

**EANES INDEPENDENT SCHOOL DISTRICT**

**ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED  
JUNE 30, 2023**



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FOR THE YEAR ENDED JUNE 30, 2023

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## **INTRODUCTORY SECTION**

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CERTIFICATE OF BOARD


Eanes Independent School District  
Name of School District

Travis  
County

227-909  
Co.-Dist.Number

We, the undersigned, certify that the attached annual financial reports of the above-named school district were reviewed and (check one)  approved  disapproved for the year ended June 30, 2023, at a meeting of the Board of Trustees of such school district on the 17<sup>th</sup> day of October, 2023.

  
\_\_\_\_\_  
Signature of Board Secretary

  
\_\_\_\_\_  
Signature of Board President

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

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## **FINANCIAL SECTION**

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## INDEPENDENT AUDITOR'S REPORT

Board of Trustees  
Eanes Independent School District  
Austin, Texas

### Report on the Audit of the Financial Statements

#### **Opinions**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Eanes Independent School District, (the "District"), as of and for the year ended June 30, 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 present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 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 Eanes Independent School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **Emphasis of Matter – Change in Accounting Principle**

As described in the notes to the financial statements, in fiscal year 2023 the District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

#### **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 after.

### OFFICE LOCATIONS

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

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension and OPEB information be presented to supplement the basic financial statements. Such information 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 Eanes Independent School District’s basic financial statements. The combining statements, required TEA schedules and the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements, required TEA schedules and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated October 17, 2023, on our consideration of the District’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District’s internal control over financial reporting and compliance.

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

Waco, Texas  
October 17, 2023

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Eanes Independent School District's (the "District") annual financial report presents our discussion and analysis of the District's financial performance during the year ended June 30, 2023. Please read it in conjunction with the District's basic financial statements, which follow this section.

### FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the 2023 school year by \$90,846,473. Of this amount, unrestricted net position was a deficit of \$14,300,643.
- The District's net position increased by \$14,707,010 as a result of this year's operations.
- The General Fund ended the year with a total fund balance of \$30,298,438, an increase of \$3,575,861 over the prior year primarily due to increases in property tax revenues from greater assessed values within the District.
- At the end of the current fiscal year, the General Fund ended with an unassigned fund balance of \$28,135,943, which is the amount available to fund the District's ongoing operations. This amount represents 14% or 1.8 months of total General Fund expenditures. Excluding recapture, this amount represents 33% or 4 months of total General Fund expenditures.

### USING THIS ANNUAL REPORT

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

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

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

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

### Reporting the District as a Whole

#### ***The Statement of Net Position and the Statement of Activities***

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

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

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

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

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

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

## **Reporting the District's Most Significant Funds**

### ***Fund Financial Statements***

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

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

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

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

## The District as Trustee

### Reporting the District's Fiduciary Responsibilities

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

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

Net position of the District's governmental activities increased from \$73,179,624 to \$87,314,805. Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements - was a deficit of \$17,135,536 at June 30, 2023. The increase in governmental net position was a result of increased property tax revenue. More information is presented in the paragraph following Table II on the next page.

TABLE I

#### EANES INDEPENDENT SCHOOL DISTRICT

#### NET POSITION

	Governmental Activities		Business-type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 203,080,940	\$ 203,189,907	\$ 3,813,597	\$ 4,690,290	\$ 206,894,537	\$ 207,880,197
Capital assets	190,426,036	190,779,600	696,775	639,156	191,122,811	191,418,756
Total assets	393,506,976	393,969,507	4,510,372	5,329,446	398,017,348	399,298,953
Deferred outflows of resources	15,591,482	12,657,379	-	-	15,591,482	12,657,379
Long-term liabilities	158,034,262	179,331,892	-	-	158,034,262	179,331,892
Other liabilities	137,036,245	123,543,577	978,704	934,897	138,014,949	124,478,474
Total liabilities	295,070,507	302,875,469	978,704	934,897	296,049,211	303,810,366
Deferred inflows of resources	26,713,146	30,571,793	-	1,434,710	26,713,146	32,006,503
Net position:						
Net investment in capital assets	87,090,944	74,309,053	696,775	639,156	87,787,719	74,948,209
Restricted	17,359,397	21,120,747	-	-	17,359,397	21,120,747
Unrestricted	(17,135,536)	(22,250,176)	2,834,893	2,320,683	(14,300,643)	(19,929,493)
Total net position	\$ 87,314,805	\$ 73,179,624	\$ 3,531,668	\$ 2,959,839	\$ 90,846,473	\$ 76,139,463

**TABLE II**  
**EANES INDEPENDENT SCHOOL DISTRICT**

**CHANGES IN NET POSITION**

	Governmental Activities		Business-type Activities		Totals	
	2023	2022	2023	2022	2023	2022
<b>REVENUES</b>						
Program revenues:						
Charges for services	\$ 3,316,566	\$ 3,687,764	\$ 9,142,979	\$ 7,535,394	\$ 12,459,545	\$ 11,223,158
Operating grants and contributions	12,215,089	6,447,061	919,506	2,711,560	13,134,595	9,158,621
General revenues:						
Maintenance and operations taxes	187,771,203	170,826,565	-	-	187,771,203	170,826,565
Debt service taxes	25,480,155	21,797,938	-	-	25,480,155	21,797,938
Grants and contributions not restricted	4,746,561	3,974,981	-	-	4,746,561	3,974,981
Investment earnings	5,943,646	526,908	-	-	5,943,646	526,908
Miscellaneous	845,324	1,358,963	-	-	845,324	1,358,963
Total revenues	<u>240,318,544</u>	<u>208,620,180</u>	<u>10,062,485</u>	<u>10,246,954</u>	<u>250,381,029</u>	<u>218,867,134</u>
<b>EXPENSES</b>						
Governmental activities:						
Instruction	63,338,827	57,746,130	-	-	63,338,827	57,746,130
Instructional resources and media services	1,442,077	1,334,320	-	-	1,442,077	1,334,320
Curriculum and instructional staff development	2,360,354	1,960,822	-	-	2,360,354	1,960,822
Instructional leadership	1,556,256	1,475,828	-	-	1,556,256	1,475,828
School leadership	4,490,784	3,940,995	-	-	4,490,784	3,940,995
Guidance, counseling and evaluation services	3,794,016	3,175,672	-	-	3,794,016	3,175,672
Social work services	139,976	69,393	-	-	139,976	69,393
Health services	786,783	747,275	-	-	786,783	747,275
Student (pupil) transportation	2,284,909	2,146,566	-	-	2,284,909	2,146,566
Food services	536,775	281,536	-	-	536,775	281,536
Extracurricular activities	4,408,019	4,009,878	-	-	4,408,019	4,009,878
General administration	3,837,718	4,067,900	-	-	3,837,718	4,067,900
Plant maintenance and operations	10,102,731	9,164,884	-	-	10,102,731	9,164,884
Security and monitoring services	794,516	645,218	-	-	794,516	645,218
Data processing services	2,671,185	2,294,707	-	-	2,671,185	2,294,707
Community services	183,397	47,581	-	-	183,397	47,581
Debt service - interest on long-term debt	3,847,445	5,754,307	-	-	3,847,445	5,754,307
Debt service - bond issuance cost and fees	36,705	16,324	-	-	36,705	16,324
Contracted instruction services						
between schools	119,629,328	105,388,313	-	-	119,629,328	105,388,313
Other intergovernmental charges	873,064	743,976	-	-	873,064	743,976
Business-type activities:						
Food services	-	-	5,297,093	4,494,840	5,297,093	4,494,840
Community services	-	-	3,262,061	2,857,854	3,262,061	2,857,854
Total expenses	<u>227,114,865</u>	<u>205,011,625</u>	<u>8,559,154</u>	<u>7,352,694</u>	<u>235,674,019</u>	<u>212,364,319</u>
<b>EXCESS (DEFICIENCY) BEFORE TRANSFERS</b>	13,203,679	3,608,555	1,503,331	2,894,260	14,707,010	6,502,815
<b>TRANSFERS IN (OUT)</b>	931,502	1,930,831	(931,502)	(1,930,831)	-	-
<b>INCREASE (DECREASE) IN NET POSITION</b>	14,135,181	5,539,386	571,829	963,429	14,707,010	6,502,815
<b>NET POSITION, BEGINNING</b>	73,179,624	67,640,238	2,959,839	1,996,410	76,139,463	69,636,648
<b>NET POSITION, ENDING</b>	<u>\$ 87,314,805</u>	<u>\$ 73,179,624</u>	<u>\$ 3,531,668</u>	<u>\$ 2,959,839</u>	<u>\$ 90,846,473</u>	<u>\$ 76,139,463</u>

**THE DISTRICT'S FUNDS**

As the District completed this annual period, its General Fund reported a fund balance of \$30,298,438, which is \$3,575,861 more than last years' total of \$26,722,577. The increase in fund balance is mainly attributable to increasing student enrollment, and therefore, increased average daily attendance revenues, along with increased property tax revenues due to higher appraised values.

The District's Debt Service Fund reported a fund balance of \$19,992,318 which is \$3,982,319 less than last year's total of \$23,974,637. The Debt Service fund balance was lower at June 30, 2023, as compared to the prior year end, due to a defeasance of approximately \$9 million of general obligation bonds using existing fund balance. The purpose of the Debt Service fund is to provide for the payment of bond principal and interest payments as it becomes due.

The District's other governmental funds reported combined ending fund balances of \$17,225,105. This combined balance is \$13,643,651 less than the previous year. The primary reason for this change in the combined fund balance was due to increased spending in the nonmajor capital projects funds.

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

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of June 2023, the District had \$191,122,811 (net of accumulated depreciation) invested in a broad range of capital assets, including facilities and equipment for instruction, transportation, athletics, administration, and maintenance.

Significant changes in capital assets for the year are primarily related to the purchase of a building for central administration staff, furniture upgrades in classrooms, and technology updates.

**TABLE III**

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

	Governmental Activities		Change
	2023	2022	
Land	\$ 21,215,260	\$ 21,215,260	\$ -
Construction in progress	19,189,841	17,963,262	1,226,579
Buildings	303,735,058	294,377,029	9,358,029
Furniture and equipment	50,712,248	47,905,276	2,806,972
SBITA	491,537	345,860	145,677
Total	395,343,944	381,806,687	13,537,257
Less: accumulated depreciation	(204,917,908)	(190,829,378)	(14,088,530)
Capital assets, net of depreciation	\$ 190,426,036	\$ 190,977,309	\$ (551,273)

	Business Activities		Change
	2023	2022	
Land	\$ 9,625	\$ 9,625	\$ -
Buildings	192,015	174,927	17,088
Furniture and equipment	2,043,603	1,893,926	149,677
Total	2,245,243	2,078,478	166,765
Less: accumulated depreciation	(1,548,468)	(1,328,704)	(219,764)
Capital assets, net of depreciation	\$ 696,775	\$ 749,774	\$ (52,999)

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

**Debt**

At year-end, the District had \$120,215,191 in bonds and other long-term debt outstanding versus \$146,909,187 last year. The decrease is primarily attributable to the District’s regular principal payments and a partial defeasance on existing bonds, combined with decreases in bond premiums.

A summary of the ending balances of long-term debt by type for both 2023 and 2022 is as follows:

**TABLE IV**

**EANES INDEPENDENT SCHOOL DISTRICT  
OUTSTANDING DEBT**

	Governmental Activities		Change
	2023	2022	
General obligation bonds	\$ 105,285,000	\$ 130,590,000	\$ (25,305,000)
Premium on bonds	13,993,679	15,273,756	(1,280,077)
SBITA liability	195,510	215,595	(20,085)
Compensated absences	741,002	829,836	(88,834)
Total	\$ 120,215,191	\$ 146,909,187	\$ (26,693,996)

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

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The District is located in one of the fastest growing regions of the state. Although continued growth is expected for years to come as the area is adjacent to Austin and major national employers and educational institutions, the district anticipates only a slight increase in enrollment and average daily attendance for 2024 because it is landlocked. Assessed property values are expected to grow in the future as the area is diverse in its economic offerings.

The District's elected and appointed officials considered many factors when setting the fiscal year 2023 budget and tax rates. Those factors include property values, changes in enrollment, the economy, projections of future budget years, and legislative mandates. The District has adopted a General Fund budget for the 2024 fiscal year of \$217.9 million which includes \$126.1 million for recapture. Excluding the budgeted increase in recapture of \$4.4 million, this reflects an approximate increase of \$3.7 million in budgeted expenditures from fiscal year 2023 to fiscal year 2024.

The 86th Legislative Session brought significant changes to the Texas school finance system including some increased funding and significant property tax rate compression. As a result of the session, the District adopted an operating tax rate of \$0.768 and a debt service tax rate of \$0.1200 for the 2024 fiscal year. This results in a reduction in the tax rate of 11.66 cents per \$100 valuation.

### **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

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

## **BASIC FINANCIAL STATEMENTS**

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**EANES INDEPENDENT SCHOOL DISTRICT**

**EXHIBIT A-1**

STATEMENT OF NET POSITION

JUNE 30, 2023

Data Control Codes	Governmental Activities	Business-type Activities	Total	
<b>ASSETS</b>				
1110	Cash and cash equivalents	\$ 196,704,509	\$ 3,827,521	\$ 200,532,030
1220	Property taxes receivables	4,115,023	-	4,115,023
1230	Allowance for uncollectible taxes (credit)	(2,080,350)	-	(2,080,350)
1240	Due from other governments	3,758,946	-	3,758,946
1260	Internal balances	163,181	(163,181)	-
1267	Due from fiduciary funds	3,239	-	3,239
1290	Other receivables (net)	8,899	108,887	117,786
1300	Inventories	89,502	28,772	118,274
1410	Prepaid items	317,991	11,598	329,589
	Capital assets:			
1510	Land	21,215,260	9,625	21,224,885
1520	Buildings and improvements, net	139,125,699	148,681	139,274,380
1530	Furniture and equipment, net	10,693,208	538,469	11,231,677
1550	SBITA, net	202,028	-	202,028
1580	Construction in progress	19,189,841	-	19,189,841
1000	Total assets	<u>393,506,976</u>	<u>4,510,372</u>	<u>398,017,348</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
1701	Deferred loss on bond refunding	1,357,957	-	1,357,957
1705	Deferred outflows related to pensions	9,720,452	-	9,720,452
1706	Deferred outflows related to OPEB	4,513,073	-	4,513,073
1700	Total deferred outflows of resources	<u>15,591,482</u>	<u>-</u>	<u>15,591,482</u>
<b>LIABILITIES</b>				
2110	Accounts payable	1,554,764	61,727	1,616,491
2140	Interest payable	3,993,697	-	3,993,697
2150	Payroll deductions & withholding payable	1,625,378	54,861	1,680,239
2160	Accrued wages	7,263,977	474,745	7,738,722
2180	Due to other governments	119,849,690	-	119,849,690
2300	Unearned revenue	2,748,739	387,371	3,136,110
	Noncurrent liabilities:			
	Due within one year:			
2501	Long-term debt	12,664,102	-	12,664,102
	Due in more than one year:			
2502	Long-term debt	107,551,089	-	107,551,089
2540	Net pension liability	23,887,198	-	23,887,198
2545	Net OPEB liability	13,931,873	-	13,931,873
2000	Total liabilities	<u>295,070,507</u>	<u>978,704</u>	<u>296,049,211</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
2605	Deferred inflows related to pensions	3,049,699	-	3,049,699
2606	Deferred inflows related to OPEB	23,663,447	-	23,663,447
2600	Total deferred inflows of resources	<u>26,713,146</u>	<u>-</u>	<u>26,713,146</u>
<b>NET POSITION</b>				
3200	Net investment in capital assets	87,090,944	696,775	87,787,719
	Restricted for:			
3820	Federal and state programs	191,270	-	191,270
3850	Debt service	16,239,016	-	16,239,016
3890	Other restrictions	929,111	-	929,111
3900	Unrestricted	(17,135,536)	2,834,893	(14,300,643)
3000	Total net position	<u>\$ 87,314,805</u>	<u>\$ 3,531,668</u>	<u>\$ 90,846,473</u>

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

**EANES INDEPENDENT SCHOOL DISTRICT**

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2023

Data Control Codes	Functions/Programs	1 Expenses	Program Revenues	
			3 Charges for Services	4 Operating Grants and Contributions
<b>Primary government:</b>				
Governmental activities:				
11	Instruction	\$ 63,338,827	\$ 731,580	\$ 7,980,383
12	Instructional resources and media services	1,442,077	-	25,256
13	Curriculum and staff development	2,360,354	-	835,658
21	Instructional leadership	1,556,256	-	129,914
23	School leadership	4,490,784	-	113,734
31	Guidance, counseling, and evaluation services	3,794,016	-	1,088,255
32	Social work services	139,976	-	68,665
33	Health services	786,783	-	26,865
34	Student transportation	2,284,909	-	181,115
35	Food service	536,775	-	750,932
36	Extracurricular activities	4,408,019	2,403,977	64,869
41	General administration	3,837,718	-	96,938
51	Facilities maintenance and operations	10,102,731	181,009	436,829
52	Security and monitoring services	794,516	-	24,349
53	Data processing services	2,671,185	-	81,218
61	Community services	183,397	-	142,257
72	Interest on long-term debt	3,847,445	-	167,852
73	Bond issuance costs and fees	36,705	-	-
95	Contracted instruction services between schools	119,629,328	-	-
99	Other governmental changes	873,064	-	-
TG	Total governmental activities	<u>227,114,865</u>	<u>3,316,566</u>	<u>12,215,089</u>
Business-type activities:				
05	Food service	5,297,093	4,628,131	365,881
02	Community service	<u>3,262,061</u>	<u>4,514,848</u>	<u>553,625</u>
TB	Total business-type activities	<u>8,559,154</u>	<u>9,142,979</u>	<u>919,506</u>
TP	Total primary government	<u>\$ 235,674,019</u>	<u>\$ 12,459,545</u>	<u>\$ 13,134,595</u>
General revenues:				
Taxes:				
MT	Property taxes, levied for general purposes			
DT	Property taxes, levied for debt service			
GC	Grants and contributions not restricted			
IE	Investment earnings			
MI	Miscellaneous			
FR	Transfers in (out)			
TR	Total general revenues			
CN	Change in net position			
NB	Net position, beginning			
NE	Net position, ending			

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

Net (Expenses) Revenue and Changes in Net Position		
6	7	8
Governmental Activities	Business-type Activities	Total
\$ (54,626,864)	\$ -	\$ (54,626,864)
(1,416,821)	-	(1,416,821)
(1,524,696)	-	(1,524,696)
(1,426,342)	-	(1,426,342)
(4,377,050)	-	(4,377,050)
(2,705,761)	-	(2,705,761)
(71,311)	-	(71,311)
(759,918)	-	(759,918)
(2,103,794)	-	(2,103,794)
214,157	-	214,157
(1,939,173)	-	(1,939,173)
(3,740,780)	-	(3,740,780)
(9,484,893)	-	(9,484,893)
(770,167)	-	(770,167)
(2,589,967)	-	(2,589,967)
(41,140)	-	(41,140)
(3,679,593)	-	(3,679,593)
(36,705)	-	(36,705)
(119,629,328)	-	(119,629,328)
(873,064)	-	(873,064)
<u>(211,583,210)</u>	<u>-</u>	<u>(211,583,210)</u>
-	(303,081)	(303,081)
<u>-</u>	<u>1,806,412</u>	<u>1,806,412</u>
<u>-</u>	<u>1,503,331</u>	<u>1,503,331</u>
\$ <u>(211,583,210)</u>	\$ <u>1,503,331</u>	\$ <u>(210,079,879)</u>
187,771,203	-	187,771,203
25,480,155	-	25,480,155
4,746,561	-	4,746,561
5,943,646	-	5,943,646
845,324	-	845,324
931,502	(931,502)	-
<u>225,718,391</u>	<u>(931,502)</u>	<u>224,786,889</u>
14,135,181	571,829	14,707,010
<u>73,179,624</u>	<u>2,959,839</u>	<u>76,139,463</u>
\$ <u>87,314,805</u>	\$ <u>3,531,668</u>	\$ <u>90,846,473</u>

**EANES INDEPENDENT SCHOOL DISTRICT**

BALANCE SHEET  
GOVERNMENTAL FUNDS

JUNE 30, 2023

Data Control Codes		10	50
		<u>General</u>	<u>Debt Service</u>
<b>ASSETS</b>			
1110	Cash and cash equivalents	\$ 157,933,426	\$ 19,903,453
1220	Taxes receivable	3,622,463	492,560
1230	Allowance for uncollectible taxes	(1,828,185)	(252,165)
1240	Due from other governments	1,456,354	-
1260	Due from other funds	2,308,764	118,819
1267	Due from trust and custodial funds	3,239	-
1290	Other receivables	8,899	-
1300	Inventories	89,502	-
1410	Prepaid items	155,500	-
1000	Total assets	<u>163,749,962</u>	<u>20,262,667</u>
<b>LIABILITIES</b>			
2110	Accounts payable	403,268	1,500
2150	Payroll Deductions and Withholdings	1,500,226	-
2160	Accrued wages	7,092,027	-
2170	Due to other funds	118,819	-
2180	Due to other governments	119,823,009	-
2300	Unearned revenue	2,719,897	28,454
2000	Total liabilities	<u>131,657,246</u>	<u>29,954</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
2600	Unavailable revenue - property taxes	1,794,278	240,395
	Total deferred inflows of resources	<u>1,794,278</u>	<u>240,395</u>
<b>FUND BALANCES</b>			
Nonspendable:			
3410	Inventories	89,502	-
3430	Prepaid items	155,500	-
Restricted for:			
3450	Federal and state programs	-	-
3470	Capital acquisition and contractual obligations	-	-
3480	Debt service	-	19,992,318
3490	Other restrictions - local grants	-	-
3545	Committed for campus activity	-	-
Assigned for:			
3590	Subsequent year's budget	1,917,493	-
3600	Unassigned	28,135,943	-
3000	Total fund balances	<u>30,298,438</u>	<u>19,992,318</u>
4000	Total liabilities, deferred inflows of resources and fund balances	<u>\$ 163,749,962</u>	<u>\$ 20,262,667</u>

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

Other Governmental	98 Total Governmental Funds
\$ 18,379,772	\$ 196,216,651
-	4,115,023
-	(2,080,350)
2,302,592	3,758,946
10,193	2,437,776
-	3,239
-	8,899
-	89,502
<u>162,491</u>	<u>317,991</u>
<u>20,855,048</u>	<u>204,867,677</u>
1,149,996	1,554,764
125,152	1,625,378
171,950	7,263,977
2,155,776	2,274,595
26,681	119,849,690
<u>388</u>	<u>2,748,739</u>
<u>3,629,943</u>	<u>135,317,143</u>
-	<u>2,034,673</u>
<u>-</u>	<u>2,034,673</u>
-	89,502
-	155,500
191,270	191,270
14,781,140	14,781,140
-	19,992,318
929,111	929,111
1,539,759	1,539,759
-	1,917,493
<u>(216,175)</u>	<u>27,919,768</u>
<u>17,225,105</u>	<u>67,515,861</u>
<u>\$ 20,855,048</u>	<u>\$ 204,867,677</u>

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**EANES INDEPENDENT SCHOOL DISTRICT**

**EXHIBIT C-2**

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

JUNE 30, 2023

Total fund balances - governmental funds	\$ 67,515,861
Amounts reported for for governmental activities in the statement of net position are different because:	
1 Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	190,426,036
2 Some receivables are reported as deferred inflows of resources in the governmental funds balance sheet, but are recognized as a revenue in the statement of activities.	
Property taxes	2,034,673
3 Net position of the internal service fund is shown as part of the proprietary funds, but is reported as part of governmental activities on the statement of net position.	487,858
4 Long-term liabilities, including bonds, SBITA's, and compensated absences are not due and payable in the current period and therefore are not reported in the funds. Also, the losses on refunding of bonds and the premium on issuance of bonds payable are not reported on the balance sheet in the	
General and certificates of obligation	(105,285,000)
Unamortized premium	(13,993,679)
Deferred loss on refunding	1,357,957
SBITA payable	(195,510)
Compensated absences	(741,002)
5 Interest payable is not due and payable in the current period and, therefore, is not reported as a liability in the governmental funds.	(3,993,697)
6 Included in the items related to debt is the recognition of the District's proportionate share of the net pension liability required by GASB 68. The net position related to pensions included a deferred resource outflow in the amount of \$9,720,452, a deferred resource inflow in the amount of \$3,049,699, and a net pension liability in the amount of \$23,887,198. This resulted in a decrease in net position.	(17,216,445)
7 Included in the items related to debt is the recognition of the District's proportionate share of the net other post-employment benefit (OPEB) liability required by GASB 75. The net position related to the OPEB included a deferred resource outflow in the amount of \$4,513,073, a deferred resource inflow in the amount of \$23,663,447, and a net OPEB liability in the amount of \$13,931,873. This resulted in a decrease in net position.	<u>(33,082,247)</u>
Net position of governmental activities	<u>\$ 87,314,805</u>

**EANES INDEPENDENT SCHOOL DISTRICT**

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

FOR THE YEAR ENDED JUNE 30, 2023

Data Control Codes		10	50
		General	Debt Service
<b>REVENUES</b>			
5700	Local and intermediate sources	\$ 196,836,193	\$ 25,888,086
5800	State programs	9,710,678	167,852
5900	Federal programs	<u>858,635</u>	<u>-</u>
5020	Total revenues	<u>207,405,506</u>	<u>26,055,938</u>
<b>EXPENDITURES</b>			
Current:			
0011	Instruction	49,524,996	-
0012	Instructional resources and media services	902,936	-
0013	Curriculum and staff development	1,731,368	-
0021	Instructional leadership	1,599,465	-
0023	School leadership	4,425,251	-
0031	Guidance, counseling, and evaluation services	2,444,722	-
0032	Social work services	80,550	-
0033	Health services	783,763	-
0034	Student transportation	2,274,280	-
0035	Food service	290,896	-
0036	Extracurricular activities	3,392,688	-
0041	General administration	3,805,382	-
0051	Facilities maintenance and operations	9,529,320	-
0052	Security and monitoring services	725,058	-
0053	Data processing services	1,978,101	-
0061	Community Services	319,076	-
Debt service:			
0071	Principal on long-term debt	151,994	16,260,000
0072	Interest on long-term debt	3,365	4,678,142
0073	Bond issuance costs and fees	-	28,105
0081	Capital outlay	148,027	-
Intergovernmental:			
0091	Contracted instructional services between schools	119,629,328	-
0099	Other intergovernmental charges	<u>873,064</u>	<u>-</u>
6030	Total expenditures	<u>204,613,630</u>	<u>20,966,247</u>
1100	<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>2,791,876</u>	<u>5,089,691</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
7913	Issuance of SBITA	145,677	-
7915	Transfers in	931,502	-
8911	Transfers out (uses)	(293,194)	-
8949	Payment to escrow agent	<u>-</u>	<u>(9,072,010)</u>
7080	Total other financing sources (uses)	<u>783,985</u>	<u>(9,072,010)</u>
1200	<b>NET CHANGE IN FUND BALANCES</b>	3,575,861	(3,982,319)
0100	<b>FUND BALANCES, BEGINNING</b>	<u>26,722,577</u>	<u>23,974,637</u>
3000	<b>FUND BALANCES, ENDING</b>	<u>\$ 30,298,438</u>	<u>\$ 19,992,318</u>

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



Other Governmental	98 Total Governmental Funds
\$ 3,913,470	\$ 226,637,749
343,786	10,222,316
<u>4,959,725</u>	<u>5,818,360</u>
<u>9,216,981</u>	<u>242,678,425</u>
6,273,748	55,798,744
64,775	967,711
767,639	2,499,007
-	1,599,465
85,132	4,510,383
1,491,390	3,936,112
70,962	151,512
1,977	785,740
515,098	2,789,378
287,370	578,266
1,278,028	4,670,716
138,450	3,943,832
578,317	10,107,637
184,164	909,222
1,336,968	3,315,069
2,878	321,954
13,767	16,425,761
261	4,681,768
-	28,105
10,062,902	10,210,929
-	119,629,328
-	873,064
<u>23,153,826</u>	<u>248,733,703</u>
<u>(13,936,845)</u>	<u>(6,055,278)</u>
-	145,677
4,178,205	5,109,707
(3,885,011)	(4,178,205)
-	(9,072,010)
<u>293,194</u>	<u>(7,994,831)</u>
(13,643,651)	(14,050,109)
<u>30,868,756</u>	<u>81,565,970</u>
<u>\$ 17,225,105</u>	<u>\$ 67,515,861</u>

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

**FOR THE YEAR ENDED JUNE 30, 2023**

Net change in fund balances - total governmental funds \$ (14,050,109)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Additions to capital assets	13,851,159
Deletions to capital assets	7,243
Depreciation on capital assets	(14,402,432)

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

Property taxes	513,487
----------------	---------

The District uses an internal service fund to charge the cost of technology insurance to the appropriate functions in other funds. The net income of the internal service fund is reported as a part of governmental activities which increases net position.

77,617

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Principal repayment	25,464,043
Issuance of SBITA	(145,677)
Net change to compensated absences	88,834

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

Amortization of premium and deferred loss on refunding of bonds payable	1,002,081
Accrued interest payable	(142,630)

GASB 68 Required that certain plan expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of the plan caused the change in ending net position to increase by \$1,949,816. Contributions made before the measurement date and during the previous fiscal year were expended and recorded as a reduction in net pension liability. This caused a decrease in net position totaling \$1,536,156. Finally, the proportionate share of pension expense on the plans as a whole had to be recorded. The net pension expense decreased the change in net position by \$987,109. The net result is a decrease in the change in net position.

(573,449)

GASB 75 Required that certain plan expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of the plan caused the change in ending net position to increase by \$455,783. Contributions made before the measurement date and during the previous fiscal year were expended and recorded as a reduction in net OPEB liability. This caused a decrease in net position totaling \$392,083. Finally, the proportionate share of OPEB expense on the plans as a whole had to be recorded. The net OPEB expense increased the change in net position by \$2,381,314. The net result is an increase in the change in net position.

2,445,014

**Change in net position of governmental activities**

\$ 14,135,181

STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS

JUNE 30, 2023

	Business-Type Activities <u>Nonmajor Enterprise Funds</u>	Governmental Activities <u>Internal Service Fund</u>	Total Proprietary Funds
<b>ASSETS</b>			
Current assets:			
Cash and temporary investments	\$ 3,827,521	\$ 487,858	\$ 4,315,379
Other receivables	108,887	-	108,887
Inventory	28,772	-	28,772
Prepaid items	11,598	-	11,598
Total current assets	<u>3,976,778</u>	<u>487,858</u>	<u>4,464,636</u>
Noncurrent assets:			
Capital assets:			
Land	9,625	-	9,625
Buildings and improvements, net	148,681	-	148,681
Furniture and equipment, net	538,469	-	538,469
Total noncurrent assets	<u>696,775</u>	<u>-</u>	<u>696,775</u>
Total assets	<u>4,673,553</u>	<u>487,858</u>	<u>5,161,411</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	61,727	-	61,727
Payroll deductions and withholdings payable	54,861	-	54,861
Accrued wages payable	474,745	-	474,745
Due to other funds	163,181	-	163,181
Unearned revenue	387,371	-	387,371
Total liabilities	<u>1,141,885</u>	<u>-</u>	<u>1,141,885</u>
<b>NET POSITION</b>			
Net investment in capital assets	696,775	-	696,775
Unrestricted	2,834,893	487,858	3,322,751
Total net position	<u>\$ 3,531,668</u>	<u>\$ 487,858</u>	<u>\$ 4,019,526</u>

**EANES INDEPENDENT SCHOOL DISTRICT**

**EXHIBIT D-2**

STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2023

	Business-Type Activities <u>Nonmajor Enterprise Funds</u>	Governmental Activities <u>Internal Service Fund</u>	Total Proprietary Funds
<b>OPERATING REVENUES:</b>			
Local and intermediate sources	\$ 9,142,979	\$ 77,617	\$ 9,220,596
Total revenues	<u>9,142,979</u>	<u>77,617</u>	<u>9,220,596</u>
<b>OPERATING EXPENSES</b>			
Supplies and materials	2,900,972	-	2,900,972
Administrative costs:			
Payroll costs	4,929,142	-	4,929,142
Professional and contracted services	487,757	-	487,757
Other operating costs	132,137	-	132,137
Depreciation	109,146	-	109,146
Total expenses	<u>8,559,154</u>	<u>-</u>	<u>8,559,154</u>
<b>OPERATING INCOME (LOSS)</b>	<u>583,825</u>	<u>77,617</u>	<u>661,442</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
State programs	6,652	-	6,652
Federal programs	912,854	-	912,854
Transfer out	(931,502)	-	(931,502)
Total nonoperating revenues (expenses)	<u>(11,996)</u>	<u>-</u>	<u>(11,996)</u>
<b>CHANGE IN NET POSITION</b>	<u>571,829</u>	<u>77,617</u>	<u>649,446</u>
<b>NET POSITION, BEGINNING</b>	<u>2,959,839</u>	<u>410,241</u>	<u>3,370,080</u>
<b>NET POSITION, ENDING</b>	<u>\$ 3,531,668</u>	<u>\$ 487,858</u>	<u>\$ 4,019,526</u>

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

**EANES INDEPENDENT SCHOOL DISTRICT**

**EXHIBIT D-3**

COMBINING STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2023

	<u>Business-Type Activities Nonmajor Enterprise Funds</u>	<u>Governmental Activities Internal Service Fund</u>	<u>Total Proprietary Funds</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from user charges	\$ 9,229,556	\$ 77,617	\$ 9,307,173
Cash payments to employees for services	(4,923,956)	-	(4,923,956)
Cash payments to suppliers for goods and services	<u>(3,502,234)</u>	<u>-</u>	<u>(3,502,234)</u>
Net cash provided by operating activities	<u>803,366</u>	<u>77,617</u>	<u>880,983</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>			
Cash paid to other funds	(768,346)	-	(768,346)
State programs	6,652	-	6,652
Federal Programs	<u>807,239</u>	<u>-</u>	<u>807,239</u>
Net cash provided by non-capital financing activities	<u>45,545</u>	<u>-</u>	<u>45,545</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition and construction of capital assets	<u>(166,765)</u>	<u>-</u>	<u>(166,765)</u>
Net cash (used) by capital and related financing activities	<u>(166,765)</u>	<u>-</u>	<u>(166,765)</u>
<b>NET INCREASE IN CASH AND EQUIVALENTS</b>	<u>682,146</u>	<u>77,617</u>	<u>759,763</u>
<b>CASH AND CASH EQUIVALENTS, BEGINNING</b>	<u>3,145,375</u>	<u>410,241</u>	<u>3,555,616</u>
<b>CASH AND CASH EQUIVALENTS, ENDING</b>	<u>3,827,521</u>	<u>487,858</u>	<u>4,315,379</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Net operating income (loss)	583,825	77,617	661,442
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	109,146	-	109,146
(Increase) decrease in other receivables	1,395,604	-	1,395,604
(Increase) decrease in inventory	106,140	-	106,140
(Increase) decrease in prepaid items	(446)	-	(446)
Increase (decrease) in accounts payable	19,078	-	19,078
Increase (decrease) in payroll deductions and withholdings payable	(4,848)	-	(4,848)
Increase (decrease) in accrued wages payable	49,140	-	49,140
Increase (decrease) in unearned revenue	<u>(1,454,273)</u>	<u>-</u>	<u>(1,454,273)</u>
Net cash provided (used) by operating activities	<u>\$ 803,366</u>	<u>\$ 77,617</u>	<u>\$ 880,983</u>

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

JUNE 30, 2023

	<u>Private Purpose Trust</u>	<u>Custodial Funds</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 65,856	\$ 259,245
Other receivables	-	5,901
Total assets	<u>65,856</u>	<u>265,146</u>
<b>LIABILITIES</b>		
Due to other funds	1,750	1,489
Due to other governments	-	3,572
Total liabilities	<u>1,750</u>	<u>5,061</u>
<b>NET POSITION</b>		
Held in trust for private purposes	64,106	-
Restricted for student groups	-	260,085
Total net position	<u>\$ 64,106</u>	<u>\$ 260,085</u>

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

FOR THE YEAR ENDED JUNE 30, 2023

	<u>Private Purpose Trust</u>	<u>Custodial Funds</u>
<b>ADDITIONS</b>		
Investment income	\$ 7,320	\$ -
Enterprising services	<u>-</u>	<u>12,546</u>
Total additions	<u>7,320</u>	<u>12,546</u>
<b>DEDUCTIONS</b>		
Scholarships provided	6,550	-
Other expenses	<u>-</u>	<u>10,753</u>
Total deductions	<u>6,550</u>	<u>10,753</u>
<b>CHANGE IN NET POSITION</b>	770	1,793
<b>NET POSITION, BEGINNING</b>	<u>63,336</u>	<u>258,292</u>
<b>NET POSITION, ENDING</b>	<u>\$ 64,106</u>	<u>\$ 260,085</u>



# EANES INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

### **I. Summary of Significant Accounting Policies**

#### **A. Reporting Entity**

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

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

#### **B. Government-wide and Fund Financial Statements**

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

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

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

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

The District reports the following major governmental funds:

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

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

Other governmental funds include:

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

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

In addition, the District reports the following proprietary funds:

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

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

The District reports the following fiduciary funds:

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

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

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

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

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

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

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

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

##### **Cash and Cash Equivalents**

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

##### **Property Taxes**

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

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

##### **Inventories and Prepaid Items**

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

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

## Capital Assets

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

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

Assets	Years
Buildings and improvements	10-50
Furniture and equipment	3-15
SBITA asset	5-10

## Deferred Outflows and Inflows of Resources

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

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

## Interfund Activity

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

## **Unearned Revenue**

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

## **Compensated Absences**

The State of Texas (the "State") has created a minimum sick leave program consisting of five days of sick leave per year with no limit on accumulation and transferability among districts for every person regularly employed in Texas public schools. Each district's local Board is required to establish a sick leave plan. Local school districts may provide additional sick leave beyond the state minimum. The District's policy is to reimburse teachers, upon resignation, who have been employed in the District for ten or more years for the number of unused local sick days equal to the number of remaining State days credited to the teacher since entering the District. Reimbursement is made at the daily rate of pay for a full-time substitute. The District's liability for accrued compensated absences as of June 30, 2023 was \$741,002 and is included in the government-wide financial statements. A liability is reported in governmental funds only if they matured, for example, as a result of employee resignations and retirements. Compensated absences are generally liquidated by the General Fund.

## **Long-term Obligations**

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

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

## **Subscription-Based Information Technology Arrangements**

The District is a lessee for subscription-based IT arrangements (SBITAs). The District recognizes liability and an intangible right-to-use asset in the government-wide financial statements.

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

Key estimates and judgments related to SBITAs include how the District determines (1) the discount rate it uses to discount the expected payments to present value, (2) agreement term, and (3) agreed upon 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.
- The agreement term includes the noncancellable period of the SBITA.
- The agreed upon payments included in the measurement of the 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 asset and liability if certain changes occur that are expected to significantly affect the amount of the liability. These right to use assets are reported with other capital assets and liabilities are reported with long- term debt on the statement of net position.

### **Pensions**

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

### **Other Post-Employment Benefits**

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

### **Use of Estimates**

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

### **Data Control Codes**

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

### **Fund Balances – Governmental Funds**

Fund balances of the governmental funds are classified as follows:

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

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

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

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

*Unassigned* – All amounts not included in other spendable classifications.

### **Net Position Flow Assumption**

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

### **Fund Balance Flow Assumptions**

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

### **Data Control Codes**

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

### **Change in Accounting Principle**

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, was adopted effective July 1, 2022. The statement addresses accounting and financial reporting for subscription-based information technology arrangements (SBITAs). Statement No. 96 establishes standards for recognizing and measuring assets, liabilities, and revenues and expenses related to SBITA’s in the basic financial statements, in addition to requiring more extensive note disclosures. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The adoption of this standard did not result in a restatement of beginning fund balance or net position, but assets and liabilities were recognized, and more extensive note disclosures were required.

### **Deficit Fund Equity**

At June 30, 2023, the Series 2023 Bonds capital projects fund reported a deficit of \$216,175. It is unusual for a capital projects fund, especially one that finances capital projects mainly by borrowings, to report a deficit. The reason for the deficit in this case is that the fund overspent its original bond proceeds on various projects, which resulted in the fund borrowing from the General Fund to cover these costs.

## II. DETAILED NOTES ON ALL FUNDS

### A. Deposits and Investments

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

#### Interest Rate Risk

As a means of limiting its exposure to interest rate risk, the District diversifies its investments by security type and institution, and limits holdings in any one type of investment with any one issuer. The District coordinates its investment maturities to closely match cash flow needs and restricts the maximum investment term to less than one year from the purchase date. As of June 30, 2023, the District managed its interest rate risk as follows:

<u>Investment Type</u>	<u>Rating</u>	<u>Weighted Average Maturity (Days)</u>	<u>Reported Value</u>
Lone Star Investment Pool	AAAm	26	\$ 195,313,619
TexPool	AAAm	26	306,008
TexasDaily	AAAmmf	23	<u>2,722,284</u>
Total investments			<u>\$ 198,341,911</u>
Portfolio weighted average maturity:		26	

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

#### Credit Risk

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

At June 30, 2023, the District's investments, other than those which are obligations of or guaranteed by the U. S. Government, are rated as to credit quality as above.

#### Custodial Credit Risk

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



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

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

### **Concentration of Credit Risk**

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

### **Interest Rate Risk**

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

### **Foreign Currency Risk**

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

### **Investment Accounting Policy**

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

### **Public Funds Investment Pools**

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

## **B. Property Taxes**

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

Property taxes are levied as of October 1 in conformity with Subtitle E, Texas Property Tax Code.

Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes and penalties and interest that are ultimately imposed. The assessed value as of January 1, 2022, upon which the October 2022 levy was based, was \$21,482,397,571. The District levied taxes based on a combined tax rate of \$1.0046 per \$100 of assessed valuation for local maintenance (general governmental services) and debt service.

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

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

During the year ended June 30, 2023, the District's recapture liability was \$119,823,009. This amount was incorporated into the District's budget and was included in the due to other governments total on the balance sheet as of June 30, 2023. Under HB 3, districts have the option of making one lump-sum payment in August after the fiscal year ends. The payment option to submit seven equal payments from February through August remains unchanged. The District opted to make one lump-sum payment in August.

**C. Due from Other Governments**

The District participates in a variety of federal and state programs from which it receives grants to partially or fully finance certain activities. In addition, the District receives entitlements from the state through the School Foundation and Per Capita Programs. Amounts due from federal and state governments as of June 30, 2023, are summarized below.

	General	Nonmajor Governmental	
	Fund	Funds	Total
Per Capita entitlement	\$ 1,292,499	\$ -	\$ 1,292,499
Federal and state programs	-	2,302,592	2,302,592
Local governments	<u>163,855</u>	<u>-</u>	<u>163,855</u>
	<u>\$ 1,456,354</u>	<u>\$ 2,302,592</u>	<u>\$ 3,758,946</u>

#### D. Interfund Receivables, Payables, and Transfers

Balances due to and due from other funds at June 30, 2023, consisted of the following:

Receivable Fund	Payable Fund	Amount	Purpose
General Fund	Nonmajor governmental funds	\$ 2,145,583	Temporary advances
General Fund	Nonmajor enterprise funds	163,181	Temporary advances
General Fund	Private Purpose Trust Fund	1,750	Temporary advances
General Fund	Custodial funds	1,489	Temporary advances
Debt Service Fund	General Fund	118,819	Temporary advances
Nonmajor governmental funds	Nonmajor governmental funds	<u>10,193</u>	Temporary advances
		<u>\$ 2,441,015</u>	

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

The following is a summary of the District's transfers for the year ended June 30, 2023.

Transfers Out	Transfers In	Amount	Purpose
General fund	Nonmajor governmental funds	\$ 293,194	To supplement fund resources
Nonmajor enterprise funds	General fund	931,502	To supplement fund resources
Nonmajor governmental funds	Nonmajor governmental funds	<u>3,885,011</u>	To supplement fund resources
Total		<u>\$ 5,109,707</u>	

#### E. Capital Assets

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

	Beginning Balance	Increases	Decreases	Adjustments/ Transfers	Ending Balance
<b>Governmental activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 21,215,260	\$ -	\$ -	\$ -	\$ 21,215,260
Construction in progress	<u>17,963,262</u>	<u>2,045,512</u>	<u>-</u>	<u>(818,933)</u>	<u>19,189,841</u>
Total capital assets, not being depreciated	<u>39,178,522</u>	<u>2,045,512</u>	<u>-</u>	<u>(818,933)</u>	<u>40,405,101</u>
Capital assets, being depreciated:					
Buildings and improvements	294,377,029	8,609,752	-	748,277	303,735,058
Furniture and equipment	47,905,276	3,050,218	(313,902)	70,656	50,712,248
SBITA	<u>345,860</u>	<u>145,677</u>	<u>-</u>	<u>-</u>	<u>491,537</u>
Total capital assets, being depreciated	<u>342,628,165</u>	<u>11,805,647</u>	<u>(313,902)</u>	<u>818,933</u>	<u>354,938,843</u>
Less accumulated depreciation for:					
Buildings and improvements	(155,137,582)	(9,471,777)	-	-	(164,609,359)
Furniture and equipment	(35,561,530)	(4,771,412)	313,902	-	(40,019,040)
SBITA	<u>(130,266)</u>	<u>(159,243)</u>	<u>-</u>	<u>-</u>	<u>(289,509)</u>
Total accumulated depreciation	<u>(190,829,378)</u>	<u>(14,402,432)</u>	<u>313,902</u>	<u>-</u>	<u>(204,917,908)</u>
Total capital assets, being depreciated, net	<u>151,798,787</u>	<u>(2,596,785)</u>	<u>-</u>	<u>818,933</u>	<u>150,020,935</u>
Governmental activities capital assets, net	<u>\$ 190,977,309</u>	<u>\$ (551,273)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 190,426,036</u>

	Beginning Balance	Increases	Decreases	Adjustments/ Transfers	Ending Balance
<b>Business-Type activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 9,625	\$ -	\$ -	\$ -	\$ 9,625
Total capital assets, not being depreciated	9,625	-	-	-	9,625
Capital assets, being depreciated:					
Buildings and improvements	174,927	17,088	-	-	192,015
Furniture and equipment	1,893,926	149,677	-	-	2,043,603
Total capital assets, being depreciated	2,068,853	166,765	-	-	2,235,618
Less accumulated depreciation for:					
Buildings and improvements	(134,253)	(3,684)	-	94,603	(43,334)
Furniture and equipment	(1,305,069)	(105,462)	-	(94,603)	(1,505,134)
Total accumulated depreciation	(1,439,322)	(109,146)	-	-	(1,548,468)
Total capital assets, being depreciated, net	629,531	57,619	-	-	687,150
Business-Type activities capital assets, net	\$ 639,156	\$ 57,619	\$ -	\$ -	\$ 696,775

**Governmental activities:**

Instruction	\$ 12,273,751
Instruction resources & media services	531,450
Instructional leadership	51,848
School leadership	233,320
Guidance counseling & evaluation services	90,735
Health services	43,208
Student transportation	46,088
Food services	246,282
Cocurricular/extracurricular activities	37,446
General administration	154,106
Plant maintenance & operations	694,198
Total depreciation expense - governmental activities	\$ 14,402,432

**Business-type activities:**

Community services	\$ 3,684
Food services	105,462
Total depreciation expense - business-type activities	\$ 109,146

**F. Long-Term Obligations**

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended June 30, 2023, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
General obligation bonds	\$ 130,590,000	\$ -	\$ 25,305,000	\$ 105,285,000	\$ 12,375,000
SBITA liability	215,595	145,677	165,762	195,510	140,902
Bond premium/discount	15,273,756	-	1,280,077	13,993,679	-
Compensated absences	829,836	278,825	367,659	741,002	148,200
Total governmental activities	\$ 146,909,187	\$ 424,502	\$ 27,118,498	\$ 120,215,191	\$ 12,664,102

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

Date of Issue	Description	Interest Rates	Original Issue	Final Maturity Date	Debt Principal	Current Portion
6/27/2013	2013 Refunding	2.00 - 3.00%	\$ 8,590,000	2025	\$ 8,680,000	\$ 3,640,000
7/28/2015	2015A School Building	2.00 - 5.00%	48,080,000	2032	17,190,000	2,910,000
9/21/2016	2016 Refunding	2.00 - 4.00%	8,390,000	2031	6,550,000	715,000
12/21/2017	2017 Refunding	2.00 - 4.00%	8,725,000	2031	7,940,000	575,000
9/12/2019	2019A School Building	2.00 - 5.00%	46,550,000	2036	38,730,000	2,775,000
9/12/2019	2019B Variable School Building	1.75 - 7.00%	14,930,000	2040	5,885,000	-
9/9/2020	2020A Variable School Building and Refunding	3.00 - 7.00%	18,455,000	2041	14,065,000	1,500,000
9/9/2020	2020T Taxable School Building	1.26 - 5.00%	6,325,000	2041	6,245,000	260,000
Total Bonds Payable			<u>\$ 160,045,000</u>		<u>\$ 105,285,000</u>	<u>\$ 12,375,000</u>

Debt service requirements on long-term debt at June 30, 2023, are as follows:

Year Ending June 30,	Governmental Bonds		Total Requirements
	Principal	Interest	
2024	\$ 12,375,000	\$ 4,851,404	\$ 17,226,404
2025	12,675,000	3,452,079	16,127,079
2026	7,285,000	3,223,010	10,508,010
2027	7,635,000	3,031,267	10,666,267
2028	7,970,000	2,677,167	10,647,167
2029-2033	35,820,000	7,871,088	43,691,088
2034-2038	16,365,000	2,887,462	19,252,462
2039-2041	5,160,000	314,033	5,474,033
	<u>\$ 105,285,000</u>	<u>\$ 28,307,510</u>	<u>\$ 133,592,510</u>

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

### Defeased Debt

During the current fiscal year, the District used available debt service fund cash to defease \$9,045,000 of outstanding Series 2019B Unlimited Tax School Buildings Bonds, which had an interest rate of 1.75% and were to mature in fiscal year 2025. The District deposited \$9,072,010 in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the defeased bonds. As a result, a portion of the Series 2019B Unlimited Tax School Buildings Bonds are considered defeased and the liability for those bonds has been removed from the statement of net position. The \$9,045,000 in defeased bonds are callable for redemption on August 1, 2024, and will remain in escrow until they are redeemed by the escrow agent at that time.

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

### SBITA Payable

During the fiscal year, the District entered into multiple subscriptions for the use of various software. An initial subscription liability was recorded in the amount of \$145,677. As of June 30, 2023, the value of the subscription liability is \$195,510. The District is required to make annual fixed payments ranging from \$6,000 to \$58,069. The subscriptions have interest rates ranging from 1.5803% to 2.1120%. The value of the right to use asset as of June 30, 2023 is \$491,537 with accumulated amortization of \$289,509.

Debt service requirements on SBITA payables at June 30, 2023, are as follows:

Year Ending June 30,	SBITA Payable		Total Requirements
	Principal	Interest	
2024	\$ 140,902	\$ 3,405	\$ 144,307
2025	41,877	971	42,848
2026	<u>12,731</u>	<u>269</u>	<u>13,000</u>
Totals	<u>\$ 195,510</u>	<u>\$ 4,645</u>	<u>\$ 200,155</u>

**Risk Management**

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

**G. Defined Benefit Pension Plan**

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

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

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

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

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

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

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

	<b>Contribution Rates</b>	
	<b>2022</b>	<b>2023</b>
Member	8.00%	8.00%
Non-Employer Contributing Entity (State)	7.75%	8.00%
Employers	7.75%	8.00%
Current fiscal year employer contributions		\$ 2,284,250
Current fiscal year member contributions		5,207,096
2022 measurement year NECE on-behalf contributions		3,594,300

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

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

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

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

- All public schools, charter schools, and regional educational service centers must contribute 1.7 percent of the member's salary beginning in fiscal year 2022, gradually increasing to 2 percent in fiscal year 2025.
- When employing a retiree of the Teacher Retirement System the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.

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

Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Fair Value
Single Discount Rate	7.00%
Long-term expected Investment Rate of Return	7.00%
Last year ending August 31 in Projection Period (100 years)	2121
Inflation	2.30%
Salary Increases including Inflation	2.95 to 8.95%
Ad hoc post-employment benefit changes	None

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

### **Discount Rate**

A single discount rate of 7% 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%. 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 8.5% 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%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2022 are summarized below:

Asset Class <sup>1</sup>	Target Allocation <sup>2</sup>	Long-Term Expected Geometric Real Rate of Return <sup>3</sup>	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
U.S.	18.00%	4.60%	1.12%
Non-U.S. Developed	13.00%	4.90%	0.90%
Emerging Markets	9.00%	5.40%	0.75%
Private Equity	14.00%	7.70%	1.55%
Stable Value			
Government Bonds	16.00%	1.00%	0.22%
Absolute Return	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 and I	6.00%	5.10%	0.37%
Commodities	0.00%	3.60%	0.00%
Risk Parity			
Risk Parity	8.00%	4.60%	0.43%
Leverage			
Cash	2.00%	3.00%	0.01%
Asset Allocation Leverage	-6.00%	3.60%	-0.05%
Inflation Expectation			2.70%
Volatility Drag <sup>4</sup>			-0.91%
Expected Return	100.00%		8.21%

<sup>1</sup> Absolute Return includes Credit Sensitive Investments.

<sup>2</sup> Target allocations are based on the FY2022 policy model.

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

<sup>4</sup> The volatility drag results from the conversion between arithmetic and geometric mean returns.

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

	1% Decrease in Discount Rate (6.00%)	Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
District's proportionate share of the net pension liability:	\$ 37,159,423	\$ 23,887,198	\$ 13,129,437

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

At June 30, 2023, the District reported a liability of \$23,887,198 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	\$	23,887,198
State's proportionate share that is associated with the District		<u>45,728,851</u>
Total	\$	<u>69,616,049</u>

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

At August 31, 2022 the employer's proportion of the collective net pension liability was 0.0402362013%. which was an increase of 0.0011650902% 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 \$6,894,425 and revenue of \$4,371,160 for support provided by the State.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 346,362	\$ 520,786
Changes in actuarial assumptions	4,450,962	1,109,304
Differences between projected and actual investment earnings	2,359,978	-
Changes in proportion and differences between the employer's contributions and the proportionate share of contributions	613,334	1,419,609
Contributions paid to TRS subsequent to the measurement date	<u>1,949,816</u>	<u>-</u>
Total as of year-end	<u>\$ 9,720,452</u>	<u>\$ 3,049,699</u>

\$1,949,816 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the Total Pension Liability for the year ending June 30, 2024. Other amounts of the employer's balances of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

For the Year Ended June 30:	Pension Expense
2024	\$ 1,309,423
2025	469,578
2026	(86,192)
2027	2,631,513
2028	396,616
Thereafter	(1)

## H. Defined Other Post-Employment Benefit Plans

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

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

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

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

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

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

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

\* or surviving spouse

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

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

	Contributions Rates	
	2022	2023
Active employee	0.65%	0.65%
Non-Employer Contributing Entity (State)	1.25%	1.25%
Employers	0.75%	0.75%
Federal/Private Funding Remitted by Employers	1.25%	1.25%
Current fiscal year employer contributions		\$ 541,701
Current fiscal year member contributions		423,104
2022 measurement year NECE on-behalf contributions		582,962

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

TRS-Care received supplemental appropriations from the State of Texas as the Non-Employer Contributing Entity in the amount of \$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.

**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 of the OPEB plan offered through TRS-Care is similar to the actuarial valuation performed for the pension plan, except that the OPEB valuation is more complex. All the demographic assumptions, including rates of retirement, termination, and disability, and most of the economic assumptions, including general inflation and salary increases, used in the OPEB valuation were identical to those in the respective TRS pension valuation. The demographic assumptions were developed in the experience study performed for TRS for the period ending August 31, 2017.

The following assumptions and other inputs used for members of TRS-Care are based on an established pattern of practice and are identical to the assumptions used in the August 31, 2021 TRS pension actuarial valuation that was rolled forward to August 31, 2022:

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

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

**Additional Actuarial Methods and Assumptions**

Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Discount Rate	3.91% as if August 31, 2022
Aging Factors	Based on plan specific experience.
Expenses	Third-Party Administrative expenses related to the deliver of health care benefits are included in the age-adjusted claims costs
Projected Salary Increases	3.05% to 9.05%
Election Rates	Normal Retirement 65% participation prior to age 65 and 50% after age 65. 25% of pre-65 retirees are assumed to discontinue coverage at 65
Ad hoc post-employment benefit changes	None
Payroll growth rate	3.00%
Healthcare Trend Rates	The initial medical trend rates were 8.25 percent for Medicare retirees and 7.25 percent for non-Medicare retirees. The initial prescription drug trend rate was 8.25 percent for all retirees. The initial trend rates decrease to an ultimate trend rate of 4.25 percent over a period of 13 years.

**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, 2022 using the fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds.

**Discount Rate Sensitivity Analysis.** The following schedule shows the impact of the Net OPEB Liability if the discount rate used was 1% less than the discount rate that was used (3.91%) in measuring the Net OPEB Liability.

	1% Decrease in Discount Rate (2.91%)	Discount Rate (3.91%)	1% Increase in Discount Rate (4.91%)
Proportionate share of net OPEB liability	\$ 16,426,783	\$ 13,931,873	\$ 11,910,676

**OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs.** At June 30, 2023, the District reported a liability of \$13,931,873 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	\$ 13,931,873
State's proportionate share that is associated with the District	<u>16,994,696</u>
Total	<u>\$ 30,926,569</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 District's proportion of the net OPEB liability was based on the District's contributions to their OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2021 through August 30, 2022.

At August 31, 2022 the employer's proportion of the collective Net OPEB Liability was 0.0581852241% which was a decrease of 0.0005838575% from its proportion measured as of August 31, 2021.

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

Proportionate share of net OPEB liability	Current Single Healthcare Trend Rate		
	1% Decrease		1% Increase
	\$ 11,479,926	\$ 13,931,873	\$ 17,110,507

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

- The discount rate changed from 1.95% as of August 30, 2021 to 3.91% as of August 30, 2022. This change decreased the Total OPEB Liability.

For the year ended June 30, 2023, the District recognized OPEB expense of \$(4,400,916) and revenue of \$(2,411,685) for support provided by the State.

At 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 actuarial experiences	\$ 774,563	\$ 11,606,501
Changes in actuarial assumptions	2,122,100	9,679,037
Differences between projected and actual investment earnings	41,500	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	1,119,127	2,377,909
Contributions paid to OPEB subsequent to the measurement date	<u>455,783</u>	<u>-</u>
Total as of fiscal year-end	<u>\$ 4,513,073</u>	<u>\$ 23,663,447</u>

\$455,783 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction for the Total OPEB Liability for the year ending June 30, 2024. Other amounts of the employer's balances of deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

For the Year Ended June 30,	OPEB Expense
2024	\$ (3,490,541)
2025	(3,490,391)
2026	(2,899,589)
2027	(2,099,745)
2028	(2,614,433)
Thereafter	(5,011,458)

## I. Negative Operating Grants and Contributions – Statement of Activities

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

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

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

	Operating Grants and Contributions	Negative On-Behalf Accruals	Operating Grants and Contributions (excluding on- behalf accruals)
11 - Instruction	\$ 7,980,383	\$ (1,505,914)	\$ 9,486,297
12 - Instructional resources and media services	25,256	(32,914)	58,170
13 - Curriculum and staff development	835,658	(73,007)	908,665
21 - Instructional leadership	129,914	(49,806)	179,720
23 - School leadership	113,734	(126,705)	240,439
31 - Guidance, counseling, and evaluation services	1,088,255	(147,665)	1,235,920
32 - Social work services	68,665	(8,161)	76,826
33 - Health services	26,865	(19,226)	46,091
34 - Student transportation	181,115	(56,161)	237,276
35 - Food service	750,932	(44,566)	795,498
36 - Extracurricular activities	64,869	(76,451)	141,320
41 - General administration	96,938	(79,963)	176,901
51 - Facilities and maintenance and operations	436,829	(106,309)	543,138
52 - Security and monitoring services	24,349	(4,652)	29,001
53 - Data processing services	81,218	(27,539)	108,757
61 - Community services	142,257	(52,646)	194,903
72 - Bond issuance costs and fees	167,852	-	167,852
	<u>\$ 12,215,089</u>	<u>\$ (2,411,685)</u>	<u>\$ 14,626,774</u>

#### **J. Medicare Part D – On-behalf Payments**

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, which was effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. These on-behalf payments of \$332,592, \$253,720 and \$263,481 were recognized for the years ended June 30, 2023, 2022 and 2021, respectively, as equal revenues and expenditures.

#### **K. Employee Health Care Coverage**

During the year ended June 30, 2023, employees of the District were covered by a health insurance plan. The District contributed \$473 per month per employee to the plan, and employees, at their option, authorized payroll withholdings to pay contributions or premiums for dependents. All contributions were paid to a licensed insurer. The plan was authorized by Section 21.922, Texas Education Code and was documented by contractual agreement.

#### **L. Commitments and Contingencies**

##### **Construction Commitments**

The District has entered into various construction contracts for the construction, expansion, and improvement of school facilities, funded by the issuance bonded debt. As of June 30, 2023, the District is committed under construction contracts with a remaining balance of \$2,772,495.

## Contingencies

The District participates in a number of federal financial assistance programs. Although the District grant programs have been audited in accordance with the provisions of the Uniform Guidance through June 30, 2023, these programs are subject to financial and compliance audits. The amounts, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

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

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

## M. Subsequent Event

On July 27, 2023, the District issued \$69,630,000 in Unlimited Tax School Building Bonds, Series 2023 for (a) the construction, acquisition, rehabilitation, renovation, expansion, improvement and equipment of school buildings in the district, including (i) safety and cybersecurity improvements, (ii) student programs and support, (iii) instructional and cocurricular spaces, (iv) promotion of energy efficiency and conservation, (v) facility systems and site improvements throughout the district (including plumbing, roofing, heating, ventilation, air conditioning, flooring and other systems), (vi) the purchase of new school buses, (b) the equipment and improvement of the Eanes ISD stadium including safety, accessibility, lighting, and other integral components, (c) the acquisition, installation and update of instructional technology equipment for students and staff in the district and (d) paying the costs of issuing the Bonds. The net proceeds of \$75,622,245 (representing the par amount of \$69,630,000 plus a reoffering premium of \$5,992,245 less payment of an underwriter's fee of \$622,245) were invested by the District to fund future bond projects and any additional issuance costs. After this bond issuance, the District had no remaining general obligation bonds authorized by voters of the District.

## N. Significant Forthcoming Standards

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

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



**REQUIRED SUPPLEMENTARY INFORMATION**

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**EANES INDEPENDENT SCHOOL DISTRICT**

**EXHIBIT G-1**

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

FOR THE YEAR ENDED JUNE 30, 2023

Data Control Codes		Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
		Original	Final		
<b>REVENUES</b>					
5700	Local and intermediate sources	\$ 200,784,073	\$ 197,464,302	\$ 196,836,193	\$ (628,109)
5800	State programs	8,356,799	9,822,573	9,710,678	(111,895)
5900	Federal programs	<u>750,000</u>	<u>830,000</u>	<u>858,635</u>	<u>28,635</u>
5020	Total revenues	<u>209,890,872</u>	<u>208,116,875</u>	<u>207,405,506</u>	<u>(711,369)</u>
<b>EXPENDITURES</b>					
Current:					
0011	Instruction	51,698,496	50,719,340	49,524,996	1,194,344
0012	Instructional resources and media sources	913,469	923,670	902,936	20,734
0013	Curriculum and staff development	1,900,836	1,874,904	1,731,368	143,536
0021	Instructional leadership	1,831,763	1,636,597	1,599,465	37,132
0023	School leadership	4,402,536	4,457,404	4,425,251	32,153
0031	Guidance, counseling, and evaluation services	2,492,583	2,514,417	2,444,722	69,695
0032	Social work services	80,516	82,116	80,550	1,566
0033	Health services	858,931	819,507	783,763	35,744
0034	Student transportation	2,554,813	2,500,813	2,274,280	226,533
0035	Food service	266,404	296,404	290,896	5,508
0036	Extracurricular activities	3,194,390	3,535,178	3,392,688	142,490
0041	General administration	4,037,936	3,997,884	3,805,382	192,502
0051	Facilities maintenance and operations	9,313,298	9,998,367	9,529,320	469,047
0052	Security and monitoring services	696,323	766,303	725,058	41,245
0053	Data processing services	2,218,065	2,162,013	1,978,101	183,912
0061	Community services	256,742	319,162	319,076	86
Debt service:					
0071	Principal on long-term debt	-	50,000	151,994	(101,994)
0072	Interest on long-term debt	-	-	3,365	(3,365)
0081	Capital outlay	-	2,350	148,027	(145,677)
Intergovernmental:					
0091	Constructed instructional services between schools	124,779,624	121,765,706	119,629,328	2,136,378
0099	Other intergovernmental charges	<u>830,000</u>	<u>875,000</u>	<u>873,064</u>	<u>1,936</u>
6030	Total expenditures	<u>212,326,725</u>	<u>209,297,135</u>	<u>204,613,630</u>	<u>4,683,505</u>
1100	<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(2,435,853)</u>	<u>(1,180,260)</u>	<u>2,791,876</u>	<u>3,972,136</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
7913	Issuance of SBITA	-	50,000	145,677	95,677
7915	Transfers in	1,400,000	1,400,000	931,502	(468,498)
8911	Transfers out (uses)	-	(500,000)	(293,194)	206,806
7080	Total other financing sources (uses)	<u>1,400,000</u>	<u>950,000</u>	<u>783,985</u>	<u>(166,015)</u>
1200	<b>NET CHANGE IN FUND BALANCES</b>	(1,035,853)	(230,260)	3,575,861	3,806,121
0100	<b>FUND BALANCES, BEGINNING</b>	<u>26,722,577</u>	<u>26,722,577</u>	<u>26,722,577</u>	<u>-</u>
3000	<b>FUND BALANCES, ENDING</b>	<u>\$ 25,686,724</u>	<u>\$ 26,492,317</u>	<u>\$ 30,298,438</u>	<u>\$ 3,806,121</u>

**EANES INDEPENDENT SCHOOL DISTRICT**

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

FOR THE YEAR ENDED JUNE 30, 2023

<b>Measurement period ended August 31,</b>	<u>2022</u>	<u>2021</u>	<u>2020</u>
District's Proportion of the Net Pension Liability (Asset)	0.0402%	0.0391%	0.0404%
District's Proportionate Share of Net Pension Liability (Asset)	\$ 23,887,198	\$ 9,950,029	\$ 21,617,244
States Proportionate Share of the Net Pension Liability (Asset) associated with the District	<u>45,728,851</u>	<u>21,190,464</u>	<u>46,228,966</u>
Total	<u>\$ 69,616,049</u>	<u>\$ 31,140,493</u>	<u>\$ 67,846,210</u>
District's Covered Payroll	\$ 60,845,960	\$ 58,797,608	\$ 59,745,318
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered Payroll	39.26%	16.92%	36.18%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	75.62%	88.79%	75.54%

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

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

**EANES INDEPENDENT SCHOOL DISTRICT**

SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS  
TEACHER RETIREMENT SYSTEM

FOR THE YEAR ENDED JUNE 30, 2023

<b>Fiscal year ended June 30,</b>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contractually Required Contribution	\$ 2,284,250	\$ 1,851,035	\$ 1,647,920
Contribution in Relation to the Contractually Required Contribution	<u>(2,284,250)</u>	<u>(1,851,035)</u>	<u>(1,647,920)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 67,436,661	\$ 59,976,534	\$ 58,774,677
Contributions as a percentage of Covered Payroll	3.39%	3.09%	2.80%

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

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

**EANES INDEPENDENT SCHOOL DISTRICT**

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

FOR THE YEAR ENDED JUNE 30, 2023

<b>Measurement period ended August 31,</b>	<u>2022</u>	<u>2021</u>	<u>2020</u>
District's proportion of the net OPEB liability (asset)	0.0582%	0.0588%	0.0612%
District's proportionate share of the net OPEB liability (asset)	\$ 13,931,873	\$ 22,669,861	\$ 23,260,044
State's proportionate share of the net OPEB liability (asset) associated with the District	<u>16,994,696</u>	<u>30,372,562</u>	<u>31,255,924</u>
Total	<u>\$ 30,926,569</u>	<u>\$ 53,042,423</u>	<u>\$ 54,515,968</u>
District's covered-employee payroll	\$ 60,845,960	\$ 58,797,608	\$ 59,745,318
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	22.90%	38.56%	38.93%
Plan fiduciary net position as a percentage of the total OPEB liability	11.52%	6.18%	4.99%

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



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

**EANES INDEPENDENT SCHOOL DISTRICT**

SCHEDULE OF DISTRICT'S OPEB CONTRIBUTIONS  
TEACHER RETIREMENT SYSTEM

FOR THE YEAR ENDED JUNE 30, 2023

<b>Fiscal year ended June 30,</b>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contractually required contribution	\$ 541,701	\$ 475,994	\$ 440,843
Contributions in relation to the contractually required contribution	<u>(541,701)</u>	<u>(475,994)</u>	<u>(440,843)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 67,436,661	\$ 59,976,534	\$ 58,774,677
Contribution as a percentage of covered-employee payroll	0.80%	0.79%	0.75%

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

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

## **EANES INDEPENDENT SCHOOL DISTRICT**

### **NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**FOR THE YEAR ENDED JUNE 30, 2023**

#### **Budgetary Information**

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

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

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

1. Prior to June 20, the District prepares a budget for the next succeeding fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Board is then called for the purpose of adopting the proposed budget. At least 10 days' public notice of the meeting must be given.
3. Prior to June 30, the budget is legally enacted through passage of a resolution by the Board. Once a budget is approved, it can only be amended at the function and fund level by approval of a majority of the members of the Board. Amendments are presented to the Board at its regular meetings. Each amendment must have Board approval. As required by law, such amendments made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year-end. Because the District has a policy of careful budgetary control, several amendments were necessary during the year. However, none of these were significant.
4. Each budget is controlled by the budget coordinator at the revenue and expenditure function/object level. Budgeted amounts are as amended by the Board. All budget appropriations lapse at year-end.
5. Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under Texas law, appropriations lapse at June 30, and encumbrances outstanding at that time are to be either canceled or appropriately provided for in the subsequent year's budget. The District had outstanding encumbrances of \$316,776 at year-end.

#### **Excess of Expenditures over Budgeted Appropriations**

During fiscal year 2023, expenditures exceeded appropriations in the Principal on Long Term Debt, Interest on Long Term Debt, and Capital Outlay functions within the General Fund by \$101,994, \$3,365, and \$145,677, respectively. This overage resulted from the implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. These overages were offset by budget savings within the remaining functions.

## **COMBINING STATEMENTS**

## EANES INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2023

Data Control Codes		Special Revenue Funds	Capital Project Funds	Total Nonmajor Governmental Funds
<b>ASSETS</b>				
1110	Cash and cash equivalents	\$ 2,654,268	\$ 15,725,504	\$ 18,379,772
1240	Due from other governments	2,302,592	-	2,302,592
1260	Due from other funds	-	10,193	10,193
1410	Prepaid items	94,620	67,871	162,491
1000	Total assets	<u>5,051,480</u>	<u>15,803,568</u>	<u>20,855,048</u>
<b>LIABILITIES</b>				
2110	Accounts payable	156,923	993,073	1,149,996
2150	Payroll deductions and withholdings payable	125,114	38	125,152
2160	Accrued wages payable	171,076	874	171,950
2170	Due to other funds	1,911,158	244,618	2,155,776
2180	Due to other governments	26,681	-	26,681
2300	Unearned revenue	388	-	388
	Total liabilities	<u>2,391,340</u>	<u>1,238,603</u>	<u>3,629,943</u>
<b>FUND BALANCES</b>				
Restricted for:				
3450	Federal and state programs	191,270	-	191,270
3470	Capital acquisition and contractual obligations	-	14,781,140	14,781,140
3490	Other restrictions - local grants	929,111	-	929,111
3545	Committed for campus activity	1,539,759	-	1,539,759
3600	Unassigned	-	(216,175)	(216,175)
3000	Total fund balances	<u>2,660,140</u>	<u>14,564,965</u>	<u>17,225,105</u>
4000	Total liabilities and fund balances	<u>\$ 5,051,480</u>	<u>\$ 15,803,568</u>	<u>\$ 20,855,048</u>

## EANES INDEPENDENT SCHOOL DISTRICT

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

FOR THE YEAR ENDED JUNE 30, 2023

Data Control Codes		Special Revenue Funds	Capital Project Funds	Total Nonmajor Governmental Funds
	<b>REVENUES</b>			
5700	Local and intermediate sources	\$ 2,878,962	\$ 1,034,508	\$ 3,913,470
5800	State programs	343,786	-	343,786
5900	Federal programs	4,959,725	-	4,959,725
5020	Total revenues	<u>8,182,473</u>	<u>1,034,508</u>	<u>9,216,981</u>
	<b>EXPENDITURES</b>			
	Current:			
0011	Instruction	3,491,191	2,782,557	6,273,748
0012	Instructional resources and media services	64,775	-	64,775
0013	Curriculum and staff development	767,639	-	767,639
0023	School leadership	85,132	-	85,132
0031	Guidance, counseling and evaluation services	1,491,390	-	1,491,390
0032	Social work services	70,962	-	70,962
0033	Health services	1,977	-	1,977
0034	Student transportation	82,384	432,714	515,098
0035	Food service	112,429	174,941	287,370
0036	Extracurricular activities	1,223,987	54,041	1,278,028
0041	General administration	591	137,859	138,450
0051	Facilities maintenance and operations	182,738	395,579	578,317
0052	Security and monitoring services	16,301	167,863	184,164
0053	Data processing services	-	1,336,968	1,336,968
0061	Community services	2,878	-	2,878
	Debt service:			
0071	Principal on long-term debt	13,767	-	13,767
0072	Interest on long-term debt	261	-	261
0081	Capital outlay	<u>177,185</u>	<u>9,885,717</u>	<u>10,062,902</u>
6030	Total expenditures	<u>7,785,587</u>	<u>15,368,239</u>	<u>23,153,826</u>
1100	<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>396,886</u>	<u>(14,333,731)</u>	<u>(13,936,845)</u>
	<b>OTHER FINANCING SOURCES (USES)</b>			
7915	Transfers in	-	4,178,205	4,178,205
8911	Transfers out	-	(3,885,011)	(3,885,011)
7080	Total other financing sources (uses)	<u>-</u>	<u>293,194</u>	<u>293,194</u>
1200	<b>NET CHANGE IN FUND BALANCES</b>	396,886	(14,040,537)	(13,643,651)
0100	<b>FUND BALANCES, BEGINNING</b>	<u>2,263,254</u>	<u>28,605,502</u>	<u>30,868,756</u>
3000	<b>FUND BALANCES, ENDING</b>	<u>\$ 2,660,140</u>	<u>\$ 14,564,965</u>	<u>\$ 17,225,105</u>

**EANES INDEPENDENT SCHOOL DISTRICT**

COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2023

Data Control Codes	211 ESEA Title I Part A	224 IDEA- Part B Formula	225 IDEA- Part B Preschool	226 IDEA- Part B Discretionary
<b>ASSETS</b>				
1110 Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
1240 Due from other governments	82,075	538,847	12,633	144,751
1410 Prepaid items	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1000 Total assets	<u>82,075</u>	<u>538,847</u>	<u>12,633</u>	<u>144,751</u>
<b>LIABILITIES</b>				
2110 Accounts payable	-	51,586	-	-
2150 Payroll deductions and withholdings payable	4,118	14,378	749	-
2160 Accrued wages payable	28,050	92,908	4,136	-
2170 Due to other funds	49,907	379,975	7,748	118,101
2180 Due to other governments	-	-	-	26,650
2300 Unearned revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>82,075</u>	<u>538,847</u>	<u>12,633</u>	<u>144,751</u>
<b>FUND BALANCES</b>				
Restricted for:				
3450 Federal and state programs	-	-	-	-
3490 Other restrictions - local grants	-	-	-	-
3545 Committed for campus activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
3000 Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000 Total liabilities and fund balances	<u>\$ 82,075</u>	<u>\$ 538,847</u>	<u>\$ 12,633</u>	<u>\$ 144,751</u>



244 Career and Technical Education	255 ESEA Title II, Part A	263 Title III, A English Lang. Acquisition	282 ESSER III Grant	283 ESSER Supplemental	284 IDEA- Part B Formula - ARPA	285 IDEA- Part B Preschool - ARPA	289 Student Support and Academic Enrichment Program
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19,419	49,195	15,521	112,429	1,319,600	-	-	-
7,500	-	-	-	1,596	-	-	-
<u>26,919</u>	<u>49,195</u>	<u>15,521</u>	<u>112,429</u>	<u>1,321,196</u>	<u>-</u>	<u>-</u>	<u>-</u>
1,365	-	-	-	26,685	-	-	-
-	1,994	-	-	103,590	-	-	-
-	11,980	15,521	-	15,473	-	-	-
25,554	35,221	-	112,429	1,175,448	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>26,919</u>	<u>49,195</u>	<u>15,521</u>	<u>112,429</u>	<u>1,321,196</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 26,919</u>	<u>\$ 49,195</u>	<u>\$ 15,521</u>	<u>\$ 112,429</u>	<u>\$ 1,321,196</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**EANES INDEPENDENT SCHOOL DISTRICT**

COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2023

Data Control Codes	385 State Supplemental Visually Impaired	392 Community Based Support	393 Texas Successful Schools	397 Advanced Placement Incentives
<b>ASSETS</b>				
1110 Cash and cash equivalents	\$ 45	\$ -	\$ 15,499	\$ 35,262
1240 Due from other governments	8,122	-	-	-
1410 Prepaid items	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1000 Total assets	<u>8,167</u>	<u>-</u>	<u>15,499</u>	<u>35,262</u>
<b>LIABILITIES</b>				
2110 Accounts payable	-	-	-	-
2150 Payroll deductions and withholdings payable	150	-	-	-
2160 Accrued wages payable	1,259	-	-	-
2170 Due to other funds	6,758	-	-	-
2180 Due to other governments	-	-	-	-
2300 Unearned revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>388</u>
Total liabilities	<u>8,167</u>	<u>-</u>	<u>-</u>	<u>388</u>
<b>FUND BALANCES</b>				
Restricted for:				
3450 Federal and state programs	-	-	15,499	34,874
3490 Other restrictions - local grants	-	-	-	-
3545 Committed for campus activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
3000 Total fund balances	<u>-</u>	<u>-</u>	<u>15,499</u>	<u>34,874</u>
4000 Total liabilities and fund balances	<u>\$ 8,167</u>	<u>\$ -</u>	<u>\$ 15,499</u>	<u>\$ 35,262</u>

**EXHIBIT H-3**

410	429	461	496	498	499	Total Nonmajor Governmental
State Textbook	Other State Special Revenue Funds	Campus Activity	TASB Loss Prevention	Other Local	Other Local	
\$ 56,032	\$ 31	\$ 1,555,383	\$ 2,466	\$ 980	\$ 988,570	\$ 2,654,268
-	-	-	-	-	-	2,302,592
<u>84,865</u>	<u>-</u>	<u>659</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>94,620</u>
<u>140,897</u>	<u>31</u>	<u>1,556,042</u>	<u>2,466</u>	<u>980</u>	<u>988,570</u>	<u>5,051,480</u>
-	-	16,280	-	-	61,007	156,923
-	-	1	-	-	134	125,114
-	-	-	-	-	1,749	171,076
-	-	2	-	-	15	1,911,158
-	31	-	-	-	-	26,681
-	-	-	-	-	-	388
<u>-</u>	<u>31</u>	<u>16,283</u>	<u>-</u>	<u>-</u>	<u>62,905</u>	<u>2,391,340</u>
140,897	-	-	-	-	-	191,270
-	-	-	2,466	980	925,665	929,111
-	-	<u>1,539,759</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,539,759</u>
<u>140,897</u>	<u>-</u>	<u>1,539,759</u>	<u>2,466</u>	<u>980</u>	<u>925,665</u>	<u>2,660,140</u>
<u>\$ 140,897</u>	<u>\$ 31</u>	<u>\$ 1,556,042</u>	<u>\$ 2,466</u>	<u>\$ 980</u>	<u>\$ 988,570</u>	<u>\$ 5,051,480</u>

**EANES INDEPENDENT SCHOOL DISTRICT**

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

FOR THE YEAR ENDED JUNE 30, 2023

Data Control Codes	211	224	225	226
<u>Codes</u>	<u>ESEA Title I Part A</u>	<u>IDEA- Part B Formula</u>	<u>IDEA- Part B Preschool</u>	<u>IDEA- Part B Discretionary</u>
<b>REVENUES</b>				
5700 Local and intermediate sources	\$ -	\$ -	\$ -	\$ -
5800 State programs	-	-	-	-
5900 Federal programs	<u>201,005</u>	<u>1,661,628</u>	<u>23,151</u>	<u>424,718</u>
5020 Total revenues	<u>201,005</u>	<u>1,661,628</u>	<u>23,151</u>	<u>424,718</u>
<b>EXPENDITURES</b>				
Current:				
0011 Instruction	201,005	561,894	23,151	424,718
0012 Instructional resources and media services	-	-	-	-
0013 Curriculum and staff development	-	-	-	-
0023 School leadership	-	-	-	-
0031 Guidance, counseling and evaluation services	-	1,099,734	-	-
0032 Social work services	-	-	-	-
0033 Health services	-	-	-	-
0034 Student transportation	-	-	-	-
0035 Food service	-	-	-	-
0036 Extracurricular activities	-	-	-	-
0041 General administration	-	-	-	-
0051 Facilities maintenance and operations	-	-	-	-
0052 Security and monitoring services	-	-	-	-
0061 Community services	-	-	-	-
Debt service:				
0071 Principal on long-term debt	-	-	-	-
0072 Interest on long-term debt	-	-	-	-
0081 Capital outlay	-	-	-	-
6030 Total expenditures	<u>201,005</u>	<u>1,661,628</u>	<u>23,151</u>	<u>424,718</u>
1200 <b>NET CHANGE IN FUND BALANCES</b>	-	-	-	-
0100 <b>FUND BALANCES, BEGINNING</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
3000 <b>FUND BALANCES, ENDING</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

244 Career and Technical Education	255 ESEA Title II, Part A	263 Title III, A English Lang. Acquisition	282 ESSER III Grant	283 ESSER Supplemental	284 IDEA- Part B Formula - ARPA	285 IDEA- Part B Preschool - ARPA	289 Student Support and Academic Enrichment Program
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
<u>57,685</u>	<u>136,634</u>	<u>17,597</u>	<u>112,429</u>	<u>1,876,967</u>	<u>308,813</u>	<u>7,745</u>	<u>18,978</u>
<u>57,685</u>	<u>136,634</u>	<u>17,597</u>	<u>112,429</u>	<u>1,876,967</u>	<u>308,813</u>	<u>7,745</u>	<u>18,978</u>
51,954	-	17,597	-	1,010,474	308,813	7,745	4,397
-	-	-	-	-	-	-	-
2,731	136,634	-	-	501,889	-	-	14,581
-	-	-	-	-	-	-	-
3,000	-	-	-	20,785	-	-	-
-	-	-	-	70,962	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	82,384	-	-	-
-	-	-	112,429	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	176,824	-	-	-
-	-	-	-	13,649	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>57,685</u>	<u>136,634</u>	<u>17,597</u>	<u>112,429</u>	<u>1,876,967</u>	<u>308,813</u>	<u>7,745</u>	<u>18,978</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**EANES INDEPENDENT SCHOOL DISTRICT**

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

FOR THE YEAR ENDED JUNE 30, 2023

Data Control Codes	385 State Supplemental Visually Impaired	392 Community Based Support	393 Texas Successful Schools	397 Advanced Placement Incentives
<b>REVENUES</b>				
5700	Local and intermediate sources	\$ -	\$ -	\$ -
5800	State programs	8,122	500	-
5900	Federal programs	-	-	-
5020	Total revenues	<u>8,122</u>	<u>500</u>	<u>-</u>
<b>EXPENDITURES</b>				
Current:				
0011	Instruction	8,122	500	-
0012	Instructional resources and media services	-	-	-
0013	Curriculum and staff development	-	-	-
0023	School leadership	-	-	-
0031	Guidance, counseling and evaluation services	-	-	-
0032	Social work services	-	-	-
0033	Health services	-	-	-
0034	Student transportation	-	-	-
0035	Food service	-	-	-
0036	Extracurricular activities	-	-	-
0041	General administration	-	-	-
0051	Facilities maintenance and operations	-	-	-
0052	Security and monitoring services	-	-	-
0061	Community services	-	-	-
Debt service:				
0071	Principal on long-term debt	-	-	-
0072	Interest on long-term debt	-	-	-
0081	Capital outlay	-	-	-
6030	Total expenditures	<u>8,122</u>	<u>500</u>	<u>-</u>
1200	<b>NET CHANGE IN FUND BALANCES</b>	-	-	-
0100	<b>FUND BALANCES, BEGINNING</b>	<u>-</u>	<u>-</u>	<u>15,499</u>
3000	<b>FUND BALANCES, ENDING</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,499</u>
			<u>\$ 34,874</u>	<u>\$ 34,874</u>

410	429	461	496	498	499	Total Nonmajor Governmental
State Textbook	Other State Special Revenue Funds	Campus Activity	TASB Loss Prevention	Other Local	Other Local	
\$ -	\$ -	\$1,832,250	\$ -	\$ 2,370	\$1,044,342	\$ 2,878,962
335,164	-	-	-	-	-	343,786
112,375	-	-	-	-	-	4,959,725
<u>447,539</u>	<u>-</u>	<u>1,832,250</u>	<u>-</u>	<u>2,370</u>	<u>1,044,342</u>	<u>8,182,473</u>
296,144	-	372,590	-	2,085	200,002	3,491,191
-	-	51,923	-	-	12,852	64,775
-	-	28,537	-	-	83,267	767,639
-	-	50,347	-	-	34,785	85,132
-	-	367,604	-	-	267	1,491,390
-	-	-	-	-	-	70,962
-	-	-	-	-	1,977	1,977
-	-	-	-	-	-	82,384
-	-	-	-	-	-	112,429
-	-	864,951	-	-	359,036	1,223,987
-	-	8	-	-	583	591
-	-	-	-	-	5,914	182,738
-	-	-	-	-	2,652	16,301
-	-	2,553	-	-	325	2,878
13,767	-	-	-	-	-	13,767
261	-	-	-	-	-	261
-	-	-	-	-	177,185	177,185
<u>310,172</u>	<u>-</u>	<u>1,738,513</u>	<u>-</u>	<u>2,085</u>	<u>878,845</u>	<u>7,785,587</u>
137,367	-	93,737	-	285	165,497	396,886
3,530	-	1,446,022	2,466	695	760,168	2,263,254
<u>\$ 140,897</u>	<u>\$ -</u>	<u>\$1,539,759</u>	<u>\$ 2,466</u>	<u>\$ 980</u>	<u>\$ 925,665</u>	<u>\$ 2,660,140</u>

**EANES INDEPENDENT SCHOOL DISTRICT**

COMBINING BALANCE SHEET  
NONMAJOR CAPITAL PROJECTS FUNDS

JUNE 30, 2023

Data Control Codes	619	620	623
<u>Series 2019</u> Bonds	<u>Series 2020</u> Bonds	<u>Series 2023</u> Bonds	
<b>ASSETS</b>			
1110 Cash and cash equivalents	\$ 14,444,692	\$ 286,141	\$ -
1260 Due from other funds	-	-	-
1410 Prepaid items	-	-	67,871
1000 Total assets	<u>14,444,692</u>	<u>286,141</u>	<u>67,871</u>
<b>LIABILITIES</b>			
2110 Accounts payable	924,430	-	39,518
2150 Payroll deductions and withholdings	38	-	-
2160 Accrued wages	874	-	-
2170 Due to other funds	90	-	244,528
Total liabilities	<u>925,432</u>	<u>-</u>	<u>284,046</u>
<b>FUND BALANCES</b>			
Restricted for:			
3470 Capital acquisition and contractual obligations	13,519,260	286,141	-
3600 Unassigned	-	-	(216,175)
3000 Total fund balances	<u>13,519,260</u>	<u>286,141</u>	<u>(216,175)</u>
4000 Total liabilities and fund balances	<u>\$ 14,444,692</u>	<u>\$ 286,141</u>	<u>\$ 67,871</u>



665	690	692	Total Nonmajor Capital Projects Funds
Series 2015A Bonds	River Hills Land Sale	Baldwin Land Sale	
\$ 994,671	\$ -	\$ -	\$ 15,725,504
10,193	-	-	10,193
-	-	-	67,871
<u>1,004,864</u>	<u>-</u>	<u>-</u>	<u>15,803,568</u>
29,125	-	-	993,073
-	-	-	38
-	-	-	874
-	-	-	244,618
<u>29,125</u>	<u>-</u>	<u>-</u>	<u>1,238,603</u>
975,739	-	-	14,781,140
-	-	-	(216,175)
<u>975,739</u>	<u>-</u>	<u>-</u>	<u>14,564,965</u>
<u>\$ 1,004,864</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,803,568</u>

**EANES INDEPENDENT SCHOOL DISTRICT**

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

FOR THE YEAR ENDED JUNE 30, 2023

Data Control Codes	619	620	623
	Series 2019 Bonds	Series 2020 Bonds	Series 2023 Bonds
<b>REVENUES</b>			
5700 Local and intermediate sources	\$ 726,393	\$ 9,886	\$ -
5020 Total revenues	<u>726,393</u>	<u>9,886</u>	<u>-</u>
<b>EXPENDITURES</b>			
Current:			
0011 Instruction	2,742,813	-	-
0034 Student transportation	427,978	-	-
0035 Food service	-	-	174,941
0036 Extracurricular activities	50,329	-	3,712
0041 General administration	31,400	-	-
0051 Facilities maintenance and operations	395,579	-	-
0052 Security and monitoring services	167,863	-	-
0053 Data processing services	1,299,446	-	37,522
0081 Capital outlay	<u>4,581,353</u>	<u>106,279</u>	<u>-</u>
6030 Total expenditures	<u>9,696,761</u>	<u>106,279</u>	<u>216,175</u>
1100 <b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(8,970,368)</u>	<u>(96,393)</u>	<u>(216,175)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
7915 Transfers in	-	382,534	-
8911 Transfers out	<u>-</u>	<u>-</u>	<u>-</u>
7080 Total other financing sources (uses)	<u>-</u>	<u>382,534</u>	<u>-</u>
1200 <b>NET CHANGE IN FUND BALANCES</b>	(8,970,368)	286,141	(216,175)
0100 <b>FUND BALANCES, BEGINNING</b>	<u>22,489,628</u>	<u>-</u>	<u>-</u>
3000 <b>FUND BALANCES, ENDING</b>	<u>\$ 13,519,260</u>	<u>\$ 286,141</u>	<u>\$ (216,175)</u>

665	690	692	Total Nonmajor Capital Projects Funds
Series 2015A Bonds	River Hills Land Sale	Baldwin Land Sale	
<u>\$ 222,417</u>	<u>\$ 46,596</u>	<u>\$ 29,216</u>	<u>\$ 1,034,508</u>
<u>222,417</u>	<u>46,596</u>	<u>29,216</u>	<u>1,034,508</u>
39,744	-	-	2,782,557
4,736	-	-	432,714
-	-	-	174,941
-	-	-	54,041
106,459	-	-	137,859
-	-	-	395,579
-	-	-	167,863
-	-	-	1,336,968
<u>234,020</u>	<u>-</u>	<u>4,964,065</u>	<u>9,885,717</u>
<u>384,959</u>	<u>-</u>	<u>4,964,065</u>	<u>15,368,239</u>
<u>(162,542)</u>	<u>46,596</u>	<u>(4,934,849)</u>	<u>(14,333,731)</u>
-	-	3,795,671	4,178,205
<u>-</u>	<u>(3,502,477)</u>	<u>(382,534)</u>	<u>(3,885,011)</u>
<u>-</u>	<u>(3,502,477)</u>	<u>3,413,137</u>	<u>293,194</u>
(162,542)	(3,455,881)	(1,521,712)	(14,040,537)
<u>1,138,281</u>	<u>3,455,881</u>	<u>1,521,712</u>	<u>28,605,502</u>
<u>\$ 975,739</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,564,965</u>

**EANES INDEPENDENT SCHOOL DISTRICT**

COMBINING STATEMENT OF NET POSITION  
NONMAJOR ENTERPRISE FUNDS

JUNE 30, 2023

	701	711	712
	Child Nutrition	Community Education	Child Development Center
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>			
Current assets:			
Cash and temporary investments	\$ -	\$ 1,205,583	\$ 1,221,701
Other receivables	120	-	365
Inventory	28,772	-	-
Prepaid items	-	11,598	-
Total current assets	<u>28,892</u>	<u>1,217,181</u>	<u>1,222,066</u>
Noncurrent assets:			
Capital assets:			
Land	-	-	-
Buildings and improvements, net	120,541	-	28,140
Furniture and equipment, net	538,469	-	-
Total noncurrent assets	<u>659,010</u>	<u>-</u>	<u>28,140</u>
Total assets	<u>687,902</u>	<u>1,217,181</u>	<u>1,250,206</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	23,721	31,541	570
Payroll deductions and withholdings payable	38,075	1,172	12,686
Accrued wages payable	199,560	164,009	87,325
Due to other funds	162,835	346	-
Unearned revenue	224,796	162,572	3
Total liabilities	<u>648,987</u>	<u>359,640</u>	<u>100,584</u>
<b>NET POSITION</b>			
Net investment in capital assets	659,010	-	28,140
Unrestricted	(620,095)	857,541	1,121,482
Total net position	<u>\$ 38,915</u>	<u>\$ 857,541</u>	<u>\$ 1,149,622</u>

713	715	Total Nonmajor Enterprise Funds
Easy Care After School	Facility Rentals	
\$ 874,046	\$ 526,191	\$ 3,827,521
-	108,402	108,887
-	-	28,772
-	-	11,598
<u>874,046</u>	<u>634,593</u>	<u>3,976,778</u>
-	9,625	9,625
-	-	148,681
-	-	538,469
<u>-</u>	<u>9,625</u>	<u>696,775</u>
<u>874,046</u>	<u>644,218</u>	<u>4,673,553</u>
3,765	2,130	61,727
2,579	349	54,861
22,558	1,293	474,745
-	-	163,181
-	-	387,371
<u>28,902</u>	<u>3,772</u>	<u>1,141,885</u>
-	9,625	696,775
<u>845,144</u>	<u>630,821</u>	<u>2,834,893</u>
<u>\$ 845,144</u>	<u>\$ 640,446</u>	<u>\$ 3,531,668</u>

**EANES INDEPENDENT SCHOOL DISTRICT**

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

FOR THE YEAR ENDED JUNE 30, 2023

	701	711	712
	Child Nutrition	Community Education	Child Development Center
<b>OPERATING REVENUES</b>			
Local and intermediate sources	\$ 4,628,131	\$ 1,618,597	\$ 1,340,333
Total operating revenues	<u>4,628,131</u>	<u>1,618,597</u>	<u>1,340,333</u>
<b>OPERATING EXPENSES</b>			
Payroll costs	2,249,742	770,432	1,217,352
Professional and contracted services	123,058	343,793	2,541
Supplies and materials	2,801,314	49,457	40,183
Other operating costs	17,517	68,048	24,785
Depreciation	105,462	-	3,684
Total operating expenses	<u>5,297,093</u>	<u>1,231,730</u>	<u>1,288,545</u>
<b>OPERATING INCOME (LOSS)</b>	(668,962)	386,867	51,788
<b>NONOPERATING REVENUES (EXPENSES)</b>			
State programs	6,652	-	-
Federal programs	359,229	-	553,625
Transfer out	-	(43,332)	(43,332)
Total nonoperating revenues (expenses)	<u>365,881</u>	<u>(43,332)</u>	<u>510,293</u>
<b>CHANGE IN NET POSITION</b>	(303,081)	343,535	562,081
<b>NET POSITION, BEGINNING</b>	<u>341,996</u>	<u>514,006</u>	<u>587,541</u>
<b>NET POSITION, ENDING</b>	<u>\$ 38,915</u>	<u>\$ 857,541</u>	<u>\$ 1,149,622</u>

713	715	Total Nonmajor Enterprise Funds
Easy Care After School	Facility Rentals	
<u>\$ 634,324</u>	<u>\$ 921,594</u>	<u>\$ 9,142,979</u>
<u>634,324</u>	<u>921,594</u>	<u>9,142,979</u>
436,138	255,478	4,929,142
1,369	16,996	487,757
5,689	4,329	2,900,972
17,440	4,347	132,137
-	-	109,146
<u>460,636</u>	<u>281,150</u>	<u>8,559,154</u>
173,688	640,444	583,825
-	-	6,652
-	-	912,854
<u>(43,332)</u>	<u>(801,506)</u>	<u>(931,502)</u>
<u>(43,332)</u>	<u>(801,506)</u>	<u>(11,996)</u>
130,356	(161,062)	571,829
<u>714,788</u>	<u>801,508</u>	<u>2,959,839</u>
<u>\$ 845,144</u>	<u>\$ 640,446</u>	<u>\$ 3,531,668</u>

**EANES INDEPENDENT SCHOOL DISTRICT**

COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR ENTERPRISE FUNDS

FOR THE YEAR ENDED JUNE 30, 2023

	701	711	712
	Child Nutrition	Community Education	Child Development Center
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from user charges	\$ 4,676,792	\$ 1,656,513	\$ 1,340,333
Cash payments to employees for services	(2,214,305)	(751,016)	(1,222,111)
Cash payments to suppliers for goods and services	<u>(2,920,439)</u>	<u>(467,938)</u>	<u>(66,939)</u>
Net cash provided (used) by operating activities	<u>(457,952)</u>	<u>437,559</u>	<u>51,283</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>			
Cash paid to other funds	162,835	(43,011)	(43,332)
State programs	6,652	-	-
Federal Programs	<u>253,614</u>	<u>-</u>	<u>553,625</u>
Net cash provided (used) by non-capital financing activities	<u>423,101</u>	<u>(43,011)</u>	<u>510,293</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition and construction of capital assets	<u>(149,677)</u>	<u>-</u>	<u>(17,088)</u>
Net cash provided (used) by capital and related financing activities	<u>(149,677)</u>	<u>-</u>	<u>(17,088)</u>
<b>NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS</b>	<u>(184,528)</u>	<u>394,548</u>	<u>544,488</u>
<b>CASH AND CASH EQUIVALENTS, BEGINNING</b>	<u>184,528</u>	<u>811,035</u>	<u>677,213</u>
<b>CASH AND CASH EQUIVALENTS, ENDING</b>	<u>-</u>	<u>1,205,583</u>	<u>1,221,701</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Net operating income (loss)	(668,962)	386,867	51,788
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	105,462	-	3,684
(Increase) decrease in other receivables	-	-	-
(Increase) decrease in inventory	106,140	-	-
(Increase) decrease in prepaid items	-	(446)	-
Increase (decrease) in accounts payable	21,450	(6,194)	570
Increase (decrease) in payroll deductions and withholdings payable	(2,970)	267	(460)
Increase (decrease) in accrued wages payable	38,407	19,149	(4,299)
Increase (decrease) in unearned revenue	<u>(57,479)</u>	<u>37,916</u>	<u>-</u>
Net cash provided (used) by operating activities	<u>\$ (457,952)</u>	<u>\$ 437,559</u>	<u>\$ 51,283</u>



713	715	Total Nonmajor Enterprise Funds
Easy Care After School	Facility Rentals	
\$ 634,324	\$ 921,594	\$ 9,229,556
(441,325)	(295,199)	(4,923,956)
<u>(21,238)</u>	<u>(25,680)</u>	<u>(3,502,234)</u>
<u>171,761</u>	<u>600,715</u>	<u>803,366</u>
(43,332)	(801,506)	(768,346)
-	-	6,652
-	-	<u>807,239</u>
<u>(43,332)</u>	<u>(801,506)</u>	<u>45,545</u>
-	-	<u>(166,765)</u>
-	-	<u>(166,765)</u>
<u>128,429</u>	<u>(200,791)</u>	<u>682,146</u>
<u>745,617</u>	<u>726,982</u>	<u>3,145,375</u>
<u>874,046</u>	<u>526,191</u>	<u>3,827,521</u>
173,688	640,444	583,825
-	-	109,146
-	1,395,604	1,395,604
-	-	106,140
-	-	(446)
3,260	(8)	19,078
(1,721)	36	(4,848)
(3,466)	(651)	49,140
-	(1,434,710)	<u>(1,454,273)</u>
<u>\$ 171,761</u>	<u>\$ 600,715</u>	<u>\$ 803,366</u>

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## **REQUIRED TEA SCHEDULES**

**EANES INDEPENDENT SCHOOL DISTRICT**

SCHEDULE OF DELINQUENT TAXES RECEIVABLE

FOR THE YEAR ENDED JUNE 30, 2023

Last Ten Years Ended June 30,	1		2	3	10
	Tax Rates			Net Assessed/ Appraised Value for School Tax Purpose	Beginning Balance 7/1/2022
	Maintenance	Debt Service			
2014 and prior years	Various	Various	Various	\$	334,236
2015	1.040000	0.172500	10,150,514,818		49,225
2016	1.040000	0.172500	11,142,016,675		69,420
2017	1.040000	0.172500	12,347,242,347		127,401
2018	1.060000	0.140000	13,068,122,738		144,491
2019	1.060000	0.140000	13,671,949,330		280,255
2020	0.990000	0.140000	14,379,223,106		276,705
2021	0.996400	0.120000	14,783,532,074		702,913
2022	0.940800	0.120000	18,295,494,532		1,514,951
2023 (School year under audit)	0.884600	0.120000	21,482,397,571		-
<b>1000</b> Totals					<u>\$ 3,499,597</u>

**8000**

Taxes Refunded under Sction 26.1115

20	31	32	40	50
<u>Current Year's Total Levy</u>	<u>Maintenance Total Collections</u>	<u>Debt Service Total Collections</u>	<u>Entire Year's Adjustments</u>	<u>Ending Balance 6/30/2023</u>
\$ -	\$ 19,823	\$ 3,288	\$ (100,172)	\$ 210,953
-	3,494	580	-	45,151
-	6,558	1,088	-	61,774
-	6,721	1,115	(303)	119,262
-	8,689	1,148	(400)	134,254
-	(28,784)	(3,802)	(75,784)	237,057
-	13,609	1,925	(29,118)	232,053
-	87,008	10,479	(203,456)	401,970
-	227,613	29,032	(632,636)	625,670
<u>215,812,166</u>	<u>186,258,773</u>	<u>25,266,847</u>	<u>(2,239,667)</u>	<u>2,046,879</u>
<u>\$ 215,812,166</u>	<u>\$ 186,603,504</u>	<u>\$ 25,311,700</u>	<u>\$ (3,281,536)</u>	<u>\$ 4,115,023</u>
	\$ 21,102			

**EANES INDEPENDENT SCHOOL DISTRICT**

**EXHIBIT J-2**

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

FOR THE YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Local and intermediate sources	\$ 4,367,000	\$ 4,678,700	\$ 4,628,131	\$ (50,569)
State programs	4,200	4,200	6,652	2,452
Federal programs	-	319,000	359,229	40,229
Total revenues	4,371,200	5,001,900	4,994,012	(7,888)
<b>EXPENSES</b>				
Current:				
Food service	4,376,818	5,253,293	5,016,631	236,662
Facilities maintenance and operations	272,129	281,129	280,462	667
Total expenses	4,648,947	5,534,422	5,297,093	237,329
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENSES</b>	(277,747)	(532,522)	(303,081)	229,441
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	200,000	-	(200,000)
Total other financing sources (uses)	-	200,000	-	(200,000)
<b>CHANGE IN NET POSITION</b>	(277,747)	(332,522)	(303,081)	29,441
<b>NET POSITION, BEGINNING</b>	341,996	341,996	341,996	-
<b>NET POSITION, ENDING</b>	\$ 64,249	\$ 9,474	\$ 38,915	\$ 29,441

**EANES INDEPENDENT SCHOOL DISTRICT**

**EXHIBIT J-3**

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

FOR THE YEAR ENDED JUNE 30, 2023

Data Control Codes	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	
	Original	Final			
<b>REVENUES</b>					
5700	Local and intermediate sources	\$ 26,604,665	\$ 26,604,665	\$ 25,888,086	\$ (716,579)
5800	State programs	-	166,620	167,852	1,232
5020	Total revenues	<u>26,604,665</u>	<u>26,771,285</u>	<u>26,055,938</u>	<u>(715,347)</u>
<b>EXPENDITURES</b>					
Debt service:					
0071	Principal on long-term debt	16,260,000	16,260,000	16,260,000	-
0072	Interest on long-term debt	4,678,142	4,678,142	4,678,142	-
0073	Bond issuance costs and fees	30,000	42,030	28,105	13,925
6030	Total expenditures	<u>20,968,142</u>	<u>20,980,172</u>	<u>20,966,247</u>	<u>13,925</u>
1100	<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>5,636,523</u>	<u>5,791,113</u>	<u>5,089,691</u>	<u>(701,422)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
8949	Payment to escrow agent	-	(9,072,010)	(9,072,010)	-
7080	Total other financing sources (uses)	-	<u>(9,072,010)</u>	<u>(9,072,010)</u>	-
1200	<b>NET CHANGE IN FUND BALANCES</b>	5,636,523	(3,280,897)	(3,982,319)	(701,422)
0100	<b>FUND BALANCES, BEGINNING</b>	<u>23,974,637</u>	<u>23,974,637</u>	<u>23,974,637</u>	-
3000	<b>FUND BALANCES, ENDING</b>	<u>\$ 29,611,160</u>	<u>\$ 20,693,740</u>	<u>\$ 19,992,318</u>	<u>\$ (701,422)</u>

USE OF FUNDS REPORT - SELECT STATE ALLOTMENT PROGRAMS

FOR THE YEAR ENDED JUNE 30, 2023

**Section A: Compensatory Education Programs**

AP1	Did your LEA expend any state compensatory education program state allotment funds during the district's fiscal year?	Yes
AP2	Does the LEA have written policies and procedures for its state compensatory education program?	Yes
AP3	List the total state allotment funds received for state compensatory education programs during the district's fiscal year.	\$ 473,242
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal year. (PICs 24, 26, 28, 29, 30, 34)	\$ 1,020,540

**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.	\$ 125,809
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PICs 25, 35)	\$ 213,888



## **COMPLIANCE SECTION**

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**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Trustees  
Eanes Independent School District  
Austin, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Eanes Independent School District as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Eanes Independent School District’s basic financial statements, and have issued our report thereon dated October 17, 2023.

***Report on Internal Control over Financial Reporting***

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

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

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

**OFFICE LOCATIONS**

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

## **Report on Compliance and Other Matters**

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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Eanes Independent School 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 Eanes Independent School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Waco, Texas  
October 17, 2023

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

Board of Trustees  
Eanes Independent School District  
Austin, Texas

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

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

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

**OFFICE LOCATIONS**

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

## **Auditor's Responsibilities for the Audit of Compliance**

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

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

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

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

## **Report on Internal Control Over Compliance**

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

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

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

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

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

Waco, Texas  
October 17, 2023

**EANES INDEPENDENT SCHOOL DISTRICT**

**EXHIBIT K-1**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2023

(1) Federal Grantor/ Pass-through Grantor/ Grantor/Program Title	(2) Federal Assistance Listing Number	(2A) Pass-through Entity Identifying Number	(3) Federal Expenditures
<b>U. S. DEPARTMENT OF AGRICULTURE</b>			
<u>Passed through Texas Education Agency:</u>			
School Breakfast Program	10.553	71402201	\$ 1,234
School Breakfast Program	10.553	71402301	<u>9,232</u>
Total Assistance Listing Number 10.553			<u>10,466</u>
National School Lunch Program	10.555	71302201	42,957
National School Lunch Program	10.555	71302301	<u>197,789</u>
Total Assistance Listing Number 10.555			<u>240,746</u>
Total Passed through Texas Education Agency			<u>251,212</u>
<u>Passed through Texas Department of Agriculture:</u>			
NSLP - Commodities - Noncash Assistance	10.555	71302201	105,615
Private Storage Delivery & Storage Fees	10.555	01071 CE	<u>1,774</u>
Total Assistance Listing Number 10.555			<u>107,389</u>
Total Child Nutrition Cluster			<u>358,601</u>
COVID-19 - Pandemic EBT Admin Expense Reimbursement	10.649	01071 CE	<u>628</u>
Total Passed through Texas Department of Agriculture			<u>108,017</u>
<b>TOTAL U. S. DEPARTMENT OF AGRICULTURE</b>			<u>359,229</u>
<b>U. S. DEPARTMENT OF EDUCATION</b>			
<u>Passed through Texas Education Agency:</u>			
Title I, Part A- Improving Basic Program	84.010A	22610101227909	17,737
Title I, Part A- Improving Basic Program	84.010A	23610101227909	<u>183,268</u>
Total Assistance Listing Number 84.010			<u>201,005</u>
IDEA - Part B, Formula	84.027A	226600012279096600	340,039
IDEA - Part B, Formula	84.027A	236600012279096600	1,321,589
IDEA Part-B, High Risk Cost Pool	84.027A	66002206	8,373
IDEA Part-B, High Risk Cost Pool	84.027A	66002306	82,313
IDEA Part-B, Discretionary - Residential	84.027A	66002212	37,915
IDEA Part-B, Discretionary - Residential	84.027A	66002312	296,117
COVID-19 - IDEA - Part B, Formula - ARP	84.027X	225350012279095350	<u>308,813</u>
Total Assistance Listing Number 84.027			<u>2,395,159</u>
IDEA - Part B, Preschool	84.173A	226610012279096610	306
IDEA - Part B, Preschool	84.173A	236610012279096610	22,845
COVID-19 - IDEA - Part B, Preschool - ARP	84.173X	225360012279095360	<u>7,745</u>
Total Assistance Listing Number 84.173			<u>30,896</u>
Total Special Education Cluster			<u>2,426,055</u>
Career and Technical Education	84.048A	22420006227909	950
Career and Technical Education	84.048A	23420006227909	<u>56,735</u>
Total Assistance Listing Number 84.048			<u>57,685</u>
Title III, Part A LEP	84.365A	22671001227909	2,076
Title III, Part A LEP	84.365A	23671001227909	<u>15,521</u>
Total Assistance Listing Number 84.365			<u>17,597</u>
Title II, Part A- Teacher & Principal Training & Recruiting	84.367A	22694501227909	20,624
Title II, Part A- Teacher & Principal Training & Recruiting	84.367A	23694501227909	<u>116,010</u>
Total Assistance Listing Number 84.367			<u>136,634</u>



**EANES INDEPENDENT SCHOOL DISTRICT**

**EXHIBIT K-1**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2023

(1) Federal Grantor/ Pass-through Grantor/ Grantor/Program Title	(2) Federal Assistance Listing Number	(2A) Pass-through Entity Identifying Number	(3) Federal Expenditures
<b>U. S. DEPARTMENT OF EDUCATION</b>			
<u>Passed through Texas Education Agency (continued):</u>			
LEP Summer School	84.369A	69552102	\$ 1,439
LEP Summer School	84.369A	69552202	<u>2,958</u>
Total Assistance Listing Number 84.369			<u>4,397</u>
Title IV, Part A, Subpart 1	84.424A	22680101227909	<u>14,581</u>
COVID-19 - Elementary and Secondary School Emergency Relief (ESSER) III	84.425U	21528001227909	224,804
COVID-19 - Elementary and Secondary School Emergency Relief (ESSER) - Supplemental Grant	84.425U	21528043227909	<u>1,876,967</u>
Total Assistance Listing Number 84.425			<u>2,101,771</u>
Total Passed through Texas Education Agency			<u>4,959,725</u>
<b>TOTAL U. S. DEPARTMENT OF EDUCATION</b>			<u>4,959,725</u>
<b>U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
<u>Passed through Texas Workforce Commission:</u>			
CCDF Cluster: COVID-19 - CCDF ARP Stabilization Funds	93.575	2022-559508/510651	<u>553,625</u>
Total Passed through Texas Workforce Commission			<u>553,625</u>
<b>TOTAL U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			<u>553,625</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>\$ 5,872,579</u>

**EANES INDEPENDENT SCHOOL DISTRICT**

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

JUNE 30, 2023

**1. GENERAL**

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

**2. BASIS OF ACCOUNTING**

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

**3. PASS-THROUGH EXPENDITURES**

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

**4. INDIRECT COSTS**

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

**5. RECONCILIATION OF FEDERAL REVENUES**

The following is the reconciliation of federal revenues and the Schedule of Expenditures of Federal Awards for the year ended June 30, 2023.

Federal revenues on the Statement of Revenues, Expenditures and Changes in Fund Balance Governmental Funds (Exhibit C-3)	\$ 5,818,360
Federal revenues on the Statement of Revenues, Expenses and Changes in Net Position Proprietary Funds (Exhibit D-2)	<u>912,854</u>
Total federal revenues	<u>6,731,214</u>
School health and related services revenue	<u>(858,635)</u>
Federal expenditures on the Schedule of Expenditures of Federal Awards (Exhibit K-1)	<u>\$ 5,872,579</u>

**EANES INDEPENDENT SCHOOL DISTRICT**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2023

**Summary of Auditor's Results**

Financial Statements:

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

Federal Awards:

Internal control over major programs: Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported

Type of auditor's report issued on compliance for major programs	Unmodified
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Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	None
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Identification of major programs:

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

None

**Findings and Questioned Costs for Federal Awards**

None

**EANES INDEPENDENT SCHOOL DISTRICT**

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FOR THE YEAR ENDED JUNE 30, 2023

None