

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2023



La Porte Independent School District

1002 San Jacinto Street
La Porte, TX 77571

www.lpisd.org

Every student's success is our number one priority.



Annual Comprehensive Financial Report

**For the Fiscal Year Ended
June 30, 2023**

LA PORTE INDEPENDENT SCHOOL DISTRICT

1002 San Jacinto Street, La Porte, Texas 77571

Prepared by The LPISD Business Office

**Stacey McDowell
Chief Financial Officer**

**Walter Jackson
Superintendent of Schools**

LA PORTE INDEPENDENT SCHOOL DISTRICT

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INTRODUCTORY SECTION



LA PORTE INDEPENDENT SCHOOL DISTRICT

Principal Officials and Advisors

Board of Trustees

Trustee	Office	Completed Years of Service	Term Expires May	Occupation
Danny Hanks	President	1	2026	Senior Vice President
Russell Schoppe	Vice President	3	2026	Teacher/Coach
Jeff Martin	Secretary	2	2024	Chamber of Commerce President
Melissa Crutcher	Trustee	2	2025	Board Secretary and Marketing Manager
David Janda	Trustee	11	2024	Teacher
Mason Peres	Trustee	0	2026	Insurance Broker
Dee Anne Thomson	Trustee	13	2025	Warehouse Operations Manager

Administrative Officials

Official	Position	Years of Service	
		Total	District
Dr. Walter Jackson	Superintendent	29	3
Stacey McDowell	Chief Financial Officer	18	1
Dr. Rebecca Brown	Deputy Superintendent	31	1
Dr. Dustin Bromley	Deputy Superintendent	16	1
Paula Jackson	Executive Director, Secondary Education	29	3
Dr. Alicia Upchurch	Executive Director, Elementary Education	30	23
Angela Garza-Viator	Executive Director, Human Resources	25	25
George Crandall	Director of Finance	16	4
Adam Holland	Director, Communications & Community Relations	17	8

Consultants and Advisors

Whitley Penn

Independent Auditors

3737 Buffalo Speedway, Suite 1600 • Houston, Texas 77098

Andrews Kurth, L.L.P.

Bond Counsel

600 Travis, Suite 4200 • Houston, Texas 77046

SAMCO Capital Markets, Inc.

Financial Advisor

11111 Katy Freeway #820 • Houston, Texas 77079

CERTIFICATE OF BOARD

La Porte Independent School District

Name of School District

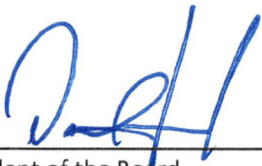
Harris

County

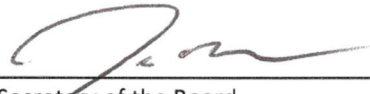
101-916

Co. - Dist. No.

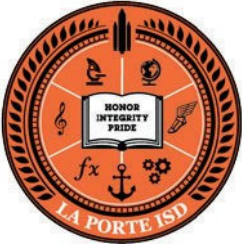
We, the undersigned, certify that the attached annual financial reports of the above named school district were reviewed and approved for the year ended June 30, 2023, at a meeting of the Board of Trustees of such school district on November 14, 2023.



President of the Board



Secretary of the Board



La Porte Independent School District

1002 San Jacinto Street La
Porte, Texas 77571

Dr. Walter Jackson
Superintendent of Schools

(281) 604-7001
Fax (281) 604-7010
lpsid.org

November 14, 2023

Mr. Danny Hanks, President,
Members of the Board of Trustees, and
Citizens of the La Porte Independent School District

Dear Members of the Board of Trustees and Citizens:

The Texas Education Code requires that all school districts file a complete set of financial statements with the Texas Education Agency (TEA) within 150 days of the close of each fiscal year. The financial statements must be presented in conformity with generally accepted accounting principles (GAAP) and audited by a firm of licensed certified public accountants in accordance with generally accepted auditing standards. Pursuant to that requirement, we hereby issue the Annual Comprehensive Financial Report of the La Porte Independent School District (the District) for the fiscal year ended June 30, 2023. The Annual Comprehensive Financial Report is management's report of financial operations to the Board of Trustees (the Board), taxpayers, grantor agencies, employees, the TEA, and other interested parties.

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, resides with the District. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operation of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

Management of the District is responsible for establishing and maintaining internal control structures designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. Because the cost of internal controls should not outweigh their benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The financial statements of the District have been audited by Whitley Penn, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2023, are free of material misstatement. The independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended June 30, 2023, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements is part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and legal requirements involving the administration of federal awards. These reports are available in the Federal Awards section of this report. The results of the District's Single Audit for the fiscal year ended June 30, 2023, provided no instances of material weaknesses in the internal control structures or material violations of applicable laws and regulations.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditors.

Profile of the District

Residents of the District elect a seven-member Board of Trustees (the Board), each of which serves for three years. La Porte Independent School District is not included in any other governmental "reporting entity" since the Board of Trustees is elected by the public and has decision making authority. Monthly meetings of the Board are posted and advertised as prescribed under state laws so that the Board may fulfill its charge to the students, parents, staff, and taxpayers of the District. Special meetings or study sessions are scheduled as needed. The Board has final control over all school matters except as limited by state law.

The District occupies 55 square miles in Southeast Harris County. Included in its boundaries are the cities of La Porte, Shoreacres, Morgan's Point, and a small section of southeast Deer Park and Pasadena. Established for the 1915-1916 school year, La Porte ISD is fortunate to have the support of the La Porte community which has retained that special "hometown" feeling while being able to take advantage of opportunities offered by the nearby metropolitan Houston area. During the 2022-2023 fiscal year, the District operated the following:

Campus	Construction Year	Additions/Renovations
La Porte High School (traditional 9 th – 12 th)	1960	1974, 1996, 2008, 2009, 2016, 2017
Academy of Viola Dewalt High School (alternative 9 th – 12 th)	1999	
Secondary DAEP	1965	
La Porte Junior High School	1944	2010
Lomax Junior High School	1986	2010
Baker 6 th Grade Campus	2016	
Bayshore Elementary	2009	
College Park Elementary	1969	2010, 2016
Heritage Elementary	2007	
Jennie Reid Elementary	1981	
La Porte Elementary	1999	
Lomax Elementary	2016	
Rizzuto Elementary	1984	

Support & Administration	Construction Year	Additions/Renovations
Administration Building	1999	
Instructional Technology Center	2009	
Special Programs Building	1980	District acquired/renovated 2016
Support Services Center	2009	

The District serves approximately 7100 students and provides a full range of educational services appropriate to grade levels Pre-K through 12. These include regular and enriched academic education, special education for children with special needs, career and technology education, and programs for students with limited English proficiency. These basic programs are supplemented by a wide variety of offerings in fine arts and athletics.

A Vision for LPISD

The La Porte Independent School District *Portrait of a Graduate* presents a set of attributes that reflect our district's high expectations and commitment to provide our students with pride, loyalty, academic and social accomplishment, citizenship, curiosity, and a lifelong desire to contribute back to the greater community. This portrait serves as a framework for developing a coherent set of competencies for all La Porte Independent School District students.

The goals for improvement, which grew out of a comprehensive needs assessment and the work of the district Board of Trustees, staff, and community, are to increase achievement and success for every student through rigorous, broad-based academic programs and expanded opportunities; provide a safe, secure and disciplined learning environment; attract, develop and retain excellent staff; promote family engagement and active involvement of the community in the education of our students; and ensure and demonstrate efficient and effective use of district resources.

Economic Condition and Outlook

The information presented in the financial statements is perhaps best understood when it is considered within the broader perspective of the specific environment in which the District operates. Located just southeast of Houston, Texas, in Harris County, the La Porte Independent School District is a dynamic factor in the quality of life and economic development efforts of the area. The largest industries surrounding the District include and are presented in descending order, manufacturing, construction, and educational services. The local economy is subject to volatility in the price of hydrocarbons. La Porte adjoins the Barbours Cut Terminal, operated by the Port of Houston and the largest of its terminals allotted to handle standardized cargo containers. The La Porte area has an estimated population of 36,569, most recent update from the US Census Bureau for year-end 2022, a 1.4% increase from 2021. Additionally, Texas Work Force Commission and Texas Labor Market Information for year-end 2022 reported the city has seen a 32% unemployment rate decrease. While primarily industrial in nature, La Porte has an active and thriving family and business component. It provides easy access to many educational and cultural advantages of the greater Houston/Galveston metropolitan areas. The commercial/industrial growth and the overall economic health of the area have dramatically increased in recent years. Increased property values and growth in the District's tax base easily demonstrate this. The strong collaborative ties with the chamber of commerce, the business community, and other local governmental entities, demonstrates our continuing efforts to pave inroads in building support and targeting resources to achieve the greatest impact for all of our students.

In the past ten years, La Porte ISD and the surrounding areas have been impacted by several natural disasters which negatively impact district enrollment and growth. For FY 2023 the district had an enrollment of 7,100 students, which is up from FY 2022. While enrollment numbers decreased from 2017 to 2021, our projected numbers reflect a continuing increase and the district remains active in promoting what La Porte has to offer.

The district currently has eight Chapter 313 agreements, two of those agreements executed in fiscal year 2021. Under a Chapter 313 agreement for the purpose of maintenance and operations taxes, the taxable value of the property is limited, but for the purpose of bond repayment, the taxable value of the property cannot be limited. Chapter 313 also limits the reduction of maintenance and operating (M&O) taxable value to a floor that generates \$100 per student in average daily attendance (ADA). The agreement, a negotiable payment in lieu of taxes, as well as negotiable support for supplemental school district endeavors such as a foundation perhaps, are made directly to the taxing entity. In our case, the payment would come directly to us and be outside of the current school funding system and not subject to recapture or equalization payments to the state. The 313 agreements are not factored into the district budget until they are approved, constructed and assessed. These agreements are a major contributing factor to the District's increased base and provide a 10 year benefit to the district.

The District continues to incur a significant cost in property and casualty insurance due to the location of the District on Galveston Bay. The district has \$200 million of property in AE Zones close to the bay and \$200 million in coverage. This coverage costs the District \$3.9 million annually of the maintenance and operations tax collections which are then recaptured. Escalating insurance market conditions remain a concern. The District also has costs to maintain two recovery storm shelters and has routine shelter in place drills. Between summer 2008 and summer 2017 the district spent \$348 million for replacement and renovation of educational facilities with storm mitigation at the forefront of design and investment.

House Bill 2610, passed by the 84th Texas Legislature, changes the school year from 180 days to 75,600 minutes. This continues to provide more flexibility for the District when constructing the educational calendars. This also provides flexibility for weather events and issues surrounding the COVID-19 pandemic. The District adopted a calendar based on instructional minutes instead of instructional days. This calendar allows the district better operational and instructional efficiency.

The financial, cultural, educational and recreational climate of the area is a testimony to the collective leadership and to the communities' progressive attitude toward responsible growth and their vision of the future.

Financial Information

Accounting Systems - The Board of Trustees maintains a system of accounting controls designed to assist administration in meeting its responsibility for accurately reporting the financial condition of the District. The system is designed to provide reasonable assurance that assets are safeguarded against loss, theft, or misuse so activities can be recorded and transacted by the administration for the preparation of the District's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement.

The cost of operating the District's schools and the revenues to cover these costs are recorded in the General Fund. Food service operations and special programs funded by state or federal government grants designed to accomplish a particular objective are recorded in Special Revenue Funds.

The District accounts for school construction financed by bond sales through a Capital Projects Fund. A specific portion of the tax rate is dedicated to payment of bond principal and interest. These transactions are recorded in the Debt Service Fund.

The District has established Internal Service Funds to account for the transactions of its self-insured workers' compensation plan, its print shop and child care center. Income for the self-funded workers' compensation plan is derived primarily from charges to governmental funds based on employee salaries. Income for the print shop is derived primarily from charges to governmental funds for printing services. Income for the childcare center is derived primarily from charges to district employees, immediate family members, and District residents for childcare services.

Financial schedules for fiduciary funds are included in the ACFR. Fiduciary funds are trust and custodial funds used to account for assets held by the district in a trustee capacity. Included in this type of fund are the scholarship and activity funds.

The District’s accounting records are maintained on a modified accrual basis for governmental fund types and a full accrual basis for the proprietary fund types as prescribed by Texas Education Agency Financial Accountability System Resource Guide (FASRG). Additionally, the District has prepared the Government-wide Financial Statements on the full accrual basis as required by Governmental Accounting Standards Board Statement No. 34.

Financial data is submitted by the District to the Texas Education Agency through the Public Education Information Management System (PEIMS). The data is then analyzed, reviewed and presented to the State Board of Education.

Budgetary Process – State law requires that every local education agency in Texas prepare and file an annual budget of anticipated revenues and expenditures with the Texas Education Agency. The budget itself is prepared utilizing a detailed line item approach for governmental fund types and is prepared in accordance with the budgeting requirements as outlined in the FASRG. The annual budget serves as the foundation for the District’s financial planning and control. The District maintains budgetary controls throughout all of its financial systems. The objective of these controls is to ensure compliance with legal provisions embodied in the annually appropriated budget approved by the Board of Trustees. Activities of the general fund, child nutrition fund and debt service fund are included in the annually appropriated budget. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established by function within each individual fund. The District also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Although encumbered amounts lapse at year-end, they are generally re-appropriated as part of the next year's budget. The budget may be amended during the year to address unanticipated or changing needs of the District. Changes to functional expenditures categories, revenues, and other sources and uses require Board approval.

Significant Financial Activities –The District's total tax base in 2022-23 was over \$14 billion, an increase of 12.2 % from the previous year. The tax rates per \$100 of assessed value for the past five years are shown on the following table.

Year	2018-19	2019-2020	2020-2021	2021-2022	2022-2023
M&O	1.17	1.04	1.0397	1.0165	0.9746
I&S	0.21	0.24	0.23	.24	0.2819

House Bill 3 (HB3) was passed by the 86th Texas Legislature in 2019. One major policy area reduces and reforms property taxes and recapture. Property taxes for the District are compressed to \$0.8046 for maintenance and operations during the 2023 tax year, however, pursuant to Texas tax code § 26.08(a), due to the disaster declarations issued by Governor Abbott due to Winter Storm Uri on February 12, 2021 due to the decline in enrollment and attendance rates due to this weather event, which thereby necessitated an increased expenditure of money to respond to the disaster, an election is not required under this section to approve the tax rate adopted by the governing body for the year following the year in which the disaster occur, the District adopted a maintenance and operations tax rate of \$0.9746.

The District has 1,104 faculty and staff comprised of the following: 49 employees in central administration departments; 472 teachers, librarians, counselors, and nurses; 316 other school leadership and support staff; 102 maintenance employees; 69 cafeteria workers; and 96 employees in transportation for the 2022-2023 budget. The district’s Board of Trustees approved a 2 percent general pay increase for all staff. The beginning teacher salary is \$60,000.

Major Indicators

In looking at the most common indicators of quality in a school system, the following are examples of major indicators in the District:

Test Scores – The 2022 State of Texas Assessments of Academic Readiness (STAAR) tests marked a return to the accountability rating system after all districts and campuses were labeled *Not Rated: Declared State of Disaster* for 2021. Under the state accountability system, the District and all campuses met the state's expectations for the 2021-2022 school year. La Porte ISD and all campuses have met the state's standards since the inception of the program. In fiscal year 2022, La Porte ISD campuses were recognized with nineteen combined distinctions in one or more areas. Heritage Elementary earned five, College Park and La Porte Elementary earned four distinctions, followed by Leo A. Rizzuto and Lomax with three distinctions.

As of the writing of this letter, there is a delay in the issuance of the final rule for the accountability manual and a delay in the issuance of 2023 A–F Accountability Ratings. The La Porte ISD Board of Trustees voted unanimously to join a lawsuit against the Texas Education Agency and the commissioner of education over failing to properly notify districts of revisions to the state accountability system for 2023.

Attendance Rate - Despite the lack of growth in the District and the problems facing families today, the attendance rate in the District remains high at 92.2%.

Dropout Rate - The dropout rate remains below the State average, meaning more students are finishing high school and are entering college or the work force.

Dual Credit Offerings - The District continued its partnership with San Jacinto College and the La Porte San Jacinto College Center where students may receive dual enrollment credit while attending La Porte High School. The goal of the college center is to provide opportunities for students to earn college credit and/or industry certification. The District and San Jacinto College also partner to provide the Accelerated College Education (ACE) dual credit program where eligible students can graduate with an Associate's degree in addition to a high school diploma. In 2023, 48 students graduated with an Associate's degree. We anticipate 46 graduates in 2024 and 65 graduates in 2025.

House Bill (HB) 5 License/Certification Programs - Pursuant to HB 5, the District offers the following license/certification programs that align with the career pathways embedded in the HB5 endorsement graduation plans:

Business and Industry Endorsement

- Accounting and Financial Services (Microsoft Office Specialist-Word, Quickbooks, and Entrepreneurship and Small Business);
- Animal Science Pathway (Entrepreneurship and Small Business);
- Applied Agricultural Engineering Pathway (OSHA, Entrepreneurship & Small Business);
- Automotive (I-CAR: Refinishing Pro-Level 1 and/or I-CAR: Non-Structural Pro-Level 1, ASE (Auto Service Excellence), Entrepreneurship & Small Business
- Construction Management (OSHA 30);
- Digital Communications (Adobe Premiere)
- Design and Multimedia Arts (Adobe Flash, Adobe Associate and Certified Associate Project Management);
- Hospitality Culinary Arts (ServSafe-Food Handlers, ServSafe-Managers, and Entrepreneurship & Small Business);
- Marketing & Sales (Microsoft Office Specialist-Word and Excel);
- Welding (NCCER Core Safety and AWS Welding);

Public Services Endorsement

- Early Learning (Microsoft Office Specialist-Word)
- Family and Consumer Services (Microsoft Office Specialist-Word);

- Health Care (Certified Patient Care Technician, CPR, Microsoft Office Specialist-Word, and Entrepreneurship & Small Business);
- Health Care Nursing (Microsoft Office Specialist-Word, Entrepreneurship & Small Business, and Pharmacy Technician)
- ROTC (CompTIA A+);

Science, Technology, Engineering and Mathematics (STEM) Endorsement

- Engineering (Autodesk Innovator's Certification, Autodesk Auto Cad User's Certification, and OSHA)

Instructional Technology – La Porte ISD has successfully sustained a district-wide Student Technology Initiative (STI) program in which notebook devices are actively used by students, grades K -12. Each year additional devices are purchased as needs arise. Student access to STI devices has supported the District's transition to digital instructional materials in English language arts, mathematics, science, social studies and elective courses.

In addition, La Porte has been working toward a paperless instructional environment since the beginning of our STI program in 2011. The two primary components necessary to moving that direction involve students having mobile computing devices and teachers having classroom technology that allow them to interact seamlessly without the normal exchange of paper.

Due to the COVID-19 pandemic that closed schools in March 2020, District teachers and students were immediately immersed in a virtual learning environment. La Porte ISD was able to be successful virtually because the District had previously invested in the technology and instructional training necessary to accomplish this unprecedented task.

Public Support - Pursuant to voter approval of a \$260 million bond authorization on August 12, 2015, the district sold \$72,545,000 in bonds. Additionally, another \$43,385,000 in bonds was sold on June 7, 2016 and \$26,550,000 on February 19, 2020. At the end of the 2019-20 school year, all construction projects were 100% complete. This bond has allowed the district to make substantial improvements resulting in improved student and staff morale as well as creating an attractive environment to draw future families and students to the La Porte community.

In May of 2023, La Porte ISD voters passed Propositions A, B and C of the proposed 2023 Bond by landslide margins, approving the \$235 million package to address aging facilities, safety and security, technology and infrastructure, and athletics.

Awards and Acknowledgments

Financial Reporting Awards

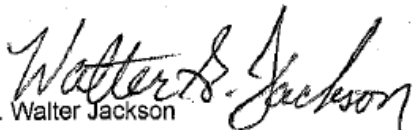
The TEA has awarded the District a rating of "Superior" for the year ended June 30, 2022. This is the twenty-first year of the State's financial accountability rating system for school districts (School FIRST). La Porte ISD has received the highest possible rating for the past twenty years. The rating is based upon an analysis of staff and student data reported for the 2021-2022 school year and budgetary and actual financial data for the fiscal year ended June 30, 2022. The primary goal of School FIRST is to ensure quality performance in the management of school districts' financial resources, a goal made more significant due to the complexity of accounting associated with Texas' school finances system.

Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to La Porte Independent School District for its annual comprehensive financial report for the fiscal year ended June 30, 2022. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

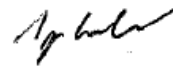
A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The District was also awarded the Certificate of Excellence in Financial Reporting by the Association of School Business Officials International (ASBO) for its annual comprehensive financial report for the fiscal year ended June 30, 2022. The District believes that the current annual comprehensive financial report continues to conform to the standards for which this award is granted and we will again submit the report for review.

Acknowledgments – As we begin a new phase of facility construction, we would like to express appreciation to all the stakeholders of the community for voting for the 2023 \$235 million bond referendum. We would also like to express appreciation to the Board of Trustees for its concern for providing fiscal accountability to patrons of our District and for its leadership in the development of one of the best educational operations within the State of Texas. Countless hours have been devoted to this District by teachers, principals, and supporting staff and thanks is extended to the entire La Porte Independent School District Team that has worked so hard to provide the high-quality, cost-efficient education to the students we serve. Additionally, the preparation of this report was accomplished through much time and effort on the part of the District Finance department, and special appreciation is expressed to them.


Dr. Walter Jackson
Superintendent


Stacey McDowell
Chief Financial Officer


George Crandall
Director of Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**La Porte Independent School District
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting
is presented to**

La Porte Independent School District

**for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2022.**

The district report meets the criteria established for
ASBO International's Certificate of Excellence in Financial Reporting.



A handwritten signature in black ink, reading 'John W. Hutchison'.

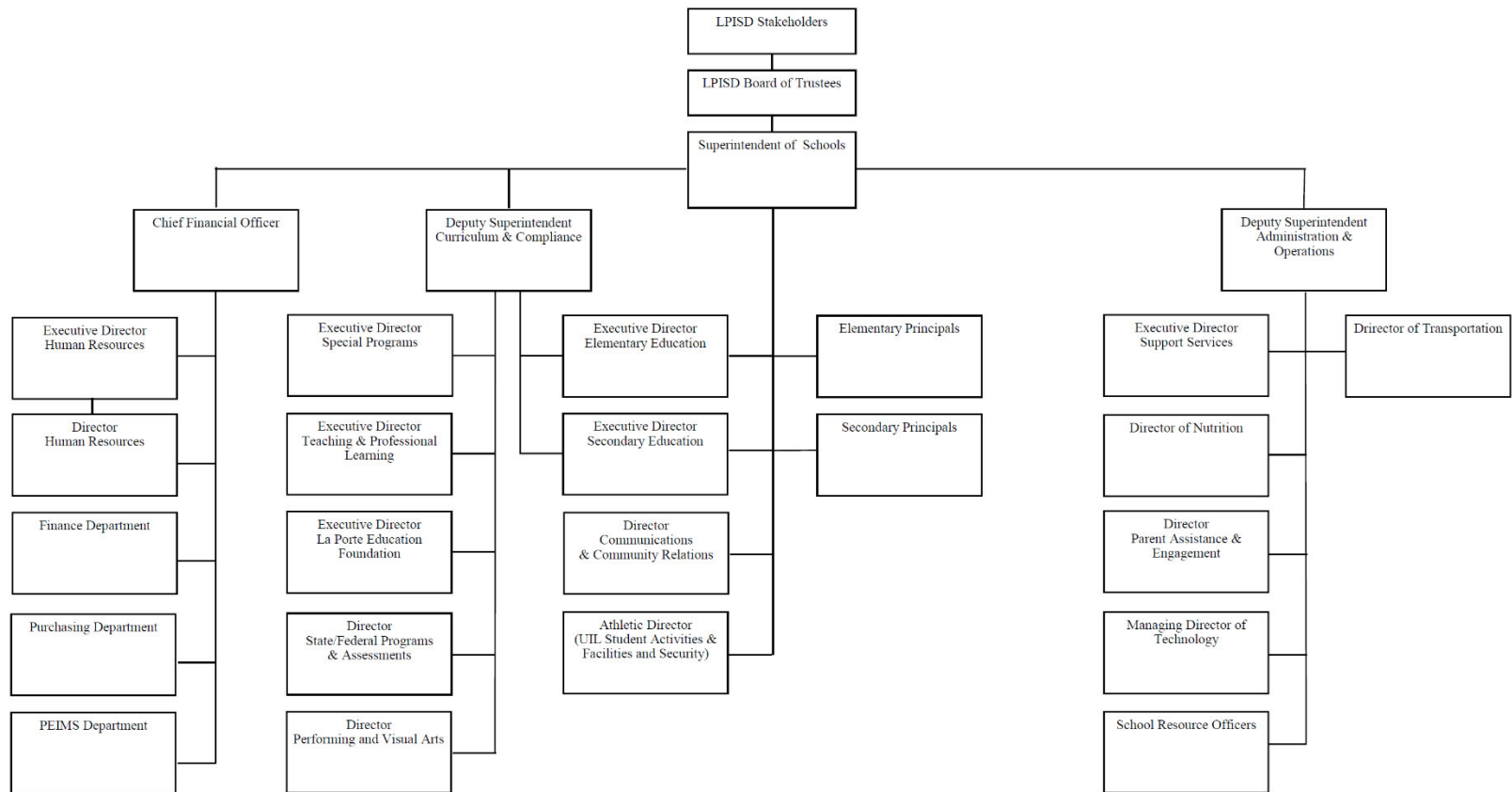
**John W. Hutchison
President**

A handwritten signature in black ink, reading 'Siobhán McMahon'.

**Siobhán McMahon, CAE
Chief Operations Officer/
Interim Executive Director**

La Porte Independent School District Organizational Chart

2022-2023





FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
La Porte Independent School District
La Porte, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of La Porte Independent School District (the "District") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, budgetary comparison information, pension information, and other-post employment benefit information, as listed in the table of contents, 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 District's basic financial statements. The combining and individual nonmajor fund financial statements, required Texas Education Agency (TEA) schedules, 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.

To the Board of Trustees
La Porte Independent School District

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section, statistical section, and Schedule L-1 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.

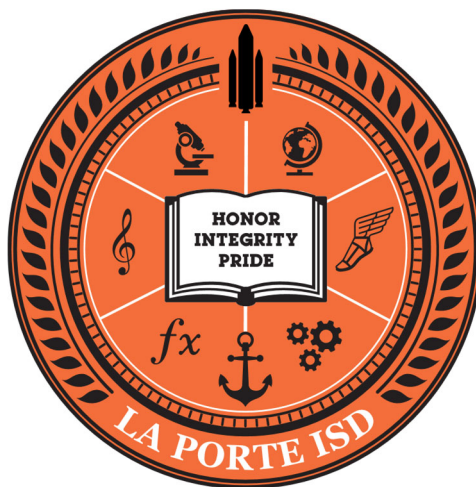
In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. 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 November 14, 2023 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.

Whitley Penn LLP

Houston, Texas
November 14, 2023



LA PORTE INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

As the management of La Porte Independent School District (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with the notes to the basic financial statements and the financial statements themselves to enhance their understanding of the District's financial condition.

Financial Highlights

- The District's total combined net position at June 30, 2023 was \$61,697,194.
- For the fiscal year ended June 30, 2023, the District's general fund reported a total fund balance of \$65,341,751, of which \$2,789,044 is nonspendable for inventories and prepaid items, \$2,067,025 is committed for self-insurance and compensated absences and \$60,485,682 is unassigned.
- At the end of the fiscal year, the District's governmental funds (the general fund plus all state and federal grant funds, the debt service fund, and the capital projects fund) reported combined ending fund balances of \$88,516,320.

Overview of The Financial Statements

The annual report consists of three parts – *Management's Discussion and Analysis* (this section), the *Basic Financial Statements*, and *Required Supplementary Information*. The basic statements include two kinds of statements that present different views of the District.

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the District's overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the government, reporting the District's operations in more detail than the government-wide statements.
- The *governmental funds* statements tell how *general government* services were financed in the *short-term*, as well as what remains for future spending.
- The *proprietary fund* statements provide information related to the District's internal service funds.
- *Fiduciary fund* statements provide information about the financial relationships in which the District acts solely as a trustee or custodian for the benefit of others, to whom the fiduciary resources belong. These funds include student activity and private-purpose funds.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The notes to the financial statements are followed by a section entitled *Required Supplementary Information* that further explains and supports the information in the financial statements.

Government-Wide Financial Statements

The government-wide statements report information about the District as a whole. These statements include transactions and balances relating to all assets, including infrastructure capital assets. These statements are designed to provide information about cost of services, operating results, and financial position of the District as an economic entity. The Statement of Net Position and the Statement of Activities, which appear first in the District's financial statements, report information on the District's activities that enable the reader to understand the financial condition of the District. These statements are prepared using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account even if cash has not yet changed hands.

The Statement of Net Position presents information on all of the District's assets, liabilities, and deferred outflows/inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. Other nonfinancial factors, such as changes in the District's tax base, staffing patterns, enrollment, and attendance, need to be considered in order to assess the overall health of the District.

LA PORTE INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

The Statement of Activities presents information showing how the District's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows – the accrual method rather than modified accrual that is used in the fund level statements.

The Statement of Net Position and the Statement of Activities include the following class of activities:

Governmental Activities – Most of the District's basic services such as instruction, extracurricular activities, curriculum and staff development, health services, general administration, and plant operation and maintenance are included in *governmental activities*. Locally assessed property taxes, together with State foundation program entitlements, which are based upon student enrollment and attendance, finance most of the governmental activities.

The government-wide financial statements can be found after the MD&A.

Fund Financial Statements

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

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

The District has the following kinds of funds:

- *Governmental Funds* - Most of the District's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explain the relationship (or differences) between them.
- *Proprietary funds* - The District maintains one proprietary fund type. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the District's various functions. The District uses internal service funds to account for workers' compensation self-insurance claims and fees, the District's childcare service, as well as activity in the District's print shop. The internal service funds are included within *governmental activities* in the government-wide financial statements.
- *Fiduciary funds* - The District serves as the trustee, or fiduciary, for certain funds such as student activity and private-purpose funds. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and statement of changes in net position. We exclude these activities from the District's government-wide financial statements because the District cannot use these assets to finance its governmental operations.

LA PORTE INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Financial Analysis of The District as A Whole

The District's combined net position was \$61,697,194 at June 30, 2023. Table 1 focuses on net position while Table 2 shows the revenues and expenses that changed the net position balance during the fiscal year ended June 30, 2023.

Table 1
Net Position

	Governmental Activities			Percentage
	2023	2022	Change	Change
Assets and Deferred Outflows of Resources				
Assets				
Current and other assets	\$ 104,030,128	\$ 105,125,592	\$ (1,095,464)	-1%
Capital assets	317,925,332	324,678,283	(6,752,951)	-2%
Deferred outflows of resources	23,556,199	18,311,808	5,244,391	29%
Total Assets and Deferred Outflows of Resources	445,511,659	448,115,683	(2,604,024)	-1%
Liabilities and Deferred Inflows of Resources				
Liabilities				
Current liabilities	12,820,402	8,479,597	4,340,805	51%
Long term liabilities	343,286,950	365,980,253	(22,693,303)	-6%
Deferred inflows of resources	27,707,113	31,894,084	(4,186,971)	-13%
Total Liabilities and Deferred Inflows of Resources	383,814,465	406,353,934	(22,539,469)	-6%
Net Position:				
Net investment in capital assets	41,486,397	31,847,193	9,639,204	30%
Restricted	9,247,452	7,527,191	1,720,261	23%
Unrestricted	10,963,345	2,387,365	8,575,980	359%
Total Net Position	\$ 61,697,194	\$ 41,761,749	\$ 19,935,445	48%

Current and other assets decreased by \$1,095,464 due to spending on bond projects resulting in holding less cash and investments at the end of the fiscal year. Capital assets decreased by \$6,752,951 due to depreciation and amortization expense in the current fiscal year.

Current liabilities increased by \$4,340,805 due to an increase in accounts payable as of the end of the fiscal year. Long-term liabilities decreased by \$22,693,303 due to additional amounts paid on the Series 2012 bonds.

Net investment in capital assets increased by \$9,639,204 due reductions of bonds payable related to capital assets. Restricted net position increased by \$1,720,261 due to more funds held at the end of the fiscal year for future debt service payments. Unrestricted net position increased by \$8,575,980 due to increases in governmental fund balance.

LA PORTE INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Table 2
Changes in Net Position

	Governmental Activities			Percentage
	2023	2022	Change	Change
Program Revenues				
Charges for services	\$ 2,034,385	\$ 1,155,705	\$ 878,680	76%
Operating grants	17,344,495	16,979,950	364,545	2%
General Revenues				
Property taxes	163,665,116	144,222,908	19,442,208	13%
State Aid - Formula Grants	4,926,287	4,669,846	256,441	5%
Interest earnings	4,568,835	407,919	4,160,916	1020%
Miscellaneous	6,274,174	5,133,909	1,140,265	22%
Total Revenues	198,813,292	172,570,237	26,243,055	15%
Expenses				
Instruction	59,307,213	54,040,203	5,267,010	10%
Instructional resources and media services	530,241	379,858	150,383	40%
Curriculum development and instructional staff development	1,944,849	1,695,388	249,461	15%
Instructional leadership	1,327,013	1,062,816	264,197	25%
School leadership	4,712,103	4,545,559	166,544	4%
Guidance, counseling, and evaluation services	4,029,235	3,346,675	682,560	20%
Social work services	341,848	403,331	(61,483)	-15%
Health services	1,077,632	924,736	152,896	17%
Student transportation	3,834,669	3,577,674	256,995	7%
Food services	4,701,768	3,991,533	710,235	18%
Extracurricular activities	2,801,805	2,507,755	294,050	12%
General administration	3,804,386	2,757,018	1,047,368	38%
Facilities maintenance and operations	12,826,426	12,352,765	473,661	4%
Security and monitoring services	2,065,561	1,886,837	178,724	9%
Data processing services	6,662,333	2,881,930	3,780,403	131%
Community services	533,717	659,409	(125,692)	-19%
Interest on long-term debt	8,078,051	8,608,463	(530,412)	-6%
Contracted instructional services between public schools	54,179,351	48,427,281	5,752,070	12%
Payments to member districts of shared service arrangements	128,587	180,900	(52,313)	-29%
Payments to juvenile justice alternative education programs	41,400	41,400	-	
Payments to tax increment fund	4,723,689	4,355,156	368,533	8%
Other intergovernmental charges	1,225,970	1,130,620	95,350	8%
Total Expenses	178,877,847	159,757,307	19,120,540	12%
Increase (Decrease) in Net Position	19,935,445	12,812,930	7,122,515	56%
Beginning net position	41,761,749	28,948,819	12,812,930	44%
Ending Net Position	\$ 61,697,194	\$ 41,761,749	\$ 19,935,445	48%

LA PORTE INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Financial Analysis of The District's Funds

At the close of the fiscal year ending June 30, 2023, the District's governmental funds reported a combined fund balance of \$88,516,320. This compares to a combined fund balance of \$95,647,670 at June 30, 2022.

The fund balance of the general fund at the end of the fiscal year was \$65,341,751, which represented an increase of \$5,087,222 from the prior year. This increase was primarily due to an increase in property tax revenue received by the District and an adjustment to the 2022 property valuations, which decreased the recapture payments owed.

The fund balance of the debt service fund at the end of the fiscal year was \$10,522,884, which represented an increase of \$1,046,335 from the prior year. This increase was primarily due to the interest and sinking property tax rate increasing along with an increase in property values.

The fund balance of the capital projects fund at the end of the fiscal year was \$6,766,989, which represented a decrease of \$13,478,264 from the prior year. This decrease was primarily due to the continuing use of bond proceeds for ongoing projects throughout the District.

General Fund Budgetary Highlights

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

During the period ended June 30, 2023, the District amended its budget as required by State law and to reflect current levels of revenue and anticipated expenses. The general fund's actual revenues exceeded budgetary amounts by \$3,394,172 primarily due to increased state aid based on average daily attendance (ADA) increases. Actual expenditures were less than budgeted amounts by \$6,520,109 primarily due to a decrease in recapture owed to the State from updated 2022 property values as well as a positive variance in student transportation and security and monitoring services as a result of less personnel expenses than anticipated.

Capital Assets

The District's investment in capital assets for its governmental type activities as of June 30, 2023, includes land, buildings and improvements, furniture and equipment, construction in progress, and the intangible right-to-use leased equipment. Capital assets, net of depreciation/amortization, decreased by \$6,752,951 from the prior year due to the District incurring depreciation expense in the amount of \$13,238,547 during the fiscal year. The following table summarizes the investment in capital assets as of June 30, 2023 and 2022:

	2023	2022
Land	\$ 10,371,379	\$ 10,371,379
Construction in progress	5,909,065	-
Buildings and improvements	439,889,184	439,845,238
Furniture and equipment	28,937,954	28,641,832
Right-to-use lease assets	296,163	296,163
Subscription assets	236,463	-
	<u>485,640,208</u>	<u>479,154,612</u>
Accumulated depreciation/amortization	<u>(167,714,876)</u>	<u>(154,476,329)</u>
Net capital assets	<u>\$ 317,925,332</u>	<u>\$ 324,678,283</u>

Additional information on the District's capital assets can be found in the notes to the financial statements.

LA PORTE INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Long-term Debt

At year end, the District had \$270,840,000 in general obligation bonds outstanding versus \$299,085,000 last year. There was a net reduction in general obligation bonds for the year due to principal payments on bonds in the amount of \$28,245,000. The following table summarized the long-term debt balances as of June 30, 2023 and 2022.

	2023	2022
General obligation bonds	\$ 289,128,243	\$ 319,998,041
Compensated absences	1,080,437	1,185,406
Leases	58,564	169,059
SBITAs	33,605	-
Net pension liability	28,010,003	11,119,876
Net OPEB liability	14,609,228	22,598,808
Accreted interest	10,366,870	10,909,063
	<u>\$ 343,286,950</u>	<u>\$ 365,980,253</u>

Additional information on the District's long-term debt can be found in the notes to the financial statements.

Economic Factors and Next Year's Budget and Rates

The District's budgeted General Fund expenditures for the 2023-2024 school year total \$141,721,755 and the District's Board of Trustees adopted an M & O tax rate of \$0.6920 and an I & S rate of \$0.2819 for a combined rate of \$0.9739.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's business office at 1002 San Jacinto St, La Porte, Texas 77571, or by calling (281)604-7062.

BASIC FINANCIAL STATEMENTS



LA PORTE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
June 30, 2023

Exhibit A-1

Data Control Codes		Governmental Activities
	Assets	
1110	Cash and cash equivalents	\$ 85,721,674
1120	Investments	3,000,000
1220	Property taxes	4,056,360
1230	Allowance for doubtful accounts	(1,270,500)
1240	Due from other governments	9,249,918
1250	Accrued interest	29,886
1267	Due from others	587
1290	Other receivables	64,777
1300	Inventories, at cost	137,717
1410	Deferred expenditures	3,039,709
	Capital assets not subject to depreciation:	
1510	Land	10,371,379
1580	Construction in progress	5,909,065
	Capital assets, net of depreciation:	
1520	Buildings and improvements	294,708,909
1530	Furniture and equipment	6,731,103
1550	Right-to-use assets	204,876
1000	Total Assets	421,955,460
	Deferred Outflows of Resources	
	Deferred charge on refunding	6,014,488
	Deferred outflows - pension	12,051,010
	Deferred outflows - OPEB	5,490,701
1700	Total Deferred Outflows of Resources	23,556,199
	Liabilities	
2110	Accounts payable	5,528,449
2140	Interest payable	3,361,744
2150	Payroll deductions and withholdings payables	692,626
2160	Accrued wages payable	2,165,520
2177	Due to others	600
2180	Due to other governments	49,702
2200	Accrued expenditures	831,727
2300	Unearned revenue	124,988
2410	Payable from restricted assets	65,046
	Noncurrent Liabilities:	
	Due within one year - bonds, accreted interest,	
2501	leases, SBITAs, compensated absences	18,836,409
2502	Due in more than one year:	
	Bonds, accreted interest, leases, SBITAs,	
	compensated absences	281,831,310
2540	Net pension liability	28,010,003
2545	Net OPEB liability	14,609,228
2000	Total Liabilities	356,107,352
	Deferred Inflows of Resources	
	Deferred inflows - pension	3,935,589
	Deferred inflows - OPEB	23,771,524
2600	Deferred Inflows of Resources	27,707,113
	Net Position	
3200	Net investment in capital assets	41,486,397
	Restricted for:	
3850	Debt service	7,757,246
3890	Grant funds	1,490,206
3900	Unrestricted	10,963,345
3000	Total Net Position	\$ 61,697,194

LA PORTE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2023

Exhibit B-1

Data Control Codes	Functions/Programs	Expenses	Program Revenue		Net (Expense) Revenue and Changes in Net Position Primary
			Charges for Services	Operating Grants and Contributions	Governmental Activities
	Governmental Activities:				
11	Instruction	\$ 59,307,213	\$ 27,385	\$ 5,302,265	\$ (53,977,563)
12	Instructional resources and media services	530,241	10,000	120,930	(399,311)
13	Curriculum development and instructional staff development	1,944,849	1,000	513,408	(1,430,441)
21	Instructional leadership	1,327,013	-	267,688	(1,059,325)
23	School leadership	4,712,103	2,000	130,277	(4,579,826)
31	Guidance, counseling, and evaluation services	4,029,235	2,000	1,775,586	(2,251,649)
32	Social work services	341,848	-	39,608	(302,240)
33	Health services	1,077,632	-	2,893,179	1,815,547
34	Student transportation	3,834,669	-	77,886	(3,756,783)
35	Food services	4,701,768	1,142,000	3,906,565	346,797
36	Extracurricular activities	2,801,805	245,000	37,950	(2,518,855)
41	General administration	3,804,386	1,000	44,993	(3,758,393)
51	Facilities maintenance and operations	12,826,426	81,000	1,320,109	(11,425,317)
52	Security and monitoring services	2,065,561	-	70,839	(1,994,722)
53	Data processing services	6,662,333	-	43,500	(6,618,833)
61	Community services	533,717	523,000	510,712	499,995
72	Interest on long-term debt	8,078,051	-	289,000	(7,789,051)
91	Contracted instructional services between public schools	54,179,351	-	-	(54,179,351)
93	Payments to member districts of shared service arrangements	128,587	-	-	(128,587)
95	Payments to juvenile justice alternative education programs	41,400	-	-	(41,400)
97	Payments to tax increment fund	4,723,689	-	-	(4,723,689)
99	Other intergovernmental charges	1,225,970	-	-	(1,225,970)
TG	Total Governmental Activities	<u>\$ 178,877,847</u>	<u>\$ 2,034,385</u>	<u>\$ 17,344,495</u>	<u>(159,498,967)</u>
General Revenues:					
Taxes:					
MT	Property taxes, levied for general purposes				124,619,146
DT	Property taxes, levied for debt service				39,045,970
SF	State-aid formula grants				4,926,287
IE	Investment earnings				4,568,835
MI	Miscellaneous				6,274,174
TR	Total General Revenues				<u>179,434,412</u>
CN	Change in net position				19,935,445
NB	Net Position - Beginning				<u>41,761,749</u>
NE	Net Position - Ending				<u>\$ 61,697,194</u>

LA PORTE INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2023
Exhibit C-1

Data Control Codes		199	599	699	Total Nonmajor Governmental Funds	Total Governmental Funds
		General Fund	Debt Service Fund	Capital Projects Fund		
	Assets					
1110	Cash and cash equivalents	\$ 56,134,979	\$ 10,475,533	\$ 9,358,237	\$ 5,655,632	\$ 81,624,381
1120	Investments	3,000,000	-	-	-	3,000,000
	Receivables:					
1220	Property taxes - delinquent	3,182,754	873,606	-	-	4,056,360
1230	Allowance for uncollectible taxes (credit)	(993,000)	(277,500)	-	-	(1,270,500)
1240	Due from other governments	5,776,691	96,731	1,490,603	1,885,893	9,249,918
1250	Accrued interest	29,886	-	-	-	29,886
1260	Due from other funds	905,661	-	64,800	421,513	1,391,974
1267	Due from others	587	-	-	-	587
1290	Other receivables	2,779	-	40,541	21,457	64,777
1300	Inventories, at cost	30,387	-	-	84,946	115,333
1410	Prepaid items	2,758,657	-	270,357	-	3,029,014
1000	Total Assets	\$ 70,829,381	\$ 11,168,370	\$ 11,224,538	\$ 8,069,441	\$ 101,291,730
	Liabilities					
2110	Accounts payable	\$ 609,229	\$ -	\$ 4,390,545	\$ 526,529	\$ 5,526,303
2150	Payroll deductions and withholdings	692,626	-	-	-	692,626
2160	Accrued wages payable	1,508,415	-	-	657,105	2,165,520
2170	Due to other funds	487,006	-	1,958	875,905	1,364,869
2177	Due to others	600	-	-	-	600
2180	Due to other governments	-	49,380	-	218	49,598
2300	Unearned revenue	-	-	-	124,988	124,988
2410	Payable from restricted assets	-	-	65,046	-	65,046
2000	Total Liabilities	3,297,876	49,380	4,457,549	2,184,745	9,989,550
	Deferred Inflows of Resources					
	Unavailable revenues - property taxes	2,189,754	596,106	-	-	2,785,860
2600	Deferred Inflows of Resources	2,189,754	596,106	-	-	2,785,860
	Fund Balance					
	Non-Spendable:					
3410	Inventories	30,387	-	-	245	30,632
3430	Prepaid items	2,758,657	-	270,357	-	3,029,014
	Restricted:					
3450	Food service	-	-	-	1,490,206	1,490,206
	Capital acquisitions and					
3470	contractual obligations	-	-	6,496,632	-	6,496,632
3480	Debt service	-	10,522,884	-	-	10,522,884
	Committed:					
3520	Compensated absences	1,067,025	-	-	-	1,067,025
3540	Self- insurance	1,000,000	-	-	-	1,000,000
3545	Student achievement and safety	-	-	-	4,394,245	4,394,245
3600	Unassigned	60,485,682	-	-	-	60,485,682
3000	Total Fund Balances	65,341,751	10,522,884	6,766,989	5,884,696	88,516,320
4000	Total Liabilities, Deferred Inflows, and Fund Balances	\$ 70,829,381	\$ 11,168,370	\$ 11,224,538	\$ 8,069,441	\$ 101,291,730

LA PORTE INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF BALANCE SHEET FOR GOVERNMENTAL FUNDS TO
STATEMENT OF NET POSITION
June 30, 2023

Exhibit C-2

Data Control Codes		
	Total Fund Balance, Governmental Funds	\$ 88,516,320
	Amounts reported for governmental activities in the statement of net position are different because:	
	Capital assets used in governmental activities are not current financial resources and, therefore, not reported in the governmental funds.	
1	Capital assets	485,562,749
2	Accumulated depreciation/amortization	(167,647,829)
	Capital assets, net of accumulated depreciation	317,914,920
	Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for the postretirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position.	
3	Deferred outflows - pensions	12,051,010
4	Deferred inflows - pensions	(3,935,589)
5	Deferred outflows - OPEB	5,490,701
6	Deferred inflows - OPEB	(23,771,524)
	Total deferred outflows and inflows related to postemployment benefits	(10,165,402)
7	Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds.	2,785,860
8	The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position. Amount excludes capital assets reported above.	3,250,692
	Long-term liabilities that are not due and payable in the current period, and therefore, are not reported in the funds.	
9	Bonds payable	(270,840,000)
10	Compensated absences	(1,080,437)
11	Leases payable	(29,554)
12	SBITA payable	(33,605)
13	Accrued interest on long-term debt	(3,361,744)
14	Accreted interest on capital appreciation bonds	(10,366,870)
15	Net pension liability	(28,010,003)
16	Net OPEB liability	(14,609,228)
	Total long-term liabilities	(328,331,441)
	Governmental funds report the effect of premiums, discounts, and refundings and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	
17	Deferred amount on refunding	6,014,488
18	Premium on bonds	(18,288,243)
	Total premiums and deferred items	(12,273,755)
19	Total Net Position-Governmental Activities	\$ 61,697,194

LA PORTE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - GOVERNMENTAL FUNDS
For the Year Ended June 30, 2023

Exhibit C-3

		199	599	699		
Data Control Codes					Total Nonmajor Governmental Funds	Total Governmental Funds
		General Fund	Debt Service Fund	Capital Projects Fund		
Revenues						
5700	Local, intermediate, and out-of-state	\$ 132,030,889	\$ 39,235,442	\$ 2,142,493	\$ 2,029,346	\$ 175,438,170
5800	State program revenues	9,359,875	483,219	-	906,354	10,749,448
5900	Federal program revenues	3,207,589	-	-	10,758,537	13,966,126
5020	Total Revenues	144,598,353	39,718,661	2,142,493	13,694,237	200,153,744
Expenditures						
Current:						
0011	Instruction	45,891,052	-	1,740,718	3,963,214	51,594,984
0012	Instruction resources and media services	404,141	-	-	155,485	559,626
0013	Curriculum and instructional staff development	1,612,748	-	-	482,768	2,095,516
0021	Instructional leadership	1,184,535	-	-	241,495	1,426,030
0023	School leadership	4,892,356	-	-	72,413	4,964,769
0031	Guidance, counseling and evaluation services	2,729,188	-	-	1,681,428	4,410,616
0032	Social work services	311,433	-	-	37,500	348,933
0033	Health services	1,041,859	-	-	95,817	1,137,676
0034	Student transportation	3,526,212	-	6,346	52,197	3,584,755
0035	Food services	-	-	-	4,825,551	4,825,551
0036	Extracurricular activities	1,755,742	-	-	470,440	2,226,182
0041	General administration	3,532,552	-	120,273	17,770	3,670,595
0051	Facilities maintenance and operations	8,706,372	-	2,549,048	1,273,770	12,529,190
0052	Security and monitoring services	1,727,889	-	349,521	61,338	2,138,748
0053	Data processing services	1,615,819	-	4,962,606	29,166	6,607,591
0061	Community services	146,886	-	-	51,090	197,976
Debt service:						
0071	Principal on long-term debt	94,254	28,245,000	19,757	33,661	28,392,672
0072	Interest on long-term debt	1,926	10,419,326	593	2,008	10,423,853
0073	Bond issuance costs and fees	-	8,000	-	-	8,000
Capital outlay:						
0081	Facilities acquisition and construction	37,170	-	5,871,895	-	5,909,065
Intergovernmental:						
0091	Contracted instructional services	54,179,351	-	-	-	54,179,351
0093	Payments related to shared services arrangements	128,587	-	-	-	128,587
0095	Payments to Juvenile Justice Alt. Ed. Prgm.	41,400	-	-	-	41,400
0097	Payments to tax increment fund	4,723,689	-	-	-	4,723,689
0099	Other intergovernmental charges	1,225,970	-	-	-	1,225,970
6030	Total Expenditures	139,511,131	38,672,326	15,620,757	13,547,111	207,351,325
1100	Excess (deficiency) of revenues over expenditures	5,087,222	1,046,335	(13,478,264)	147,126	(7,197,581)
Other Financing Sources (Uses)						
7949	Other resources	-	-	-	66,231	66,231
7080	Total Other Financing Sources (Uses)	-	-	-	66,231	66,231
1200	Net change in fund balances	5,087,222	1,046,335	(13,478,264)	213,357	(7,131,350)
0100	Fund Balance - July 1 (Beginning)	60,254,529	9,476,549	20,245,253	5,671,339	95,647,670
3000	Fund Balance - June 30 (Ending)	\$ 65,341,751	\$ 10,522,884	\$ 6,766,989	\$ 5,884,696	\$ 88,516,320

LA PORTE INDEPENDENT SCHOOL DISTRICT

Exhibit C-4

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2023**

**Data
Control
Codes**

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

	Net change in fund balances - total governmental funds	\$ (7,131,350)
	Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
1	Capital outlay	6,465,839
2	Depreciation/amortization	(13,203,636)
	Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	
3	Earned but unavailable taxes	759,485
	Bond and other debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond and other debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the Statement of Net Position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	
4	SBITA issued	(66,231)
5	Principal paid on bonds	28,245,000
6	Principal paid on leases	95,289
7	Principal paid on SBITAs	52,383
	Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
8	Accrued interest on long-term debt	263,390
9	Amortization of bond premiums and discounts	2,624,798
10	Amortization of deferred amounts of refunding	(1,076,269)
11	Accreted interest on long-term debt	542,193
12	Compensated absences	104,969
13	Changes in net pension liabilities and related deferred outflows and inflows of resources	(719,943)
14	Changes in net OPEB liabilities and related deferred outflows and inflows of resources	2,327,027
15	Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.	652,501
	Change in Net Position of Governmental Activities	\$ 19,935,445

LA PORTE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2023

Exhibit D-1

	Internal Service Funds
Assets:	
Current assets:	
Cash and cash equivalents	\$ 4,097,293
Due from other funds	693
Inventories, at cost	22,384
Prepaid items	10,695
Total current assets	4,131,065
Noncurrent Assets:	
Right-to-use assets	10,412
Total Assets	\$ 4,141,477
Liabilities:	
Current liabilities:	
Accounts payable	\$ 2,146
Due to other funds	27,798
Payable to other governments	104
Accrued expenses	831,727
Leases payable - current	6,411
Total current liabilities	868,186
Noncurrent liabilities:	
Leases payable	22,599
Total Liabilities	\$ 890,785
Net Position:	
Net investment in capital assets	\$ (18,598)
Unrestricted	3,269,290
Total Net Position	\$ 3,250,692

LA PORTE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended June 30, 2023

Exhibit D-2

	Internal Service Funds
Operating Revenues	
Charges for Services	\$ 1,418,629
Total Operating Revenues	<u>1,418,629</u>
Operating Expenses	
Payroll costs	529,664
Professional and contracted services	593,733
Supplies and materials	49,439
Other operating expense	94,975
Amortization expense	34,911
Total Operating Expenses	<u>1,302,722</u>
Operating Income (Loss)	<u>115,907</u>
Non-Operating Revenues (Expenses)	
Intergovernmental	458,242
Earnings on investments	78,662
Interest expense	(310)
Total Non-Operating Revenues (Expenses)	<u>536,594</u>
Change in Net Position	652,501
Net Position - July 1 (Beginning)	<u>2,598,191</u>
Net Position - June 30 (Ending)	<u><u>\$ 3,250,692</u></u>

LA PORTE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2023

Exhibit D-3

	Internal Service Funds
Cash Flows from Operating Activities:	
Cash received from interfund services provided	\$ 1,510,073
Cash payments for insurance claims	(360,598)
Cash payments to employees	(529,664)
Cash payments to suppliers for goods and services	(70,238)
Cash payments for other operating expenses	(94,956)
Net Cash Provided by (Used for) Operating Activities	454,617
Cash Flows from Non-Capital Financing Activities:	
Operating grants	458,242
Net Cash Provided by (Used for) Non-Capital Financing Activities	458,242
Cash Flows from Capital and Related Financing Activities:	
Principal paid on leases	(15,206)
Interest paid on leases	(310)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(15,516)
Cash Flows from Investing Activities:	
Proceeds from earnings on investments	78,662
Net Cash Provided by (Used for) Investing Activities	78,662
Net Increase (Decrease) in Cash and Cash Equivalents	976,005
Cash and Cash Equivalents, Beginning of Year	3,121,288
Cash and Cash Equivalents, End of Year	\$ 4,097,293
Operating Income (Loss)	115,907
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Amortization of right-to-use lease assets	34,911
Decrease (increase) in interfund receivables	64,002
Decrease (increase) in receivables from others	7
Decrease (increase) in inventory	5,267
Decrease (increase) in prepaid items	(2,214)
Increase (decrease) in accounts payable	(983)
Increase (decrease) in interfund payables	27,442
Increase (decrease) in payables to other governments	12
Increase (decrease) in claims payable	210,266
Total adjustments	338,710
Net Cash Provided by (Used for) Operating Activities	\$ 454,617

LA PORTE INDEPENDENT SCHOOL DISTRICT**STATEMENT OF FIDUCIARY NET POSITION****June 30, 2023****Exhibit E-1**

	Private Purpose Trust Funds	Custodial Fund
Assets		
Cash and cash equivalents	\$ 318,583	\$ 239,984
Receivables:		
Due from others	-	600
Total Assets	<u><u>\$ 318,583</u></u>	<u><u>\$ 240,584</u></u>
Liabilities		
Accounts payable	\$ 164,475	\$ 14,784
Due to others	-	587
Due to other governments	-	1,128
Accrued expenditures	-	1,672
Total Liabilities	<u><u>\$ 164,475</u></u>	<u><u>\$ 18,171</u></u>
Net Position		
Restricted	<u>154,108</u>	<u>222,413</u>
Total Net Position	<u><u>\$ 154,108</u></u>	<u><u>\$ 222,413</u></u>

LA PORTE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Year Ended June 30, 2023

Exhibit E-2

	Private Purpose Trust Fund	Custodial Fund
Additions		
Fundraising	\$ -	\$ 20,599
Fees/dues	-	85,953
Donations	158,141	-
Other	-	319,961
Total Additions	<u>158,141</u>	<u>426,513</u>
Deductions		
Student activities	-	411,839
Scholarship	180,475	-
Total Deductions	<u>180,475</u>	<u>411,839</u>
Change in net position	(22,334)	14,674
Net Position Beginning of Year	<u>176,442</u>	<u>207,739</u>
Net Position End of Year	<u>\$ 154,108</u>	<u>\$ 222,413</u>



Note 1 - Summary of Significant Accounting Policies

A. Reporting Entity

La Porte Independent School District (the "District") is a public educational agency operating under the applicable laws and regulations of the State of Texas (the "State"). 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 promulgated by the Governmental Accounting Standards Board (GASB) and it complies with the requirements of the appropriate version of Texas Education Agency's (TEA) Financial Accountability System Resource Guide (the "Resource Guide") and the requirements of contracts and grants of agencies from which it receives funds.

The District is an independent political subdivision of the State governed by a board elected by the public and it has the authority to make decisions, appoint administrators and managers, and significantly influence operations, and is considered a primary government. As required by generally accepted accounting principles, these basic financial statements have been prepared based on considerations regarding the potential for inclusion of other entities, organizations, or functions as part of the District's financial reporting entity. No other entities have been included in the District's reporting entity. Additionally, as the District is considered a primary government for financial reporting purposes, its activities are not considered a part of any other governmental or other type of reporting entity.

B. Government-wide and Fund Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment, are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to students or users who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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

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

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

The fiduciary fund financial statements reflect the District's custodial fund and private purpose trust fund. The fiduciary funds report using the accrual basis of accounting.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available.

Note 1 - Summary of Significant Accounting Policies (continued)

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

Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service principal and interest expenditures on general long-term debt, including lease and subscription-based information technology arrangement ("SBITA") liabilities, as well as expenditures related to compensated absences, and claims and judgments, postemployment benefits and environmental obligations are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions, including entering into contracts giving the District the intangible right-to-use assets and SBITA assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases/SBITAs are reported as other financing sources.

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

The District reports the following major governmental funds:

- The *general fund* is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The *debt service fund* accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.
- The *capital projects fund* is used to account for proceeds from sales of bonds and other revenues to be used for authorized construction and technology projects/enhancements.

Non-major governmental funds of the District include federal, state, and local grant funds accounted for as *special revenue funds* as well as the District's campus activity fund.

Additionally, the District reports the following fund types:

- The *internal service fund* is a type of proprietary fund which accounts for workers' compensation provided to other funds and/or employees of the District on a cost reimbursement basis. In addition, the internal service fund accounts for the District's childcare program and the District's print shop.
- The *custodial fund* is used to account for resources held in custodial capacity by the District and consists of funds that are the property of students or others.
- The *private purpose trust fund* is a type of fiduciary fund that is used to report all trust arrangements, other than those properly recorded in pension trust funds or investment trust funds, under which principal and income benefit individuals, private organizations, and other governments. The District accounts for student scholarships in a private purpose trust fund.

As a rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as *program revenues* include 1) charges to students or users for goods, services, or privileges provided and 2) operating grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes and investment income.

Note 1 - Summary of Significant Accounting Policies (continued)

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

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's internal service fund are charges to the funds and/or employees services related to the activity of the individual funds. Operating expenses for the internal service fund include the cost of services and administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Implementation of New Accounting Standards

GASB Statement No. 94 *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* was issued in March 2020 and is effective for periods beginning after June 15, 2022. This Statement addresses issues related to public-private and public-public partnership arrangements (PPPs). The Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). The requirements of this Statement are effective for periods beginning after June 15, 2022. The District has evaluated the effects of this standard and has determined that it does not impact the financial statements.

GASB Statement No. 96 *Subscription-Based Information Technology Arrangements* (SBITA), was issued in May 2020 and was effective for periods beginning after June 15, 2022. This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The District has evaluated the effects of this standard and has determined that it does impact the financial statements. As such the District has incorporated such SBITAs into its capital assets and long-term liabilities on both the face of the financial statements and the note disclosures.

GASB issued Statement No. 99, *Omnibus 2022* was issued in April 2022. This Statement was issued to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements and accounting and financial reporting for financial guarantees. The requirements of this Statement are effective immediately upon issuance, for periods beginning after June 15, 2022 and June 15, 2023, depending on the topical area.

E. Deposits and Investments

Investments for the District are reported at fair value. The funds of the District must be deposited and invested under the terms of a depository contract, the contents of which are set out in the Depository Contract Law. The depository bank may either place approved pledged securities for safekeeping and trust with the District's agent bank or file a corporate surety bond in an amount sufficient to protect district funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of FDIC insurance. The depository cash balances were covered by FDIC insurance and by collateral held by the District's agent in the District's name. The District categorizes fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: 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. The District's local government investment pools are recorded at amortized costs as permitted by GASB Statement No. 79 *Certain Investment Pools and Pool Participants*.

Note 1 - Summary of Significant Accounting Policies (continued)

F. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

Property tax receivables include unpaid property taxes at year-end and are shown net of an allowance for uncollectable taxes. Allowances for uncollectable taxes receivable are based on the District's historical experience in collecting property taxes. Revenues from property taxes are recognized when levied to the extent they are available. The District considers property taxes as available when collected. However, not all outstanding property taxes are expected to be collected within one year of the date of the financial statements. Property values are determined by the Harris County Appraisal District as of January 1 of each year. The net assessed/appraised value for school tax purposes for fiscal year 2023 (tax year 2022) was \$13,131,827,935. Prior to July 1 of each year, the District must adopt its annual budget and as soon thereafter as practicable, shall adopt a tax rate thus creating the tax levy. The combined tax rate for fiscal year 2023 was 1.2565%, which was made up of 0.9746% for maintenance and operations and 0.2819% for debt service. Property taxes for the current calendar year are levied on approximately October 1 of each year and are payable by January 31 of the following year. The total adjusted levy for fiscal year 2023 was \$165,001,418. Property tax receivables are recorded as of the date levied. Unpaid taxes become delinquent on February 1.

G. Inventories and Prepaid Items

The costs of governmental fund type inventories are recorded as expenditures when the related liability is incurred (i.e., the purchase method). Certain payments to vendors reflect costs applicable to the future accounting period (prepaid expenditures) are recognized as expenditures when utilized.

H. Capital Assets

Capital assets are tangible and intangible assets, which include property, plant, equipment, infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), lease assets, and subscription-based information technology arrangements (SBITAs), are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an estimated useful life more than one year and an initial, individual cost exceeding the capitalization threshold of \$5,000.

As the District constructs or acquires capital assets each period, they are capitalized and reported at historical cost, except for intangible right-to-use lease and SBITAs. The measurement of the intangible right to use assets and SBITAs are discussed in their respective sections of this note. The reported value excludes normal maintenance and repairs, which are amounts spent in relation to capital assets that do not increase the asset's capacity or efficiency or increase its estimated useful life. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation. Intangible assets, excluding the intangible right-to-use assets and SBITAs, follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class.

Note 1 - Summary of Significant Accounting Policies (continued)

H. Capital Assets (continued)

Land and construction in progress are not depreciated or amortized. The other capital asset classes are depreciated/amortized using the straight-line method over the following estimated useful lives or amortization term as defined below:

Assets	Years
Buildings and improvements	20 to 65 years
Equipment and vehicles	5 to 20 years
Right-to-use assets	Shorter of the lease term or the useful life of the underlying asset
Subscription assets	Subscription term

I. Compensated Absences

Twelve-month employees with less than ten years of service accrue 0.834 days of vacation each month between July 1 and June 30. Twelve-month employees with greater than 10 years of service accrue 1.25 vacation days each month between July 1 and June 30. Employees may accrue up to a maximum of 35 vacation days. Earned vacation time shall be paid to an employee who voluntarily separates from employment.

A permanent employee who was employed by the District prior to September 1, 1994, who contributes to the Teacher Retirement System (TRS) through payroll deductions, who was employed by the District for the past ten consecutive years, and who retires from the District under the provisions of TRS shall be paid for all unused state and local sick leave accrued while employed by the District. The total paid days cannot exceed 90 and will be based on the employees, then current rate during the 2003-2004 year.

In lieu of benefits provided in the preceding paragraph, an employee eligible for such benefits may opt to receive a lump sum equivalent to 70 percent of the eligible benefits made available by this policy in exchange for waiving all other benefits owed under this policy. The accrual for accumulated unpaid sick leave and vacation leave benefits has been recorded in the governmentwide financial statements.

J. Long-term Obligations

The District's long-term obligations consist of bonded indebtedness, lease liabilities, subscription-based information technology arrangements (SBITAs), and compensated absences. 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 and proprietary fund type statement of net position.

Bond premiums and discounts are deferred and amortized over the life of the bonds using the bonds outstanding method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as 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. The current requirements for general obligation bonds principal and interest expenditures are accounted for in the debt service fund.

The current requirements for compensated absences are accounted for in the general fund.

Note 1 - Summary of Significant Accounting Policies (continued)

K. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and therefore will not be recognized as an outflow of resources (expense/expenditure) until then. The District has three items that qualify for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position, deferred amounts related to pension, and deferred amounts related to OPEB. The deferred charge on refunding resulted from the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred amounts related to pension and OPEB relate differences between estimated and actual investment earnings, changes in actuarial assumptions, and other pension and OPEB related changes.

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and therefore will not be recognized as an inflow of resources (revenue) until that time. The District has three items that qualify for reporting in this category. Unavailable revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and grants. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In the government-wide financial statements the District reports deferred amounts related to pension and deferred amounts related to OPEB.

L. Pension and Other Post-Employment Benefits (OPEB)

The fiduciary net position of the Teacher Retirement System of Texas (TRS) Pension plan and TRS Care OPEB Plan has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net pension/OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, pension/OPEB 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 of the pension plan are reported at fair value. There are no investments in the OPEB plan as it is a pay-as you-go plan and all cash is held in a cash account.

M. Fund Equity

The Districts reports fund balances in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

- *Nonspendable fund balance* - amounts that are not in spendable form or are required to be maintained intact. As such, the inventory and prepaid items have been properly classified in the Governmental Funds Balance Sheet (Exhibit C-1). However, if the use of the proceeds from the sale of the inventory is restricted, committed, or assigned, then the applicable amounts are included in the appropriate fund balance classification, rather than nonspendable fund balance.
- *Restricted fund balance* - amounts that can be spent only for specific purposes because of local, state or federal laws, or externally imposed conditions by grantors or creditors. The fund balances for the Debt Service Fund, Capital Projects Fund, Child Nutrition Fund and other grant funds are classified as restricted.
- *Committed fund balance* - amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision-making authority. The District's Board is the highest level of decision-making authority for the District that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation. The District commits fund balance for compensated absences, insurance deductibles, and student achievement and safety.

Note 1 - Summary of Significant Accounting Policies (continued)

M. Fund Equity (continued)

- *Assigned fund balance* - amounts the District intends to use for a specific purpose. Intent can be expressed by the District or by an official or body to which the Board of Trustees delegates the authority.
- *Unassigned fund balance* - amounts that are available for any purpose. Positive numbers are reported only in the general fund.

The District establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. A fund balance commitment is further indicated in the budget document as a commitment of the fund. Per Policy CE local, assigned fund balance amounts are established by the Superintendent or designee. When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

N. Encumbrances

The District utilizes encumbrance accounting in its governmental funds. Encumbrances represent commitments related to contracts not yet performed (executory contracts) and are used to control expenditures for the period and to enhance cash management. A school district often issues purchase orders or signs contracts for the purchase of goods and services to be received in the future. At the time these commitments are made, which in its simplest form means when a purchase order is prepared, the appropriate account is checked for available funds.

If an adequate balance exists, the amount of the order is immediately charged to the account to reduce the available balance for control purposes. The encumbrance account does not represent an expenditure for the period, only a commitment to expend resources.

Prior to the end of the fiscal year, every effort should be made to liquidate outstanding encumbrances. When encumbrances are outstanding at fiscal year-end, the school district likely will honor the open purchase orders or contracts that support the encumbrances. For reporting purposes, as noted earlier, outstanding encumbrances are not considered expenditures for the current period. If the school district allows encumbrances to lapse, even though it plans to honor the encumbrances, the appropriations authority expires and the items represented by the encumbrances are usually re-appropriated in the following year's budget.

O. Data Control Codes

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

P. Use of Estimates

The presentation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Note 1 - Summary of Significant Accounting Policies (continued)

Q. Leases

Lessee: The District is a lessee for a noncancellable lease of equipment. The District recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The District recognizes lease liabilities with an initial, individual value of \$5,000 or more. At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life. Key estimates and judgments related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

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

The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with other capital assets and lease liabilities are reported with long-term liabilities on the statement of net position.

R. Subscription-Based Information Technology Arrangements (SBITAs)

The District is under contract for various SBITAs for the right to use subscription assets (software). The SBITAs are noncancellable, and the District recognizes a SBITA liability and an intangible right to use SBITA asset in the government-wide financial statements. The District recognizes SBITA liabilities with an initial, individual value of \$5,000 or more. At the commencement of the SBITA, the District initially measures the SBITA liability at the present value of payments expected to be made during the SBITA term. Subsequently, the SBITA liability is reduced by the principal portion of SBITA payments made. The SBITA asset is initially measured as the sum of (1) the initial SBITA liability amount, (2) payments made to the SBITA vendor before commencement of the subscription term, and (3) capitalizable implementation costs, less any incentives received from the SBITA vendor at or before the commencement of the subscription term. Key estimates and judgments related to SBITA include how the District determines (1) the discount rate it uses to discount the expected SBITA payments to present value, (2) SBITA term, and (3) SBITA payments.

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

The District monitors changes in circumstances that would require a remeasurement of its SBITA and will remeasure the SBITA asset and liability if certain changes occur that are expected to significantly affect the amount of the SBITA liability. SBITA assets are reported with other capital assets and SBITA liabilities are reported with long-term debt on the statement of net position.

Note 2 - Deposits and Investments

As of June 30, 2023, the District had the following investments

	<u>Fair Value /</u> <u>Amortized Cost</u>	<u>Less than 1</u> <u>year</u>	<u>1-5 years</u>	<u>WAM</u>	<u>Percentage of</u> <u>Portfolio</u>	<u>S&P</u> <u>Credit</u> <u>Rating</u>
Governmental Activities:						
Local Government Investment Pools:						
TexPool	\$ 23,485,636	\$ 23,485,636	\$ -	22	28%	AAAm
Texas CLASS	19,829,697	19,829,697	-	80	23%	AAAm
Texas Range	16,330,176	16,330,176	-	36	19%	AAAmmf
Lone Star	22,552,152	22,552,152	-	26	26%	AAAm
Certificates of Deposit	3,000,000	3,000,000	-	45	4%	N/A
	<u>85,197,661</u>	<u>85,197,661</u>	<u>-</u>	<u>40</u>	<u>100%</u>	

The District reports its local government investment pools at amortized cost as permitted by GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. In addition, the pools do not have any limitations and restrictions on withdrawals such as notice periods or maximum transaction amounts. The pools do not impose any liquidity fees or redemption gates. The District's certificates of deposit are reported at fair value as Level 1 valued using prices quoted in active markets for those investments.

TexPool

TexPool is a public funds investment pool created by the Texas Treasury Safekeeping Trust Company (Trust Company) to provide a safe environment for the placement of local government funds in authorized short-term, fully-collateralized investments, including direct obligations of, or obligations guaranteed by, the United States or State of Texas or their agencies; federally insured certificates of deposit issued by Texas banks or savings and loans; and fully collateralized direct repurchase agreements secured by United States Government agency securities and placed through a primary government securities dealer. The Trust Company was incorporated by the State Treasurer by authority of the Texas Legislature as a special purpose trust company with direct access to the services of the Federal Reserve Bank to manage, disburse, transfer, safe keep, and invest public funds and securities more efficiently and economically. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. TexPool operates in a manner consistent with the Security and Exchange Commission's Rule 2a7 of the Investment Company Act of 1940. TexPool uses amortized cost to report net position to compute share prices. The fair value of the position in TexPool is the same as the value of TexPool shares. Accordingly, the District's investments in TexPool are stated at cost, which approximates fair value. TexPool is currently rated AAAm by Standard and Poor's. This rating indicates excellent safety and a superior capacity to maintain principal value and limit exposure to loss.

Texas CLASS

MBIA Texas Class Pool is duly chartered by the State of Texas Interlocal Cooperation Act, is administered and managed by MBIA Municipal Investors Service Corporation. Wells Fargo Bank N.A. is the custodial bank. The primary objectives of MBIA Texas Class Pool, is to maintain safety of principal while providing participating government entities (Participants) with the highest possible rate of return for invested funds. The District's amortized cost in the MBIA Texas Class Pool is the same as the value of the pool shares.

Note 2 - Deposits and Investments (continued)

Lone Star

Lone Star Investment Pool (LSIP) is a Texas public investment pool sponsored by the Texas Association of School Boards (TASB) for investment of funds by state and local government entities, primarily local school districts. The Board has entered into an agreement with First Public, LLC (First Public), a Texas limited liability company and a member of the National Association of Securities Dealers, Securities Investor Protection Corporation, and Municipal Securities Rulemaking Board, pursuant to which First Public serves as administrator of LSIP's operations. American Beacon Advisors, Fort Worth, Texas, and Standish Mellon Asset Management Company, LLC, Pittsburgh, Pennsylvania, provide investment management services to LSIP regarding the investment and reinvestment of the pool's assets. The fund's credit quality is excellent as its portfolio is composed of U. S. government and U. S. agency securities. Investments in LSIP provide for investment in securities with maturities and returns generally greater than money market instruments. LSIP is marked-to-market daily to maintain an accurate net asset value. LSIP is currently rated AAAM by Standard and Poor's. This rating indicates excellent safety and a superior capacity to maintain principal value and limit exposure to loss. The District's amortized cost in LSIP is the same as the value of the pool shares.

Texas Range

The Texas Range Investment Program is an individual investment portfolio established by the Texas Range Advisory Board pursuant to the Texas Range Common Investment Contract that established the pool. Texas Range is a local government investment portfolio that allows governments to pool their funds for investment under the provisions of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. Texas Range is directed by an advisory board of experienced local government officials, finance directors, and treasurers and is managed by a team of industry leaders that are focused on providing professional investment services to investors. The District's investments managed through Texas Range are valued and recorded at amortized cost in accordance with GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates may adversely affect the value of the investments. The District monitors interest rate risk utilizing weighted average maturity analysis. In accordance with its investment policy, the District reduces its exposure to declines in fair values by limiting the weighted average maturity of pooled fund groups to no more than 180 days. Furthermore, no individual investment shall have maturities longer than one year from the time of purchase, with exceptions to debt service funds and capital projects funds, which may have maturities longer than one year provided legal limits are not exceeded.

Credit Risk

The District's policy requires that investment pools must be rated no lower than 'AAA' or 'AAA-m'. Bankers' acceptances must be issued in the United States and carry a rating of 'A1'/'P1' as provided by two of the top nationally recognized rating agencies.

Note 2 - Deposits and Investments (continued)

Custodial Credit Risk

Cash Deposits: The District's funds are required to be deposited and invested under the terms of a depository contract pursuant to the Texas School Depository Act. The depository bank pledges securities which comply with state law and these securities are held for safekeeping and trust with the District's and the depository banks' agent bank. The pledged securities are approved by the Texas Education Agency and shall be in an amount sufficient to protect District funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation (FDIC) insurance. The District's cash deposits at June 30, 2023 of \$4,266,988 were fully collateralized by FDIC insurance held by the District's agent in the name of the District in accordance with Texas Government Code, Chapter 2257, Public Funds Collateral Act and the District's Investment Policy. The carrying amount of the deposits as of June 30, 2023 is reported in the financial statements is \$4,082,580.

Investments: The District's investment policy is in accordance with the Public Funds Investment Act, the Public Funds Collateral Act, and federal and state laws. The District's investment policy requires that it will seek to safekeep securities at financial institutions, avoiding physical possession. Further, all trades, where applicable, shall be conducted on a delivery versus payment basis or commercial book entry system as utilized by the Federal Reserve and shall be protected through the use of a third-party custody/safekeeping agent.

Concentration of Credit Risk

The District's investment portfolio is diversified in terms of investment instruments, maturity scheduling, and financial institutions to reduce risk of loss resulting from overconcentration of assets in a specific class of investments, specific maturity, or specific issuer.

Note 3 - Receivables

Receivables as of June 30, 2023, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total
Property Taxes	\$ 3,182,754	\$ 873,606	\$ -	\$ -	\$ 4,056,360
Due from state	5,474,749	-	-	1,885,893	7,360,642
Due from other governments	301,942	96,731	1,490,603	-	1,889,276
Interest	29,886	-	-	-	29,886
Due from others	587	-	-	-	587
Other	2,779	-	40,541	21,457	64,777
Gross Receivables	8,992,697	970,337	1,531,144	1,907,350	13,401,528
Less allowance for doubtful accounts	(993,000)	(277,500)	-	-	(1,270,500)
Net Total Receivables	\$ 7,999,697	\$ 692,837	\$ 1,531,144	\$ 1,907,350	\$ 12,131,028

Unearned Revenue

Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the District reported unearned revenues in the governmental funds in the amount of \$124,988 for grant funds received prior to meeting all eligibility requirements.

Note 4 - Capital Assets

Capital asset activity for the year ended June 30, 2023, was as follows:

	Balance, as Restated July 01, 2022	Additions	(Retirements)	Balance June 30, 2023
Capital Assets, not being depreciated				
Land	\$ 10,371,379	\$ -	\$ -	\$ 10,371,379
Construction in progress	-	5,909,065	-	5,909,065
Total Capital Assets, not being depreciated	10,371,379	5,909,065	-	16,280,444
Capital Assets, being depreciated/amortized				
Buildings and improvements	439,845,238	43,946	-	439,889,184
Furniture and equipment	28,641,832	296,122	-	28,937,954
Right-to-use lease assets	296,163	-	-	296,163
Subscription assets	19,758	216,705	-	236,463
Total Capital Assets, being depreciated/amortized	468,802,991	556,773	-	469,359,764
Less accumulated depreciation/amortization for:				
Buildings and improvements	(133,590,685)	(11,589,590)	-	(145,180,275)
Furniture and Equipment	(20,762,771)	(1,444,080)	-	(22,206,851)
Right-to-use lease assets	(122,873)	(133,480)	-	(256,353)
Subscription assets	-	(71,397)	-	(71,397)
Total Accumulated Depreciation/Amortization	(154,476,329)	(13,238,547)	-	(167,714,876)
Governmental Capital Assets	\$ 324,698,041	\$ (6,772,709)	\$ -	\$ 317,925,332
		Less associated bonds		(289,128,243)
		Less leases payable		(58,564)
		Less SBITAs payable		(33,605)
		Plus unspent bond proceeds		6,766,989
		Plus deferred charge on refunding		6,014,488
		Net Investment in Capital Assets		\$ 41,486,397

Depreciation expense was charged to functions/programs of the District as follows:

Function	Depreciation/ Amortization Expense
Instruction	\$ 10,864,364
Instructional resources & media services	214
Curriculum & instructional staff development	6,268
Instructional leadership	27,768
School leadership	1,050
Health services	760
Student (pupil) transportation	352,367
Food services	108,078
Cocurricular/extracurricular activities	650,946
General administration	62,263
Plan maintenance & operations	702,273
Security and monitoring services	62,340
Data processing services	216,134
Community services	183,722
	\$ 13,238,547

Note 4 - Capital Assets (continued)

The District had the following remaining commitments with contractors as of June 30, 2023:

Project	Original Commitment	Construction in Progress	Remaining Commitment
Stadium and related projects	\$ 88,655,431	\$ 5,909,065	\$ 82,746,366

Note 5 - Interfund Receivables, Payables, and Transfers

Interfund balances consist of short-term lending/borrowing arrangements that result primarily from payroll, warehouse ordering and other regularly occurring charges that are paid by the general fund and then charged back to the appropriate other fund. Additionally, some lending/borrowing may occur between two or more nonmajor governmental funds.

The composition of interfund balances as of June 30, 2023, is as follows:

	Interfund Balances		
	Receivable	Payable	Net
General Fund	\$ 905,661	\$ (487,006)	\$ 418,655
Capital Projects Fund	64,800	(1,958)	62,842
Nonmajor Governmental Funds	421,513	(875,905)	(454,392)
Internal Service Funds	693	(27,798)	(27,105)
Total	\$ 1,392,667	\$ (1,392,667)	\$ -

In addition, the District reports amounts due between the District (primary government) and the custodial funds separately in the financial statements. These amounts as of June 30, 2023 are as follows:

	Amounts due between Primary Government and Fiduciary Funds		
	Receivable	Payable	Net
General Fund	\$ 587	\$ (600)	\$ (13)
Fiduciary Funds	600	(587)	13
Total	\$ 1,187	\$ (1,187)	\$ -

Interfund transfers are defined as “flows of assets without equivalent flow of assets in return and without a requirement for repayment.” During the current fiscal year, the District did not record any interfund transfers.

Note 6 - Long-term Liabilities

The following is a summary of changes in the District's total governmental long-term liabilities for the year:

	Balance, as Restated July 1, 2022	Additions	Retirements	Balance June 30, 2023	Due Within One Year
Governmental Activities:					
Bonds payable:					
General obligation bonds	\$ 299,085,000	\$ -	\$ (28,245,000)	\$ 270,840,000	\$ 17,750,000
Premiums/discounts	20,913,041	-	(2,624,798)	18,288,243	-
	319,998,041	-	(30,869,798)	289,128,243	17,750,000
Other liabilities:					
Compensated absences	1,185,406	-	(104,969)	1,080,437	141,967
Leases	169,059	-	(110,495)	58,564	45,837
SBITAs	19,758	66,231	(52,383)	33,605	33,605
Net pension liability	11,119,876	16,890,127	-	28,010,003	-
Net OPEB liability	22,598,808	-	(7,989,580)	14,609,228	-
Accreted interest	10,909,063	137,807	(680,000)	10,366,870	865,000
Total Governmental Activities	\$ 366,000,011	\$ 17,094,165	\$ (39,807,225)	\$ 343,286,950	\$ 18,836,409

In general, the District uses the debt service fund to liquidate governmental long-term liabilities. The liability for compensated absences, the net pension liability, and the net OPEB liability are liquidated by the general fund.

General Obligation Bonds

General obligation bonds are direct obligations and pledge the full faith and credit of the District. These are issued as current interest bonds, and term bonds, with various amounts of principal maturing each year. General obligation bonds currently outstanding are as follows:

Date of Issue	Description	Interest Rate Payable	Original Amounts Issued	Amounts Outstanding June 30, 2022	Retired Current Year	Amounts Outstanding June 30, 2023
9/14/2010	Unlimited Tax Schoolhouse Bonds Taxable, Series 2010B (BABs)	3.52-4.64%	\$ 18,880,000	\$ 14,025,000	\$ (2,570,000)	\$ 11,455,000
5/17/2012	Unlimited Tax Refunding Bonds, Series 2012	2.00-5.00%	40,685,000	30,930,000	(13,975,000)	16,955,000
10/2/2014	Unlimited Tax School Building Bonds, Series 2014	2.00-5.00%	99,675,000	1,730,000	(1,010,000)	720,000
11/18/2014	Unlimited Tax Refunding Bonds, Series 2014	4.38-5.00%	6,090,000	2,125,000	(210,000)	1,915,000
4/6/2015	Unlimited Tax Refunding Bonds, Series 2015	3.00-5.00%	67,760,000	49,395,000	(4,555,000)	44,840,000
8/12/2015	Unlimited Tax School Building Bonds, Series 2015	3.00-5.00%	72,545,000	49,020,000	(2,545,000)	46,475,000
4/19/2016	Unlimited Tax Refunding Bonds, Series 2016	2.50-5.00%	21,370,000	16,075,000	(1,520,000)	14,555,000
6/7/2016	Unlimited Tax School Building Bonds, Series 2016	2.00-5.00%	43,385,000	34,230,000	(510,000)	33,720,000
2/19/2020	Unlimited Tax School Building Bonds, Series 2020	2.00-5.00%	26,550,000	25,950,000	(815,000)	25,135,000
3/9/2021	Unlimited Tax Refunding Bonds, Series 2021	0.00-2.00%	76,415,000	75,605,000	(535,000)	75,070,000
			<u>\$ 473,355,000</u>	<u>\$ 299,085,000</u>	<u>\$ (28,245,000)</u>	<u>\$ 270,840,000</u>

Note 6 - Long-term Liabilities (continued)

Debt service requirements to maturity are as follows:

Year Ending June 30,	Principal	Interest	Totals
2024	\$ 17,750,000	\$ 9,014,456	\$ 26,764,456
2025	17,895,000	8,187,957	26,082,957
2026	18,600,000	7,452,536	26,052,536
2027	19,375,000	6,677,285	26,052,285
2028	18,830,000	5,936,160	24,766,160
2029 - 2033	86,620,000	19,350,642	105,970,642
2034 - 2038	76,500,000	7,470,097	83,970,097
2039 - 2043	15,270,000	393,573	15,663,573
	<u>\$ 270,840,000</u>	<u>\$ 64,482,706</u>	<u>\$ 335,322,706</u>

Prior Years' Refunding of Long-Term Debt

In prior years, the District defeased, certain general obligation debt by placing the proceeds of the new bonds in an irrevocable trust, to provide for all future debt service payments on the refunded debt. Accordingly, the trust account assets and the liability for the defeased debt are not included in the District's financial statements. As of June 30, 2023, defeased bonds in the amount of \$76,415,000 Unlimited Tax School Building Bonds, Series 2014 remain outstanding.

Leases

The District has two leases for the right to use copy machines and the right to use postage machines. There are no plans to exercise the purchase option at the end of either lease agreement. The following is a summary of the District's lease liabilities:

Description	Start Date	End Date	Interest Rate	Lease Liability		Right to Use Asset		
				Original Amount	Liability as of June 30, 2023	Original Amount	Accumulated Amortization June 30, 2023	Net Amount June 30, 2023
Copy Machines	7/1/2021	8/1/2023	2.85%	\$ 265,168	\$ 39,740	\$ 265,168	\$ (243,955)	\$ 21,213
Postage Machines	7/1/2021	6/1/2026	2.85%	30,995	18,824	30,995	(12,398)	18,597
				<u>\$ 296,163</u>	<u>\$ 58,564</u>	<u>\$ 296,163</u>	<u>\$ (256,353)</u>	<u>\$ 39,810</u>

The future principal and interest lease payments as of June 30, 2023, were as follows:

FY	Principal	Interest	Total
2024	\$ 45,837	\$ 714	\$ 46,551
2025	6,273	281	6,554
2026	6,454	100	6,554
	<u>\$ 58,564</u>	<u>\$ 1,095</u>	<u>\$ 59,659</u>

Note 6 - Long-term Liabilities (continued)

Subscription-Based Information Technology Arrangements (SBITAs)

The District is under contract for noncancellable SBITAs that convey control of the right to use software. The SBITA liabilities outstanding as of June 30, 2023, are as follows:

Subscription Software Type	Start Date	End Date	Interest Rate	Subscription Liability		Subscription Asset		
				Original Amount	Liability as of June 30, 2023	Original Amount	Accumulated Amortization June 30, 2023	Net Amount June 30, 2023
Procurement	7/1/2022	11/30/2023	3.00%	\$ 19,757	\$ -	\$ 19,757	\$ (11,525)	\$ 8,232
Educational	7/1/2022	6/30/2024	3.00%	55,062	27,938	55,062	(27,532)	27,530
Educational	8/9/2022	8/28/2024	3.00%	11,169	5,667	11,169	(5,119)	6,050
Educational	10/13/2022	10/12/2024	N/A	-	-	13,750	(4,583)	9,167
Educational	3/31/2023	8/24/2025	N/A	-	-	48,895	(4,075)	44,820
Educational	8/18/2022	8/17/2025	N/A	-	-	39,846	(11,068)	28,778
Educational	7/1/2022	6/30/2026	N/A	-	-	27,012	(4,000)	23,012
Educational	9/1/2022	8/31/2027	N/A	-	-	20,972	(3,495)	17,477
				<u>\$ 85,988</u>	<u>\$ 33,605</u>	<u>\$ 236,463</u>	<u>\$ (71,397)</u>	<u>\$ 165,066</u>

All amounts paid were previously included in the measurement of the subscription liability and there were no other related outflows of resources for the period such as variable payments or termination penalties. In addition, there were no commitments incurred prior to commencement of any SBITA term and there were no impairment losses related to SBITA assets. The future principal and interest SBITA payments as of June 30, 2023, were as follows:

FY	Principal	Interest	Total
2024	\$ 33,605	\$ 1,008	\$ 34,613
	<u>\$ 33,605</u>	<u>\$ 1,008</u>	<u>\$ 34,613</u>

Note 7 - Revenues from Local, Intermediate, and Out-of-State Sources

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

	General Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total
Property taxes	\$ 126,972,695	\$ 39,565,028	\$ -	\$ -	\$ 166,537,723
Less: refunds	(2,920,348)	(711,744)	-	-	(3,632,092)
Property taxes, net	124,052,347	38,853,284	-	-	162,905,631
Food service	-	-	-	1,152,629	1,152,629
Investment Earnings	3,485,359	382,158	604,091	18,565	4,490,173
Gifts and Bequests	-	-	-	296,083	296,083
Athletics	135,869	-	-	-	135,869
Tuition/Fees	11,590	-	-	103,381	114,971
Rent	70,378	-	-	-	70,378
Insurance Recovery	4,826	-	-	-	4,826
Miscellaneous	4,270,520	-	1,538,402	458,688	6,267,610
Total	<u>\$ 132,030,889</u>	<u>\$ 39,235,442</u>	<u>\$ 2,142,493</u>	<u>\$ 2,029,346</u>	<u>\$ 175,438,170</u>

Note 8 - Defined Benefit Pension Plans

A. Plan Description

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

All employees of public, state-supported educational institutions in Texas who are employed for one-half or more of the standard 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 that includes financial statements and required supplementary information. The report may be obtained on the internet at https://www.trs.texas.gov/Pages/about_publications.aspx, selecting About TRS then Publications then *Financial Reports* or by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698.

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 under a previous rule. There are no automatic post-employment benefit changes, including automatic COLAs. Ad hoc post-employment benefit changes, including ad hoc COLAs, can be granted by the Texas Legislature as noted in the Plan description above.

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

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% of the member's annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to members of the system during the fiscal year.

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

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).

	Contribution Rates	
	Measurement Year	
	2023	2022
Member	8.00%	8.00%
Non-employer contributing agency	8.00%	7.75%
Employers	8.00%	7.75%

	Current Fiscal Year	
	Contributions	
Employer (District)	\$	2,358,152
Employee (Member)		4,823,866
Non-employer Contributing Entity		
On-behalf Contributions (State)		3,395,644

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

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

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

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

Note 8 - Defined Benefit Pension Plans (continued)

E. Actuarial Assumptions

The total pension liability in the August 31, 2021 actuarial valuation was determined using the following actuarial assumptions:

Component	Result
Valuation Date	August 31, 2021, rolled forward to August 31, 2022
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Fair Value
Single Discount Rate	7.00%
Long-term Expected Rate	7.00%
Municipal Bond Rate as of August 2020	3.91% - The 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)	2121
Inflation	2.30%
Salary Increases	2.95% to 8.95% including inflation
Benefit changes during the year	None
Ad hoc post-employment benefit changes	None

The actuarial methods and assumptions are used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2021. For a full description of these assumptions please see the actuarial valuation report dated November 12, 2021.

Discount Rate

A single discount rate of 7.00% was used to measure the total pension liability. The single discount rate was based on the expected rate of return on plan investments of 7.00%. 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% of payroll over the next several years. This includes all employer and state contributions for active and rehired retirees.

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

The long-term rate of return on pension plan investments is 7.00%. 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.

Note 8 - Defined Benefit Pension Plans (continued)

Discount Rate (continued)

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

Asset Class	Target Allocation²	Long-Term Expected Geometric Real Rate of Return³	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
USA	18.00%	4.60%	1.12%
Non-U.S. Developed	13.00%	4.90%	0.90%
Emerging Markets	9.00%	5.40%	0.75%
Private Equity ¹	14.00%	7.70%	1.55%
Stable Value			
Government Bonds	16.00%	1.00%	0.22%
Absolute Return ¹	0.00%	3.70%	0.00%
Stable Value Hedge Funds	5.00%	3.40%	0.18%
Real Return			
Real Estate	15.00%	4.10%	0.94%
Energy, Natural Resources & Infrastructure	6.00%	5.10%	0.37%
Commodities	0.00%	3.60%	0.00%
Risk Parity	8.00%	4.60%	0.43%
Asset Allocation Leverage			
Cash	2.00%	3.00%	0.01%
Asset Allocation Leverage	-6.00%	3.60%	-0.05%
Inflation Expectation			2.70%
Volatility Drag ⁴			-0.91%
Expected Return	100.00%		8.21%

¹ Absolute Return includes Credit Sensitive Investments.

² Target allocations are based on the fiscal year 2022 policy model.

³ Capital Market Assumptions come from Aon Hewitt as of August 31, 2022.

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

F. Discount Rate Sensitivity Analysis

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

	Discount Rate		
	1% Decrease (6.00%)	Current Rate (7.00%)	1% Increase (8.00%)
District's proportional share of the net pension liability	\$ 43,572,944	\$ 28,010,003	\$ 15,395,508

Note 8 - Defined Benefit Pension Plans (continued)

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

On June 30, 2023, the District reported a liability of \$28,010,003 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	\$ 28,010,003
State's proportionate share that is associated with the District	39,737,270
Total	<u>\$ 67,747,273</u>

The net pension liability was measured as of August 31, 2021 and rolled forward to August 31, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2021 through August 31, 2022.

On August 31, 2022 the employer's proportion of the collective net pension liability was 0.0472% which was an increase of 0.0035% from its proportion measured as of August 31, 2021.

Changes since the Prior Actuarial Valuation - The actuarial assumptions and methods have been modified since the determination of the prior year's Net Pension Liability. These new assumptions were adopted in conjunction with an actuarial experience study. The primary assumption change was the lowering of the single discount rate from 7.25% to 7.00%.

For the year ended June 30, 2023, the District recognized pension expense of \$3,041,891. The District also recognized on-behalf pension expense and revenue of \$3,798,433 for support provided by the State.

On June 30, 2023, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 406,143	\$ (610,671)
Changes of assumption	5,219,175	(1,300,764)
Net difference between projected and actual earnings on pension plan investments	2,767,298	-
Changes in proportion and differences between District contributions and proportionate share of contributions	1,718,005	(2,024,154)
District contributions subsequent to the measurement date	1,940,389	-
Total	<u>\$ 12,051,010</u>	<u>\$ (3,935,589)</u>

The deferred outflows of resources resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024.

Note 8 - Defined Benefit Pension Plans (continued)

G. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

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	Pension Expense	Balance of Deferred Outflows (Inflows)
2024	\$ 1,523,638	\$ 4,651,394
2025	645,321	4,006,073
2026	333	4,005,740
2027	3,366,009	639,731
2028	639,731	-
	<u>\$ 6,175,032</u>	

The District will continue to make the required pension contributions based on the statutorily determined rates established by the Teacher Retirement System of Texas (TRS). TRS will apply the District's contributions to the Net Pension Liability on an annual basis. The contributions are paid by the funds that pay the employees' salaries. These funding sources include the General Fund and Special Revenue funds.

Note 9 - 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 that has 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 Teacher Retirement System's fiduciary net position is available in a separately issued Annual Comprehensive Financial Report that includes financial statements and required supplementary information. The report may be obtained on the Internet at https://www.trs.texas.gov/Pages/about_publications.aspx, selecting About TRS then Publications then *Financial Reports* or by writing to 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 schools, charter schools, regional education service centers and other educational districts who are members of the TRS pension plan. Optional dependent coverage is available for an additional fee.

Note 9 - Defined Other Post-Employment Benefit Plans (continued)

C. Benefits Provided (continued)

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 postemployment benefit changes; including automatic COLAs.

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

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

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

	Contribution Rates	
	Measurement Year	
	2023	2022
Member	0.65%	0.65%
Non-employer contributing agency	1.25%	1.25%
Employers	0.75%	0.75%
Federal/private funding	1.25%	1.25%
Current Fiscal Year		
	Contributions	
Employer (District)	502,628	
Employee (Member)	391,940	
Non-employer Contributing Entity		
On-behalf Contributions (State)	1,049,130	

In addition to the employer contributions listed above, there is an additional surcharge all TRS employers are subject to (*regardless of whether or not they participate in the TRS Care OPEB program*). When hiring a TRS retiree, employers are required to pay 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 \$83 million in fiscal year 2022 from the Federal Rescue Plan Act (ARPA) to help defray Covid-19-related health care costs during fiscal year 2022.

Note 9 - Defined Other Post-Employment Benefit Plans (continued)

E. Actuarial Assumptions

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

Component	Result
Valuation Date	August 31, 2021, rolled forward to August 31, 2022
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Single Discount Rate	3.91% as of August 31, 2022
Aging Factors	Based on plan specific experience
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claim costs.
Projected Salary Increases	3.05% to 9.05% including inflation
Healthcare Trend Rates	The initial medical trend rates were 8.25% for Medicare retirees and 7.25% for non-Medicare retirees. The initial prescription drug trend was 8.25% for all retirees. The initial trend rates decrease to an ultimate trend rate of 4.25% over a period of 13 years.
Election Rates	Normal Retirement: 62% participation rate prior to age 65 and 25% participation rate after age 65. Pre-65 retirees: 30% of pre-65 retirees are assumed to discontinue coverage at age 65.
Ad hoc post-employment benefit changes	None

The actuarial valuation of the OPEB plan offered through TRS-Care is similar to the actuarial valuation performed for the pension plan, except that the OPEB valuation is more complex. The demographic assumptions were developed in the experience study performed for TRS for the period ending August 31, 2017. The following assumptions and other inputs used for members of TRS-Care are based on an established pattern of practice and are identical to the assumptions used in the August 31, 2021 TRS pension actuarial valuation that was rolled forward to August 31, 2022: (a) Rates of Mortality, (b) Rates of Retirement, (c) Rates of Termination, (d) Rates of Disability, (e) General Inflation, and (f) 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.

Discount Rate

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

The source of the municipal bond rate is the Fidelity “20-year Municipal GO AA Index” as of August 31, 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.

Note 9 - Defined Other Post-Employment Benefit Plans (continued)

F. 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 (3.91%) in measuring the Net OPEB Liability.

	Discount Rate		
	1% Decrease (2.91%)	Current Rate (3.91%)	1% Increase (4.91%)
District's proportional share of the net OPEB liability	\$ 17,225,438	\$ 14,609,228	\$ 12,489,762

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

On June 30, 2023, the District reported a liability of \$14,609,228 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	\$ 14,609,228
State's proportionate share that is associated with the District	17,820,963
Total	<u>\$ 32,430,191</u>

The Net OPEB Liability was measured as of August 31, 2021 and rolled forward to August 31, 2022 and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of that date. The employer's proportion of the Net OPEB Liability was based on the employer's contributions to OPEB relative to the contributions of all employers to the plan for the period September 1, 2021 through August 31, 2022.

On August 31, 2022 the District's proportion of the collective Net OPEB Liability was 0.0610% which was an increase of 0.0024% from its proportion measured as of August 31, 2021.

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

	Healthcare Cost Trend Rate		
	1% Decrease	Current Rate	1% Increase
District's proportional share of the net OPEB liability	\$ 12,038,069	\$ 14,609,228	\$ 17,942,404

Note 9 - Defined Other Post-Employment Benefit Plans (continued)

G. OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs (continued)

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:

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

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

For the year ended June 30, 2023, the District recognized negative OPEB expense of \$1,824,424. The District also recognized negative on-behalf OPEB expense and revenue of \$2,528,938 for support provided by the State.

On June 30, 2023, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 812,221	\$ (12,170,798)
Changes of assumption	2,225,275	(10,149,622)
Net difference between projected and actual earnings on OPEB plan investments	43,517	-
Changes in proportion and differences between District contributions and proportionate share of contributions	1,992,451	(1,451,104)
District contributions subsequent to the measurement date	417,237	-
Total	\$ 5,490,701	\$ (23,771,524)

The deferred outflows of resources resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2024. 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	OPEB Expense Amount	Balance of Deferred Outflows (Inflows)
2024	\$ (3,488,714)	\$ (15,209,346)
2025	(3,488,556)	(11,720,790)
2026	(2,869,030)	(8,851,760)
2027	(2,030,298)	(6,821,462)
2028	(2,458,677)	(4,362,785)
Thereafter	(4,362,785)	-
	\$ (18,698,060)	

The District will continue to make the required OPEB contributions based on the statutorily determined rates established by the Teacher Retirement System of Texas (TRS). TRS will apply the District's contributions to the Net OPEB Liability on an annual basis. The contributions are paid by the funds that pay the employees' salaries. These funding sources include the General Fund and Special Revenue funds.

Note 9 - Defined Other Post-Employment Benefit Plans (continued)

H. Medicare Part D

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. Under Medicare Part D, TRS-Care retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the year ended June 30, 2023, June 30, 2022 and June 30, 2021, the subsidy payments received by TRS-Care on behalf of the District were \$328,242, \$242,786, and \$256,324, respectively. These payments are recorded as equal revenues and expenditures in the governmental funds financial statement of the District.

Note 10 - Risk Management

Property/Liability

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the District purchases commercial insurance. The District has not significantly reduced insurance coverage or had settlements which exceeded coverage amounts for the past three years.

Workers' Compensation

Effective in fiscal year 2008, the District established a self-insurance plan for workers' compensation benefits for employees (the "Plan"). The District's retention of risk is \$1,000,000 per occurrence with an aggregate stop-loss limit of \$5,000,000. Claims incurred by the employees of the District are handled by a third-party administrator who is responsible for estimating losses to be incurred by the District and ultimately paid to the claimant.

Settled claims have not exceeded the aggregate coverage in any year the Plan has been in effect. Insurance coverage has not been reduced for the year from the prior year. The accrued claims payable includes provisions for reported claims and claims incurred but not yet reported is determined by estimating the amount that will ultimately be paid each claimant and is calculated and provided by the District's third-party administrator. Accrued claims payable have not been discounted to their present value as the District expects such claims to be paid within the following fiscal year. The District believes that any discount of the claims payable would not be material to the overall financial statements.

Changes in the balances of claims liabilities during the current and past two years are as follows:

<u>Fiscal Year</u>	<u>Beginning of Year Accrual</u>	<u>Current Year Estimates</u>	<u>Claims Payments</u>	<u>End of Year Accrual</u>
2023	\$ 621,461	\$ 570,864	\$ (360,598)	\$ 831,727
2022	465,596	412,591	(256,726)	621,461
2021	389,990	143,697	(68,091)	465,596

Contingent Liabilities

Amounts received or receivable from granting agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount of expenditures which may be disallowed by the grantor cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts, and other economic and social factors. No claim liabilities are reported at year end.

Note 10 - Risk Management (continued)

Contingent Liabilities (continued)

The Tax Reform Act of 1986 instituted certain arbitrage restrictions consisting of complex regulations with respect to issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years for applicable bond issues. Accordingly, there is the risk that if such calculations are not performed, or not performed correctly, it could result in a substantial liability to the District. The District has engaged an arbitrage consultant to perform the calculations in accordance with IRS rules and regulations. The District has estimated that it has no arbitrage liability as of June 30, 2023.

The District is a party to various legal actions, none of which is believed by the administration or its legal counsel to have a material effect on the financial condition of the District. Accordingly, no provision for losses has been recorded in the accompanying basic financial statements for such contingencies.

Note 11 - Unemployment Compensation

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

As a self-funded member of the Fund, the District is solely responsible for all unemployment compensation claim costs, both reported and unreported. The Fund provides administrative services to its self-funded members including claims administration and customer service.

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.

Note 12 - Tax Abatements

The District entered into various property tax abatement agreements (the "Agreements") with local businesses under Texas Tax Code, Title 3, Subtitle B, Chapter 313, Texas Economic Development Act (the 'Act'). Under the Act, Texas school districts may grant property tax abatements according to the category of taxable value. The qualified property is limited only from maintenance and operation (M&O) property tax. The tax abatements, which are approved by the Texas Comptroller's office and the District's Board, are granted for the purpose of enhancing the local community; improving the public education system; creating high-paying jobs; and advancing economic development goals.

The Agreements are for local businesses to invest a minimum capital investment within the District's boundaries during a qualifying period and to create jobs. Each investment would be limited to taxable value of the lesser of the qualified appraised value or \$30,000,000/\$80,000,000 depending on the project. The District's tax abatements expire in increments beginning in 2024 through 2031.

Note 12 - Tax Abatements (continued)

For the fiscal year ended June 30, 2023, the net benefit to the District was approximately \$3.96 million resulting from the M&O tax rate of 0.9746% per \$100 of taxable value. The qualified property per the Agreement had a taxable value of approximately \$1.37 billion and was limited to a taxable value of \$310,000,000. However, in foregoing the property tax revenue, the District receives state funding through the Foundation School Program funding formula to offset the loss of property tax revenues. A summary of the District's agreements and related activity is as follows:

Agreement	Project Taxable Value	Value Limit	Net Benefit to Company 2022-2023	Net Benefit to District 2022-2023
Lyondell Chemical Company (#1200)	\$ 265,187,060	\$ 80,000,000	\$ 798,251	\$ 1,006,583
Oxiteno USA, LLC (#241)	56,954,340	30,000,000	146,870	123,683
Equistar Chemicals, LP (#262)	113,217,300	30,000,000	638,163	478,643
Noltex, LLC (#273)	118,491,270	30,000,000	505,963	412,024
Linde Inc. (#1157)	135,427,010	80,000,000	250,894	289,298
Linde Gas North America LLC (#288) Agreement A	109,217,510	23,121,572	483,097	395,197
Linde Gas North America LLC (#288) Agreement B	32,491,080	6,878,428	143,716	117,567
Fairway Menthol (#282)	540,259,660	30,000,000	3,885,324	1,138,533
Totals	<u>\$ 1,371,245,230</u>	<u>\$ 310,000,000</u>	<u>\$ 6,852,278</u>	<u>\$ 3,961,528</u>

Note 13 – Subsequent Events

On August 1, 2023, the District issued \$76,015,000 of Unlimited Tax School Building Bonds, Series 2023. These bonds will be used for the purpose of (i) construction, acquisition, renovation and equipment of school buildings in the district and the purchase of new school buses; acquisition, installation and update of instructional technology equipment for students and staff in the district; construction, equipment and improvement of a new Bulldog stadium (including any related demolition or removal of existing facilities) and (ii) paying the costs of issuing the Bonds.



REQUIRED SUPPLEMENTARY INFORMATION



LA PORTE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended June 30, 2023

Exhibit G-1

Data Control Codes					Variance with Final Budget -
		Budgeted Amounts		Actual	Favorable
		Original	Final		(Unfavorable)
Revenues					
5700	Local, intermediate, and out-of-state	\$ 130,375,556	\$ 131,373,705	\$ 132,030,889	\$ 657,184
5800	State program revenues	6,594,559	6,594,559	9,359,875	2,765,316
5900	Federal program revenues	2,000,000	3,235,917	3,207,589	(28,328)
5020	Total Revenues	138,970,115	141,204,181	144,598,353	3,394,172
Expenditures					
Current:					
0011	Instruction	46,604,887	45,919,495	45,891,052	28,443
0012	Instruction resources and media services	486,709	485,209	404,141	81,068
0013	Curriculum and instructional staff development	1,474,353	1,628,710	1,612,748	15,962
0021	Instructional leadership	1,157,310	1,223,037	1,184,535	38,502
0023	School leadership	5,270,261	5,269,951	4,892,356	377,595
0031	Guidance, counseling and evaluation services	2,606,533	2,737,476	2,729,188	8,288
0032	Social work services	337,325	347,501	311,433	36,068
0033	Health services	1,069,287	1,074,287	1,041,859	32,428
0034	Student transportation	4,146,369	4,046,369	3,526,212	520,157
0036	Extracurricular activities	1,822,914	1,796,292	1,755,742	40,550
0041	General administration	3,622,609	3,743,609	3,532,552	211,057
0051	Facilities maintenance and operations	8,660,258	9,225,258	8,706,372	518,886
0052	Security and monitoring services	2,078,542	1,993,428	1,727,889	265,539
0053	Data processing services	1,549,752	1,617,752	1,615,819	1,933
0061	Community services	141,789	161,539	146,886	14,653
Debt service:					
0071	Principal on long-term debt	97,472	95,546	94,254	1,292
0072	Interest on long-term debt	-	1,926	1,926	-
Capital outlay:					
0081	Facilities acquisition and construction	-	250,000	37,170	212,830
Intergovernmental:					
0091	Contracted instructional services	58,771,928	58,238,239	54,179,351	4,058,888
0093	Payments related to shared services arrangements	208,541	166,541	128,587	37,954
0095	Payments to Juvenile Justice Alt. Ed. Prgm.	59,400	59,400	41,400	18,000
0097	Payments to tax increment fund	4,400,000	4,723,689	4,723,689	-
0099	Other intergovernmental charges	1,300,000	1,225,986	1,225,970	16
6030	Total Expenditures	145,866,239	146,031,240	139,511,131	6,520,109
1100	Excess (deficiency) of revenues over expenditures	(6,896,124)	(4,827,059)	5,087,222	9,914,281
	Net change in fund balances	(6,896,124)	(4,827,059)	5,087,222	9,914,281
0100	Fund Balance - July 1 (Beginning)	60,254,529	60,254,529	60,254,529	-
3000	Fund Balance - June 30 (Ending)	\$ 53,358,405	\$ 55,427,470	\$ 65,341,751	\$ 9,914,281

LA PORTE INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

A. Budgets and Budgetary Accounting

The District adopts annual appropriations type budgets for the General Fund, Child Nutrition Fund, and the Debt Service Fund using the same method of accounting as for financial reporting, as required by law. The remaining Special Revenue Funds (primarily federal grant programs) utilize a managerial type budget approved at the fund level by the Board of Trustees upon acceptance of the grants. These grants are subject to Federal, State and locally imposed project length budgets and monitoring through submission of reimbursement reports.

Expenditures may not legally exceed budgeted appropriations at the function or activity level. Expenditure requests which would require an increase in total budgeted appropriations must be approved by the Trustees through formal budget amendment. State law prohibits trustees from making budget appropriations in excess of funds available and estimated revenues. State law also prohibits amendment of the budget after fiscal year end. Supplemental appropriations were made to the General Fund, Child Nutrition Fund, and Debt Service Fund during the fiscal year ended June 30, 2023.

The administrative level at which responsibility for control of budgeted appropriations begins is at the organizational level within each function of operations. The finance department reviews closely the expenditure requests submitted by the various organizational heads (principal and department heads) throughout the year to ensure proper spending compliance. No public funds of the District shall be expended in any manner other than as provided for in the budget adopted by the Board of Trustees.

The official school budget was prepared for adoption for budgeted governmental fund types by June 30, 2023. The budget was formally adopted by the Board of Trustees at a duly advertised public meeting prior to the expenditure of funds. The final amended budget is filed with the Texas Education Agency (TEA) through inclusion in the annual financial and compliance report.

LA PORTE INDEPENDENT SCHOOL DISTRICT
Exhibit G-2
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
LAST NINE MEASUREMENT YEARS ¹

	2022	2021	2020	2019	2018
District's proportion of the net pension liability	0.0472%	0.0437%	0.0426%	0.0507%	0.0519%
District's proportionate share of the net pension liability	\$ 28,010,003	\$ 11,119,876	\$ 22,810,516	\$ 26,357,300	\$ 28,585,684
State's proportionate share of the net pension liability associated with the District	39,737,270	19,008,181	39,657,003	35,655,846	39,477,362
Total	<u>\$ 67,747,273</u>	<u>\$ 30,128,057</u>	<u>\$ 62,467,519</u>	<u>\$ 62,013,146</u>	<u>\$ 68,063,046</u>
District's covered payroll (for Measurement Year)	\$ 59,297,902	\$ 57,438,588	\$ 54,791,753	\$ 53,578,488	\$ 53,503,293
District's proportionate share of the net pension liability as a percentage of it's covered payroll	47.24%	19.36%	41.63%	49.19%	53.43%
Plan fiduciary net position as a percentage of the total pension liability *	75.65%	88.79%	75.54%	75.24%	73.74%
Plan's net pension liability as a percentage of covered payroll *	112.72%	51.08%	110.36%	114.93%	126.11%
	2017	2016	2015	2014	
District's proportion of the net pension liability	0.0508%	0.0504%	0.0514%	0.0353%	
District's proportionate share of the net pension liability	\$ 16,241,030	\$ 19,059,283	\$ 18,151,082	\$ 9,433,339	
State's proportionate share of the net pension liability associated with the District	23,985,725	29,292,219	27,003,832	23,350,382	
Total	<u>\$ 40,226,755</u>	<u>\$ 48,351,502</u>	<u>\$ 45,154,914</u>	<u>\$ 32,783,721</u>	
District's covered payroll (for Measurement Year)	\$ 52,116,034	\$ 50,779,368	\$ 47,658,971	\$ 46,141,521	
District's proportionate share of the net pension liability as a percentage of it's covered payroll	31.16%	37.53%	38.09%	20.44%	
Plan fiduciary net position as a percentage of the total pension liability *	82.17%	78.00%	78.43%	83.25%	
Plan's net pension liability as a percentage of covered payroll *	75.93%	92.75%	91.94%	72.32%	

The amounts are presented for each Plan year which ends the preceding August 31 of the District's fiscal year.

* Per Teacher Retirement System of Texas' annual comprehensive financial report.

¹ Ten years of data should be presented in this schedule but data is unavailable prior to 2014. Net pension liability and related ratios will be presented prospectively as data becomes available.

LA PORTE INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY PENSION INFORMATION
TEACHER RETIREMENT SYSTEM OF TEXAS
For the Year Ended June 30, 2023

Changes of Assumptions

Measurement Year 2018: The discount rate changed from 8.0% as of August 31, 2017 to a blended rate of 6.907% as of August 31, 2018. The long-term assumed rate of return changed from 8.0% as of August 31, 2017 to 7.25% as of August 31, 2018. Demographic and economic assumptions were updated based on the experience study performed for TRS for the period ending August 31, 2017. The total pension liability as of August 31, 2018 was developed using a roll-forward method from the August 31, 2017 valuation.

Measurement Year 2020: The state and employer contribution rate changed from 6.8% to 7.5%. The 1.5% public education employer contribution applied to just employers whose employees were not covered by OASDI in 2019 and it changed in 2020 to apply to all public schools, charter schools and regional education centers irrespective of participation in OASDI.

Measurement Year 2021: The public education employer contribution rate changed from 1.5% in 2020 to 1.6% in 2021.

Measurement Year 2022: The discount rate changed from 7.25% to 7.00%.

LA PORTE INDEPENDENT SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PENSION CONTRIBUTIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
LAST NINE FISCAL YEARS ¹

Exhibit G-3

	2023	2022	2021	2020	2019
Contractually required contributions	\$ 2,358,152	\$ 2,148,528	\$ 1,826,677	\$ 1,704,530	\$ 1,800,737
Contributions in relation to the contractual required contributions	<u>2,358,152</u>	<u>2,148,528</u>	<u>1,826,677</u>	<u>1,704,530</u>	<u>1,800,737</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 61,702,097	\$ 59,039,092	\$ 57,036,532	\$ 54,791,753	\$ 53,578,488
Contributions as a percentage of covered payroll	3.82%	3.64%	3.20%	3.11%	3.36%
	2018	2017	2016	2015	
Contractually required contributions	\$ 1,739,592	\$ 1,603,245	\$ 1,520,457	\$ 895,354	
Contributions in relation to the contractual required contributions	<u>1,739,592</u>	<u>1,603,245</u>	<u>1,520,457</u>	<u>895,354</u>	
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
District's covered payroll	\$ 53,503,293	\$ 51,900,186	\$ 50,468,268	\$ 46,141,521	
Contributions as a percentage of covered payroll	3.25%	3.09%	3.01%	1.94%	

¹Ten years of data should be presented in this schedule but data is unavailable prior to 2014.

LA PORTE INDEPENDENT SCHOOL DISTRICT
Exhibit G-4
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
LAST SIX MEASUREMENT YEARS ¹

	2022	2021	2020	2019
District's proportion of the net OPEB liability	0.0610%	0.0586%	0.0586%	0.0615%
District's proportionate share of the net OPEB liability	\$ 14,609,228	\$ 22,598,808	\$ 22,271,758	\$ 29,081,453
State's proportionate share of the net OPEB liability associated with the District	17,820,963	30,277,366	29,927,904	38,642,747
Total	<u>\$ 32,430,191</u>	<u>\$ 52,876,174</u>	<u>\$ 52,199,662</u>	<u>\$ 67,724,200</u>
District's covered payroll (for Measurement Year)	\$ 59,297,902	\$ 57,438,588	\$ 54,791,753	\$ 53,578,488
District's proportionate share of the net OPEB liability as a percentage of it's covered payroll	24.64%	39.34%	40.65%	54.28%
Plan fiduciary net position as a percentage of the total OPEB liability *	11.52%	6.18%	4.99%	2.66%
Plan's net OPEB liability as a percentage of covered payroll *	59.10%	100.13%	101.46%	135.21%
	2018	2017		
District's proportion of the net OPEB liability	0.0621%	0.0596%		
District's proportionate share of the net OPEB liability	\$ 31,028,940	\$ 25,909,434		
State's proportionate share of the net OPEB liability associated with the District	46,296,733	41,428,528		
Total	<u>\$ 77,325,673</u>	<u>\$ 67,337,962</u>		
District's covered payroll (for Measurement Year)	\$ 53,503,293	\$ 52,116,034		
District's proportionate share of the net OPEB liability as a percentage of it's covered payroll	57.99%	49.71%		
Plan fiduciary net position as a percentage of the total OPEB liability *	1.57%	0.91%		
Plan's net OPEB liability as a percentage of covered payroll *	146.64%	132.55%		

The amounts are presented for each Plan year which ends the preceding August 31 of the District's fiscal year.

* Per Teacher Retirement System of Texas' annual comprehensive financial report.

¹Ten years of data should be presented in this schedule but data is unavailable prior to 2017.

LA PORTE INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY OPEB INFORMATION
TEACHER RETIREMENT SYSTEM OF TEXAS
For the Year Ended June 30, 2023

Changes of Assumptions

Measurement Year 2018: The discount rate changed from 3.42% as of August 31, 2017 to 3.69% as of August 31, 2018, updated the health care trend rate assumption, and revised demographic and economic assumptions based on the TRS experience study.

Measurement Year 2019: The discount rate changed from 3.69% as of August 31, 2018 to 2.63% as of August 31, 2019, lowered the participation rates and updated the health care trend rate assumption.

Measurement Year 2020: The discount rate changed from 2.63% as of August 31, 2019 to 2.33% as of August 31, 2020, lowered the participation rate assumption for employees who retire after the age of 65, and lowered the ultimate health care trend rate assumption to reflect the repeal of the excise (Cadillac) tax on high-cost employer health plans.

Measurement Year 2021: The discount rate changed from 2.33% as of August 31, 2020 to 1.95% as of August 31, 2021.

Measurement Year 2022: The discount rate changed from 1.95% as of August 31, 2021 to 3.91% as of August 31, 2022, lowered the participation rates, and updated the healthcare trend rate assumption.

LA PORTE INDEPENDENT SCHOOL DISTRICT*Exhibit G-5***REQUIRED SUPPLEMENTARY INFORMATION****SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS****TEXAS PUBLIC SCHOOL RETIRED EMPLOYEES GROUP INSURANCE PROGRAM****LAST SIX FISCAL YEARS ¹**

	2023	2022	2021	2020
Contractually required contributions	\$ 502,628	\$ 495,705	\$ 452,552	\$ 440,264
Contributions in relation to the contractual required contributions	502,628	495,705	452,552	440,264
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 61,702,097	\$ 59,039,092	\$ 57,036,532	\$ 54,791,753
Contributions as a percentage of covered payroll	0.81%	0.84%	0.79%	0.80%

	2019	2018
Contractually required contributions	\$ 431,500	\$ 411,241
Contributions in relation to the contractual required contributions	431,500	411,241
Contribution deficiency (excess)	\$ -	\$ -
District's covered payroll	\$ 53,578,488	\$ 53,503,293
Contributions as a percentage of covered payroll	0.81%	0.77%

During the fiscal year 2018, the District adopted GASB Statement No. 75.

¹Ten years of data should be presented in this schedule but data is unavailable prior to 2015.

OTHER SUPPLEMENTARY INFORMATION



**Nonmajor Governmental Funds
Special Revenue Funds**

The Special Revenue Funds are used to account for all federal, state and locally funded grants. These grants are awarded to the District with the purpose of accomplishing specific educational goals. Grants included in the Special Revenue Funds are described below.

Fund Number	Fund Name	Fund Purpose
211	ESEA, Title I, Part A - Improving Basic Programs	Funds granted for supplemental service designed to accelerate the academic achievement of economically disadvantaged students, especially in the tested areas, to ensure that state standards are met on identified campuses.
224	IDEA - Part B, Formula	Funds to operate educational programs for children with disabilities.
225	IDEA - Part B, Preschool	Funds to operate educational programs for preschool children with disabilities.
226	IDEA - Part B, Discretionary	Funds to support regional day school programs for the deaf, private residential placements, priority projects, and other emerging needs for children with disabilities.
240	School Breakfast Program and National School Lunch Program	Funds used for food service when the service is subsidized with federal reimbursement revenues from the United States Department of Agriculture.
244	Career and Technical Education - Basic Grant	Funds to provide career and technical education (CTE) and to develop new and/or improve existing CTE programs for paid and unpaid employment.
255	ESEA, Title II, Part A - Teacher and Principal Training and Recruiting	Funds used to improve student academic achievement by improving teacher and principal quality and increasing the number of highly qualified teachers, principals, and assistant principals.
263	Title III, Part A - English Language Acquisition and Language Enhancement	Funds granted to improve the education of children with limited English proficiency by helping the children learn English and meet challenging academic achievement standards.
279	Texas COVID Learning Acceleration Supports (TCLAS)	Funds granted for targeted supports to assist LEAs to accelerate student learning due to learning loss caused by the COVID-19 pandemic
280	ARP Homeless Children and Youth	Federal stimulus funds granted to LEAs through the ARP Act to identify and provide homeless children and youth with services in light of the challenges of COVID-19, and to enable homeless children and youth to attend school and participate fully in school activities.



**Nonmajor Governmental Funds
Special Revenue Funds
(continued)**

Fund Number	Fund Name	Fund Purpose
281	Elementary and Secondary School Emergency Relief Fund II (ESSER II)	Federal stimulus ESSER II funds granted to LEAs through the CRRSA Act to support LEAs' ability to operate, instruct its students, address learning loss, prepare schools for reopening, test, repair, and upgrade projects to improve air quality in school buildings during the coronavirus pandemic.
282	Elementary and Secondary School Emergency Relief Fund III (ESSER III)	Federal stimulus ESSER III funds granted to LEAs through the American Rescue Plan Act to address learning loss and the disproportionate impact of the coronavirus on certain student subgroups, identify and provide homeless children and youth with services in light of challenges of the coronavirus, and enable homeless children and youth to attend school and participate fully in school activities.
285	IDEA—Part B, Preschool - American Rescue Plan Act of 2021	Federal stimulus funds granted under the ARP Act for preschool children with disabilities.
289	Federally Funded Special Revenue Funds	Funds for drug and violence prevention, character education, community service projects, conflict resolution and peer mediation programs, and other activities.
397	Advanced Placement Incentives	Funds to award campuses for advanced placement examinations.
410	State Instructional Materials Fund	Funds for instructional materials to include textbooks, software, supplemental materials, DVDs, online services, open-source materials, and other means of conveying information electronically.
429	State-Funded Special Revenue Funds	Funds from the State for disaster relief and funds provided by the State through the sale of specialty license plates for public school libraries and to strengthen campus reading programs.
461	Campus Activity Funds	Funds for transactions related to the principals' activity funds.
481	La Porte Education Foundation	Funds from the La Porte Education Foundation for grants awarded to teachers for innovative programs.
483	Local Grants and Donations	Funds from local businesses and grants for specific purposes.
484	SHAC - EKG Grant	Funds to allow EKGs for UIL student participants.

LA PORTE INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
ALL NONMAJOR GOVERNMENTAL FUNDS
June 30, 2023

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		211	224	225	226
Data Control Codes		ESEA, Title I, Part A - Improving Basic Programs	IDEA - Part B, Formula	IDEA - Part B, Preschool	IDEA - Part B, Discretionary
Assets					
1110	Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
	Receivables:				
1240	Due from other governments	132,055	-	3,046	97,062
1260	Due from other funds	-	-	-	-
1290	Other receivables	-	-	-	-
1300	Inventories, at cost	-	-	-	-
1000	Total Assets	\$ 132,055	\$ -	\$ 3,046	\$ 97,062
Liabilities					
2110	Accounts payable	\$ 2,357	\$ -	\$ -	\$ -
2160	Accrued wages payable	23,060	-	1,448	-
2170	Due to other funds	106,638	-	1,598	97,062
2180	Due to other governments	-	-	-	-
2300	Unearned revenue	-	-	-	-
2000	Total Liabilities	132,055	-	3,046	97,062
Fund Balance:					
	Non-Spendable:				
3410	Inventories	-	-	-	-
	Restricted:				
3450	Food service	-	-	-	-
3545	Student achievement and safety	-	-	-	-
3000	Total Fund Balances	-	-	-	-
4000	Total Liabilities and Fund Balances	\$ 132,055	\$ -	\$ 3,046	\$ 97,062

LA PORTE INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
ALL NONMAJOR GOVERNMENTAL FUNDS
June 30, 2023

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Data Control Codes		240	244	255	263
		School Breakfast Program and National School Lunch Program	Career and Technical Education - Basic Grant	ESEA, Title II, Part A - Teacher and Principal Training and Recruiting	Title III, Part A - English Language Acquisition and Language Enhancement
	Assets				
1110	Cash and cash equivalents	\$ 1,163,200	\$ -	\$ -	\$ -
	Receivables:				
1240	Due from other governments	52,542	3,481	25,128	17,773
1260	Due from other funds	358,542	-	-	-
1290	Other receivables	-	-	-	-
1300	Inventories, at cost	84,701	-	-	-
1000	Total Assets	<u>\$ 1,658,985</u>	<u>\$ 3,481</u>	<u>\$ 25,128</u>	<u>\$ 17,773</u>
	Liabilities				
2110	Accounts payable	\$ 8,095	\$ 1,885	\$ -	\$ 5,470
2160	Accrued wages payable	74,021	-	7,357	1,802
2170	Due to other funds	12,138	1,596	17,771	10,501
2180	Due to other governments	-	-	-	-
2300	Unearned revenue	74,525	-	-	-
2000	Total Liabilities	<u>168,779</u>	<u>3,481</u>	<u>25,128</u>	<u>17,773</u>
	Fund Balance:				
	Non-Spendable:				
3410	Inventories	-	-	-	-
	Restricted:				
3450	Food service	1,490,206	-	-	-
3545	Student achievement and safety	-	-	-	-
3000	Total Fund Balances	<u>1,490,206</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities and Fund Balances	<u>\$ 1,658,985</u>	<u>\$ 3,481</u>	<u>\$ 25,128</u>	<u>\$ 17,773</u>

LA PORTE INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
ALL NONMAJOR GOVERNMENTAL FUNDS
June 30, 2023

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Data Control Codes		279	280	281	282
		Texas COVID Learning Acceleration Supports (TCLAS)	ARP Homeless Children and Youth	Elementary and Secondary School Emergency Relief Fund II (ESSER II)	Elementary and Secondary School Emergency Relief Fund III (ESSER III)
	Assets				
1110	Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
	Receivables:				
1240	Due from other governments	10,160	-	-	1,096,325
1260	Due from other funds	-	-	-	-
1290	Other receivables	-	-	-	-
1300	Inventories, at cost	-	-	-	-
1000	Total Assets	<u>\$ 10,160</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,096,325</u>
	Liabilities				
2110	Accounts payable	\$ -	\$ -	\$ -	\$ 18,258
2160	Accrued wages payable	3,639	-	-	535,682
2170	Due to other funds	6,521	-	-	542,385
2180	Due to other governments	-	-	-	-
2300	Unearned revenue	-	-	-	-
2000	Total Liabilities	<u>10,160</u>	<u>-</u>	<u>-</u>	<u>1,096,325</u>
	Fund Balance:				
	Non-Spendable:				
3410	Inventories	-	-	-	-
	Restricted:				
3450	Food service	-	-	-	-
3545	Student achievement and safety	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities and Fund Balances	<u>\$ 10,160</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,096,325</u>

LA PORTE INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
ALL NONMAJOR GOVERNMENTAL FUNDS
June 30, 2023

Exhibit H-1

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		285	289	397	410
Data Control Codes		IDEA—Part B, Preschool - American Rescue Plan Act of 2021	Federally Funded Special Revenue Funds	Advanced Placement Incentives	State Instructional Materials Fund
	Assets				
1110	Cash and cash equivalents	\$ -	\$ -	\$ 1,357	\$ -
	Receivables:				
1240	Due from other governments	863	6,601	-	431,412
1260	Due from other funds	-	62,971	-	-
1290	Other receivables	-	-	-	-
1300	Inventories, at cost	-	-	-	-
1000	Total Assets	<u>\$ 863</u>	<u>\$ 69,572</u>	<u>\$ 1,357</u>	<u>\$ 431,412</u>
	Liabilities				
2110	Accounts payable	\$ -	\$ 300	\$ -	\$ 420,728
2160	Accrued wages payable	-	1,971	-	-
2170	Due to other funds	863	67,301	-	10,523
2180	Due to other governments	-	-	-	-
2300	Unearned revenue	-	-	1,357	161
2000	Total Liabilities	<u>863</u>	<u>69,572</u>	<u>1,357</u>	<u>431,412</u>
	Fund Balance:				
	Non-Spendable:				
3410	Inventories	-	-	-	-
	Restricted:				
3450	Food service	-	-	-	-
3545	Student achievement and safety	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities and Fund Balances	<u>\$ 863</u>	<u>\$ 69,572</u>	<u>\$ 1,357</u>	<u>\$ 431,412</u>

LA PORTE INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
ALL NONMAJOR GOVERNMENTAL FUNDS
June 30, 2023

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		429	461	481	483
Data Control Codes		State-Funded Special Revenue Funds	Campus Activity Funds	La Porte Education Foundation	Local Grants and Donations
Assets					
1110	Cash and cash equivalents	\$ 3,887,873	\$ 467,797	\$ 38,911	\$ 88,110
	Receivables:				
1240	Due from other governments	9,445	-	-	-
1260	Due from other funds	-	-	-	-
1290	Other receivables	-	21,457	-	-
1300	Inventories, at cost	-	245	-	-
1000	Total Assets	<u>\$ 3,897,318</u>	<u>\$ 489,499</u>	<u>\$ 38,911</u>	<u>\$ 88,110</u>
Liabilities					
2110	Accounts payable	\$ 9,445	\$ 45,230	\$ 11,423	\$ 1,343
2160	Accrued wages payable	-	8,125	-	-
2170	Due to other funds	-	1,008	-	-
2180	Due to other governments	-	218	-	-
2300	Unearned revenue	-	21,457	27,488	-
2000	Total Liabilities	<u>9,445</u>	<u>76,038</u>	<u>38,911</u>	<u>1,343</u>
Fund Balance:					
	Non-Spendable:				
3410	Inventories	-	245	-	-
	Restricted:				
3450	Food service	-	-	-	-
3545	Student achievement and safety	3,887,873	413,216	-	86,767
3000	Total Fund Balances	<u>3,887,873</u>	<u>413,461</u>	<u>-</u>	<u>86,767</u>
4000	Total Liabilities and Fund Balances	<u>\$ 3,897,318</u>	<u>\$ 489,499</u>	<u>\$ 38,911</u>	<u>\$ 88,110</u>

LA PORTE INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
ALL NONMAJOR GOVERNMENTAL FUNDS
June 30, 2023

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Data Control Codes		SHAC - EKG Grant	Total Nonmajor Governmental Funds
	Assets		
1110	Cash and cash equivalents	\$ 8,384	\$ 5,655,632
	Receivables:		
1240	Due from other governments	-	1,885,893
1260	Due from other funds	-	421,513
1290	Other receivables	-	21,457
1300	Inventories, at cost	-	84,946
1000	Total Assets	\$ 8,384	\$ 8,069,441
	Liabilities		
2110	Accounts payable	\$ 1,995	\$ 526,529
2160	Accrued wages payable	-	657,105
2170	Due to other funds	-	875,905
2180	Due to other governments	-	218
2300	Unearned revenue	-	124,988
2000	Total Liabilities	1,995	2,184,745
	Fund Balance:		
	Non-Spendable:		
3410	Inventories	-	245
	Restricted:		
3450	Food service	-	1,490,206
3545	Student achievement and safety	6,389	4,394,245
3000	Total Fund Balances	6,389	5,884,696
4000	Total Liabilities and Fund Balances	\$ 8,384	\$ 8,069,441

LA PORTE INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2023

Exhibit H-2

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		211	224	225	226
Data Control Codes		ESEA, Title I, Part A - Improving Basic Programs	IDEA - Part B, Formula	IDEA - Part B, Preschool	IDEA - Part B, Discretionary
Revenues					
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-	-
5900	Federal program revenues	1,296,912	1,389,419	36,269	97,062
5020	Total Revenues	<u>1,296,912</u>	<u>1,389,419</u>	<u>36,269</u>	<u>97,062</u>
Expenditures					
Current:					
0011	Instruction	989,971	85,917	36,269	97,062
0012	Instruction resources and media services	17,814	-	-	-
	Curriculum and instructional staff				
0013	development	37,383	-	-	-
0021	Instructional leadership	-	125,963	-	-
0023	School leadership	90	-	-	-
	Guidance, counseling and evaluation				
0031	services	151,154	1,177,539	-	-
0032	Social work services	37,500	-	-	-
0033	Health services	23,418	-	-	-
0034	Student transportation	-	-	-	-
0035	Food services	-	-	-	-
0036	Extracurricular activities	-	-	-	-
0041	General administration	-	-	-	-
0051	Facilities maintenance and operations	-	-	-	-
0052	Security and monitoring services	-	-	-	-
0053	Data processing services	-	-	-	-
0061	Community services	39,582	-	-	-
Debt service:					
0071	Principal on long-term debt	-	-	-	-
0072	Interest on long-term debt	-	-	-	-
6030	Total Expenditures	<u>1,296,912</u>	<u>1,389,419</u>	<u>36,269</u>	<u>97,062</u>
Excess (deficiency) of revenues					
1100	over expenditures	-	-	-	-
Other Financing Sources (Uses)					
7949	Other resources	-	-	-	-
7080	Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1200	Net change in fund balances	-	-	-	-
0100	Fund Balance - July 1 (Beginning)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
3000	Fund Balance - June 30 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

LA PORTE INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2023

Exhibit H-2

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		240	244	255	263
		School Breakfast Program and National School Lunch Program	Career and Technical Education - Basic Grant	ESEA, Title II, Part A - Teacher and Principal Training and Recruiting	Title III, Part A - English Language Acquisition and Language Enhancement
Data Control Codes					
Revenues					
5700	Local, intermediate, and out-of-state	\$ 1,175,087	\$ -	\$ -	\$ -
5800	State program revenues	19,726	-	-	-
5900	Federal program revenues	3,870,003	93,966	281,156	95,929
5020	Total Revenues	5,064,816	93,966	281,156	95,929
Expenditures					
Current:					
0011	Instruction	-	93,866	-	37,491
0012	Instruction resources and media services	-	-	-	-
	Curriculum and instructional staff				
0013	development	-	100	270,318	57,634
0021	Instructional leadership	-	-	300	-
0023	School leadership	-	-	5,800	-
	Guidance, counseling and evaluation				
0031	services	-	-	-	-
0032	Social work services	-	-	-	-
0033	Health services	-	-	-	-
0034	Student transportation	-	-	-	-
0035	Food services	4,825,551	-	-	-
0036	Extracurricular activities	-	-	-	-
0041	General administration	-	-	4,738	-
0051	Facilities maintenance and operations	44,769	-	-	-
0052	Security and monitoring services	-	-	-	-
0053	Data processing services	-	-	-	-
0061	Community services	-	-	-	804
Debt service:					
0071	Principal on long-term debt	1,035	-	-	-
0072	Interest on long-term debt	21	-	-	-
6030	Total Expenditures	4,871,376	93,966	281,156	95,929
Excess (deficiency) of revenues					
1100	over expenditures	193,440	-	-	-
Other Financing Sources (Uses)					
7949	Other resources	-	-	-	-
7080	Total Other Financing Sources (Uses)	-	-	-	-
1200	Net change in fund balances	193,440	-	-	-
0100	Fund Balance - July 1 (Beginning)	1,296,766	-	-	-
3000	Fund Balance - June 30 (Ending)	\$ 1,490,206	\$ -	\$ -	\$ -

LA PORTE INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2023

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		279	280	281	282
Data Control Codes		Texas COVID Learning Acceleration Supports (TCLAS)	ARP Homeless Children and Youth	Elementary and Secondary School Emergency Relief Fund II (ESSER II)	Elementary and Secondary School Emergency Relief Fund III (ESSER III)
Revenues					
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-	-
5900	Federal program revenues	82,530	312	237,025	3,196,396
5020	Total Revenues	82,530	312	237,025	3,196,396
Expenditures					
Current:					
0011	Instruction	-	-	-	1,468,730
0012	Instruction resources and media services	-	-	-	94,286
	Curriculum and instructional staff				
0013	development	-	-	-	109,576
0021	Instructional leadership	82,530	-	-	24,306
0023	School leadership	-	-	-	57,893
	Guidance, counseling and evaluation				
0031	services	-	-	-	257,598
0032	Social work services	-	-	-	-
0033	Health services	-	-	-	72,374
0034	Student transportation	-	-	-	50,842
0035	Food services	-	-	-	-
0036	Extracurricular activities	-	-	-	8,383
0041	General administration	-	-	-	7,098
0051	Facilities maintenance and operations	-	-	237,025	991,976
0052	Security and monitoring services	-	-	-	24,905
0053	Data processing services	-	-	-	28,429
0061	Community services	-	312	-	-
Debt service:					
0071	Principal on long-term debt	-	-	-	-
0072	Interest on long-term debt	-	-	-	-
6030	Total Expenditures	82,530	312	237,025	3,196,396
Excess (deficiency) of revenues					
1100	over expenditures	-	-	-	-
Other Financing Sources (Uses)					
7949	Other resources	-	-	-	-
7080	Total Other Financing Sources (Uses)	-	-	-	-
1200	Net change in fund balances	-	-	-	-
0100	Fund Balance - July 1 (Beginning)	-	-	-	-
3000	Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ -	\$ -

LA PORTE INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2023

Exhibit H-2

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		285	289	397	410
		IDEA—Part B, Preschool - American Rescue Plan Act of 2021	Federally Funded Special Revenue Funds	Advanced Placement Incentives	State Instructional Materials Fund
Data Control Codes					
Revenues					
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-	799,583
5900	Federal program revenues	863	80,695	-	-
5020	Total Revenues	863	80,695	-	799,583
Expenditures					
Current:					
0011	Instruction	863	1,518	-	830,856
0012	Instruction resources and media services	-	-	-	-
	Curriculum and instructional staff				
0013	development	-	2,400	-	345
0021	Instructional leadership	-	-	-	-
0023	School leadership	-	-	-	-
	Guidance, counseling and evaluation				
0031	services	-	76,777	-	-
0032	Social work services	-	-	-	-
0033	Health services	-	-	-	-
0034	Student transportation	-	-	-	-
0035	Food services	-	-	-	-
0036	Extracurricular activities	-	-	-	-
0041	General administration	-	-	-	-
0051	Facilities maintenance and operations	-	-	-	-
0052	Security and monitoring services	-	-	-	-
0053	Data processing services	-	-	-	-
0061	Community services	-	-	-	-
Debt service:					
0071	Principal on long-term debt	-	-	-	32,626
0072	Interest on long-term debt	-	-	-	1,987
6030	Total Expenditures	863	80,695	-	865,814
Excess (deficiency) of revenues					
1100	over expenditures	-	-	-	(66,231)
Other Financing Sources (Uses)					
7949	Other resources	-	-	-	66,231
7080	Total Other Financing Sources (Uses)	-	-	-	66,231
1200	Net change in fund balances	-	-	-	-
0100	Fund Balance - July 1 (Beginning)	-	-	-	-
3000	Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ -	\$ -

LA PORTE INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2023

Exhibit H-2
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		429	461	481	483
Data Control Codes		State-Funded Special Revenue Funds	Campus Activity Funds	La Porte Education Foundation	Local Grants and Donations
Revenues					
5700	Local, intermediate, and out-of-state	\$ -	\$ 600,328	\$ 165,361	\$ 83,922
5800	State program revenues	87,045	-	-	-
5900	Federal program revenues	-	-	-	-
5020	Total Revenues	87,045	600,328	165,361	83,922
Expenditures					
Current:					
0011	Instruction	40,000	87,444	160,228	32,999
0012	Instruction resources and media services	-	42,887	498	-
	Curriculum and instructional staff				
0013	development	350	4,232	-	430
0021	Instructional leadership	2,500	-	-	5,896
0023	School leadership	-	8,535	-	95
	Guidance, counseling and evaluation				
0031	services	8,750	8,199	-	1,411
0032	Social work services	-	-	-	-
0033	Health services	-	-	-	25
0034	Student transportation	-	1,355	-	-
0035	Food services	-	-	-	-
0036	Extracurricular activities	-	449,386	7,750	354
0041	General administration	-	5,934	-	-
0051	Facilities maintenance and operations	-	-	-	-
0052	Security and monitoring services	35,445	988	-	-
0053	Data processing services	-	737	-	-
0061	Community services	-	8,713	80	1,599
Debt service:					
0071	Principal on long-term debt	-	-	-	-
0072	Interest on long-term debt	-	-	-	-
6030	Total Expenditures	87,045	618,410	168,556	42,809
Excess (deficiency) of revenues					
1100	over expenditures	-	(18,082)	(3,195)	41,113
Other Financing Sources (Uses)					
7949	Other resources	-	-	-	-
7080	Total Other Financing Sources (Uses)	-	-	-	-
1200	Net change in fund balances	-	(18,082)	(3,195)	41,113
0100	Fund Balance - July 1 (Beginning)	3,887,873	431,543	3,195	45,654
3000	Fund Balance - June 30 (Ending)	\$ 3,887,873	\$ 413,461	\$ -	\$ 86,767

LA PORTE INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2023

Exhibit H-2

Page 6 of 6

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Data Control Codes		SHAC - EKG Grant	Total Nonmajor Governmental Funds
Revenues			
5700	Local, intermediate, and out-of-state	\$ 4,648	\$ 2,029,346
5800	State program revenues	-	906,354
5900	Federal program revenues	-	10,758,537
5020	Total Revenues	4,648	13,694,237
Expenditures			
Current:			
0011	Instruction	-	3,963,214
0012	Instruction resources and media services Curriculum and instructional staff	-	155,485
0013	development	-	482,768
0021	Instructional leadership	-	241,495
0023	School leadership	-	72,413
	Guidance, counseling and evaluation		
0031	services	-	1,681,428
0032	Social work services	-	37,500
0033	Health services	-	95,817
0034	Student transportation	-	52,197
0035	Food services	-	4,825,551
0036	Extracurricular activities	4,567	470,440
0041	General administration	-	17,770
0051	Facilities maintenance and operations	-	1,273,770
0052	Security and monitoring services	-	61,338
0053	Data processing services	-	29,166
0061	Community services	-	51,090
Debt service:			
0071	Principal on long-term debt	-	33,661
0072	Interest on long-term debt	-	2,008
6030	Total Expenditures	4,567	13,547,111
Excess (deficiency) of revenues			
1100	over expenditures	81	147,126
Other Financing Sources (Uses)			
7949	Other resources	-	66,231
7080	Total Other Financing Sources (Uses)	-	66,231
1200	Net change in fund balances	81	213,357
0100	Fund Balance - July 1 (Beginning)	6,308	5,671,339
3000	Fund Balance - June 30 (Ending)	\$ 6,389	\$ 5,884,696



Internal Service Funds

The Internal Service Funds are used to account for the financing of goods or services provided by one program to other programs on a cost reimbursement basis. The programs included within these funds are as follows:

Fund Number	Fund Name	Fund Purpose
711	Child Care	Transactions related to the operation of a District child care center.
752	Print Shop	Transactions related to print shop services to other organizational units of the District and organizations outside the District.
753	Workers' Compensation	Transactions related to self-insurance for workers' compensation.

LA PORTE INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENTS OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2023

Exhibit H-3

	Child Care	Print Shop	Workers' Compensation	Total Internal Service Funds
Assets:				
Current assets:				
Cash and cash equivalents	\$ 389,197	\$ 56,848	\$ 3,651,248	\$ 4,097,293
Due from other funds	-	693	-	693
Inventories, at cost	-	22,384	-	22,384
Prepaid items	9,757	938	-	10,695
Total current assets	398,954	80,863	3,651,248	4,131,065
Noncurrent Assets:				
Right-to-use assets	-	10,412	-	10,412
Total Assets	\$ 398,954	\$ 91,275	\$ 3,651,248	\$ 4,141,477
Liabilities:				
Current liabilities:				
Accounts payable	\$ -	\$ 2,146	\$ -	\$ 2,146
Due to other funds	-	-	27,798	27,798
Payable to other governments	-	104	-	104
Accrued expenses	-	-	831,727	831,727
Leases payable - current	-	6,411	-	6,411
Total current liabilities	-	8,661	859,525	868,186
Noncurrent liabilities:				
Leases payable	-	22,599	-	22,599
Total Liabilities	\$ -	\$ 31,260	\$ 859,525	\$ 890,785
Net Position:				
Net investment in capital assets	\$ -	\$ (18,598)	\$ -	\$ (18,598)
Unrestricted	398,954	78,613	2,791,723	3,269,290
Total Net Position	\$ 398,954	\$ 60,015	\$ 2,791,723	\$ 3,250,692

LA PORTE INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND NET POSITION
INTERNAL SERVICE FUNDS
For the Year June 30, 2023

Exhibit H-4

	Child Care	Print Shop	Workers'	Total Internal
			Compensation	Service Funds
Operating Revenues				
Charges for Services	\$ 520,688	\$ 138,078	\$ 759,863	\$ 1,418,629
Total Operating Revenues	520,688	138,078	759,863	1,418,629
Operating Expenses				
Payroll costs	505,832	23,832	-	529,664
Professional and contracted services	28	22,841	570,864	593,733
Supplies and materials	15,171	34,268	-	49,439
Other operating expense	94,867	108	-	94,975
Amortization expense	-	34,911	-	34,911
Total Operating Expenses	615,898	115,960	570,864	1,302,722
Operating Income (Loss)	(95,210)	22,118	188,999	115,907
Non-Operating Revenues (Expenses)				
Intergovernmental	458,242	-	-	458,242
Earnings on investments	-	-	78,662	78,662
Interest expense	-	(310)	-	(310)
Total Non-Operating Revenues (Expenses)	458,242	(310)	78,662	536,594
Change in Net Position	363,032	21,808	267,661	652,501
Net Position - July 1 (Beginning)	35,922	38,207	2,524,062	2,598,191
Net Position - June 30 (Ending)	\$ 398,954	\$ 60,015	\$ 2,791,723	\$ 3,250,692

LA PORTE INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2023

Exhibit H-5

	Child Care	Print Shop	Workers' Compensation	Total Internal Service Funds
Cash Flows from Operating Activities:				
Cash received from interfund services provided	\$ 520,332	\$ 139,359	\$ 850,382	\$ 1,510,073
Cash payments for insurance claims	-	-	(360,598)	(360,598)
Cash payments to employees	(505,832)	(23,832)	-	(529,664)
Cash payments to suppliers for goods and services	(19,647)	(50,591)	-	(70,238)
Cash payments for other operating expenses	(94,867)	(89)	-	(94,956)
Net Cash Provided by (Used for) Operating Activities	(100,014)	64,847	489,784	454,617
Cash Flows from Non-Capital Financing Activities:				
Operating grants	458,242	-	-	458,242
Net Cash Provided by (Used for) Non-Capital Financing Activities	458,242	-	-	458,242
Cash Flows from Capital and Related Financing Activities:				
Principal paid on leases	-	(15,206)	-	(15,206)
Interest paid on leases	-	(310)	-	(310)
Net Cash Provided by (Used for) Capital and Related Financing Activities	-	(15,516)	-	(15,516)
Cash Flows from Investing Activities:				
Proceeds from earnings on investments	-	-	78,662	78,662
Net Cash Provided by (Used for) Investing Activities	-	-	78,662	78,662
Net Increase (Decrease) in Cash and Cash Equivalents	358,228	49,331	568,446	976,005
Cash and Cash Equivalents, Beginning of Year	30,969	7,517	3,082,802	3,121,288
Cash and Cash Equivalents, End of Year	\$ 389,197	\$ 56,848	\$ 3,651,248	\$ 4,097,293
Operating Income (Loss)	\$ (95,210)	\$ 22,118	\$ 188,999	\$ 115,907
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Amortization of right-to-use lease assets	-	34,911	-	34,911
Decrease (increase) in interfund receivables	-	1,281	62,721	64,002
Decrease (increase) in receivables from others	-	7	-	7
Decrease (increase) in inventory	-	5,267	-	5,267
Decrease (increase) in prepaid items	(2,197)	(17)	-	(2,214)
Increase (decrease) in accounts payable	(2,251)	1,268	-	(983)
Increase (decrease) in interfund payables	(356)	-	27,798	27,442
Increase (decrease) in payables to other governments	-	12	-	12
Increase (decrease) in claims payable	-	-	210,266	210,266
Total adjustments	(4,804)	42,729	300,785	338,710
Net Cash Provided by (Used for) Operating Activities	\$ (100,014)	\$ 64,847	\$ 489,784	\$ 454,617

REQUIRED TEA SCHEDULES



LA PORTE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
For the Year Ended June 30, 2023

Exhibit J-1

	1	2	3	10	20	31	32	40	50
	Tax Rates		Net Assessed/ Appraised Value For School Tax Purposes	Beginning Balance 7/01/2022	Current Year's Total Levy	Maintenance Total Collections	Debt Service Total Collections	Entire Year's Adjustments	Ending Balance 6/30/2023
Fiscal Year	Maintenance	Debt Service							
2014 and prior	Various	Various	Various	\$ 271,232		\$ 2,390	\$ 522	(40,737)	\$ 227,583
2015	\$1.0400	\$0.4100	\$ 6,601,456,565	113,606		2,732	1,077	(30)	109,767
2016	1.0400	0.4100	7,047,165,791	197,803		4,091	1,613	4,397	196,496
2017	1.0400	0.3800	8,118,723,905	146,052		3,401	1,243	(953)	140,455
2018	1.0400	0.3400	9,431,612,882	178,417		8,103	2,649	1,341	169,006
2019	1.1700	0.2100	9,820,930,163	250,483		(25,010)	(4,489)	(46,333)	233,649
2020	1.0400	0.2400	10,199,854,026	250,381		(22,845)	(5,272)	199	278,697
2021	1.0397	0.2300	10,311,631,951	580,748		(114,966)	(25,433)	(292,351)	428,796
2022	1.0165	0.2400	11,225,134,047	1,027,353		(891,315)	(210,443)	(1,703,564)	425,547
2023	0.9746	0.2819	13,131,827,935	-	165,001,418	124,230,205	38,924,849	-	1,846,364
1000 Totals				<u>\$ 3,016,075</u>	<u>\$ 165,001,418</u>	<u>\$ 123,196,786</u>	<u>\$ 38,686,316</u>	<u>\$ (2,078,031)</u>	<u>\$ 4,056,360</u>
9000 Portion of Row 1000 for Taxes Paid into Tax Increment Zone Under Chapter 311, Tax Code (Function 97)						<u>\$ 4,723,689</u>			
8000 Taxes refunded under Section 26.115©, Tax Code, for tax refunds issued for immediate homestead exemptions pursuant to Senate Bill (SB) 8, 87-2						<u>\$ 24,714</u>			

LA PORTE INDEPENDENT SCHOOL DISTRICT
Exhibit J-2
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – CHILD NUTRITION FUND
For the Year Ended June 30, 2023

Data		Budgeted Amounts			Variance with
Control		Original	Final	Actual	Final Budget -
Codes					Favorable
	Revenues				(Unfavorable)
5700	Local revenues	\$ 496,000	\$ 496,000	\$ 1,175,087	\$ 679,087
5800	State program revenues	20,000	20,000	19,726	(274)
5900	Federal program revenues	4,230,945	4,230,945	3,870,003	(360,942)
5020	Total Revenues	4,746,945	4,746,945	5,064,816	317,871
	Expenditures				
	Current:				
0035	Food services	4,683,911	5,033,911	4,825,551	208,360
0051	Facilities maintenance and operations	49,600	49,600	44,769	4,831
	Debt Service:				
0071	Principal on long-term debt	1,035	1,035	1,035	-
0072	Interest on long-term debt	21	21	21	-
6030	Total Expenditures	4,734,567	5,084,567	4,871,376	213,191
1100	Excess (deficiency) of revenues over expenditures	12,378	(337,622)	193,440	531,062
1200	Net change in fund balances	12,378	(337,622)	193,440	531,062
0100	Fund Balances - Beginning	1,296,766	1,296,766	1,296,766	-
3000	Fund Balances - Ending	\$ 1,309,144	\$ 959,144	\$ 1,490,206	\$ 531,062

LA PORTE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – DEBT SERVICE FUND
For the Year Ended June 30, 2023

Exhibit J-3

Data					Variance with
Control Codes		Budgeted Amounts		Actual	Final Budget -
		Original	Final		Favorable
	Revenues				(Unfavorable)
5700	Local and intermediate sources	\$ 35,169,375	\$ 35,169,375	\$ 39,235,442	\$ 4,066,067
5800	State program revenues	205,000	205,000	483,219	278,219
5020	Total Revenues	35,374,375	35,374,375	39,718,661	4,344,286
Expenditures					
Debt Service:					
0071	Principal on long-term debt	17,175,000	28,245,000	28,245,000	-
0072	Interest on long-term debt	10,400,730	10,419,327	10,419,326	1
0073	Other debt service fees	10,000	10,000	8,000	2,000
6030	Total Expenditures	27,585,730	38,674,327	38,672,326	2,001
1200	Net change in fund balances	7,788,645	(3,299,952)	1,046,335	4,346,287
0100	Fund Balances - Beginning	9,476,549	9,476,549	9,476,549	-
3000	Fund Balances - Ending	\$ 17,265,194	\$ 6,176,597	\$ 10,522,884	\$ 4,346,287

LA PORTE INDEPENDENT SCHOOL DISTRICT*Exhibit J-4***COMPENSATORY EDUCATION PROGRAM AND BILINGUAL EDUCATION PROGRAM COMPLIANCE RESPONSES***For the Year Ended June 30, 2023*

Data		
Codes	Section A: Compensatory Education Programs	Responses
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.	\$ 6,330,391
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal year. (PICs 24, 26, 28, 29, 30)	\$ 3,923,192
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.	\$ 477,952
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PIC 25)	\$ 489,572

STATISTICAL SECTION
(UNAUDITED)



LA PORTE INDEPENDENT SCHOOL DISTRICT
STATISTICAL SECTION

The statistical section of the La Porte Independent School District’s Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District’s economic condition and overall financial health. To assist financial statement users, the information contained within this section is categorized as follows:

	Page
Financial Trends	
These schedules contain trend information to show how the District’s financial performance and position have changed over time	97
Revenue Capacity	
These schedules contain information to help assess the factors affecting the District’s most significant local revenue source, the property tax.	104
Debt Capacity	
These schedules present information to help assess the affordability of the District’s current debt burden and its ability to issue additional debt in the future.	110
Demographic and Economic Information	
These schedules provide demographic and economic indicators to help in understanding the environment in which the District operates and to facilitate in comparisons over time.	113
Operating Information	
These schedules provide information about the District’s operations and resources to assist in using the financial statement information to better understand and assess the District’s economic condition.	115

Sources: Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports for the relevant year.



LA PORTE INDEPENDENT SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(Unaudited)

Table 1

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Primary Government										
Governmental Activities										
Net investment in										
capital assets	\$ 41,486,397	\$ 31,847,193	\$ 29,800,582	\$ 27,121,161	\$ 31,956,441	\$ 30,910,969	\$ 33,311,721	\$ 35,725,150	\$ 44,176,078	\$ 49,715,550
Restricted	9,247,452	7,527,191	3,782,757	8,785,778	6,796,928	14,810,662	11,551,291	11,272,475	8,586,196	7,899,261
Unrestricted	10,963,345	2,387,365	(4,634,520)	5,182,104	(5,027,574)	(8,714,372)	22,128,205	22,800,483	10,206,293	13,511,147
Total Governmental										
Activities Net Position	<u>\$ 61,697,194</u>	<u>\$ 41,761,749</u>	<u>\$ 28,948,819</u>	<u>\$ 41,089,043</u>	<u>\$ 33,725,795</u>	<u>\$ 37,007,259</u>	<u>\$ 66,991,217</u>	<u>\$ 69,798,108</u>	<u>\$ 62,968,567</u>	<u>\$ 71,125,958</u>

Source of Information: Source: La Porte Independent School District's Audit Reports

LA PORTE INDEPENDENT SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(Unaudited)

Table 2
Page 1 of 2

	2023	2022	2021	2020	2019
Expenses					
Governmental Activities:					
Instruction	\$ 59,307,213	\$ 54,040,203	\$ 59,499,677	\$ 61,008,278	\$ 58,059,849
Instructional resources and media services	530,241	379,858	364,753	383,664	371,144
Curriculum development and instructional staff development	1,944,849	1,695,388	1,141,627	941,971	985,087
Instructional leadership	1,327,013	1,062,816	1,134,417	1,229,030	1,155,213
School leadership	4,712,103	4,545,559	5,119,390	5,132,269	4,852,010
Guidance, counseling, and evaluation services	4,029,235	3,346,675	4,131,751	4,237,356	3,960,798
Social work services	341,848	403,331	279,879	247,234	268,286
Health services	1,077,632	924,736	985,641	994,588	1,002,204
Student transportation	3,834,669	3,577,674	3,520,314	3,085,934	3,068,613
Food services	4,701,768	3,991,533	3,786,927	4,069,215	4,567,997
Extracurricular activities	2,801,805	2,507,755	2,595,396	2,614,667	2,726,363
General administration	3,804,386	2,757,018	3,380,066	3,688,217	3,339,518
Facilities maintenance and operations	12,826,426	12,352,765	12,261,399	11,457,636	11,491,142
Security and monitoring services	2,065,561	1,886,837	2,060,554	1,813,636	1,933,772
Data processing services	6,662,333	2,881,930	3,281,911	3,903,305	2,896,056
Community services	533,717	659,409	144,481	66,847	28,609
Interest on long-term debt	8,078,051	8,608,463	24,255,145	11,785,492	12,473,266
Facilities acquisition and construction	-	-	-	-	8,000
Contracted instructional services between public schools	54,179,351	48,427,281	48,381,443	41,571,997	46,925,331
Payments to member districts of shared service arrangements	128,587	180,900	161,730	171,317	128,845
Payments to juvenile justice alternative education programs	41,400	41,400	59,400	59,400	59,400
Payments to tax increment fund	4,723,689	4,355,156	4,141,276	3,810,140	2,779,617
Other intergovernmental charges	1,225,970	1,130,620	1,099,268	1,068,592	1,037,446
Total Governmental Activities Expenses	178,877,847	159,757,307	181,786,445	163,340,785	164,118,566
Program Revenues					
Governmental Activities:					
Charges for Services					
Instruction and related services	38,385	49,868	84,877	114,561	163,919
Instructional and school leadership	2,000	2,269	-	-	-
Student support services	2,000	1,311	-	-	-
Student transportation	-	355	554	211	1,411
Food services	1,142,000	467,815	313,160	939,988	1,303,054
Extracurricular activities	245,000	179,004	257,838	333,992	290,255
General administration	1,000	-	501	92	6,618
Community services	523,000	413,956	-	-	-
Facilities maintenance, operations, and other support services	81,000	41,127	908	551	1,403
Operating Grants and Contributions	17,344,495	16,979,950	10,214,299	9,666,866	9,574,383
Total Program Revenues	\$ 19,378,880	\$ 18,135,655	\$ 10,872,137	\$ 11,056,261	\$ 11,341,043
Net (Expense)/Revenue					
Governmental activities	(159,498,967)	(142,044,885)	(170,914,308)	(152,284,524)	(152,777,523)
Total Net (Expense)/Revenue	\$ (159,498,967)	\$ (142,044,885)	\$ (170,914,308)	\$ (152,284,524)	\$ (152,777,523)
General Revenues and Other Changes in Net Position					
Governmental Activities:					
Property Taxes, Levied for General Purposes	\$ 124,619,146	\$ 114,992,438	\$ 114,501,149	\$ 105,161,625	\$ 105,918,780
Property Taxes, Levied for Debt Service	39,045,970	29,230,470	27,673,548	26,805,586	21,204,806
State-Aid Formula Grants	4,926,287	4,669,846	7,903,262	18,959,584	11,823,223
Investment Earnings	4,568,835	407,919	238,711	1,374,315	1,829,958
Miscellaneous Local and Intermediate Revenue	6,274,174	5,133,909	8,457,414	6,670,886	5,987,237
Special Item - Gain on Sale of Asset	-	-	-	-	-
Transfers	-	-	-	675,776	2,732,055
Total General Revenues and Other Changes in Net Position	\$ 179,434,412	\$ 154,434,582	\$ 158,774,084	\$ 159,647,772	\$ 149,496,059
Change in Net Position					
Governmental activities	\$ 19,935,445	\$ 12,389,697	\$ (12,140,224)	\$ 7,363,248	\$ (3,281,464)
Prior period adjustment	-	-	-	-	-
Total Change in Net Position	\$ 19,935,445	\$ 12,389,697	\$ (12,140,224)	\$ 7,363,248	\$ (3,281,464)

Source of Information: Source: La Porte Independent School District's Audit Reports

LA PORTE INDEPENDENT SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(Unaudited)

Table 2
Page 2 of 2

	2018	2017	2016	2015	2014
Expenses					
Governmental Activities:					
Instruction	\$ 38,856,109	\$ 52,296,542	\$ 49,759,289	\$ 44,530,011	\$ 42,995,224
Instructional resources and media services	348,770	454,722	458,306	484,361	482,710
Curriculum development and instructional staff development	693,000	1,025,854	1,329,946	1,282,550	734,170
Instructional leadership	615,858	1,025,658	925,493	839,282	1,170,527
School leadership	2,853,808	4,374,173	4,302,695	3,991,291	3,913,052
Guidance, counseling, and evaluation services	1,824,276	2,997,386	2,887,377	2,574,355	2,456,356
Social work services	228,045	231,094	207,172	204,158	195,190
Health services	591,858	875,217	839,418	813,607	736,101
Student transportation	2,383,859	3,024,166	3,619,700	3,422,132	3,109,273
Food services	3,250,726	4,517,973	4,269,781	4,001,664	3,879,868
Extracurricular activities	2,122,573	2,320,363	2,374,697	2,171,413	2,130,598
General administration	2,707,853	3,155,391	3,255,560	2,949,663	3,103,491
Facilities maintenance and operations	10,070,631	10,633,698	11,431,976	9,929,472	10,193,730
Security and monitoring services	1,243,185	1,300,140	551,098	524,177	542,011
Data processing services	2,435,287	3,577,687	3,899,246	3,736,801	2,518,335
Community services	20,614	38,258	39,369	75,006	68,500
Interest on long-term debt	13,000,225	13,762,377	14,074,233	12,548,106	8,474,442
Facilities acquisition and construction	8,000	29,396	44,521	9,506	73,997
Contracted instructional services between public schools	33,224,648	31,237,688	24,531,648	20,877,309	17,754,454
Payments to member districts of shared service arrangements	111,516	108,101	118,619	130,571	120,968
Payments to juvenile justice alternative education programs	19,800	19,800	19,800	19,800	19,620
Payments to tax increment fund	1,141,045	2,054,938	1,671,451	1,407,985	1,253,630
Other intergovernmental charges	993,774	964,114	886,598	788,330	661,254
Total Governmental Activities Expenses	118,745,460	140,024,736	131,497,993	117,311,550	106,587,501
Program Revenues					
Governmental Activities:					
Charges for Services					
Instruction and related services	91,553	100,103	36,083	31,727	36,253
Instructional and school leadership	-	-	-	-	-
Student support services	-	-	-	-	-
Student transportation	-	-	-	-	-
Food services	1,113,247	1,467,338	1,549,946	1,664,582	1,664,048
Extracurricular activities	102,690	146,275	115,921	119,255	106,928
General administration	-	-	-	-	-
Community services	-	-	-	-	-
Facilities maintenance, operations, and other support services	74,181	72,836	70,918	73,480	98,187
Operating Grants and Contributions	(4,549,099)	10,009,652	11,674,605	9,702,933	10,043,558
Total Program Revenues	\$ (3,167,428)	\$ 11,796,204	\$ 13,447,473	\$ 11,591,977	\$ 11,948,974
Net (Expense)/Revenue					
Governmental activities	(121,912,888)	(128,228,532)	(118,050,520)	(105,719,573)	(94,638,527)
Total Net (Expense)/Revenue	\$ (121,912,888)	\$ (128,228,532)	\$ (118,050,520)	\$ (105,719,573)	\$ (94,638,527)
General Revenues and Other Changes in Net Position					
Governmental Activities:					
Property Taxes, Levied for General Purposes	\$ 96,468,292	\$ 94,533,779	\$ 85,819,764	\$ 79,067,056	\$ 67,863,048
Property Taxes, Levied for Debt Service	32,937,911	35,688,808	33,374,353	23,617,432	20,270,780
State-Aid Formula Grants	5,701,540	5,962,210	3,046,813	3,286,104	3,182,174
Investment Earnings	1,238,456	897,470	488,351	90,049	96,660
Miscellaneous Local and Intermediate Revenue	1,066,686	2,853,468	2,257,067	2,351,123	1,576,588
Special Item - Gain on Sale of Asset	-	-	-	(2,500)	-
Transfers	-	(14,514,094)	(106,287)	-	-
Total General Revenues and Other Changes in Net Position	\$ 137,412,885	\$ 125,421,641	\$ 124,880,061	\$ 108,409,264	\$ 92,989,250
Change in Net Position					
Governmental activities	\$ 15,499,997	\$ (2,806,891)	\$ 6,829,541	\$ 2,689,691	\$ (1,649,277)
Prior period adjustment	(45,483,955)	-	-	(10,847,082)	(1,782,018)
Total Change in Net Position	\$ (29,983,958)	\$ (2,806,891)	\$ 6,829,541	\$ (8,157,391)	\$ (3,431,295)

Source of Information: Source: La Porte Independent School District's Audit Reports



LA PORTE INDEPENDENT SCHOOL DISTRICT
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(Unaudited)

Table 3

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Fund										
Nonspendable	\$ 2,789,044	\$ 1,931,697	\$ 1,786,748	\$ 1,577,904	\$ 1,330,676	\$ 1,310,465	\$ 1,008,312	\$ 1,055,954	\$ 1,081,967	\$ 1,320,438
Committed	2,067,025	2,160,997	2,191,023	2,214,153	2,156,054	2,067,367	1,986,505	2,215,787	2,177,197	2,059,320
Assigned	-	-	-	-	-	35,828	-	-	-	-
Unassigned	60,485,682	56,161,835	51,817,899	50,595,041	36,869,997	31,494,926	30,245,650	25,827,182	25,053,340	27,436,294
Total General Fund	\$ 65,341,751	\$ 60,254,529	\$ 55,795,670	\$ 54,387,098	\$ 40,356,727	\$ 34,908,586	\$ 33,240,467	\$ 29,098,923	\$ 28,312,504	\$ 30,816,052
All Other										
Governmental Funds										
Nonspendable:										
Inventories	\$ 245	\$ 39,157	\$ 55,166	\$ 109,202	\$ 39,584	\$ 14,580	\$ 22,999	\$ 32,204	\$ 51,812	\$ 25,697
Prepaid items	270,357	240,508	203,304	64,673	53,021	63,389	96,400	291,682	567,936	57,768
Restricted:										
Grant funds	1,490,206	1,296,766	151,223	326,678	922,653	1,132,828	1,463,963	1,804,826	2,043,567	1,888,968
Capital acquisitions	6,496,632	19,967,094	27,134,154	32,198,068	9,413,335	14,652,235	31,925,319	97,351,152	87,578,978	8,195,876
Debt service	10,522,884	9,476,549	7,478,866	9,543,909	10,817,405	18,245,027	14,883,619	14,209,608	10,236,018	8,774,566
Committed:										
Other purposes	4,394,245	4,373,067	4,369,827	4,405,387	4,429,631	4,335,639	4,342,599	4,390,052	4,387,056	4,603,191
Total All Other										
Governmental Funds	\$ 23,174,569	\$ 35,393,141	\$ 39,392,540	\$ 46,647,917	\$ 25,675,629	\$ 38,443,698	\$ 52,734,899	\$ 118,079,524	\$ 104,865,367	\$ 23,546,066

Source of Information: La Porte Independent School District's Audit Reports.

LA PORTE INDEPENDENT SCHOOL DISTRICT
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(Unaudited)

Table 4
Page 1 of 2

	2023	2022	2021	2020	2019
Revenues:					
Local, intermediate, and out-of-state	\$ 175,438,170	\$ 150,995,044	\$ 148,908,331	\$ 142,328,632	\$ 137,172,176
State program revenues	10,749,448	9,479,933	8,592,823	17,679,008	9,723,516
Federal program revenues	13,966,126	17,009,461	10,856,726	7,427,546	8,695,464
Total Revenues	200,153,744	177,484,438	168,357,880	167,435,186	155,591,156
Expenditures:					
Current:					
Instruction	51,594,984	48,281,337	47,780,818	46,010,402	44,116,535
Instruction resources and media services	559,626	420,464	358,681	363,370	355,043
Curriculum and instructional staff development	2,095,516	1,872,530	1,122,137	862,801	923,521
Instructional leadership	1,426,030	1,138,848	1,082,000	1,070,943	1,028,291
School leadership	4,964,769	5,003,543	5,008,914	4,686,767	4,505,331
Guidance, counseling and evaluation services	4,410,616	3,954,155	4,001,694	3,709,103	3,550,004
Social work services	348,933	432,895	278,554	241,850	264,097
Health services	1,137,676	1,031,419	961,480	898,792	927,539
Student transportation	3,584,755	4,411,588	3,276,342	3,650,241	3,010,915
Food services	4,825,551	4,258,459	3,601,671	3,653,925	4,218,728
Extracurricular activities	2,226,182	1,969,873	1,873,796	1,783,221	1,926,045
General administration	3,670,595	3,268,424	3,321,195	3,485,305	3,123,268
Facilities maintenance and operations	12,529,190	12,010,858	11,660,891	10,597,227	10,995,172
Security and monitoring services	2,138,748	1,889,553	2,016,653	1,725,488	2,384,135
Data processing services	6,607,591	2,873,089	2,984,787	3,442,002	2,410,775
Community services	197,976	164,318	64,400	46,655	28,591
Debt service:					
Principal on long-term debt	28,392,672	16,818,861	15,340,000	15,385,000	15,465,000
Interest on long-term debt	10,423,853	10,791,566	14,616,435	13,141,060	13,862,199
Bond issuance costs and fees	8,000	8,000	795,884	236,690	8,000
Capital outlay:					
Facilities acquisition and construction	5,909,065	2,289,841	797,057	1,592,675	1,609,311
Intergovernmental charges	60,298,997	54,135,357	53,843,117	46,681,446	50,930,639
Total Expenditures	207,351,325	177,024,978	174,786,506	163,264,963	165,643,139
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	(7,197,581)	459,460	(6,428,626)	4,170,223	(10,051,983)
Other Financing Sources (Uses):					
Refunding bonds issued	-	-	76,415,000	-	-
Capital-related debt issued (regular bonds)	-	-	-	26,550,000	-
Sale of real or personal property	-	-	-	824,770	2,732,055
Proceeds from right to use leased assets	-	-	-	-	-
Transfers in	-	34,294	-	11,550	2,450
Premium or discount on issuance of bonds	-	-	11,178,891	3,682,441	-
Other resources	66,231	-	-	-	-
Transfers out	-	(34,294)	(206,813)	(236,325)	(2,450)
Other uses	-	-	(86,805,257)	-	-
Total Other Financing Sources (Uses)	66,231	-	581,821	30,832,436	2,732,055
Net Change in Fund Balances	\$ (7,131,350)	\$ 459,460	\$ (5,846,805)	\$ 35,002,659	\$ (7,319,928)
Debt Service as a percentage of Noncapital Expenditures	19.32%	15.91%	17.25%	17.75%	18.01%

LA PORTE INDEPENDENT SCHOOL DISTRICT
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(Unaudited)

Table 4
Page 2 of 2

	2018	2017	2016	2015	2014
Revenues:					
Local, intermediate, and out-of-state	\$ 134,069,758	\$ 136,414,687	\$ 123,940,130	\$ 106,967,548	\$ 92,060,038
State program revenues	8,321,677	7,832,361	6,539,522	6,380,373	6,240,932
Federal program revenues	7,294,080	6,533,129	6,275,753	6,598,936	6,417,978
Total Revenues	149,685,515	150,780,177	136,755,405	119,946,857	104,718,948
Expenditures:					
Current:					
Instruction	44,431,254	42,649,201	42,725,036	39,983,002	37,956,249
Instruction resources and media services	452,218	455,095	449,017	483,055	481,502
Curriculum and instructional staff development	926,444	1,018,560	1,276,907	1,279,256	730,821
Instructional leadership	1,048,954	1,015,259	892,790	811,019	1,164,769
School leadership	4,443,357	4,331,402	4,109,820	4,041,551	3,913,097
Guidance, counseling and evaluation services	3,200,710	2,892,230	2,770,528	2,592,682	2,447,110
Social work services	248,452	231,422	207,178	206,208	194,897
Health services	898,597	863,729	821,738	818,826	736,770
Student transportation	2,793,250	2,880,812	3,254,781	4,518,528	2,921,010
Food services	4,058,859	4,265,215	4,170,770	3,880,325	4,312,726
Extracurricular activities	1,882,915	1,566,840	1,569,493	1,488,549	1,476,177
General administration	3,310,708	3,076,752	3,077,179	2,874,950	2,993,062
Facilities maintenance and operations	10,926,378	10,085,701	11,271,596	9,903,980	9,695,257
Security and monitoring services	1,427,474	1,296,131	550,551	524,607	542,059
Data processing services	2,365,772	3,175,788	4,203,028	3,519,556	2,119,760
Community services	20,632	38,184	32,944	69,503	62,092
Debt service:					
Principal on long-term debt	15,530,000	20,355,000	17,365,000	17,570,000	8,255,000
Interest on long-term debt	14,554,292	14,796,017	13,248,523	10,378,396	8,748,930
Bond issuance costs and fees	8,000	8,750	1,529,646	1,617,541	4,850
Capital outlay:					
Facilities acquisition and construction	14,289,548	62,596,529	103,801,648	23,065,236	451,003
Intergovernmental charges	35,490,783	34,384,641	27,228,116	23,223,995	19,809,926
Total Expenditures	162,308,597	211,983,258	244,556,289	152,850,765	109,017,067
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	(12,623,082)	(61,203,081)	(107,800,884)	(32,903,908)	(4,298,119)
Other Financing Sources (Uses):					
Refunding bonds issued	-	-	115,930,000	73,850,000	-
Capital-related debt issued (regular bonds)	-	-	21,620,711	99,675,000	-
Sale of real or personal property	-	-	-	-	-
Proceeds from right to use leased assets	-	-	-	-	-
Transfers in	8,517	6,300	-	2,623	-
Premium or discount on issuance of bonds	-	-	8,101,456	18,587,626	-
Other resources	-	-	-	-	-
Transfers out	(8,517)	(6,300)	-	(5,123)	-
Other uses	-	-	(23,850,707)	(80,390,465)	-
Total Other Financing Sources (Uses)	-	-	121,801,460	111,719,661	-
Net Change in Fund Balances	\$ (12,623,082)	\$ (61,203,081)	\$ 14,000,576	\$ 78,815,753	\$ (4,298,119)
Debt Service as a percentage of Noncapital Expenditures	20.33%	23.54%	22.84%	22.78%	15.67%

LA PORTE INDEPENDENT SCHOOL DISTRICT
Table 5

PROPERTY TAX RATES – DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$100 OF ASSESSED VALUE)
LAST TEN FISCAL YEARS

Taxing Authority	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
La Porte Independent School District										
Maintenance & Operations	\$ 0.9746	\$ 1.0165	\$ 1.0397	\$ 1.0400	\$ 1.1700	\$ 1.0400	\$ 1.0400	\$ 1.0400	\$ 1.0400	\$ 1.0400
Debt Service	0.2819	0.2400	0.2300	0.2400	0.2100	0.3400	0.3800	0.4100	0.4100	0.2900
Total	\$ 1.2565	\$ 1.2565	\$ 1.2697	\$ 1.2800	\$ 1.3800	\$ 1.3800	\$ 1.4200	\$ 1.4500	\$ 1.4500	\$ 1.3300
County										
Chambers ¹	\$ 0.4916	\$ 0.5395	\$ 0.5395	\$ 0.5421	\$ 0.5425	\$ 0.5425	\$ 0.5527	\$ 0.5403	\$ 0.5327	\$ 0.5221
Harris	0.3437	0.3769	0.3912	0.4071	0.4186	0.4180	0.4166	0.4192	0.4173	0.4146
Harris Co Department of Education	0.0049	0.0050	0.0050	0.0050	0.0052	0.0052	0.0052	0.0054	0.0060	0.0064
Harris Co Flood Control Dist	0.0306	0.0334	0.0314	0.0279	0.0288	0.0283	0.0283	0.0273	0.0274	0.0283
Port of Houston Authority	0.0080	0.0087	0.0099	0.0107	0.0116	0.0126	0.0133	0.0134	0.0513	0.0172
San Jacinto Jr. College District	0.1556	0.1680	0.1694	0.1782	0.1793	0.1833	0.1824	0.1758	0.1856	0.1856
Cities										
Deer Park	0.7200	0.7200	0.7200	0.7200	0.7200	0.7200	0.7200	0.7144	0.7200	0.7200
La Porte	0.7100	0.7100	0.7100	0.7100	0.7100	0.7100	0.7100	0.7100	0.7100	0.7100
Morgan's Point	0.9506	0.9506	0.9491	0.8810	0.8883	0.8911	0.9118	0.8191	0.8191	0.6362
Pasadena	0.4976	0.5159	0.5337	0.5703	0.6154	0.5754	0.5754	0.5754	0.5769	0.5916
Water Districts										
Clear Lake City Water Authority	0.2600	0.2602	0.2700	0.2700	0.2700	0.2700	0.2700	0.2700	0.2800	0.2800

Source of Information: Harris County Truth in Taxation Summary

¹ 100% of the property located in Chambers County is submerged.

Harris County Appraisal District - Chambers County Appraisal District

The District has no facilities and does not serve any students in Chambers County

LA PORTE INDEPENDENT SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(Unaudited)

Table 6

Fiscal Year Ended June 30,	Appraised Value		Total Taxable Assessed Value ²	Total Direct Tax Rate ¹
	Real Property	Personal Property		
2014	\$ 5,994,901,356	\$ 606,555,209	\$ 6,601,456,565	\$ 1.3300
2015	5,234,296,126	1,812,869,665	7,047,165,791	1.4500
2016	6,099,088,029	2,019,635,876	8,118,723,905	1.4500
2017	6,409,074,023	3,022,538,859	9,431,612,882	1.4200
2018	7,933,845,192	1,887,084,971	9,820,930,163	1.3800
2019	7,152,159,589	3,047,694,437	10,199,854,026	1.3800
2020	7,819,428,707	3,536,064,873	11,355,493,580	1.2800
2021	8,641,591,301	3,575,479,876	12,217,071,177	1.2697
2022	9,084,249,544	3,482,057,385	12,566,306,929	1.2565
2023	9,705,244,747	4,393,766,368	14,099,011,115	1.2565

Source: Goose Creek CISD Tax Services Tax Roll Summary Report

¹ Tax rates are per \$100 of taxable assessed value.

² Total Estimated Taxable Value is net of exemptions

LA PORTE INDEPENDENT SCHOOL DISTRICT
Table 7
PRINCIPAL TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2023			2014		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Equistar Chemical LP	\$634,851,094	1	4.50%	\$375,252,292	1	7.22%
Braskem America Inc.	597,987,498	2	4.24%	89,637,732	10	1.72%
Enterprise Products	594,981,913	3	4.22%			0.00%
Fairway Methanol	550,944,250	4	3.91%			0.00%
Lyondell Chemical Co.	378,593,923	5	2.69%	123,868,397	6	2.38%
Air Liquide America Corporation	363,503,508	6	2.58%	295,086,462	2	5.67%
Kuraray America, Inc.	312,116,511	7	2.21%	155,092,520	4	2.98%
Praxair Inc.	288,557,478	8	2.05%			0.00%
Liberty Property	252,920,293	9	1.79%			0.00%
Celanese LTD	218,172,981	10	1.55%	137,555,964	5	2.65%
Albermarle Catalysts Co.			0.00%	155,494,840	3	2.99%
Conoco Phillips Co			0.00%	108,971,408	7	2.10%
Air Product			0.00%	104,337,383	8	2.01%
Haldor Topsoe Inc.			0.00%	96,378,173	9	1.85%
Totals	\$4,192,629,449		29.74%	\$ 1,641,675,171		31.57%
Total taxable assessed value, net of exemptions	\$14,099,011,115			\$5,200,316,167		

Source of Information: Municipal Advisory Council (MAC)

Note: Due to time constraints and updated tax rolls being unavailable until late fall, instead of reporting tax year 2023 data on this schedule, the District will be reporting data for the tax year related to the fiscal year under audit.

LA PORTE INDEPENDENT SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Table 8

Fiscal Year	Total Tax Levy for Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2014	\$ 87,683,942	\$ 86,946,201	99.16%	\$ 731,552	\$ 87,677,753	99.99%
2015	102,609,803	101,666,537	99.08%	916,224	102,582,761	99.97%
2016	117,701,618	116,785,513	99.22%	824,055	117,609,568	99.92%
2017	119,265,281	118,673,840	99.50%	417,710	119,091,550	99.85%
2018	123,396,019	121,706,460	98.63%	151,384	121,857,844	98.75%
2019	128,005,460	126,153,254	98.55%	(87,036)	126,066,218	98.49%
2020	133,136,156	131,531,550	98.79%	(977,252)	130,554,298	98.06%
2021	142,525,527	140,733,952	98.74%	(1,629,301)	139,104,651	97.60%
2022	147,091,225	146,063,872	99.30%	(1,101,758)	144,962,114	98.55%
2023	165,001,418	163,155,054	98.88%	-	163,155,054	98.88%

Source of Information: Goose Creek CISD Tax Office and City of La Porte Tax Office

LA PORTE INDEPENDENT SCHOOL DISTRICT
PROPERTY TAX COLLECTIONS
LAST TEN FISCAL YEARS

Table 9

Fiscal Year	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
2014	\$733	\$ 4,451	\$ 7,336	\$ 33,358	\$ 8,258	\$ 13,777	\$ (108,665)	\$ 436,336	\$ 202,822	\$ 86,946,201
2015	3,809	6,455	11,407	42,808	141,404	35,687	147,276	435,568	101,666,537	-
2016	5,704	2,259	15,049	96,037	233,215	85,230	392,509	116,785,513	-	-
2017	4,644	13,662	17,714	34,447	227,266	125,270	118,673,840	-	-	-
2018	10,752	27,043	(180,910)	179,670	114,828	121,706,460	-	-	-	-
2019	(29,499)	(205,721)	106,794	41,389	126,153,254	-	-	-	-	-
2020	(28,117)	(880,055)	(69,081)	131,531,550	-	-	-	-	-	-
2021	(140,399)	(1,488,902)	140,733,952	-	-	-	-	-	-	-
2022	(1,101,758)	146,063,872	-	-	-	-	-	-	-	-
2023	163,155,054	-	-	-	-	-	-	-	-	-

LA PORTE INDEPENDENT SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Table 10

Fiscal Year	Governmental Activities			Total Outstanding Debt	Percentage of Personal Income ²	Population ³	Debt Per Capita
	General Obligation Bonds ¹	Leases	SBITAs				
2014	198,049,993	\$ -	\$ -	\$ 198,049,993	0.08%	35,186	\$ 5,629
2015	296,199,845	-	-	296,199,845	0.12%	35,339	8,382
2016	399,494,016	-	-	399,494,016	0.17%	35,397	11,286
2017	376,589,109	-	-	376,589,109	0.15%	35,373	10,646
2018	358,587,198	-	-	358,587,198	0.13%	35,220	10,181
2019	341,038,095	-	-	341,038,095	0.12%	34,976	9,751
2020	353,695,936	-	-	353,695,936	0.12%	35,300	10,020
2021	339,621,139	-	-	339,621,139	0.11%	36,065	9,417
2022	330,907,104	169,059	-	331,076,163	0.11%	36,569	9,053
2023	299,495,113	58,564	33,605	299,587,282	0.10%	36,569	8,192

¹ Presented net of original issuance discounts/premiums and includes accreted amounts.

² Personal income is disclosed on Demographic and Economic Statistics table.

³ United States Census Bureau

LA PORTE INDEPENDENT SCHOOL DISTRICT
RATIOS OF NET GENERAL OBLIGATION BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Table 11

Page 1 of 2

	2023	2022	2021	2020	2019
Assessed Value					
All property	\$14,099,011,115	\$ 12,566,306,929	\$ 12,217,071,177	\$ 11,355,493,580	\$ 10,199,854,026
Net Bonded Debt					
Gross bonded debt	299,587,282	330,907,104	339,621,139	353,695,936	341,038,095
Less debt service funds	(7,757,246)	(6,254,835)	(3,657,704)	(4,908,863)	(5,899,452)
Total Net Bonded Debt	\$ 291,830,036	\$ 324,652,269	\$ 335,963,435	\$ 348,787,073	\$ 335,138,643
Ratio of Net Bonded Debt to Assessed Value	2.07%	2.58%	2.75%	3.07%	3.29%
Average Daily Attendance (ADA)	6,421	6,339	6,451	6,493	6,798
Ratio of Net Bonded Debt per ADA	45,449	51,215	52,079	53,717	49,300
Population	36,569	34,976	34,976	34,976	34,976
Net Bonded Debt per Capita	7,980	9,282	9,606	9,972	9,582

Note: Details regarding the District's outstanding debt can be found in the notes to the financial statements.

LA PORTE INDEPENDENT SCHOOL DISTRICT
RATIOS OF NET GENERAL OBLIGATION BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Table 11
Page 2 of 2

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Assessed Value					
All property	\$ 9,820,930,163	\$ 9,341,612,882	\$ 8,118,723,905	\$ 7,047,165,791	\$ 6,601,456,565
Net Bonded Debt					
Gross bonded debt	358,587,198	376,589,109	399,494,016	296,199,845	198,049,993
Less debt service funds	(18,245,027)	(14,883,619)	(14,209,608)	(10,236,018)	(8,774,586)
Total Net Bonded Debt	<u>\$ 340,342,171</u>	<u>\$ 361,705,490</u>	<u>\$ 385,284,408</u>	<u>\$ 285,963,827</u>	<u>\$ 189,275,407</u>
Ratio of Net Bonded Debt to Assessed Value	3.47%	3.87%	4.75%	4.06%	2.87%
Average Daily Attendance (ADA)	7,210	7,183	7,128	7,127	7,129
Ratio of Net Bonded Debt per ADA	47,204	50,356	54,052	40,124	26,550
Population	35,423	35,371	35,086	35,148	35,039
Net Bonded Debt per Capita	9,608	10,226	10,981	8,136	5,402

Note: Details regarding the District's outstanding debt can be found in the notes to the financial statements.

LA PORTE INDEPENDENT SCHOOL DISTRICT
Table 12
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
Legal Debt Margin Calculation for Fiscal Year 2023

Assessed value	\$ 14,099,011,115
Debt limit (percentage of 2020 - 2021 school year assessed value)*	10.00%
Maximum legal debt	1,409,901,112
Amount of debt applicable to debt limit**	289,128,243
Legal Debt Margin	\$ 1,120,772,869

* This debt limit is established by law as stated in Vernon's Statutes, Article 835p.

** Does not include lease or SBITA obligations and is net of reserve for retirement of bonded debt

Fiscal Year	Debt Limit	Amount of Debt Applicable to Debt Limit	Legal Debt Margin	Total Net Debt Applicable to the Limit as a Percentage of Debt Limit
2014	\$ 660,145,656	\$ 183,605,414	\$ 476,540,242	27.81%
2015	704,716,579	263,598,982	441,117,597	37.40%
2016	811,872,390	357,125,392	454,746,998	43.99%
2017	934,161,288	336,096,381	598,064,907	35.98%
2018	982,093,016	317,204,973	664,888,043	32.30%
2019	1,019,985,403	319,985,000	700,000,403	31.37%
2020	1,135,549,358	331,150,000	804,399,358	29.16%
2021	1,221,707,118	339,621,139	882,085,979	27.80%
2022	1,256,630,693	319,998,041	936,632,652	25.46%
2023	1,409,901,112	289,128,243	1,120,772,869	20.51%

LA PORTE INDEPENDENT SCHOOL DISTRICT
COMPUTATION OF ESTIMATED DIRECT AND OVERLAPPING DEBT
FOR THE FISCAL YEAR ENDING JUNE 30, 2023

Table 13

Governmental Unit	Net Debt Amount	Percentage Overlapping¹	Amount of Overlapping Debt
Overlapping:			
Chambers County	\$ 79,440,000	0.00%	\$ -
Harris County	1,770,442,125	2.52%	44,615,142
Harris County Department of Education	13,865,000	2.52%	349,398
Harris County Flood Control District	797,615,000	2.52%	20,099,898
Harris County Hospital District	70,970,000	2.52%	1,788,444
Harris County MUD #561	22,075,000	100.00%	22,075,000
Port of Houston Authority	445,749,397	2.52%	11,232,885
San Jacinto Jr. College District	537,657,427	20.54%	110,434,836
City of Deer Park	124,055,000	30.79%	38,196,535
City of La Porte	32,030,000	95.23%	30,502,169
City of Morgan's Point	9,500,000	100.00%	9,500,000
City of Pasadena	177,030,000	5.37%	9,506,511
City of Shoreacres	4,055,000	100.00%	4,055,000
Clear Lake City Water Authority	111,245,000	8.47%	9,422,452
			<u>311,778,270</u>
District direct debt ²			<u>299,587,282</u>
Total Direct and Overlapping Debt			<u><u>\$ 611,365,552</u></u>
Population (District)			36,569
Per Capita Debt-Direct and Overlapping			<u><u>\$ 16,718</u></u>

Sources: Texas Municipal Report issued by the Municipal Advisory Council of Texas

¹ The "Percentage Overlapping" is determined by dividing the City's certified taxable value within the taxing jurisdiction by the certified taxable value of the taxing jurisdiction.

² Includes bonds (net of related premiums/discounts), accreted amounts, leases, and SBITAs.

LA PORTE INDEPENDENT SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Table 14

Population Information										
Fiscal Year	Estimated Population *	Land Area	Density Per Square Mile	Population Change	Personal Income (in Thousands) **	Population (Persons) **	Per Capita Personal Income ***	Total Unemployment ***	Percentage Unemployed County ***	Percentage Unemployed State ***
2014	35,186	55	637	1.1%	\$ 246,171,390	\$ 4,452,976	\$ 55,282	112,493	5.1%	5.2%
2015	35,339	55	639	0.4%	248,528,847	4,553,991	54,574	104,600	4.7%	4.5%
2016	35,397	55	638	0.2%	236,747,445	4,619,635	51,248	120,191	5.3%	4.6%
2017	35,373	55	643	-0.1%	255,361,808	4,651,955	54,893	114,945	5.1%	4.3%
2018	35,220	55	644	-0.4%	274,514,924	4,672,445	58,752	100,761	4.4%	3.9%
2019	34,976	55	636	-0.7%	284,905,380	4,704,042	60,566	88,158	3.9%	3.5%
2020	35,300	55	636	0.9%	291,723,832	4,732,491	61,643	204,822	9.0%	7.7%
2021	36,065	55	636	2.2%	311,430,719	4,728,030	65,869	146,279	6.4%	5.6%
2022	36,569	55	665	1.4%	311,430,719	4,728,030	65,869	98,856	4.2%	3.9%
2023	36,569	55	665	0.0%	311,430,719	4,728,030	65,869	98,856	4.2%	3.9%

* Estimated population is only available through 2022, therefore, the same data was used for 2023

Source: United States Census Bureau

** Data only available through 2021, the same data was used for 2022 and 2023

Source : Bureau of Economic Development

***Data only available through 2022, the same data was used for 2023

Source: Texas Workforce Commission/Texas Labor Market Information

LA PORTE INDEPENDENT SCHOOL DISTRICT
Table 15
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

2023			2014		
Employer	Employees	Percentage of Principal Employers	Employer	Employees	Percentage of Principal Employers
CMA CGM	1,396	7.47%	La Porte ISD	1,049	5.61%
La Porte ISD	1,146	6.13%	City of La Porte	381	2.04%
Jacobson Warehouse Co Inc	702	3.75%	Mistras Group Inc	500	2.67%
Dupont Chemical	545	2.91%	International Plant Svcs LLC	376	2.01%
OxyChem	543	2.90%	Sulzer Turbo Systems Intl	330	1.76%
Force Corporation	453	2.42%	A&L Industrial Services Inc	300	1.60%
J V Piping	440	2.35%	CCC Group Inc	300	1.60%
STARCON International Inc	425	2.27%	Evergreen Environmental Svcs LLC	275	1.47%
Total Petrochemicals & Refining	409	2.19%	Pfeiffer holdings LLC	271	1.45%
City of La Porte	400	2.14%	Contech Control Services Inc	250	1.34%
Total	6,459		Total	4,032	
Total City of La Porte Employment	18,700		Total City of La Porte Employment	19,240	

Source: City of La Porte Comprehensive Annual Financial Report for the Year Ended September 30,2022, Texas Workforce Commission (Texas LMI)

LA PORTE INDEPENDENT SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES
LAST TEN FISCAL YEARS

Table 16

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governmental Activities										
Teachers	465	461	483	479	489	501	495	495	470	464
Professional Support	136	122	100	96	97	93	101	101	94	90
Campus Administration	30	32	32	32	31	32	30	29	30	30
Central Administration	10	11	10	10	12	12	11	8	10	10
Education Aides	130	130	136	132	139	131	121	117	110	106
Auxiliary Staff	286	309	309	298	292	294	284	289	294	292
Total	<u>1,057</u>	<u>1,065</u>	<u>1,069</u>	<u>1,046</u>	<u>1,059</u>	<u>1,061</u>	<u>1,042</u>	<u>1,040</u>	<u>1,008</u>	<u>991</u>

Source: Texas Education Agency TAPR (Texas Academic Performance Report)

LA PORTE INDEPENDENT SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS

Table 17

Fiscal Year	Governmental Fund Expenditures				Government-wide Expenses			Teachers	Student / Teacher Ratio
	Average Daily Attendance	Operating Expenditures ¹	Cost per Student	Percentage Change	Governmental Activities Expenses	Cost per Student	Percentage Change		
2014	7,129	\$ 91,557,284	\$ 12,843	10.42%	\$ 102,933,844	\$ 14,439	0.61%	461	15.5
2015	7,127	100,219,592	14,062	9.49%	106,587,501	14,955	3.57%	464	15.4
2016	7,128	108,611,472	15,237	8.36%	117,311,550	16,458	10.05%	470	15.2
2017	7,183	114,226,962	15,902	4.36%	131,497,993	18,307	11.23%	495	14.5
2018	7,210	117,926,757	16,356	2.85%	118,745,460	16,470	-10.03%	501	14.4
2019	6,798	117,926,757	17,347	6.06%	118,745,460	17,468	6.06%	501	13.6
2020	6,493	132,909,538	20,470	18.00%	163,340,785	25,156	44.01%	479	13.6
2021	6,451	143,237,130	22,204	8.47%	181,786,445	28,180	12.02%	483	13.4
2022	6,339	145,946,287	23,024	3.69%	141,621,652	22,341	-20.72%	461	13.8
2023	6,421	162,060,961	25,239	9.62%	159,498,967	24,840	11.19%	465	13.8

Source: District Records

¹ Governmental operating expenditures are total expenditures less debt service and capital outlay (to the extent capitalized for the government-wide statement of net position) and expenditures for capitalized assets included within the functional expenditures categories.

LA PORTE INDEPENDENT SCHOOL DISTRICT
TEACHER BASE SALARIES
LAST TEN FISCAL YEARS

Table 18

Fiscal Year	Minimum Salary ¹	Maximum Salary ¹	Region Average Salary ²	Statewide Average
2014	\$ 48,950	\$ 72,795	\$ 52,222	\$ 49,692
2015	50,400	74,350	54,157	50,715
2016	51,600	76,120	55,580	51,891
2017	52,600	78,842	55,992	52,525
2018	53,100	79,590	57,076	53,334
2019	54,000	81,793	54,524	54,122
2020	55,200	84,508	60,292	54,923
2021	57,200	87,608	60,798	57,091
2022	58,000	88,914	62,590	58,887
2023	60,000	91,581	64,771	60,716

Source: District Records

¹ Amounts do not include additional salary steps based on experience or academic credentials, nor fringe benefits such as pension, health insurance, disability, etc.

² Source: Texas Education Agency website

LA PORTE INDEPENDENT SCHOOL DISTRICT
ATTENDANCE DATA
LAST TEN FISCAL YEARS

Table 19

Fiscal Year	Total Enrollment	Average Daily Attendance		
		Amount	Percentage Increase (Decrease)	Percentage of Attendance
2014	7,628	7,129	-1.23%	93.46%
2015	7,648	7,127	-0.02%	93.19%
2016	7,753	7,128	0.01%	91.94%
2017	7,713	7,183	0.77%	93.13%
2018	7,588	7,210	0.38%	95.02%
2019	7,384	6,798	-5.71%	92.06%
2020	7,361	6,493	-4.49%	88.21%
2021	6,980	6,451	-0.65%	92.42%
2022	6,938	6,339	-1.74%	91.37%
2023	7,100	6,421	1.29%	90.44%

Source: Texas Education Agency Website - PEIMS (Snapshot) and Near Final Summary of Finance

Reports and Data > Financial Reports > School Funding Reports and Data > Near Final ADA Adjustments

LA PORTE INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

Table 20
Page 1 of 4

Building:	2023	2022	2021	2020	2019
<u>ELEMENTARY</u>					
Bayshore Elementary					
Square feet	111,000	111,000	111,000	111,000	111,000
Capacity	750	750	750	750	750
Enrollment	394	382	398	472	571
College Park Elementary					
Square feet	77,910	77,910	77,910	77,910	77,910
Capacity	696	696	696	696	696
Enrollment	437	438	438	486	454
Heritage Elementary					
Square feet	100,000	100,000	100,000	100,000	100,000
Capacity	750	750	750	750	750
Enrollment	572	516	490	514	468
Jennie Reid Elementary					
Square feet	72,450	72,450	72,450	72,450	72,450
Capacity	600	600	600	600	600
Enrollment	412	388	395	419	432
La Porte Elementary					
Square feet	94,064	94,064	94,064	94,064	94,064
Capacity	700	700	700	700	700
Enrollment	534	548	474	523	518
Lomax Elementary					
Square feet	101,987	101,987	101,987	101,987	101,987
Capacity	729	729	729	729	729
Enrollment	514	470	454	491	462
Rizzuto Elementary					
Square feet	85,563	85,563	85,563	85,563	85,563
Capacity	750	750	750	750	750
Enrollment	381	386	435	499	558
<u>INTERMEDIATE</u>					
Baker 6th Grade Campus					
Square feet	125,937	125,937	125,937	125,937	125,937
Capacity	925	925	925	925	925
Enrollment	516	504	541	576	590
<u>JUNIOR HIGH SCHOOLS</u>					
La Porte Junior High School					
Square feet	153,200	153,200	153,200	153,200	153,200
Capacity	725	725	725	725	725
Enrollment	527	555	515	518	510
Lomax Junior High School					
Square feet	125,645	125,645	125,645	125,645	125,645
Capacity	780	780	780	780	780
Enrollment	575	583	597	604	608

LA PORTE INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

Table 20
Page 2 of 4

Building:	2018	2017	2016	2015	2014
<u>ELEMENTARY</u>					
Bayshore Elementary					
Square feet	111,000	111,000	111,000	111,000	111,000
Capacity	750	750	750	750	750
Enrollment	579	557	537	522	530
College Park Elementary					
Square feet	77,910	77,910	77,910	75,301	75,301
Capacity	696	696	696	650	650
Enrollment	453	470	490	472	461
Heritage Elementary					
Square feet	100,000	100,000	100,000	100,000	100,000
Capacity	750	750	750	750	750
Enrollment	519	550	560	595	599
Jennie Reid Elementary					
Square feet	72,450	72,450	72,450	72,450	72,450
Capacity	600	600	600	600	600
Enrollment	456	471	462	492	486
La Porte Elementary					
Square feet	94,064	94,064	94,064	94,064	94,064
Capacity	700	700	700	700	700
Enrollment	546	554	549	494	491
Lomax Elementary					
Square feet	101,987	101,987	101,987	86,795	86,495
Capacity	729	729	729	700	700
Enrollment	487	511	542	528	519
Rizzuto Elementary					
Square feet	85,563	85,563	85,563	85,563	85,563
Capacity	750	750	750	750	750
Enrollment	592	585	591	595	588
<u>INTERMEDIATE</u>					
Baker 6th Grade Campus					
Square feet	125,937	125,937	125,937	140,060	140,060
Capacity	925	925	925	700	700
Enrollment	547	580	575	550	533
<u>JUNIOR HIGH SCHOOLS</u>					
La Porte Junior High School					
Square feet	153,200	153,200	153,200	148,044	148,044
Capacity	725	725	725	725	725
Enrollment	568	595	549	554	555
Lomax Junior High School					
Square feet	125,645	125,645	125,645	125,645	125,645
Capacity	780	780	780	780	780
Enrollment	609	597	612	605	608

LA PORTE INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

Table 20
Page 3 of 4

Building:	2023	2022	2021	2020	2019
<u>HIGH SCHOOL</u>					
La Porte High School					
Square feet	633,140	633,140	633,140	633,140	633,140
Capacity	3,100	3,100	3,100	3,100	3,100
Enrollment	2,074	1,997	1,877	1,922	2,104
<u>ALTERNATIVE SCHOOL</u>					
DeWalt Alternative School					
Square feet	37,796	37,796	37,796	37,796	37,796
Capacity	250	250	250	250	250
Enrollment	164	168	203	175	109
Total Square Footage	1,718,692	1,718,692	1,718,692	1,718,692	1,718,692
Total Capacity	10,755	10,755	10,755	10,755	10,755
Total Enrollment	7,100	6,935	6,817	7,199	7,384

Source: District records

LA PORTE INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

Table 20
Page 4 of 4

Building:	2018	2017	2016	2015	2014
<u>HIGH SCHOOL</u>					
La Porte High School					
Square feet	633,140	633,140	591,126	504,652	504,652
Capacity	3,100	3,100	2,923	2,923	2,923
Enrollment	2,083	2,176	2,218	2,162	2,190
<u>ALTERNATIVE SCHOOL</u>					
DeWalt Alternative School					
Square feet	37,796	37,796	37,796	37,796	37,796
Capacity	250	250	250	250	250
Enrollment	60	57	54	60	68
Total Square Footage	1,718,692	1,718,692	1,676,678	1,581,370	1,581,070
Total Capacity	10,755	10,755	10,578	10,278	10,278
Total Enrollment	7,499	7,703	7,739	7,629	7,628

Source: District records



LA PORTE INDEPENDENT SCHOOL DISTRICT
REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS
For the Fiscal Year Ended June 30, 2023

Schedule L-1

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 at fiscal year end?	No
SF3	Did the school district make timely payments to the Teacher Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government (If the school district was issued a warrant hold and the warrant hold was not cleared within 30 days from the date the warrant hold was issued, the school district is considered to not have made timely payments.) Payments to the TRS and TWC are considered timely if a warrant hold that was issued in connection to the untimely payment was cleared within 30 days from the date the warrant hold was issued. Payments to the IRS are considered timely if a penalty or delinquent payment notice was cleared within 30 days from the date the notice was issued.	Yes
SF4	Was the school district issued a warrant hold? Even if the issue surrounding the initial warrant hold was resolved and cleared within 30 days, the school district is considered to have been issued a warrant hold.	No
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds?	No
SF6	Was there any disclosure in the Annual Financial Report of material noncompliance for grants, contracts, and laws related to local, state, or federal funds?	No
SF7	Did the school district post the required financial information on its website in accordance with Government Code, Local Government Code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules that were in effect at the school district's 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.	\$ 10,366,870

NOTE: This schedule is to be included as part of the annual financial audit report (AFR) submission on the required due date and published as a part of the school district's AFR. This schedule should be submitted in the data feed file and submitted as an Adobe Acrobat portable document file (pdf).



FEDERAL AWARDS SECTION



**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
La Porte Independent School District
La Porte, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of La Porte Independent School District (the "District"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise District's basic financial statements, and have issued our report thereon dated November 14, 2023.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

To the Board of Trustees
La Porte Independent School District

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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Whitley Penn LLP

Houston, Texas
November 14, 2023

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND
REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL
AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Trustees
La Porte Independent School District
La Porte, Texas

Report on Compliance for Each Major Federal Program

Opinion On Each Major Program

We have audited La Porte Independent School District’s (the “District”) compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District’s major federal programs for the year ended June 30, 2023. The District’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District’s complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion On Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

To the Board of Trustees
La Porte Independent School District

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.

Whitley Penn LLP

Houston, Texas
November 14, 2023



LA PORTE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2023

I. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency (ies) identified that is not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency (ies) identified that are not considered to be material weaknesses?	None reported
Type of auditors' report issued on compliance with major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No

Identification of major programs:

Name of Federal Program or Cluster	Assistance Listing Numbers
<u>U.S. Department of Education</u>	
ESEA Title I, Part A	84.010A
COVID-19 - ARP ESSER III	84.425U
COVID-19 - ARP Homeless II (ESSER)	84.425W
COVID-19 - CRRSA - ESSER II	84.425D
COVID-19 - TCLASS-ESSER III	84.425U
Dollar Threshold Considered Between Type A and Type B Federal Programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

LA PORTE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
For the Year Ended June 30, 2023

II. Financial Statement Findings

None Reported

III. Federal Awards Findings and Questioned Costs

None reported

LA PORTE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2023

Exhibit K-1

Fund	(2A) Pass Through Entity Identifying Number	(1) Federal Grantor/ Pass-Through Grantor/ Program Title	(2) Assistance Listing Number	(3) Federal Expenditures
U.S. Department of Agriculture				
Passed Through Texas Department of Agriculture:				
240	101916	USDA Commodities (Non-cash assistance)	10.555	\$ 313,964
240	236TX400N8903	Supply Chain Assistance Fund	10.555	268,913
240	236TX332N1099	NSLP Equipment Assistance Grant	10.579	64,217
Passed Through Texas Education Agency:				
240	71402301	School Breakfast Program	10.553	728,498
240	71302301	National School Lunch Program	10.555	2,491,276
		Total Child Nutrition Cluster (ALN 10.555, 10.553)		<u>3,866,868</u>
Passed Through Texas Department of Agriculture:				
240	226TX109S9009	COVID-19 - Pandemic Electronic Benefit Transfer (P-EBT)	10.649	3,135
Total Department of Agriculture				<u>3,870,003</u>
U.S. Department of Education				
Passed Through Texas Education Agency:				
211	22610101101916	ESEA Title I, Part A	84.010A	9,093
211	23610101101916	ESEA Title I, Part A	84.010A	1,287,819
		Total ALN 84.010		<u>1,296,912</u>
224	226600011019166600	IDEA - Part B, Formula	84.027A	5,654
224	236600011019166600	IDEA - Part B, Formula	84.027A	1,383,765
225	236610011019166610	IDEA - Part B, Preschool	84.173A	36,269
226	66002306	IDEA B - Capacity Grant	84.027A	97,062
285	225360021019165360	COVID-19 - IDEA - B Preschool - ARP	84.173X	863
		Total Special Education Cluster (ALN 84.027, 84.173)		<u>1,523,613</u>
244	23420006101916	Carl D. Perkins Basic Grant	84.048A	93,966
255	22694501101916	ESEA Title II, Part A, Supporting Effective Instruction	84.367A	2,014
255	23694501101916	ESEA Title II, Part A, Supporting Effective Instruction	84.367A	279,142
		Total ALN 84.367		<u>281,156</u>
263	22671001101916	ESEA Title III, Part A, ELA	84.365A	89
263	23671001101916	ESEA Title III, Part A, ELA	84.365A	95,840
		Total ALN 84.365		<u>95,929</u>
199	69552102	LEP Summer School	84.369	2,878
199	69552202	LEP Summer School	84.369	2,958
		Total ALN 84.369		<u>5,836</u>
282	21528001101916	COVID-19 - ARP ESSER III	84.425U	3,196,396
280	21533002101916	COVID-19 - ARP Homeless II (ESSER)	84.425W	312
281	21521001101916	COVID-19 - CRRSA - ESSER II	84.425D	237,025
279	21528042101916	COVID-19 - TCLASS-ESSER III	84.425U	82,530
		Total ALN 84.425		<u>3,516,263</u>
289	23680101101916	Title IV, Part A	84.424A	80,695
Total U.S. Department of Education				<u>6,894,370</u>
U.S. Department of Health and Human Services				
Passed Through Texas Health and Human Services Commission				
199	HHS000894100002	Medicaid Administrative Claims	93.778	67,114
		Total Medicaid Cluster (ALN 93.778)		<u>67,114</u>
Total U.S. Department of Health And Human Services				<u>67,114</u>
Total Expenditures of Federal Awards				<u><u>\$ 10,831,487</u></u>

Note 1 - Summary of Significant Accounting Policies

The District accounts for all awards under federal programs in the General and Special Revenue Funds in accordance with the Texas Education Agency's *Financial Accountability System Resource Guide*. These programs are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e. revenues and other financing sources) and decreases (i.e. expenditures and other financing uses) in net current assets.

Expenditures reported on the Schedule of Expenditures of Federal Awards are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The District has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Federal grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant, and, accordingly, when such funds are received, they are recorded as unearned revenues until earned. Generally, unused balances are returned to the grantor at the close of specified project periods.

All federal grants are subject to review by the grantor agencies. Any expenditures identified by the grantor agencies as disallowed could require reimbursement to the grantor agency from the District's general fund.

Note 2 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the District under programs of the federal government for the year ended June 30, 2023. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Uniform Guidance. Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position or cash flows of the District.

Note 3 - Reconciliation to Basic Financial Statements

The following is a reconciliation of expenditures of federal awards program per Exhibit K-1 and expenditures reported on Exhibit C-3:

Total shown on Schedule of Expenditures of Federal Awards	\$ 10,831,487
Other Federal Revenue Accounted for in Governmental Funds:	
Medicaid SHARS	2,780,766
Junior ROTC	69,885
E-rate	82,923
Interest Rate Subsidy on Build America Bonds	201,065
	<u>3,134,639</u>
Total Federal Revenue - Exhibit C-3	<u>\$ 13,966,126</u>

Note 4 - General Fund Expenditures

Federal Awards reported in the general fund are summarized as follows:

Medicaid SHARS	\$ 2,780,766
E-rate	82,923
Junior ROTC	69,885
Interest Rate Subsidy on Build America Bonds	201,065
LEP Summer School	5,836
Medicaid Administrative Claims	67,114
	<u>\$ 3,207,589</u>

LA PORTE INDEPENDENT SCHOOL DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Year Ended June 30, 2023

Federal regulations, Title 2 U.S. Code of Federal Regulations Section 200.511 states, "The auditee is responsible for follow-up and corrective action on all audit findings. As part of this responsibility, the auditee must prepare a summary schedule of prior audit findings." The summary schedule of prior audit findings must report the status of the following:

- All audit findings included in the prior audit's schedule of findings and questioned costs and
- All audit findings reported in the prior audit's summary schedule of prior audit findings except audit findings listed as corrected.

I. Prior Audit Findings

None Noted

LA PORTE INDEPENDENT SCHOOL DISTRICT

CORRECTIVE ACTION PLAN

For the Year Ended June 30, 2023

Federal regulations, Title 2 U.S. Code of Federal Regulations §200.511 states, "At the completion of the audit, the auditee must prepare, in a document separate from the auditor's findings described in §200.516 Audit findings, a corrective action plan to address each audit finding included in the current year auditor's reports."

I. Corrective Action Plan

Not Applicable

