIBUTIONS
TEACHER RETIREMENT SYSTEM****FOR THE YEAR ENDED AUGUST 31, 2023**

Fiscal Year Ended August 31,	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 655,001	\$ 619,858	\$ 494,116	\$ 383,244
Contribution in relation to the contractually required contribution	<u>(655,001)</u>	<u>(619,858)</u>	<u>(494,116)</u>	<u>(383,244)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 16,651,423	\$ 15,567,358	\$ 15,416,511	\$ 15,052,697
Contributions as a percentage of covered payroll	3.93%	3.98%	3.21%	2.55%

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 422,868	\$ 398,574	\$ 372,827	\$ 336,723	\$ 295,641	\$ 128,348
<u>(422,868)</u>	<u>(398,574)</u>	<u>(372,827)</u>	<u>(336,723)</u>	<u>(295,641)</u>	<u>(128,348)</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 13,945,766	\$ 13,697,434	\$ 13,357,225	\$ 12,624,400	\$ 11,875,312	\$ 11,648,337
3.03%	2.91%	2.79%	2.67%	2.49%	1.10%

BELLVILLE INDEPENDENT SCHOOL DISTRICTSCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET OPEB LIABILITY
TEACHER RETIREMENT SYSTEM

FOR THE YEAR ENDED AUGUST 31, 2023

Measurement Year Ended August 31,	<u>2022</u>	<u>2021</u>	<u>2020</u>
District's proportion of the net OPEB liability (asset)	0.0184811%	0.0171023%	0.0170121%
District's proportionate share of net OPEB liability (asset) \$	4,425,121	\$ 6,597,131	\$ 6,467,075
States proportionate share of the net OPEB liability (asset) associated with the District	<u>5,397,952</u>	<u>8,838,685</u>	<u>8,690,199</u>
Total	<u>\$ 9,823,073</u>	<u>\$ 15,435,816</u>	<u>\$ 15,157,274</u>
District's covered employee payroll	\$ 15,567,358	\$ 15,416,511	\$ 15,052,697
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered employee payroll	28.43%	42.79%	42.96%
Plan fiduciary net position as a percentage of the total OPEB liability	11.52%	6.18%	4.99%

Note: 10 years of information is required, but information prior to 2017 is not available.

<u>2019</u>	<u>2018</u>	<u>2017</u>
0.0172315%	0.0168542%	0.0158220%
\$ 8,148,991	\$ 8,415,464	\$ 6,880,415
<u>10,828,186</u>	<u>11,434,886</u>	<u>10,379,859</u>
<u>\$ 18,977,177</u>	<u>\$ 19,850,350</u>	<u>\$ 17,260,274</u>
\$ 13,945,766	\$ 13,697,434	\$ 13,357,225
58.43%	61.44%	51.51%
2.66%	1.57%	0.91%

BELLVILLE INDEPENDENT SCHOOL DISTRICT**SCHEDULE OF THE DISTRICT'S OPEB CONTRIBUTIONS
TEACHER RETIREMENT SYSTEM****FOR THE YEAR ENDED AUGUST 31, 2023**

Fiscal Year Ended August 31,	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contractually required contribution	\$ 154,950	\$ 151,793	\$ 133,580
Contribution in relation to the contractually required contribution	<u>(154,950)</u>	<u>(151,793)</u>	<u>(133,580)</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
District's covered employee payroll	\$ 16,651,423	\$ 15,567,358	\$ 15,416,511
Contributions as a percentage of covered employee payroll	0.93%	0.98%	0.87%

Note: 10 years of information is required, but information prior to 2018 is not available.

<u>2020</u>	<u>2019</u>	<u>2018</u>
\$ 129,304	\$ 122,296	\$ 116,256
<u>(129,304)</u>	<u>(122,296)</u>	<u>(116,256)</u>
\$ -	\$ -	\$ -
\$ 15,052,697	\$ 13,945,766	\$ 13,697,434
0.86%	0.88%	0.85%

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COMBINING STATEMENTS

BELLVILLE INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

AUGUST 31, 2023

Data Control Codes		Special Revenue Funds			
		211	224	225	226
		ESEA I, A Improving Basic Program	IDEA Part B Formula	IDEA Part B Preschool	IDEA Part B High Cost
ASSETS					
1110	Cash and cash equivalents	\$ 213,482	\$ -	\$ -	\$ -
1240	Due from other governments	36,518	22,832	583	-
1290	Other receivables	-	-	-	-
1000	Total assets	<u>250,000</u>	<u>22,832</u>	<u>583</u>	<u>-</u>
LIABILITIES					
2110	Accounts payable	-	-	-	-
2160	Accrued wages payable	-	-	-	-
2170	Due to other funds	250,000	22,832	583	-
2200	Accrued expenditures	-	-	-	-
2310	Unearned revenue	-	-	-	-
2000	Total liabilities	<u>250,000</u>	<u>22,832</u>	<u>583</u>	<u>-</u>
FUND BALANCES					
	Restricted for:				
3450	Federal and state grants	-	-	-	-
3490	Museum	-	-	-	-
3490	Education	-	-	-	-
3490	Endowment for capital assets	-	-	-	-
3545	Committed for campus activity	-	-	-	-
3000	Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total liabilities and fund balances	<u>\$ 250,000</u>	<u>\$ 22,832</u>	<u>\$ 583</u>	<u>\$ -</u>

Special Revenue Funds					
240 National Breakfast and Lunch Program	244 Career and Technical - Basic Grant	255 ESEA II, A Training and Recruiting	263 Title III, A English Lang. Acquisition	266 ESSER I	272 MAC Program
\$ 404,511	\$ -	\$ -	\$ -	\$ -	\$ -
81,126	-	1,824	-	-	4,388
-	-	-	-	-	-
<u>485,637</u>	<u>-</u>	<u>1,824</u>	<u>-</u>	<u>-</u>	<u>4,388</u>
88,487	-	-	-	-	-
44,274	-	-	-	-	-
-	-	1,824	-	-	4,388
4,913	-	-	-	-	-
-	-	-	-	-	-
<u>137,674</u>	<u>-</u>	<u>1,824</u>	<u>-</u>	<u>-</u>	<u>4,388</u>
347,963	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>347,963</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 485,637</u>	<u>\$ -</u>	<u>\$ 1,824</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,388</u>

BELLVILLE INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

AUGUST 31, 2023

Data Control Codes		Special Revenue Funds			
		279	281	282	284
		ESSER III TCLAS	ESSER II CRRSA	ESSER III ARPA	IDEA Part B Formula-ARP
ASSETS					
1110	Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
1240	Due from other governments	10,428	-	118,885	76,450
1290	Other receivables	-	-	-	-
1000	Total assets	<u>10,428</u>	<u>-</u>	<u>118,885</u>	<u>76,450</u>
LIABILITIES					
2110	Accounts payable	97	-	-	-
2160	Accrued wages payable	-	-	-	-
2170	Due to other funds	10,331	-	118,885	76,450
2200	Accrued expenditures	-	-	-	-
2310	Unearned revenue	-	-	-	-
2000	Total liabilities	<u>10,428</u>	<u>-</u>	<u>118,885</u>	<u>76,450</u>
FUND BALANCES					
	Restricted for:				
3450	Federal and state grants	-	-	-	-
3490	Museum	-	-	-	-
3490	Education	-	-	-	-
3490	Endowment for capital assets	-	-	-	-
3545	Committed for campus activity	-	-	-	-
3000	Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total liabilities and fund balances	<u>\$ 10,428</u>	<u>\$ -</u>	<u>\$ 118,885</u>	<u>\$ 76,450</u>

Special Revenue Funds					
285 IDEA Part B Preschool-ARP	288 LEP Summer School	289 Title IV, Part A	385 Supplemental Visually Impaired	397 Advanced Placement Incentives	410 Instructional Materials Allotment
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,349
-	-	9,383	-	-	23,280
-	-	-	-	-	-
-	-	9,383	-	-	27,629
-	-	-	-	-	1,478
-	-	-	-	-	-
-	-	9,383	-	-	23,280
-	-	-	-	-	-
-	-	-	-	-	2,871
-	-	9,383	-	-	27,629
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ -	\$ -	\$ 9,383	\$ -	\$ -	\$ 27,629

BELLVILLE INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

AUGUST 31, 2023

Data Control Codes		Special Revenue Funds		
		429	461	490
		State Grants	Campus Activity Funds	Bellville Education
ASSETS				
1110	Cash and cash equivalents	\$ -	\$ 292,485	\$ 1,232
1240	Due from other governments	41,811	-	-
1290	Other receivables	-	-	-
1000	Total assets	<u>41,811</u>	<u>292,485</u>	<u>1,232</u>
LIABILITIES				
2110	Accounts payable	-	-	-
2160	Accrued wages payable	-	-	-
2170	Due to other funds	40,761	-	-
2200	Accrued expenditures	-	-	-
2310	Unearned revenue	<u>1,050</u>	<u>-</u>	<u>-</u>
2000	Total liabilities	<u>41,811</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
	Restricted for:			
3450	Federal and state grants	-	-	-
3490	Museum	-	-	-
3490	Education	-	-	1,232
3490	Endowment for capital assets	-	-	-
3545	Committed for campus activity	<u>-</u>	<u>292,485</u>	<u>-</u>
3000	Total fund balances	<u>-</u>	<u>292,485</u>	<u>1,232</u>
4000	Total liabilities and fund balances	<u>\$ 41,811</u>	<u>\$ 292,485</u>	<u>\$ 1,232</u>

Special Revenue Funds		Total Nonmajor Governmental Funds
492	499	
Machemehl Endowment	Museum Fund	
\$ 18,232	\$ 155	\$ 934,446
-	-	427,508
-	-	-
<u>18,232</u>	<u>155</u>	<u>1,361,954</u>
-	-	90,062
-	-	44,274
-	-	558,717
-	-	4,913
-	-	<u>3,921</u>
-	-	<u>701,887</u>
-	-	347,963
-	155	155
-	-	1,232
18,232	-	18,232
-	-	<u>292,485</u>
<u>18,232</u>	<u>155</u>	<u>660,067</u>
<u>\$ 18,232</u>	<u>\$ 155</u>	<u>\$ 1,361,954</u>

BELLVILLE INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED AUGUST 31, 2023

Data Control Codes		Special Revenue Funds			
		211	224	225	226
		ESEA I, A	IDEA	IDEA	IDEA
		Improving Basic Program	Part B Formula	Part B Preschool	Part B High Cost
REVENUES					
5700	Local and intermediate sources	\$ -	\$ -	\$ -	\$ -
5800	State programs	-	-	-	-
5900	Federal programs	<u>536,210</u>	<u>389,866</u>	<u>8,233</u>	<u>223,016</u>
5020	Total revenues	<u>536,210</u>	<u>389,866</u>	<u>8,233</u>	<u>223,016</u>
EXPENDITURES					
Current:					
0011	Instruction	493,210	172,914	1,194	223,016
0012	Instructional resources and media services	-	-	-	-
0013	Curriculum and instructional staff developmei	43,000	44,800	-	-
0021	Instructional leadership	-	-	-	-
0023	School leadership	-	-	-	-
0031	Guidance, counseling and evaluation services	-	172,152	7,039	-
0033	Health services	-	-	-	-
0034	Student (pupil) transportation	-	-	-	-
0035	Food services	-	-	-	-
0036	Extracurricular activities	-	-	-	-
0041	General administration	-	-	-	-
0051	Facilities maintenance and operations	-	-	-	-
0052	Security and monitoring services	-	-	-	-
0053	Data processing services	-	-	-	-
0061	Community services	-	-	-	-
0081	Capital outlay	-	-	-	-
6030	Total expenditures	<u>536,210</u>	<u>389,866</u>	<u>8,233</u>	<u>223,016</u>
1200	Net change in fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
0100	Fund balance - September 1 (beginning)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
3000	Fund balance - August 31 (ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Special Revenue Funds					
240 National Breakfast and Lunch Program	244 Career and Technical - Basic Grant	255 ESEA II, A Training and Recruiting	263 Title III, A English Lang. Acquisition	266 ESSER I	272 MAC Program
\$ 668,311	\$ -	\$ -	\$ -	\$ -	\$ -
6,030	-	-	-	-	-
<u>1,024,691</u>	<u>30,555</u>	<u>93,301</u>	<u>14,603</u>	<u>1</u>	<u>17,236</u>
<u>1,699,032</u>	<u>30,555</u>	<u>93,301</u>	<u>14,603</u>	<u>1</u>	<u>17,236</u>
-	30,555	93,301	12,138	1	-
-	-	-	-	-	-
-	-	-	2,465	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	17,236
-	-	-	-	-	-
1,597,675	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,597,675</u>	<u>30,555</u>	<u>93,301</u>	<u>14,603</u>	<u>1</u>	<u>17,236</u>
<u>101,357</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>246,606</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 347,963</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

BELLVILLE INDEPENDENT SCHOOL DISTRICT

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES**

FOR THE YEAR ENDED AUGUST 31, 2023

		Special Revenue Funds			
		279	281	282	284
Data					IDEA
Control		ESSER III	ESSER II	ESSER III	Part B
Codes		TCLAS	CRRSA	ARPA	Formula-ARP
REVENUES					
5700	Local and intermediate sources	\$ -	\$ -	\$ -	\$ -
5800	State programs	-	-	-	-
5900	Federal programs	108,979	233,033	1,291,236	76,450
5020	Total revenues	108,979	233,033	1,291,236	76,450
EXPENDITURES					
Current:					
0011	Instruction	3,679	233,033	1,032,844	35,555
0012	Instructional resources and media services	-	-	8,725	-
0013	Curriculum and instructional staff developmen	105,300	-	48,119	-
0021	Instructional leadership	-	-	50,894	-
0023	School leadership	-	-	18,667	-
0031	Guidance, counseling and evaluation services	-	-	42,383	40,895
0033	Health services	-	-	5,275	-
0034	Student (pupil) transportation	-	-	19,631	-
0035	Food services	-	-	27,625	-
0036	Extracurricular activities	-	-	1,420	-
0041	General administration	-	-	10,653	-
0051	Facilities maintenance and operations	-	-	22,313	-
0052	Security and monitoring services	-	-	861	-
0053	Data processing services	-	-	1,826	-
0061	Community services	-	-	-	-
0081	Capital outlay	-	-	-	-
6030	Total expenditures	108,979	233,033	1,291,236	76,450
1200	Net change in fund balances	-	-	-	-
0100	Fund balance - September 1 (beginning)	-	-	-	-
3000	Fund balance - August 31 (ending)	\$ -	\$ -	\$ -	\$ -

Special Revenue Funds					
285 IDEA Part B Preschool-ARP	288 LEP Summer School	289 Title IV, Part A	385 Supplemental Visually Impaired	397 Advanced Placement Incentives	410 Instructional Materials Allotment
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	1,320	172	57,994
<u>308</u>	<u>2,918</u>	<u>46,698</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>308</u>	<u>2,918</u>	<u>46,698</u>	<u>1,320</u>	<u>172</u>	<u>57,994</u>
308	2,918	46,698	1,320	172	57,994
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>308</u>	<u>2,918</u>	<u>46,698</u>	<u>1,320</u>	<u>172</u>	<u>57,994</u>
-	-	-	-	-	-
-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

BELLVILLE INDEPENDENT SCHOOL DISTRICT

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES**

FOR THE YEAR ENDED AUGUST 31, 2023

Data Control Codes		Special Revenue Funds		
		429	461	490
		State Grants	Campus Activity Funds	Bellville Education
REVENUES				
5700	Local and intermediate sources	\$ -	\$ 337,959	\$ -
5800	State programs	134,936	-	-
5900	Federal programs	-	-	-
5020	Total revenues	<u>134,936</u>	<u>337,959</u>	<u>-</u>
EXPENDITURES				
	Current:			
0011	Instruction	88,479	-	2,763
0012	Instructional resources and media services	-	-	-
0013	Curriculum and instructional staff development	-	-	-
0021	Instructional leadership	-	-	-
0023	School leadership	-	-	-
0031	Guidance, counseling and evaluation services	104	-	-
0033	Health services	-	-	-
0034	Student (pupil) transportation	-	-	-
0035	Food services	-	-	-
0036	Extracurricular activities	-	311,588	-
0041	General administration	-	-	-
0051	Facilities maintenance and operations	-	-	-
0052	Security and monitoring services	46,353	-	-
0053	Data processing services	-	-	-
0061	Community services	-	-	-
0081	Capital outlay	-	-	-
6030	Total expenditures	<u>134,936</u>	<u>311,588</u>	<u>2,763</u>
1200	Net change in fund balances	<u>-</u>	<u>26,371</u>	<u>(2,763)</u>
0100	Fund balance - September 1 (beginning)	<u>-</u>	<u>266,114</u>	<u>3,995</u>
3000	Fund balance - August 31 (ending)	<u>\$ -</u>	<u>\$ 292,485</u>	<u>\$ 1,232</u>

Special Revenue Funds		Total Nonmajor Governmental Funds
492	499	
Machemehl Endowment	Museum Fund	
\$ 33,654	\$ 25	\$ 1,039,949
-	-	200,452
-	-	4,097,334
<u>33,654</u>	<u>25</u>	<u>5,337,735</u>
-	-	2,532,092
-	-	8,725
-	-	243,684
-	-	50,894
-	-	18,667
-	-	262,573
-	-	22,511
-	-	19,631
-	-	1,625,300
-	-	313,008
-	-	10,653
-	-	22,313
-	-	47,214
-	-	1,826
-	770	770
<u>15,422</u>	<u>-</u>	<u>15,422</u>
<u>15,422</u>	<u>770</u>	<u>5,195,283</u>
<u>18,232</u>	<u>(745)</u>	<u>142,452</u>
<u>-</u>	<u>900</u>	<u>517,615</u>
\$ <u>18,232</u>	\$ <u>155</u>	\$ <u>660,067</u>

BELLVILLE INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF DELINQUENT TAXES RECEIVABLE

FOR THE YEAR ENDED AUGUST 31, 2023

Last Ten Years Ended August 31,	1	2	3	10
	Tax Rates		Net Assessed/ Appraised Value for School Tax Purpose	Beginning Balance
	Maintenance	Debt Service		
2014 and prior years	various	various	various	\$ 114,330
2015	1.080000	0.180000	1,097,894,277	29,956
2016	1.120000	0.140000	1,067,500,810	30,411
2017	1.120000	0.140000	1,140,066,320	36,244
2018	1.120000	0.140000	1,204,650,952	39,740
2019	1.120000	0.140000	1,299,912,381	45,044
2020	1.035900	0.140000	1,395,028,489	66,036
2021	0.995200	0.140000	1,458,290,962	85,056
2022	0.988500	0.146700	1,498,827,431	308,414
2023	0.941700	0.193500	1,634,795,543	-
1000 Totals				\$ <u>755,231</u>
8000	Taxes Refunded under 26.1115			

EXHIBIT J-1

20	31	32	40	50
Current Year's Total Levy	Maintenance Total Collections	Debt Service Total Collections	Entire Year's Adjustments	Ending Balance
\$ -	\$ 13,450	\$ 2,845	\$ -	\$ 98,035
-	6,378	1,349	-	22,229
-	6,113	1,019	-	23,279
-	7,015	1,169	-	28,060
-	7,659	957	-	31,124
-	10,695	1,337	1,263	34,275
-	28,642	3,871	4,106	37,629
-	27,490	3,867	5,247	58,946
-	175,587	26,058	(19,812)	86,957
<u>18,558,199</u>	<u>15,341,664</u>	<u>3,152,397</u>	<u>213,825</u>	<u>277,963</u>
\$ <u>18,558,199</u>	\$ <u>15,624,693</u>	\$ <u>3,194,869</u>	\$ <u>204,629</u>	\$ <u>698,497</u>
	<u>\$ 3,240</u>			

BELLVILLE INDEPENDENT SCHOOL DISTRICT**EXHIBIT J-2**

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL- NATIONAL BREAKFAST AND LUNCH PROGRAM FUND
FOR THE YEAR ENDED AUGUST 31, 2023

Data Control Codes		Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
		Original	Final		
REVENUES					
5700	Local and intermediate sources	\$ 523,632	\$ 523,632	\$ 668,311	\$ 144,679
5800	State program	7,042	7,042	6,030	(1,012)
5900	Federal program	924,821	1,033,652	1,024,691	(8,961)
5020	Total revenues	1,455,495	1,564,326	1,699,032	134,706
EXPENDITURES					
Current:					
0035	Food service	1,455,495	1,698,684	1,597,675	101,009
6030	Total expenditures	1,455,495	1,698,684	1,597,675	101,009
1100	Excess (deficiency) of revenues over (over) expenditures	-	(134,358)	101,357	235,715
0100	Fund balance - Beginning	246,606	246,606	246,606	-
3000	Fund balance - Ending	\$ 246,606	\$ 112,248	\$ 347,963	\$ 235,715

BELLVILLE INDEPENDENT SCHOOL DISTRICT**EXHIBIT J-3**

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - DEBT SERVICE FUND

FOR THE YEAR ENDED AUGUST 31, 2023

Data Control Codes		Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
		Original	Final		
REVENUES					
5700	Local and intermediate sources	\$ 3,347,695	\$ 3,347,695	\$ 3,314,232	\$ (33,463)
5800	State program	-	-	48,183	48,183
5020	Total revenues	3,347,695	3,347,695	3,362,415	14,720
EXPENDITURES					
	Debt service:				
0071	Principal on long-term debt	2,907,695	2,864,695	2,800,000	64,695
0072	Interest on long-term debt	436,500	470,000	468,648	1,352
0073	Bond issuance costs and fees	3,500	13,000	12,827	173
6030	Total expenditures	3,347,695	3,347,695	3,281,475	66,220
1200	Net change in fund balances	-	-	80,940	80,940
0100	Fund balance - Beginning	303,130	303,130	303,130	-
3000	Fund balance - Ending	\$ 303,130	\$ 303,130	\$ 384,070	\$ 80,940

USE OF FUNDS REPORT - SELECT STATE ALLOTMENT PROGRAMS
FOR THE YEAR ENDED AUGUST 31, 2023

Section A: Compensatory Education Programs

AP1	Did your LEA expend any state compensatory education program state allotment funds during the district's fiscal year?	Yes
AP2	Does the LEA have written policies and procedures for its state compensatory education program?	Yes
AP3	List the total state allotment funds received for state compensatory education programs during the district's fiscal year.	\$ 1,519,905
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal year. (PICs 24, 26, 28, 29, 30, 34)	\$ 582,992

Section B: Bilingual Education Programs

AP5	Did your LEA expend any bilingual education program state allotment funds during the LEA's fiscal year?	Yes
AP6	Does the LEA have written policies and procedures for its bilingual education program?	Yes
AP7	List the total state allotment funds received for bilingual education programs during the LEA's fiscal year.	\$ 127,667
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PICs 25, 35)	\$ 53,621

FEDERAL AWARDS SECTION

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**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**

Board of Trustees of
Bellville Independent School District
Bellville, 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 Bellville Independent School District's (the "District"), as of and for the year ended August 31, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 13, 2023.

Report on Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District'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 or significant deficiencies may exist that were not identified.

OFFICE LOCATIONS

TEXAS | Waco | Temple | Hillsboro | Houston
NEW MEXICO | Albuquerque

Report on Compliance and Other Matters

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

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 internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Pattillo, Brown & Hill, L.L.P.

Waco, Texas
November 13, 2023

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE

Board of Trustees of
Bellville Independent School District
Bellville, Texas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Bellville Independent School District's (the "District") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Bellville Independent School District's major federal programs for the year ended August 31, 2023. 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.

In our opinion, the District complied, in all material respects, with the 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, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal Programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

Pattillo, Brown & Hill, L.L.P.

Waco, Texas
November 13, 2023

BELLVILLE INDEPENDENT SCHOOL DISTRICT

EXHIBIT K-1

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED AUGUST 31, 2023

(1) Federal Grantor/ Pass-through Grantor/ Grantor/Program Title	(2) Assistance Listing Number	(2A) Pass-through Entity Identifying Number	(3) Federal Expenditures
U . S. DEPARTMENT OF AGRICULTURE			
Passed through the Texas Education Agency:			
School Breakfast Program (SBP)	10.553	71402201	\$ 17,291
School Breakfast Program (SBP)	10.553	71402301	130,037
National School Lunch Program (NSLP)	10.555	71302201	82,849
National School Lunch Program (NSLP)	10.555	71302301	<u>574,364</u>
Total Passed through the Texas Education Agency			<u>804,541</u>
Passed through the Texas Department of Agriculture:			
National School Lunch Program Commodities - Non-cash assistance	10.555	CE 00026	79,525
Supply Chain Assistance (SCA) COVID-19	10.555	CE 00026	<u>118,671</u>
Total Child Nutrition Cluster			<u>1,002,737</u>
Pandemic Electronic Benefit Transfer (P-EBT) Admin - COVID-19	10.649	CE 00026	3,135
2023 ARPA NSLP Equipment Assistance Grant - COVID-19	10.579	6TX200211	<u>18,819</u>
Total Passed through the Texas Department of Agriculture			<u>220,150</u>
TOTAL U. S. DEPARTMENT OF AGRICULTURE			<u>1,024,691</u>
U. S. DEPARTMENT OF EDUCATION			
Passed through the Texas Education Agency:			
IDEA-B Formula - Special Education Grants to States	84.027A	236600010089016600	389,866
IDEA-B High Cost - Special Education Grants to States	84.027A	66002306	44,893
IDEA-B Disc Residential - Special Education Grants to States	84.027A	66002312	178,123
IDEA-B Formula ARP - Special Education Grants to States - COVID-19	84.027X	225350020089015350	76,450
IDEA-B Preschool - Special Education Preschool Grants	84.173A	236610010089016610	8,233
IDEA-B Preschool ARP - Special Education Grants to States - COVID-19	84.173X	225360020089015360	<u>308</u>
Total Special Education (IDEA) Cluster			<u>697,873</u>
ESEA, Title I, Part A - Improving Basic Programs	84.010A	23610101008901	493,210
Title I, 1003 - School Improvement Grant	84.010A	23610141008901	<u>43,000</u>
Subtotal for 84.010A			<u>536,210</u>
Carl D. Perkins Formula Vocational Education - Basic Grants to States	84.048A	23420006008901	30,555
ESEA Title II, Part A - Teacher & Principal Training & Recruiting	84.367A	23694501008901	93,301
Summer School LEP	84.369A	69552102	1,439
Summer School LEP	84.369A	69552202	<u>1,479</u>
Subtotal for 84.369A			<u>2,918</u>
Title IV, Part A: Student Support and Academic Enrichment Program	84.424A	23680101008901	46,698
Elementary and Secondary School Emergency Relief (ESSER) - COVID-19	84.425D	20521001008901	1
Elementary and Secondary School Emergency Relief (ESSER) II - COVID-19	84.425D	21521001008901	262,092
American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER) III - COVID-19	84.425U	21528001008901	1,291,236
American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER) III TCLAS - COVID-19	84.425U	21528042008901	<u>108,979</u>
Subtotal for 84.425			<u>1,662,308</u>
Total Passed through the Texas Education Agency			<u>3,069,863</u>
Passed through Education Service Center Region 6:			
Title III, Part A - English Language Acquisition	84.365A	23671001236950	<u>14,603</u>
Subtotal for 84.365			<u>14,603</u>
Total Passed through Education Service Center Region 6			<u>14,603</u>
TOTAL U. S. DEPARTMENT OF EDUCATION			<u>3,084,466</u>

BELLVILLE INDEPENDENT SCHOOL DISTRICT**EXHIBIT K-1****SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

FOR THE YEAR ENDED AUGUST 31, 2023

(1) Federal Grantor/ Pass-through Grantor/ Grantor/Program Title	(2) Assistance Listing Number	(2A) Pass-through Entity Identifying Number	(3) Federal Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through Texas Health and Human Services Commission:			
Medicaid Cluster: Medicaid Administrative Claiming Program	93.778	HHS000537900157	\$ <u>17,236</u>
Total Passed through Texas Health and Human Services Commission			<u>17,236</u>
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>17,236</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ <u>4,126,393</u>

BELLVILLE INDEPENDENT SCHOOL DISTRICT

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

AUGUST 31, 2023

GENERAL

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

BASIS OF ACCOUNTING

The SEFA is presented using the modified accrual basis of accounting. The District's significant accounting policies, including the modified accrual basis of accounting, are presented in Note 1 of the basic financial statements. The SEFA is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some of the amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

PASS-THROUGH EXPENDITURES

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

INDIRECT COSTS

The District did not elect to use a de minimis cost rate of 10% as described at 2 CFR §200.414(f)—Indirect (F&A) costs.

RECONCILIATION OF FEDERAL REVENUES AND THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal revenues per the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds (Exhibit C-3)	\$ 4,622,260
School health and related services revenue - not reported on SEFA	<u>(495,867)</u>
Federal expenditures per the SEFA (Exhibit K-1)	<u><u>\$ 4,126,393</u></u>

BELLVILLE INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED AUGUST 31, 2023

Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued Unmodified

Internal control over financial reporting:

Material weakness(es) identified? No

Significant deficiency(ies) identified,
that were not considered a material weakness None reported

Material noncompliance to the
financial statements noted? None

Federal Awards:

Internal control over major programs:

Material weakness(es) identified? No

Significant deficiency(ies) identified,
that were not considered a material weakness None reported

Type of auditor's report on compliance
for major programs Unmodified

Any audit findings disclosed that are required
to be reported in accordance with 2 CFR 200.516(a)? None

Identification of major programs:

Assistance Listing Numbers:

10.553 & 10.555

84.425

Name of Federal Program or Cluster:

Child Nutrition Cluster

Elementary & Secondary School

Emergency Relief (ESSER) - COVID-19

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

Auditee qualified as low-risk auditee? Yes

**Findings Relating to the Financial Statements Which are Required to be Reported in
Accordance With Generally Accepted Government Auditing Standards**

None

Findings and Questioned Costs for Federal Awards

None

BELLVILLE INDEPENDENT SCHOOL DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FOR THE YEAR ENDED AUGUST 31, 2023

None.