BRIDGEPORT

INDEPENDENT SCHOOL DISTRICT

WISE COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED AUGUST 31, 2022



BRIDGEPORT INDEPENDENT SCHOOL DISTRICT
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED AUGUST 31, 2022

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CERTIFICATE OF BOARD

Bridgeport Independent School District	Wise	249903
Name of School District	County	County – District Number

We, the undersigned, certify that the attached annual financial reports of the above-named school district were reviewed and (check one) ✓ approved _____ disapproved for the year ended **August 31, 2022,** at a meeting of the Board of Trustees of such school district on the **9th** day of **January 2023**.

Signature of Board Secretary

Signature of Board President

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

James E. Rodgers and Company, P.C.

Certified Public Accountants

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E-mail: rodgerscpa@att.net
Member of Texas Society of CPA's and American Institute of CPA's
Richard E. Rodgers CPA • Gerald L. Rodgers CPA

January 9, 2023

Qualified Opinion (Scope Limitation) on Opinion Unit because of One Unaudited Component Unit Report on Financial Statements Issued in Accordance with *Government Auditing Standards* and a Single Audit Accompanied by Required Supplementary Information, Supplementary Information, and Other Information

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Bridgeport Independent School District
Bridgeport, Texas 76426

Report on the Audit of the Financial Statements

Qualified and Unmodified Opinions

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Bridgeport Independent School District, as of and for the year ended August 31, 2022, and the related notes to the financial statements, which collectively comprise the Bridgeport Independent School District's basic financial statements as listed in the table of contents.

Summary of Opinions

Opinion Unit	Type of Opinion
Governmental Activities	Unmodified
Business-type Activities	Not Applicable - None
Aggregate Discretely Presented Component Units	Qualified
Governmental Major Fund – General Fund	Unmodified
Governmental Major Fund – Lunchroom Fund	Unmodified
Governmental Major Fund – SSA IDEA-Part B, Formula	Unmodified
Governmental Major Fund – Debt Service Fund	Unmodified
Enterprise Fund	Not Applicable - None
Aggregate Remaining Fund Information	Unmodified

Qualified Opinion on the Aggregate Discretely Presented Component Units

In our opinion, except for the possible effects of the matter discussed in the Basis for Qualified and Unmodified Opinions section of our report, the financial statements referred to above present fairly, in all material respects, the financial position of the aggregate discretely presented component units of the Bridgeport Independent School District, as of August 31, 2022, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Unmodified Opinions on Governmental Activities, Each Major Fund, and Aggregate Remaining Fund Information

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

Basis for Qualified and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Bridgeport 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 qualified and unmodified audit opinions.

Matter Giving Rise to Qualified Opinion on the Aggregate Discretely Presented Component Units

The financial statements of the Bridgeport Education Foundation Component Unit (BEFCU) have not been audited, and we were not engaged to audit the BEFCU financial statements as part of our audit of the Bridgeport Independent School District's basic financial statements. BEFCU's financial activities are included in the Bridgeport Independent School District's basic financial statements as a part of the aggregate discretely presented component unit and represent 100 percent, 100 percent, and 100 percent of the assets, net position, and revenues, respectively, of the Bridgeport Independent School District's aggregate discretely presented component units.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, and GASB 68 and 75 schedules for pension and OPEB liabilities and contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Bridgeport Independent School District's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements

and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 9, 2023, on our consideration of the Bridgeport Independent School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Bridgeport Independent School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Bridgeport Independent School District's internal control over financial reporting and compliance.

Respectfully submitted,

James E. Rodgers and Company

James E. Rodgers and Company, P.C.

AICPA Governmental Audit Quality Center

BRIDGEPORT INDEPENDENT SCHOOL DISTRICT

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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

FINANCIAL HIGHLIGHTS

The District's summary financial information for the current fiscal year is as follows:

Highlights of Current Fiscal Year Finances

District's Total Net Position at the End of the Year	**$ 24,117,782**
Total District Revenues for the Current Fiscal Year	**$ 30,899,917**
Total District Expenses for the Current Fiscal Year	**$ 27,804,510**
Fund Balance in the General Fund at the End of Year	**$ 10,802,014**

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

	Increase (Decrease)	
	$	%
Change in Net Position:		
Change in the District's Total Net Position	**$ 3,091,719**	**14.70%**
Revenue Changes:		
Change in the District's Total Revenues	**1,030,979**	**3.45%**
Change in the District's Property Tax Revenues	**260,392**	**1.61%**
Change in the District's State Aid Formula Grants	**(659,912)**	**-12.15%**
Change in Operating Grants and Contributions	**1,291,168**	**23.87%**
Expense Changes:		
Change in the District's Total Expenses	**$ (845,358)**	**-2.95%**
Other Information:		
Change in the District's General Fund Balance	**$ 459,575**	**4.44%**
Excess (Deficit) of Actual Revenue over Budgeted Revenue	**$ (42,922)**	**-0.22%**

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 statements 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. For proprietary activities, fund financial statements tell how goods or services of the District were sold to departments within the District or to external customers and how the sales revenues covered the expenses of the goods or services. 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 combining statements for non-major funds contain even more information about the District's individual funds. These are not required by TEA. The sections labeled TEA 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 analysis of the District's overall financial condition and operations begins with the Statement of Net Position (Exhibit A-1). Its primary purpose is to show whether the District is better off or worse off as a result of the 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 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 tuition received from students from outside the District and 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. 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, deferred outflows, liabilities, and deferred inflows) provide one measure of the District's financial health, or financial position. Over time, increases or decreases in the District's Net Position are one indicator of whether its financial health is improving or deteriorating. To fully assess the overall health of the District, however, you should consider non-financial factors as well, 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 have presented two types of activities:

- Governmental activities–All of the District's basic services are reported here, including the instruction, counseling, co-curricular activities, food services, 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 does not maintain business type activities at present.

Reporting the District's Most Significant Funds

Fund Financial Statements

The fund financial statements begin with the Governmental Funds Balance Sheet (Exhibit C-1) and 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) Title I, Part A – Improving Basic Programs" act 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 the 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 a reconciliation schedule following each of the fund financial statements.

Proprietary funds–The District's only proprietary type activities for which it charges users (whether outside customers or other units of the District) are the worker's compensation internal service fund. In those types of funds, the same accounting methods employed in the Statement of Net Position and the Statement of Activities is used. The internal service fund (the other category of proprietary funds in Exhibits D-1, D-2 and D-3) reports activities that provide supplies and services for the District's other programs and activities–such as the District's self-insurance program for Worker's Compensation insurance.

The District as Trustee

Reporting the District's Fiduciary Responsibilities

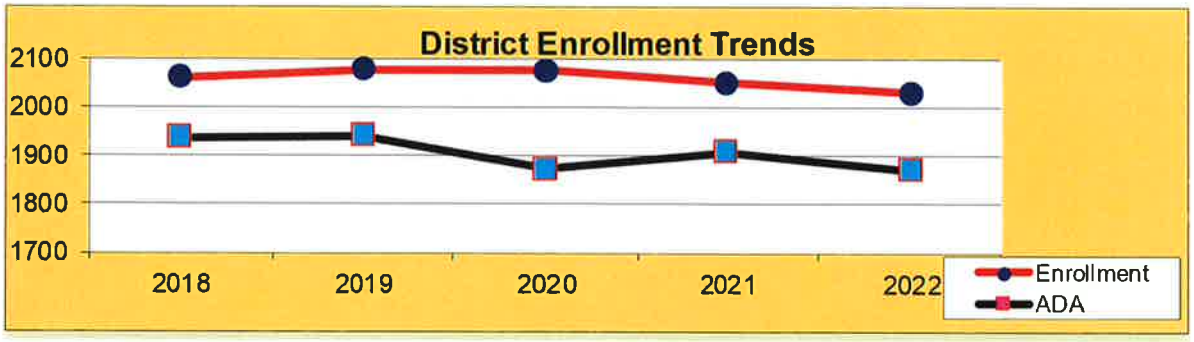
The District is the trustee, or fiduciary, for money raised by student activities and alumni scholarship programs. All of the District's fiduciary activities are reported in separate Statements of Fiduciary Net Position (Exhibit E-1). We exclude these resources from the District's other financial statements 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

State funding in Texas is based upon the District's average daily attendance, thus the District's revenue is highly dependent on enrollment trends. The District receives additional weighted funding for students enrolled in career and technology coursework, gifted and talented, special, bilingual, and compensatory education programs. The demographics of the District and the types of coursework students pursue are continuing to evolve in the District. The following chart details the enrollment trends of the District.

ENROLLMENT TRENDS

Year	Enrollment	ADA
2018	2062	1937.5
2019	2078	1941.7
2020	2077	1873.9
2021	2051	1907.8
2022	2031	1870.9



The following table indicates the Net Position of the District at the end of the previous and current years.

Table I
BRIDGEPORT INDEPENDENT SCHOOL DISTRICT
Net Position

	Governmental Activities		Business-Type Activities		Totals	
	2021	2022	2021	2022	2021	2022
Current and other assets	$ 15,703,728	$ 16,536,504	$ -	$ -	$ 15,703,728	$ 16,536,504
Capital assets	41,281,373	40,311,007	-	-	41,281,373	40,311,007
Deferred Outflows to TRS	3,923,807	3,484,885	-	-	3,923,807	3,484,885
Total assets & deferred outflows	**$ 60,908,908**	**$ 60,332,396**	**$ -**	**$ -**	**$ 60,908,908**	**$ 60,332,396**
Long-term liabilities	$ 16,929,856	$ 14,426,356	$ -	$ -	$ 16,929,856	$ 14,426,356
Other liab & unearned revenues	1,846,172	1,973,146	-	-	1,846,172	1,973,146
Net pension liability	7,073,667	3,326,807	-	-	7,073,667	3,326,807
Net OBEP liability	7,310,920	7,252,509	-	-	7,310,920	7,252,509
Deferred Inflows Related to TRS	6,722,230	9,235,796	-	-	6,722,230	9,235,796
Total liabilities & deferred inflows	**$ 39,882,845**	**$ 36,214,614**	**$ -**	**$ -**	**$ 39,882,845**	**$ 36,214,614**
Net Position:						
Net Investment in capital assets	$ 24,388,679	$ 25,914,454	$ -	$ -	$ 24,388,679	$ 25,914,454
Restricted	3,099,226	3,306,288	-	-	3,099,226	3,306,288
Unrestricted	(6,461,842)	(5,102,960)	-	-	(6,461,842)	(5,102,960)
Total net position	**$ 21,026,063**	**$ 24,117,782**	**$ -**	**$ -**	**$ 21,026,063**	**$ 24,117,782**

The following table indicates the changes in Net Position of the District during the previous and current years.

Table II
BRIDGEPORT INDEPENDENT SCHOOL DISTRICT
Changes in Net Position

	Governmental Activities		Business-Type Activities		Totals	
	2021	2022	2021	2022	2021	2022
Program Revenues:						
Charges for Services	$ 2,396,857	$ 2,399,793	$ -	$ -	$ 2,396,857	$ 2,399,793
Operating grants & contributions	5,408,481	6,699,649	-	-	5,408,481	6,699,649
General Revenues:						
Maintenance & operations taxes	13,884,787	14,299,289	-	-	13,884,787	14,299,289
Debt service taxes	2,273,629	2,119,519	-	-	2,273,629	2,119,519
State aid - formula grants	5,433,012	4,773,100	-	-	5,433,012	4,773,100
Investment earnings	13,595	89,173	-	-	13,595	89,173
Miscellaneous	458,577	519,394	-	-	458,577	519,394
Total Revenues	**$ 29,868,938**	**$ 30,899,917**	**$ -**	**$ -**	**$ 29,868,938**	**$ 30,899,917**
Expenses						
Instruction, curriculum & media services	$ 15,598,343	$ 14,882,567	$ -	$ -	$ 15,598,343	$ 14,882,567
Instructional & school leadership	2,017,856	1,728,785	-	-	2,017,856	1,728,785
Student support services	2,588,472	2,415,346	-	-	2,588,472	2,415,346
Food Services	1,103,981	1,311,335	-	-	1,103,981	1,311,335
Extracurricular activities	1,176,330	1,241,335	-	-	1,176,330	1,241,335
General administration & data processing	1,316,094	1,709,960	-	-	1,316,094	1,709,960
Plant maintenance & security	3,369,497	3,225,304	-	-	3,369,497	3,225,304
Debt Services	511,246	400,051	-	-	511,246	400,051
Contracted instructional services between schools	-	-	-	-	-	-
Shared services arrangements	714,893	619,544	-	-	714,893	619,544
Other intergovernmental charges	253,156	270,283	-	-	253,156	270,283
Total Expenses	**$ 28,649,868**	**$ 27,804,510**	**$ -**	**$ -**	**$ 28,649,868**	**$ 27,804,510**
Increase in net position before transfers and special items	**$ 1,219,070**	**$ 3,095,407**	**$ -**	**$ -**	**$ 1,219,070**	**$ 3,095,407**
Transfers	-	-	-	-	-	-
Prior Period Adjustment	-	(3,688)	-	-	-	(3,688)
Net position at 9/1	19,806,993	21,026,063	-	-	19,806,993	21,026,063
Total Net Position	**$ 21,026,063**	**$ 24,117,782**	**$ -**	**$ -**	**$ 21,026,063**	**$ 24,117,782**

Analysis of Change in Net Position for Governmental Activities

Excess of Revenues Over Expenditures for Governmental Funds	**$ 666,280**
Current Year Purchases of Capital Assets	**620,405**
Current Year Debt Principal Payments	**2,268,722**
Depreciation	**(1,673,726)**
Other Modified to Full Accrual Revenue Adjustments	**360,943**
GASB 68 Adjustments	**483,290**
GASB 75 Adjustments	**369,493**
Change in Net Position of Governmental Activities	**$ 3,095,407**

THE DISTRICT'S FUNDS

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

Governmental Fund Financial Statements				
	General Fund	Special Revenue Funds	Debt Service Fund	Total
Revenues	$ 21,066,977	$ 9,026,210	$ 2,165,676	$ 32,258,863
Expenditures	(20,607,402)	(8,805,181)	(2,180,000)	(31,592,583)
Other Financing Sources	-	-	-	-
Other Financing Uses	-	-	-	-
Net Change in Fund Balance	$ 459,575	$ 221,029	$ (14,324)	$ 666,280
Beginning Fund Balance	10,342,439	1,337,037	1,683,811	13,363,287
Ending Fund Balance All Governmental Funds	$ 10,802,014	$ 1,558,066	$ 1,669,487	$ 14,029,567

The District did modify its budget during the year resulting in a change in budgeted expenditures between the original and final budget in the District's General Fund. The significant amendments are identified in Exhibit G-1.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of the current year, the District had invested in a broad range of capital assets, including facilities and equipment for instruction, transportation, athletics, administration, and maintenance. This year's major additions and the net change in total capital assets are as follows:

Longhorn Bus	$	112,590
2015 Chevrolet Truck		28,000
Cafeteria Equipment Upgrade		141,142
Convection Oven		11,445
Auditorium Lighting and Control Upgrade		109,801
Vivax Plumbing Camera		8,200
Intermediate HVAC Units		209,227
TOTAL	$	620,405
Total Additions	$	620,405
Total Deletions		-
Net Change	$	620,405

The District's adopted capital outlay budget for the next fiscal year does not include significant expenditures.

Debt

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

	Interest Rate on Issue	Amounts Original Issue	Interest Current Year	Outstanding 8/31/2022	Next Year's Total Principal and Interest Requirement
Series 2020 Tax Refunding Bonds	5.00%	$ 14,560,000	$ 549,500	$ 9,360,000	$ 2,178,000
Series 2013 Maintenance Tax Notes	5.11%	5,900,000	158,334	2,828,618	579,613
Spirit of Texas Capital Improvement Loan	3.59%	633,704	11,423	163,084	169,037
Long-Term Right to Use Lease Asset Liabilities-Equipment	3.00%-3.00%	264,444	1,714	21,916	22,073
Totals		$ 21,568,737	$ 720,971	$ 12,373,618	$ 2,948,723

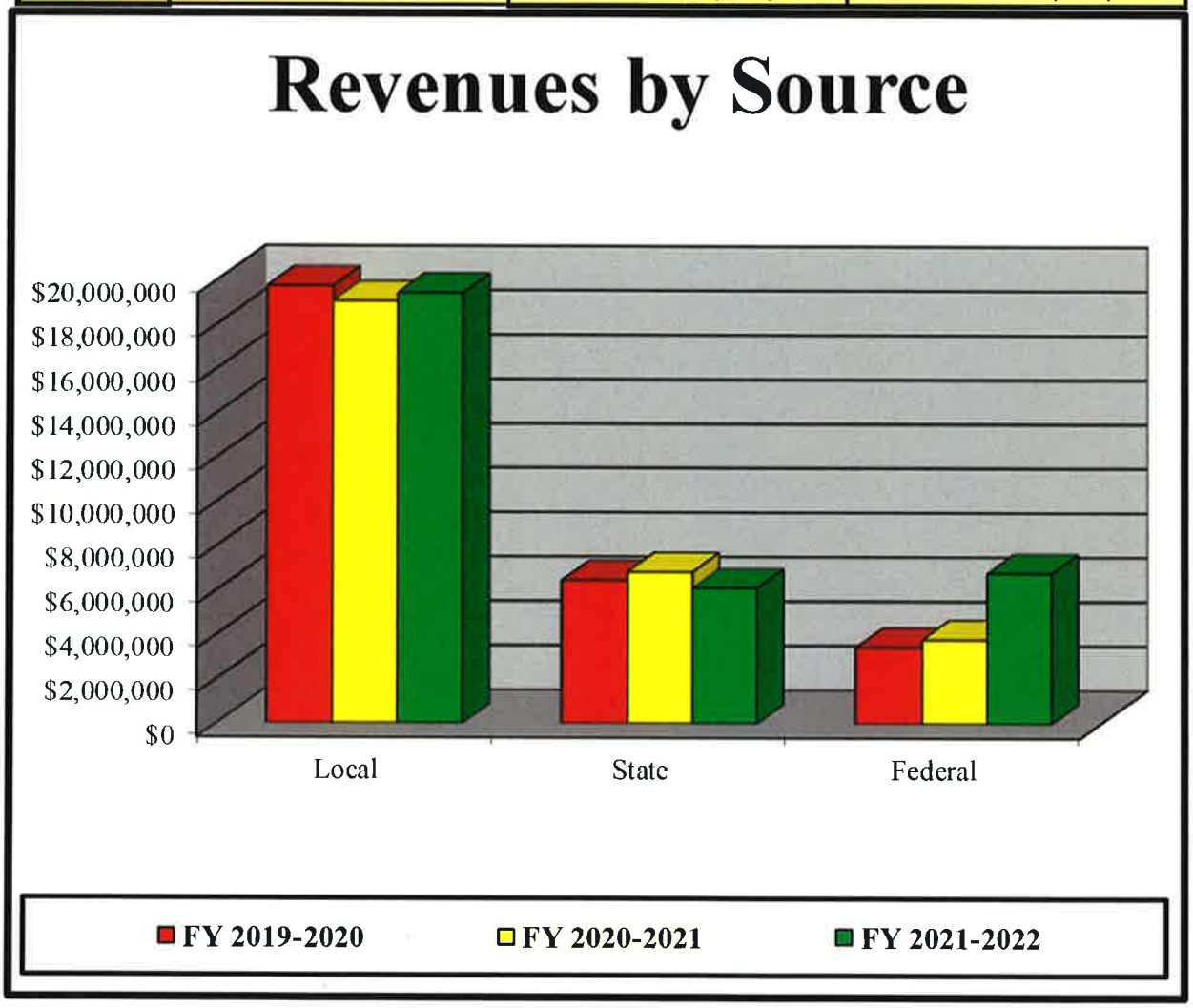
ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The District's elected and appointed officials considered many factors when setting the next fiscal year budget and tax rates. Those factors included a stable local economy, changes in property tax valuations, and a changing student population as per enrollment trends. These indicators were taken into account when adopting the General Fund budget for next year. A summary of the next fiscal year budget for funds that are legally required to be budgeted under the Texas Education Code is as follows:

Fiscal Year 2022 - 2023 Adopted Budget				
	General Fund	Child Nutrition Fund	Debt Service Fund	TOTALS
Revenues	$ 21,241,751	$ 1,204,823	$ 3,732,741	$ 26,179,315
Expenditures	(21,241,751)	(1,397,811)	(3,732,741)	(26,372,303)
Other Financing Sources	-	-	-	-
Other Financing Uses	-	-	-	-
Net Change in Fund Balance	$ -	$ (192,988)	$ -	$ (192,988)
Beginning of Year Fund Balance	10,802,014	894,681	1,669,487	13,366,182
Projected End of Year Fund Balance	$ 10,802,014	$ 701,693	$ 1,669,487	$ 13,173,194

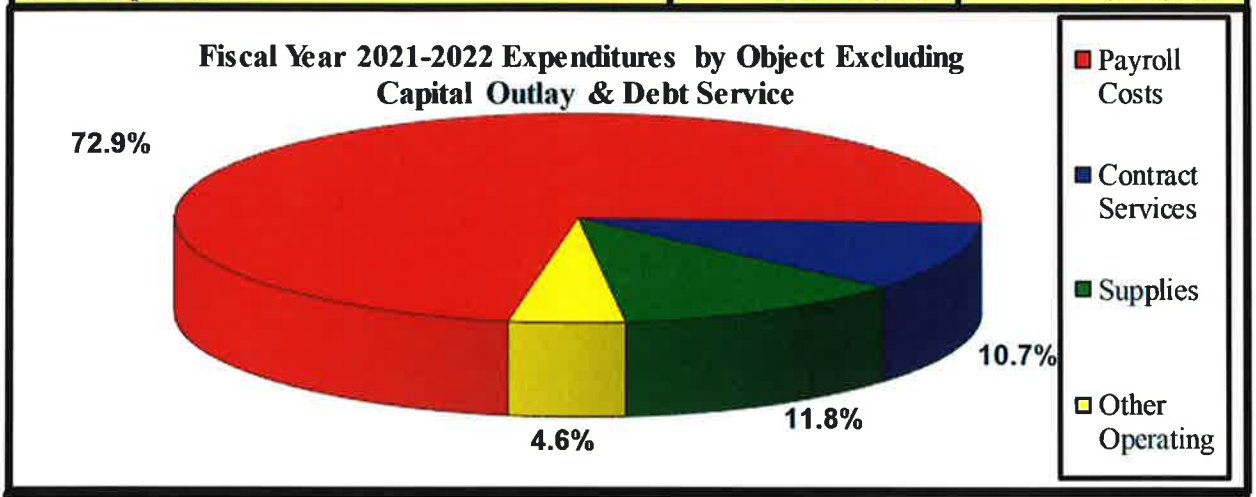
The following graph indicates the District's revenues by source for the last three years.

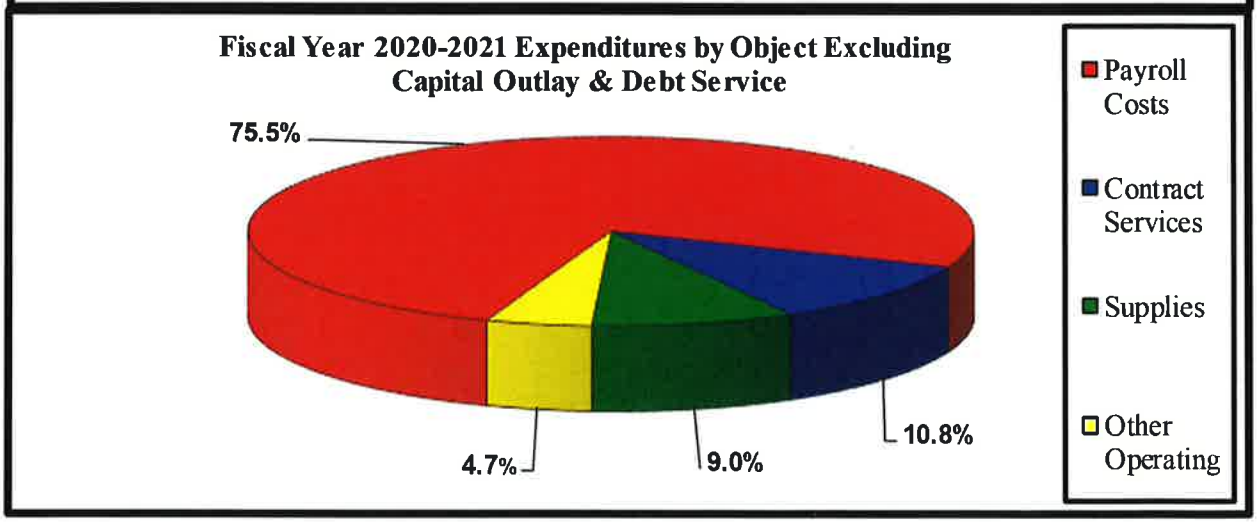
BRIDGEPORT INDEPENDENT SCHOOL DISTRICT REVENUES BY SOURCE			
	FY 2019-2020	FY 2020-2021	FY 2021-2022
ADA	1873.927	1907.797	1870.865
Local	$19,701,561	$19,026,553	$19,387,645
State	6,445,785	6,826,603	6,097,189
Federal	3,445,242	3,785,959	6,774,029
Total	$29,592,588	$29,639,115	$32,258,863



The following graph indicates the percent of operating expenditures by object code for the last two years.

BRIDGEPORT INDEPENDENT SCHOOL DISTRICT EXPENDITURES BY TYPE		
	FY 2020-2021	FY 2021-2022
Total Staff	333.10	335.81
Payroll Costs	$19,634,263	$20,414,893
Contract Services	2,794,766	2,987,050
Supplies	2,342,924	3,289,234
Other Operating	1,221,085	1,290,808
Total Expenditures	$25,993,038	$27,981,985





CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's business office, at **Bridgeport Independent School District, 2107 15th Street, Bridgeport, Texas 76426.**

BASIC FINANCIAL STATEMENTS

EXHIBIT A-1

BRIDGEPORT INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
AUGUST 31, 2022

Data Control Codes		Primary Government Governmental Activities
ASSETS		
1110	Cash and Cash Equivalents	$ 4,309,887
1120	Current Investments	9,990,948
1220	Property Taxes - Delinquent	711,723
1230	Allowance for Uncollectible Taxes	(177,931)
1240	Due from Other Governments	1,697,653
1267	Due from Fiduciary Funds	4,224
	Capital Assets:	
1510	Land	1,050,353
1520	Buildings, Net	37,260,576
1530	Furniture and Equipment, Net	1,979,433
1550	Right-to-Use Leased Assets, Net	20,645
1000	Total Assets	56,847,511
DEFERRED OUTFLOWS OF RESOURCES		
1705	Deferred Outflow Related to TRS Pension	1,841,289
1706	Deferred Outflow Related to TRS OPEB	1,643,596
1700	Total Deferred Outflows of Resources	3,484,885
LIABILITIES		
2110	Accounts Payable	510,572
2160	Accrued Wages Payable	1,113,635
2180	Due to Other Governments	112,962
2200	Accrued Expenses	40,771
2300	Unearned Revenue	195,206
	Noncurrent Liabilities:	
2501	Due Within One Year: Loans, Note, Leases, etc.	2,359,803
	Due in More than One Year:	
2502	Bonds, Notes, Loans, Leases, etc.	12,066,553
2540	Net Pension Liability (District's Share)	3,326,807
2545	Net OPEB Liability (District's Share)	7,252,509
2000	Total Liabilities	26,978,818
DEFERRED INFLOWS OF RESOURCES		
2605	Deferred Inflow Related to TRS Pension	3,955,337
2606	Deferred Inflow Related to TRS OPEB	5,280,459
2600	Total Deferred Inflows of Resources	9,235,796
NET POSITION		
3200	Net Investment in Capital Assets and Right-to-Use Lease Assets	25,914,454
	Restricted:	
3820	Restricted for Federal and State Programs	1,392,271
3850	Restricted for Debt Service	1,748,222
3870	Restricted for Campus Activities	165,795
3900	Unrestricted	(5,102,960)
3000	Total Net Position	$ 24,117,782

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

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

Data Control Codes		1	Program Revenues 3	4	Net (Expense) Revenue and Changes in Net Position 6
		Expenses	Charges for Services	Operating Grants and Contributions	Primary Gov. Governmental Activities
Primary Government:					
	GOVERNMENTAL ACTIVITIES:				
11	Instruction	$ 14,643,103	$ 2,188,314	$ 3,715,754	$ (8,739,035)
12	Instructional Resources and Media Services	150,122	-	8,086	(142,036)
13	Curriculum and Instructional Staff Development	89,342	-	(593)	(89,935)
21	Instructional Leadership	119,304	-	(1,172)	(120,476)
23	School Leadership	1,609,481	-	(16,227)	(1,625,708)
31	Guidance, Counseling, and Evaluation Services	1,156,738	-	867,950	(288,788)
33	Health Services	244,793	-	(2,367)	(247,160)
34	Student (Pupil) Transportation	1,013,815	-	103,025	(910,790)
35	Food Services	1,311,335	80,932	1,518,171	287,768
36	Extracurricular Activities	1,241,335	83,547	62,386	(1,095,402)
41	General Administration	1,075,795	-	(23,515)	(1,099,310)
51	Facilities Maintenance and Operations	3,011,059	47,000	195,274	(2,768,785)
52	Security and Monitoring Services	214,245	-	31,916	(182,329)
53	Data Processing Services	634,165	-	240,961	(393,204)
72	Debt Service - Interest on Long-Term Debt	399,551	-	-	(399,551)
73	Debt Service - Bond Issuance Cost and Fees	500	-	-	(500)
93	Payments Related to Shared Services Arrangements	619,544	-	-	(619,544)
99	Other Intergovernmental Charges	270,283	-	-	(270,283)
[TP]	TOTAL PRIMARY GOVERNMENT:	$ 27,804,510	$ 2,399,793	$ 6,699,649	(18,705,068)

Data Control Codes		
	General Revenues:	
	Taxes:	
MT	Property Taxes, Levied for General Purposes	14,299,289
DT	Property Taxes, Levied for Debt Service	2,119,519
SF	State Aid - Formula Grants	4,773,100
IE	Investment Earnings	89,173
MI	Miscellaneous Local and Intermediate Revenue	519,394
TR	Total General Revenues	21,800,475
CN	Change in Net Position	3,095,407
NB	Net Position - Beginning	21,026,063
PA	Prior Period Adjustment	(3,688)
NE	Net Position - Ending	$ 24,117,782

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

BRIDGEPORT INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
AUGUST 31, 2022

Data Control Codes		10 General Fund	ESSER III ARP School Emergency	Other Funds	Total Governmental Funds
	ASSETS				
1110	Cash and Cash Equivalents	$ 2,240,847	$ -	$ 2,038,319	$ 4,279,166
1120	Investments - Current	8,142,310	-	1,848,638	9,990,948
1220	Property Taxes - Delinquent	606,743	-	104,980	711,723
1230	Allowance for Uncollectible Taxes	(151,686)	-	(26,245)	(177,931)
1240	Due from Other Governments	302,372	790,004	605,277	1,697,653
1260	Due from Other Funds	1,258,300	-	10,103	1,268,403
1000	Total Assets	$ 12,398,886	$ 790,004	$ 4,581,072	$ 17,769,962
	LIABILITIES				
2110	Accounts Payable	$ 207,222	$ 10,453	$ 292,896	$ 510,571
2160	Accrued Wages Payable	808,787	66,120	238,728	1,113,635
2170	Due to Other Funds	-	706,641	532,707	1,239,348
2180	Due to Other Governments	108,237	-	4,725	112,962
2200	Accrued Expenditures	17,569	6,790	10,522	34,881
2300	Unearned Revenue	-	-	195,206	195,206
2000	Total Liabilities	1,141,815	790,004	1,274,784	3,206,603
	DEFERRED INFLOWS OF RESOURCES				
2601	Unavailable Revenue - Property Taxes	455,057	-	78,735	533,792
2600	Total Deferred Inflows of Resources	455,057	-	78,735	533,792
	FUND BALANCES				
	Restricted Fund Balance:				
3450	Federal or State Funds Grant Restriction	-	-	894,681	894,681
3480	Retirement of Long-Term Debt	-	-	1,669,487	1,669,487
3490	Other Restricted Fund Balance	-	-	663,385	663,385
	Committed Fund Balance:				
3510	Construction	891,965	-	-	891,965
3525	Retirement of Loans or Notes Payable	2,740,642	-	-	2,740,642
3540	Self Insurance	175,000	-	-	175,000
3600	Unassigned Fund Balance	6,994,407	-	-	6,994,407
3000	Total Fund Balances	10,802,014	-	3,227,553	14,029,567
4000	Total Liabilities, Deferred Inflows & Fund Balances	$ 12,398,886	$ 790,004	$ 4,581,072	$ 17,769,962

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

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

EXHIBIT C-2

	Total Fund Balances - Governmental Funds	$	14,029,567
1	The District uses internal service funds to charge the costs of certain activities, such as self-insurance, to appropriate functions in other funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. The net effect of this consolidation is to increase (decrease) net position.		-
2	Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. At the beginning of the year, the cost of these assets was $68,009,965 and the accumulated depreciation was $26,645,635. In addition, long-term liabilities, including bonds payable, are not due and payable in the current period, and, therefore are not reported as liabilities in the funds. The net effect of including the beginning balances for capital assets (net of depreciation) and long-term debt in the governmental activities is to increase (decrease) net position.		24,351,517
3	Included in the items related to debt is the recognition of the District's proportionate share of the net pension liability required by GASB 68. The net position related to TRS included a deferred resource outflow in the amount of $1,841,289, a deferred resource inflow in the amount of $3,955,337, and a net pension liability in the amount of $3,326,807. This resulted in a decrease in net position.		(5,440,855)
4	Included in the items related to debt is the recognition of the District's proportionate share of the net OPEB liability required by GASB 75. The net position related to TRS included a deferred resource outflow in the amount of $1,643,596, a deferred resource inflow in the amount of $5,280,459, a net OPEB liability in the amount of $7,252,509. This resulted in a decrease in net position.		(10,889,372)
5	Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of including the current year capital outlays and debt principal payments is to increase net position.		2,889,127
6	The current year depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position.		(1,673,726)
7	Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to the full accrual basis of accounting. These include recognizing unearned revenue as revenue, eliminating interfund transactions, reclassifying the proceeds of bond sales as an increase in bonds payable, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase (decrease) net position.		851,524
19	**Net Position of Governmental Activities**	$	24,117,782

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

EXHIBIT C-3

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

Data Control Codes		10 General Fund	ESSER III ARP School Emergency	Other Funds	Total Governmental Funds
	REVENUES:				
5700	Total Local and Intermediate Sources	$ 14,989,489	$ -	$ 4,398,156	$ 19,387,645
5800	State Program Revenues	5,841,227	-	255,962	6,097,189
5900	Federal Program Revenues	236,261	2,236,741	4,301,027	6,774,029
5020	Total Revenues	21,066,977	2,236,741	8,955,145	32,258,863
	EXPENDITURES:				
	Current:				
0011	Instruction	9,745,396	1,586,674	3,587,939	14,920,009
0012	Instructional Resources and Media Services	156,821	9,825	-	166,646
0013	Curriculum and Instructional Staff Development	94,869	-	-	94,869
0021	Instructional Leadership	133,172	-	-	133,172
0023	School Leadership	1,292,257	-	494,523	1,786,780
0031	Guidance, Counseling, and Evaluation Services	405,993	-	878,416	1,284,409
0033	Health Services	268,779	-	3,791	272,570
0034	Student (Pupil) Transportation	949,713	110,599	-	1,060,312
0035	Food Services	-	-	1,522,728	1,522,728
0036	Extracurricular Activities	1,196,996	67,896	12,241	1,277,133
0041	General Administration	1,249,892	-	21,381	1,271,273
0051	Facilities Maintenance and Operations	2,858,417	209,226	7,933	3,075,576
0052	Security and Monitoring Services	165,808	8,961	23,097	197,866
0053	Data Processing Services	405,660	243,560	-	649,220
	Debt Service:				
0071	Principal on Long-Term Liabilities	622,874	-	1,645,848	2,268,722
0072	Interest on Long-Term Liabilities	170,928	-	550,043	720,971
0073	Bond Issuance Cost and Fees	-	-	500	500
	Intergovernmental:				
0093	Payments to Fiscal Agent/Member Districts of SSA	619,544	-	-	619,544
0099	Other Intergovernmental Charges	270,283	-	-	270,283
6030	Total Expenditures	20,607,402	2,236,741	8,748,440	31,592,583
1200	Net Change in Fund Balances	459,575	-	206,705	666,280
0100	Fund Balance - September 1 (Beginning)	10,342,439	-	3,020,848	13,363,287
3000	Fund Balance - August 31 (Ending)	$ 10,802,014	$ -	$ 3,227,553	$ 14,029,567

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

Total Net Change in Fund Balances - Governmental Funds	$	666,280
The District uses internal service funds to charge the costs of certain activities, such as self-insurance to appropriate functions in other funds. The net income (loss) of internal service funds are reported with governmental activities. The net effect of this consolidation is to increase (decrease) net position.		-
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of removing the current year capital outlays and debt principal payments is to increase (decrease) net position.		2,889,127
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net position.		(1,673,726)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to the full accrual basis of accounting. These include recognizing unearned revenue as revenue, adjusting current year revenue to show the revenue earned from the current year's tax levy, eliminating interfund transactions, reclassifying the proceeds of bond sales, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase (decrease) net position.		360,943
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 $646,167. Contributions made before the measurement date and during the previous fiscal year were also expended and recorded as a reduction in net pension liability. This caused a decrease in the change in net position totaling $557,481. Finally, the proportionate share of the TRS pension expense on the plan as a whole had to be recorded. The net pension expense increased the change in net position by $394,604. The net result is a increase in the change in net position.		483,290
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 $160,278. Contributions made before the measurement date and during the previous fiscal year were also expended and recorded as a reduction in net OPEB liability. This caused a decrease in the change in net position totaling $146,881. Finally, the proportionate share of the TRS OPEB expense on the plan as a whole had to be recorded. The net OPEB expense increased the change in net position by $356,096. The net result is an increase (decrease) in the change in net position.		369,493
Change in Net Position of Governmental Activities	$	3,095,407

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

EXHIBIT D-1

BRIDGEPORT INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AUGUST 31, 2022

	Governmental Activities - Total Internal Service Funds
ASSETS	
Current Assets:	
Cash and Cash Equivalents	$ 30,721
Due from Other Funds	1,359
Total Assets	32,080
LIABILITIES	
Current Liabilities:	
Due to Other Funds	26,190
Accrued Expenses	5,890
Total Liabilities	32,080
NET POSITION	
Unrestricted Net Position	-
Total Net Position	$ -

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

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

	Governmental Activities - Total Internal Service Funds
OPERATING REVENUES:	
Local and Intermediate Sources	$ 423
Total Operating Revenues	423
OPERATING EXPENSES:	
Payroll Costs	1
Other Operating Costs	422
Total Operating Expenses	423
Operating Income	-
Total Net Position - September 1 (Beginning)	-
Total Net Position - August 31 (Ending)	$ -

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

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

EXHIBIT D-3

	Governmental Activities - Total Internal Service Funds
Cash Flows from Operating Activities:	
Cash Received from User Charges	$ 1
Cash Received from Assessments - Other Funds	421
Cash Payments for Insurance Claims	(635)
Net Cash Used for Operating Activities	(213)
Net Decrease in Cash and Cash Equivalents	(213)
Cash and Cash Equivalents at Beginning of Year	30,934
Cash and Cash Equivalents at End of Year	$ 30,721
Reconciliation of Operating Income (Loss) to Net Cash Used for Operating Activities:	
Operating Income (Loss):	$ -
Effect of Increases and Decreases in Current Assets and Liabilities:	
Decrease (increase) in Receivables	265
Increase (decrease) in Accrued Expense	(1,455)
Increase (decrease) in Due to General Fund	977
Net Cash Used for Operating Activities	$ (213)
Reconciliation of Total Cash and Cash Equivalents:	
Cash and Cash Equivalents on Balance Sheet	$ 30,721

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

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

	Custodial Fund	Fiduciary Component Unit
ASSETS		
Cash and Cash Equivalents	$ 122,272	$ -
Restricted Assets	-	26,948
Long Term Investments	-	282,900
Total Assets	122,272	$ 309,848
LIABILITIES		
Accounts Payable	6,881	-
Due to Other Funds	4,224	-
Total Liabilities	11,105	-
NET POSITION		
Restricted for Campus Activities	111,167	-
Restricted for Other Purposes	-	309,848
Total Net Position	$ 111,167	$ 309,848

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

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

	Custodial Fund	Fiduciary Component Unit
ADDITIONS:		
Enterprising Services Revenue	$ -	$ 26,436
Earnings from Temporary Deposits	-	718
Total Additions	-	27,154
DEDUCTIONS:		
Professional and Contracted Services	-	55
Other Deductions	18,531	26,275
Total Deductions	18,531	26,330
Change in Fiduciary Net Position	(18,531)	824
Total Net Position - September 1 (Beginning)	129,698	309,024
Total Net Position - August 31 (Ending)	$ 111,167	$ 309,848

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Bridgeport Independent School District (the "District") is a public educational agency operating under the applicable laws and regulations of the State of Texas. It is governed by a seven-member Board of Trustees (the "Board") elected by registered voters of the District. The District prepares its basic financial statements in conformity with generally accepted accounting principles (GAAP) promulgated by the Governmental Accounting Standards Board and other authoritative sources identified in ***Statement on Auditing Standards No. 56*** of the American Institute of Certified Public Accountants; and it complies with the requirements of the appropriate version of Texas Education Agency's ***Financial Accountability System Resource Guide*** (the "Resource Guide") and the requirements of contracts and grants of agencies from which it receives funds.

A. REPORTING ENTITY

The Board of Trustees (the "Board") is elected by the public and has the authority to make decisions, appoint administrators and managers, and significantly influence operations. It also has the primary accountability for fiscal matters. Therefore, the District is a financial reporting entity as defined by the Governmental Accounting Standards Board ("GASB") in its Statement No. 14, "The Financial Reporting Entity" and amended by GASB Statement No. 61. The only component unit included within the reporting entity is the Bridgeport Educational Foundation which is included as a fiduciary component unit.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

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

Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the "susceptible to accrual" concept, that is, when they are both measurable and available. The District considers them "available" if they will be collected within 60 days of the end of the fiscal year. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available. Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as deferred revenues until related and authorized expenditures have been made. If balances have not been expended by the end of the project period, grantors sometimes require the District to refund all or part of the unused amount.

The Proprietary Fund Types and Fiduciary Funds are accounted for on a flow of economic resources measurement focus and utilize the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred and become measurable. The District applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless these pronouncements conflict or contradict GASB pronouncements. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the fund Statement of Net Position. The fund equity is segregated into invested in capital assets net of related debt, restricted net position, and unrestricted net position.

D. FUND ACCOUNTING

The District reports the following major governmental funds:

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

Special Revenue Fund – The District did maintain a major special revenue governmental fund during the current year for ESSER III – ARP School Emergency.

The District does not report any major enterprise funds.

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

Governmental Funds:

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

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

Capital Projects Funds – Proceeds from long-term debt financing and revenues and expenditures related to authorized construction and other capital asset acquisitions are accounted for in a capital projects fund when applicable.

Proprietary Funds:

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

Fiduciary Funds:

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

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

The balances due to the internal service funds general fund and from the special education special revenue fund resulted from obligations made to maintain capital for the operation of each internal service fund for such activities as self-insurance; the balance is not scheduled to be collected in the subsequent year.

All remaining balances resulted from the time lag between the dates that (1) inter-fund goods and services are provided, or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

During the current year, the District did not make a one-time transfer of funds from the general fund to the debt service fund to subsidize, in part, the District's obligation of interest and sinking fund requirements.

E. OTHER ACCOUNTING POLICIES

1. For purposes of the statement of cash flows for proprietary funds, the District considers highly liquid investments to be cash equivalents if they have maturity of three months or less when purchased.

2. The District reports inventories of supplies using the first-in, first-out inventory cost method, if material. The supplies include consumable maintenance, instructional, office, athletic, and transportation items. Under the purchase method, supplies are recorded as expenditures when they are purchased. Inventories of food commodities are recorded at market values supplied by the Department of Agriculture. Although commodities are received at no cost, their fair market value is supplied by the Department of Agriculture and recorded as revenue and expenditures when received. Material inventories (if any) including food commodities are recorded as an asset and a corresponding amount of expenditures are reduced at year-end.

3. In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expense in the year of issue.

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

4. It is the District's policy to permit some employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the District does not have a policy to pay any amounts when employees separate from service with the District. All vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

5. Capital assets, which include land, buildings, furniture and equipment and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

ASSETS	YEARS
Buildings	40
Building Improvements	30
Vehicles and Equipment	10
Right-to-Use Lease Assets	Lease Term

6. Since Internal Service Funds in the District support the operations of governmental funds, they are consolidated with the governmental funds in the government-wide financial statements. The expenditures of governmental funds that create the revenues of internal service funds are eliminated to avoid "grossing up" the revenues and expenses of the District as a whole.

7. Restricted assets, if applicable, of the District are limited to cash and certificates of deposit which have been gifted to the District with the stipulation that only the earnings are available for current and future scholarship recipients.

8. The District does participate in self-funded workers' compensation programs and does execute inter-local agreements that define the responsibilities of the parties. The program provides statutory workers' compensation benefits to its members and their injured employees.

9. Net Position and Fund Balances:

   Government-wide and Proprietary Fund Net Position:

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

   Governmental Fund Balances:

   In the governmental fund financial statements, fund balances are classified as follows:
   - Non-spendable—Amounts that cannot be spent either because they are in a non-spendable form or because they are legally or contractually required to be maintained intact.
   - Restricted—Amounts that can be spent only for specific purposes because of the District's state or federal laws, or externally imposed conditions by grantors or creditors.
   - Committed—Amounts that can be used only for specific purposes determined by a formal action by Board of Trustees' ordinance.

- Assigned—Amounts that are designated by the Superintendent for a particular purpose but are not spendable until a budget ordinance is passed or there is a majority vote approval (for capital projects or debt service) by the Board of Trustees.
- Unassigned - All amounts not included in other spendable classifications.

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

11. The District has applied Governmental Accounting Standards Board ("GASB") Statement No. 72, Fair Value Measurement and Application. GASB Statement No. 72 provides guidance for determining a fair value measurement for reporting purposes and applying fair value to certain investments and disclosures related to all fair value measurements.

12. Investment income reported in one fund has not been assigned directly to another fund by the District.

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

14. **Deferred Outflows of Resources:**
The District reports decreases in net assets that relate to future periods as deferred outflows of resources in a separate section of its government-wide and proprietary funds statements of net position. The deferred outflow of resources reported in this year's governmental activities "Statement of Net Position" is related to the TRS GASB No. 68 pension and GASB No. 75 OPEB liabilities. No deferred outflows of resources affect the governmental funds financial statements in the current year.

15. **Deferred Inflows of Resources:**
The District's governmental funds report a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in net assets that applies to a future period(s). The District will not recognize the related revenues until a future event occurs. The District has only one type of item which occurs because governmental fund revenues are not recognized until available (collected not later than 60 days after the end of the District's fiscal year) under the modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, deferred property taxes and grants are reported in the governmental funds balance sheet. The District did have deferred inflows of resources to report in its government-wide or proprietary fund financial statements for the current year related to the TRS GASB No. 68 and GASB 75 OPEB liabilities.

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

17. **TRS-Care Plan:**

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

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

Capital Assets at the Beginning of the Year	Historical Cost	Accumulated Depreciation	Net Value at Beginning of Year	Change in Net Position
Land	$ 1,050,353	$ -	$ 1,050,353	
Buildings and Improvements	60,632,447	(22,153,683)	38,478,764	
Equipment and Vehicles	6,062,720	(4,310,464)	1,752,256	
Right-to-Use Lease Assets	-	-	-	
Construction in Progress	-	-	-	
Change in Net Position				$ 41,281,373

Long-Term Liabilities at the Beginning of the Year	Payable at Beginning of Year	
Bonds Payable	$ 10,990,000	
Tax Maintenance Notes	3,565,698	
Financed Purchase Obligations	-	
Notes Payable	-	
Unamortized Premium on Bonds	2,336,996	
Right-to-Use Lease Liabilities	-	
Accrued Interest - Bonds and Financed Purchase Obligations	37,162	
Less: Deferred Charge on Refunding	-	
Change in Net Position		16,929,856
Net Adjustment to Net Position		**$24,351,517**

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

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

	Amount	Adjustments To Changes in Net Position	Adjustments to Net Position
Current Year Capital Outlay			
Land	$ -		
Buildings & Improvements	-		
Equipment and Vehicles	620,405		
Right-to-Use Lease Assets	-		
Construction in Progress	-		
Total Capital Outlay	$ 620,405	$ 620,405	$ 620,405
Debt Principal Payments			
Bond Principal	$ 1,630,000		
Notes Principal	573,996		
Financed Purchase Obligations	-		
Right-to-Use Lease Liabilities	64,726		
Other Adjustments	-		
Total Principal Payments	$ 2,268,722	2,268,722	2,268,722
Total Adjustment to Net Position		$ 2,889,127	$ 2,889,127

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

	Amount	Adjustments to Change in Net Position	Adjustments to Net Position
Adjustments to Revenue, Unearned Revenue, Beginning Net Position:			
Begin Year Unearned Property Tax Revenue	$ 494,269	$ -	$ 494,269
Modified to Full Accrual Property Tax Adjustments	39,523	39,523	39,523
Other Revenue/Expense Adjustments	-	-	-
Reclassify Proceeds of Bonds, Financed Purchase Obligations, Right-to-Use Leases			
Proceeds of Bonds Issued	-	-	-
Discount (Premium) on Issuance of Bonds	-	-	-
Proceeds of Financed Purchase Obligations	-	-	-
Proceeds of Right-to-Use Leases Executed	-	-	-
Reclassify Certain Expenditures to Full Accrual From Modified Accrual:			
Adjust Interest Expense on Long-term Debt	7,359	7,359	7,359
Current Year Amortization of Bond Premium	314,061	314,061	314,061
Basis on Disposition of Capital Assets	-	-	-
Current Year Compensated Absences Accrual Change	-	-	-
Right-to-Use Lease Liability Prior Period Adjustment	(3,688)	-	(3,688)
Amortization of Deferred Charge on Refunding	-	-	-
Totals		**$ 360,943**	**$ 851,524**

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY DATA

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

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

1. Prior to August 20, the District prepares a budget for the next succeeding fiscal year beginning September 1. The operating budget includes proposed expenditures and the means of financing them.

2. A meeting of the Board is then called for the purpose of adopting the proposed budget. At least ten days public notice of the meeting must be given.

3. Prior to September 1, the budget is legally enacted through passage of a resolution by the board. Once a budget is approved, it can only be amended at the function and fund level by approval of a majority of the members of the Board. Amendments are presented to the Board at its regular meetings. Each amendment must have Board approval. As required by law, such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year end. Because the District has a policy of careful budgetary control, several amendments were necessary during the year. **These amendments did not include additional appropriation for capital assets.**

4. Each budget is controlled by the budget coordinator at the revenue and expenditure function/object level. Budgeted amounts are as adopted and amended by the Board of Trustees. All budget appropriations lapse at year-end. A reconciliation of fund balances for both appropriated budget and non-appropriated budget special revenue funds is as follows:

	End of Year Fund Balance
Appropriated Budget Funds - Food Service Special Revenue Fund	$ 894,681
Non-appropriated Budget Funds	663,385
All Special Revenue Funds	$ 1,558,066

B. BUDGETARY STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

The District has disclosed budgetary stewardship, compliance, and accountability in Section C of the Notes to Required Supplementary Information.

C. DEFICIT FUND EQUITY

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

IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

A. CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash and Cash Equivalents

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

CASH AND CASH EQUIVALENTS BY ACCOUNT	8/31/2022
Cash Deposits in Bank	$ 4,429,879
Certificates of Deposit Maturity to 3 months	-
Cash on Hand	2,280
Restricted Cash Deposits in Bank	26,948
Total Cash and Cash Equivalents by Account Type	**$ 4,459,107**
CASH AND CASH EQUIVALENTS BY FUND	**8/31/2022**
Cash and Cash Equivalents:	
General Fund	$ 2,240,847
Major Governmental Funds	-
Non-Major Governmental Funds	2,038,319
Enterprise Funds	-
Internal Service Funds	30,721
Custodial Funds	122,272
Trust Funds	-
Other Funds	26,948
Total Cash and Cash Equivalents by Fund	**$ 4,459,107**

District Policies and Legal and Contractual Provisions Governing Deposits

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

CUSTODIAL CREDIT RISK	HIGHEST CASH BALANCE	8/31/2022
Name of Depository Bank: First Financial Bank, Bridgeport, TX & First National Bank, Bridgeport, TX		
Total amount of FDIC Insurance (FDIC)	$ 458,126	$ 428,901
Amount of Bond or Securities Pledged	8,701,933	8,501,828
Total FDIC, Bond or Securities Pledged	$ 9,160,059	$ 8,930,729
Cash Deposits and Cash Investments in Bank	$ 6,922,616	$ 4,681,746
Excess or (Shortage) FDIC and Bond or Pledged Securities Pledged	**$ 2,237,443**	**$ 4,248,983**
The District's cash deposits were entirely covered by FDIC Insurance or by bond or pledged collateral by the Depository Bank	**YES**	**YES**

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

Investments

District Policies and Legal and Contractual Provisions Governing Investments

Compliance with the Public Funds Investment Act

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

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

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

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

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

Concentration of Credit Risk: To limit the risk of loss attributed to the magnitude of a government's investment in a single issuer, the District limits investments to less than 5% of its total investments.

The District further limits investments in a single issuer to 20% when they would cause investment risks to be significantly greater in the governmental and business-type activities, individual major funds, aggregate non-major funds and fiduciary fund types than they are in the primary government.

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

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

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

The *Texpool* investment pool is an external investment pool measured at amortized cost. In order to meet the criteria to be recorded at amortized cost, the investment pool must transact at a stable net asset value per share and maintain certain maturity, quality, liquidity and diversification requirements within the investment pool. The investment pool transacts at a net asset value of $1.00 per share, has weighted average maturities of 60 days or less and weighted average lives of 120 days or less, investments held are highly rated by nationally recognized statistical rating organizations, have no more than 5% of portfolio with one issuer (excluding U.S. government securities), and can meet reasonably foreseeable redemptions. Texpool has a redemption notice period of one day and may redeem daily. The investment pool's authority may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium or national state of emergency that affects the pool's liquidity. Texpool is subject to regulatory oversight by the State Treasurer, although it is not registered with the Securities and Exchange Commission.

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

Investments	August 31, 2022 Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Percent of Total Investments	Weighted Average Maturity (Days)	Credit Risk
Investments measured at amortized cost -							
Investment pools:							
Texpool	$ 9,990,948	$ -	$ -	$ -	97.25%	37	AAAm*
Investments measured at net asset value (NAV)-							
Investment pools:							
LoneStar	-	-	-	-	0.00%	-	AAAm*
TexStar	-	-	-	-	0.00%	-	AAAm*
Investments measured by fair value level -							
U.S. Government Agency Securities:							
Federal Home Loan Bank	-	-	-	-	0.00%		AA+ to Aaa
Fannie Mae	-	-	-	-	0.00%		AAAm*
Money Market Mutual Funds	-	-	-	-	0.00%	-	Not rated
Certificates of Deposit	-	-	-	-	0.00%	-	BBB+ to AA-
Restricted Investments-	-	-	-	-	0.00%	-	BBB+ to AA-
Education Foundation-Certificates of Deposit	132,900	-	132,900	-	1.29%	-	BBB+ to AA-
Education Foundation Long-term Investments	150,000	-	150,000	-	1.46%	-	BBB+ to AA-
Total Investments	$ 10,273,848	$ -	$ 282,900	$ -	100.00%		

B. PROPERTY TAXES

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

C. DELINQUENT TAXES RECEIVABLE

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

D. INTERFUND BALANCES AND TRANSFERS

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

FUND	Due From Other Funds	Due To Other Funds
General Fund		
Non-major Governmental Funds	$ 521,245	$ -
Major ESSER Special Revenue Fund	706,641	-
Internal Service Funds	26,190	-
All Others	4,224	-
Total General Fund	$ 1,258,300	$ -
Major ESSER Special Revenue Fund		
General Fund	$ -	$ 706,641
Non-major Governmental Funds	-	-
Internal Service Funds	-	-
All Others	-	-
Total Major Governmental Funds	$ -	$ 706,641
Non-major Governmental Funds		
General Fund	$ -	$ 521,245
Other Non-major Governmental Funds	10,103	10,103
Internal Service Funds	-	1,359
All Others	-	-
Total Non-major Governmental Funds	$ 10,103	$ 532,707
Internal Service Funds		
General Fund	$ -	$ 26,190
Major Governmental Fund	-	-
Non-major Governmental Funds	1,359	-
All Others	-	-
Total Internal Service Funds	$ 1,359	$ 26,190
All Other Funds		
General Fund	$ -	$ 4,224
Major Governmental Funds	-	-
Non-major Governmental Funds	-	-
All Others	-	-
Total All Other Funds	$ -	$ 4,224
Total Interfund Receivables / Payables	**$ 1,269,762**	**$ 1,269,762**

The balance of $521,245 and $706,641 due from special revenue funds and $26,190 due from the internal service funds resulted from obligations made for short-term loans to special revenue funds and to maintain capital for the operation of each internal service fund for such activities as self-insurance; $0 of the balance is not scheduled to be collected in the subsequent year. The $1,359 due from the special revenue funds to the internal service funds resulted from obligations to maintain capital for the operation of each internal service fund for such activities as self-insurance; $0 of the balance is not scheduled to be collected in the subsequent year. The balance of $4,224 due from the custodial funds resulted from funds deposited in the custodial bank account which had not been transferred at year-end. The balance of $10,103 due to special revenue funds from other special revenue funds was a short-term loan.

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

FUND	Transfers In	Transfers Out
General Fund		
Non-major Governmental Funds	$ -	$ -
Total General Fund	$ -	$ -
Non-major Governmental Funds		
General Fund	$ -	$ -
Total Non-major Governmental Funds	$ -	$ -
Total Interfund Transfers	$ -	$ -

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to cover operating deficits in funds such as the Food Service Funds.

During the current year, the District did not make a one-time transfer of funds from the general fund to the debt service fund to subsidize, in part, the District's obligation of interest and sinking fund requirements.

E. DISAGGREGATION OF RECEIVABLES AND PAYABLES

Receivables at year end were as follows:

	Property Taxes	Other Governments	Due From Other Funds	Other	Total Receivables
Governmental Activities:					
General Fund	$ 606,743	$ 302,372	$ 1,258,300	$ -	$ 2,167,415
Other Major Governmental Funds	-	790,004	-	-	790,004
Non-major Governmental Funds	104,980	605,277	10,103	-	720,360
Internal Service Funds	-	-	1,359	-	1,359
Total Governmental Activities	$ 711,723	$ 1,697,653	$ 1,269,762	$ -	$ 3,679,138
Amounts not scheduled for collection during subsequent year	$ -	$ -	$ -	$ -	$ -

Payables at year end were as follows:

	Accounts Payable	Accrued Wages Payable	Payroll Liabilities and Accrued Expenditures	Due To Other Funds	Due to Other Governments	Total Payables
Governmental Activities:						
General Fund	$ 207,222	$ 808,787	$ 17,569	$ -	$ 108,237	$ 1,141,815
Other Major Governmental Funds	10,453	66,120	6,790	706,641	-	790,004
Non-major Governmental Funds	292,896	238,728	10,522	532,707	4,725	1,079,578
Internal Service Funds	-	-	5,890	26,190	-	32,080
Total Governmental Type Activities	$ 510,571	$1,113,635	$ 40,771	$ 1,265,538	$ 112,962	$ 3,043,477
Amounts not scheduled for payment during subsequent year	$ -	$ -	$ -	$ -	$ -	$ -

F. CAPITAL ASSET ACTIVITY

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

	Primary Government			
	Beginning Balance	Additions	Deletions, Reclassifications, Prior Period Adjustments	Ending Balance
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	$ 1,050,353	$ -	$ -	$ 1,050,353
Capital Assets Being Depreciated:				
Buildings and Improvements	60,632,447	-	-	60,632,447
Equipment and Vehicles	6,062,720	620,405	-	6,683,125
Right-to-Use Lease Assets	-	-	264,444	264,444
Totals at Historic Cost	$ 67,745,520	$ 620,405	$ 264,444	$ 68,630,369
Less Accumulated Depreciation / Amortization:				
Buildings and Improvements	$ 22,153,683	$ 1,218,188	$ -	$ 23,371,871
Equipment and Vehicles	4,310,464	393,228	-	4,703,692
Right-to-Use Lease Assets	-	62,310	181,489	243,799
Total Accumulated Depreciation	$ 26,464,147	$ 1,673,726	$ 181,489	$ 28,319,362
Governmental Activities Capital Assets-Net	$ 41,281,373	$ (1,053,321)	$ 82,955	$ 40,311,007

Depreciation expense was charged to governmental activities functions as follows:	
Instruction	$ 1,033,762
Student (Pupil) Transportation	137,538
Food Services	10,968
Extracurricular Activities	38,155
General Administration	5,833
Plant Maintenance and Operations	420,683
Security and Monitoring	17,710
Data Processing Services	9,077
In addition, depreciation on capital assets held by the District's Internal Service Fund(s) is charged to the various functions based on their usage of the assets	-
Total Depreciation Expense - Governmental Activities	$ 1,673,726

The District has no capital assets other than land that are not being depreciated as of the current fiscal year end.

LONG-TERM LEASE ASSETS

Intangible Right-to-Use Assets

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

As of August 31, 2022, the District had several lease agreements in place for copiers. The District did not enter into any new lease agreements during the current year. The terms of these lease agreements are described in Note H.

G. SHORT-TERM DEBT PAYABLE

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

H. BONDS, NOTES, FINANCED PURCHASE OBLIGATIONS, AND OTHER LONG-TERM DEBT PAYABLE

The following is a summary of the District's long-term debt for the year ended August 31, 2022:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds and Notes Payable:					
General Obligation Bonds	$ 10,990,000	$ -	$ 1,630,000	$ 9,360,000	$ 1,710,000
Premium on Bond Issuance	2,336,996	-	314,061	2,022,935	-
Maintenance Tax Notes	3,565,698	-	573,996	2,991,702	598,084
Financed Purchase Obligations	-	-	-	-	-
Total Bonds and Notes Payable	$ 16,892,694	$ -	$ 2,518,057	$ 14,374,637	$ 2,308,084
Other Liabilities:					
Accretion Interest	$ -	$ -	$ -	-	$ -
Accrued Interest Payable	37,162	29,803	37,162	29,803	29,803
Total Other Liabilities	$ 37,162	$ 29,803	$ 37,162	$ 29,803	$ 29,803
Total Governmental Activities Long-Term Liabilities	$ 16,929,856	$ 29,803	$ 2,555,219	$ 14,404,440	$ 2,337,887

Debt Payable - Governmental Activities:

Description	Interest Rate	Original Issue	Interest Current Year	Beginning Balance 9/1/2021	Additions	Reductions	Ending Balance 8/31/2022
General Obligation Bonds Payable:							
U/L TAX REFUNDING BONDS 2020 SERIES	5.00-5.00%	$ 14,560,000	$ 549,500	$ 10,990,000	$ -	$ 1,630,000	$ 9,360,000
N/A	0.00 - 0.00%	$ -	-	-	-	-	-
N/A	0.00 - 0.00%	$ -	-	-	-	-	-
N/A	0.00 - 0.00%	$ -	-	-	-	-	-
N/A	0.00 - 0.00%	$ -	-	-	-	-	-
N/A	0.00 - 0.00%	$ -	-	-	-	-	-
N/A	0.00 - 0.00%	$ -	-	-	-	-	-
Total General Obligation Bonds			$ 549,500	$ 10,990,000	$ -	$ 1,630,000	$ 9,360,000
Premium on Bond Issuance				$ 2,336,996	$ -	$ 314,061	$ 2,022,935
Maintenance Tax Notes Payable:							
2013 QSCB MAINTENANCE TAX NOTES	5.11%	$ 5,900,000	$ 158,334	$ 3,245,000	$ -	$ 416,382	$ 2,828,618
SPIRIT OF TEXAS CAPITAL IMPROVEMENT BOND	3.59%	$ 633,704	11,423	320,698	-	157,614	163,084
Total Maintenance Tax Notes			$ 169,757	$ 3,565,698	$ -	$ 573,996	$ 2,991,702
Financed Purchase Obligations Payable:							
N/A	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
N/A	0.00%	$ -	-	-	-	-	-
Total Financed Purchase Obligations			$ -	$ -	$ -	$ -	$ -
Total Debt Payable - Governmental Activities			$ 719,257	$ 16,892,694	$ -	$ 2,518,057	$ 14,374,637

The following table summarizes the annual debt service requirements of the District's Governmental Activities long-term debt August 31, 2022:

	General Obligation Bonds		Maintenance Tax Notes		Financed Purch. Oblig.		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2023	$ 1,710,000	$ 468,000	$ 598,084	$ 150,566	$ -	$ -	$ 2,308,084	$ 618,566
2024	1,800,000	382,500	460,000	122,385	-	-	2,260,000	504,885
2025	1,890,000	292,500	485,000	98,879	-	-	2,375,000	391,379
2026	715,000	198,000	510,000	74,095	-	-	1,225,000	272,095
2027	755,000	162,250	535,000	48,034	-	-	1,290,000	210,284
2028-2032	2,490,000	253,000	403,618	20,696	-	-	2,893,618	273,696
2033-2037	-	-	-	-	-	-	-	-
2038-2042	-	-	-	-	-	-	-	-
2043-2047	-	-	-	-	-	-	-	-
2048-2052	-	-	-	-	-	-	-	-
Totals	$ 9,360,000	$ 1,756,250	$ 2,991,702	$ 514,655	$ -	$ -	$ 12,351,702	$ 2,270,905

On March 17, 2020, the District issued general obligation bonds (Series 2020 Unlimited Tax Refunding Bonds) of $14,560,000 (par value) with an interest rates ranging between 5.00% and 5.00%. The District issued the bonds to refund $8,925,000 of the 2010 Series Tax School Building Bonds and $7,765,000 of the 2010 Tax School Refunding Bonds with interest rates ranging between 3.0% and 4.3%. The refunding bonds were issued at par, and after receiving a premium of $2,396,613 and accrued interest of $32,356, paying issuance costs of $195,469, the net proceeds were $16,793,500. The net proceeds were used to retire the 2010 School Building Bonds and the 2010 Tax Refunding Bonds and accrued interest during the year ended August 31, 2020. As a result of the refunding, the District decreased its total debt service requirement by $2,181,421, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of $2,507,066 during the 2020 year. The District did not issue refunding debt during the current year.

In prior years, the District has defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, trust account assets and liabilities for the defeased bonds are not included in the District's financial statements. The District currently has **$0** in bonds considered defeased and still outstanding.

There are a number of limitations and restrictions contained in the general obligation bond indenture. District administration has indicated that the District is in compliance with all significant limitations and restrictions at year end.

LONG-TERM LEASE OBLIGATIONS

Intangible Right-to-Use Lease Liabilities

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

Copier Leases

The District leases a variety of copier/printers from Novatech and Konica Minolta for a term of 60 months. The leases did not expire in fiscal year 2022. The District did not enter into any new leases during the fiscal year. The copier leases were discounted using an imputed rate of 3% to determine the discounted lease liability. The leased equipment and accumulated amortization of the right-to-use assets are outlined in Note F.

Minimum future lease payments:

Lease Payments to Maturity of the District's Governmental Activities long-term leases as of August 31, 2022:

	Copy Machine Leases		Postage Machine		Turf Tank Lease		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2023	$ 21,916	$ 157	$ -	$ -	$ -	$ -	$ 21,916	$ 157
2024	-	-	-	-	-	-	-	-
2025	-	-	-	-	-	-	-	-
2026	-	-	-	-	-	-	-	-
2027	-	-	-	-	-	-	-	-
2028-2032	-	-	-	-	-	-	-	-
2033-2037	-	-	-	-	-	-	-	-
2038-2042	-	-	-	-	-	-	-	-
2043-2047	-	-	-	-	-	-	-	-
2048-2052	-	-	-	-	-	-	-	-
Totals	$ 21,916	$ 157	$ -	$ -	$ -	$ -	$ 21,916	$ 157

I. COMMITMENTS UNDER SHORT-TERM LEASES

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

K. ACCUMULATED UNPAID VACATION AND SICK LEAVE BENEFITS

Upon retirement or death of certain employees, the District pays any accrued sick leave and vacation leave in "lump sum" cash payment to such employee or his/her estate. Individuals employed after October 1, 1985, are not eligible to receive the lump sum payments.

L. DEFINED BENEFIT PENSION PLAN

a. Plan Description

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

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

b. Pension Plan Fiduciary Net Position

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

c. Benefits Provided

TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using 2.3 percent (multiplier) times the average of the five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, the three highest annual salaries are used. The normal service retirement is at age 65

with 5 years of credited service or when the sum of the member's age and years of credited service equals 80 or more years. Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered in under a previous rule. There are no automatic post-employment benefit changes; including automatic COLAs. Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the plan description in (a) above.

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

d. Contributions

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

Employee contribution rates are set in state statute, Texas Government Code 825.402. The TRS Pension Reform Bill (Senate Bill 12) of the 86th Texas Legislature amended Texas Government Code 825.402 for member contributions and increased employee and employer contribution rates for fiscal years 2020 thru 2025. Contribution Rates can be found in the TRS 2021 ACFR, Note 11, on pages 85 and 86.

	Contribution Rates	
	2021	2022
Member	7.7%	8.0%
Non-Employer Contributing Entity (State)	7.5%	7.8%
Employers	7.5%	7.8%

Current fiscal year employer contributions	$	646,167
Current fiscal year member contributions	$	1,304,635
2021 measurement year NECE on-behalf contributions	$	870,781
Payments made by the State On-Behalf of the District for Medicare, Part D:		
Fiscal year 2020 Medicare, Part D On-Behalf	$	69,442
Fiscal year 2021 Medicare, Part D On-Behalf	$	72,459
Fiscal year 2022 Medicare, Part D On-Behalf	$	67,977

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

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

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

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

- All public schools, charter schools, and regional educational service centers must contribute 1.6 percent of the member's salary beginning in fiscal year 2021, gradually increasing to 2 percent in fiscal year 2025.
- When employing a retiree of the Teacher Retirement System the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.

e. Actuarial Assumptions

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

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

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

f. Discount Rate

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

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

The long-term rate of return on pension plan investments is 7.25 percent. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of August 31, 2021 (see page 53 of the TRS ACFR) are summarized below:

Teacher Retirement System of Texas
Asset Allocation and Long-Term Expected Real Rate of Return
As of August 31, 2021

Asset Allocations			
Asset Class*	**Target Allocation %****	**Long-Term Expected Geometric Real Rate of Return*****	**Expected Contribution to Long-Term Portfolio Returns**
Global Equity			
USA	18.0 %	3.6 %	0.94 %
Non-US Developed	13.0	4.4	0.83
Emerging Markets	9.0	4.6	0.74
Private Equity	14.0	6.3	1.36
Stable Value			
Government Bonds	16.0 %	(0.2)%	0.01 %
Absolute Return	0.0	1.1	0.00
Stable Value Hedge Funds	5.0	2.2	0.12
Real Return			
Real Estate	15.0 %	4.5 %	1.00 %
Energy, Natural Resources & Infrastructure	6.0	4.7	0.35
Commodities	0.0	1.7	0.00
Risk Parity	8.0 %	2.8 %	0.28 %
Asset Allocation Leverage			
Cash	2.0 %	(0.7)%	(0.01)%
Asset Allocation Leverage	(6.0)	(0.5)	0.03
Inflation Expectation			2.20 %
Volatility Drag****			(0.95)%
Expected Return	100.0 %		6.90 %

*Absolute Return includes Credit Sensitive Investments.

**Target allocations are based on the FY2021 policy model.

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

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

g. Discount Rate Sensitivity Analysis

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

	1% Decrease in Discount Rate (6.25%)	Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
District's proportionate share of the net pension liability:	$ 7,269,602	$ 3,326,807	$ 128,004

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

At the measurement date of August 31, 2021, the District reported a liability of $3,326,807 for its proportionate share of the TRS net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	$ 3,326,807
State's proportionate share that is associated with the District	5,196,448
Total	$ 8,523,255

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 0.0130634841% which was a increase (decrease) of -0.0001440145% from its proportion measured as of August 31, 2020.

Changes Since the Prior Actuarial Valuation

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

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

Year Ended August 31, 2022 pension expense	$ 183,652
Revenue for support provided by the State	$ 20,775

As of August 31, 2022, the District reported its proportionate share of the TRS deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual actuarial experiences	$ 5,567	$ 234,210
Changes in actuarial assumptions	1,175,961	512,618
Differences between projected and actual investment earnings	-	2,789,485
Changes in proportion and differences between the employer's contributions and the proportionate share of contributions	13,594	419,024
Total as of August 31, 2021 measurement date	$ 1,195,122	$ 3,955,337
Contributions paid to TRS subsequent to the measurement date	646,167	
Total as of fiscal year-end	**$ 1,841,289**	**$ 3,955,337**

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

Fiscal year ended August 31,	Pension Expense Amount
2023	$ (516,984)
2024	(513,015)
2025	(751,788)
2026	(917,763)
2027	(50,981)
Thereafter	(9,684)

M. HEALTH CARE COVERAGE

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

O. UNEARNED REVENUE AND DEFERRED INFLOWS OF RESOURCES- UNAVAILABLE REVENUE - GOVERNMENTAL FUNDS

Unearned Revenue and Deferred Inflows of Resources – Unavailable Revenue at year-end consisted of the following:

	General Fund	Special Revenue Funds	Debt Service Fund	Total
Deferred Inflows:				
Unavailable Revenue - Property Taxes	$ 455,057	$ -	$ 78,735	$ 533,792
Unearned Revenue:				
State and Federal Grants	-	195,206	-	195,206
Other	-	-	-	-
Total Deferred Inflows / Unearned Revenues	$ 455,057	$ 195,206	$ 78,735	$ 728,998

P. 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 at year end are summarized below. All federal grants shown below are passed through the TEA and are reported on the combined financial statements as "Due from State Agencies".

FUND	Due From State - Foundation Entitlements	Due from State / Other - Federal and State Source Grants	Other	TOTAL
General	$ 302,372	$ -	$ -	$ 302,372
Major Special Revenue Fund	-	790,004	-	790,004
Nonmajor Special Revenue Funds	-	605,277	-	605,277
Totals	$ 302,372	$ 1,395,281	$ -	$ 1,697,653

Q. REVENUE FROM LOCAL AND INTERMEDIATE SOURCES

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

	General Fund	Special Revenue Fund	Debt Service Fund	Total
Property Taxes	$14,097,258	$ -	$ 2,094,717	$ 16,191,975
Property Tax Penalty and Interest	162,865	-	24,444	187,309
Investment Income	66,444	7,274	15,455	89,173
Food Sales	-	80,932	-	80,932
Donations	93,744	-	-	93,744
Extracurricular Student Activities	83,547	-	-	83,547
Insurance Recovery	6,620	-	-	6,620
Sec 313 Agreement Payment	-	-	-	-
Payments from SSA Member Districts	-	2,139,263	-	2,139,263
Other Miscellaneous Revenues	479,011	36,071	-	515,082
Totals	$14,989,489	$2,263,540	$ 2,134,616	$ 19,387,645

R. LITIGATION

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

S. CONSTRUCTION & OTHER SIGNIFICANT COMMITMENTS & CONTINGENCIES

The District at year end had not incurred or made any additional commitments and/or contingencies in connection with construction or other areas of significance.

T. JOINT VENTURE-SHARED SERVICE ARRANGEMENTS

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

Shared Services Arrangement	Type of Services	Fiscal Agent	Funding Source	Fiscal Agent Special Revenue Fund	District Special Revenue Fund	Program Expenditures Current Year
Wise County SSA	Special Education	Bridgeport ISD	State Special Education	437	n/a	$ 619,544
			TOTAL FUNCTION 93 EXPENDITURES			**$ 619,544**

The District also participates in shared service arrangements with other school districts for various educational activities. In addition to the District, other member districts participate in the educational cooperatives and the fiscal agent provides SSA services. The funding for each activity is received by the fiscal agent from the grantor agency. The fiscal agent then provides the funds to the member districts. According to guidance provided in TEA's Resource Guide, the Fiscal Agent has accounted for the fiscal agent's activities of the SSA in a Special Revenue Fund. The Shared Services Arrangements has been accounted for using Model 1 in the SSA section of the TEA Resource Guide. The District neither has a joint ownership interest in fixed assets purchased by the fiscal agent, nor does the District have a net equity interest in the fiscal agent. The fiscal agent is neither accumulating significant financial resources nor fiscal exigencies that would give rise to a future additional benefit or burden to the District. The fiscal agent manager is responsible for all financial activities of the Shared Services Arrangement. Presented below are the Shared Service Arrangements in which the District participates, and the extent of funding received and expended under each program (No funds were paid to subrecipients during the current year.

U. SUBSEQUENT EVENTS

In preparing the basic financial statements, District administration has evaluated events and transactions for potential recognition or disclosure through **January 9, 2023**, the date this Annual Financial Report was issued. No material subsequent events had occurred in the period of August 31, 2022, through that date.

V. RELATED ORGANIZATIONS

The District at present does maintain an Educational Foundation (the "Foundation"). This entity was established as a not-for-profit entity to provide assistance and support for teachers and students to develop special programs and projects and other school district support activities. This entity is a "related organization" of the District as defined by ***Governmental Accounting Standards Board (GASB) Statement No. 14***. The members of the board of the Foundation are appointed by an outside taxpayer group; however, the sole purpose of the organization is for the support for the District and due to the fact that the assets held by the Education Foundation are material, the assets, liabilities, net position, current year earnings and expense paid have been included in this report as a fiduciary component unit.

W. MAINTENANCE OF EFFORT

The District is in compliance with the maintenance of effort requirements in connection with health insurance. As such, no additional information is required for this District.

X. RELATED PARTY TRANSACTIONS

The District incurs related party transactions with businesses owned or employers for various members of the Board of Trustees. The District did not incur any material reportable related party transactions or balances as of and during the current year end.

Y. PRIOR PERIOD FUND BALANCE / NET POSITION ADJUSTMENTS

The District did not make a fund balance adjustment during the current year. The District did make a net position adjustment during the current year of $3,688 to record new GASB 87 long-term right to use assets and long-term lease liabilities in the governmental activities.

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

Government Wide Net Position	Govenmental Activities	
Increase (Decrease) Beginning of Year Net Position:		
Prior Period Adjustment - Right-to-Use Leases per GASB 87:		
Begin Year Right-to-Use Lease Assets	$264,444	
Begin Year Accumulated Amortization	(181,489)	
Begin Year Right-to-Use Lease Liability	(86,643)	$ (3,688)
Total Prior Period Adjustments - Government Wide Net Position		$ (3,688)

Z. RISK FINANCING AND OTHER COVERAGE

Workers' Compensation Program

During the current year ended, the District met its statutory workers' compensation obligations through participation in the TASB Risk Management Fund (the Fund). The Fund was created and is operated under the provisions of the Inter-Local Cooperation Act, Chapter 791 of the Texas Government Code. The Fund's workers' compensation program is authorized by Chapter 504, Texas Labor Code. All members participating in the Fund execute Inter-Local Agreements that define the responsibilities of the parties. The Fund provides statutory workers' compensation benefits to its members and their injured employees.

The Fund and its members are protected against higher than expected claims costs through the purchase of stop loss coverage for any claim in excess of the Fund's self-insured retention of $2.0 million. The Fund uses the services of an independent actuary to determine reserve adequacy and fully funds those reserves. As of the current year-end, the Fund carries a discounted reserve for future development on reported claims and claims that have been incurred but not yet reported. For the current year ended, the Fund anticipates no additional liability to members beyond their contractual obligation for payment of contributions.

The Fund engages the services of an independent auditor to conduct a financial audit after the close of each plan year on August 31. The audit is accepted by the Fund's Board of Trustees in February of the following year. The Fund's audited financial statements as of August 31, 2022, are available at the TASB offices and have been filed with the Texas Department of Insurance in Austin.

Workers' Compensation Program – Prior Year Coverage

In previous years, the District established a self-insurance plan for workers' compensation benefits as authorized by Section 504.011 of the Labor Code. The District participates in this plan (West Texas Educational Insurance Association self-funded workers' compensation program) along with other participating entities. The District contributes annual amounts determined by Claims Administrative Services, Inc. As claims arise, they are submitted to and paid by Claims Administrative Services, Inc. on behalf of the District under terms of a contractual agreement. According to state statute, the District is protected against unanticipated catastrophic claims and aggregate loss by coverage carried through a commercial insurer licensed or eligible to do business in Texas in accordance with the Texas Insurance Code. Coverage was in effect for specific occurrences exceeding $225,000 and aggregate retention at $2,000,000.

The costs associated with this self-insurance plan are reported as Inter-fund transactions to the extent of amounts actuarially determined. Accordingly, they are treated as operating revenues of the Internal Service Fund and operating expenditures of the General Fund. The liabilities of the plan include incurred but not reported claims. These liabilities reported in the funds at August 31, are based on the requirements of Governmental Accounting Standards Board No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. These liabilities include an amount for claims that have been incurred but not reported.

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

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

	Previous Fiscal Year	Current Fiscal Year
Unpaid claims, beginning of year	$ 10,918	$ 7,345
Incurred claims (including IBNR'S)	(3,174)	(1,033)
Claim Payments	(399)	(422)
Unpaid claims, end of year	$ 7,345	$ 5,890

Property and Liability Program

During the current year, the District provided auto physical damage, crime, equipment breakdown, property, auto liability, general liability, sexual misconduct, and SP legal coverage for the District through participation in the TASB Risk Management Fund (the Fund). The Fund was created and is operated under the provisions of the Inter-local Cooperation Act, Chapter 791 of the Texas Government Code. The Fund's unemployment compensation program is authorized by Section 22.005 of the Texas Education Code and Chapter 172 of the Texas Local Government Code. All members participating in the Fund execute Inter-local Agreements that define the responsibilities of the parties.

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

The Fund engages the services of an independent auditor to conduct a financial audit after the close of each plan year on August 31. The audit is accepted by the Fund's Board of Trustees in February of the following year. The Fund's audited financial statements as of August 31, 2022, are available at the TASB offices and have been filed with the Texas Department of Insurance in Austin.

AA. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS

a. Plan Description

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

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

b. OPEB Plan Fiduciary Net Position

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

c. Benefits Provided

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

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

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

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

d. Contributions

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

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

	Contribution Rates	
	2021	2022
Member	0.65%	0.65%
Non-Employer Contributing Entity (State)	1.25%	1.25%
Employers	0.75%	0.75%
Federal/Private Funding Remitted by Employers	1.25%	1.25%
Current fiscal year employer contributions		$ 160,278
Current fiscal year member contributions		$ 106,002
2021 measurement year NECE on-behalf contributions		$ 196,788

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

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

e. Actuarial Assumptions

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

The actuarial valuation of the OPEB plan offered through TRS-Care is similar to the actuarial valuation performed for the pension plan, except that the OPEB valuation is more complex. The demographic assumptions were developed in the experience study performed for TRS for the period ending August 31, 2017. The following assumptions and other inputs used for member of TRS-Care are based on an established pattern of practice and are identical to the assumptions used in the August 31, 2020, TRS pension actuarial valuation that was rolled forward to August 31, 2021:

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

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

Actuarial Methods and Assumptions:

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

Additional Actuarial Methods and Assumptions:

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

f. Discount Rate

A single discount rate of 1.95 percent was used to measure the total OPEB Liability. There was a decrease of .38 percent in the discount rate since the previous year. The Discount Rate can be found in the 2021 TRS ACFR on page 77. Because the plan is essentially a "pay-as-you-go" plan, the single discount rate is equal to the prevailing municipal bond rate. The projection of cash flows used to determine the discount rate assumed that contributions from active members and those of the contributing employers and the non-employer contributing entity are made at a statutorily required rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected *to* ***not be able*** *to* make all future benefit payments of current plan members. Therefore, the municipal bond rate was used for the long-term rate of return and was applied to all periods of projected benefit payments to determine the total OPEB liability.

The source of the municipal bond rate is the Fidelity "20-year Municipal GO AA Index" as of August 31, 2021, using the fixed-income Market Data/Yield Curve/ Data Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds.

g. Discount Rate Sensitivity Analysis

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

	1% Decrease in Discount Rate (0.95%)	Discount Rate (1.95%)	1% Increase in Discount Rate (2.95%)
Proportionate share of the net OPEB liability	$ 8,748,197	$ 7,252,509	$ 6,075,354

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

At August 31, 2022, the District reported a liability of $7,252,509 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	$ 7,252,509
State's proportionate share that is associated with the District	9,716,746
Total	$ 16,969,255

The Net OPEB Liability was measured as of August 31, 2020, and rolled forward to August 31, 2021, and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of that date. The employer's proportion of the Net OPEB Liability was based on the employer's contributions to OPEB relative to the 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 OPEB Liability was 0.0188013188%.

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

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Proportionate share of net OPEB liability	$ 5,874,292	$ 7,252,509	$ 9,101,734

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

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

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

The amount of OPEB expense recognized by the District in the reporting period was ($7,252,509).

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual actuarial experiences	$ 312,255	$ 3,510,722
Changes in actuarial assumptions	803,301	1,533,771
Differences between projected and actual investment earnings	7,874	-
Changes in proportion and differences between the employer's contributions and the proportionate share of contributions	359,888	235,966
Contributions paid to TRS subsequent to the measurement date	160,278	
Total as of fiscal year-end	**$ 1,643,596**	**$ 5,280,459**

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

Fiscal year ended August 31,	OPEB Expense Amount
2023	$ (731,195)
2024	(731,372)
2025	(731,324)
2026	(540,419)
2027	(281,966)
Thereafter	(780,865)

For the current year ended August 31, the District recognized OPEB expense of ($567,837) and revenue of $(358,622) for support provided by the State.

REQUIRED SUPPLEMENTARY INFORMATION

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

Data Control Codes		Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	REVENUES:				
5700	Total Local and Intermediate Sources	$ 14,743,658	$ 14,743,658	$ 14,989,489	$ 245,831
5800	State Program Revenues	6,366,241	6,366,241	5,841,227	(525,014)
5900	Federal Program Revenues	-	-	236,261	236,261
5020	Total Revenues	21,109,899	21,109,899	21,066,977	(42,922)
	EXPENDITURES:				
	Current:				
0011	Instruction	10,418,477	10,048,477	9,745,396	303,081
0012	Instructional Resources and Media Services	163,258	188,258	156,821	31,437
0013	Curriculum and Instructional Staff Development	213,301	93,301	94,869	(1,568)
0021	Instructional Leadership	101,271	141,271	133,172	8,099
0023	School Leadership	1,285,367	1,305,367	1,292,257	13,110
0031	Guidance, Counseling, and Evaluation Services	381,215	421,215	405,993	15,222
0033	Health Services	276,988	286,988	268,779	18,209
0034	Student (Pupil) Transportation	969,703	1,049,703	949,713	99,990
0036	Extracurricular Activities	1,243,298	1,213,298	1,196,996	16,302
0041	General Administration	1,198,849	1,258,849	1,249,892	8,957
0051	Facilities Maintenance and Operations	2,762,733	2,962,733	2,858,417	104,316
0052	Security and Monitoring Services	156,030	181,030	165,808	15,222
0053	Data Processing Services	405,009	425,009	405,660	19,349
	Debt Service:				
0071	Principal on Long-Term Liabilities	730,676	730,676	622,874	107,802
0072	Interest on Long-Term Liabilities	188,219	188,219	170,928	17,291
0073	Bond Issuance Cost and Fees	500	500	-	500
	Capital Outlay:				
0081	Facilities Acquisition and Construction	2	2	-	2
	Intergovernmental:				
0091	Contracted Instructional Services Between Schools	1	1	-	1
0093	Payments to Fiscal Agent/Member Districts of SSA	619,544	619,544	619,544	-
0099	Other Intergovernmental Charges	278,632	278,632	270,283	8,349
6030	Total Expenditures	21,393,073	21,393,073	20,607,402	785,671
1200	Net Change in Fund Balances	(283,174)	(283,174)	459,575	742,749
0100	Fund Balance - September 1 (Beginning)	10,342,439	10,342,439	10,342,439	-
3000	Fund Balance - August 31 (Ending)	$ 10,059,265	$ 10,059,265	$ 10,802,014	$ 742,749

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

	FY 2022 Plan Year 2021	FY 2021 Plan Year 2020	FY 2020 Plan Year 2019
District's Proportion of the Net Pension Liability (Asset)	0.013063484%	0.013207499%	0.014080944%
District's Proportionate Share of Net Pension Liability (Asset)	$ 3,226,807	$ 7,073,667	$ 7,319,715
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	5,196,448	11,211,409	10,113,003
Total	$ 8,423,255	$ 18,285,076	$ 17,432,718
District's Covered Payroll	$ 15,913,183	$ 15,894,180	$ 14,673,911
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	20.91%	44.50%	49.88%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	88.79%	75.54%	75.24%

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

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

FY 2019 Plan Year 2018	FY 2018 Plan Year 2017	FY 2017 Plan Year 2016	FY 2016 Plan Year 2015	FY 2015 Plan Year 2014
0.014497556%	0.014464412%	0.0143476%	0.0154001%	0.011315%
$ 7,979,807	$ 4,624,940	$ 5,421,726	$ 5,443,730	3,022,394
11,366,013	6,926,663	8,721,923	8,154,814	7,210,432
$ 19,345,820	$ 11,551,603	$ 14,143,649	$ 13,598,544	$ 10,232,826
$ 14,775,752	$ 14,573,952	$ 14,506,829	$ 13,923,218	13,902,371
54.01%	31.73%	37.37%	39.10%	21.74%
73.74%	82.17%	78.00%	78.43%	83.25%

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

	2022	2021	2020
Contractually Required Contribution	$ 646,167	$ 557,481	$ 545,145
Contribution in Relation to the Contractually Required Contribution	(646,167)	(557,481)	(545,145)
Contribution Deficiency (Excess)	$ -	$ -	$ -
District's Covered Payroll	$ 16,307,942	$ 15,913,183	$ 15,894,180
Contributions as a Percentage of Covered Payroll	3.96%	3.50%	3.43%

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

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

2019	2018	2017	2016	2015
$ 491,946	$ 488,450	$ 474,059	$ 455,858	$ 456,715
(491,946)	(488,450)	(474,059)	(455,858)	(456,715)
$ -	$ -	$ -	$ -	$ -
$ 14,673,911	$ 14,775,752	$ 14,574,055	$ 14,506,829	$ 13,923,218
3.35%	3.31%	3.25%	3.14%	3.28%

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

	FY 2022 Plan Year 2021	FY 2021 Plan Year 2020	FY 2020 Plan Year 2019
District's Proportion of the Net Liability (Asset) for Other Postemployment Benefits	0.018801319%	0.019231916%	0.019008115%
District's Proportionate Share of Net OPEB Liability (Asset)	$ 7,252,509	$ 7,310,920	$ 8,989,170
State's Proportionate Share of the Net OPEB Liability (Asset) Associated with the District	9,716,746	9,824,124	11,944,597
Total	$ 16,969,255	$ 17,135,044	$ 20,933,767
District's Covered Payroll	$ 15,913,183	$ 15,894,180	$ 14,673,911
District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	45.58%	46.00%	61.26%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	6.18%	4.99%	2.66%

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

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

	FY 2019 Plan Year 2018	FY 2018 Plan Year 2017
	0.018827958%	0.018316945%
$	9,400,972	$ 7,965,352
	12,012,436	10,869,923
$	21,413,408	$ 18,835,275
$	14,775,752	$ 14,573,952
	63.62%	54.65%
	1.57%	0.91%

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

	2022	2021	2020
Contractually Required Contribution	$ 160,278	$ 146,881	$ 146,176
Contribution in Relation to the Contractually Required Contribution	(160,278)	(146,881)	(146,176)
Contribution Deficiency (Excess)	$ -	$ -	$ -
District's Covered Payroll	$ 16,307,942	$ 15,913,183	$ 15,894,180
Contributions as a Percentage of Covered Payroll	0.98%	0.92%	0.92%

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

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

2019	2018
$ 129,441	$ 129,897
(129,441)	(129,897)
$ -	$ -
$ 14,673,911	$ 14,775,752
0.88%	0.88%

A. Notes to Schedules for the TRS Pension

Changes of benefit terms

There were no changes of benefit terms since the prior measurement date.

Changes of assumptions

There were no changes to the actuarial assumptions since the prior measurement date.

B. Notes to Schedules for the TRS OPEB Plan

Changes in Benefit

There were no changes in benefit terms since the prior measurement date.

Changes in Assumptions

The single discount rate changed from 2.33 percent as of August 31, 2020, to 1.95 percent as of August 31, 2021. This change increased the total OPEB liability.

C. Stewardship, Compliance and Accountability

Budget

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

- The required supplementary information for the general fund budget is located in Exhibit G-1 "Budgetary Comparison Schedule – General Fund.
- The required Texas Education Agency (TEA) schedules for the food service fund is located in Exhibit J-2 "Budgetary Comparison Schedule – Child Nutrition Fund.
- The required Texas Education Agency (TEA) schedules for the debt service fund is located in Exhibit J-3 "Budgetary Comparison Schedule – Debt Service Fund".

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

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

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

Expenditures Exceeding Appropriation

- The current year expenditures did not exceed appropriations by a material amount in any functions in the general fund as detailed in Exhibit G-1 "Budgetary Comparison Schedule -General Fund". There was an immaterial excess of expenditures in function 13 of $1,568.

- The current year expenditures did exceed appropriations in function 35 by $64,860 of the food service fund as detailed in Exhibit J-2 "Budgetary Comparison Schedule -Child Nutrition Fund".

- The current year expenditures did not exceed appropriations in any functions in the debt service fund as detailed in Exhibit J-3 "Budgetary Comparison Schedule -Debt Service Fund".

OTHER SUPPLEMENTARY INFORMATION – COMBINING AND INDIVIDUAL SCHEDULES

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

Data Control Codes		211 ESEA I, A Improving Basic Program	240 National Breakfast and Lunch Program	242 Summer Feeding Program	244 Career and Technical - Basic Grant
	ASSETS				
1110	Cash and Cash Equivalents	$ -	$ 1,077,985	$ -	$ -
1120	Investments - Current	-	52,197	-	-
1220	Property Taxes - Delinquent	-	-	-	-
1230	Allowance for Uncollectible Taxes	-	-	-	-
1240	Due from Other Governments	52,554	63,618	-	158
1260	Due from Other Funds	-	-	-	-
1000	Total Assets	$ 52,554	$ 1,193,800	$ -	$ 158
	LIABILITIES				
2110	Accounts Payable	$ -	$ 269,657	$ -	$ -
2160	Accrued Wages Payable	17,607	28,805	-	-
2170	Due to Other Funds	33,042	37	-	158
2180	Due to Other Governments	-	-	-	-
2200	Accrued Expenditures	1,905	620	-	-
2300	Unearned Revenue	-	-	-	-
2000	Total Liabilities	52,554	299,119	-	158
	DEFERRED INFLOWS OF RESOURCES				
2601	Unavailable Revenue - Property Taxes	-	-	-	-
2600	Total Deferred Inflows of Resources	-	-	-	-
	FUND BALANCES				
	Restricted Fund Balance:				
3450	Federal or State Funds Grant Restriction	-	894,681	-	-
3480	Retirement of Long-Term Debt	-	-	-	-
3490	Other Restricted Fund Balance	-	-	-	-
3000	Total Fund Balances	-	894,681	-	-
4000	Total Liabilities, Deferred Inflows & Fund Balances	$ 52,554	$ 1,193,800	$ -	$ 158

255 ESEA II,A Training and Recruiting	263 Title III, A English Lang. Acquisition	276 Title I - SIP Academy Grant	281 ESSER II CRRSA Act Supplemental	289 Summer School LEP	313 SSA IDEA, Part B Formula	314 SSA IDEA, Part B Preschool	364 SSA - IDEA B Formula ARP Act
$ -	$ -	$ -	$ -	$ -	$ 253,662	$ -	$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
9,384	6,665	-	328,180	144	31,802	4,893	12,655
-	-	-	-	-	-	-	-
$ 9,384	$ 6,665	$ -	$ 328,180	$ 144	$ 285,464	$ 4,893	$ 12,655
$ -	$ -	$ -	$ 2,175	$ -	$ 4,616	$ -	$ 4,818
2,666	5,720	-	-	-	36,857	2,358	-
6,522	696	-	326,005	144	52,984	2,266	7,837
-	-	-	-	-	-	-	-
196	249	-	-	-	4,146	269	-
-	-	-	-	-	186,861	-	-
9,384	6,665	-	328,180	144	285,464	4,893	12,655
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
$ 9,384	$ 6,665	$ -	$ 328,180	$ 144	$ 285,464	$ 4,893	$ 12,655

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

Data Control Codes		365 SSA - IDEA B Preschool ARP Act	397 Advanced Placement Incentives	410 State Instructional Materials	429 Other State Special Revenue Funds
	ASSETS				
1110	Cash and Cash Equivalents	$ -	$ 352	$ -	$ 7,993
1120	Investments - Current	-	-	-	-
1220	Property Taxes - Delinquent	-	-	-	-
1230	Allowance for Uncollectible Taxes	-	-	-	-
1240	Due from Other Governments	1,636	-	93,588	-
1260	Due from Other Funds	-	-	-	-
1000	Total Assets	$ 1,636	$ 352	$ 93,588	$ 7,993
	LIABILITIES				
2110	Accounts Payable	$ -	$ -	$ -	$ -
2160	Accrued Wages Payable	1,602	-	-	-
2170	Due to Other Funds	-	-	93,588	-
2180	Due to Other Governments	-	-	-	-
2200	Accrued Expenditures	34	-	-	-
2300	Unearned Revenue	-	352	-	7,993
2000	Total Liabilities	1,636	352	93,588	7,993
	DEFERRED INFLOWS OF RESOURCES				
2601	Unavailable Revenue - Property Taxes	-	-	-	-
2600	Total Deferred Inflows of Resources	-	-	-	-
	FUND BALANCES				
	Restricted Fund Balance:				
3450	Federal or State Funds Grant Restriction	-	-	-	-
3480	Retirement of Long-Term Debt	-	-	-	-
3490	Other Restricted Fund Balance	-	-	-	-
3000	Total Fund Balances	-	-	-	-
4000	Total Liabilities, Deferred Inflows & Fund Balances	$ 1,636	$ 352	$ 93,588	$ 7,993

437 SSA Special Education	461 Campus Activity Funds	Total Nonmajor Special Revenue Funds	599 Debt Service Fund	Total Nonmajor Governmental Funds
$ 345,736	$ 173,690	$ 1,859,418	$ 178,901	$ 2,038,319
301,130	-	353,327	1,495,311	1,848,638
-	-	-	104,980	104,980
-	-	-	(26,245)	(26,245)
-	-	605,277	-	605,277
10,103	-	10,103	-	10,103
$ 656,969	$ 173,690	$ 2,828,125	$ 1,752,947	$ 4,581,072
$ 10,797	$ 833	$ 292,896	$ -	$ 292,896
143,113	-	238,728	-	238,728
2,366	7,062	532,707	-	532,707
-	-	-	4,725	4,725
3,103	-	10,522	-	10,522
-	-	195,206	-	195,206
159,379	7,895	1,270,059	4,725	1,274,784
-	-	-	78,735	78,735
-	-	-	78,735	78,735
-	-	894,681	-	894,681
-	-	-	1,669,487	1,669,487
497,590	165,795	663,385	-	663,385
497,590	165,795	1,558,066	1,669,487	3,227,553
$ 656,969	$ 173,690	$ 2,828,125	$ 1,752,947	$ 4,581,072

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

Data Control Codes		211 ESEA I, A Improving Basic Program	240 National Breakfast and Lunch Program	242 Summer Feeding Program	244 Career and Technical - Basic Grant
	REVENUES:				
5700	Total Local and Intermediate Sources	$ -	$ 81,195	$ -	$ -
5800	State Program Revenues	-	39,549	-	-
5900	Federal Program Revenues	349,961	1,594,356	-	17,424
5020	Total Revenues	349,961	1,715,100	-	17,424
	EXPENDITURES:				
	Current:				
0011	Instruction	349,961	-	-	17,424
0023	School Leadership	-	-	-	-
0031	Guidance, Counseling, and Evaluation Services	-	-	-	-
0033	Health Services	-	-	-	-
0035	Food Services	-	1,522,728	-	-
0036	Extracurricular Activities	-	-	-	-
0041	General Administration	-	-	-	-
0051	Facilities Maintenance and Operations	-	-	-	-
0052	Security and Monitoring Services	-	-	-	-
	Debt Service:				
0071	Principal on Long-Term Liabilities	-	-	-	-
0072	Interest on Long-Term Liabilities	-	-	-	-
0073	Bond Issuance Cost and Fees	-	-	-	-
6030	Total Expenditures	349,961	1,522,728	-	17,424
1200	Net Change in Fund Balance	-	192,372	-	-
0100	Fund Balance - September 1 (Beginning)	-	702,309	-	-
3000	Fund Balance - August 31 (Ending)	$ -	$ 894,681	$ -	$ -

255 ESEA II,A Training and Recruiting	263 Title III, A English Lang. Acquisition	276 Title I - SIP Academy Grant	281 ESSER II CRRSA Act Supplemental	289 Summer School LEP	313 SSA IDEA, Part B Formula	314 SSA IDEA, Part B Preschool	364 SSA - IDEA B Formula ARP Act
$ -	$ -	$ -	$ -	$ -	$ 1,812	$ -	$ -
-	-	-	-	-	-	-	578
54,358	49,418	-	875,481	35,879	1,210,971	25,811	85,732
54,358	49,418	-	875,481	35,879	1,212,783	25,811	86,310
54,358	49,418	-	875,481	12,782	376,929	25,811	50,298
-	-	-	-	-	-	-	-
-	-	-	-	-	835,854	-	36,012
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	23,097	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
54,358	49,418	-	875,481	35,879	1,212,783	25,811	86,310
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

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

Data Control Codes		365 SSA - IDEA B Preschool ARP Act	397 Advanced Placement Incentives	410 State Instructional Materials	429 Other State Special Revenue Funds
	REVENUES:				
5700	Total Local and Intermediate Sources	$ -	$ -	$ -	$ -
5800	State Program Revenues	-	-	62,369	379
5900	Federal Program Revenues	1,636	-	-	-
5020	Total Revenues	1,636	-	62,369	379
	EXPENDITURES:				
	Current:				
0011	Instruction	1,636	-	62,369	379
0023	School Leadership	-	-	-	-
0031	Guidance, Counseling, and Evaluation Services	-	-	-	-
0033	Health Services	-	-	-	-
0035	Food Services	-	-	-	-
0036	Extracurricular Activities	-	-	-	-
0041	General Administration	-	-	-	-
0051	Facilities Maintenance and Operations	-	-	-	-
0052	Security and Monitoring Services	-	-	-	-
	Debt Service:				
0071	Principal on Long-Term Liabilities	-	-	-	-
0072	Interest on Long-Term Liabilities	-	-	-	-
0073	Bond Issuance Cost and Fees	-	-	-	-
6030	Total Expenditures	1,636	-	62,369	379
1200	Net Change in Fund Balance	-	-	-	-
0100	Fund Balance - September 1 (Beginning)	-	-	-	-
3000	Fund Balance - August 31 (Ending)	$ -	$ -	$ -	$ -

437 SSA Special Education	461 Campus Activity Funds	Total Nonmajor Special Revenue Funds	599 Debt Service Fund	Total Nonmajor Governmental Funds
$ 2,180,533	$ -	$ 2,263,540	$ 2,134,616	$ 4,398,156
122,027	-	224,902	31,060	255,962
-	-	4,301,027	-	4,301,027
2,302,560	-	6,789,469	2,165,676	8,955,145
1,711,093	-	3,587,939	-	3,587,939
494,523	-	494,523	-	494,523
6,550	-	878,416	-	878,416
3,791	-	3,791	-	3,791
-	-	1,522,728	-	1,522,728
-	12,241	12,241	-	12,241
21,381	-	21,381	-	21,381
7,933	-	7,933	-	7,933
-	-	23,097	-	23,097
15,848	-	15,848	1,630,000	1,645,848
543	-	543	549,500	550,043
-	-	-	500	500
2,261,662	12,241	6,568,440	2,180,000	8,748,440
40,898	(12,241)	221,029	(14,324)	206,705
456,692	178,036	1,337,037	1,683,811	3,020,848
$ 497,590	$ 165,795	$ 1,558,066	$ 1,669,487	$ 3,227,553

BRIDGEPORT INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
AUGUST 31, 2022

	753 Insurance	755 Public Entity Risk Pool	Total Internal Service Funds
ASSETS			
Current Assets:			
Cash and Cash Equivalents	$ 688	$ 30,033	$ 30,721
Due from Other Funds	1,359	-	1,359
Total Assets	2,047	30,033	32,080
LIABILITIES			
Current Liabilities:			
Due to Other Funds	-	26,190	26,190
Accrued Expenses	2,047	3,843	5,890
Total Liabilities	2,047	30,033	32,080
NET POSITION			
Unrestricted Net Position	-	-	-
Total Net Position	$ -	$ -	$ -

BRIDGEPORT INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2022

	753 Insurance	755 Public Entity Risk Pool	Total Internal Service Funds
OPERATING REVENUES:			
Local and Intermediate Sources	$ 1	$ 422	$ 423
Total Operating Revenues	1	422	423
OPERATING EXPENSES:			
Payroll Costs	1	-	1
Other Operating Costs	-	422	422
Total Operating Expenses	1	422	423
Operating Income	-	-	-
Total Net Position - September 1 (Beginning)	-	-	-
Total Net Position - August 31 (Ending)	$ -	$ -	$ -

BRIDGEPORT INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2022

	753 Insurance	755 Public Entity Risk Pool	Total Internal Service Funds
Cash Flows from Operating Activities:			
Cash Received from User Charges	$ 1	$ -	$ 1
Cash Received from Assessments - Other Funds	-	421	421
Cash Payments for Insurance Claims	(271)	(364)	(635)
Net Cash Provided by (Used for) Operating Activities	(270)	57	(213)
Net Increase (Decrease) in Cash and Cash Equivalents	(270)	57	(213)
Cash and Cash Equivalents at Beginning of Year	958	29,976	30,934
Cash and Cash Equivalents at End of Year	$ 688	$ 30,033	$ 30,721
Reconciliation of Operating Income to Net Cash Provided by (Used for) Operating Activities:			
Operating Income:	$ -	$ -	$ -
Effect of Increases and Decreases in Current Assets and Liabilities:			
Decrease (increase) in Receivables	265	-	265
Increase (decrease) in Accrued Expense	(535)	(920)	(1,455)
Increase (decrease) in Due to General Fund	-	977	977
Net Cash Provided by (Used for) Operating Activities	$ (270)	$ 57	$ (213)
Reconciliation of Total Cash and Cash Equivalents:			
Cash and Cash Equivalents on Balance Sheet	$ 688	$ 30,033	$ 30,721

REQUIRED TEA SCHEDULES

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

Last 10 Years Ended August 31		(1) Tax Rates Maintenance	(2) Tax Rates Debt Service	(3) Assessed/Appraised Value for School Tax Purposes
2013	and prior years	Various	Various	$ Various
2014		1.040000	0.195000	1,356,526,172
2015		1.040000	0.192800	1,466,643,685
2016		1.040000	0.180000	1,401,361,494
2017		1.040000	0.204500	1,263,098,634
2018		1.040000	0.208200	1,269,694,332
2019		1.040000	0.208200	1,332,152,782
2020		0.970000	0.208200	1,406,563,731
2021		0.966400	0.157700	1,425,435,734
2022	(School year under audit)	0.924200	0.137000	1,532,352,507
1000	TOTALS			

(10) Beginning Balance 9/1/2021	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 8/31/2022
$ 107,698	$ -	$ 3,682	$ 657	$ (18,185)	$ 85,174
17,056	-	1,366	256	(697)	14,737
21,683	-	2,568	476	(366)	18,273
24,514	-	2,397	415	(1,687)	20,015
24,100	-	1,831	360	(809)	21,100
30,555	-	1,988	398	(1,221)	26,948
80,823	-	24,907	4,986	(94)	50,836
104,445	-	24,387	5,235	10,518	85,341
248,151	-	92,070	15,365	(3,952)	136,764
-	16,261,166	13,942,062	2,066,569	-	252,535
$ 659,025	$ 16,261,166	$ 14,097,258	$ 2,094,717	$ (16,493)	$ 711,723

EXHIBIT J-2

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

Data Control Codes		Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
		Original	Final		
	REVENUES:				
5700	Total Local and Intermediate Sources	$ 55,050	$ 233,133	$ 81,195	$ (151,938)
5800	State Program Revenues	27,419	35,639	39,549	3,910
5900	Federal Program Revenues	942,741	939,011	1,594,356	655,345
5020	Total Revenues	1,025,210	1,207,783	1,715,100	507,317
	EXPENDITURES:				
	Current:				
0035	Food Services	1,079,723	1,457,868	1,522,728	(64,860)
6030	Total Expenditures	1,079,723	1,457,868	1,522,728	(64,860)
1200	Net Change in Fund Balances	(54,513)	(250,085)	192,372	442,457
0100	Fund Balance - September 1 (Beginning)	702,309	702,309	702,309	-
3000	Fund Balance - August 31 (Ending)	$ 647,796	$ 452,224	$ 894,681	$ 442,457

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

Data Control Codes		Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	REVENUES:				
5700	Total Local and Intermediate Sources	$ 2,151,384	$ 4,266,160	$ 2,134,616	$ (2,131,544)
5800	State Program Revenues	1	32,976	31,060	(1,916)
5020	Total Revenues	2,151,385	4,299,136	2,165,676	(2,133,460)
	EXPENDITURES:				
	Debt Service:				
0071	Principal on Long-Term Liabilities	1,630,000	3,260,000	1,630,000	1,630,000
0072	Interest on Long-Term Liabilities	549,500	1,099,000	549,500	549,500
0073	Bond Issuance Cost and Fees	1,500	2,000	500	1,500
6030	Total Expenditures	2,181,000	4,361,000	2,180,000	2,181,000
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	(29,615)	(61,864)	(14,324)	47,540
	OTHER FINANCING SOURCES (USES):				
7911	Capital Related Debt Issued	-	1	-	(1)
7916	Premium or Discount on Issuance of Bonds	-	1	-	(1)
7080	Total Other Financing Sources (Uses)	-	2	-	(2)
1200	Net Change in Fund Balances	(29,615)	(61,862)	(14,324)	47,538
0100	Fund Balance - September 1 (Beginning)	1,683,811	1,683,811	1,683,811	-
3000	Fund Balance - August 31 (Ending)	$ 1,654,196	$ 1,621,949	$ 1,669,487	$ 47,538

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

Section A: Compensatory Education Programs

AP1	Did your LEA expend any state compensatory education program state allotment funds during the district's fiscal year?	Yes
AP2	Does the LEA have written policies and procedures for its state compensatory education program?	Yes
AP3	List the total state allotment funds received for state compensatory education programs during the district's fiscal year.	1920257
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal year.	4172426

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.	338260
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PICs 25,35)	700211

REPORTS ON COMPLIANCE, INTERNAL CONTROLS AND FEDERAL AWARDS

James E. Rodgers and Company, P.C.

Certified Public Accountants

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January 9, 2023

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

To the Board of Trustees
Bridgeport Independent School District
Bridgeport, Texas 76426

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 aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Bridgeport Independent School District, as of and for the year ended August 31, 2022, and the related notes to the financial statements, which collectively comprise Bridgeport Independent School District's basic financial statements, and have issued our report thereon dated January 9, 2023. The financial statements of Bridgeport Education Foundation Component Unit were not audited in accordance with *Government Auditing Standards* and accordingly this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with Bridgeport Education Foundation Component Unit.

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

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

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

AICPA Governmental Audit Quality Center

Report On Compliance and Other Matters

As part of obtaining reasonable assurance about whether Bridgeport 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2022-001 and 2022-002.

District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Bridgeport Independent School District's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Bridgeport Independent School District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

Respectfully submitted,

James E. Rodgers and Company

James E. Rodgers and Company, P.C.

AICPA Governmental Audit Quality Center

James E. Rodgers and Company, P.C.

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January 9, 2023

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

To the Board of Trustees
Bridgeport Independent School District
Bridgeport, Texas 76426

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Bridgeport Independent School District's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Bridgeport Independent School District's major federal programs for the year ended August 31, 2022. Bridgeport Independent School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Bridgeport Independent School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

Other Matters

The results of our auditing procedures disclosed one instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs, as item 2022-003. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on Bridgeport Independent School District's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Bridgeport Independent School District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

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

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

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

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

Respectfully submitted,

James E. Rodgers and Company

James E. Rodgers and Company, P.C.

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Certified Public Accountants

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

I. Summary of the Auditor's Results:

1.	The type of auditor's report opinion on whether the financial statements of the District were prepared in accordance with GAAP (generally accepted accounting standards):	**Unmodified**	
2.	Internal control over financial reporting during the audit of the financial statements:		
(a)	Significant deficiencies in internal control identified that are not considered to be material weaknesses.		**No**
(b)	Material weaknesses identified.		**No**
3.	Noncompliance, which is material to the financial statements.		**Yes**
4.	Internal Control over major federal programs:		
(a)	Significant deficiencies in internal control identified that are not considered to be material weaknesses.		**No**
(b)	Material weaknesses identified.		**No**
5.	Type of auditor's report opinion on compliance with major programs.	**Unmodified**	
6.	Audit findings that are required to report under Uniform Guidance 2 CFR Section 200.516(a).		**Yes**
7.	Identification of programs tested as major programs: • **Education Stabilization Fund Under the Coronavirus Aid, Relief and Economic Security Act** – Federal Assistance Listing No. 84.425		
8.	Dollar threshold used to distinguish between Type A and Type B programs.	**$750,000**	
9.	District qualified as a low-risk auditee.	**Yes**	

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

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

Finding 2022-001:

a.	Condition:	The lunchroom fund expenditures for the current year exceeded the final budgeted amounts by $64,860. The excess occurred due to additional accounts payable booked by the district after August 31, 2022.
b.	Criteria:	State Law requires that the Board of Trustees approve expenditures by adopting budgets before expenditures are incurred.
c,	Cause:	The lunchroom fund expenditures exceeded the final budget amount in Function 35 by $64,860 due to additional accounts payable booked by the district after August 31, 2022.
d.	Effect:	State law violation was incurred by the district by failure to amend the lunchroom fund budget before incurring all expenditures during the current year.
e.	Recommendation:	District personnel should review all expenditures in required budgetary funds as compared to budgetary amounts and amend budgets as necessary before the expenditures are incurred.
f.	District Response:	Future budgets will be amended before expenditures are incurred by the District in all required budgetary funds.

Finding 2022-002:

a.	Condition:	See Federal Awards Finding 2022-003
b.	Criteria:	See Federal Awards Finding 2022-003
c,	Cause:	See Federal Awards Finding 2022-003
d.	Effect:	See Federal Awards Finding 2022-003
e.	Recommendation:	See Federal Awards Finding 2022-003
f.	District Response:	See Federal Awards Finding 2022-003

III. Findings and Questioned Costs Related to the Federal Awards

Finding 2022-003:

a.	Condition:	Cash funds for the food service program were in excess of the allowed 3 months average expenditures by $519,240.
b.	Criteria:	Federal funding requires that the lunchroom cash balances should not exceed the average 3 months spending.
c,	Cause:	The actual cash balances as of August 31, 2022, exceeded the allowed 3 month average spending amount by $519,240.
d.	Effect:	Excess Cash Balances were held by the District for $519,240 as of August 31, 2022.
e.	Recommendation:	The District should review their current needs for equipment, charges for student meals, etc. and develop a plan for the reduction of cash balances in the lunchroom fund.
f.	District Response:	The District will review their current needs for equipment, charges for student meals, etc. and develop a plan for the reduction of cash balances in the lunchroom fund during the current year ended August 31, 2023.

BRIDGEPORT INDEPENDENT SCHOOL DISTRICT

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

Finding 2021-001:

None. There were no findings for the prior year.

BRIDGEPORT INDEPENDENT SCHOOL DISTRICT

CORRECTIVE ACTION PLAN

The name of the contact person responsible for corrective action:

Dr. Amy Ellis, Superintendent
District Phone Number: 940-683-5124

The corrective action for Finding 2022-001:

The lunchroom fund expenditures exceeded the final budget amount in Function 35 by $64,860 due to additional accounts payable booked by the district after August 31, 2022. Future budgets will be amended before expenditures are incurred by the District in all required budgetary funds.

The corrective action for Finding 2022-002:

Cash funds for the food service program were in excess of the allowed 3 months average expenditures by $519,240. The district will review their current needs for equipment, charges for student meals, etc. and develop a plan for the reduction of cash balances in the lunchroom fund during the current year ended August 31, 2023.

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

(1) FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	(2) Federal Assistance Listing No.	(3) Pass-Through Entity Identifying Number	(4) Federal Expenditures
U.S. DEPARTMENT OF EDUCATION			
Passed Through Texas Education Agency			
ESEA, Title I, Part A - Improving Basic Programs	84.010A	22610101249903	$ 349,961
*SSA - IDEA - Part B, Formula	84.027	226600012499036000	1,179,169
*SSA - IDEA - Part B, Formula	84.027	236600012499036000	31,802
*SSA - IDEA,B,Formula - American Rescue Plan Act	84.027X	225350012499035000	85,732
Total Assistance Listing Number 84.027			1,296,703
*SSA - IDEA - Part B, Preschool	84.173	226610012499036000	24,125
*SSA - IDEA - Part B, Preschool	84.173	236610012499036000	1,686
*SSA - IDEA,B,Preschool - American Rescue Plan Act	84.173X	225350012499035000	1,636
Total Assistance Listing Number 84.173			27,447
Total Special Education Cluster (IDEA)			1,324,150
Career and Technical - Basic Grant	84.048	22420006249903	17,424
Title III, Part A - English Language Acquisition	84.365A	22671001249903	49,418
ESEA, Title II, Part A, Teacher Principal Training	84.367A	22694501249903	54,358
Elementary Secondary School Emergency Relief II	84.425D	S425D210042	875,481
ESSER III - ARP School Emergengy Relief	84.425D	S425U210042	2,236,741
Total Assistance Listing Number 84.425			3,112,222
ESEA, Title IV, Part A	84.424A	22680101249903	35,879
Total Passed Through Texas Education Agency			4,943,412
TOTAL U.S. DEPARTMENT OF EDUCATION			4,943,412
U.S. DEPARTMENT OF AGRICULTURE			
Passed Through the Texas Department of Agriculture			
*School Breakfast Program	10.553	71402201	364,232
*National School Lunch Program - Cash Assistance	10.555	71302201	1,111,393
*National School Lunch Prog. - Non-Cash Assistance	10.555	71302201	118,731
Total Assistance Listing Number 10.555			1,230,124
Total Child Nutrition Cluster			1,594,356
Total Passed Through the Texas Department of Agriculture			1,594,356
TOTAL U.S. DEPARTMENT OF AGRICULTURE			1,594,356
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 6,537,768

*Clustered Programs
Non-Grant federal program revenue for the current yer included SHARS' receipts of $236,261. The District did not make payments to sub-recipients during the current year.

See Accompanying Notes to the Schedule of Expenditures of Federal Awards

BRIDGEPORT INDEPENDENT SCHOOL DISTRICT
NOTES ON ACCOUNTING POLICIES FOR FEDERAL AWARDS
YEAR ENDED AUGUST 31, 2022

1. For all Federal programs, the District uses the fund types specified in Texas Education Agency's ***Financial Accountability System Resource Guide***. Special revenue funds are used to account for resources restricted to, or designated for, specific purposes by a grantor. Federal and state financial assistance generally is accounted for in a Special Revenue Fund.

2. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Governmental Fund types and Expendable Trust Funds are accounted for using a current financial resources measurement focus. All Federal grant funds were accounted for in a Special Revenue Fund that is a Governmental Fund type. With this measurement focus, only current assets and current liabilities and the fund balance are included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets.

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

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

5. The period of performance for federal grant funds for the purpose of liquidation of outstanding obligations made on or before the ending date of the federal project period extended 30 days beyond the federal project period ending date, in accordance with provision 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).

6. **Indirect Costs**

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

7. **Reconciliation of Federal Awards**

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

Federal program revenues per Exhibit C-3	$ 6,774,029
School Health & Related Services (SHARS) Reimbursement not reported to the SEFA	$ 236,261
Total federal expenditures on Exhibit K-1	$ 6,537,768

8. The District did not make payments to subrecipients during the current year.

SCHOOLS FIRST QUESTIONNAIRE

Bridgeport Independent School District

Fiscal Year 2022

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