

EANES INDEPENDENT SCHOOL DISTRICT

ANNUAL FINANCIAL REPORT

**FOR THE YEAR ENDED
JUNE 30, 2022**

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FOR THE YEAR ENDED JUNE 30, 2022

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INTRODUCTORY SECTION


CERTIFICATE OF BOARD

Eanes Independent School District
Name of School District

Travis
County

227-909
Co.-Dist.Number

We, the undersigned, certify that the attached annual financial reports of the above-named school district were reviewed and (check one) approved disapproved for the year ended June 30, 2022, at a meeting of the Board of Trustees of such school district on the 29th day of November, 2022.



Signature of Board Secretary
VP



Signature of Board President

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

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Eanes Independent School District
Austin, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Eanes Independent School District, (the "District"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Eanes 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.

Emphasis of Matter – Change in Accounting Principle

As described in the notes to the financial statements, in fiscal year 2022 the District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

OFFICE LOCATIONS

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

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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District’s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District’s ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis, budgetary comparison information, and pension and OPEB information be presented to supplement the basic financial statements. Such information, 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 Eanes Independent School District’s basic financial statements. The combining statements, required TEA schedules and the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 29, 2022, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

Waco, Texas
November 29, 2022

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MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Eanes Independent School District's (the "District") annual financial report presents our discussion and analysis of the District's financial performance during the year ended June 30, 2022. Please read it in conjunction with the District's basic financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the 2022 school year by \$76,139,463. Of this amount, unrestricted net position was a deficit of \$19,929,493.
- The District's net position increased by \$6,502,815 as a result of this year's operations.
- The General Fund ended the year with a total fund balance of \$26,722,577, an increase of \$1,362,311 over the prior year primarily due to increases in property tax revenues from greater assessed values within the District.
- At the end of the current fiscal year, the General Fund ended with an unassigned fund balance of \$25,426,545, which is the amount available to fund the District's ongoing operations. This amount represents 14% or 1.7 months of total General Fund expenditures. Excluding recapture, this amount represents 31% or 3.7 months of total General Fund expenditures.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The government-wide financial statements include the Statement of Net Position and the Statement of Activities. These provide information about the activities of the District as a whole and present a longer-term view of the District's property and debt obligations and other financial matters. They reflect the flow of total economic resources in a manner similar to the financial reports of a business enterprise.

Fund financial statements report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds. For governmental activities, these statements tell how services were financed in the short term as well as what resources remain for future spending. They reflect the flow of current financial resources, and supply the basis for tax levies and the appropriations budget. The remaining statements, fiduciary statements, provide financial information about activities for which the District acts solely as a trustee or agent for the benefit of those outside of the District.

The notes to the financial statements provide narrative explanations or additional data needed for full disclosure in the government-wide statements or the fund financial statements.

The sections labeled TEA (Texas Education Agency) Required Schedules and Federal Awards Section contain data used by monitoring or regulatory agencies for assurance that the District is using funds supplied in compliance with the terms of grants.

Reporting the District as a Whole

The Statement of Net Position and the Statement of Activities

The primary purpose of the Statement of Net Position and Statement of Activities is to show whether the District is better off or worse off as a result of this year's activities. The Statement of Net Position includes all the District's assets and liabilities at the end of the year while the Statement of Activities includes all the revenues and expenses generated by the District's operations during the year. These apply the accrual basis of accounting which is the basis used by private sector companies.

All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid. The District's revenues are divided into those provided by outside parties, who share the costs of some programs, such as grants provided by the U.S. Department of Education to assist children with disabilities from disadvantaged backgrounds (program revenues), and revenues provided by the taxpayers or by TEA in equalization funding processes (general revenues). All the District's assets are reported whether they serve the current year or future years. All liabilities are considered regardless of whether they must be paid in the current or future years.

These two statements report the District's net position and changes in them. The District's net position (the difference between assets and liabilities) provide one measure of the District's financial health, or financial position. Over time, increases or decreases in the District's net position is one indicator of whether its financial health is improving or deteriorating. To fully assess the overall financial health of the District, however, nonfinancial factors as well should be considered, such as changes in the District's average daily attendance or its property tax base and the condition of the District's facilities.

In the Statement of Net Position and the Statement of Activities, we classify the District's activities as Governmental and Business-type activities:

Governmental activities—Most of the District's basic services are reported here, including the instruction, counseling, co-curricular activities, transportation, maintenance, community services, and general administration. Property taxes, tuition, fees, and state and federal grants finance most of these activities.

Business-type activities—The District's enterprise activities are reported here. These activities are intended to recover all or a significant portion of their costs through user fees and charges.

Reporting the District's Most Significant Funds

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds—not the District as a whole. Laws and contracts require the District to establish some funds, such as grants received under the Elementary and Secondary Education Act (ESEA) from the U.S. Department of Education. The District's administration establishes many other funds to help it control and manage money for particular purposes (like campus activities). The District's two kinds of funds—governmental and proprietary—use different accounting approaches.

Governmental funds—Most of the District's basic services are reported in governmental funds. These funds use modified accrual accounting (a method that measures the receipt and disbursement of cash and all other financial assets that can be readily converted to cash) and report balances that are available for future spending. The governmental fund statements provide a detailed short-term view of the District's general operations and the basic services it provides. We describe the differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliation schedules following each of the fund financial statements.

Proprietary funds—Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. There are two proprietary fund types. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The District uses five enterprise funds to account for its food service, community education, child development center, after school care, and facility rentals.

The second type of proprietary fund is the internal service fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the various functions. The District uses one internal service fund to report activities for its self-insurance related to computer equipment. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities within the government-wide financial statements.

The District as Trustee

Reporting the District's Fiduciary Responsibilities

The District is the trustee, or fiduciary, for money raised by student activities and scholarship programs. All of the District's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position. We exclude these resources from the District's other financial statements because the District cannot use these assets to finance its operations. The District is only responsible for ensuring that the assets reported in these funds are used for their intended purposes.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Our analysis focuses on the net position (Table I below) and changes in net position (Table II below) of the District's governmental and business-type activities.

Net position of the District's governmental activities increased from \$67,640,238 to \$73,179,624. Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements - was a deficit of \$22,250,176 at June 30, 2022. The increase in governmental net position was a result of increased property tax revenue. More information is presented in the paragraph following Table II on the next page.

TABLE I

EANES INDEPENDENT SCHOOL DISTRICT

NET POSITION

	Governmental Activities		Business-type Activities		Totals	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 203,189,907	\$ 214,829,836	\$ 4,690,290	\$ 2,044,571	\$ 207,880,197	\$ 216,874,407
Capital assets	<u>190,779,600</u>	<u>187,635,602</u>	<u>639,156</u>	<u>749,774</u>	<u>191,418,756</u>	<u>188,385,376</u>
Total assets	<u>393,969,507</u>	<u>402,465,438</u>	<u>5,329,446</u>	<u>2,794,345</u>	<u>399,298,953</u>	<u>405,259,783</u>
Deferred outflows of resources	<u>12,657,379</u>	<u>15,550,606</u>	-	-	<u>12,657,379</u>	<u>15,550,606</u>
Long-term liabilities	179,331,892	193,128,300	-	-	179,331,892	193,128,300
Other liabilities	<u>123,543,577</u>	<u>134,602,311</u>	<u>934,897</u>	<u>797,935</u>	<u>124,478,474</u>	<u>135,400,246</u>
Total liabilities	<u>302,875,469</u>	<u>327,730,611</u>	<u>934,897</u>	<u>797,935</u>	<u>303,810,366</u>	<u>328,528,546</u>
Deferred inflows of resources	<u>30,571,793</u>	<u>22,645,195</u>	<u>1,434,710</u>	-	<u>32,006,503</u>	<u>22,645,195</u>
Net position:						
Net investment in capital assets	74,309,053	64,305,010	639,156	749,774	74,948,209	65,054,784
Restricted	21,120,747	29,694,362	-	-	21,120,747	29,694,362
Unrestricted	(22,250,176)	(26,359,134)	<u>2,320,683</u>	<u>1,246,636</u>	(19,929,493)	(25,112,498)
Total net position	<u>\$ 73,179,624</u>	<u>\$ 67,640,238</u>	<u>\$ 2,959,839</u>	<u>\$ 1,996,410</u>	<u>\$ 76,139,463</u>	<u>\$ 69,636,648</u>

TABLE II
EANES INDEPENDENT SCHOOL DISTRICT

CHANGES IN NET POSITION

	Governmental Activities		Business-type Activities		Totals	
	2022	2021	2022	2021	2022	2021
REVENUES						
Program revenues:						
Charges for services	\$ 3,687,764	\$ 753,861	\$ 7,535,394	\$ 3,257,995	\$ 11,223,158	\$ 4,011,856
Operating grants and contributions	3,192,364	14,132,320	2,711,560	366,100	5,903,924	14,498,420
General revenues:						
Maintenance and operations taxes	170,826,565	167,608,835	-	-	170,826,565	167,608,835
Debt service taxes	21,797,938	20,199,362	-	-	21,797,938	20,199,362
Grants and contributions not restricted	3,974,981	3,867,843	-	-	3,974,981	3,867,843
Investment earnings	526,908	240,429	-	-	526,908	240,429
Miscellaneous	4,613,660	776,021	-	-	4,613,660	776,021
Total revenues	<u>208,620,180</u>	<u>207,578,671</u>	<u>10,246,954</u>	<u>3,624,095</u>	<u>218,867,134</u>	<u>211,202,766</u>
EXPENSES						
Governmental activities:						
Instruction	57,746,130	64,655,449	-	-	57,746,130	64,655,449
Instructional resources and media services	1,334,320	1,428,848	-	-	1,334,320	1,428,848
Curriculum and instructional staff development	1,960,822	1,906,238	-	-	1,960,822	1,906,238
Instructional leadership	1,475,828	1,645,428	-	-	1,475,828	1,645,428
School leadership	3,940,995	4,470,816	-	-	3,940,995	4,470,816
Guidance, counseling and evaluation services	3,175,672	3,518,218	-	-	3,175,672	3,518,218
Social work services	69,393	135,291	-	-	69,393	135,291
Health services	747,275	898,995	-	-	747,275	898,995
Student (pupil) transportation	2,146,566	2,178,377	-	-	2,146,566	2,178,377
Food services	281,536	711,389	-	-	281,536	711,389
Extracurricular activities	4,009,878	3,160,647	-	-	4,009,878	3,160,647
General administration	4,067,900	4,101,938	-	-	4,067,900	4,101,938
Plant maintenance and operations	9,164,884	9,044,033	-	-	9,164,884	9,044,033
Security and monitoring services	645,218	591,187	-	-	645,218	591,187
Data processing services	2,294,707	2,266,156	-	-	2,294,707	2,266,156
Community services	47,581	153,570	-	-	47,581	153,570
Debt service - interest on long-term debt	5,754,307	687,919	-	-	5,754,307	687,919
Debt service - bond issuance cost and fees	16,324	347,218	-	-	16,324	347,218
Contracted instruction services between schools	105,388,313	101,773,796	-	-	105,388,313	101,773,796
Other intergovernmental charges	743,976	768,290	-	-	743,976	768,290
Business-type activities:						
Food services	-	-	4,494,840	2,530,798	4,494,840	2,530,798
Community services	-	-	2,857,854	1,871,769	2,857,854	1,871,769
Total expenses	<u>205,011,625</u>	<u>204,443,803</u>	<u>7,352,694</u>	<u>4,402,567</u>	<u>212,364,319</u>	<u>208,846,370</u>
EXCESS (DEFICIENCY) BEFORE TRANSFERS	3,608,555	3,134,868	2,894,260	(778,472)	6,502,815	2,356,396
TRANSFERS IN (OUT)	<u>1,930,831</u>	<u>(367,714)</u>	<u>(1,930,831)</u>	<u>367,714</u>	<u>-</u>	<u>-</u>
INCREASE (DECREASE) IN NET POSITION	5,539,386	2,767,154	963,429	(410,758)	6,502,815	2,356,396
NET POSITION, BEGINNING	<u>67,640,238</u>	<u>64,873,084</u>	<u>1,996,410</u>	<u>2,407,168</u>	<u>69,636,648</u>	<u>67,280,252</u>
NET POSITION, ENDING	<u>\$ 73,179,624</u>	<u>\$ 67,640,238</u>	<u>\$ 2,959,839</u>	<u>\$ 1,996,410</u>	<u>\$ 76,139,463</u>	<u>\$ 69,636,648</u>

THE DISTRICT'S FUNDS

As the District completed this annual period, its General Fund reported a fund balance of \$26,722,577, which is \$1,362,311 more than last years' total of \$25,360,266. The increase in fund balance is mainly attributable to increasing student enrollment, and therefore, increased average daily attendance revenues.

The District's Debt Service Fund reported a fund balance of \$23,974,637 which is \$682,584 more than last year's total of \$23,292,053. The Debt Service fund balance was higher at June 30, 2022, as compared to the prior year end, due to increases in property tax revenues caused by an increase in assessed value, caused by the District's continued rapid growth. The purpose of the Debt Service fund is to provide for the payment of bond principal and interest payments as it becomes due.

The District's Capital Projects fund is a major fund that tracks project costs related to the construction and improvement of instructional facilities. The projects were funded with debt issued in prior years causing fund balance to decrease by \$13,039,843.

The District's other governmental funds reported combined ending fund balances of \$8,379,128. This combined balance is \$3,833,347 less than the previous year. The primary reason for this change in the combined fund balance was due to increased spending in the nonmajor capital projects funds.

Over the course of the year, the Board of Trustees generally revises the District's budget based on financial updates provided by management of the District. These amendments involve moving funds from programs that did not need all the resources originally appropriated to them to programs with resource needs, or to react to originally unforeseen circumstances, such as unanticipated new revenues or unavoidable new costs. None of the budget amendments made during the year were considered significant.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of June 2022, the District had \$191,418,756 (net of accumulated depreciation) invested in a broad range of capital assets, including facilities and equipment for instruction, transportation, athletics, administration, and maintenance.

Significant changes in capital assets for the year primarily related to the construction of new wrestling, aquatics, and robotics facilities, as well as the expansion and repurposing of existing facilities. Other additions include a new HVAC system for West Ridge Middle School and new display mounts for multiple campuses.

TABLE III

**EANES INDEPENDENT SCHOOL DISTRICT
CAPITAL ASSETS NET OF DEPRECIATION**

	Governmental Activities		
	2022	2021	Change
Land	\$ 21,215,260	\$ 21,215,260	\$ -
Construction in progress	17,963,262	18,172,730	(209,468)
Buildings	294,377,029	283,201,010	11,176,019
Furniture and equipment	43,605,119	42,318,861	1,286,258
Right to use equipment	25,128	-	1,311,386
Total	377,185,798	364,907,861	13,564,195
Less: accumulated depreciation	(186,406,198)	(177,272,259)	(9,133,939)
Capital assets, net of depreciation	\$ 190,779,600	\$ 187,635,602	\$ 4,430,256
	Business Activities		
	2022	2021	Change
Land	\$ 9,625	\$ 9,625	\$ -
Buildings	174,927	174,927	-
Furniture and equipment	1,893,926	1,893,926	-
Total	2,078,478	2,078,478	-
Less: accumulated depreciation	(1,439,322)	(1,328,704)	(110,618)
Capital assets, net of depreciation	\$ 639,156	\$ 749,774	\$(110,618)

Additional information on capital assets may be found in Note II to the financial statements.

Debt

At year-end, the District had \$146,712,002 in bonds and other long-term debt outstanding versus \$164,131,012 last year. The decrease is primarily attributable to the District's regular principal payments on existing bonds, combined with decreases in bond premiums and accretion payable.

A summary of the ending balances of long-term debt by type for both 2022 and 2021 is as follows:

TABLE IV
EANES INDEPENDENT SCHOOL DISTRICT
OUTSTANDING DEBT

	Governmental Activities		Change
	2022	2021	
General obligation bonds	\$ 130,590,000	\$ 145,530,000	\$(14,940,000)
Premium on bonds	15,273,756	16,900,794	(1,627,038)
Accretion payable	-	883,496	(883,496)
Lease payable	18,410	-	18,410
Compensated absences	829,836	816,722	13,114
Total	<u>\$ 146,712,002</u>	<u>\$ 164,131,012</u>	<u>\$(17,419,010)</u>

Additional information on long-term debt may be found in Note II to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The District is located in one of the fastest growing regions of the state. Although continued growth is expected for years to come as the area is adjacent to Austin and major national employers and educational institutions, the district anticipates only a slight increase in enrollment and average daily attendance for 2023 because it is landlocked. Assessed property values are expected to grow in the future as the area is diverse in its economic offerings.

The District's elected and appointed officials considered many factors when setting the fiscal year 2023 budget and tax rates. Those factors include property values, changes in enrollment, the economy, projections of future budget years, and legislative mandates. The District has adopted a General Fund budget for the 2023 fiscal year of \$212.3 million which includes \$124.8 million for recapture. Excluding the budgeted increase in recapture of \$18.7 million, this reflects an approximate increase of \$3.7 million in budgeted expenditures from fiscal year 2022 to fiscal year 2023.

The 86th Legislative Session brought significant changes to the Texas school finance system including some increased funding and significant property tax rate compression. As a result of the session, the District adopted an operating tax rate of \$0.8846 and a debt service tax rate of \$0.1200 for the 2023 fiscal year. This results in a reduction in the tax rate of 5.62 cents per \$100 valuation.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's Business Office, at Eanes Independent School District, 601 Camp Craft Rd, Austin, Texas 78746, or by calling (512) 732-9030.

BASIC FINANCIAL STATEMENTS

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EANES INDEPENDENT SCHOOL DISTRICT

EXHIBIT A-1

STATEMENT OF NET POSITION

JUNE 30, 2022

Data Control Codes		Governmental Activities	Business-type Activities	Total
ASSETS				
1110	Cash and cash equivalents	\$ 198,979,633	\$ 3,145,375	\$ 202,125,008
1225	Property taxes receivables	3,499,597	-	3,499,597
1230	Allowance for uncollectible taxes (credit)	(1,921,181)	-	(1,921,181)
1240	Due from other governments	2,366,449	-	2,366,449
1260	Internal balances	25	(25)	-
1267	Due from fiduciary funds	177	-	177
1290	Other receivables (net)	2,307	1,504,491	1,506,798
1300	Inventories	103,359	29,297	132,656
1410	Prepaid items	159,541	11,152	170,693
	Capital assets:			
1510	Land	21,215,260	9,625	21,224,885
1520	Buildings and improvements, net	139,239,447	135,277	139,374,724
1530	Furniture and equipment, net	12,343,746	494,254	12,838,000
1550	Right to use equipment, net	17,885	-	17,885
1580	Construction in progress	17,963,262	-	17,963,262
1000	Total assets	<u>393,969,507</u>	<u>5,329,446</u>	<u>399,298,953</u>
DEFERRED OUTFLOWS OF RESOURCES				
1701	Deferred loss on bond refunding	1,635,953	-	1,635,953
1705	Deferred outflows related to pensions	5,721,498	-	5,721,498
1706	Deferred outflows related to OPEB	5,299,928	-	5,299,928
1700	Total deferred outflows of resources	<u>12,657,379</u>	<u>-</u>	<u>12,657,379</u>
LIABILITIES				
2110	Accounts payable	2,767,068	42,649	2,809,717
2140	Interest payable	3,851,067	-	3,851,067
2150	Payroll Deductions & Withholding Payable	1,456,842	59,709	1,516,551
2160	Accrued wages	6,841,668	425,605	7,267,273
2177	Due to fiduciary funds	5,525	-	5,525
2180	Due to other governments	105,602,412	-	105,602,412
2300	Unearned revenue	3,018,995	406,934	3,425,929
	Noncurrent liabilities:			
	Due within one year:			
2501	Long-term debt	16,269,119	-	16,269,119
	Due in more than one year:			
2502	Long-term debt	130,442,883	-	130,442,883
2540	Net pension liability	9,950,029	-	9,950,029
2545	Net OPEB liability	22,669,861	-	22,669,861
2000	Total liabilities	<u>302,875,469</u>	<u>934,897</u>	<u>303,810,366</u>
DEFERRED INFLOWS OF RESOURCES				
2604	Deferred inflows related to leases	-	1,434,710	1,434,710
2605	Deferred inflows related to pensions	12,414,465	-	12,414,465
2606	Deferred inflows related to OPEB	18,157,328	-	18,157,328
2600	Total deferred inflows of resources	<u>30,571,793</u>	<u>1,434,710</u>	<u>32,006,503</u>
NET POSITION				
3200	Net investment in capital assets	74,309,053	639,156	74,948,209
	Restricted for:			
3820	Federal and state programs	817,232	-	817,232
3850	Debt service	20,303,515	-	20,303,515
3900	Unrestricted	(22,250,176)	2,320,683	(19,929,493)
3000	Total net position	<u>\$ 73,179,624</u>	<u>\$ 2,959,839</u>	<u>\$ 76,139,463</u>

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

EANES INDEPENDENT SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2022

Data Control Codes	Functions/Programs	1 Expenses	Program Revenues	
			3 Charges for Services	4 Operating Grants and Contributions
Primary government:				
Governmental activities:				
11	Instruction	\$ 57,746,130	\$ 750,550	\$ 1,845,712
12	Instructional resources and media services	1,334,320	-	(7,276)
13	Curriculum and staff development	1,960,822	-	92,671
21	Instructional leadership	1,475,828	-	20,028
23	School leadership	3,940,995	-	(34,717)
31	Guidance, counseling, and evaluation services	3,175,672	-	1,029,800
32	Social work services	69,393	-	(705)
33	Health services	747,275	-	10,961
34	Student transportation	2,146,566	-	(2,187)
35	Food service	281,536	-	(18,318)
36	Extracurricular activities	4,009,878	2,222,567	(21,036)
41	General administration	4,067,900	-	(11,841)
51	Facilities maintenance and operations	9,164,884	714,647	255,568
52	Security and monitoring services	645,218	-	(1,927)
53	Data processing services	2,294,707	-	(15,312)
61	Community services	47,581	-	(21,823)
72	Interest on long-term debt	5,754,307	-	72,766
73	Bond issuance costs and fees	16,324	-	-
95	Contracted instruction services between schools	105,388,313	-	-
99	Other governmental changes	743,976	-	-
TG	Total governmental activities	<u>205,011,625</u>	<u>3,687,764</u>	<u>3,192,364</u>
Business-type activities:				
05	Food service	4,494,840	3,221,455	2,249,486
02	Community service	<u>2,857,854</u>	<u>4,313,939</u>	<u>462,074</u>
TB	Total business-type activities	<u>7,352,694</u>	<u>7,535,394</u>	<u>2,711,560</u>
TP	Total primary government	<u>\$ 212,364,319</u>	<u>\$ 11,223,158</u>	<u>\$ 5,903,924</u>
General revenues:				
Taxes:				
MT	Property taxes, levied for general purposes			
DT	Property taxes, levied for debt service			
GC	Grants and contributions not restricted			
IE	Investment earnings			
MI	Miscellaneous			
FR	Transfers in (out)			
TR	Total general revenues			
CN	Change in net position			
NB	Net position, beginning			
NE	Net position, ending			

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

Net (Expenses) Revenue and Changes in Net Position		
6	7	8
Governmental Activities	Business-type Activities	Total
\$(55,149,868)	\$ -	\$(55,149,868)
(1,341,596)	-	(1,341,596)
(1,868,151)	-	(1,868,151)
(1,455,800)	-	(1,455,800)
(3,975,712)	-	(3,975,712)
(2,145,872)	-	(2,145,872)
(70,098)	-	(70,098)
(736,314)	-	(736,314)
(2,148,753)	-	(2,148,753)
(299,854)	-	(299,854)
(1,808,347)	-	(1,808,347)
(4,079,741)	-	(4,079,741)
(8,194,669)	-	(8,194,669)
(647,145)	-	(647,145)
(2,310,019)	-	(2,310,019)
(69,404)	-	(69,404)
(5,681,541)	-	(5,681,541)
(16,324)	-	(16,324)
(105,388,313)	-	(105,388,313)
(743,976)	-	(743,976)
(198,131,497)	-	(198,131,497)
-	976,101	976,101
-	1,918,159	1,918,159
-	2,894,260	2,894,260
\$(198,131,497)	\$ 2,894,260	(195,237,237)
170,826,565	-	170,826,565
21,797,938	-	21,797,938
3,974,981	-	3,974,981
526,908	-	526,908
4,613,660	-	4,613,660
1,930,831	(1,930,831)	-
203,670,883	(1,930,831)	201,740,052
5,539,386	963,429	6,502,815
67,640,238	1,996,410	69,636,648
\$ 73,179,624	\$ 2,959,839	\$ 76,139,463

EANES INDEPENDENT SCHOOL DISTRICT

BALANCE SHEET
GOVERNMENTAL FUNDS

JUNE 30, 2022

Data Control Codes		10	50
		<u>General</u>	<u>Debt Service</u>
ASSETS			
1110	Cash and cash equivalents	\$ 141,058,298	\$ 23,960,040
1220	Taxes receivable	3,086,276	413,321
1230	Allowance for uncollectible taxes	(1,694,279)	(226,902)
1240	Due from other governments	1,128,924	-
1260	Due from other funds	1,041,293	13,899
1290	Other receivables	2,307	-
1300	Inventories	103,359	-
1410	Prepaid items	<u>156,820</u>	-
1000	Total assets	<u>144,882,998</u>	<u>24,160,358</u>
LIABILITIES			
2110	Accounts payable	359,231	-
2150	Payroll Deductions and Withholdings	1,426,945	-
2160	Accrued wages	6,592,898	-
2170	Due to other funds	19,247	-
2180	Due to other governments	105,602,412	-
2300	Unearned revenue	<u>2,818,447</u>	<u>5,776</u>
2000	Total liabilities	<u>116,819,180</u>	<u>5,776</u>
DEFERRED INFLOWS OF RESOURCES			
2600	Unavailable revenue - property taxes	<u>1,341,241</u>	<u>179,945</u>
	Total deferred inflows of resources	<u>1,341,241</u>	<u>179,945</u>
FUND BALANCES			
Nonspendable:			
3410	Inventories	103,359	-
3430	Prepaid items	156,820	-
Restricted for:			
3450	Federal and state programs	-	-
3470	Capital acquisition and contractual obligations	-	-
3480	Debt service	-	23,974,637
3545	Committed for campus activity	-	-
Assigned for:			
3590	Subsequent year's budget	1,035,853	-
3600	Unassigned	<u>25,426,545</u>	-
3000	Total fund balances	<u>26,722,577</u>	<u>23,974,637</u>
4000	Total liabilities, deferred inflows of resources and fund balances	\$ <u>144,882,998</u>	\$ <u>24,160,358</u>

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

60	98	98
Capital Projects	Other Governmental	Total Governmental Funds
\$ 24,404,964	\$ 9,146,090	\$ 198,569,392
-	-	3,499,597
-	-	(1,921,181)
-	1,237,525	2,366,449
34,881	500,860	1,590,933
-	-	2,307
-	-	103,359
-	2,721	159,541
<u>24,439,845</u>	<u>10,887,196</u>	<u>204,370,397</u>
1,843,872	563,965	2,767,068
146	29,751	1,456,842
716	248,054	6,841,668
105,483	1,471,526	1,596,256
-	-	105,602,412
-	194,772	3,018,995
<u>1,950,217</u>	<u>2,508,068</u>	<u>121,283,241</u>
-	-	1,521,186
-	-	<u>1,521,186</u>
-	-	103,359
-	-	156,820
-	817,232	817,232
22,489,628	6,115,874	28,605,502
-	-	23,974,637
-	1,446,022	1,446,022
-	-	1,035,853
-	-	25,426,545
<u>22,489,628</u>	<u>8,379,128</u>	<u>81,565,970</u>
<u>\$ 24,439,845</u>	<u>\$ 10,887,196</u>	<u>\$ 204,370,397</u>

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EANES INDEPENDENT SCHOOL DISTRICT

EXHIBIT C-2

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION

JUNE 30, 2022

Total fund balances - governmental funds	\$ 81,565,970
Amounts reported for for governmental activities in the statement of net position are different because:	
1 Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	190,779,600
2 Some receivables are reported as deferred inflows of resources in the governmental funds balance sheet, but are recognized as a revenue in the statement of activities.	
Property taxes	1,521,186
3 Net position of the internal service fund is shown as part of the proprietary funds, but is reported as part of governmental activities on the statement of net position.	410,241
4 Long-term liabilities, including bonds, accreted interest, and leases, are not due and payable in the current period and therefore are not reported in the funds. Also, the losses on refunding of bonds and the premium on issuance of bonds payable are not reported on the balance sheet in the funds.	
General and certificates of obligation	(130,590,000)
Unamortized premium	(15,273,756)
Deferred loss on refunding	1,635,953
Lease payable	(18,410)
Compensated absences	(829,836)
5 Interest payable is not due and payable in the current period and, therefore, is not reported as a liability in the governmental funds.	(3,851,067)
6 Included in the items related to debt is the recognition of the District's proportionate share of net pension liability required by GASB 68.	
Net pension liability - proportionate share	(9,950,029)
Deferred outflows relation to pensions	5,721,498
Deferred inflows related to pensions	(12,414,465)
7 Included in the items related to debt is the recognition of the District's proportionate share of net OPEB liability required by GASB 75.	
Net OPEB liability - proportionate share	(22,669,861)
Deferred outflows relation to OPEB	5,299,928
Deferred inflows related to OPEB	<u>(18,157,328)</u>
Net position of governmental activities	\$ <u>73,179,624</u>

EANES INDEPENDENT SCHOOL DISTRICT

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

FOR THE YEAR ENDED JUNE 30, 2022

Data Control Codes		10	50
		<u>General</u>	<u>Debt Service</u>
	REVENUES		
5700	Local and intermediate sources	\$ 176,576,808	\$ 21,870,084
5800	State programs	8,606,805	72,766
5900	Federal programs	<u>626,574</u>	<u>-</u>
5020	Total revenues	<u>185,810,187</u>	<u>21,942,850</u>
	EXPENDITURES		
	Current:		
0011	Instruction	47,960,040	-
0012	Instructional resources and media services	859,066	-
0013	Curriculum and staff development	1,630,850	-
0021	Instructional leadership	1,566,616	-
0023	School leadership	4,062,768	-
0031	Guidance, counseling, and evaluation services	2,201,727	-
0032	Social work services	77,127	-
0033	Health services	778,142	-
0034	Student transportation	2,284,743	-
0035	Food service	220,243	-
0036	Extracurricular activities	3,208,691	-
0041	General administration	3,975,628	-
0051	Facilities maintenance and operations	8,602,099	-
0052	Security and monitoring services	644,899	-
0053	Data processing services	1,921,563	-
0061	Community Services	270,293	-
	Debt service:		
0071	Principal on long-term debt	6,718	15,880,000
0072	Interest on long-term debt	333	5,363,942
0073	Bond issuance costs and fees	-	16,324
0081	Capital outlay	-	-
	Intergovernmental:		
0091	Contracted instructional services between schools	105,388,313	-
0099	Other intergovernmental charges	<u>743,976</u>	<u>-</u>
6030	Total expenditures	<u>186,403,835</u>	<u>21,260,266</u>
1100	EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(593,648)</u>	<u>682,584</u>
	OTHER FINANCING SOURCES (USES)		
7915	Transfers in	1,930,831	-
7913	Issuance of lease	25,128	-
8911	Transfers out (uses)	<u>-</u>	<u>-</u>
7080	Total other financing sources (uses)	<u>1,955,959</u>	<u>-</u>
1200	NET CHANGE IN FUND BALANCES	1,362,311	682,584
0100	FUND BALANCES, BEGINNING	<u>25,360,266</u>	<u>23,292,053</u>
3000	FUND BALANCES, ENDING	<u>\$ 26,722,577</u>	<u>\$ 23,974,637</u>

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

60	98	98
Capital Projects	Other Governmental	Total Governmental Funds
\$ 73,466	\$ 3,190,588	\$ 201,710,946
-	203,184	8,882,755
-	<u>3,047,053</u>	<u>3,673,627</u>
<u>73,466</u>	<u>6,440,825</u>	<u>214,267,328</u>
2,364,609	2,305,783	52,630,432
-	54,481	913,547
-	496,273	2,127,123
-	-	1,566,616
-	64,520	4,127,288
-	1,148,806	3,350,533
-	-	77,127
-	601	778,743
14,477	17,784	2,317,004
-	-	220,243
82,878	1,130,085	4,421,654
73,429	168,773	4,217,830
3,410,544	321,004	12,333,647
14,382	4,902	664,183
1,129,097	45,300	3,095,960
-	2,861	273,154
-	-	15,886,718
-	-	5,364,275
-	-	16,324
6,023,893	4,512,999	10,536,892
-	-	105,388,313
-	-	<u>743,976</u>
<u>13,113,309</u>	<u>10,274,172</u>	<u>231,051,582</u>
(13,039,843)	(3,833,347)	(16,784,254)
-	3,617,466	5,548,297
-	-	25,128
-	(3,617,466)	(3,617,466)
-	-	<u>1,955,959</u>
(13,039,843)	(3,833,347)	(14,828,295)
<u>35,529,471</u>	<u>12,212,475</u>	<u>96,394,265</u>
\$ <u>22,489,628</u>	\$ <u>8,379,128</u>	\$ <u>81,565,970</u>

EANES INDEPENDENT SCHOOL DISTRICT

EXHIBIT C-4

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2022

Net change in fund balances - total governmental funds	\$ (14,828,295)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.	
Additions to capital assets	16,626,076
Depreciation on capital assets	(13,482,078)
Some receivables are not considered available revenues and are reported as deferred inflows in the governmental funds.	
Property taxes	(258,111)
The District uses an internal service fund to charge the cost of workers' compensation and employee day care to the appropriate functions in other funds. The net income of the internal service fund is reported as a part of governmental activities which increases net position.	
	104,521
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
Principal repayment	15,886,718
Issuance of lease	(38,242)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	
Amortization of premium and deferred loss on refunding of bonds payable	1,145,782
Accrued interest on capital appreciation bonds	(56,504)
Accrued interest payable	(1,479,310)
GASB 68 Required that certain plan expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of the plan caused the change in ending net position to increase by \$1,536,156. Contributions made before the measurement date and during the previous fiscal year were expended and recorded as a reduction in net pension liability. This caused a decrease in net position totaling \$1,389,109. Finally, the proportionate share of pension expense on the plans as a whole had to be recorded. The net pension expense increased the change in net position by \$482,663. The net result is an increase in the change in net position.	
	629,710
GASB 75 Required that certain plan expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of the plan caused the change in ending net position to increase by \$392,083. Contributions made before the measurement date and during the previous fiscal year were expended and recorded as a reduction in net OPEB liability. This caused a decrease in net position totaling \$379,843. Finally, the proportionate share of OPEB expense on the plans as a whole had to be recorded. The net OPEB expense increased the change in net position by \$1,276,879. The net result is an increase in the change in net position.	
	<u>1,289,119</u>
Change in net position of governmental activities	\$ <u>5,539,386</u>

EANES INDEPENDENT SCHOOL DISTRICT

EXHIBIT D-1

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

JUNE 30, 2022

	<u>Business-Type Activities Nonmajor Enterprise Funds</u>	<u>Governmental Activities Internal Service Fund</u>	<u>Total Proprietary Funds</u>
ASSETS			
Current assets:			
Cash and temporary investments	\$ 3,145,375	\$ 410,241	\$ 3,555,616
Other receivables	1,504,491	-	1,504,491
Inventory	29,297	-	29,297
Prepaid items	11,152	-	11,152
Total current assets	<u>4,690,315</u>	<u>410,241</u>	<u>5,100,556</u>
Noncurrent assets:			
Capital assets:			
Land	9,625	-	9,625
Buildings and improvements, net	135,277	-	135,277
Furniture and equipment, net	494,254	-	494,254
Total noncurrent assets	<u>639,156</u>	<u>-</u>	<u>639,156</u>
Total assets	<u>5,329,471</u>	<u>410,241</u>	<u>5,739,712</u>
LIABILITIES			
Current liabilities:			
Accounts payable	42,649	-	42,649
Payroll deductions and withholdings payable	59,709	-	59,709
Accrued wages payable	425,605	-	425,605
Due to other funds	25	-	25
Unearned revenue	406,934	-	406,934
Total liabilities	<u>934,922</u>	<u>-</u>	<u>934,922</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to leases	<u>1,434,710</u>	<u>-</u>	<u>1,434,710</u>
Total deferred inflows of resources	<u>1,434,710</u>	<u>-</u>	<u>1,434,710</u>
NET POSITION			
Net investment in capital assets	639,156	-	639,156
Unrestricted	<u>2,320,683</u>	<u>410,241</u>	<u>2,730,924</u>
Total net position	<u>\$ 2,959,839</u>	<u>\$ 410,241</u>	<u>\$ 3,370,080</u>

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

EANES INDEPENDENT SCHOOL DISTRICT

EXHIBIT D-2

STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Business-Type Activities <u>Nonmajor Enterprise Funds</u>	Governmental Activities <u>Internal Service Fund</u>	Total Proprietary Funds
OPERATING REVENUES:			
Local and intermediate sources	\$ 7,535,394	\$ 104,521	\$ 7,639,915
Total revenues	<u>7,535,394</u>	<u>104,521</u>	<u>7,639,915</u>
OPERATING EXPENSES			
Supplies and materials	2,462,280	-	2,462,280
Administrative costs:			
Payroll costs	4,310,487	-	4,310,487
Professional and contracted services	392,480	-	392,480
Other operating costs	76,829	-	76,829
Depreciation	<u>110,618</u>	<u>-</u>	<u>110,618</u>
Total expenses	<u>7,352,694</u>	<u>-</u>	<u>7,352,694</u>
OPERATING INCOME (LOSS)	<u>182,700</u>	<u>104,521</u>	<u>287,221</u>
NONOPERATING REVENUES (EXPENSES)			
State programs	13,372	-	13,372
Federal programs	2,698,188	-	2,698,188
Transfer out	(1,930,831)	-	(1,930,831)
Total nonoperating revenues (expenses)	<u>780,729</u>	<u>-</u>	<u>780,729</u>
CHANGE IN NET POSITION	<u>963,429</u>	<u>104,521</u>	<u>1,067,950</u>
NET POSITION, BEGINNING	<u>1,996,410</u>	<u>305,720</u>	<u>2,302,130</u>
NET POSITION, ENDING	<u>\$ 2,959,839</u>	<u>\$ 410,241</u>	<u>\$ 3,370,080</u>

EANES INDEPENDENT SCHOOL DISTRICT

EXHIBIT D-3

COMBINING STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2022

	<u>Business-Type Activities Nonmajor Enterprise Funds</u>	<u>Governmental Activities Internal Service Fund</u>	<u>Total Proprietary Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from user charges	\$ 7,580,851	\$ 104,521	\$ 7,685,372
Cash payments to employees for services	(4,164,333)	-	(4,164,333)
Cash payments to suppliers for goods and services	(2,899,069)	-	(2,899,069)
Net cash provided (used) by operating activities	<u>517,449</u>	<u>104,521</u>	<u>621,970</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Cash paid to other funds	(2,247,128)	-	(2,247,128)
State programs	264,702	-	264,702
Federal Programs	2,621,407	-	2,621,407
Net cash provided by non-capital financing activities	<u>638,981</u>	<u>-</u>	<u>638,981</u>
NET INCREASE IN CASH AND EQUIVALENTS	<u>1,156,430</u>	<u>104,521</u>	<u>1,260,951</u>
CASH AND CASH EQUIVALENTS, BEGINNING	<u>1,988,945</u>	<u>305,720</u>	<u>2,294,665</u>
CASH AND CASH EQUIVALENTS, ENDING	<u>\$ 3,145,375</u>	<u>\$ 410,241</u>	<u>\$ 3,555,616</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Net operating income (loss)	\$ 182,700	\$ 104,521	\$ 287,221
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	110,618	-	110,618
(Increase) decrease in other receivables	(1,429,257)	-	(1,429,257)
(Increase) decrease in inventory	80,448	-	80,448
(Increase) decrease in prepaid items	1,268	-	1,268
Increase (decrease) in accounts payable	31,252	-	31,252
Increase (decrease) in payroll deductions and withholdings payable	(24,670)	-	(24,670)
Increase (decrease) in accrued wages payable	165,606	-	165,606
Increase (decrease) in unearned revenue	<u>1,399,484</u>	<u>-</u>	<u>1,399,484</u>
Net cash provided (used) by operating activities	<u>\$ 517,449</u>	<u>\$ 104,521</u>	<u>\$ 621,970</u>

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

JUNE 30, 2022

	<u>Private Purpose Trust</u>	<u>Custodial Funds</u>
ASSETS		
Cash and cash equivalents	\$ 57,811	\$ 261,919
Other receivables	-	228
Due from other funds	<u>5,525</u>	<u>-</u>
Total assets	<u>63,336</u>	<u>262,147</u>
LIABILITIES		
Accrued wages	-	106
Due to other funds	-	177
Due to other governments	<u>-</u>	<u>3,572</u>
Total liabilities	<u>-</u>	<u>3,855</u>
NET POSITION		
Held in trust for private purposes	63,336	-
Restricted for student groups	<u>-</u>	<u>258,292</u>
Total net position	<u>\$ 63,336</u>	<u>\$ 258,292</u>

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

FOR THE YEAR ENDED JUNE 30, 2022

	Private Purpose Trust	Custodial Funds
ADDITIONS		
Investment income	\$ 7,716	\$ -
Enterprising services	<u>-</u>	<u>25,253</u>
Total additions	<u>7,716</u>	<u>25,253</u>
DEDUCTIONS		
Scholarships provided	7,901	-
Other expenses	<u>-</u>	<u>18,814</u>
Total deductions	<u>7,901</u>	<u>18,814</u>
CHANGE IN NET POSITION	(185)	6,439
NET POSITION, BEGINNING	63,521	1,102
PRIOR PERIOD ADJUSTMENT	<u>-</u>	<u>250,751</u>
NET POSITION, ENDING	<u>\$ 63,336</u>	<u>\$ 258,292</u>

EANES INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

I. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

B. Government-wide and Fund Financial Statements

Government-wide Financial Statements: The statement of net position and the statement of activities include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

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

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

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

The District reports the following major governmental funds:

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

The **Debt Service Fund**: This fund includes debt service property taxes and other revenue collected to retire bond principal and interest as it becomes due. It is a budgeted fund.

The **Capital Projects Fund**: This governmental fund was established to account for proceeds from long-term debt financing and revenue and expenditures related to authorized construction and other capital asset acquisitions.

Other governmental funds include:

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than private-purpose trust funds or capital projects) such as federal, state, or locally financed programs. Funds are legally restricted to expenditures for specified purposes.

Capital Project Funds account for proceeds from long-term debt financing and revenue and expenditures related to authorized construction and other capital asset acquisitions.

In addition, the District reports the following proprietary funds:

Internal Service Funds. The District's only internal service fund accounts for self-insurance related to computer equipment. Operating revenues are charged to other funds and operating expenses include insurance claims and contracted services.

Enterprise Funds. The District uses five enterprise funds to account for its food service, community education, child development center, after school care, and facility rentals.

The District reports the following fiduciary funds:

Private-Purpose Trust Funds are used to report trust arrangements for scholarships under which principal and income benefit individuals or private organizations.

Custodial Funds account for activities of student groups. This accounting reflects the District's custodial relationship with student activity organizations.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-wide, Proprietary, and Fiduciary Fund Financial Statements: These financial statements are reported using the economic resources measurement focus and the accrual basis of accounting.

Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

When the District incurs an expenditure or expense for which both restricted and unrestricted resources may be used, it is the District's policy to use restricted resources first, then unrestricted resources.

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance

Cash and Cash Equivalents

For purposes of the statement of cash flows, highly liquid investments are considered to be cash equivalents if they have a maturity of three months or less when purchased.

Property Taxes

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

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

Inventories and Prepaid Items

Inventories of supplies on the balance sheet are stated at weighted average cost, while inventories of food commodities are recorded at market values supplied by the Texas Department of Human Services. Inventory items are recorded as expenditures when they are consumed. Supplies are used for almost all functions of activity, while food commodities are used only in the food service program. Although commodities are received at no cost, their fair market value is supplied by the Texas Department of Human Services and recorded as inventory and unearned revenue when received. When requisitioned, inventory and unearned revenue are relieved, expenditures are charged, and revenue is recognized for an equal amount. Inventories also include plant maintenance and operation supplies as well as instructional supplies.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. A capitalization threshold of \$5,000 is used. Donated capital assets are recorded at acquisition value, which is the price that would be paid to acquire an asset with equivalent service potential at the acquisition date.

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

Assets	Years
Buildings and improvements	10-50
Furniture and equipment	3-15
Right to use equipment	5-10

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has three items that qualify for reporting in this category. They are a deferred charge on refunding and deferred outflow related to TRS reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The item related to TRS represents the District's share of the unrecognized plan deferred outflow of resources which TRS uses in calculating the ending net pension and other post-employment benefit (OPEB) liabilities.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has three items that qualify for reporting in this category. A deferred inflow related to TRS is reported in the government-wide statement of net position. The District also has a type of inflow, which will arise only under a modified accrual basis of accounting that qualifies for reporting in this category. The governmental funds report unavailable revenues from property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available. The District also recognizes their share of the unrecognized TRS plan deferred inflows of resources which TRS uses in calculating the ending net pension and OPEB liabilities. These items are reported in the government-wide statement of net position. The District also has a deferred inflow related to future payments on long-term lease receivable.

Interfund Activity

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

Unearned Revenue

Unearned revenues represent revenues received by the District but not yet earned and are not available for use by the District to liquidate current year liabilities.

Compensated Absences

The State of Texas (the "State") has created a minimum sick leave program consisting of five days of sick leave per year with no limit on accumulation and transferability among districts for every person regularly employed in Texas public schools. Each district's local Board is required to establish a sick leave plan. Local school districts may provide additional sick leave beyond the state minimum. The District's policy is to reimburse teachers, upon resignation, who have been employed in the District for ten or more years for the number of unused local sick days equal to the number of remaining State days credited to the teacher since entering the District. Reimbursement is made at the daily rate of pay for a full-time substitute. The District's liability for accrued compensated absences as of June 30, 2022 was \$829,836 and is included in the government-wide financial statements. A liability is reported in governmental funds only if they matured, for example, as a result of employee resignations and retirements. Compensated absences are generally liquidated by the General Fund.

Long-term Obligations

General obligation bonds which have been issued to fund the District's capital projects are to be repaid from tax revenues of the District. In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the governmental activities Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

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

Leases

The District has entered into various lease agreements as either lessee and lessor. Key estimates and judgments related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

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

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

Lessee. The District is a lessee for noncancellable leases of equipment. The District recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Lessor. The District is a lessor in an arrangement allowing a local organization to use 26.4 acres of the District's property. In both the government-wide financial statements and the governmental fund financial statements, the District initially measures the lease receivable and a deferred inflow of resources for the present value of payments expected to be made during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments made. The deferred inflow of resources is recognized as revenue on a systematic basis over the life of the lease.

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. The District's proportionate share of the TRS net pension liability, deferred outflows of resources and deferred inflows of resources are reported in the statement of net position.

Other Post-Employment Benefits

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

Use of Estimates

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

Data Control Codes

Data Control Codes appear in the rows and above the columns of certain financial statements. The TEA requires the display of these codes in the financial statements filed with TEA in order to ensure accuracy in building a statewide database for policy development and funding plans.

Fund Balances – Governmental Funds

Fund balances of the governmental funds are classified as follows:

Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.

Restricted – includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

Committed – includes amounts that can be used only for specific purposes pursuant to constraints imposed by ordinance of the School Board, the District’s highest level of decision-making authority. These amounts cannot be used for any other purpose unless the School Board removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

Assigned – includes amounts that are constrained by the District’s intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the District’s Superintendent and Business Manager, as mentioned in the District’s fund balance policy.

Unassigned – All amounts not included in other spendable classifications.

Net Position Flow Assumption

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

Fund Balance Flow Assumptions

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

Data Control Codes

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

Change in Accounting Principle

GASB Statement No. 87, Leases, was adopted effective July 1, 2021. The statement addresses accounting and financial reporting for lease contracts. Statement No. 87 establishes standards for recognizing and measuring assets, liabilities, deferred outflows of resources, deferred inflows of resources, and revenues and expenses related to leases in the basic financial statements, in addition to requiring more extensive note disclosures. The adoption of this standard did not result in a restatement of beginning fund balance or net position, but assets and liabilities were recognized, and more extensive note disclosures were required.

II. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the District to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit. Statutes authorize the District to invest in (1) obligations of the U. S. Treasury, certain U. S. agencies, and the State of Texas; (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) Mutual Funds, (8) investment pools, (9) guaranteed investment contracts, and (10) common trust funds. The Act also requires the District to have independent auditors perform test procedures related to investment practices as provided by the Act. The District is in substantial compliance with the requirements of the Act and with local policies.

Interest Rate Risk

As a means of limiting its exposure to interest rate risk, the District diversifies its investments by security type and institution, and limits holdings in any one type of investment with any one issuer. The District coordinates its investment maturities to closely match cash flow needs and restricts the maximum investment term to less than one year from the purchase date. As of June 30, 2022, the District managed its interest rate risk as follows:

<u>Investment Type</u>	<u>Rating</u>	<u>Weighted Average Maturity (Days)</u>	<u>Reported Value</u>
Lone Star Investment Pool	AAAm	12	\$ 196,081,755
TexPool	AAAm	23	294,831
TexasDaily	AAAmmf	24	<u>2,621,426</u>
Total Investments			<u>\$ 198,998,012</u>
Portfolio weighted average maturity:		12	

Investments in local government investment pools are reported at net asset value per share, which approximates fair value. Money Market Deposits are reported at amortized cost.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. At year end, the District was not significantly exposed to credit risk.

At June 30, 2022, the District's investments, other than those which are obligations of or guaranteed by the U. S. Government, are rated as to credit quality as above.

Custodial Credit Risk

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the District's name.

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the District's name.

At year end, the District was not exposed to custodial credit risk.

Concentration of Credit Risk

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

Interest Rate Risk

This is the risk that changes in interest rates will adversely affect the fair value of an investment. At year end, the District was not exposed to interest rate risk.

Foreign Currency Risk

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

Investment Accounting Policy

The District's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

Public Funds Investment Pools

Public funds investment pools in Texas ("Pools") are established under the authority of the Interlocal Cooperation Act, Chapter 79 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment Act (the "Act"), Chapter 2256 of the Texas Government Code. In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires Pools to: 1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; 2) maintain a continuous rating of no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating service; and 3) maintain the market value of its underlying investment portfolio within 0.5% of the value of its shares.

B. Property Taxes

The Texas Legislature in 1979 adopted a comprehensive Property Tax Code (the "Code") which established a county-wide appraisal district and an appraisal review board in each county in the State. The Travis Central Appraisal District (the "Appraisal District") is responsible for the recording and appraisal of all property in the District. Under the Code, the Board sets the tax rates on property and the Travis County Tax Office provides tax collection services. The Appraisal District is required under the Code to assess property at 100% of its appraised value. Further, real property must be reappraised at least every three years. Under certain circumstances, taxpayers and taxing units, including the District, may challenge orders of the Appraisal Review Board through various appeals and, if necessary, legal action.

Property taxes are levied as of October 1 in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes and penalties and interest that are ultimately imposed. The assessed value as of January 1, 2021, upon which the October 2021 levy was based, was \$18,295,494,532. The District levied taxes based on a combined tax rate of \$1.0608 per \$100 of assessed valuation for local maintenance (general governmental services) and debt service.

The 86th session of the Texas Legislature convened in January 2019, with school finance reform as a critical priority. House Bill 3 (HB 3), passed by the 86th Texas Legislature, was one of the most transformative Texas education bills in recent history infusing more than \$11 billion into the public school system. HB 3 provided more money for Texas classrooms through an increase in the basic allotment for each student from \$5,140 to \$6,160, increased teacher compensation, funded free full-day Pre-K for eligible 4-year-olds, reduced the amount of money wealthy districts must spend to subsidize poor districts through the state's recapture program, and cut local property taxes for Texas taxpayers. In summary, HB 3 focused on four major policy areas: teacher support, improving student outcomes, increasing funding, and reduction and reform of property taxes and recapture.

HB 3 amended the Education Code to transfer certain sections from Chapter 41 to Chapter 49 and revised formulas used to determine excess local revenue under the Foundation School Program (FSB). The formula for recapture is now local revenue in excess of entitlement instead of wealth per weighted average daily attendance (WADA) basis. Under HB 3, recapture and non-recapture school districts are treated more equitably, and districts only pay tier one recapture on the amount above their formula entitlement. HB 3 modified local revenue subject to recapture to be local revenue in excess of entitlement and is calculated by subtracting a district's tier one entitlement (and credit for appraisal costs) from its available school fund (ASF) distribution and local fund assignment.

During the year ended June 30, 2022, the District's recapture liability was \$105,390,660. This amount was incorporated into the District's budget and was included in the due to other governments total on the balance sheet as of June 30, 2022. Under HB 3, districts have the option of making one lump-sum payment in August after the fiscal year ends. The payment option to submit seven equal payments from February through August remains unchanged. The District opted to make one lump-sum payment in August.

C. Due from Other Governments

The District participates in a variety of federal and state programs from which it receives grants to partially or fully finance certain activities. In addition, the District receives entitlements from the state through the School Foundation and Per Capita Programs. Amounts due from federal and state governments as of June 30, 2022, are summarized below.

	General Fund	Nonmajor Governmental Funds	Total
Per Capita entitlement	\$ 1,128,924	\$ -	\$ 1,128,924
Federal and state programs	<u>-</u>	<u>1,237,525</u>	<u>1,237,525</u>
	<u>\$ 1,128,924</u>	<u>\$ 1,237,525</u>	<u>\$ 2,366,449</u>

D. Interfund Receivables, Payables, and Transfers

Balances due to and due from other funds at June 30, 2022, consisted of the following:

Receivable Fund	Payable Fund	Amount	Purpose
General Fund	Capital Projects Fund	\$ 105,483	Temporary advances
General Fund	Nonmajor governmental funds	935,785	Temporary advances
General Fund	Nonmajor enterprise funds	25	Temporary advances
Debt Service Fund	General Fund	13,899	Temporary advances
Capital Projects Fund	Nonmajor governmental funds	34,881	Temporary advances
Nonmajor governmental funds	Nonmajor governmental funds	500,860	Temporary advances
Private Purpose Trust Fund	General Fund	5,348	Temporary advances
Private Purpose Trust Fund	Custodial funds	177	Temporary advances
		<u>\$ 1,596,458</u>	

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

The following is a summary of the District's transfers for the year ended June 30, 2022.

Transfers Out	Transfers In	Amount	Purpose
Nonmajor governmental funds	Nonmajor governmental funds	\$ 3,617,466	To supplement fund resources
Nonmajor enterprise funds	General fund	<u>1,930,831</u>	To supplement fund resources
Total		<u>\$ 5,548,297</u>	

E. Other Receivables

Lease Receivable

On July 1, 2021, the District entered into a 617-month lease as lessor for the use of 26.4 acres of land. The lessee is required to make monthly fixed payments of \$5,000, and the District recognized lease revenue of \$18,491 during the fiscal year.

A summary of the governmental activities lease receivable as of June 30, 2022, is as follows:

Purpose of Lease	Interest Rate	Initial Year of Lease	Amount of Initial Lease Receivable	Interest Current Year	Amounts Receivable 06/30/22	Amounts Receivable Within One Year
Right to Use:						
Land	1.555%	2022	\$ 1,494,367	\$ 22,675	\$ 1,475,876	\$ 28,415
Totals				<u>\$ 22,675</u>	<u>\$ 1,475,876</u>	<u>\$ 28,415</u>

F. Capital Assets

Capital asset activity for the year ended June 30, 2022, was as follows:

	Beginning Balance	Increases	Decreases	Adjustments/ Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 21,215,260	\$ -	\$ -	\$ -	\$ 21,215,260
Construction in progress	<u>18,172,730</u>	<u>5,042,349</u>	<u>-</u>	<u>(5,251,817)</u>	<u>17,963,262</u>
Total capital assets, not being depreciated	<u>39,387,990</u>	<u>5,042,349</u>	<u>-</u>	<u>(5,251,817)</u>	<u>39,178,522</u>
Capital assets, being depreciated:					
Buildings and improvements	283,201,010	8,000,591		3,175,428	294,377,029
Furniture and equipment	42,318,861	3,558,008	(47,982)	2,076,389	47,905,276
Right to use equipment	<u>-</u>	<u>25,128</u>	<u>-</u>	<u>-</u>	<u>25,128</u>
Total capital assets, being depreciated	<u>325,519,871</u>	<u>11,583,727</u>	<u>(47,982)</u>	<u>5,251,817</u>	<u>342,307,433</u>
Less accumulated depreciation for:					
Buildings and improvements	(145,962,904)	(9,174,678)	-	-	(155,137,582)
Furniture and equipment	(31,309,355)	(4,300,157)	47,982	-	(35,561,530)
Right to use equipment	<u>-</u>	<u>(7,243)</u>	<u>-</u>	<u>-</u>	<u>(7,243)</u>
Total accumulated depreciation	<u>(177,272,259)</u>	<u>(13,482,078)</u>	<u>47,982</u>	<u>-</u>	<u>(190,706,355)</u>
Total capital assets, being depreciated, net	<u>148,247,612</u>	<u>(1,898,351)</u>	<u>-</u>	<u>5,251,817</u>	<u>151,601,078</u>
Governmental activities capital assets, net	<u>\$ 187,635,602</u>	<u>\$ 3,143,998</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 190,779,600</u>
	Beginning Balance	Increases	Decreases	Adjustments/ Transfers	Ending Balance
Business-Type activities:					
Capital assets, not being depreciated:					
Land	\$ 9,625	\$ -	\$ -	\$ -	\$ 9,625
Total capital assets, not being depreciated	<u>9,625</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,625</u>
Capital assets, being depreciated:					
Buildings and improvements	174,927	-	-	-	174,927
Furniture and equipment	<u>1,893,926</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,893,926</u>
Total capital assets, being depreciated	<u>2,068,853</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,068,853</u>
Less accumulated depreciation for:					
Buildings and improvements	(130,569)	(3,684)	-	-	(134,253)
Furniture and equipment	(1,198,135)	(106,934)	-	-	(1,305,069)
Total accumulated depreciation	<u>(1,328,704)</u>	<u>(110,618)</u>	<u>-</u>	<u>-</u>	<u>(1,439,322)</u>
Total capital assets, being depreciated, net	<u>740,149</u>	<u>(110,618)</u>	<u>-</u>	<u>-</u>	<u>629,531</u>
Business-Type activities capital assets, net	<u>\$ 749,774</u>	<u>\$ (110,618)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 639,156</u>

Governmental activities:

Instruction	\$ 11,490,498
Instruction Resources & Media Services	497,221
Instructional Leadership	48,509
School Leadership	218,292
Guidance Counseling & Evaluation Services	84,891
Health Services	40,425
Student Transportation	43,119
Food Services	230,420
Cocurricular/Extracurricular Activities	35,035
General Administration	144,181
Plant Maintenance & Operations	<u>649,487</u>
Total depreciation expense - governmental activities	<u>\$ 13,482,078</u>

Business-type activities:

Community services	\$ 3,684
Food services	<u>106,934</u>
Total depreciation expense - business-type activities	<u>\$ 110,618</u>

G. Long-Term Obligations

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended June 30, 2022, are as follows:

	Beginning Balance	Increases	Decreases	Adjustments	Ending Balance	Due Within One Year
Governmental activities:						
General obligation bonds	\$ 145,530,000	\$ -	\$ 15,880,000	\$(940,000)	\$ 130,590,000	\$ 16,260,000
Capital leases	-	25,128	6,718	-	18,410	9,119
Bond premium/discount	16,900,794	-	1,627,038	-	15,273,756	-
Accretion on CAB's	883,496	56,504	940,000	-	-	-
Compensated absences	<u>816,722</u>	<u>324,516</u>	<u>311,402</u>	<u>-</u>	<u>829,836</u>	<u>-</u>
Total governmental activities	<u>\$ 164,131,012</u>	<u>\$ 406,148</u>	<u>\$ 18,765,158</u>	<u>\$(940,000)</u>	<u>\$ 146,712,002</u>	<u>\$ 16,269,119</u>

For the general obligation bonds, the District has pledged as collateral the proceeds of a continuing, direct annual tax levied against taxable property within the District without limitation as to rate. The Texas Education Code generally limits issuance of additional ad valorem tax bonds if the tax rate needed to pay aggregate principal and interest amounts of the District's tax bond indebtedness exceeds \$0.50 per \$100 of assesses valuation of taxable property within the District. The District currently has a debt service tax rate of \$0.12. The following tables display total principal debt outstanding by issuance as of year-end.

Date of Issue	Description	Interest Rates	Original Issue	Final Maturity Date	Debt Principal	Current Portion
6/27/2013	2013 Refunding	2.00 - 3.00%	\$ 8,590,000	2025	\$ 8,765,000	\$ 85,000
7/28/2015	2015A School Building	2.00 - 5.00%	48,080,000	2032	21,440,000	4,250,000
7/28/2015	2015B Refunding	2.00 - 5.00%	24,005,000	2023	4,135,000	4,135,000
9/21/2016	2016 Refunding	2.00 - 4.00%	8,390,000	2031	7,235,000	685,000
12/21/2017	2017 Refunding	2.00 - 4.00%	8,725,000	2031	8,495,000	555,000
9/12/2019	2019A School Building	2.00 - 5.00%	46,550,000	2036	43,905,000	5,175,000
9/12/2019	2019B Variable School Building	1.75 - 7.00%	14,930,000	2040	14,930,000	-
9/9/2020	2020A Variable School Building and Refunding	3.00 - 7.00%	18,455,000	2041	15,405,000	1,340,000
9/9/2020	2020T Taxable School Building	1.26 - 5.00%	<u>6,325,000</u>	2041	<u>6,280,000</u>	<u>35,000</u>
Total Bonds Payable			<u>\$ 184,050,000</u>		<u>\$ 130,590,000</u>	<u>\$ 16,260,000</u>

Debt service requirements on long-term debt at June 30, 2022, are as follows:

Year Ending June 30,	Governmental Bonds		Total Requirements
	Principal	Interest	
2023	\$ 16,260,000	\$ 4,678,142	\$ 20,938,142
2024	12,375,000	5,009,692	17,384,692
2025	12,675,000	3,610,367	16,285,367
2026	7,285,000	3,618,729	10,903,729
2027	7,635,000	3,664,417	11,299,417
2028-2032	39,950,000	12,735,325	52,685,325
2033-2037	20,185,000	6,622,528	26,807,528
2038-2041	14,225,000	1,410,272	15,635,272
	<u>\$ 130,590,000</u>	<u>\$ 41,349,470</u>	<u>\$ 171,939,470</u>

The Series 2019B Bonds are variable interest bonds and will bear interest at a per annum rate of 1.75% through July 31, 2025. Thereafter, the bonds will bear interest at a rate or rates determined by the remarketing agent as provided in the bond order

Defeased Debt

In prior years, the District defeased unlimited tax school building bonds by placing the proceeds of the net bonds in an irrevocable trust account to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liability for the defeased bonds are not included in the government's financial statements. At June 30, 2022 the District had no defeased bonds outstanding.

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

Lease Payable

The District entered into a 36-month lease as lessee for the right to use of an office mail system through Pitney Bowes. The lease covers one office mail system and the District is required to make a fixed quarterly payment of \$2,350.

A summary of the governmental activities long-term lease payable as of June 30, 2022, is as follows:

Purpose of Lease	Interest Rate	Initial Year of Lease	Amount of Initial Lease Liability	Interest Current Year	Amounts Outstanding 06/30/22	Amounts Due Within One Year
Right to Use:						
Office mail system	1.894%	2022	\$ 25,128	\$ 333	\$ 18,410	\$ 9,119
Totals				\$ 333	\$ 18,410	\$ 9,119

Principal and interest requirements to maturity are as follows:

Year Ending June 30,	Lease Payable		Total Requirements
	Principal	Interest	
2023	\$ 9,119	\$ 283	\$ 9,402
2024	9,291	110	9,401
Totals	<u>\$ 18,410</u>	<u>\$ 393</u>	<u>\$ 18,803</u>

Risk Management

The District is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. During fiscal year 2022, the District purchased commercial insurance to cover general liabilities. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

H. Defined Benefit Pension Plan

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

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

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

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

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

Employee contribution rates are set in state statute, Texas Government Code 825.402. The TRS Pension Reform Bill (Senate Bill 12) of the 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	
	2021	2022
Member	7.7%	8.0%
Non-Employer Contributing Entity (State)	7.5%	7.75%
Employers	7.5%	7.75%
Current fiscal year employer contributions		\$ 1,851,035
Current fiscal year member contributions		4,767,660
2021 measurement year NECE on-behalf contributions		3,550,936

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

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

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

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

- All public schools, charter schools, and regional educational service centers must contribute 1.6 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.
- When a school district or charter school does not contribute to the Federal Old-Age, Survivors and Disability Insurance (OASDI) Program for certain employees, they must contribute 1.5% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.

Actuarial Assumptions. The total pension liability in the August 31, 2020 actuarial evaluation was rolled forward to August 31, 2021, and was determined using the following actuarial assumptions:

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%
Inflation	2.30%
Salary Increases including Inflation	3.05 to 9.05%
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.

Discount Rate

A single discount rate of 7.25% was used to measure the total pension liability. The single discount rate was based on the expected rate of return on plan investments of 7.25%. 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% of payroll in fiscal year 2020 gradually increasing to 9.55% of payroll over the next several years. This includes all employer and state contributions for active and rehired retirees.

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

The long-term rate of return on pension plan investments is 7.25%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2021 are summarized below:

Asset Class ¹	Target Allocation ²	Long-Term Expected Geometric Real Rate of Return ³	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
U.S.	18.00%	3.60%	0.94%
Non-U.S. Developed	13.00%	4.40%	0.83%
Emerging Markets	9.00%	4.60%	0.74%
Private Equity	14.00%	6.30%	1.36%
Stable Value			
Government Bonds	16.00%	-0.20%	0.01%
Absolute Return	0.00%	1.10%	0.00%
Stable Value Hedge Funds	5.00%	2.20%	0.12%
Real Return			
Real Estate	15.00%	4.50%	1.00%
Energy, Natural Resources and Commodities	6.00%	4.70%	0.35%
Commodities	0.00%	1.70%	0.00%
Risk Parity			
Risk Parity	8.00%	2.80%	0.28%
Leverage			
Cash	2.00%	-0.70%	-0.01%
Asset Allocation Leverage	-6.00%	-0.50%	0.03%
Inflation Expectation			2.20%
Volatility Drag ⁴			-0.95%
Expected Return	100.00%		6.90%

¹ Absolute Return includes Credit Sensitive Investments.

² Target allocations are based on the FY2021 policy model.

³ Capital Market Assumptions come from Aon Hewitt (as of 8/31/2021).

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

Discount Rate Sensitivity Analysis. The following schedule shows the impact of the net pension liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (7.25%) in measuring the Net Pension Liability.

	1% Decrease in Discount Rate (6.25%)	Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
District's proportionate share of the net pension liability:	\$ 21,742,393	\$ 9,950,029	\$ 382,843

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

At June 30, 2022, the District reported a liability of \$9,950,029 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's Proportionate share of the collective net pension liability	\$	9,950,029
State's proportionate share that is associated with the District		<u>21,190,464</u>
Total	\$	<u>31,140,493</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 0.0390711111%. which was a decrease of 0.0012912247% 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 year ended June 30, 2022, the District recognized pension expense of \$991,163 and revenue of \$84,717 for support provided by the State.

At June 30, 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 economic experience	\$ 16,651	\$ 700,490
Changes in actuarial assumptions	3,517,141	1,533,172
Differences between projected and actual investment earnings	-	8,342,970
Changes in proportion and differences between the employer's contributions and the proportionate share of contributions	651,550	1,837,833
Contributions paid to TRS subsequent to the measurement date	<u>1,536,156</u>	<u>-</u>
Total as of year-end	<u>\$ 5,721,498</u>	<u>\$ 12,414,465</u>

\$1,536,156 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the Total Pension Liability for the year ending June 30, 2023. Other amounts of the employer's balances of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

For the Year Ended June 30:	Pension Expense
2023	\$(1,181,078)
2024	(1,527,060)
2025	(2,346,034)
2026	(2,885,670)
2027	(240,684)
Thereafter	(48,597)

I. Defined Other Post-Employment Benefit Plans

Plan Description. The District participates in the Texas Public School Retired Employees Group Insurance Program (TRS-Care). It is a multiple-employer, cost-sharing defined Other Post-Employment Benefit (OPEB) plan with a special funding situation. The TRS-Care program was established in 1986 by the Texas Legislature.

The TRS Board of Trustees administers the TRS-Care program and the related fund in accordance with Texas Insurance Code Chapter 1575. The Board of Trustees is granted the authority to establish basic and optional group insurance coverage for participants as well as to amend benefit terms as needed under Chapter 1575.052. The Board may adopt rules, plans, procedures, and orders reasonably necessary to administer the program, including minimum benefits and financing standards.

OPEB Plan Fiduciary Net Position. Detail information about the TRS-Cares 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 TRS website at www.trs.state.tx.us; by writing to TRS at 1000 Red River Street, Austin, TX 78701-2698; or by calling (512) 542-6592.

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

Eligible non-Medicare retirees and their dependents may enroll in TRS-Care Standard, a high-deductible health plan. Eligible Medicare retirees and their dependents may enroll in the TRS-Care Medicare Advantage medical plan and the TRS-Care Medicare Rx prescription drug plan. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in the TRS pension system. There are no automatic post-employment benefit changes; including automatic COLAs.

The premium rates for the optional health insurance are based on years of service of the member. The schedule below shows the monthly rates for a retiree with and without Medicare coverage.

	TRS-Care Monthly for Retirees	
	Medicare	Non-Medicare
Retiree*	\$ 135	\$ 200
Retiree and Spouse	529	689
Retiree* and Children	468	408
Retiree and Family	1,020	999

* or surviving spouse

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

Texas Insurance Code, section 1575.202 establishes the state's contribution rate which is 1.25% of the employee's salary. Section 1575.203 establishes the active employee's rate which is 0.65% of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25% or not more than 0.75% of the salary of each active employee of the public. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act. The following table shows contributions to the TRS-Care plan by type of contributor.

	Contributions Rates	
	2021	2022
Active employee	0.65%	0.65%
Non-Employer Contributing Entity (State)	1.25%	1.25%
Employers	0.75%	0.75%
Federal/Private Funding Remitted by Employers	1.25%	1.25%
Current fiscal year employer contributions		\$ 475,994
Current fiscal year member contributions		389,825
2021 measurement year NECE on-behalf contributions		615,118

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

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

Actuarial Assumptions. The total OPEB liability in the August 31, 2020 actuarial valuation was rolled forward to August 31, 2021. 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. All the demographic assumptions, including rates of retirement, termination, and disability, and most of the economic assumptions, including general inflation and salary increases, used in the OPEB valuation were identical to those in the respective TRS pension valuation. The demographic assumptions were developed in the experience study performed for TRS for the period ending August 31, 2017.

The following assumptions and other inputs used for members of TRS-Care 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	General Inflation
Rates of Retirement	Wage Inflation
Rates of Termination	Expected Payroll Growth
Rates of Disability	

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 most recently published scale (U-MP).

Additional Actuarial Methods and Assumptions

Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Discount Rate	1.95% as if August 31, 2021
Aging Factors	Based on plan specific experience.
Expenses	Third-Party Administrative expenses related to the deliver of health care benefits are included in the age-adjusted claims costs
Projected Salary Increases	3.05% to 9.05%
Election Rates	Normal Retirement 65% participation prior to age 65 and 50% after age 65. 25% of pre-65 retirees are assumed to discontinue coverage at 65
Ad hoc post-employment benefit changes	None
Payroll growth rate	3.00%
Healthcare Trend Rates	4.25% to 8.5%

Discount Rate. A single discount rate of 1.95% was used to measure the total OPEB liability. There was an decrease of 0.38% in the discount rate since the previous year. Because the plan is essentially a “pay-as-you-go” plan, the single discount rate is equal to the prevailing municipal bond rate. The projection of cash flows used to determine the discount rate assumed that contributions from active members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, the municipal bond rate was 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 municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds.

Discount Rate Sensitivity Analysis. The following schedule shows the impact of the Net OPEB Liability if the discount rate used was 1% less than 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 net OPEB liability	\$ 27,345,076	\$ 22,669,861	\$ 18,990,315

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs. At June 30, 2022, the District reported a liability of \$22,669,861 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	\$ 22,669,861
State's proportionate share that is associated with the District	<u>30,372,562</u>
Total	<u>\$ 53,042,423</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 District's proportion of the net OPEB liability was based on the District's contributions to their OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2020 through August 30, 2021.

At August 31, 2021 the employer’s proportion of the collective Net OPEB Liability was 0.0587690816% which was a decrease of 0.0024181879% from its proportion measured as of August 31, 2020.

Healthcare Cost Trend Rates Sensitivity Analysis. The following schedule shows the impact of the Net OPEB Liability if a healthcare trend rate that is 1% less than and 1% greater than the assumed healthcare cost trend rate used.

	1% Decrease	Current Single Healthcare Trend Rate	1% Increase
Proportionate share of net OPEB liability	\$ 18,361,836	\$ 22,669,861	\$ 28,450,160

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

- The discount rate changed from 2.33% as of August 30, 2020 to 1.95% as of August 30, 2021. This change increased the TOL.

For the year ended June 30, 2022, the District recognized OPEB expense of \$(2,018,016) and revenue of \$(1,120,980) for support provided by the State.

At June 30, 2022, 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	\$ 976,045	\$ 10,973,799
Changes in actuarial assumptions	2,510,953	4,794,256
Differences between projected and actual investment earnings	24,612	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	1,396,235	2,389,273
Contributions paid to OPEB subsequent to the measurement date	<u>392,083</u>	<u>-</u>
Total as of fiscal year-end	<u>\$ 5,299,928</u>	<u>\$ 18,157,328</u>

\$392,083 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction for the Total OPEB Liability for the year ending June 30, 2023. Other amounts of the employer's balances of deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

For the Year Ended June 30,	OPEB Expense
2023	\$(2,435,060)
2024	(2,435,615)
2025	(2,435,463)
2026	(1,838,733)
2027	(1,030,863)
Thereafter	(3,073,749)

J. Negative Operating Grants and Contributions – Statement of Activities

OPEB benefit plans with a special funding situation where non-employer contributing entities (NECE) also participate in contributions to the plans. TRS-retirement and TRS-care benefit plans are both costs-sharing plans with special funding situations. Therefore, on-behalf expense activity of the NECE must be recorded at the government-wide level of reporting on the Statement of Activities in accordance with GASB 68 and 75.

During the year under audit, the NECE expense was negative due to changes in actuarial assumptions within the TRS-care plan. The accrual for the proportionate share of that expense was a negative on-behalf revenue and negative on-behalf expense. This resulted in a decrease to revenue for operating grants and contributions on the Statement of Activities. According to guidance provided directly from GASB, this is the correct reporting.

Following are the effects on the Statement of Activities as a result of the negative on-behalf accrual recorded:

	Operating Grants and Contributions	Negative On-Behalf Accruals	Operating Grants and Contributions (excluding on- behalf accruals)
11 - Instruction	\$ 1,845,712	\$(690,036)	\$ 2,535,748
12 - Instructional resources and media services	(7,276)	(11,060)	3,784
13 - Curriculum and staff development	92,671	(25,950)	118,621
21 - Instructional leadership	20,028	(19,258)	39,286
23 - School leadership	(34,717)	(57,832)	23,115
31 - Guidance, counseling, and evaluation services	1,029,800	(30,246)	1,060,046
32 - Social work services	(705)	(1,072)	367
33 - Health services	10,961	(11,436)	22,397
34 - Student transportation	(2,187)	(33,959)	31,772
35 - Food service	(18,318)	(27,844)	9,526
36 - Extracurricular activities	(21,036)	(32,409)	11,373
41 - General administration	(11,841)	(37,232)	25,391
51 - Facilities and maintenance and operations	255,568	(78,498)	334,066
52 - Security and monitoring services	(1,927)	(2,931)	1,004
53 - Data processing services	(15,312)	(23,276)	7,964
61 - Community services	(21,823)	(37,941)	16,118
72 - Bond issuance costs and fees	72,766	-	72,766
	<u>\$ 3,192,364</u>	<u>\$(1,120,980)</u>	<u>\$ 4,313,344</u>

K. Medicare Part D – On-behalf Payments

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, which was effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. These on-behalf payments of \$253,720, \$263,481 and \$287,037 were recognized for the years ended June 30, 2022, 2021 and 2020, respectively, as equal revenues and expenditures.

L. Employee Health Care Coverage

During the year ended June 30, 2022, employees of the District were covered by a health insurance plan. The District contributed \$473 per month per employee to the plan, and employees, at their option, authorized payroll withholdings to pay contributions or premiums for dependents. All contributions were paid to a licensed insurer. The plan was authorized by Section 21.922, Texas Education Code and was documented by contractual agreement.

M. Commitments and Contingencies

Construction Commitments

The District has entered into various construction contracts for the construction, expansion, and improvement of school facilities, funded by the issuance bonded debt. As of June 30, 2022, the District is committed under construction contracts with a remaining balance of \$5,337,180.

Contingencies

The District participates in a number of federal financial assistance programs. Although the District grant programs have been audited in accordance with the provisions of the Uniform Guidance through June 30, 2022, these programs are subject to financial and compliance audits. The amounts, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

In September 2014, the District entered into an agreement to lease property to a company who planned to develop a multi-purpose indoor athletic center (the "facility") to benefit both the District's students and the community at-large. The District has the right to use the facility during the school day, and if necessary, terminate the lease if the property is needed for future instructional purposes or for reasons of financial exigency. The facility opened in December 2015 and expected annual future lease income to the District is as follows:

<u>Year Ended June 30,</u>	<u>Lease Income</u>
2026-2030	\$ 282,265
2031-2035	352,472
2036-2040	398,790
2041-2045	451,194
2046-2050	510,484
2051-2055	577,566
2056-2060	653,462
2061-2065	739,333
2066	<u>78,587</u>
Total	<u>4,044,153</u>

N. Significant Forthcoming Standards

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* – The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. GASB 94 will be implemented in fiscal year 2023 and the impact has not yet been determined.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* – This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset-an intangible asset-and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. GASB 96 will be implemented in fiscal year 2023 and the impact has not yet been determined.

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

GASB Statement No. 101, *Compensated Absences* - The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement will become effective for reporting periods beginning after December 15, 2023, and the impact has not yet been determined.

REQUIRED SUPPLEMENTARY INFORMATION

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EANES INDEPENDENT SCHOOL DISTRICT

EXHIBIT G-1

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

FOR THE YEAR ENDED JUNE 30, 2022

Data Control Codes	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	
	Original	Final			
REVENUES					
5700	Local and intermediate sources	\$ 176,232,835	\$ 176,325,151	\$ 176,576,808	\$ 251,657
5800	State programs	6,246,214	8,726,959	8,606,805	(120,154)
5900	Federal programs	630,000	630,000	626,574	(3,426)
5020	Total revenues	<u>183,109,049</u>	<u>185,682,110</u>	<u>185,810,187</u>	<u>128,077</u>
EXPENDITURES					
Current:					
0011	Instruction	49,402,920	49,280,507	47,960,040	1,320,467
0012	Instructional resources and media sources	925,270	895,017	859,066	35,951
0013	Curriculum and staff development	1,944,455	1,816,383	1,630,850	185,533
0021	Instructional leadership	1,604,775	1,632,184	1,566,616	65,568
0023	School leadership	4,111,145	4,165,026	4,062,768	102,258
0031	Guidance, counseling, and evaluation services	2,336,759	2,341,877	2,201,727	140,150
0032	Social work services	134,807	95,302	77,127	18,175
0033	Health services	805,615	839,513	778,142	61,371
0034	Student transportation	2,394,904	2,405,404	2,284,743	120,661
0035	Food service	228,215	229,715	220,243	9,472
0036	Extracurricular activities	2,806,658	3,284,755	3,208,691	76,064
0041	General administration	3,714,956	4,144,456	3,975,628	168,828
0051	Facilities maintenance and operations	8,807,825	8,954,600	8,602,099	352,501
0052	Security and monitoring services	584,303	657,270	644,899	12,371
0053	Data processing services	1,967,897	1,999,237	1,921,563	77,674
0061	Community services	187,705	276,173	270,293	5,880
Debt service:					
0071	Principal on long-term debt	-	-	6,718	(6,718)
0072	Interest on long-term debt	-	-	333	(333)
Intergovernmental:					
0091	Constructed instructional services between schools	102,556,577	106,073,521	105,388,313	685,208
0099	Other intergovernmental charges	830,000	830,000	743,976	86,024
6030	Total expenditures	<u>185,344,786</u>	<u>189,920,940</u>	<u>186,403,835</u>	<u>3,517,105</u>
1100	EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(2,235,737)</u>	<u>(4,238,830)</u>	<u>(593,648)</u>	<u>3,645,182</u>
OTHER FINANCING SOURCES (USES)					
7915	Transfers in	1,225,000	1,862,000	1,930,831	68,831
7913	Issuance of lease	-	-	25,128	25,128
7080	Total other financing sources (uses)	<u>1,225,000</u>	<u>1,862,000</u>	<u>1,955,959</u>	<u>93,959</u>
1200	NET CHANGE IN FUND BALANCES	<u>(1,010,737)</u>	<u>(2,376,830)</u>	<u>1,362,311</u>	<u>3,739,141</u>
0100	FUND BALANCES, BEGINNING	<u>25,360,266</u>	<u>25,360,266</u>	<u>25,360,266</u>	<u>-</u>
3000	FUND BALANCES, ENDING	<u>\$ 24,349,529</u>	<u>\$ 22,983,436</u>	<u>\$ 26,722,577</u>	<u>\$ 3,739,141</u>

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHER RETIREMENT SYSTEM

FOR THE YEAR ENDED JUNE 30, 2022

Measurement period ended August 31,	<u>2021</u>	<u>2020</u>
District's Proportion of the Net Pension Liability (Asset)	0.0391%	0.0404%
District's Proportionate Share of Net Pension Liability (Asset)	\$ 9,950,029	\$ 21,617,244
States Proportionate Share of the Net Pension Liability (Asset) associated with the District	<u>21,190,464</u>	<u>46,228,966</u>
Total	<u>\$ 31,140,493</u>	<u>\$ 67,846,210</u>
District's Covered Payroll	\$ 58,797,608	\$ 59,745,318
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered Payroll	16.92%	36.18%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	88.79%	75.54%

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

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
0.0442%	0.0452%	0.0441%	0.0415%	0.0370%	0.0176%
\$ 22,957,008	\$ 24,861,863	\$ 14,093,471	\$ 15,681,221	\$ 13,072,609	\$ 4,711,113
<u>43,835,134</u>	<u>47,149,661</u>	<u>28,271,338</u>	<u>33,818,224</u>	<u>36,291,494</u>	<u>31,802,422</u>
\$ <u>66,792,142</u>	\$ <u>72,011,524</u>	\$ <u>42,364,809</u>	\$ <u>49,499,445</u>	\$ <u>49,364,103</u>	\$ <u>36,513,535</u>
\$ 57,205,331	\$ 55,448,500	\$ 54,265,804	\$ 51,984,296	\$ 50,738,468	\$ 50,417,291
40.13%	44.84%	25.97%	30.17%	25.76%	9.34%
75.24%	73.74%	82.17%	78.00%	78.43%	83.25%

EANES INDEPENDENT SCHOOL DISTRICT**EXHIBIT G-3**SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
TEACHER RETIREMENT SYSTEM

FOR THE YEAR ENDED JUNE 30, 2022

Fiscal year ended June 30,	<u>2022</u>	<u>2021</u>
Contractually Required Contribution	\$ 1,851,035	\$ 1,647,920
Contribution in Relation to the Contractually Required Contribution	(<u>1,851,035</u>)	(<u>1,647,920</u>)
Contribution Deficiency (Excess)	\$ <u>-</u>	\$ <u>-</u>
District's Covered Payroll	\$ 59,976,534	\$ 58,774,677
Contributions as a percentage of Covered Payroll	3.09%	2.80%

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

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 1,657,978	\$ 1,553,401	\$ 1,506,638	\$ 1,405,880	\$ 1,295,836	\$ 1,010,184
(1,657,978)	(1,553,401)	(1,506,638)	(1,405,880)	(1,295,836)	(1,010,184)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 59,583,363	\$ 56,750,174	\$ 55,125,221	\$ 54,415,813	\$ 51,052,365	\$ 50,825,694
2.78%	2.74%	2.73%	2.58%	2.54%	1.99%

EANES INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET OPEB LIABILITY
TEACHER RETIREMENT SYSTEM

FOR THE YEAR ENDED JUNE 30, 2022

Measurement period ended August 31,	<u>2021</u>	<u>2020</u>
District's proportion of the net OPEB liability (asset)	0.0588%	0.0612%
District's proportionate share of the net OPEB liability (asset)	\$ 22,669,861	\$ 23,260,044
State's proportionate share of the net OPEB liability (asset) associated with the District	<u>30,372,562</u>	<u>31,255,924</u>
Total	\$ <u>53,042,423</u>	\$ <u>54,515,968</u>
District's covered-employee payroll	\$ 58,797,608	\$ 59,745,318
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	38.56%	38.93%
Plan fiduciary net position as a percentage of the total OPEB liability	6.18%	4.99%

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

<u>2019</u>	<u>2018</u>	<u>2017</u>
0.0626%	0.0635%	0.0594%
\$ 29,611,390	\$ 31,701,409	\$ 25,842,771
<u>39,346,912</u>	<u>49,250,792</u>	<u>44,307,983</u>
\$ <u>68,958,302</u>	\$ <u>80,952,201</u>	\$ <u>70,150,754</u>
\$ 57,205,331	\$ 55,448,500	\$ 54,265,804
51.76%	57.17%	47.62%
2.66%	1.57%	0.91%

EANES INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF DISTRICT'S OPEB CONTRIBUTIONS
TEACHER RETIREMENT SYSTEM

FOR THE YEAR ENDED JUNE 30, 2022

Fiscal year ended June 30,	<u>2022</u>	<u>2021</u>
Contractually required contribution	\$ 475,994	\$ 440,843
Contributions in relation to the contractually required contribution	<u>(475,994)</u>	<u>(440,843)</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>
District's covered-employee payroll	\$ 59,976,534	\$ 58,774,677
Contribution as a percentage of covered-employee payroll	0.79%	0.75%

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

<u>2020</u>	<u>2019</u>	<u>2018</u>
\$ 446,863	\$ 425,592	\$ 395,299
(<u>446,863</u>)	(<u>425,592</u>)	(<u>395,299</u>)
\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
\$ 59,583,363	\$ 56,750,174	\$ 55,125,221
0.75%	0.75%	0.72%

EANES INDEPENDENT SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED JUNE 30, 2022

Budgetary Information

The Board of Trustees adopts an "appropriated budget" for the General Fund, the Child Nutrition Fund, and the Debt Service, which is included in the Nonmajor Enterprise Funds.

The District is required to present the adopted and final amended budgeted revenue and expenditures for each of these funds. The District compares the final amended budget to actual revenue and expenditures. The General Fund Budget is presented at Exhibit G-1 and the Child Nutrition and the Debt Service Funds are presented at Exhibit J-2 and J-3.

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

1. Prior to June 20, the District prepares a budget for the next succeeding fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Board is then called for the purpose of adopting the proposed budget. At least 10 days' public notice of the meeting must be given.
3. Prior to June 30, the budget is legally enacted through passage of a resolution by the Board. Once a budget is approved, it can only be amended at the function and fund level by approval of a majority of the members of the Board. Amendments are presented to the Board at its regular meetings. Each amendment must have Board approval. As required by law, such amendments made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year-end. Because the District has a policy of careful budgetary control, several amendments were necessary during the year. However, none of these were significant.
4. Each budget is controlled by the budget coordinator at the revenue and expenditure function/object level. Budgeted amounts are as amended by the Board. All budget appropriations lapse at year-end.
5. Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under Texas law, appropriations lapse at June 30, and encumbrances outstanding at that time are to be either canceled or appropriately provided for in the subsequent year's budget. The District had outstanding encumbrances of \$489,114 at year-end.

Excess of Expenditures over Budgeted Appropriations

During Fiscal Year 2022, expenditures exceeded appropriations in the Principal on Long Term Debt and Interest on Long Term Debt functions within the General Fund by \$6,718 and \$333, respectively. This overage resulted from the implementation of GASB Statement No. 87, *Leases*. These overages were offset by budget savings within the remaining functions.

COMBINING STATEMENTS

EANES INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2022

Data Control Codes		Special Revenue Funds	Capital Project Funds	Total Nonmajor Governmental Funds
ASSETS				
1110	Cash and cash equivalents	\$ 2,587,244	\$ 6,558,846	\$ 9,146,090
1240	Due from other governments	1,237,525	-	1,237,525
1260	Due from other funds	-	500,860	500,860
1410	Prepaid items	<u>2,721</u>	<u>-</u>	<u>2,721</u>
1000	Total assets	<u>3,827,490</u>	<u>7,059,706</u>	<u>10,887,196</u>
LIABILITIES				
2110	Accounts payable	94,516	469,449	563,965
2150	Payroll deductions and withholdings payable	29,751	-	29,751
2160	Accrued wages payable	248,054	-	248,054
2170	Due to other funds	997,143	474,383	1,471,526
2300	Unearned revenue	<u>194,772</u>	<u>-</u>	<u>194,772</u>
	Total liabilities	<u>1,564,236</u>	<u>943,832</u>	<u>2,508,068</u>
FUND BALANCES				
Restricted for:				
3450	Federal and state programs	817,232	-	817,232
3470	Capital acquisition and contractual obligations	-	6,115,874	6,115,874
3545	Committed for campus activity	<u>1,446,022</u>	<u>-</u>	<u>1,446,022</u>
3000	Total fund balances	<u>2,263,254</u>	<u>6,115,874</u>	<u>8,379,128</u>
4000	Total liabilities and fund balances	<u>\$ 3,827,490</u>	<u>\$ 7,059,706</u>	<u>\$ 10,887,196</u>

EANES INDEPENDENT SCHOOL DISTRICT

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

FOR THE YEAR ENDED JUNE 30, 2022

Data Control Codes	Special Revenue Funds	Capital Project Funds	Total Nonmajor Governmental Funds
REVENUES			
5700 Local and intermediate sources	\$ 2,456,930	\$ 733,658	\$ 3,190,588
5800 State programs	203,184	-	203,184
5900 Federal programs	<u>3,047,053</u>	<u>-</u>	<u>3,047,053</u>
5020 Total revenues	<u>5,707,167</u>	<u>733,658</u>	<u>6,440,825</u>
EXPENDITURES			
Current:			
0011 Instruction	2,263,751	42,032	2,305,783
0012 Instructional resources and media services	54,481	-	54,481
0013 Curriculum and staff development	496,273	-	496,273
0023 School leadership	63,377	1,143	64,520
0031 Guidance, counseling and evaluation services	1,148,806	-	1,148,806
0033 Health services	601	-	601
0034 Student transportation	-	17,784	17,784
0036 Extracurricular activities	1,113,736	16,349	1,130,085
0041 General administration	1,370	167,403	168,773
0051 Facilities maintenance and operations	321,004	-	321,004
0052 Security and monitoring services	2,663	2,239	4,902
0053 Data processing services	-	45,300	45,300
0061 Community services	2,861	-	2,861
0081 Capital outlay	<u>154,964</u>	<u>4,358,035</u>	<u>4,512,999</u>
6030 Total expenditures	<u>5,623,887</u>	<u>4,650,285</u>	<u>10,274,172</u>
1100 EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>83,280</u>	<u>(3,916,627)</u>	<u>(3,833,347)</u>
OTHER FINANCING SOURCES (USES)			
7915 Transfers in	-	3,617,466	3,617,466
8911 Transfers out	<u>-</u>	<u>(3,617,466)</u>	<u>(3,617,466)</u>
7080 Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
1200 NET CHANGE IN FUND BALANCES	83,280	(3,916,627)	(3,833,347)
0100 FUND BALANCES, BEGINNING	<u>2,179,974</u>	<u>10,032,501</u>	<u>12,212,475</u>
3000 FUND BALANCES, ENDING	<u>\$ 2,263,254</u>	<u>\$ 6,115,874</u>	<u>\$ 8,379,128</u>

EANES INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2022

Data Control Codes	Special Revenue Funds				
	211	224	225	226	
	ESEA Title I Part A	IDEA-Part B Formula	IDEA-Part B Preschool	IDEA-Part B Discretionary	
ASSETS					
1110	Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
1240	Due from other governments	96,205	161,929	6,724	109,975
1410	Prepaid items	-	-	-	-
1000	Total assets	<u>96,205</u>	<u>161,929</u>	<u>6,724</u>	<u>109,975</u>
LIABILITIES					
2110	Accounts payable	-	18,539	-	-
2150	Payroll deductions and withholdings payable	7,482	10,951	461	4,373
2160	Accrued wages payable	8,929	62,140	2,970	-
2170	Due to other funds	79,794	70,299	3,293	105,198
2300	Unearned revenue	-	-	-	404
	Total liabilities	<u>96,205</u>	<u>161,929</u>	<u>6,724</u>	<u>109,975</u>
FUND BALANCES					
Restricted for:					
3450	Federal and state programs	-	-	-	-
3545	Committed for campus activities	-	-	-	-
3000	Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total liabilities and fund balances	<u>\$ 96,205</u>	<u>\$ 161,929</u>	<u>\$ 6,724</u>	<u>\$ 109,975</u>

Special Revenue Funds						
244	255	263	282	283	289	385
Career and Technical Education	ESEA Title II, Part A	Title III, A English Lang. Acquisition	ESSER III Grant	ESSER Supplemental	Student Support and Academic Enrichment Program	State Supplemental Visually Impaired
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60,608	\$ -
4,812	16,429	15,757	124,546	684,759	2,250	8,379
950	-	-	-	1,596	-	-
<u>5,762</u>	<u>16,429</u>	<u>15,757</u>	<u>124,546</u>	<u>686,355</u>	<u>62,858</u>	<u>8,379</u>
674	-	-	-	6,351	-	-
-	1,234	-	-	5,008	-	181
-	6,066	15,757	-	150,761	-	1,272
5,088	9,129	-	124,546	524,235	62,858	6,926
-	-	-	-	-	-	-
<u>5,762</u>	<u>16,429</u>	<u>15,757</u>	<u>124,546</u>	<u>686,355</u>	<u>62,858</u>	<u>8,379</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>\$ 5,762</u>	<u>\$ 16,429</u>	<u>\$ 15,757</u>	<u>\$ 124,546</u>	<u>\$ 686,355</u>	<u>\$ 62,858</u>	<u>\$ 8,379</u>

EANES INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES
NONMAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2022

Data Control Codes	Special Revenue Funds				
	392	393	397	410	
	Community Based Support	Texas Successful Schools	Advanced Placement Incentives	State Textbook	
ASSETS					
1110	Cash and cash equivalents	\$ -	\$ 15,499	\$ 35,262	\$ 195,140
1240	Due from other governments	5,760	-	-	-
1410	Prepaid items	-	-	-	-
1000	Total assets	<u>5,760</u>	<u>15,499</u>	<u>35,262</u>	<u>195,140</u>
LIABILITIES					
2110	Accounts payable	-	-	-	-
2150	Payroll deductions and withholdings payable	-	-	-	-
2160	Accrued wages payable	-	-	-	-
2170	Due to other funds	5,760	-	-	-
2300	Unearned revenue	-	-	388	191,610
	Total liabilities	<u>5,760</u>	<u>-</u>	<u>388</u>	<u>191,610</u>
FUND BALANCES					
Restricted for:					
3450	Federal and state programs	-	15,499	34,874	3,530
3545	Committed for campus activities	-	-	-	-
3000	Total fund balances	<u>-</u>	<u>15,499</u>	<u>34,874</u>	<u>3,530</u>
4000	Total liabilities and fund balances	<u>\$ 5,760</u>	<u>\$ 15,499</u>	<u>\$ 35,262</u>	<u>\$ 195,140</u>

Special Revenue Funds					
429	461	496	498	499	
Other State Special Revenue Funds	Campus Activity	TASB Loss Prevention	Other Local	Other Local	Total Nonmajor Governmental
\$ -	\$ 1,457,611	\$ 2,466	\$ 3,065	\$ 817,593	\$ 2,587,244
-	-	-	-	-	1,237,525
-	-	-	-	175	2,721
<u>-</u>	<u>1,457,611</u>	<u>2,466</u>	<u>3,065</u>	<u>817,768</u>	<u>3,827,490</u>
-	11,424	-	-	57,528	94,516
-	4	-	-	57	29,751
-	159	-	-	-	248,054
-	2	-	-	15	997,143
-	-	-	2,370	-	194,772
<u>-</u>	<u>11,589</u>	<u>-</u>	<u>2,370</u>	<u>57,600</u>	<u>1,564,236</u>
-	-	2,466	695	760,168	817,232
-	1,446,022	-	-	-	1,446,022
<u>-</u>	<u>1,446,022</u>	<u>2,466</u>	<u>695</u>	<u>760,168</u>	<u>2,263,254</u>
<u>\$ -</u>	<u>\$ 1,457,611</u>	<u>\$ 2,466</u>	<u>\$ 3,065</u>	<u>\$ 817,768</u>	<u>\$ 3,827,490</u>

EANES INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS

FOR THE YEAR ENDED JUNE 30, 2022

Data Control Codes	Special Revenue Funds				
	211	224	225	226	
	ESEA Title I Part A	IDEA-Part B Formula	IDEA-Part B Preschool	IDEA-Part B Discretionary	
REVENUES					
5700	Local and intermediate sources	\$ -	\$ -	\$ -	\$ -
5800	State programs	-	-	-	-
5900	Federal programs	<u>147,613</u>	<u>1,086,190</u>	<u>21,912</u>	<u>498,634</u>
5020	Total revenues	<u>147,613</u>	<u>1,086,190</u>	<u>21,912</u>	<u>498,634</u>
EXPENDITURES					
Current:					
0011	Instruction	147,613	337,628	21,912	498,634
0012	Instructional resources and media services	-	-	-	-
0013	Curriculum and staff development	-	-	-	-
0023	School leadership	-	-	-	-
0031	Guidance, counseling and evaluation services	-	748,562	-	-
0033	Health services	-	-	-	-
0036	Extracurricular activities	-	-	-	-
0041	General administration	-	-	-	-
0051	Facilities maintenance and operations	-	-	-	-
0052	Security and monitoring services	-	-	-	-
0061	Community services	-	-	-	-
0081	Capital outlay	-	-	-	-
6030	Total expenditures	<u>147,613</u>	<u>1,086,190</u>	<u>21,912</u>	<u>498,634</u>
1200	NET CHANGE IN FUND BALANCES	-	-	-	-
0100	FUND BALANCES, BEGINNING	-	-	-	-
3000	FUND BALANCES, ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Special Revenue Funds						
244	255	263	282	283	289	385
Career and Technical Education	ESEA Title II, Part A	Title III, A English Lang. Acquisition	ESSER III Grant	ESSER Supplemental	Student Support and Academic Enrichment Program	State Supplemental Visually Impaired
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	8,420
54,648	89,399	22,742	124,546	684,759	316,610	-
<u>54,648</u>	<u>89,399</u>	<u>22,742</u>	<u>124,546</u>	<u>684,759</u>	<u>316,610</u>	<u>8,420</u>
49,333	-	22,742	107,795	382,731	-	8,420
-	-	-	-	-	-	-
2,315	89,399	-	16,751	283,735	9,401	-
-	-	-	-	-	-	-
3,000	-	-	-	18,293	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	307,209	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>54,648</u>	<u>89,399</u>	<u>22,742</u>	<u>124,546</u>	<u>684,759</u>	<u>316,610</u>	<u>8,420</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>

EANES INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS

FOR THE YEAR ENDED JUNE 30, 2022

Data Control Codes	Special Revenue Funds			
	392	393	397	410
	Community Based Support	Texas Successful Schools	Advanced Placement Incentives	State Textbook
REVENUES				
5700	Local and intermediate sources	\$ -	\$ -	\$ -
5800	State programs	5,760	-	188,054
5900	Federal programs	-	-	-
5020	Total revenues	<u>5,760</u>	<u>-</u>	<u>188,054</u>
EXPENDITURES				
Current:				
0011	Instruction	5,760	-	188,054
0012	Instructional resources and media services	-	-	-
0013	Curriculum and staff development	-	-	-
0023	School leadership	-	-	-
0031	Guidance, counseling and evaluation services	-	-	-
0033	Health services	-	-	-
0036	Extracurricular activities	-	-	-
0041	General administration	-	-	-
0051	Facilities maintenance and operations	-	-	-
0052	Security and monitoring services	-	-	-
0061	Community services	-	-	-
0081	Capital outlay	-	-	-
6030	Total expenditures	<u>5,760</u>	<u>-</u>	<u>188,054</u>
1200	NET CHANGE IN FUND BALANCES	-	-	-
0100	FUND BALANCES, BEGINNING	<u>-</u>	<u>15,499</u>	<u>34,874</u>
3000	FUND BALANCES, ENDING	<u>\$ -</u>	<u>\$ 15,499</u>	<u>\$ 34,874</u>
				<u>\$ 3,530</u>

Special Revenue Funds					
429	461	496	498	499	
Other State Special Revenue Funds	Campus Activity	TASB Loss Prevention	Other Local	Other Local	Total Nonmajor Governmental
\$ -	\$ 1,551,603	\$ -	\$ 630	\$ 904,697	\$ 2,456,930
950	-	-	-	-	203,184
-	-	-	-	-	3,047,053
<u>950</u>	<u>1,551,603</u>	<u>-</u>	<u>630</u>	<u>904,697</u>	<u>5,707,167</u>
950	239,192	-	630	252,357	2,263,751
-	41,639	-	-	12,842	54,481
-	26,397	-	-	68,275	496,273
-	44,380	-	-	18,997	63,377
-	378,023	-	-	928	1,148,806
-	-	-	-	601	601
-	595,601	-	-	518,135	1,113,736
-	251	-	-	1,119	1,370
-	-	-	-	13,795	321,004
-	-	-	-	2,663	2,663
-	2,861	-	-	-	2,861
-	-	-	-	154,964	154,964
<u>950</u>	<u>1,328,344</u>	<u>-</u>	<u>630</u>	<u>1,044,676</u>	<u>5,623,887</u>
-	223,259	-	-	(139,979)	83,280
<u>-</u>	<u>1,222,763</u>	<u>2,466</u>	<u>695</u>	<u>900,147</u>	<u>2,179,974</u>
\$ <u>-</u>	\$ <u>1,446,022</u>	\$ <u>2,466</u>	\$ <u>695</u>	\$ <u>760,168</u>	\$ <u>2,263,254</u>

EANES INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS

JUNE 30, 2022

Data Control Codes	620	665	690
<u>Series 2020 Bonds</u>	<u>Series 2015A Bonds</u>	<u>River Hills Land Sale</u>	
ASSETS			
1110 Cash and cash equivalents	\$ -	\$ 1,116,917	\$ 3,455,881
1260 Due from other funds	<u>464,336</u>	<u>36,524</u>	<u>-</u>
1000 Total assets	<u>464,336</u>	<u>1,153,441</u>	<u>3,455,881</u>
LIABILITIES			
2110 Accounts payable	455,789	13,660	-
2170 Due to other funds	<u>8,547</u>	<u>1,500</u>	<u>-</u>
Total liabilities	<u>464,336</u>	<u>15,160</u>	<u>-</u>
FUND BALANCES			
Restricted for:			
3470 Capital acquisition and contractual obligations	<u>-</u>	<u>1,138,281</u>	<u>3,455,881</u>
3000 Total fund balances	<u>-</u>	<u>1,138,281</u>	<u>3,455,881</u>
4000 Total liabilities and fund balances	<u>\$ 464,336</u>	<u>\$ 1,153,441</u>	<u>\$ 3,455,881</u>

692	
Baldwin Land Sale	Total Nonmajor Capital Projects Funds
\$ 1,986,048	\$ 6,558,846
<u>-</u>	<u>500,860</u>
<u>1,986,048</u>	<u>7,059,706</u>
-	469,449
<u>464,336</u>	<u>474,383</u>
<u>464,336</u>	<u>943,832</u>
 <u>1,521,712</u>	 <u>6,115,874</u>
<u>1,521,712</u>	<u>6,115,874</u>
 <u>\$ 1,986,048</u>	 <u>\$ 7,059,706</u>

EANES INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS

FOR THE YEAR ENDED JUNE 30, 2022

Data Control Codes	620	665	690
<u>Series 2020 Bonds</u>	<u>Series 2015A Bonds</u>	<u>River Hills Land Sale</u>	
REVENUES			
5700 Local and intermediate sources	\$ 296	\$ 717,282	\$ 9,373
5020 Total revenues	<u>296</u>	<u>717,282</u>	<u>9,373</u>
EXPENDITURES			
Current:			
0011 Instruction	-	42,032	-
0023 School leadership	-	1,143	-
0034 Student transportation	-	17,784	-
0036 Extracurricular activities	-	16,349	-
0041 General administration	-	167,403	-
0052 Security and monitoring services	-	2,239	-
0053 Data processing services	-	45,300	-
0081 Capital outlay	<u>4,270,467</u>	<u>87,568</u>	<u>-</u>
6030 Total expenditures	<u>4,270,467</u>	<u>379,818</u>	<u>-</u>
1100 EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(4,270,171)</u>	<u>337,464</u>	<u>9,373</u>
OTHER FINANCING SOURCES (USES)			
7915 Transfers in	3,617,466	-	-
8911 Transfers out	<u>-</u>	<u>-</u>	<u>-</u>
7080 Total other financing sources (uses)	<u>3,617,466</u>	<u>-</u>	<u>-</u>
1200 NET CHANGE IN FUND BALANCES	(652,705)	337,464	9,373
0100 FUND BALANCES, BEGINNING	<u>652,705</u>	<u>800,817</u>	<u>3,446,508</u>
3000 FUND BALANCES, ENDING	\$ <u>-</u>	\$ <u>1,138,281</u>	\$ <u>3,455,881</u>

692	
Baldwin Land Sale	Total Nonmajor Capital Projects Funds
\$ <u>6,707</u>	\$ <u>733,658</u>
<u>6,707</u>	<u>733,658</u>
-	42,032
-	1,143
-	17,784
-	16,349
-	167,403
-	2,239
-	45,300
<u>-</u>	<u>4,358,035</u>
<u>-</u>	<u>4,650,285</u>
<u>6,707</u>	(<u>3,916,627</u>)
-	3,617,466
(<u>3,617,466</u>)	(<u>3,617,466</u>)
(<u>3,617,466</u>)	<u>-</u>
(3,610,759)	(3,916,627)
<u>5,132,471</u>	<u>10,032,501</u>
\$ <u>1,521,712</u>	\$ <u>6,115,874</u>

EANES INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS

JUNE 30, 2022

	701	711	712
	Child Nutrition	Community Education	Child Development Center
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Current assets:			
Cash and temporary investments	\$ 184,528	\$ 811,035	\$ 677,213
Other receivables	120	-	365
Inventory	29,297	-	-
Prepaid items	-	11,152	-
Total current assets	<u>213,945</u>	<u>822,187</u>	<u>677,578</u>
Noncurrent assets:			
Capital assets:			
Land	-	-	-
Buildings and improvements, net	120,541	-	14,736
Furniture and equipment, net	494,254	-	-
Total noncurrent assets	<u>614,795</u>	<u>-</u>	<u>14,736</u>
Total assets	<u>828,740</u>	<u>822,187</u>	<u>692,314</u>
LIABILITIES			
Current liabilities:			
Accounts payable	2,271	37,735	-
Payroll deductions and withholdings payable	41,045	905	13,146
Accrued wages payable	161,153	144,860	91,624
Due to other funds	-	25	-
Unearned revenue	282,275	124,656	3
Total liabilities	<u>486,744</u>	<u>308,181</u>	<u>104,773</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to leases	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION			
Net investment in capital assets	614,795	-	14,736
Unrestricted	<u>(272,799)</u>	<u>514,006</u>	<u>572,805</u>
Total net position	<u>\$ 341,996</u>	<u>\$ 514,006</u>	<u>\$ 587,541</u>

713	715	Total Nonmajor Enterprise Funds
Easy Care After School	Facility Rentals	
\$ 745,617	\$ 726,982	\$ 3,145,375
-	1,504,006	1,504,491
-	-	29,297
-	-	11,152
<u>745,617</u>	<u>2,230,988</u>	<u>4,690,315</u>
-	9,625	9,625
-	-	135,277
-	-	494,254
<u>-</u>	<u>9,625</u>	<u>639,156</u>
<u>745,617</u>	<u>2,240,613</u>	<u>5,329,471</u>
505	2,138	42,649
4,300	313	59,709
26,024	1,944	425,605
-	-	25
-	-	406,934
<u>30,829</u>	<u>4,395</u>	<u>934,922</u>
-	1,434,710	1,434,710
<u>-</u>	<u>1,434,710</u>	<u>1,434,710</u>
-	9,625	639,156
714,788	791,883	2,320,683
<u>\$ 714,788</u>	<u>\$ 801,508</u>	<u>\$ 2,959,839</u>

EANES INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS

FOR THE YEAR ENDED JUNE 30, 2022

	701	711	712
	Child Nutrition	Community Education	Child Development Center
	<u> </u>	<u> </u>	<u> </u>
OPERATING REVENUES			
Local and intermediate sources	\$ 3,221,455	\$ 1,271,643	\$ 1,431,014
Total operating revenues	<u>3,221,455</u>	<u>1,271,643</u>	<u>1,431,014</u>
OPERATING EXPENSES			
Payroll costs	1,932,861	585,601	1,259,044
Professional and contracted services	93,959	278,929	1,915
Supplies and materials	2,351,554	57,902	31,756
Other operating costs	9,532	39,315	17,173
Depreciation	106,934	-	3,684
Total operating expenses	<u>4,494,840</u>	<u>961,747</u>	<u>1,313,572</u>
OPERATING INCOME (LOSS)	(1,273,385)	309,896	117,442
NONOPERATING REVENUES (EXPENSES)			
State programs	13,372	-	-
Federal programs	2,236,114	-	337,346
Transfer out	<u>(637,278)</u>	<u>(421,918)</u>	<u>(43,332)</u>
Total nonoperating revenues (expenses)	<u>1,612,208</u>	<u>(421,918)</u>	<u>294,014</u>
CHANGE IN NET POSITION	338,823	(112,022)	411,456
NET POSITION, BEGINNING	<u>3,173</u>	<u>626,028</u>	<u>176,085</u>
NET POSITION, ENDING	\$ <u>341,996</u>	\$ <u>514,006</u>	\$ <u>587,541</u>

713	715	Total Nonmajor Enterprise Funds
Easy Care After School	Facility Rentals	
\$ <u>677,676</u>	\$ <u>933,606</u>	\$ <u>7,535,394</u>
<u>677,676</u>	<u>933,606</u>	<u>7,535,394</u>
297,674	235,307	4,310,487
2,574	15,103	392,480
15,972	5,096	2,462,280
9,489	1,320	76,829
-	-	110,618
<u>325,709</u>	<u>256,826</u>	<u>7,352,694</u>
351,967	676,780	182,700
-	-	13,372
-	124,728	2,698,188
(<u>664,746</u>)	(<u>163,557</u>)	(<u>1,930,831</u>)
(<u>664,746</u>)	(<u>38,829</u>)	<u>780,729</u>
(312,779)	637,951	963,429
<u>1,027,567</u>	<u>163,557</u>	<u>1,996,410</u>
\$ <u>714,788</u>	\$ <u>801,508</u>	\$ <u>2,959,839</u>

EANES INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS

FOR THE YEAR ENDED JUNE 30, 2022

	701	711
	Child Nutrition	Community Education
	<u> </u>	<u> </u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from user charges	\$ 3,285,683	\$ 1,283,821
Cash payments to employees for services	(1,876,811)	(506,438)
Cash payments to suppliers for goods and services	(2,454,155)	(344,761)
Net cash provided (used) by operating activities	<u>(1,045,283)</u>	<u>432,622</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Cash paid to other funds	(953,417)	(422,076)
State programs	23,895	-
Federal Programs	<u>2,159,333</u>	<u>-</u>
Net cash provided (used) by non-capital financing activities	<u>1,229,811</u>	<u>(422,076)</u>
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS	<u>184,528</u>	<u>10,546</u>
CASH AND CASH EQUIVALENTS, BEGINNING	<u>-</u>	<u>800,489</u>
CASH AND CASH EQUIVALENTS, ENDING	<u>\$ 184,528</u>	<u>\$ 811,035</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Net operating income (loss)	\$(1,273,385)	\$ 309,896
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	106,934	-
(Increase) decrease in other receivables	-	600
(Increase) decrease in inventory	80,448	-
(Increase) decrease in prepaid items	1,268	-
Increase (decrease) in accounts payable	(378)	31,385
Increase (decrease) in payroll deductions and withholdings payable	(12,842)	(99)
Increase (decrease) in accrued wages payable	68,892	79,262
Increase (decrease) in unearned revenue	<u>(16,220)</u>	<u>11,578</u>
Net cash provided (used) by operating activities	<u>\$(1,045,283)</u>	<u>\$ 432,622</u>

712	713	715	Total Nonmajor Enterprise Funds
Child Development Center	Easy Care After School	Facility Rentals	
\$ 1,410,199	\$ 667,542	\$ 933,606	\$ 7,580,851
(1,254,074)	(287,158)	(239,852)	(4,164,333)
(50,921)	(28,884)	(20,348)	(2,899,069)
<u>105,204</u>	<u>351,500</u>	<u>673,406</u>	<u>517,449</u>
(43,332)	(664,746)	(163,557)	(2,247,128)
240,807	-	-	264,702
<u>337,346</u>	<u>-</u>	<u>124,728</u>	<u>2,621,407</u>
<u>534,821</u>	<u>(664,746)</u>	<u>(38,829)</u>	<u>638,981</u>
<u>640,025</u>	<u>(313,246)</u>	<u>634,577</u>	<u>1,156,430</u>
<u>37,188</u>	<u>1,058,863</u>	<u>92,405</u>	<u>1,988,945</u>
<u>\$ 677,213</u>	<u>\$ 745,617</u>	<u>\$ 726,982</u>	<u>\$ 3,145,375</u>
\$ 117,442	\$ 351,967	\$ 676,780	\$ 182,700
3,684	-	-	110,618
(365)	-	(1,429,492)	(1,429,257)
-	-	-	80,448
-	-	-	1,268
(77)	(849)	1,171	31,252
(3,589)	1,261	(9,401)	(24,670)
8,559	9,255	(362)	165,606
<u>(20,450)</u>	<u>(10,134)</u>	<u>1,434,710</u>	<u>1,399,484</u>
<u>\$ 105,204</u>	<u>\$ 351,500</u>	<u>\$ 673,406</u>	<u>\$ 517,449</u>

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REQUIRED TEA SCHEDULES

EANES INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF DELINQUENT TAXES RECEIVABLE

FOR THE YEAR ENDED JUNE 30, 2022

Last Ten Years Ended June 30,	Tax Rates		3 Net Assessed/ Appraised Value for School Tax Purpose	10 Beginning Balance 7/1/2021
	1 Maintenance	2 Debt Service		
2013 and prior years	Various	Various	Various	\$ 1,317,874
2014	1.040000	0.172500	9,223,025,771	61,011
2015	1.040000	0.172500	10,150,514,818	53,767
2016	1.040000	0.172500	11,142,016,675	73,220
2017	1.040000	0.172500	12,347,242,347	132,776
2018	1.060000	0.140000	13,068,122,738	157,940
2019	1.060000	0.140000	13,671,949,330	308,933
2020	0.990000	0.140000	14,379,223,106	410,744
2021	0.996400	0.120000	14,783,532,074	1,740,458
2022 (School year under audit)	0.940800	0.120000	18,295,494,532	-
1000 Totals				\$ <u>4,256,723</u>

20	31	32	40	50
Current Year's Total Levy	Maintenance Total Collections	Debt Service Total Collections	Entire Year's Adjustments	Ending Balance 6/30/2022
\$ -	\$ 21,744	\$ 3,607	\$(1,014,430)	\$ 278,093
-	4,175	693	-	56,143
-	3,833	636	(73)	49,225
-	3,259	541	-	69,420
-	(18,054)	(2,994)	(26,423)	127,401
-	(14,808)	(1,956)	(30,213)	144,491
-	6,926	915	(20,837)	280,255
-	(4,910)	(694)	(139,643)	276,705
-	368,755	44,410	(624,380)	702,913
<u>194,078,606</u>	<u>169,947,741</u>	<u>21,677,008</u>	<u>(938,906)</u>	<u>1,514,951</u>
\$ <u>194,078,606</u>	\$ <u>170,318,661</u>	\$ <u>21,722,166</u>	\$(<u>2,794,905</u>)	\$ <u>3,499,597</u>

EANES INDEPENDENT SCHOOL DISTRICT

EXHIBIT J-2

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION
BUDGET AND ACTUAL - CHILD NUTRITION FUND

FOR THE YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Local and intermediate sources	\$ 4,017,000	\$ 3,242,835	\$ 3,221,455	\$ (21,380)
State programs	4,200	4,200	13,372	9,172
Federal programs	160,200	2,234,478	2,236,114	1,636
Total revenues	<u>4,181,400</u>	<u>5,481,513</u>	<u>5,470,941</u>	<u>(10,572)</u>
EXPENSES				
Current:				
Food service	3,929,278	4,347,417	4,216,329	131,088
Facilities maintenance and operations	270,440	279,440	278,511	929
Total expenses	<u>4,199,718</u>	<u>4,626,857</u>	<u>4,494,840</u>	<u>132,017</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>(18,318)</u>	<u>854,656</u>	<u>976,101</u>	<u>121,445</u>
Transfers out	<u>-</u>	<u>(637,278)</u>	<u>(637,278)</u>	<u>-</u>
CHANGE IN NET POSITION	<u>(18,318)</u>	<u>217,378</u>	<u>338,823</u>	<u>121,445</u>
NET POSITION, BEGINNING	<u>-</u>	<u>-</u>	<u>3,173</u>	<u>3,173</u>
NET POSITION, ENDING	<u>\$ (18,318)</u>	<u>\$ 217,378</u>	<u>\$ 341,996</u>	<u>\$ 124,618</u>

EANES INDEPENDENT SCHOOL DISTRICT

EXHIBIT J-3

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

FOR THE YEAR ENDED JUNE 30, 2022

Data Control Codes	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	
	Original	Final			
REVENUES					
5700	Local and intermediate sources	\$ 21,687,196	\$ 21,687,196	\$ 21,870,084	\$ 182,888
5800	State programs	55,597	55,597	72,766	17,169
5020	Total revenues	<u>21,742,793</u>	<u>21,742,793</u>	<u>21,942,850</u>	<u>200,057</u>
EXPENDITURES					
Debt service:					
0071	Principal on long-term debt	15,880,000	15,880,000	15,880,000	-
0072	Interest on long-term debt	5,363,942	5,363,942	5,363,942	-
0073	Bond issuance costs and fees	30,000	30,000	16,324	13,676
6030	Total expenditures	<u>21,273,942</u>	<u>21,273,942</u>	<u>21,260,266</u>	<u>13,676</u>
1200	NET CHANGE IN FUND BALANCES	468,851	468,851	682,584	213,733
0100	FUND BALANCES, BEGINNING	<u>23,292,053</u>	<u>23,292,053</u>	<u>23,292,053</u>	-
3000	FUND BALANCES, ENDING	<u>\$ 23,760,904</u>	<u>\$ 23,760,904</u>	<u>\$ 23,974,637</u>	<u>\$ 213,733</u>

USE OF FUNDS REPORT - SELECT STATE ALLOTMENT PROGRAMS
FOR THE YEAR ENDED JUNE 30, 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.	\$ 401,709
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal year. (PICs 24, 26, 28, 29, 30, 34)	\$ 916,944

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.	\$ 105,187
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PICs 25, 35)	\$ 143,653

FEDERAL AWARDS SECTION

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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

Board of Trustees
Eanes Independent School District
Austin, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Eanes Independent School District as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Eanes Independent School District's basic financial statements, and have issued our report thereon dated November 29, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Eanes Independent School District's internal control over financial reporting (internal control) as a basis for designing 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 Eanes Independent School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Eanes 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 have not been identified.

OFFICE LOCATIONS

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Eanes 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.

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

Waco, Texas
November 29, 2022

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

Board of Trustees
Eanes Independent School District
Austin, Texas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Eanes Independent School District's (the "District") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2022. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 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 (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or 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.

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

Waco, Texas
November 29, 2022

EANES INDEPENDENT SCHOOL DISTRICT

EXHIBIT K-1

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2022

(1) Federal Grantor/ Pass-through Grantor/ Grantor/Program Title	(2) Federal Assistance Listing Number	(2A) Pass-through Entity Identifying Number	(3) Federal Expenditures
U. S. DEPARTMENT OF AGRICULTURE			
<u>Passed through Texas Education Agency:</u>			
School Breakfast Program	10.553	71402101	\$ 51,225
School Breakfast Program	10.553	71402201	<u>267,611</u>
Total Assistance Listing Number 10.553			<u>318,836</u>
National School Lunch Program	10.555	71302101	196,165
National School Lunch Program	10.555	71302201	<u>1,006,440</u>
Total Assistance Listing Number 10.555			<u>1,279,386</u>
Total Passed through Texas Education Agency			<u>1,598,222</u>
<u>Passed through Texas Department of Agriculture:</u>			
NSLP - Commodities - Noncash Assistance	10.555	71302201	<u>76,781</u>
Total Child Nutrition Cluster			<u>1,675,003</u>
COVID-19 - Pandemic EBT Admin Expense Reimbursement	10.542	01071 CE	<u>614</u>
Total Passed through Texas Department of Agriculture			<u>77,395</u>
TOTAL U. S. DEPARTMENT OF AGRICULTURE			<u>1,598,836</u>
U. S. DEPARTMENT OF EDUCATION			
<u>Passed through Texas Education Agency:</u>			
Title I, Part A- Improving Basic Program	84.010A	21610101227909	2,224
Title I, Part A- Improving Basic Program	84.010A	22610101227909	<u>145,389</u>
Total Assistance Listing Number 84.010			<u>147,613</u>
IDEA - Part B, Formula	84.027A	216600012279096000	4,828
IDEA - Part B, Formula	84.027A	226600012279096000	1,081,362
IDEA Part-B, High Risk Cost Pool	84.027A	66002106	109,975
IDEA Part-B, Discretionary - Residential	84.027A	216600122279096677	46,137
IDEA Part-B, Discretionary - Residential	84.027A	66002212	<u>342,522</u>
Total Assistance Listing Number 84.027			<u>1,584,824</u>
IDEA - Part B, Preschool	84.173A	216610012279096610	290
IDEA - Part B, Preschool	84.173A	226610012279096610	<u>21,622</u>
Total Assistance Listing Number 84.173			<u>21,912</u>
Total Special Education Cluster			<u>1,606,736</u>
Career and Technical Education	84.048A	21420006227909	1,087
Career and Technical Education	84.048A	22420006227909	<u>53,561</u>
Total Assistance Listing Number 84.048			<u>54,648</u>
Title III, Part A LEP	84.365A	20671001227909	773
Title III, Part A LEP	84.365A	21671001227909	6,212
Title III, Part A LEP	84.365A	22671001227909	<u>15,757</u>
Total Assistance Listing Number 84.365			<u>22,742</u>
Title II, Part A- Teacher & Principal Training & Recruiting	84.367A	21694501227909	760
Title II, Part A- Teacher & Principal Training & Recruiting	84.367A	22694501227909	<u>88,639</u>
Total Assistance Listing Number 84.367			<u>89,399</u>

EANES INDEPENDENT SCHOOL DISTRICT

EXHIBIT K-1

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2022

(1) Federal Grantor/ Pass-through Grantor/ Grantor/Program Title	(2) Federal Assistance Listing Number	(2A) Pass-through Entity Identifying Number	(3) Federal Expenditures
U. S. DEPARTMENT OF EDUCATION			
<u>Passed through Texas Education Agency (continued):</u>			
Title IV, Part A, Subpart 1	84.424A	20680101227909	\$ 7,150
Title IV, Part A, Subpart 1	84.424A	22680101227909	<u>2,250</u>
Total Assistance Listing Number 84.424			<u>9,400</u>
COVID-19 - Elementary and Secondary School Emergency Relief (ESSER) II	84.425D	21521001227909	200,682
COVID-19 - Elementary and Secondary School Emergency Relief (ESSER) III	84.425U	21528001227909	746,404
COVID-19 - Elementary and Secondary School Emergency Relief (ESSER) - Supplemental Grant	84.425U	21528043227909	<u>684,759</u>
Total Assistance Listing Number 84.425			<u>1,631,845</u>
Total Passed through Texas Education Agency			<u>3,562,383</u>
TOTAL U. S. DEPARTMENT OF EDUCATION			<u>3,562,383</u>
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<u>Passed through Texas Education Agency:</u>			
COVID-19 School Health Support Grant	93.323	39352201	<u>307,210</u>
Total Passed through Texas Education Agency			<u>307,210</u>
<u>Passed through Texas Workforce Commission:</u>			
CCDF Cluster: COVID-19 - CCDF ARP Stabilization Funds	93.575	2022-559508/510651	<u>276,812</u>
Total Passed through Texas Workforce Commission			<u>276,812</u>
TOTAL U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>584,022</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ <u>5,745,241</u>

EANES INDEPENDENT SCHOOL DISTRICT

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

JUNE 30, 2022

1. GENERAL

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

2. BASIS OF ACCOUNTING

The Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting. The District’s significant account policies, including the modified accrual basis of accounting, are presented in Note 1 of the basic financial statements. The information in the 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). Therefore, some of the amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

3. PASS-THROUGH EXPENDITURES

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

4. INDIRECT COSTS

The District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

5. RECONCILIATION OF FEDERAL REVENUES

The following is the reconciliation of federal revenues and the Schedule of Expenditures of Federal Awards for the year ended June 30, 2022.

Federal revenues on the Statement of Revenues, Expenditures and Changes in Fund Balance Governmental Funds (Exhibit C-3)	\$ 3,673,627
Federal revenues on the Statement of Revenues, Expenses and Changes in Net Position Proprietary Funds (Exhibit D-2)	<u>2,698,188</u>
Total federal revenues	<u>6,371,815</u>
School health and related services revenue	<u>(626,574)</u>
Federal expenditures on the Schedule of Expenditures of Federal Awards (Exhibit K-1)	\$ <u>5,745,241</u>

EANES INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2022

Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued	Unmodified
Internal control over financial reporting: Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	None

Federal Awards:

Internal control over major programs: Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of auditor's report issued on compliance for major programs	Unmodified

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

Assistance Listing Numbers: 10.553 and 10.555 84.425	Name of Federal Programs or Cluster: Child Nutrition Cluster COVID-19 Education Stabilization Fund
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Dollar threshold used to distinguish between type A and type B federal programs	\$750,000
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Auditee qualified as low-risk auditee?	Yes
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Findings Relating to the Financial Statements Which Are Required to be Reported in Accordance With Generally Accepted Government Auditing Standards

None

Findings and Questioned Costs for Federal Awards

None

EANES INDEPENDENT SCHOOL DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FOR THE YEAR ENDED JUNE 30, 2022

None