

**HAMLIN COLLEGIATE
INDEPENDENT SCHOOL DISTRICT
JONES COUNTY, TEXAS
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED AUGUST 31, 2022**

HAMLIN COLLEGIATE INDEPENDENT SCHOOL DISTRICT **ANNUAL FINANCIAL REPORT** **FOR THE YEAR ENDED AUGUST 31, 2022**

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CERTIFICATE OF BOARD

**Hamlin Collegiate Independent
School District**

Name of School District

Jones

County

127903

County – District 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, 2022**, at a meeting of the Board of Trustees of such school district on the **17th** day of **November , 2022**.

Signature of Board President

Signature of Board Secretary

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

James E. Rodgers and Company, P.C.

Certified Public Accountants

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E-mail: rodgerscpa@att.net

Member of Texas Society of CPA's and American Institute of CPA's

Richard E. Rodgers CPA • Gerald L. Rodgers CPA

October 17, 2022

**Unmodified Report on Financial Statements Issued in Accordance with *Government Auditing Standards*
and a Single Audit Accompanied by Required Supplementary Information, Supplementary Information,
and Other Information**

INDEPENDENT AUDITOR'S REPORT

**To the Board of Trustees
Hamlin Collegiate Independent School District
Hamlin, Texas 79520**

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 the Hamlin Collegiate Independent School District, as of and for the year ended August 31, 2022, and the related notes to the financial statements, which collectively comprise the Hamlin Collegiate Independent School District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Hamlin Collegiate Independent School District, as of August 31, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 the Hamlin Collegiate 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 Hamlin Collegiate Independent School 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.

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Auditor's Responsibilities 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 generally accepted auditing standards 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 generally accepted auditing standards 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 Hamlin Collegiate Independent School 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 Hamlin Collegiate Independent School 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 and budgetary comparison information, and GASB 68 and 75 schedules for pension and OPEB liabilities and contributions 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 the Hamlin Collegiate Independent School District's basic financial statements. The accompanying

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combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 17, 2022, on our consideration of the Hamlin Collegiate Independent School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Hamlin Collegiate Independent School 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 Hamlin Collegiate Independent School District's internal control over financial reporting and compliance.

Respectfully submitted,



James E. Rodgers and Company, P.C.



MANAGEMENT'S DISCUSSION AND ANALYSIS

In this section of the Annual Financial and Compliance Report, we, the administration of **Hamlin Collegiate Independent School District**, discuss and analyze the District's financial performance for the **fiscal year ended August 31, 2022**. Please read it in conjunction with the independent auditor's report and the District's Basic Financial Statements.

FINANCIAL HIGHLIGHTS

Highlights of Current Fiscal Year Finances

District's Total Net Position at the End of the Year	\$	6,452,180
Total District Revenues for the Current Fiscal Year		8,149,054
Total District Expenses for the Current Fiscal Year		6,731,147
Fund Balance in the General Fund at the End of Year		3,810,962

Changes in the District's Finances from the Previous Fiscal Year

	Increase (Decrease)	
	\$	%
<u>Change in Net Position:</u>		
Change in the District's Total Net Position	\$ 1,414,014	28.07%
<u>Revenue Changes:</u>		
Change in the District's Total Revenues	\$ (470,552)	-5.46%
Change in the District's Property Tax Revenues	13,858	0.75%
Change in the District's State Aid Formula Grants	(41,983)	-1.07%
Change in Operating Grants and Contributions	(783,934)	-31.86%
<u>Expense Changes:</u>		
Change in the District's Total Expenses	\$ (853,615)	-11.25%
<u>Other Information:</u>		
Change in the District's General Fund Balance	\$ 494,307	14.90%
Excess (Deficit) of Actual Revenue over Budgeted Revenue	457,060	4.86%

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

The *statement of net position* presents information on all of the District's assets and deferred outflows of resources, and liabilities and deferred inflows of resources with the difference between the two reported a *net position*. Over

time, increases or decreases in net position may serve as a useful indicator as to whether the financial position of the District is improving or deteriorating.

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

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

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between *governmental funds* and *governmental activities*. The District maintains numerous individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General and Debt Service Funds as they are considered major funds. Data from the other funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

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

Proprietary funds. The District maintains an *internal service fund* as an accounting device used to accumulate and allocate costs internally among the District's various functions. The District uses this internal service fund to account for its workers compensation self-insurance. Internal service funds are generally considered a *governmental activity* and are included in the government-wide financial statements.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the District's own programs. The District maintains student activity accounts and scholarship funds as fiduciary funds.

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

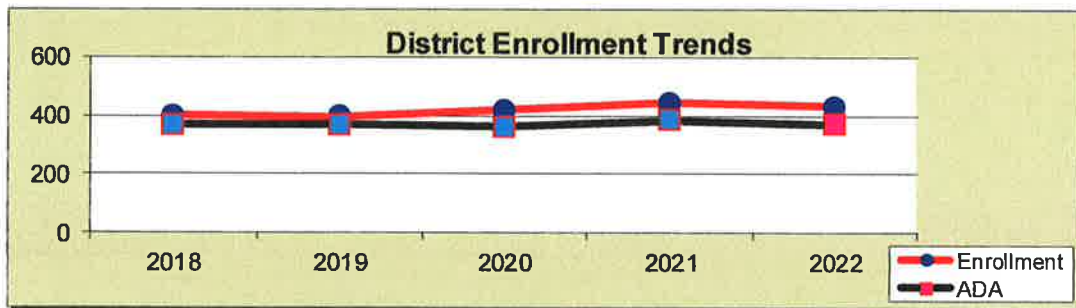
Other information. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. In addition, certain information required by the Texas Education Agency and the federal government regarding tax collection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

DISTRICT FINANCES

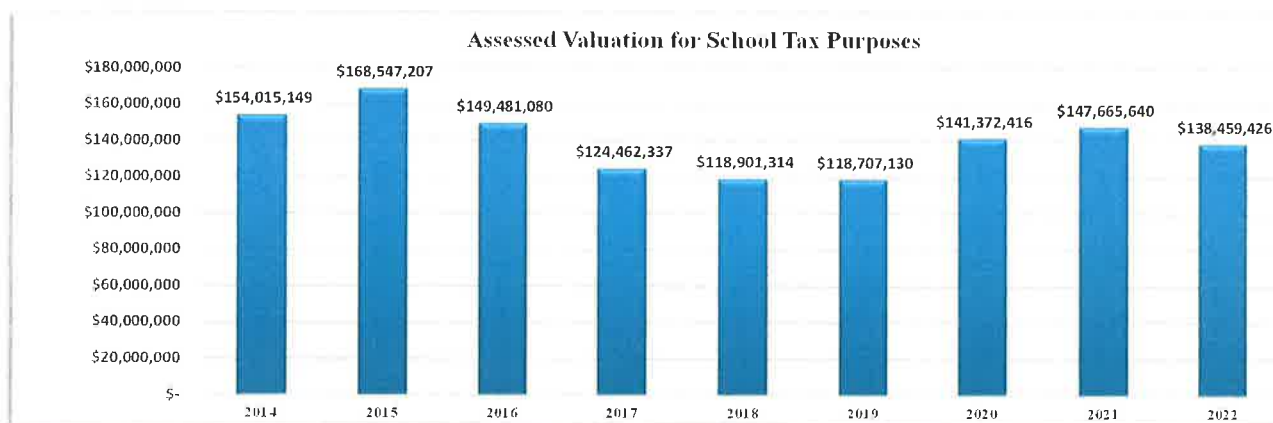
District's activities are primarily funded from local property tax revenues and education funding from the State of Texas. State funding for public education in Texas is based upon the District's average daily attendance, thus the District's revenue is highly dependent on enrollment trends. The District receives additional weighted funding for students enrolled in career and technology coursework, gifted and talented, special education, bilingual, and compensatory education programs. The demographics of the District and the types of coursework students pursue are constantly changing and thus affecting funding. The following chart details the enrollment trends of the District.

ENROLLMENT TRENDS

Year	Enrollment	ADA
2018	398	369
2019	395	368
2020	417	362
2021	443	383
2022	431	370



A history of the District's assessed valuation for school tax purposes is as follows:



Both student enrollment and the local property tax base are important attributes affecting District's finances.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following table indicates the net position of the District at the end of the current and prior fiscal years.

Table I - Net Position						
	Governmental Activities		Business-Type Activities		Totals	
	2021	2022	2021	2022	2021	2022
Current and other assets	\$ 4,141,464	\$ 4,925,211	\$ -	\$ -	\$ 4,141,464	\$ 4,925,211
Capital assets (net)	7,220,475	7,757,599	-	-	7,220,475	7,757,599
Deferred Outflow of Resources	1,309,698	2,131,346	-	-	1,309,698	2,131,346
Total assets and deferred outflows	\$ 12,671,637	\$ 14,814,156	\$ -	\$ -	\$ 12,671,637	\$ 14,814,156
Long-term liabilities	\$ 3,319,688	\$ 3,082,005	\$ -	\$ -	\$ 3,319,688	\$ 3,082,005
Other liabilities	299,073	483,463	-	-	299,073	483,463
Net pension liability	1,072,424	633,223	-	-	1,072,424	633,223
Net OPEB liability	1,465,025	1,930,088	-	-	1,465,025	1,930,088
Deferred Inflow of Resources	1,477,261	2,233,197	-	-	1,477,261	2,233,197
Total liabilities / deferred inflows	\$ 7,633,471	\$ 8,361,976	\$ -	\$ -	\$ 7,633,471	\$ 8,361,976
Net Position:						
Net Investment in capital assets	\$ 4,044,679	\$ 4,795,427	\$ -	\$ -	\$ 4,044,679	\$ 4,795,427
Restricted	343,394	456,786	-	-	343,394	456,786
Unrestricted	650,093	1,199,967	-	-	650,093	1,199,967
Total net position	\$ 5,038,166	\$ 6,452,180	\$ -	\$ -	\$ 5,038,166	\$ 6,452,180

The following table indicates the changes in net position of the District during the current and prior fiscal years.

Table II - Change in Net Position						
	Governmental Activities		Business-Type Activities		Totals	
	2021	2022	2021	2022	2021	2022
Program Revenues:						
Charges for Services	\$ 158,366	\$ 184,150	\$ -	\$ -	\$ 158,366	\$ 184,150
Operating grants & contributions	2,460,463	1,676,529	-	-	2,460,463	1,676,529
General Revenues:						
Maintenance & operations taxes	1,445,425	1,459,046	-	-	1,445,425	1,459,046
Debt service taxes	394,199	394,436	-	-	394,199	394,436
State aid - formula grants	3,921,496	3,879,513	-	-	3,921,496	3,879,513
Grants and contributions not restricted	6,444	427,781	-	-	6,444	427,781
Investment earnings	7,510	6,883	-	-	7,510	6,883
Miscellaneous	225,703	120,716	-	-	225,703	120,716
Total Revenues	\$ 8,619,606	\$ 8,149,054	\$ -	\$ -	\$ 8,619,606	\$ 8,149,054
Expenses						
Instruction, curriculum, & media services	\$ 4,246,959	\$ 3,342,682	\$ -	\$ -	\$ 4,246,959	\$ 3,342,682
Instructional & school leadership	393,604	384,158	-	-	393,604	384,158
Student support services	282,984	345,612	-	-	282,984	345,612
Food services	247,979	232,384	-	-	247,979	232,384
Extracurricular activities	349,280	381,535	-	-	349,280	381,535
General administration & data processing	737,595	703,248	-	-	737,595	703,248
Plant maintenance & security	1,048,121	1,049,884	-	-	1,048,121	1,049,884
Interest/fees on long term debt	113,768	107,145	-	-	113,768	107,145
Other intergovernmental & business	164,472	184,499	-	-	164,472	184,499
Total Expenses	\$ 7,584,762	\$ 6,731,147	\$ -	\$ -	\$ 7,584,762	\$ 6,731,147
Increase in net position	\$ 1,034,844	\$ 1,417,907	\$ -	\$ -	\$ 1,034,844	\$ 1,417,907
Prior period adjustment	4,791	(3,893)	-	-	4,791	(3,893)
Net position at 9/1	3,998,531	5,038,166	-	-	3,998,531	5,038,166
Total Net Position	\$ 5,038,166	\$ 6,452,180	\$ -	\$ -	\$ 5,038,166	\$ 6,452,180

Analysis of Change in Net Position for Governmental Activities:

Excess of Revenues Over Expenditures for Governmental Funds	\$ 596,486
Current Year Purchases of Capital Assets	1,061,935
Current Year Debt Principal Payments	346,047
Depreciation	(523,523)
Other Modified to Full Accrual Revenue Adjustments	(124,442)
Net adjustment to pension expense per GASB 68	79,879
Net adjustment for OPEB plan required by GASB 75	(18,475)
Change in Net Position of Governmental Activities	<u>\$ 1,417,907</u>

THE DISTRICT'S FUNDS

A financial summary of the District's funds for the current year is as follows:

Governmental Fund Financial Statements					
	General	Special	Debt		
	Fund	Revenue	Service		Total
		Funds	Fund		
Revenues	\$ 6,261,645	\$ 1,787,716	\$ 393,030	\$	8,442,391
Expenditures	(5,886,317)	(1,748,117)	(330,450)		(7,964,884)
Other Financing Sources	118,979	-	-		118,979
Other Financing Uses	-	-	-		-
Net Change in Fund Balance	\$ 494,307	\$ 39,599	\$ 62,580	\$	596,486
Beginning Fund Balance	3,316,655	59,425	279,938		3,656,018
Ending Fund Balance					
All Governmental Funds	\$ 3,810,962	\$ 99,024	\$ 342,518	\$	4,252,504

The District modified its budget during the year resulting in a net increase in budgeted expenditures between the original and final budget in the District's General Fund as detailed in Exhibit G-1.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of the current fiscal year, the District had invested in a broad range of capital assets, including facilities and equipment for instruction, transportation, athletics, administration, and maintenance.

This year's major additions and the net change in total capital assets are as follows:

Facilities Upgrades	\$	709,235
Copiers		118,979
Scoreboard		6,316
Instructional Equipment		82,181
Bus		42,500
Food Service Equipment		39,716
IT Equipment		12,960
Ag Pickup		37,889
Other		12,159
Total Capital Asset Additions	\$	1,061,935
Total Capital Asset Retirements	\$	(249,545)
Right-To-Use Lease Assets - Beginning of Year		117,892
Net Retirements and Adjustments	\$	(131,653)
Net Change in Capital Assets	\$	1,193,588

The District's next fiscal year capital budget includes \$325,000 capital outlay appropriations in the General Fund.

Debt

The District's long-term debt as of the end of the current fiscal year is as follows:

Debt Issue	Interest Rate on Issue	Amounts Original Issue	Interest Current Year	Outstanding End of Current Fiscal Year	Next Year's Total Principal and Interest Requirement
2015 Tax Refunding Bonds	3.00-4.00%	\$ 3,765,000	\$ 106,650	\$ 2,700,000	\$ 329,900
2018 Bluebird 46 Passenger Bus Lease	2.18%	115,385	1,994	69,324	24,124
2016 Bluebird 28 Passenger Bus Lease	2.60%	110,680	1,052	-	-
2017 Bluebird 71 Passenger Bus Lease	2.60%	91,665	150	-	-
2020 Bluebird 53 Passenger Bus Lease	2.78%	98,650	1,649	40,072	20,876
Totals End of Year		\$ 4,181,380	\$ 111,495	\$ 2,809,396	\$ 374,900

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

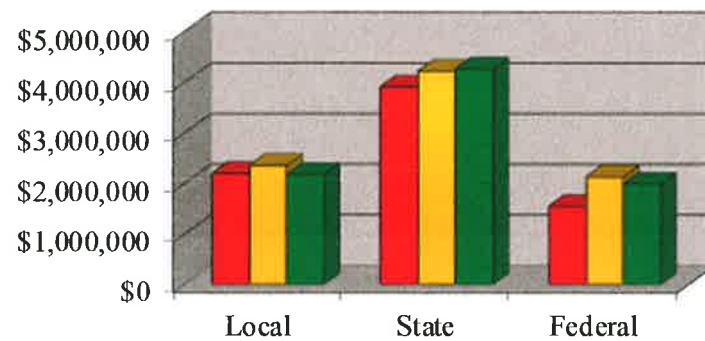
The District's elected and appointed officials considered many factors when setting the next fiscal year budget and tax rates. Expected student enrollment and property valuation for ad valorem taxes were implicit in the expected revenue and expenditures when adopting the budget for next year. A summary of the subsequent fiscal year budget for funds legally required to be budgeted is as follows:

Fiscal Year 2022 - 2023 Adopted Budget				
	General Fund	Child Nutrition Fund	Debt Service Fund	TOTALS
Revenues	\$ 5,680,655	\$ 256,000	\$ 459,000	\$ 6,395,655
Expenditures	(5,680,655)	(256,000)	(339,000)	(6,275,655)
Other Financing Sources	-	-	-	-
Other Financing Uses	-	-	-	-
Net Change in Fund Balance	\$ -	\$ -	\$ 120,000	\$ 120,000
Beginning of Year Fund Balance	3,810,962	38,045	342,518	4,191,525
Projected End of Year Fund Balance	\$ 3,810,962	\$ 38,045	\$ 462,518	\$ 4,311,525

The following graph indicates District revenues by source for the last three years.

REVENUES BY SOURCE			
	Fiscal Year 2019-2020	Fiscal Year 2020-2021	Fiscal Year 2021-2022
ADA	362.108	383.138	370.468
Local	\$2,203,896	\$2,359,788	\$2,180,186
State	3,908,131	4,216,173	4,269,817
Federal	1,549,858	2,137,689	1,992,388
Total	\$7,661,885	\$8,713,650	\$8,442,391

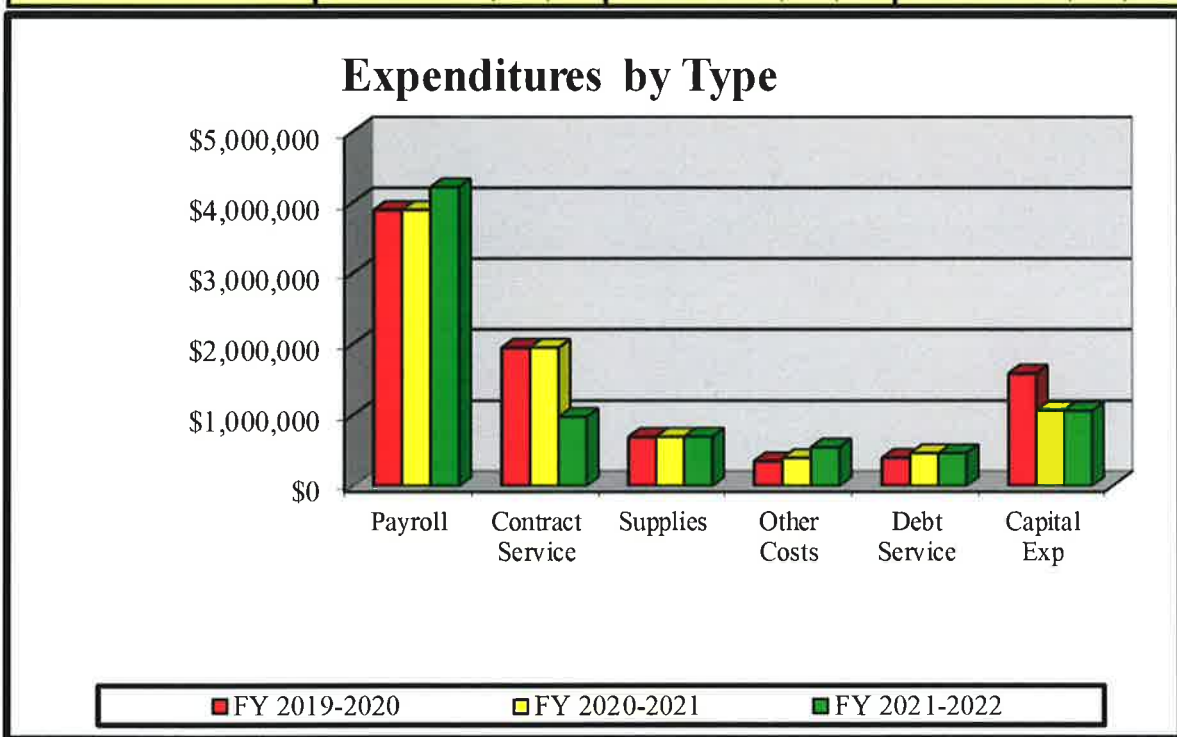
Revenues by Source



■ Fiscal Year 2019-2020
 ■ Fiscal Year 2020-2021
 ■ Fiscal Year 2021-2022

The following graph indicates expenditures by type for the last three years.

Expenditures By Type			
	FY 2019-2020	FY 2020-2021	FY 2021-2022
Total Staff	64.43	70.84	79.96
Payroll	\$3,892,729	\$3,892,729	\$4,216,667
Contract Service	1,948,891	1,948,891	979,848
Supplies	693,855	693,855	696,933
Other Costs	350,445	393,498	546,817
Debt Service	398,976	462,684	462,684
Capital Exp	1,586,713	1,061,935	1,061,935
Total	\$8,871,609	\$8,453,592	\$7,964,884



CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our students and parents, citizens, taxpayers, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's business office, at **Hamlin Collegiate Independent School District, 450 SW Avenue F, Hamlin, Texas 79520; (325) 576-3624** or visit us at our website at <http://www.hamlincollegiate.com>.

BASIC FINANCIAL STATEMENTS

HAMLIN COLLEGIATE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
AUGUST 31, 2022

EXHIBIT A-1

Data Control Codes	Primary Government Governmental Activities
ASSETS	
1110 Cash and Cash Equivalents	\$ 3,899,958
1120 Current Investments	500,000
1220 Property Taxes - Delinquent	252,325
1230 Allowance for Uncollectible Taxes	(63,081)
1240 Due from Other Governments	335,124
1410 Prepayments	885
Capital Assets:	
1510 Land	59,400
1520 Buildings, Net	6,533,015
1530 Equipment and Vehicles, Net	1,051,871
1550 Right-to-Use Leased Assets, Net	113,313
1000 Total Assets	12,682,810
DEFERRED OUTFLOWS OF RESOURCES	
1701 Deferred Charge for Refunding	115,018
1705 Deferred Outflow Related to TRS Pension	611,895
1706 Deferred Outflow Related to TRS OPEB	1,404,433
1700 Total Deferred Outflows of Resources	2,131,346
LIABILITIES	
2110 Accounts Payable	65,584
2160 Accrued Wages Payable	165,856
2180 Due to Other Governments	108,879
2200 Accrued Expenses	18,018
2300 Unearned Revenue	125,126
Noncurrent Liabilities:	
2501 Due Within One Year: Loans, Note, Leases, etc.	298,593
Due in More than One Year:	
2502 Bonds, Notes, Loans, Leases, etc.	2,783,412
2540 Net Pension Liability (District's Share)	633,223
2545 Net OPEB Liability (District's Share)	1,930,088
2000 Total Liabilities	6,128,779
DEFERRED INFLOWS OF RESOURCES	
2605 Deferred Inflow Related to TRS Pension	726,393
2606 Deferred Inflow Related to TRS OPEB	1,506,804
2600 Total Deferred Inflows of Resources	2,233,197
NET POSITION	
3200 Net Investment in Capital Assets	4,795,427
Restricted:	
3820 Restricted for Federal and State Programs	84,391
3850 Restricted for Debt Service	372,395
3900 Unrestricted	1,199,967
3000 Total Net Position	\$ 6,452,180

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

HAMLIN COLLEGIATE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2022

EXHIBIT B-1

FOR THE YEAR ENDED AUGUST 31, 2022

				Net (Expense) Revenue and Changes in Net Position	
Data	Program Revenues				
Control	1	3	4	6	
Codes		Charges for	Operating	Primary Gov.	
	Expenses	Services	Grants and Contributions	Governmental Activities	
Primary Government:					
GOVERNMENTAL ACTIVITIES:					
11	Instruction	\$ 3,280,488	\$ 145,554	\$ 1,059,941	\$ (2,074,993)
12	Instructional Resources and Media Services	2,327	-	-	(2,327)
13	Curriculum and Instructional Staff Development	59,867	-	-	(59,867)
21	Instructional Leadership	73,832	-	8,132	(65,700)
23	School Leadership	310,326	-	36,774	(273,552)
31	Guidance, Counseling, and Evaluation Services	99,214	-	26,053	(73,161)
33	Health Services	53,122	-	(757)	(53,879)
34	Student (Pupil) Transportation	193,276	-	(1,032)	(194,308)
35	Food Services	232,384	12,455	298,230	78,301
36	Extracurricular Activities	381,535	25,016	(2,982)	(359,501)
41	General Administration	485,899	-	18,900	(466,999)
51	Facilities Maintenance and Operations	1,049,884	1,125	236,541	(812,218)
53	Data Processing Services	217,349	-	(3,271)	(220,620)
72	Debt Service - Interest on Long-Term Debt	103,345	-	-	(103,345)
73	Debt Service - Bond Issuance Cost and Fees	3,800	-	-	(3,800)
93	Payments Related to Shared Services Arrangements	137,474	-	-	(137,474)
99	Other Intergovernmental Charges	47,025	-	-	(47,025)
[TP] TOTAL PRIMARY GOVERNMENT:		\$ 6,731,147	\$ 184,150	\$ 1,676,529	(4,870,468)
Data					
Control	General Revenues:				
Codes	Taxes:				
MT	Property Taxes, Levied for General Purposes				1,459,046
DT	Property Taxes, Levied for Debt Service				394,436
SF	State Aid - Formula Grants				3,879,513
GC	Grants and Contributions not Restricted				427,781
IE	Investment Earnings				6,883
MI	Miscellaneous Local and Intermediate Revenue				120,716
TR	Total General Revenues				6,288,375
CN	Change in Net Position				1,417,907
NB	Net Position - Beginning				5,038,166
PA	Prior Period Adjustment - Leases Reporting Changes				(3,893)
NE	Net Position - Ending				\$ 6,452,180

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

HAMLIN COLLEGIATE INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
AUGUST 31, 2022

Data Control Codes	10 General Fund	Other Funds	Total Governmental Funds
ASSETS			
1110 Cash and Cash Equivalents	\$ 3,428,186	\$ 457,159	\$ 3,885,345
1120 Investments - Current	500,000	-	500,000
1220 Property Taxes - Delinquent	206,069	46,256	252,325
1230 Allowance for Uncollectible Taxes	(51,517)	(11,564)	(63,081)
1240 Due from Other Governments	273,012	62,112	335,124
1260 Due from Other Funds	4,888	-	4,888
1410 Prepayments	885	-	885
1000 Total Assets	<u>\$ 4,361,523</u>	<u>\$ 553,963</u>	<u>\$ 4,915,486</u>
LIABILITIES			
2110 Accounts Payable	\$ 57,913	\$ 7,671	\$ 65,584
2160 Accrued Wages Payable	112,535	53,321	165,856
2180 Due to Other Governments	108,879	-	108,879
2200 Accrued Expenditures	2,360	5,933	8,293
2300 Unearned Revenue	114,322	10,804	125,126
2000 Total Liabilities	<u>396,009</u>	<u>77,729</u>	<u>473,738</u>
DEFERRED INFLOWS OF RESOURCES			
2601 Unavailable Revenue - Property Taxes	154,552	34,692	189,244
2600 Total Deferred Inflows of Resources	<u>154,552</u>	<u>34,692</u>	<u>189,244</u>
FUND BALANCES			
Restricted Fund Balance:			
3450 Federal or State Funds Grant Restriction	-	84,391	84,391
3480 Retirement of Long-Term Debt	-	342,518	342,518
Committed Fund Balance:			
3510 Construction	900,000	-	900,000
3545 Other Committed Fund Balance	600,000	-	600,000
Assigned Fund Balance:			
3590 Other Assigned Fund Balance	-	14,633	14,633
3600 Unassigned Fund Balance	2,310,962	-	2,310,962
3000 Total Fund Balances	<u>3,810,962</u>	<u>441,542</u>	<u>4,252,504</u>
4000 Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 4,361,523</u>	<u>\$ 553,963</u>	<u>\$ 4,915,486</u>

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

HAMLIN COLLEGIATE INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
AUGUST 31, 2022

EXHIBIT C-2

Total Fund Balances - Governmental Funds	\$ 4,252,504
1 The District uses internal service funds to charge the costs of certain activities, such as workers compensation self-insurance, to appropriate functions in other funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. The net effect of this consolidation is to increase net position.	-
2 Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. At the beginning of the year, the cost of these assets less the accumulated depreciation (net book value) is included in net position. In addition, long-term liabilities are not due and payable in the current period, and, therefore are not reported as liabilities in the funds. The net effect of including the beginning balances for capital assets (net of depreciation) and long-term debt in the governmental activities is to increase government-wide net position.	4,037,359
3 Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of including the current year capital outlays and debt principal payments is to increase net position.	1,407,982
4 Recognition of the GASB 68 reporting requirements for the District's pension plan through TRS requires that additional items be reported in the government-wide statements. The District's share of the TRS pension plan resulted in a net pension liability, a deferred outflow related to the TRS pension, and a deferred inflow related to the TRS pension. This resulted in a reduction of reported ending net position.	(747,721)
5 Recognition of the GASB 75 reporting requirements for the District's OPEB plan through TRS-Care requires that additional items be reported in the government-wide statements.. The District's share of the TRS-Care plan resulted in a net OPEB liability, a deferred outflow related to TRS OPEB, and a deferred inflow related to TRS OPEB. This resulted in a reduction of reported ending net position.	(2,032,459)
6 The current year depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position.	(523,523)
7 Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unavailable revenue from property taxes as revenue, reclassifying the proceeds of issuing long-term debt as an increase in long-term liabilities, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase net position.	58,038
19 Net Position of Governmental Activities	\$ 6,452,180

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

HAMLIN COLLEGIATE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2022

Data Control Codes	10 General Fund	Other Funds	Total Governmental Funds
REVENUES:			
5700 Total Local and Intermediate Sources	\$ 1,748,367	\$ 431,819	\$ 2,180,186
5800 State Program Revenues	4,096,519	173,298	4,269,817
5900 Federal Program Revenues	416,759	1,575,629	1,992,388
5020 Total Revenues	<u>6,261,645</u>	<u>2,180,746</u>	<u>8,442,391</u>
EXPENDITURES:			
Current:			
0011 Instruction	2,224,862	1,102,582	3,327,444
0012 Instructional Resources and Media Services	2,327	-	2,327
0013 Curriculum and Instructional Staff Development	59,867	-	59,867
0021 Instructional Leadership	71,394	9,863	81,257
0023 School Leadership	295,781	43,369	339,150
0031 Guidance, Counseling, and Evaluation Services	79,445	27,673	107,118
0033 Health Services	56,209	-	56,209
0034 Student (Pupil) Transportation	173,362	-	173,362
0035 Food Services	-	264,477	264,477
0036 Extracurricular Activities	312,623	32,943	345,566
0041 General Administration	505,916	24,358	530,274
0051 Facilities Maintenance and Operations	1,543,492	242,852	1,786,344
0053 Data Processing Services	244,306	-	244,306
Debt Service:			
0071 Principal on Long-Term Liabilities	126,047	220,000	346,047
0072 Interest on Long-Term Liabilities	6,187	106,650	112,837
0073 Bond Issuance Cost and Fees	-	3,800	3,800
Intergovernmental:			
0093 Payments to Fiscal Agent/Member Districts of SSA	137,474	-	137,474
0099 Other Intergovernmental Charges	47,025	-	47,025
6030 Total Expenditures	<u>5,886,317</u>	<u>2,078,567</u>	<u>7,964,884</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>375,328</u>	<u>102,179</u>	<u>477,507</u>
OTHER FINANCING SOURCES (USES):			
7913 Right-to-Use Leases	118,979	-	118,979
1200 Net Change in Fund Balances	494,307	102,179	596,486
0100 Fund Balance - September 1 (Beginning)	<u>3,316,655</u>	<u>339,363</u>	<u>3,656,018</u>
3000 Fund Balance - August 31 (Ending)	<u>\$ 3,810,962</u>	<u>\$ 441,542</u>	<u>\$ 4,252,504</u>

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

HAMLIN COLLEGIATE INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2022

EXHIBIT C-4

Total Net Change in Fund Balances - Governmental Funds	\$	596,486
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The District uses internal service funds to charge the costs of certain activities, such as workers compensation self-insurance, to appropriate functions in other funds. The net income (loss) of internal service funds are reported with governmental activities. The net effect of this consolidation is to decrease net position.

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Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of removing the current fiscal year capital outlays and debt principal payments is to decrease net position.

1,407,982

Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net position.

(523,523)

Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unavailable revenue from property taxes as revenue, adjusting current year revenue to show the revenue earned from the current year's tax levy, reclassifying the proceeds of long-term debt issued, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to decrease net position.

(124,442)

Current year changes due to GASB 68 increased revenues, but also increased expenditures. The net effect on the change in the ending net position was a decrease in the change in net position.

79,879

GASB 75 requires 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. Contributions made before the measurement date and during the previous fiscal year were also expended and recorded as a reduction in net pension liability. This caused a decrease the change in net position. Finally, the proportionate share of the TRS OPEB expense on the plan as a whole had to be recorded. The net OPEB expense increased the change in net position. The net result is a decrease in the change in net position.

(18,475)

Change in Net Position of Governmental Activities

	\$	1,417,907
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HAMLIN COLLEGIATE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AUGUST 31, 2022

EXHIBIT D-1

	Governmental Activities -
	Internal Service Fund
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 14,613
Total Assets	14,613
LIABILITIES	
Current Liabilities:	
Due to Other Funds	4,888
Accrued Expenses	9,725
Total Liabilities	14,613
NET POSITION	
Restricted for Other Purposes	-
Total Net Position	\$ -

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

HAMLIN COLLEGIATE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2022

	Governmental Activities -
	Internal Service Fund
OPERATING REVENUES:	
Local and Intermediate Sources	\$ 10,956
Total Operating Revenues	10,956
OPERATING EXPENSES:	
Professional and Contracted Services	10,965
Total Operating Expenses	10,965
Operating Income (Loss)	(9)
NONOPERATING REVENUES (EXPENSES):	
Earnings from Temporary Deposits & Investments	9
Total Nonoperating Revenues (Expenses)	9
Change in Net Position	-
Total Net Position September 1 (Beginning)	-
Total Net Position August 31 (Ending)	\$ -

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

HAMLIN COLLEGIATE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2022

EXHIBIT D-3

	Governmental Activities -
	Internal Service Fund
<u>Cash Flows from Operating Activities:</u>	
Cash Received from Assessments - Other Funds	\$ 10,956
Cash Payments for Insurance Claims	(10,266)
Cash Payments for Other Operating Expenses	(9,732)
Net Cash Used for Operating Activities	(9,042)
<u>Cash Flows from Investing Activities:</u>	
Interest and Dividends on Investments	9
Net Decrease in Cash and Cash Equivalents	(9,033)
Cash and Cash Equivalents at Beginning of Year	23,646
Cash and Cash Equivalents at End of Year	\$ 14,613
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>	
<u>Used for Operating Activities:</u>	
Operating Income (Loss):	\$ (9)
Effect of Increases and Decreases in Current Assets and Liabilities:	
Increase (decrease) in Accrued Claims Liability	(7,701)
Increase (decrease) in Due to Other Funds	(1,332)
Net Cash Used for Operating Activities	\$ (9,042)
<u>Reconciliation of Total Cash and Cash Equivalents:</u>	
Cash and Cash Equivalents on Balance Sheet	\$ 14,613
Restricted - Cash and Cash Equivalents on Balance	-
Total Cash and Cash Equivalents	\$ 14,613

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

HAMLIN COLLEGIATE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
AUGUST 31, 2022

EXHIBIT E-1

	Private Purpose Trust Funds	Custodial Fund
ASSETS		
Cash and Cash Equivalents	\$ 48,472	\$ 68,686
Investments - Current	14,779	-
Total Assets	<u>63,251</u>	<u>\$ 68,686</u>
NET POSITION		
Restricted for Campus Activities	-	68,686
Restricted for Scholarships	63,251	-
Total Net Position	<u>\$ 63,251</u>	<u>\$ 68,686</u>

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

HAMLIN COLLEGIATE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2022

	Private Purpose Trust Funds	Custodial Fund
ADDITIONS:		
Enterprising Services Revenue	\$ -	\$ 95,935
Earnings from Temporary Deposits	84	-
Contributions, Gifts and Donations	500	-
Total Additions	584	95,935
DEDUCTIONS:		
Professional and Contracted Services	1,001	-
Other Deductions	-	112,493
Total Deductions	1,001	112,493
Change in Fiduciary Net Position	(417)	(16,558)
Total Net Position September 1 (Beginning)	63,668	85,244
Total Net Position August 31 (Ending)	\$ 63,251	\$ 68,686

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

HAMLIN COLLEGIATE INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Hamlin Collegiate Independent School District (the "District") is a public educational agency operating under the applicable laws and regulations of the State of Texas. It is governed by a seven member Board of Trustees (the "Board") elected by registered voters of the District. The District prepares its basic financial statements in conformity with generally accepted accounting principles accepted in the United States of America as applied to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The District also complies with the requirements of the appropriate version of Texas Education Agency's Financial Accountability System Resource Guide (the "Resource Guide") and the requirements of contracts and grants of agencies from which it receives funds.

A. REPORTING ENTITY

The Board of Trustees (the "Board") is elected by the public and has the authority to make decisions, appoint administrators and managers, and significantly influence operations. For financial reporting purposes, the accompanying financial statements include all operations over which the District is financially accountable. The District applies current GASB criteria to potential component units and other related entities in evaluating the potential inclusion in the reporting entity. The criteria for inclusion in the reporting entity involves whether the District or its officials appoint a voting majority of an organization's governing body, and is either able to impose its will on the organization or there is a potential for the organization to provide specific financial benefits or to impose specific financial burdens on the District such that exclusion of such information would cause the District's financial statements to be incomplete. For the current fiscal year, the reporting entity of the District does not include any component units.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The Statement of Net Position and the Statement of Activities are government-wide financial statements. They report information for the **Hamlin Collegiate Independent School District** non-fiduciary activities with most of the inter-fund activities removed. *Governmental activities* include programs supported primarily by taxes, state foundation funds, grants, and other intergovernmental revenues. *Business-type activities* include operations that rely to a significant extent on fees and charges for support.

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

Inter-fund activities between governmental funds and between governmental funds and proprietary funds appear as due to/due from on the Governmental Fund Balance Sheet and Proprietary Fund Statement of Net Position and as other resources and other uses on the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance and on the Proprietary Fund Statement of Revenues, Expenses and Changes in Fund Net Position. All inter-fund transactions between governmental funds and between governmental funds and internal service funds are eliminated on the government-wide statements. Inter-fund activities between governmental funds and enterprise funds remain on the government-wide statements and appear on the government-wide Statement of Net Position as internal balances and on the Statement of Activities as Inter-fund transfers. Inter-fund activities between governmental funds and fiduciary funds remain as due to/due from on the government-wide Statement of Activities.

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues result from providing goods and services in connection with a proprietary fund's principal ongoing operations; they usually come from exchange or exchange-like transactions. All other revenues are non-operating. Operating expenses can be tied specifically to the production of the goods and services, such as materials and labor and direct overhead. Other expenses are non-operating.

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

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

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

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

Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the "susceptible to accrual" concept, that is, when they are both measurable and available. The District considers them "available" if they will be collected within 60 days of the end of the fiscal year. 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.

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

The Proprietary Fund Types and Fiduciary Funds are accounted for on a flow of economic resources measurement focus and utilize the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred and become measurable. The District applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless these pronouncements conflict or contradict GASB pronouncements.

With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the fund Statement of Net Position. The fund equity is segregated into net investment in capital assets, restricted net position, and unrestricted net position.

D. FUND ACCOUNTING

The District reports the following major governmental funds:

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

The District does not report any major enterprise funds.

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

Governmental Funds:

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

Debt Service Funds – The District accounts for resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds in a debt service fund.

Capital Projects Funds – Proceeds from long-term debt financing and revenues and expenditures related to authorized construction and other capital asset acquisitions are accounted for in a capital projects fund. The District did not maintain capital projects funds during the current fiscal year.

Proprietary Funds:

Enterprise Funds – The District's activities for which outside users are charged a fee roughly equal to the cost of providing the goods or services of those activities are accounted for in an enterprise fund. The District does not maintain enterprise funds.

Internal Service Funds – Revenues and expenses related to services provided to organizations inside the District on a cost reimbursement basis (such as workers' compensation) are accounted for in an internal service fund when applicable.

Fiduciary Funds:

Private Purpose Trust Funds – The District accounts for donations for which the donor has stipulated that both the principal and the income may be used for purposes that benefit parties outside the District. When applicable, the District maintains a private purpose trust fund to provide scholarships for students that have graduated from the District.

Custodial Funds – The District accounts for resources held for others in a custodial capacity in custodial funds including funds used to account for student activities.

Transactions between funds that are representative of lending / borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to / from other funds". While these balances are reported in the fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included in the governmental activities column. Similarly, balances between the funds included in any business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in / out. While reported in the fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

E. OTHER ACCOUNTING POLICIES

1. For purposes of the statement of cash flows for proprietary funds, the District considers highly liquid investments to be cash equivalents if they have maturity of three months or less when purchased.
2. The District reports inventories of supplies using the first-in, first-out inventory cost method. The supplies include consumable maintenance, instructional, office, athletic, and transportation items. Under the purchase method, supplies are recorded as expenditures when they are purchased. Inventories of food commodities are recorded at market values supplied by the Department of Agriculture. Although commodities are received at no cost, their fair market value is supplied by the Department of Agriculture and recorded as revenue and expenditures when received. Material inventories including food commodities are recorded as an asset and a corresponding amount of expenditures are reduced at year-end. No material inventories existed at the end of the fiscal year.
3. In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenditures in the year the related debt is issued.

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

4. It is the District's policy to permit some employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the District does not have a policy to pay any amounts when employees separate from service with the District. All vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.
5. Capital assets, which include land, buildings, furniture and equipment and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

ASSETS	YEARS
Buildings and Improvements	15 - 40
Vehicles	5 - 20
Furniture and Equipment	5 - 20
Right-to-Use Lease Assets	Lease Term

6. Since Internal Service Funds in the District support the operations of governmental funds, they are consolidated with the governmental funds in the government-wide financial statements. The expenditures of governmental funds that create the revenues of internal service funds are eliminated to avoid "grossing up" the revenues and expenses of the District as a whole.
7. Restricted assets, if applicable, of the District are limited to cash and certificates of deposit which have been gifted to the District with the stipulation that only the earnings are available for current and future scholarship recipients.
8. The District participates in a self-funded workers' compensation program and executes an inter-local agreement that define the responsibilities of the parties. The program provides statutory workers' compensation benefits to its members and their injured employees.

9. Net Position and Fund Balances:

Government-wide and Proprietary Fund Net Position:

Government-wide and proprietary fund net position is divided into three components:

- Net investment in capital assets—consist of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets plus deferred outflows of resources less deferred inflows of resources related to those assets.
- Restricted net position—consist of assets that are restricted by the District's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors.
- Unrestricted—all other net position is reported in this category.

Governmental Fund Balances:

In the governmental fund financial statements, fund balances are classified as follows:

- Non-spendable—Amounts that cannot be spent either because they are in a non-spendable form or because they are legally or contractually required to be maintained intact.
- Restricted—Amounts that can be spent only for specific purposes because of the District's state or federal laws, or externally imposed conditions by grantors or creditors.
- Committed—Amounts that can be used only for specific purposes determined by a formal action by Board of Trustees' ordinance.
- Assigned—Amounts that are designated by the Superintendent for a particular purpose but are not spendable until a budget ordinance is passed or there is a majority vote approval (for capital projects or debt service) by the Board of Trustees.
- Unassigned—All amounts not included in other spendable classification.

10. Use of Restricted Resources:

When an expenditure/expense is incurred that can be paid using either restricted or unrestricted resources (net position), the District's policy is to first apply the expenditure/expense toward restricted resources and then toward unrestricted resources. In governmental funds, the District's policy is to first apply the expenditure toward restricted fund balance and then to other, less-restrictive classifications—committed and then assigned fund balances before using unassigned fund balances.

11. The District applies Governmental Accounting Standards Board ("GASB") Statement No. 72, Fair Market Value Measurement and Application. GASB Statement No. 72 provides guidance for determining a fair value measurement for reporting purposes and applying fair value to certain investments and disclosures related to all fair value measurements.
12. Investment income reported in one fund has not been assigned directly to another fund by the District.
13. The Data Control Codes refer to the account code structure prescribed by the Texas Education Agency (TEA) in the *Financial Accountability System Resource Guide*. Texas Education Agency requires school districts to display these codes in the financial statements filed with the Agency in order to insure accuracy in building a statewide database for policy development and funding plans.
14. Deferred Outflows of Resources: The District reports decreases in net assets that relate to future periods as deferred outflows of resources in a separate section of its government-wide

and proprietary funds statements of net position. Deferred outflows of resources related to pension and other post-employment benefits reporting is presented in the government wide statements.

15. **Deferred Inflow of Resources:** The District's governmental funds report a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in net assets that applies to a future period(s). The District will not recognize the related revenues until a future event occurs. The District has various items which occur because governmental fund revenues are not recognized until available (collected not later than 60 days after the end of the District's fiscal year) under the modified accrual basis of accounting that qualifies for reporting in this category. Deferred property taxes and grants are reported in the governmental funds balance sheet. A deferred inflow related to pension and other post-employment benefits reporting is presented on the government wide statements.
16. **Pensions:** The fiduciary net position of the Teacher Retirement System of Texas (TRS) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities and additions to/deductions from TRS's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.
17. **The fiduciary net position of the Teacher Retirement System of Texas (TRS) TRS-Care Plan** has been determined using the flow of economic resource measurement focus and full accrual basis of accounting. This includes for purposes of measuring the new OPEB liability, deferred outflows of resources and deferred inflows or 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.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND BALANCE SHEET AND THE GOVERNMENT-WIDE STATEMENT OF NET POSITION

Exhibit C-2 provides the reconciliation between the fund balance for total governmental funds on the governmental fund balance sheet and the net position for governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that capital assets are not financial resources and are therefore not reported in governmental funds. In addition, long-term liabilities, including bonds payable, are not due and payable in the current period and are not reported as liabilities in the funds. The details of capital assets and long-term debt at the beginning of the year were as follows:

Capital Assets at the Beginning of the Year	Historical Cost	Accumulated Depreciation	Net Value at Beginning of Year	Change in Net Position
Land	\$ 65,293	\$ -	\$ 65,293	
Buildings and Improvements	12,875,570	(6,669,650)	6,205,920	
Equipment and Vehicles	2,349,792	(1,400,530)	949,262	
Right-to-Use Lease Assets	-	-	-	
Construction in Progress	-	-	-	
Change in Net Position				\$ 7,220,475
Long-Term Liabilities at the Beginning of the Year			Payable at Beginning of Year	
Bonds Payable			\$ 2,920,000	
Financed Purchase Obligations			211,513	
Unamortized Premium on Bonds			180,855	
Right-to-Use Lease Liabilities			-	
Accrued Interest - Bonds and Financed Purchase Obligations			7,320	
Less: Deferred Charge on Refunding			(136,572)	
Change in Net Position				3,183,116
Net Adjustment to Net Position				\$ 4,037,359

B. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES AND THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

Exhibit C-4 provides a reconciliation between the net changes in fund balance as shown on the governmental fund statement of revenues, expenditures, and changes in fund balances and the changes in net position of governmental activities as reported on the government-wide statement of activities. One element of that reconciliation explains that current year capital outlays and debt principal payments are expenditures in the fund financial statements, but should be shown as increases in capital assets and decreases in long-term debt in the government-wide statements. This adjustment affects both the net position balance and the change in net position shown in Exhibit C-2 and Exhibit C-4. The details of this adjustment are as follows:

	Amount	Adjustments To Changes in Net Position	Adjustments to Net Position
Current Year Capital Outlay			
Buildings & Improvements	\$ 709,235		
Equipment and Vehicles	233,721		
Right-to-Use Lease Assets	118,979		
Construction in Progress	-		
Total Capital Outlay	<u>\$ 1,061,935</u>	\$ 1,061,935	\$ 1,061,935
Debt Principal Payments			
Bond Principal	\$ 220,000		
Financed Purchase Obligations	102,119		
Right-to-Use Lease Liabilities	23,928		
Total Principal Payments	<u>\$ 346,047</u>	346,047	346,047
Total Adjustment to Net Position		\$ 1,407,982	\$ 1,407,982

Another element of the reconciliation on Exhibits C-2 and C-4 are described as various other reclassifications and eliminations necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. This adjustment is the result of several items. The details of this adjustment are as follows:

	Amount	Adjustments to Change in Net Position	Adjustments to Net Position
Adjustments to Revenue, Unearned Revenue, Beginning Net Position:			
Begin Year Unearned Property Tax Revenue	\$ 186,373	\$ -	\$ 186,373
Modified to Full Accrual Property Tax Adjustments	2,871	2,871	2,871
Other Revenue/Expense Adjustments	-	-	(3,893)
Reclassify Proceeds of Bonds, Financed Purchase Obligations, Right-to-Use Leases			
Proceeds of Bonds Issued	-	-	-
Discount (Premium) on Issuance of Bonds	-	-	-
Proceeds of Financed Purchase Obligations	-	-	-
Proceeds of Right-to-Use Leases Executed	(118,979)	(118,979)	(118,979)
Reclassify Certain Expenditures to Full Accrual			
Adjust Interest Expense on Long-term Debt	(2,505)	2,505	2,505
Current Year Amortization of Bond Premium	28,541	28,541	28,541
Basis on Disposition of Capital Assets	(36,655)	(36,655)	(36,655)
Right-to-Use Lease Liability Termination	18,829	18,829	18,829
Amortization of Deferred Charge on Refunding	(21,554)	(21,554)	(21,554)
Totals		\$ (124,442)	\$ 58,038

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY DATA

The Board of Trustees adopts an "appropriated budget" for the General Fund, Debt Service Fund, and the Food Service Fund (which is included in the Special Revenue Funds). The District is required to present the adopted and final amended budgeted revenues and expenditures for each of these funds. The District compares the final amended budget to actual revenues and expenditures. The General Fund Budget report appears in Exhibit G-1 and the other two reports are in the J Exhibits as reported in the required Texas Education Agency Exhibits.

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

- 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.
- A meeting of the Board is then called for the purpose of adopting the proposed budget. At least ten days public notice of the meeting must be given.
- Prior to September 1, the budget is legally enacted through passage of a resolution by the board. Once a budget is approved, it can only be amended at the function and fund level by approval of a majority of the members of the Board. Amendments are presented to the Board at its regular meetings. Each amendment must have Board approval. As required by law, such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year end. Because the District has a policy of careful budgetary control, several amendments were necessary during the year. Significant amendments were made in the instruction and transportation function.
- Each budget is controlled by the budget coordinator at the revenue and expenditure function/object level. Budgeted amounts are as adopted and amended by the Board of Trustees. All budget appropriations lapse at year-end. A reconciliation of fund balances for both appropriated budget and non-appropriated budget special revenue funds is as follows:

	<u>End of Year Fund Balance</u>
Appropriated Budget Funds - Food Service Special Revenue Fund	\$ 84,391
Non-appropriated Budget Funds	<u>14,633</u>
All Special Revenue Funds	\$ 99,024

B. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

Budget accountability and compliance is disclosed in Section C of the Notes to Required Supplementary Information.

C. DEFICIT FUND EQUITY

The District did not incur a deficit fund balance in any fund during the current fiscal year.

IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

A. CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash and Cash Equivalents

The carrying amount of the District's cash and temporary investments at the end of the fiscal year follows:

Cash and Cash Equivalents by Type	End of Fiscal Year
Cash Deposits in Bank	\$ 4,016,196
Certificates of Deposit Maturity to 3 months	-
Cash on Hand	920
Total Cash and Cash Equivalents by Account Type	\$ 4,017,116

Cash and Cash Equivalents by Fund:	End of Fiscal Year
Cash and Cash Equivalents:	
General Fund	\$ 3,428,186
Non-Major Governmental Funds	457,159
Cash and Investments - Enterprise	-
Internal Service Funds	14,613
Custodial Funds	68,686
Trust Funds	48,472
Total Cash and Cash Equivalents by Fund	\$ 4,017,116

District Policies and Legal and Contractual Provisions Governing Deposits

Custodial Credit Risk for Deposits: The District's prior depository Vista Bank was purchased by the First National Bank of Aspermont in July, 2021. State law requires governmental entities to contract with financial institutions in which funds will be deposited to secure those deposits with insurance or pledged securities with a fair value equaling or exceeding the amount on deposit at the end of each business day. The pledged securities must be in the name of the governmental entity and held by the entity or its agent. The District's cash deposits subject to custodial credit risk at the date of the highest cash balance and at year end were:

Custodial Credit Risk	Highest Cash Balance	End of Fiscal Year
Name of Depository Bank:	First National Bank, Aspermont	
Total amount of FDIC Insurance (FDIC)	\$ 750,000	\$ 750,000
Pledged Securities and Letters of Credit	4,118,535	4,118,535
Total FDIC, Bond or Securities Pledged	\$ 4,868,535	\$ 4,868,535
Cash Deposits and Cash Investments in Bank	\$ 4,530,005	\$ 4,530,005
Excess or (Shortage) of Deposits compared to FDIC and Letter of Credit	\$ 338,530	\$ 338,530
The District's cash deposits were entirely covered by FDIC Insurance or by bond or pledged collateral by the Depository Bank	YES	YES

Foreign Currency Risk: The District limits the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit by limiting all deposits denominated in a foreign currency.

Investments

District Policies and Legal and Contractual Provisions Governing Investments

Compliance with the Public Funds Investment Act

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

Statutes authorize the entity to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas and its agencies; (2) guaranteed or secured certificates of deposit issued by state and national banks domiciled in Texas; (3) obligations of states, agencies, counties, cities and other political subdivisions of any state having been rated as to investment quality not less than an "A"; (4) No load money market funds with a weighted average maturity of 90 days or less; (5) fully collateralized repurchase agreements; (6) commercial paper having a stated maturity of 270 days or less from the date of issuance and is not rated less than A-1 or P-1 by two nationally recognized credit rating agencies OR one nationally recognized credit agency and is fully secured by an irrevocable letter of credit; (7) secured corporate bonds rated not lower than "AA-" or the equivalent; (8) public funds investment pools; and (9) guaranteed investment contracts for bond proceeds investment only, with a defined termination date and secured by U.S. Government direct or agency obligations approved by the Texas Public Funds Investment Act in an amount equal to the bond proceeds. The Act also requires the entity to have independent auditors perform test procedures related to investment practices as provided by the Act. The District is in substantial compliance with the requirements of the Act and with local policies.

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

Credit Risk: To limit the risk that an issuer or other counterparty to an investment will not fulfill its obligations, the District limits investments in commercial paper, corporate bonds, and mutual bond funds to the top 2 or 3 ratings issued by nationally recognized statistical rating organizations (NRSROs). As of the current fiscal year, the district's investments were rated by Standard & Poor's, Fitch Ratings, etc.

Custodial Credit Risk for Investments: To limit the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in possession of an outside party the District requires counterparties to register the securities in the name of the district and hand them over to the District or its designated agent. This includes securities in securities lending transactions. All the securities are in the District's name and held by the District or its agent.

Concentration of Credit Risk: To limit the risk of loss attributed to the magnitude of a government's investment in a single issuer, the District limits investments to less than 5% of its total investments. The District further limits investments in a single issuer to 20% when they would cause investment risks to be significantly greater in the governmental and business-type activities, individual major funds, aggregate non-major funds and fiduciary fund types than they are in the primary government.

Interest Rate Risk: To limit the risk that changes in interest rates will adversely affect the fair value of investments, the District requires at least half of the investment portfolio to have maturities of less than one year on a weighted average maturity basis.

Foreign Currency Risk for Investments: The District limits the risk that changes in exchange rates will adversely affect the fair value of an investment by avoiding all investments denominated in a foreign currency.

The District categorizes its fair value measurements with the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below. In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The District's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

As of the end of the current fiscal year, the District had the following investments:

Investments	End of Year Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Percent of Total Investments	Weighted Average Maturity (Days)	Credit Risk
Investments measured by fair value level -							
Certificates of Deposit	500,000	-	500,000	-	97.13%	194	3BB+ to AA-
Restricted Investments-							
Scholarship Funds-Certificates of Deposit	14,779	-	14,779	-	2.87%	4	3BB+ to AA-
Total Investments	\$ 514,779	\$ -	\$ 514,779	\$ -	100.00%		

B. PROPERTY TAXES

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

C. DELINQUENT TAXES RECEIVABLE

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

D. INTERFUND BALANCES AND TRANSFERS

Inter-fund balances at year end consisted of the following amounts:

FUND	Due From Other Funds	Due To Other Funds
General Fund		
Non-major Governmental Funds	\$ -	\$ -
Internal Service Funds	4,888	
All Others	-	-
Total General Fund	<u>\$ 4,888</u>	<u>\$ -</u>
Internal Service Funds		
General Fund	<u>\$ -</u>	<u>\$ 4,888</u>
Total Internal Service Funds	<u>\$ -</u>	<u>\$ 4,888</u>
Total Interfund Receivables / Payables	<u>\$ 4,888</u>	<u>\$ 4,888</u>

The purpose of the interfund receivables and payables are as follows:

- The \$4,888 receivable / payable between the General Fund and the Internal Service Fund represents excess amounts funded to the Internal Service Fund.

Inter-fund transfers for the current year consisted of the following amounts:

FUND	Transfers In	Transfers Out
General Fund		
Non-major Special Revenue Governmental Funds	<u>\$ -</u>	<u>\$ -</u>
Total General Fund	<u>\$ -</u>	<u>\$ -</u>
Non-major Governmental Funds		
General Fund	<u>\$ -</u>	<u>\$ -</u>
Total Non-major Governmental Funds	<u>\$ -</u>	<u>\$ -</u>
Total Interfund Transfers	<u>\$ -</u>	<u>\$ -</u>

E. DISAGGREGATION OF RECEIVABLES AND PAYABLES

Receivables at year end were as follows:

	Property Taxes	Other Governments	Due From Other Funds	Total Receivables
Governmental Activities:				
General Fund	\$ 206,069	\$ 273,012	\$ 4,888	\$ 483,969
Non-major Governmental Funds	46,256	62,112	-	108,368
Internal Service Funds	-	-	-	-
Total Governmental Activities	\$ 252,325	\$ 335,124	\$ 4,888	592,337
Amounts not scheduled for collection during subsequent year	\$ -	\$ -	\$ -	\$ -

Payables at year end were as follows:

	Accounts Payable	Accrued Wages Payable	Accrued Expenditures	Due To Other Funds	Due to Other Governments	Total Payables
Governmental Activities:						
General Fund	\$ 57,913	\$ 112,535	\$ 2,360	\$ -	\$ 108,879	\$ 281,687
Other Major Governmental Funds	-	-	-	-	-	-
Non-major Governmental Funds	7,671	53,321	5,933	-	-	66,925
Internal Service Funds	-	-	9,725	4,888	-	14,613
Total Governmental Type Activities	\$ 65,584	\$ 165,856	\$ 18,018	\$ 4,888	\$ 108,879	\$ 363,225
Amounts not scheduled for payment during subsequent year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

F. CAPITAL ASSET ACTIVITY

Capital asset activity for the District for the current year was as follows:

Primary Government				
	Beginning Balance	Additions	Deletions, Reclassifications, Prior Period Adjustments	Ending Balance
Governmental Activities:				
<u>Capital Assets Not Being Depreciated:</u>				
Land	\$ 65,293	\$ -	\$ (5,893)	\$ 59,400
Construction In Progress	-	-	-	-
<u>Capital Assets Being Depreciated:</u>				
Buildings and Improvements	12,875,570	709,235	(57,999)	13,526,806
Equipment and Vehicles	2,349,792	233,721	(67,761)	2,515,752
Right-to-Use Lease Assets	-	118,979	-	118,979
	-	-	-	-
Totals at Historic Cost	\$ 15,290,655	\$ 1,061,935	\$ (131,653)	\$ 16,220,937
Less Accumulated Depreciation / Amortization:				
Buildings and Improvements	\$ 6,669,650	\$ 367,097	\$ (42,956)	\$ 6,993,791
Equipment and Vehicles	1,400,530	131,112	(67,761)	1,463,881
Right-to-Use Lease Assets	-	25,314	(19,648)	5,666
	-	-	-	-
Total Accumulated Depreciation	\$ 8,070,180	\$ 523,523	\$ (130,365)	\$ 8,463,338
Governmental Activities Capital Assets-Net	\$ 7,220,475	\$ 538,412	\$ (1,288)	\$ 7,757,599

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 376,940
Student (Pupil) Transportation	66,671
Food Services	7,623
Extracurricular Activities	49,101
General Administration	1,608
Plant Maintenance and Operations	21,580
In addition, depreciation on capital assets held by the District's Internal Service Fund(s) is charged to the various functions based on their usage of the assets	-
Total Depreciation Expense	\$ 523,523

The District has no capital assets that are not being depreciated as of the current fiscal year end except for land and construction in progress as listed previously.

In fiscal year 2022, the District implemented the guidance in **GASBS No. 87, Leases**, and recognized the value of copiers leased under long-term contracts.

As of August 31, 2021, the District had a copier lease agreement in place. In May 2022, the District entered into a new lease agreement to replace the copiers leased under the previous lease with new leased equipment. The terms of the new lease agreement requires amortization and payments over 5 years.

G. SHORT-TERM DEBT PAYABLE

The District accounts for short-term debts for maintenance purposes through the General Fund. Short-term debts include notes made in accordance with the provisions of the Texas Education Code Section 45.108. The proceeds from loans are shown in the governmental fund financial statements as Other Resources and principal payments are shown as Other Uses. The District had no short-term debt obligations at any time during the current fiscal year.

H. BONDS, FINANCED PURCHASE OBLIGATIONS, RIGHT-TO-USE LEASE LIABILITIES

Bonds and financed purchase obligations activity for the current fiscal year was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds and Notes Payable:					
General Obligation Bonds	\$ 2,920,000	\$ -	\$ 220,000	2,700,000	\$ 230,000
Premium on Bond Issuance	180,855	-	28,543	152,312	
Finance Purchase Obligations	211,515	-	102,119	109,396	42,375
Total Bonds & Other Obligations	\$ 3,312,370	\$ -	\$ 350,662	\$ 2,961,708	\$ 272,375
Other Liabilities:					
Accrued Interest Payable	\$ 7,320	\$ 108,989	\$ 111,494	4,815	\$ 4,815
Compensated Absences	-	-	-	-	-
Total Other Liabilities	\$ 7,320	\$ 108,989	\$ 111,494	\$ 4,815	\$ 4,815
Total Governmental Activities Long-Term Liabilities	\$ 3,319,690	\$ 108,989	\$ 462,156	\$ 2,966,523	\$ 277,190

Bonds payable and financed purchase obligations details by debt obligation:

Bonds Payable and Finance Purchase Obligations - Governmental Activities:

Description	Interest Rate	Original Issue	Interest Current Year	Begin Year Balance	Additions	Reductions	End of Year Balance
General Obligation Bonds Payable:							
2015 Tax Refunding Bonds	3% - 4%	\$ 3,765,000	\$ 106,650	\$ 2,920,000	\$ -	\$ 220,000	\$ 2,700,000
Total General Obligation Bonds			\$ 106,650	\$ 2,920,000	\$ -	\$ 220,000	\$ 2,700,000
Premium on Bond Issuance				\$ 180,855	\$ -	\$ 28,543	\$ 152,312
Finance Purchase Obligations:							
2018 Girardin Bus Lease	2.18%	\$ 115,385	\$ 1,994	\$ 91,454	\$ -	\$ 22,130	\$ 69,324
2016 Blue Bird Bus Lease	2.60%	110,680	1,052	32,958	-	32,958	-
2017 Blue Bird Bus Lease	2.60%	91,665	150	27,804	-	27,804	-
2021 Blue Bird Bus Lease	2.78%	98,650	1,649	59,299	-	19,227	40,072
Total Finance Purchase Obligations			\$ 4,845	\$ 211,515	\$ -	\$ 102,119	\$ 109,396
Total Bonds & Other Obligations - Governmental Activities			\$ 111,495	\$ 3,312,370	\$ -	\$ 350,662	\$ 2,961,708

Annual debt service requirements by obligation type is as follows:

Fiscal Year	General Obligation Bonds		Maintenance Notes		Finance Purchase Obligations		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 230,000	\$ 99,900	\$ -	\$ -	\$ 42,375	\$ 2,625	\$ 272,375	\$ 102,525
2024	235,000	92,925	-	-	43,416	1,584	278,416	94,509
2025	240,000	84,600	-	-	23,605	519	263,605	85,119
2026	250,000	74,800	-	-	-	-	250,000	74,800
2027	265,000	64,500	-	-	-	-	265,000	64,500
2028-2032	1,480,000	152,400	-	-	-	-	1,480,000	152,400
2033-2037	-	-	-	-	-	-	-	-
2038-2042	-	-	-	-	-	-	-	-
2043-2047	-	-	-	-	-	-	-	-
Totals	\$ 2,700,000	\$ 569,125	\$ -	\$ -	\$ 109,396	\$ 4,728	\$ 2,809,396	\$ 573,853

Intangible Right-to-Use Lease Liabilities

In fiscal year 2022, the District implemented the guidance of GASB Statement No. 87, *Leases*, for accounting and reporting leases that had previously been reported as operating leases.

A summary of right-to-use lease liabilities activity during the current fiscal year follows:

Right-to-Use Lease Liabilities

Description	Interest Rate	Net Present Value at Origination	Interest Current Year	Begin Year Balance	Lease Additions	Lease Principal Payments	Lease Terminations	End of Fiscal Year Balance
Copiers Lease - Benchmark	3.00%	\$ 117,892	\$ 753	\$ 39,260	\$ -	\$ (20,431)	\$ (18,829)	\$ -
Copiers Lease - Xerox	3.00%	118,979	591	-	118,979	(3,497)	-	115,482
Total Right-to-Use Lease Liabilities			\$ 1,344	\$ 39,260	\$ 118,979	\$ (23,928)	\$ (18,829)	\$ 115,482

Copier Leases

The District leases a variety of copier/printers from Xerox for a term of 63 months. The leases on the 2018 old copiers were terminated and replaced with a new lease in May, 2022. The District therefore entered into a new lease which requires a minimum monthly lease payment of \$2,043, plus additional charges for excess usage and maintenance. For purposes of discounting future payments on the 2022 lease, the District used the interest rate (3%) on its financing agreements to determine an appropriate discount rate. The leased equipment and accumulated amortization of the right-to-use assets are outlined in Note F.

Lease Payments to Maturity of the District's Governmental Activities long-term leases as of end of current fiscal year:

	Copiers Lease - Benchmark		Copiers Lease - Xerox		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ -	\$ -	\$ 21,350	\$ 3,172	\$ 21,350	\$ 3,172
2024	-	-	21,999	2,523	21,999	2,523
2025	-	-	22,668	1,854	22,668	1,854
2026	-	-	23,358	1,165	23,358	1,165
2027	-	-	24,068	454	24,068	454
2028-2032	-	-	2,039	5	2,039	5
2033-2037	-	-	-	-	-	-
Totals	\$ -	\$ -	\$ 115,482	\$ 9,173	\$ 115,482	\$ 9,173

I. COMMITMENTS UNDER OPERATING LEASES

Commitments under short-term lease agreements for equipment are reported as rental expenditures in appropriate functional categories depending on the related usage of the equipment. Those leases provide for month-to-month or other short term rental obligations of 12 months or less.

J. ACCUMULATED UNPAID VACATION AND SICK LEAVE BENEFITS

Upon retirement or death of certain employees, the District pays any accrued sick leave and vacation leave in "lump sum" cash payment to such employee or his/her estate. Individuals employed after October 1, 1985, are not eligible to receive the lump sum payments. The District had no accrued compensated absence liability at the end of the fiscal year.

K. HEALTH CARE COVERAGE

The District provided health insurance coverage for employees under the provisions of the Teacher Retirement System of Texas (TRS) active care health insurance plan during the current year. The District paid premiums per month per employee as set by District policy to the plan. Employees, at their option, authorized payroll withholdings to pay premiums for the excess of employee's total premium over the amount funded by the District. The plan was authorized by Article 3.51-2, Texas Insurance Code and was documented by contractual agreement.

L. DEFERRED INFLOWS of RESOURCES / UNEARNED REVENUES – GOVERNMENTAL FUND STATEMENTS

Unearned revenue and deferred inflows at year-end for the governmental fund statements consisted of the following:

	General Fund	Special Revenue Funds	Debt Service Fund	Total
Net Tax Revenue	\$ 154,552	\$ -	\$ 34,692	\$ 189,244
Other	114,322	10,804	-	125,126
Total Deferred Inflows / Unearned Revenues	\$ 268,874	\$ 10,804	\$ 34,692	\$ 314,370

M. 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 Program. Amounts due from federal and state governments at year end are summarized below. All federal grants shown below are passed through the TEA and are reported on the combined financial statements as "Due from State Agencies" except for some federal programs which are received directly from the federal government for grants such as the REAP Program.

FUND	Due From State - Foundation Entitlements	Due from State / Other - Federal and State Source Grants	Due from Other Governments	TOTAL
General	\$ 262,278	\$ -	\$ 10,734	\$ 273,012
Special Revenue	-	59,254	-	59,254
Debt Service	-	-	2,858	2,858
Totals	\$ 262,278	\$ 59,254	\$ 13,592	\$ 335,124

N. REVENUE FROM LOCAL AND INTERMEDIATE SOURCES

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

	General Fund	Special Revenue Fund	Debt Service Fund	Total
Property Taxes	\$ 1,437,284	\$ -	\$ 387,163	\$ 1,824,447
Property Tax Penalty and Interest	20,851	-	5,312	26,163
Investment Income	6,190	138	555	6,883
Food Sales	-	12,455	-	12,455
Extracurricular Student Activities	25,015	-	-	25,015
Insurance Recovery	12,702	-	-	12,702
Sec 313 Agreement Payment	85,000	-	-	85,000
Other Miscellaneous Revenues	161,325	26,196	-	187,521
Totals	\$ 1,748,367	\$ 38,789	\$ 393,030	\$ 2,180,186

O. LITIGATION

The District is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District is aware of the potential of exposure to claims related to these areas; however, legal counsel and the District do not expect any financial exposure to assets of the District.

P. SIGNIFICANT COMMITMENTS AND CONTINGENCIES

The District had no pending commitments or contingencies relative to construction or substantial facilities improvements at the end of the fiscal year.

Q. JOINT VENTURE-SHARED SERVICE ARRANGEMENTS

The District is a member of various shared services arrangements (SSA's) that are accounted for using Model 3 in the Texas Education Agency (TEA) accounting guide for school districts. The SSA's provides services for member districts. Other districts serve as the fiscal agent for the SSA's. In addition to the District, other member districts participate in the shared services arrangements also. The fiscal agent for each SSA provides SSA services. The member districts provide the funds to the fiscal agent. According to guidance provided in the TEA's Resource Guide, the fiscal agent for each SSA has accounted for the fiscal agent's activities of the SSA in special revenue funds. The Shared Services Arrangements listed below have been accounted for using Model 3 in the SSA section of the Resource Guide. The District has accounted for the payments to the fiscal agent in the General Fund No. 199 as intergovernmental expenditures (function 93). A chart detailing the District's participation in those shared services arrangement is a follows:

Shared Services Arrangement	Type of Services	Fiscal Agent	Funding Source	Fiscal Agent Special Revenue Fund	District Special Revenue Fund	Program Expenditures Current Year
Tri-County Education SSA	Special Education	Stamford ISD	State Funding	437	n/a	\$ 117,107
PEP SSA	Compensatory	Rotan ISD	State Funding	459	n/a	3,432
Tri-County Education SSA	Residential Placement	Stamford ISD	State Funding	n/a	n/a	16,935
TOTAL FUNCTION 93 EXPENDITURES						\$ 137,474

The District also participates in shared service arrangements with other school districts / education service centers for various educational activities. In addition to the District, other member districts participate in the educational cooperatives and the fiscal agent provides SSA services. The funding for each activity is received by the fiscal agent from the grantor agency. The fiscal agent then provides the funds to the member districts. According to guidance provided in TEA's Resource Guide, the Fiscal Agent has accounted for the fiscal agent's activities of the SSA in a Special Revenue Fund. The Shared Services Arrangements has been accounted for using Model 1 in the SSA section of the TEA Resource Guide. The District neither has a joint ownership interest in fixed assets purchased by the fiscal agent, nor does the district have a net equity interest in the fiscal agent. 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 manager is responsible for all financial activities of the shared services arrangement. Presented below are the shared service arrangements in which the District participates and the extent of funding received and expended under each program.

Shared Services Arrangement	Type of Services	Fiscal Agent	Funding Source	Fiscal Agent Special Revenue Fund	District Special Revenue Fund	Program Expenditures Current Year
Tri-County Education SSA	Special Education	Stamford ISD	IDEA, Part B - Formula	313	224	\$ 21,430
Tri-County Education SSA	Special Education	Stamford ISD	IDEA, Part B - PreSchool	314	225	5,358
Region 14 ESC	CTE	Region 14	Career and Technical		244	4,162
Region 14 ESC	General Education	Region 14	ESEA, Title IV, Part A		289	10,046
Region 14 ESC	Early Childhood	Region 14	Head Start		205	258,020

R. SUBSEQUENT EVENTS

In preparing the basic financial statements, District administration has evaluated events and transactions for potential recognition or disclosure through October 17, 2022, the date this Annual Financial Report was available to be issued. No materials subsequent events had occurred.

S. RELATED ORGANIZATIONS

The District at present does benefit from an educational foundation. The Hamlin Collegiate Education Foundation was formed during fiscal year 2021. This entity was established as a not-for-profit entity to provide assistance and support for teachers and students to develop special programs and projects and other school district support activities. This entity would be a "related organization" of the District as defined by *Governmental Accounting Standards Board*, but the members of the board of the Foundation are appointed by an outside group and the support for the District is immaterial. Other booster clubs and parent teacher organizations that support the District are considered immaterial to the financial statements. and it does not receive material support from related entities as defined under current governmental accounting standards.

T. RELATED PARTY TRANSACTIONS

The District did not incur any material reportable related party transactions or balances as of and during the current year.

U. FUND BALANCE / NET POSITION ADJUSTMENTS

During the current fiscal year, the District did not make a fund balance adjustment, but did make a net position adjustments as follows:

Governmental Fund Balance	General Fund	Special Revenue Funds	Debt Service Fund	Total
Increase (Decrease) Begin Year Fund Balance:				
No current year fund balance adjustments	\$ -	\$ -	\$ -	\$ -
Total Governmental Fund Balance Adjustments	\$ -	\$ -	\$ -	\$ -

Government Wide Net Position	Governmental Activities
Increase (Decrease) Beginning of Year Net Position:	
<u>Prior Period Adjustment - Right-to-Use Leases per GASB 87:</u>	
Begin Year Right-to-Use Lease Assets	\$117,892
Begin Year Accumulated Amortization	(82,525)
Begin Year Right-to-Use Lease Liability	<u>(39,260)</u>
Total Prior Period Adjustments - Government Wide Net Position	\$ (3,893)

V. RISK FINANCING AND OTHER COVERAGE

Workers' Compensation Pool

The District participates in a self-insurance plan for workers' compensation benefits as authorized by Section 504.011 of the Labor Code. The District participates in this plan (School Comp. self-funded workers' compensation program) along with other participating entities. The District contributes annual amounts determined by School Comp. As claims arise, they are submitted to and paid by School Comp. on behalf of the District under terms of a contractual agreement. According to state statute, the District is protected against unanticipated catastrophic claims and aggregate loss by coverage carried through a commercial insurer licensed or eligible to do business in Texas in accordance with the Texas Insurance Code. Coverage was in effect for specific occurrences exceeding \$350,000 and aggregate retention at \$5,000,000. The costs associated with this self-insurance plan are reported as interfund transactions to the extent of amounts actuarially determined. Accordingly, they are treated as operating revenues of the Internal Service Fund and operating expenditures of the General Fund. The liabilities of the plan include incurred but not reported claims. These liabilities reported in the funds at August 31, are based on the requirements of Governmental Accounting Standards Board No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. These liabilities include an amount for claims that have been incurred but not reported.

Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines and damage awards, the process used in computing claims liability does not necessarily result in an exact amount. Claims liabilities are reevaluated periodically to take into consideration recently settled claims, the frequency of claims and other economic and social factors. Workers' compensation liabilities for incurred losses to be settled by fixed or reasonably determinable payments over a long period of time were computed by an actuary and are reported at their present value using an expected future investment yield assumption.

Estimates of claims payable and of claims incurred, but not reported at August 31 are reflected as accounts and claims payable of the Fund. The plan is funded to discharge liabilities of the Fund as they become due. Changes in the balances of claims liabilities during the past year are as follows:

	Previous Fiscal Year	Current Fiscal Year
Unpaid claims, beginning of year	\$ 12,052	\$ 17,426
Incurred claims (including IBNR'S)	12,632	2,565
Claim Payments	(7,258)	(10,266)
Unpaid claims, end of year	\$ 17,426	\$ 9,725

Unemployment Compensation Program

During the year ended August 31, 2022, 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 Inter-local 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 Inter-local Agreements that define the responsibilities of the parties.

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

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

W. DEFINED BENEFIT PENSION PLAN

a. 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.

b. Pension Plan Fiduciary Net Position

Detail information about the Teacher Retirement System's fiduciary net position is available in a separately issued Annual Comprehensive Financial Report (ACFR) that includes financial statements and required supplementary information. That report may be

obtained on the Internet at http://www.trs.texas.gov/Pages/about_publications.aspx; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698, or by calling (512) 542-6592.

c. Benefits Provided

TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using 2.3 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 in (a) 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.

d. 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 can be found in the TRS 2021 ACFR, Note 11, on pages 85 and 86.

	Contribution Rates	
	<u>2021</u>	<u>2022</u>
Member	7.7%	8.0%
Non-Employer Contributing Entity (State)	7.5%	7.8%
Employers	7.5%	7.8%
Current fiscal year employer contributions		\$ 157,129
Current fiscal year member contributions		\$ 252,937
2021 measurement year NECE on-behalf contributions		\$ 163,184
<u>Payments made by the State On-Behalf of the District for Medicare, Part D:</u>		
Fiscal year 2020 Medicare, Part D On-Behalf		\$ 10,950
Fiscal year 2021 Medicare, Part D On-Behalf		\$ 12,482
Fiscal year 2022 Medicare, Part D On-Behalf		\$ 12,870

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 percent of the state contribution rate for certain instructional or administrative employees; and 100 percent of the state contribution rate for all other employees.

In addition to the employer contributions listed above, there is an additional surcharge an employer is subject to.

- All public schools, charter schools, and regional educational service centers must contribute 1.6 percent of the member's salary beginning in fiscal year 2021, 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.

e. Actuarial Assumptions

The total pension liability in the August 31, 2020, actuarial valuation was determined using the following actuarial assumptions: Actuarial Assumptions can be found in the 2021 TRS ACFR, Note 11, page 87.

Valuation Date	August 31, 2020 rolled forward to August 31, 2021
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Fair Value
Single Discount Rate	7.25%
Long-term expected investment rate of return	7.25%
Municipal Bond Rate of August 2019	1.95%. Source for the rate is the Fixed Income Market Data/Yield Curve/Data Municipal Bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index"
Last year ending August 31 in Projection Period (100 years)	2120
Inflation	2.30%
Salary Increases including inflation	3.05 % to 9.05% including inflation
Ad hoc post-employment benefit changes	None

The actuarial methods and assumptions are used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2020. For a full description of these assumptions please see the actuarial valuation report dated November 9, 2020.

f. Discount Rate

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

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

The long-term rate of return on pension plan investments is 7.25 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, 2021 (see page 53 of the TRS ACFR) are summarized below:

Asset Allocations			
Asset Class*	Target Allocation %**	Long-Term Expected Geometric Real Rate of Return***	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
USA	18.0 %	3.6 %	0.94 %
Non-US Developed	13.0	4.4	0.83
Emerging Markets	9.0	4.6	0.74
Private Equity	14.0	6.3	1.36
Stable Value			
Government Bonds	16.0 %	(0.2)%	0.01 %
Absolute Return	0.0	1.1	0.00
Stable Value Hedge Funds	5.0	2.2	0.12
Real Return			
Real Estate	15.0 %	4.5 %	1.00 %
Energy, Natural Resources & Infrastructure	6.0	4.7	0.35
Commodities	0.0	1.7	0.00
Risk Parity	8.0 %	2.8 %	0.28 %
Asset Allocation Leverage			
Cash	2.0 %	(0.7)%	(0.01) %
Asset Allocation Leverage	(6.0)	(0.5)	0.03
Inflation Expectation			2.20 %
Volatility Drag****			(0.95) %
Expected Return	100.0 %		6.90 %
*Absolute Return includes Credit Sensitive Investments.			
**Target allocations are based on the FY2021 policy model.			
***Capital Market Assumptions come from Aon Hewitt (as of 8/31/2021).			
****The volatility drag results from the conversion between arithmetic and geometric mean returns.			

g. Discount Rate Sensitivity Analysis

The following table presents the Net Pension Liability of the plan using the discount rate of 7.25 percent, and what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.25 percent) or one percentage point higher (8.25 percent) than the current rate. The discount rate can be found in the 2021 TRS ACFR, Note 11, page 87 and the Table of Sensitivities [Table 11.I.1] can be found on page 88.

	1% Decrease in Discount Rate (6.25%)	Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
District's proportionate share of the net pension liability:	\$ 1,383,694	\$ 633,223	\$ 24,364

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

At the measurement date of August 31, 2021, the District reported a liability of \$633,223 for its proportionate share of the TRS 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	\$ 633,223
State's proportionate share that is associated with the District	973,814
Total	<u>\$ 1,607,037</u>

The net pension liability was measured as of August 31, 2020, and rolled forward to August 31, 2021, 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, 2020, thru August 31, 2021.

At August 31, 2021, the employer's proportion of the collective net pension liability was 0.0024864995% which was a increase (decrease) of 0.0004841376% from its proportion measured as of August 31, 2020.

Changes Since the Prior Actuarial Valuation

There were no changes in assumptions since the prior measurement date.

For the current year ended August 31, the district recognized the following:

Year Ended August 31, 2021 pension expense	\$ 81,143
Revenue for support provided by the State	<u>\$ 3,893</u>

At August 31, 2022, 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 actuarial experiences	\$ 1,060	\$ 44,579
Changes in actuarial assumptions	223,832	97,572
Differences between projected and actual investment earnings	-	530,950
Changes in proportion and differences between the employer's contributions and the proportionate share of contributions	229,874	53,292
Total as of August 31, 2021 measurement date	\$ 454,766	\$ 726,393
Contributions paid to TRS subsequent to the measurement date	157,129	
Total as of fiscal year-end	<u>\$ 611,895</u>	<u>\$ 726,393</u>

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

Fiscal year ended August 31,	Pension Expense Amount
2023	\$ (50,998)
2024	(47,288)
2025	(90,327)
2026	(125,157)
2027	32,305
Thereafter	9,838

X. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS

a. Plan Description

The district participates in the Texas Public School Retired Employees Group Insurance Program (TRS-Care). It is a multiple-employer, cost-sharing defined Other Post-Employment Benefit (OPEB) plan 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.

b. 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 http://www.trs.texas.gov/Pages/about_publications.aspx; by writing to the TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512)-542-6592.

c. Benefits Provided

TRS-Care provides health insurance coverage to retirees from public and 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. There are no automatic post-employment benefit changes; including automatic COLAs.

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

TRS-Care Monthly Premiums 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	1020	999

d. Contributions

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

Texas Insurance Code, section 1575.202 establishes the state's contribution rate which is 1.25 percent of the employee's salary. Section 1575.203 establishes the active employee's rate which is .65 percent of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25 percent or not more than 0.75 percent of the salary of each active employee of the public or charter school. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act. The following table shows contributions to the TRS-Care plan by type of contributor.

	<u>Contribution Rates</u>	
	<u>2021</u>	<u>2022</u>
Member	0.65%	0.65%
Non-Employer Contributing Entity (State)	1.25%	1.25%
Employers	0.75%	0.75%
Federal/Private Funding Remitted by Employers	1.25%	1.25%
Current fiscal year employer contributions		\$ 45,666
Current fiscal year member contributions		\$ 20,552
2021 measurement year NECE on-behalf contributions		\$ 52,371

In addition to the employer contributions listed above, there is an additional surcharge all TRS employers are subject to (*regardless of whether they participate in the TRS Care OPEB program*). When hiring a TRS retiree, employers are required to pay to TRS Care a monthly surcharge of \$535 per retiree.

TRS-Care received supplemental appropriations from the State of Texas as the Non-Employer Contributing Entity in the amount of \$5,520,343 in fiscal year 2021 for consumer protections against medical and health care billing by certain out-of-network providers.

e. Actuarial Assumptions

The actuarial valuation was performed as of August 31, 2020. Update procedures were used to roll forward the Total OPEB Liability to August 31, 2021. The actuarial valuation was determined using the following actuarial assumptions: *Actuarial Assumption can be found in the 2021 TRS ACFR, Note 9, page 76.*

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 member of TRS-Care are based on an established pattern of practice and are identical to the assumptions used in the August 31, 2020, TRS pension actuarial valuation that was rolled forward to August 31, 2021:

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.

Actuarial Methods and Assumptions:

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

Additional Actuarial Methods and Assumptions:

Valuation Date	August 31, 2020 rolled forward to August 31, 2021
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Single Discount Rate	1.95% as of August 31, 2021
Aging Factors	Based on plan specific experience
Expenses	Thirty-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs
Salary Increases	3.05% to 9.05%, including inflation
Ad-hoc Post Employment	None
Benefit Changes	

f. Discount Rate

A single discount rate of 1.95 percent was used to measure the total OPEB Liability. There was a decrease of .38 percent in the discount rate since the previous year. The Discount Rate can be found in the 2021 TRS ACFR on page 77. 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 a 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, 2021, using the fixed-income Market Data/Yield Curve/ Data Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds.

g. Discount Rate Sensitivity Analysis

The following schedule shows the impact of the Net OPEB Liability if the discount rate used was 1 percentage point lower than and 1 percentage point higher than the discount rate that was used (1.95%) in measuring the Net OPEB Liability.

	1% Decrease in Discount Rate (0.95%)	Discount Rate (1.95%)	1% Increase in Discount Rate (2.95%)
Proportionate share of the net OPEB liability	\$ 2,328,131	\$ 1,930,088	\$ 1,616,816

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

At August 31, 2021, the District reported a liability of \$1,930,088 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	\$ 1,930,088
State's proportionate share that is associated with the District	2,585,888
Total	<u>\$ 4,515,976</u>

The Net OPEB Liability was measured as of August 31, 2020, and rolled forward to August 31, 2021, 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 OPEB relative to the

At August 31, 2022 the employer's proportion of the collection Net OPEB Liability was 0.0050035386%.

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

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Proportionate share of net OPEB liability	\$ 1,563,308	\$ 1,930,088	\$ 2,422,217

Changes Since the Prior Actuarial Valuation - The following were changes to the actuarial assumptions or other inputs that affected measurement of the Total OPEB liability (TOL) since the prior measurement period: These can be found in the 2021 TRS ACFR on page 77.

- The discount rate changed from 2.33 percent as of August 31, 2020, to 1.95 percent as of August 31, 2021. This change increased the Total OPEB Liability.

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

The amount of OPEB expense recognized by the district in the reporting period was (\$31,298).

At the current year-end August 31, 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	\$ 83,099	\$ 934,298
Changes in actuarial assumptions	213,780	408,178
Differences between projected and actual investment earnings	2,095	-
Changes in proportion and differences between the employer's contributions and the proportionate share of contributions	1,059,793	164,328
Contributions paid to TRS subsequent to the measurement date	45,666	
Total as of fiscal year-end	\$ 1,404,433	\$ 1,506,804

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

Fiscal year ended August 31,	OPEB Expense Amount
2023	\$ (74,835)
2024	(74,882)
2025	(74,869)
2026	(24,065)
2027	44,717
Thereafter	55,897

For the current year ended August 31, the District recognized OPEB expense of (\$31,298) and revenue of \$(95,439) for support provided by the State.

Y. TAX ABATEMENT

The Hamlin Collegiate Independent School District Board of Trustees has approved an agreement with an energy company for a “Limitation On Appraised Value of Property for School District Maintenance and Operations Taxes” pursuant to the Chapter 313 of the Texas Tax Code, i.e., the Texas Economic Development Act, as set forth in Chapter 313 of the Texas Tax Code, as amended. That agreement qualified for a tax limitation agreement under Texas Tax Code §313.024(b)(5) as renewable energy electric generation projects.

Value limitation agreements are a part of a state program, originally created in 2001 which allows school districts to limit the taxable value of an approved project for Maintenance and Operations (M&O) for a period of years specified in statute. The projects under the Chapter 313 agreement must be consistent with the state’s goal to “encourage large scale capital investments in this state.” Chapter 313 of the Tax Code grants eligibility to companies engaged in manufacturing, research and development, renewable electric energy production, clean coal projects, nuclear power generation and data centers.

In order to qualify for a value limitation agreement, the companies are required to meet a series of capital investment, job creation, and wage requirements specified by state law. At the time of the application’s approval, the agreement was found to have done so by both the District’s Board of Trustees and the Texas Comptroller’s Office, which recommended approval of the projects. The application, the agreement, and state reporting requirement documentation can be viewed at the Texas Comptroller’s website.

Disclosures for the project is as follows:

Current Year Status - Tax Abatements	Engie Solar LLC
Agreement date	05/25/2022
Project Type	Renewable Energy
First tax year of qualifying time period	2026
First tax year of limitation period	2028
Last tax year of limitation period	2037
Last tax year viable presence required	2035
Project total investment (end of fiscal year)	n/a
Project limitation amount during limitation period	\$ 20,000,000
Project limitation amount - current year	\$ -
Project current year market value	n/a
M&O taxes paid - current year	\$ -
M&O taxes abated - current year	\$ -
Company supplemental payment to District	\$ 85,000

REQUIRED SUPPLEMENTARY INFORMATION

HAMLIN COLLEGIATE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED AUGUST 31, 2022

Data Control Codes		Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
		Original	Final		
REVENUES:					
5700	Total Local and Intermediate Sources	\$ 1,518,000	\$ 1,633,000	\$ 1,748,367	\$ 115,367
5800	State Program Revenues	3,897,884	3,897,884	4,096,519	198,635
5900	Federal Program Revenues	268,701	273,701	416,759	143,058
5020	Total Revenues	5,684,585	5,804,585	6,261,645	457,060
EXPENDITURES:					
Current:					
0011	Instruction	2,390,740	2,367,740	2,224,862	142,878
0012	Instructional Resources and Media Services	5,606	5,606	2,327	3,279
0013	Curriculum and Instructional Staff Development	20,600	65,600	59,867	5,733
0021	Instructional Leadership	89,072	75,072	71,394	3,678
0023	School Leadership	262,273	301,273	295,781	5,492
0031	Guidance, Counseling, and Evaluation Services	82,196	82,196	79,445	2,751
0033	Health Services	46,438	57,438	56,209	1,229
0034	Student (Pupil) Transportation	144,790	178,790	173,362	5,428
0036	Extracurricular Activities	300,626	320,626	312,623	8,003
0041	General Administration	480,661	558,661	505,916	52,745
0051	Facilities Maintenance and Operations	1,092,090	1,547,090	1,543,492	3,598
0053	Data Processing Services	220,256	250,256	244,306	5,950
Debt Service:					
0071	Principal on Long-Term Liabilities	76,575	132,350	126,047	6,303
0072	Interest on Long-Term Liabilities	-	5,225	6,187	(962)
Capital Outlay:					
0081	Facilities Acquisition and Construction	200,000	-	-	-
Intergovernmental:					
0093	Payments to Fiscal Agent/Member Districts of SSA	128,828	145,828	137,474	8,354
0099	Other Intergovernmental Charges	50,000	50,000	47,025	2,975
6030	Total Expenditures	5,590,751	6,143,751	5,886,317	257,434
1100	Excess (Deficiency) of Revenues Over Expenditures	93,834	(339,166)	375,328	714,494
OTHER FINANCING SOURCES (USES):					
7913	Right-to-Use Leases	-	-	118,979	118,979
8911	Transfers Out (Use)	(63,728)	(63,728)	-	63,728
7080	Total Other Financing Sources (Uses)	(63,728)	(63,728)	118,979	182,707
1200	Net Change in Fund Balances	30,106	(402,894)	494,307	897,201
0100	Fund Balance - September 1 (Beginning)	3,316,655	3,316,655	3,316,655	-
3000	Fund Balance - August 31 (Ending)	\$ 3,346,761	\$ 2,913,761	\$ 3,810,962	\$ 897,201

HAMLIN COLLEGIATE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED AUGUST 31, 2022

	FY 2022 Plan Year 2021	FY 2021 Plan Year 2020	FY 2020 Plan Year 2019
District's Proportion of the Net Pension Liability (Asset)	0.002486499%	0.002002362%	0.001968732%
District's Proportionate Share of Net Pension Liability (Asset)	\$ 633,223	\$ 1,072,424	\$ 1,023,409
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	973,814	2,011,429	1,682,453
Total	<u>\$ 1,607,037</u>	<u>\$ 3,083,853</u>	<u>\$ 2,705,862</u>
District's Covered Payroll	\$ 2,847,628	\$ 2,583	\$ 2,189,779
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	22.24%	41.51%	46.74%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	884.00%	75.54%	75.24%

Note: GASB Codification, Vol. 2, P20.183 requires that the information on this schedule be data from the period corresponding with the periods covered as of the measurement dates of August 31, 2021 for year 2022, August 31, 2020 for year 2021, August 31, 2019 for year 2020, August 31, 2018 for year 2019, August 31, 2017 for year 2018, August 31, 2016 for year 2017, August 31, 2015 for year 2016 and August 31, 2014 for year 2015.

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

FY 2019 Plan Year		FY 2018 Plan Year		FY 2017 Plan Year		FY 2016 Plan Year		FY 2015 Plan Year 2014	
0.002149672%		0.001937441%		0.0020736%		0.002292%		0.001551%	
\$	1,183,231	\$	619,489	\$	783,576	\$	810,262		414,267
1,876,829		1,256,167		1,634,730		1,704,925		1,699,625	
\$	3,060,060	\$	1,875,656	\$	2,418,306	\$	2,515,187	\$	2,113,892
\$	2,117,714	\$	2,279,745	\$	2,503,505	\$	2,501,734		2,880,535
55.87%		27.17%		31.30%		32.39%		14.38%	
73.74%		82.17%		78.00%		78.43%		83.25%	

HAMLIN COLLEGIATE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR PENSIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR FISCAL YEAR 2022

	2022	2021	2020
Contractually Required Contribution	\$ 157,129	\$ 106,482	\$ 81,881
Contribution in Relation to the Contractually Required Contribution	(157,129)	(106,482)	(81,881)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 3,160,632	\$ 2,847,628	\$ 2,583,475
Contributions as a Percentage of Covered Payroll	4.97%	3.74%	3.17%

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

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

	2019	2018	2017	2016	2015
\$	68,807	\$ 78,725	\$ 63,498	\$ 67,874	\$ 39,319
	(68,807)	(78,725)	(63,498)	(67,874)	(39,319)
\$	-	\$ -	\$ -	\$ -	\$ -
\$	2,189,779	\$ 2,117,714	\$ 2,279,745	\$ 2,469,511	\$ 2,501,734
	3.14%	3.72%	2.79%	2.75%	1.57%

HAMLIN COLLEGIATE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED AUGUST 31, 2022

	FY 2022 Plan Year 2021	FY 2021 Plan Year 2020	FY 2020 Plan Year 2019
District's Proportion of the Net Liability (Asset) for Other Postemployment Benefits	0.005003539%	0.003853856%	0.003625216%
District's Proportionate Share of Net OPEB Liability (Asset)	\$ 1,930,088	\$ 1,465,025	\$ 1,714,411
State's Proportionate Share of the Net OPEB Liability (Asset) Associated with the District	2,585,888	1,968,642	2,278,066
Total	<u>\$ 4,515,976</u>	<u>\$ 3,433,667</u>	<u>\$ 3,992,477</u>
District's Covered Payroll	\$ 2,847,628	\$ 2,583,475	\$ 2,189,779
District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	67.78%	56.71%	78.29%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	6.18%	4.99%	2.66%

Note: GASB Codification, Vol. 2, P50.238 states that the information on this schedule should be determined as of the measurement date. The amounts reported for FY 2022 are for measurement date August 31, 2021. The amounts reported for FY 2021 are for the measurement date of August 31, 2020. The amounts for FY 2020 are for the measurement date August 31, 2019. The amounts for FY 2019 are for the measurement date August 31, 2018. The amounts for FY 2018 are based on the August 31, 2017 measurement date.

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

FY 2019 Plan Year		FY 2018 Plan Year	
0.004020543%		0.003095973%	
\$	2,007,494	\$	1,346,323
	1,719,744		1,734,057
\$	3,727,238	\$	3,080,380
\$	2,117,714	\$	2,279,745
	94.80%		59.06%
	1.57%		0.09%

HAMLIN COLLEGIATE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR OTHER POSTEMPLOYMENT BENEFITS (OPEB)
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR FISCAL YEAR 2022

	2022	2021	2020
Contractually Required Contribution	\$ 45,666	\$ 39,152	\$ 29,175
Contribution in Relation to the Contractually Required Contribution	(45,666)	(39,152)	(29,175)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 3,160,632	\$ 2,847,628	\$ 2,583,475
Contributions as a Percentage of Covered Payroll	1.44%	1.37%	1.13%

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

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

2019		2018	
\$	25,554	\$	28,006
	(25,554)		(28,006)
\$	-	\$	-
\$	2,189,779	\$	2,117,714
	1.17%		1.32%

HAMLIN COLLEGIATE INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (RSI)
YEAR ENDED AUGUST 31, 2022

A. Notes to Schedule of Contributions for the TRS Pension

Benefits, Actuarial Methods, and Assumptions:

Changes of Benefit Terms:

- There were no changes of benefits terms since the prior measurement date

Changes of Assumptions:

- There were no changes in assumptions since the prior measurement date

B. Notes to Schedules for the TRS OPEB Plan

Benefits, Actuarial Methods, and Assumptions:

Changes of Benefits:

- There were no changes of benefits terms since the prior measurement date

Changes of Assumptions:

- The single discount rate changed from 2.33 percent as of August 31, 2020 (prior measurement date) to 1.95 percent as of August 31, 2021 (current measurement date).

C. Stewardship, Compliance and Accountability

Budget

The Board of Trustees (local school board) is legally required to adopt an annual budget (on a 12-month basis) for the general fund, the food service fund, and the debt service fund. The budgets must be prepared by August 20 and adopted by the local school board before expenditures are made and, if applicable, before the tax rate for the year is adopted. The required supplementary information is reported as follows:

Exhibit G-1	Budgetary Comparison Schedule – General Fund
Exhibit J-2	Budgetary Comparison Schedule – Child Nutrition Fund
Exhibit J-3	Budgetary Comparison Schedule – Debt Service Fund.

Once a budget is approved, it can be amended at the fund and function level only by a majority vote of the members of the Board of Trustees.

Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under State of Texas law, appropriations lapse at year end August 31, and encumbrances outstanding at that time are to be either cancelled or appropriately provided for in the subsequent year's budget.

It is a violation of Texas State Law for expenditures to exceed the budget in any function of the general fund, the food service fund, or the debt service fund.

HAMLIN COLLEGIATE INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (RSI)
YEAR ENDED AUGUST 31, 2022

Expenditures Exceeding Appropriation

The following is disclosed related to expenditures and budget appropriations:

- The current year expenditures did not exceed appropriations in any function of the general fund as detailed in Exhibit G-1 "Budgetary Comparison Schedule -General Fund".
- The current year expenditures did not exceed appropriations in any function 35 in the food service fund as detailed in Exhibit J-2 "Budgetary Comparison Schedule -Child Nutrition Fund".
- The current year expenditures did not exceed appropriations in any functions in the debt service fund as detailed in Exhibit J-3 "Budgetary Comparison Schedule -Debt Service Fund".
-

**OTHER SUPPLEMENTARY INFORMATION –
COMBINING SCHEDULES**

HAMLIN COLLEGIATE INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AUGUST 31, 2022

Data Control Codes		205 Head Start	206 ESSA, IX, A Homeless Children Ed.	211 ESEA I, A Improving Basic Program	212 ESEA Title I Part C Migrant
ASSETS					
1110	Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -
1220	Property Taxes - Delinquent	-	-	-	-
1230	Allowance for Uncollectible Taxes	-	-	-	-
1240	Due from Other Governments	13,835	-	15,211	-
1000	Total Assets	<u>\$ 13,835</u>	<u>\$ -</u>	<u>\$ 15,211</u>	<u>\$ -</u>
LIABILITIES					
2110	Accounts Payable	\$ -	\$ -	\$ -	\$ -
2160	Accrued Wages Payable	12,421	-	13,653	-
2200	Accrued Expenditures	1,414	-	1,558	-
2300	Unearned Revenue	-	-	-	-
2000	Total Liabilities	<u>13,835</u>	<u>-</u>	<u>15,211</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
2601	Unavailable Revenue - Property Taxes	-	-	-	-
2600	Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Restricted Fund Balance:					
3450	Federal or State Funds Grant Restriction	-	-	-	-
3480	Retirement of Long-Term Debt	-	-	-	-
Assigned Fund Balance:					
3590	Other Assigned Fund Balance	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 13,835</u>	<u>\$ -</u>	<u>\$ 15,211</u>	<u>\$ -</u>

223 TANF Family Assistance	224 IDEA - Part B Formula	225 IDEA - Part B Preschool	240 National Breakfast and Lunch Program	244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	270 ESEA V, B,2 Rural & Low Income	281 ESSER II CRRSA Act Supplemental
\$ -	\$ -	\$ -	\$ 102,516	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	1,525	406	-	-	2,278	-	3,937
<u>\$ -</u>	<u>\$ 1,525</u>	<u>\$ 406</u>	<u>\$ 102,516</u>	<u>\$ -</u>	<u>\$ 2,278</u>	<u>\$ -</u>	<u>\$ 3,937</u>
\$ -	\$ -	\$ -	\$ 7,671	\$ -	\$ -	\$ -	\$ -
-	1,368	364	-	-	2,044	-	3,535
-	157	42	-	-	234	-	402
-	-	-	10,454	-	-	-	-
-	1,525	406	18,125	-	2,278	-	3,937
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	84,391	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	84,391	-	-	-	-
<u>\$ -</u>	<u>\$ 1,525</u>	<u>\$ 406</u>	<u>\$ 102,516</u>	<u>\$ -</u>	<u>\$ 2,278</u>	<u>\$ -</u>	<u>\$ 3,937</u>

HAMLIN COLLEGIATE INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AUGUST 31, 2022

Data Control Codes		282 ESSER III ARP Act	289 Other Federal Special Revenue Funds	410 State Instructional Materials	427 Summer CT Grant
ASSETS					
1110	Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -
1220	Property Taxes - Delinquent	-	-	-	-
1230	Allowance for Uncollectible Taxes	-	-	-	-
1240	Due from Other Governments	20,367	-	-	-
1000	Total Assets	<u>\$ 20,367</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES					
2110	Accounts Payable	\$ -	\$ -	\$ -	\$ -
2160	Accrued Wages Payable	18,277	-	-	-
2200	Accrued Expenditures	2,090	-	-	-
2300	Unearned Revenue	-	-	-	-
2000	Total Liabilities	<u>20,367</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
2601	Unavailable Revenue - Property Taxes	-	-	-	-
2600	Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Restricted Fund Balance:					
3450	Federal or State Funds Grant Restriction	-	-	-	-
3480	Retirement of Long-Term Debt	-	-	-	-
Assigned Fund Balance:					
3590	Other Assigned Fund Balance	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 20,367</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

429 Other State Special Revenue Funds	461 Campus Activity Funds	Total Nonmajor Special Revenue Funds	599 Debt Service Fund	Total Nonmajor Governmental Funds
\$ 350	\$ 14,633	\$ 117,499	\$ 339,660	\$ 457,159
-	-	-	46,256	46,256
-	-	-	(11,564)	(11,564)
1,695	-	59,254	2,858	62,112
<u>\$ 2,045</u>	<u>\$ 14,633</u>	<u>\$ 176,753</u>	<u>\$ 377,210</u>	<u>\$ 553,963</u>
\$ -	\$ -	\$ 7,671	\$ -	\$ 7,671
1,659	-	53,321	-	53,321
36	-	5,933	-	5,933
350	-	10,804	-	10,804
<u>2,045</u>	<u>-</u>	<u>77,729</u>	<u>-</u>	<u>77,729</u>
-	-	-	34,692	34,692
<u>-</u>	<u>-</u>	<u>-</u>	<u>34,692</u>	<u>34,692</u>
-	-	84,391	-	84,391
-	-	-	342,518	342,518
-	14,633	14,633	-	14,633
<u>-</u>	<u>14,633</u>	<u>99,024</u>	<u>342,518</u>	<u>441,542</u>
<u>\$ 2,045</u>	<u>\$ 14,633</u>	<u>\$ 176,753</u>	<u>\$ 377,210</u>	<u>\$ 553,963</u>

HAMLIN COLLEGIATE INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2022

Data Control Codes	205 Head Start	206 ESSA, IX, A Homeless Children Ed.	211 ESEA I, A Improving Basic Program	212 ESEA Title I Part C Migrant
REVENUES:				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800 State Program Revenues	-	-	-	-
5900 Federal Program Revenues	258,020	2,364	175,519	-
5020 Total Revenues	258,020	2,364	175,519	-
EXPENDITURES:				
Current:				
0011 Instruction	258,020	2,364	175,519	-
0021 Instructional Leadership	-	-	-	-
0023 School Leadership	-	-	-	-
0031 Guidance, Counseling, and Evaluation Services	-	-	-	-
0035 Food Services	-	-	-	-
0036 Extracurricular Activities	-	-	-	-
0041 General Administration	-	-	-	-
0051 Facilities Maintenance and Operations	-	-	-	-
Debt Service:				
0071 Principal on Long-Term Liabilities	-	-	-	-
0072 Interest on Long-Term Liabilities	-	-	-	-
0073 Bond Issuance Cost and Fees	-	-	-	-
6030 Total Expenditures	258,020	2,364	175,519	-
1200 Net Change in Fund Balance	-	-	-	-
0100 Fund Balance - September 1 (Beginning)	-	-	-	-
3000 Fund Balance - August 31 (Ending)	\$ -	\$ -	\$ -	\$ -

223 TANF Family Assistance	224 IDEA - Part B Formula	225 IDEA - Part B Preschool	240 National Breakfast and Lunch Program	244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	270 ESEA V, B,2 Rural & Low Income	281 ESSER II CRRSA Act Supplemental
\$ -	\$ -	\$ -	\$ 12,593	\$ -	\$ -	\$ -	\$ -
-	-	-	45,143	-	-	-	-
1,782	21,430	5,358	253,087	4,162	17,284	21,988	410,633
1,782	21,430	5,358	310,823	4,162	17,284	21,988	410,633
1,782	21,430	5,358	-	4,162	17,284	-	291,792
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	43,369
-	-	-	-	-	-	-	-
-	-	-	264,477	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	24,358
-	-	-	-	-	-	21,988	51,114
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,782	21,430	5,358	264,477	4,162	17,284	21,988	410,633
-	-	-	46,346	-	-	-	-
-	-	-	38,045	-	-	-	-
\$ -	\$ -	\$ -	\$ 84,391	\$ -	\$ -	\$ -	\$ -

HAMLIN COLLEGIATE INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2022

Data Control Codes	282 ESSER III ARP Act	289 Other Federal Special Revenue Funds	410 State Instructional Materials	427 Summer CT Grant
REVENUES:				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800 State Program Revenues	-	-	-	8,634
5900 Federal Program Revenues	390,464	13,538	-	-
5020 Total Revenues	390,464	13,538	-	8,634
EXPENDITURES:				
Current:				
0011 Instruction	193,224	3,492	-	8,634
0021 Instructional Leadership	9,863	-	-	-
0023 School Leadership	-	-	-	-
0031 Guidance, Counseling, and Evaluation Services	27,673	-	-	-
0035 Food Services	-	-	-	-
0036 Extracurricular Activities	-	-	-	-
0041 General Administration	-	-	-	-
0051 Facilities Maintenance and Operations	159,704	10,046	-	-
Debt Service:				
0071 Principal on Long-Term Liabilities	-	-	-	-
0072 Interest on Long-Term Liabilities	-	-	-	-
0073 Bond Issuance Cost and Fees	-	-	-	-
6030 Total Expenditures	390,464	13,538	-	8,634
1200 Net Change in Fund Balance	-	-	-	-
0100 Fund Balance - September 1 (Beginning)	-	-	-	-
3000 Fund Balance - August 31 (Ending)	\$ -	\$ -	\$ -	\$ -

429 Other State Special Revenue Funds	461 Campus Activity Funds	Total Nonmajor Special Revenue Funds	599 Debt Service Fund	Total Nonmajor Governmental Funds
\$ -	\$ 26,196	\$ 38,789	\$ 393,030	\$ 431,819
119,521	-	173,298	-	173,298
-	-	1,575,629	-	1,575,629
119,521	26,196	1,787,716	393,030	2,180,746
119,521	-	1,102,582	-	1,102,582
-	-	9,863	-	9,863
-	-	43,369	-	43,369
-	-	27,673	-	27,673
-	-	264,477	-	264,477
-	32,943	32,943	-	32,943
-	-	24,358	-	24,358
-	-	242,852	-	242,852
-	-	-	220,000	220,000
-	-	-	106,650	106,650
-	-	-	3,800	3,800
119,521	32,943	1,748,117	330,450	2,078,567
-	(6,747)	39,599	62,580	102,179
-	21,380	59,425	279,938	339,363
\$ -	\$ 14,633	\$ 99,024	\$ 342,518	\$ 441,542

HAMLIN COLLEGIATE INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 PRIVATE PURPOSE TRUST FUNDS
 AUGUST 31, 2022

	810 Ferguson Scholarship Fund	811 Hodges Scholarship Fund	812 Kelly Jeffrey Scholarship Fund	813 Smith Scholarship Fund	Total Private Purpose Trust Funds
ASSETS					
Cash and Cash Equivalents	\$ 40,288	\$ 2,701	\$ 4,687	\$ 796	\$ 48,472
Investments - Current	14,779	-	-	-	14,779
Total Assets	55,067	2,701	4,687	796	63,251
NET POSITION					
Restricted for Scholarships	\$ 55,067	\$ 2,701	\$ 4,687	\$ 796	\$ 63,251
Total Net Position	\$ 55,067	\$ 2,701	\$ 4,687	\$ 796	\$ 63,251

HAMLIN COLLEGIATE INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 PRIVATE PURPOSE TRUST FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2022

	810 Ferguson Scholarship Fund	811 Hodges Scholarship Fund	812 Kelly Jeffrey Scholarship Fund	813 Smith Scholarship Fund	Total Private Purpose Trust Funds
ADDITIONS:					
Earnings from Temporary Deposits	\$ 71	\$ 5	\$ 7	\$ 1	\$ 84
Contributions, Gifts and Donations	-	-	500	-	500
Total Additions	71	5	507	1	584
DEDUCTIONS:					
Professional and Contracted Services	-	500	501	-	1,001
Total Deductions	-	500	501	-	1,001
Change in Net Position	71	(495)	6	1	(417)
Net Position - September 1 (Beginning)	54,996	3,196	4,681	795	63,668
Net Position August 31 (Ending)	\$ 55,067	\$ 2,701	\$ 4,687	\$ 796	\$ 63,251

REQUIRED TEXAS EDUCATION AGENCY SCHEDULES

HAMLIN COLLEGIATE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
FISCAL YEAR ENDED AUGUST 31, 2022

Last 10 Years Ended August 31	(1)	(2)	(3)
	Tax Rates		Assessed/Appraised Value for School Tax Purposes
	Maintenance	Debt Service	
2013 and prior years	Various	Various	\$ Various
2014	1.170000	0.24000	154,015,149
2015	1.170000	0.21500	168,547,207
2016	1.170000	0.22500	149,481,080
2017	1.170000	0.22500	124,462,337
2018	1.170000	0.22500	118,901,314
2019	1.170000	0.22500	118,707,130
2020	1.068400	0.27660	141,372,416
2021	1.054700	0.27670	147,665,640
2022 (School year under audit)	1.051700	0.27670	138,459,426
1000 TOTALS			

(10) Beginning Balance 9/1/2021		(20) Current Year's Total Levy		(31) Maintenance Collections		(32) Debt Service Collections		(40) Entire Year's Adjustments		(50) Ending Balance 8/31/2022	
\$	47,424	\$	-	\$	749	\$	120	\$	(6,665)	\$	39,890
	7,454		-		471		99		(721)		6,163
	9,345		-		403		74		(551)		8,317
	15,175		-		565		123		(1,470)		13,017
	19,468		-		743		143		(1,007)		17,575
	28,013		-		995		191		(1,730)		25,097
	27,218		-		1,302		271		(1,889)		23,756
	36,637		-		4,940		1,312		(2,240)		28,145
	57,763		-		13,608		3,783		(4,638)		35,734
	-		1,849,186		1,413,508		381,047		-		54,631
\$	248,497	\$	1,849,186	\$	1,437,284	\$	387,163	\$	(20,911)	\$	252,325

HAMLIN COLLEGIATE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - CHILD NUTRITION PROGRAM
FOR THE YEAR ENDED AUGUST 31, 2022

FOR THE PERIOD ENDING SEPTEMBER 30, 2022					
Data Control Codes		Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
		Original	Final		
REVENUES:					
5700	Total Local and Intermediate Sources	\$ 5,000	\$ 5,000	\$ 12,593	\$ 7,593
5800	State Program Revenues	40,800	40,800	45,143	4,343
5900	Federal Program Revenues	214,000	214,000	253,087	39,087
5020	Total Revenues	259,800	259,800	310,823	51,023
EXPENDITURES:					
Current:					
0035	Food Services	305,524	305,524	264,477	41,047
6030	Total Expenditures	305,524	305,524	264,477	41,047
1100	Excess (Deficiency) of Revenues Over Expenditures	(45,724)	(45,724)	46,346	92,070
OTHER FINANCING SOURCES (USES):					
7915	Transfers In	45,724	45,724	-	(45,724)
1200	Net Change in Fund Balances	-	-	46,346	46,346
0100	Fund Balance - September 1 (Beginning)	38,045	38,045	38,045	-
3000	Fund Balance - August 31 (Ending)	\$ 38,045	\$ 38,045	\$ 84,391	\$ 46,346

HAMLIN COLLEGIATE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - DEBT SERVICE FUND
FOR THE YEAR ENDED AUGUST 31, 2022

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 359,200	\$ 359,200	\$ 393,030	\$ 33,830
5800 State Program Revenues	9,000	9,000	-	(9,000)
5020 Total Revenues	368,200	368,200	393,030	24,830
EXPENDITURES:				
Debt Service:				
0071 Principal on Long-Term Liabilities	220,000	220,000	220,000	-
0072 Interest on Long-Term Liabilities	107,000	107,000	106,650	350
0073 Bond Issuance Cost and Fees	4,000	4,000	3,800	200
6030 Total Expenditures	331,000	331,000	330,450	550
1200 Net Change in Fund Balances	37,200	37,200	62,580	25,380
0100 Fund Balance - September 1 (Beginning)	279,938	279,938	279,938	-
3000 Fund Balance - August 31 (Ending)	\$ 317,138	\$ 317,138	\$ 342,518	\$ 25,380

HAMLIN COLLEGIATE INDEPENDENT SCHOOL DISTRICT
USE OF FUNDS REPORT - SELECT STATE ALLOTMENT PROGRAMS
FOR THE YEAR ENDED AUGUST 31, 2022

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.	438284
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal year.	338712

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.	11721
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PICs 25,35)	6528

**REPORTS ON COMPLIANCE, INTERNAL CONTROLS AND
FEDERAL AWARDS**

James E. Rodgers and Company, P.C.

Certified Public Accountants

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Richard E. Rodgers CPA • Gerald L. Rodgers CPA

October 17, 2022

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

**To the Board of Trustees
Hamlin Collegiate Independent School District
Hamlin, Texas 79520**

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 Hamlin Collegiate Independent School District, as of and for the year ended August 31, 2022, and the related notes to the financial statements, which collectively comprise Hamlin Collegiate Independent School District's basic financial statements, and have issued our report thereon dated October 17, 2022.

Report On Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Hamlin Collegiate Independent School 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 Hamlin Collegiate Independent School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Hamlin Collegiate Independent School District's internal control.

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

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

James E. Rodgers and Company, P.C.

Report On Compliance and Other Matters

As part of obtaining reasonable assurance about whether Hamlin Collegiate Independent School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



James E. Rodgers and Company, P.C.

James E. Rodgers and Company, P.C.

Certified Public Accountants

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Richard E. Rodgers CPA • Gerald L. Rodgers CPA

October 17, 2022

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

To the Board of Trustees

Hamlin Collegiate Independent School District

Hamlin, Texas 79520

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Hamlin Collegiate Independent School District's 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 Hamlin Collegiate Independent School District's major federal programs for the year ended August 31, 2022. Hamlin Collegiate Independent School 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, Hamlin Collegiate Independent School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2022.

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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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 Hamlin Collegiate Independent School 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 Hamlin Collegiate Independent School 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 Hamlin Collegiate Independent School 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 Hamlin Collegiate Independent School 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 generally accepted auditing standards, *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 Hamlin Collegiate Independent School District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *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 Hamlin Collegiate Independent School 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 Hamlin Collegiate Independent School 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 Hamlin Collegiate Independent School 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.

Other Matters

The results of our auditing procedures did not disclose instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which would be described in the accompanying schedule of findings and questioned costs. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on Hamlin Collegiate Independent School District's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Since no findings are reported, there is not a response.

James E. Rodgers and Company, P.C.

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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section 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.

Respectfully submitted,



James E. Rodgers and Company, P.C.

James E. Rodgers and Company, P.C.

Certified Public Accountants

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Member of Texas Society of CPA's and American Institute of CPA's

Richard E. Rodgers CPA • Gerald L. Rodgers CPA

HAMLIN COLLEGIATE INDEPENDENT SCHOOL DISTRICT SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED AUGUST 31, 2022

I. Summary of the Auditor's Results:

1.	Type of report issued on whether the financial statements were prepared in accordance with GAAP (generally accepted accounting standards):	Unmodified opinion
2.	Internal Control over financial reporting:	
2 (a).	Significant deficiencies in internal control:	None
(b).	Significant deficiencies that were material weaknesses:	None
3.	Noncompliance, which is material to the financial statements:	None
4.	Internal Control over major federal programs:	
4 (a).	Significant deficiencies in internal control over major programs	None
(b).	Material weaknesses in internal control over major programs identified	None
5.	Type of report issued on compliance with major programs	Unmodified opinion
6.	Audit findings that the auditor is required to report under 2 CFR 200.516(a):	None
7.	Identification of major programs: Education Stabilization Fund (ESSER) • Elementary and Secondary School Emergency Relief – Assistance Listing #84.425D • American Rescue Plan School Emergency Relief – Assistance Listing #84.425U	
8.	Dollar threshold used to distinguish between Type A and Type B programs	\$750,000
9.	District qualified as a low-risk auditee	Yes

II. Findings Relating to the Financial Statements Which Are Required To Be Reported in Accordance with *Generally Accepted Government Auditing Standards (GAGAS)*.

Finding 2022-001:

a.	Condition:	Not applicable (no current year findings)
b.	Criteria:	Not applicable (no current year findings)
c.	Cause:	Not applicable (no current year findings)
d.	Effect:	Not applicable (no current year findings)
e.	Recommendation:	Not applicable (no current year findings)
f.	District Response:	Not applicable (no current year findings)

III. Findings and Questioned Costs for Federal Awards Including Audit Findings as Described in 6(a) – 6(f) above.

There were no audit findings or questioned costs for federal awards that are required to be reported.



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Independent School District

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(325) 576-2722 • Fax (325) 326-0663

**SCHEDULE OF STATUS OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED AUGUST 31, 2022**

Prior Year Finding 2021-001: The District did not have any prior year (fiscal year ended August 31, 2021) reportable findings.

Current Status: Not applicable since there were no prior findings.



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**CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED AUGUST 31, 2022**

The name of the contact person responsible for corrective action:

Dr. Randy Burks, Superintendent

District Phone Number: 325-576-3624

There were no current year findings, thus, a corrective action plan is not required.

HAMLIN COLLEGIATE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2022

(1)	(2)	(3)	(4)
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	Federal Assistance Listing No.	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF EDUCATION			
<u>Passed Through Texas Education Agency</u>			
ESEA, Title I, Part A - Improving Basic Programs	84.010A	22610101127903	\$ 175,519
*IDEA - Part B, Formula	84.027	226600011279066600	21,430
*IDEA - Part B, Preschool	84.173	226610011279066610	5,358
Total Special Education Cluster (IDEA)			26,788
Career and Technical - Basic Grant	84.048	203922017110008	4,162
ESEA, Title X, Part C -Homeless Children	84.196	214600057110057	2,364
ESEA, Title VI, Part B - Rural & Low Income Prog.	84.358A	S358A190444	21,988
ESEA, Title II, Part A, Teacher Principal Training	84.367A	69452171	17,284
Elementary Secondary School Emergency Relief II	84.425D	21521001127903	484,694
ESSER III - ARP School Emergency Relief	84.425U	21528001127903	480,495
Total Assistance Listing Number 84.425			965,189
ESEA Title IV, Part A	84.424A	22680101221950	10,046
Lone Star Stem Cycle 1 Yr 3	84.411	U411B18004018A	3,492
Total Passed Through Texas Education Agency			1,226,832
TOTAL U.S. DEPARTMENT OF EDUCATION			1,226,832
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<u>Passed Through Region 14 ESC</u>			
Temporary Assistance for Needy Families (TANF)	93.558	0921TAN002	1,782
Head Start	93.600	06CH012174-02-00	159,340
Early Head Start	93.600	06HP000297-03-00	98,680
Total Assistance Listing Number 93.600			258,020
Total Passed Through Region 14 ESC			259,802
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			259,802
U.S. DEPARTMENT OF AGRICULTURE			
<u>Passed Through the Texas Department of Agriculture</u>			
*School Breakfast Program	10.553	71402101	67,903
*National School Lunch Program - Cash Assistance	10.555	71302201	161,001
*National School Lunch Prog. - Non-Cash Assistance	10.555	71302201	18,626
* USDA Supply Chain Grant	10.555	71302201	5,557
Total Assistance Listing Number 10.555			185,184
Total Child Nutrition Cluster			253,087
Total Passed Through the Texas Department of Agriculture			253,087
TOTAL U.S. DEPARTMENT OF AGRICULTURE			253,087
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 1,739,721

*Clustered Programs

**HAMLIN COLLEGIATE INDEPENDENT SCHOOL DISTRICT
NOTES ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS and
ACCOUNTING POLICIES FOR FEDERAL AWARDS
YEAR ENDED AUGUST 31, 2022**

BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Hamlin Collegiate Independent School District (the "District") under programs of the federal government for the year ended August 31, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, change in net position, or cash flows of the District.

ACCOUNTING POLICIES

1. For all Federal programs, the District uses the fund types specified in Texas Education Agency's *Financial Accountability System Resource Guide*. Special revenue funds are used to account for resources restricted to, or designated for, specific purposes by a grantor. Federal and state financial assistance generally is accounted for in a Special Revenue Fund.
2. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Governmental Fund types and Expendable Trust Funds are accounted for using a current financial resources measurement focus. All Federal grant funds were accounted for in a Special Revenue Fund that is a Governmental Fund type. With this measurement focus, only current assets and current liabilities and the fund balance are included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets.
3. The modified accrual basis of accounting is used for the Governmental Fund types, the Expendable Trust Funds, and Agency Funds. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual, i.e., both measurable and available, and expenditures in the accounting period in which the fund liability is incurred, if measurable, except for un-matured interest on General Long-Term Debt, which is recognized when due, and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.
4. Federal grant funds are recorded as earned to the extent of expenditures made under the provisions of the grant, and, accordingly, when such funds are received, they are recorded as deferred revenues until earned.
5. The period of performance for federal grant funds for the purpose of liquidation of outstanding obligations made on or before the ending date of the federal project period extended 30 days beyond the federal project period ending date, in accordance with provisions in the Uniform Guidance.
6. Indirect Costs
The District did not elect to use a di minimis cost rate of 10% as described at 2CFR §200.414(f) – Indirect (F&A) Costs.

HAMLIN COLLEGIATE INDEPENDENT SCHOOL DISTRICT
NOTES ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS and
ACCOUNTING POLICIES FOR FEDERAL AWARDS
YEAR ENDED AUGUST 31, 2022

7. Reconciliation of Federal Awards

The following is a reconciliation of expenditures of federal awards in the SEFA and federal program Revenues in the Statement of Revenues, Expenditures and Changes in Fund Balance of the Governmental funds.

Reconciliation of Federal Revenue Reported (C-3) to Schedule of Expenditures of Federal Awards (SEFA):	
Total Federal Revenue reported per Exhibit C-3	\$ 1,992,388
Reconciling Items:	
Less School Health and Related Services (SHARS) reimbursements	(252,667)
Total Federal Expenditures per SEFA (Exhibit K-1)	\$ 1,739,721

SCHOOLS FIRST QUESTIONNAIRE

Hamlin Collegiate Independent School District

Fiscal Year 2022

SF1	Was there an unmodified opinion in the Annual Financial Report on the financial statements as a whole?	Yes
SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement?	No
SF3	Did the school district make timely payments to the Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies? (If there was a warrant hold not cleared in 30 days, then not timely.)	Yes
SF4	Was the school district issued a warrant hold? (Yes even if cleared within 30 days.)	No
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state or federal funds?	No
SF6	Was there any disclosure in the Annual Financial Report of material noncompliance for grants, contracts, and laws related to local, state, or federal funds?	No
SF7	Did the school district post the required financial information on its website in accordance with Government Code, Local Government Code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules in effect at the fiscal year end?	Yes
SF8	Did the school board members discuss the school district's property values at a board meeting within 120 days before the school district adopted its budget?	Yes
SF9	Total accumulated accretion on CABs included in government-wide financial statements at fiscal year end.	0