

**MANOR INDEPENDENT
SCHOOL DISTRICT**

ANNUAL FINANCIAL REPORT

Year Ended June 30, 2022



MANOR INDEPENDENT SCHOOL DISTRICT

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CERTIFICATE OF BOARD

Manor Independent School District

Name of School District

Travis

County

227-907

Co. - Dist. No.

We, the undersigned, certify that the attached annual financial reports of the above named school district were reviewed and approved for the year ended June 30, 2022, at a meeting of the board of trustees of such school district on November 14, 2022.



President of the Board



Secretary of the Board



FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Manor Independent School District
Manor, Texas

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining nonmajor fund financial statements, required Texas Education Agency (TEA) schedules, and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

To the Board of Trustees
Manor Independent School District

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Schedule L-1 but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2022 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Whitley Penn LLP". The signature is written in a cursive, flowing style.

Austin, Texas
November 14, 2022



MANOR INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Manor Independent School District (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2022.

Financial Highlights

- The assets and deferred outflows of the District exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$28,372,493 (*net position*). Of this amount, (\$22,924,945) represents (*unrestricted net position-deficit*). This deficit in unrestricted net position is due to the District's noncurrent liabilities of \$12,910,709 for the District's portion of the Teacher's Retirement System (TRS) net pension liability and \$27,054,715 for the District's portion of the TRS net other post-employment benefits liability.
- The District's total net position increased by \$9,958,618.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$232,260,155, a decrease of \$10,134,169 in comparison with the prior year. The debt service fund balance increased by \$9,637,546 and the capital projects fund balance decreased by \$25,604,655.
- During the current fiscal year, unassigned fund balance for the general fund increased by \$4,113,159, to \$41,531,991, unassigned fund balance at year-end is 46 percent of general fund expenditures. Total fund balance for the general fund as of year-end was \$41,531,991, an increase of \$4,113,832 (11 percent) over prior year.
- The District's total bonded debt decreased by \$9,520,000 (2 percent) during the current fiscal year as the result of principal payments during the fiscal year.

Overview of the Financial Statements

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

Government-wide financial statements

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

The *Statement of Net Position* presents information on all of the District's assets, deferred outflows, liabilities, and deferred inflows, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

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

The *government-wide financial statements* of the District are principally supported by taxes and intergovernmental revenues (*governmental activities*). The governmental activities of the District include Instruction, Instructional Resources and Media Services, Curriculum and Staff Development, Instructional Leadership, School Leadership, Guidance, Counseling, and Evaluation Services, Social Work Services, Health Services, Student Transportation, Food Services, Extracurricular Activities, General Administration, Facilities Maintenance and Operations, Security and Monitoring Services, Data Processing Services, Community Services, Interest on Long-term Debt, Bond Issuance Costs and Fees, Other Facility Costs, and Other Intergovernmental Charges.

MANOR INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Fund financial statements

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

Governmental funds

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The District maintains individual governmental funds for general, special revenue, debt service, and capital project funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, capital projects fund and the debt service fund, all of which are considered to be major funds. Data from the other governmental funds is combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in the financial statements. The District adopts an annual appropriated budget for its general fund, debt service fund, and National School Breakfast and Lunch Program special revenue fund.

Fiduciary funds

The fiduciary funds are used to account for resources held for the benefit of students and employees. The District's *custodial fund* is used to account for resources held in a custodial capacity by the District and consists of funds that are the property of students or others. The fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the District's own programs. The funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operation.

Notes to financial statements

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

Required supplementary information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information that further explains and supports the information in the financial statements. The required supplementary information relates to comparison of the original adopted budget, the final amended budget, and the actual amounts for the fiscal year. This is required supplementary information for the general fund and any major special revenue funds. The District did not have any major special revenue funds, therefore only the general fund is presented as required supplementary information. The Required Supplementary Information also includes information related to the required pension system information and the required other post-employment benefit system information.

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

Other information

The combining and individual fund statements and schedules and other supplementary information are presented immediately following the required supplementary information.

Government-wide Financial Analysis

Net Position

As noted earlier, net position may serve over time as a useful indicator of a District's financial position. In the case of the District, assets and deferred outflows exceeded liabilities and deferred inflows by \$28,372,493 at the close of the most recent fiscal year.

A portion of the District's net position, \$15,431,768 reflects its investment in capital assets (e.g., land, buildings and improvements, furniture and equipment, construction in progress), less any outstanding related debt used to acquire those assets. The District uses these capital assets to provide services to students; consequently, these assets are *not* available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Condensed Statements of Net Position
June 30, 2022 and 2021

	Governmental Activities	
	2022	2021
Assets		
Current and other assets	\$ 257,820,098	\$ 262,985,229
Capital assets	357,133,388	349,276,584
Total Assets	614,953,486	612,261,813
Deferred Outflows of Resources		
Deferred outflows	20,824,579	23,416,105
Total Deferred Outflows of Resources	20,824,579	23,416,105
Liabilities		
Current liabilities	29,620,005	24,896,319
Long-term liabilities	536,748,167	561,838,124
Total Liabilities	566,368,172	586,734,443
Deferred Inflows of Resources		
Deferred inflows	41,037,400	30,529,600
Total Deferred Inflows of Resources	41,037,400	30,529,600
Net Position		
Net investment in capital assets	15,431,768	25,691,948
Restricted	35,865,670	24,031,278
Unrestricted	(22,924,945)	(31,309,351)
Total Net Position	\$ 28,372,493	\$ 18,413,875

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

Net position in the governmental activities are restricted for various purposes as follows:

	Governmental Activities	
	2022	2021
Federal and State Grant Programs	\$ 3,243,366	\$ 1,469,893
Debt Service	32,622,304	22,561,385
	<u>\$ 35,865,670</u>	<u>\$ 24,031,278</u>

At the end of the current fiscal year, the District reports positive balances in the total net position, which increased by \$9,958,618 during the current fiscal year. Unrestricted net position for governmental activities, 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, amounted to a deficit of \$22.92 million at June 30, 2022, a decrease in the deficit of \$8.38 million from the prior year.

Comparative Schedule of Changes in Net Position
For the Years Ended June 30, 2022 and 2021

	Governmental Activities	
	2022	2021
Revenues		
Program revenues:		
Charges for services	\$ 2,929,752	\$ 2,144,266
Operating grants	24,906,904	13,807,679
General revenues:		
Property taxes	95,455,604	89,927,795
State Aid - Formula Grants	20,923,942	27,988,128
Interest earnings	641,103	613,972
Other	4,941	228,235
Total Revenues	<u>144,862,246</u>	<u>134,710,075</u>
Expenses		
Instruction	59,286,852	60,835,636
Instructional resources and media services	928,686	978,072
Curriculum and staff development	1,630,618	1,746,491
Instructional leadership	3,701,788	4,281,433
School leadership	6,844,535	7,011,250
Guidance, counseling, and evaluation services	2,513,961	3,119,909
Social work services	1,631,051	1,804,954
Health services	1,577,267	1,393,699
Student transportation	6,121,597	4,031,505
Food service	6,986,862	3,760,967
Extracurricular activities	5,063,785	2,420,014
General administration	3,478,806	3,690,818
Facilities, maintenance and operations	10,860,114	11,231,360
Security and monitoring services	1,798,223	1,786,362
Data processing services	2,879,899	6,681,578
Community services	1,109,520	901,984
Interest on long-term debt	14,404,244	19,098,366
Bond issuance cost and fees	1,562,590	16,040
Other facility costs	2,140,982	-
Other governmental charges	382,248	362,401
Total Expenses	<u>134,903,628</u>	<u>135,152,839</u>
Decrease in net position	9,958,618	(442,764)
Net Position - Beginning	<u>18,413,875</u>	<u>18,856,639</u>
Net Position - Ending	<u>\$ 28,372,493</u>	<u>\$ 18,413,875</u>

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

Governmental activities

Governmental activities decreased the District's net position by \$9,958,618. Revenues are generated primarily from three sources. Property taxes, state-aid formula grants, and operating grants and contributions represent 98 percent of total revenues. The remaining 2 percent is generated from charges for services, investment earnings, and miscellaneous revenues.

	Total Revenues	% of Total Revenues
Property taxes	\$ 95,455,604	66%
State Aid - formula grants	20,923,942	14%
Operating grants and contributions	24,906,904	17%
Other revenue	3,575,796	2%
Total Revenues	\$ 144,862,246	100%

The primary functional expense of the District is instruction, which represents 44 percent of total expenses. Plant maintenance and operations, interest on long-term debt, food service, and school leadership represent 8 percent, 11 percent, 5 percent, and 5 percent, respectively, of the total expenses. The remaining individual functional categories of expenses are each less than 5 percent of total expenses.

	Total Expenses	% of Total Expenses
Instruction	\$ 59,286,852	44%
Food service	6,986,862	5%
Interest on long-term debt	14,404,244	11%
School leadership	6,844,535	5%
Facilities maintenance and operations	10,860,114	8%
Other expenses	36,521,021	27%
Total Expenses	\$ 134,903,628	100%

Financial Analysis of the Government's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds

The focus of the District's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the District's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a District's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$232,260,155, a decrease of \$10,134,169 in comparison with the prior year. The decrease in ending governmental fund balances is primarily due to a \$25.60 million decrease in Capital Projects fund balance.

The general fund is the chief operating fund of the District. At the end of the current fiscal year, total fund balance of the general fund was \$41,531,991, which is unassigned. As a measure of the general fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. Total fund balance represents 46 percent of total general fund expenditures. The fund balance of the District's general fund increased by \$4,113,159 during the current fiscal year.

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

The debt service fund has a total fund balance of \$38,765,802, all of which is restricted for the payment of debt service. The net increase in the debt service fund balance during the current year of \$9,637,546 was attributable to the increase in property tax revenues.

The capital projects fund has a total fund balance of \$148,548,061, all of which is restricted for capital acquisitions as authorized by the issued bonds. The net decrease in the capital projects fund balance during the current year of \$25,604,655 was attributable to acquisition of capital assets and the cost of ongoing construction in the current year.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget of the general fund can be briefly summarized as follows:

	Budget	
	Original	Final Amended
Total revenues	\$ 94,518,768	\$ 94,518,768
Total expenditures	101,593,254	101,593,254
Net change in fund balance	\$ (7,074,486)	\$ (7,074,486)

Budget amendments were adopted by the Board of Trustees due to varying revenue estimates and a reallocation of district expenditures. Each budget amendment was a projection of the district's categorization of funds and authorized allocation.

Capital Assets and Long-term Liabilities

Capital assets

The District's investment in capital assets for its governmental type activities as of June 30, 2022, includes land, buildings and improvements, furniture and equipment, and construction in progress. The following table summarizes the investment in capital assets (net of accumulated depreciation) as of June 30, 2022 and 2021.

	June 30, 2022	June 30, 2021
Land	\$ 24,487,849	\$ 24,454,547
Buildings and improvements	415,401,678	405,145,298
Furniture and equipment	35,057,090	28,661,160
Construction in progress	20,428,972	14,668,445
Right to use leased assets	453,333	-
Total	495,828,922	472,929,450
Less accumulated depreciation/amortization for:		
Buildings and improvements	(114,485,614)	(101,999,216)
Furniture and equipment	(24,134,365)	(21,653,650)
Right to use leased assets	(75,555)	-
Total Accumulated Depreciation/Amortization	(138,695,534)	(123,652,866)
Net Capital Assets	\$ 357,133,388	\$ 349,276,584

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

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

Long-term liabilities

At the end of the current fiscal year, the District had \$448,769,999 in bonded debt outstanding, a decrease of \$9,520,000 over the previous year. The District's bonds were sold with an "AAA" rating and are guaranteed through the Texas Permanent School Fund Guarantee Program or by a municipal bond insurance policy. The underlying rating of the bonds from Standard and Poor's is "AA-" and from Moody's Investors Service is "A1" for general obligation debt.

Changes in bonds payable for the year ended June 30, 2022 are as follows:

Outstanding 07/01/21	Issued	Retired	Outstanding 06/30/22
<u>\$ 458,289,999</u>	<u>\$ 161,660,000</u>	<u>\$ (171,180,000)</u>	<u>\$ 448,769,999</u>

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

Economic Factors and Next Year's Budgets and Rates

Multiple factors were integrated into the process of budget development by the District's Administration for the 2022-2023 fiscal year. Those factors include the following:

- Increase in the property tax assessed values for properties within the District's boundaries
- Increased District student enrollment based on available demographic data
- Availability of ESSER II, ESSER III, and TCLAS grant funds
- Cost of additional academic and curriculum-based programs
- Increased operational costs
- Fiscal year 2021-2022 fund balance carry forward

The District's 2022-2023 (FY23) budget for the year ending on June 30, 2023 was based on a tax rate of \$1.3520 per \$100 dollars of assessed value of which \$0.9746 is for M&O and \$0.3774 is for I&S. These rates were approved by the Manor ISD Board of Trustees at a Regular Meeting held on September 19, 2022. For comparative purposes, the previous fiscal year was based on a total tax rate of \$1.3520 composed of \$0.8720 for M&O and \$0.48 for I&S. The M&O portion of the tax rate increased year to year as a result of binding tax rate compression under HB3 which lowered the Maximum Compressed Rate or MCR offset by the declaration of disaster pennies which encompassed the remaining \$0.03 Golden Pennies and all nine (9) Copper Pennies. Additionally, as noted above, we expect the rise in property tax assessed values to compound the increased M&O rate and provide more revenue to the District for FY23 to the point where we anticipate owing Recapture to the State under Chapter 48 of the Texas Education Code.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate 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 Manor Independent School District, 10335 US Hwy 290E Manor, Texas 78653, (512) 278-4000 or Jeffrey.Solomon@manorisd.net.



BASIC FINANCIAL STATEMENTS

MANOR INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
June 30, 2022

Exhibit A-1

Data Control Codes		Governmental Activities
Assets		
1110	Cash and cash equivalents	\$ 249,656,559
1225	Property taxes receivables, net	3,123,933
1240	Due from other governments	4,797,525
1300	Inventories	242,081
	Capital assets not subject to depreciation:	
1510	Land	24,487,849
1580	Construction in progress	20,428,972
	Capital assets net of depreciation:	
1520	Buildings and improvements, net	300,916,064
1530	Furniture and equipment, net	10,922,725
1559	Right to use leased assets, equipment, net	377,778
1000	Total Assets	614,953,486
Deferred Outflows of Resources		
	Deferred outflows of resources - loss on refunding	6,533,062
	Deferred outflows of resources - pension activities	7,911,581
	Deferred outflows of resources - OPEB activities	6,379,936
1700	Total Deferred Outflows of Resources	20,824,579
Liabilities		
2110	Accounts payable	11,489,973
2140	Interest payable	7,183,996
2150	Payroll deductions and withholdings	48,896
2160	Accrued wages payable	4,197,803
2177	Due to fiduciary funds	57,879
2300	Unearned revenue	6,641,458
	Noncurrent Liabilities:	
2501	Due within one year	12,216,126
2502	Due in more than one year	484,566,617
2540	Net pension liability	12,910,709
2545	Net Other Post Employment Benefits (OPEB) liability	27,054,715
2000	Total Liabilities	566,368,172
Deferred Inflows of Resources		
	Deferred inflows of resources - pension activities	17,413,186
	Deferred inflows of resources - OPEB activities	23,624,214
2600	Total Deferred Inflows of Resources	41,037,400
Net Position		
3200	Net investment in capital assets	15,431,768
	Restricted for:	
3820	Federal and state programs	3,243,366
3850	Debt service	32,622,304
3900	Unrestricted	(22,924,945)
3000	Total Net Position	\$ 28,372,493

MANOR INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2022
Exhibit B-1

					Net (Expense) Revenue and Changes in Net Position
					Primary
					Government
Data Control Codes	Functions/Programs	Program Revenue			Governmental Activities
		Expenses	Charges for Services	Operating Grants and Contributions	
	Governmental Activities:				
11	Instruction	\$ 59,286,852	\$ 334,689	\$ 8,834,219	\$ (50,117,944)
12	Instructional resources and media services	928,686	16,326	-	(912,360)
13	Curriculum and staff development	1,630,618	4,082	591,545	(1,034,991)
21	Instructional leadership	3,701,788	-	569,867	(3,131,921)
23	School leadership	6,844,535	4,082	188,090	(6,652,363)
31	Guidance, counseling, and evaluation services	2,513,961	-	217,473	(2,296,488)
32	Social work services	1,631,051	-	956,242	(674,809)
33	Health services	1,577,267	-	2,771,789	1,194,522
34	Student transportation	6,121,597	-	4,137	(6,117,460)
35	Food service	6,986,862	400,183	7,840,954	1,254,275
36	Extracurricular activities	5,063,785	440,073	-	(4,623,712)
41	General administration	3,478,806	-	1,217,764	(2,261,042)
51	Facilities, maintenance and operations	10,860,114	1,730,317	-	(9,129,797)
52	Security and monitoring services	1,798,223	-	220,274	(1,577,949)
53	Data processing services	2,879,899	-	553,363	(2,326,536)
61	Community services	1,109,520	-	649,728	(459,792)
72	Interest expense	14,404,244	-	291,459	(14,112,785)
73	Bond issuance cost and fees	1,562,590	-	-	(1,562,590)
81	Other facility costs	2,140,982	-	-	(2,140,982)
99	Other governmental charges	382,248	-	-	(382,248)
TG	Total Governmental Activities	\$ 134,903,628	\$ 2,929,752	\$ 24,906,904	(107,066,972)

Data Control Codes	General Revenues:	
	Taxes:	
MT	Property taxes, levied for general purposes	61,382,819
DT	Property taxes, levied for debt service	34,072,785
SF	State-aid formula grants	20,923,942
IE	Investment earnings	641,103
MI	Miscellaneous	4,941
TR	Total General Revenues	117,025,590
CN	Change in net position	9,958,618
NB	Net Position - Beginning	18,413,875
NE	Net Position - Ending	\$ 28,372,493

MANOR INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
June 30, 2022

Exhibit C-1
Page 1 of 2

Data Control Codes		General Fund	Debt Service Funds	Capital Projects Fund
Assets				
1110	Cash and cash equivalents	\$ 51,174,161	\$ 38,699,485	\$ 159,608,317
	Receivables:			
1220	Delinquent property taxes	2,890,268	1,327,402	-
1230	Allowance for uncollectible taxes (credit)	(806,832)	(286,905)	-
1240	Receivables from other governments	1,597,627	15,085	-
1260	Due from other funds	48,963	52,786	1,553
1300	Inventories, at cost	-	-	-
1000	Total Assets	\$ 54,904,187	\$ 39,807,853	\$ 159,609,870
Liabilities, Deferred Inflows, and Fund Balance				
	Liabilities:			
2110	Accounts payable	\$ 381,898	\$ -	\$ 11,012,866
2150	Payroll deduction and withholdings payable	36,203	-	-
2160	Accrued wages payable	3,973,099	-	-
2170	Due to other funds	777,102	1,553	48,943
2190	Due to student groups	57,879	-	-
2300	Unearned revenue	6,062,579	-	-
2000	Total Liabilities	11,288,760	1,553	11,061,809
	Deferred Inflows of Resources			
	Deferred inflows of resources	2,083,436	1,040,498	-
2600	Total Deferred Inflows of Resources	2,083,436	1,040,498	-
	Fund Balances:			
	Restricted:			
3450	Federal/State grant restrictions	-	-	-
3470	Capital acquisitions	-	-	148,548,061
3480	Debt service	-	38,765,802	-
3490	Local grants	-	-	-
	Committed:			
3545	Other purposes	-	-	-
3600	Unassigned	41,531,991	-	-
3000	Total Fund Balances	41,531,991	38,765,802	148,548,061
4000	Total Liabilities, Deferred Inflows, and Fund Balances	\$ 54,904,187	\$ 39,807,853	\$ 159,609,870

MANOR INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET

June 30, 2022

Exhibit C-1

Page 2 of 2

Data Control Codes		Nonmajor Governmental Funds	Total Governmental Funds
Assets			
1110	Cash and cash equivalents	\$ 174,596	\$ 249,656,559
	Receivables:		
1220	Delinquent property taxes receivables	-	4,217,670
1230	Allowance for uncollectible taxes (credit)	-	(1,093,737)
1240	Receivables from other governments	3,184,813	4,797,525
1260	Due from other funds	3,721,901	3,825,203
1300	Inventories, at cost	242,081	242,081
1000	Total Assets	\$ 7,323,391	\$ 261,645,301
Liabilities, Deferred Inflows, and Fund Balance			
	Liabilities:		
2110	Accounts payable	\$ 95,209	\$ 11,489,973
2150	Payroll deduction and withholdings payable	12,693	48,896
2160	Accrued wages payable	224,704	4,197,803
2170	Due to other funds	2,997,605	3,825,203
2190	Due to student groups	-	57,879
2300	Unearned revenue	578,879	6,641,458
2000	Total Liabilities	3,909,090	26,261,212
	Deferred Inflows of Resources		
	Deferred inflows of resources	-	3,123,934
2600	Total Deferred Inflows of Resources	-	3,123,934
	Fund Balances:		
	Restricted:		
3450	Federal/State grant restrictions	3,014,510	3,014,510
3470	Capital acquisitions	-	148,548,061
3480	Debt service	-	38,765,802
3490	Local grants	137,894	137,894
	Committed:		
3545	Other purposes	261,897	261,897
3600	Unassigned	-	41,531,991
3000	Total Fund Balances	3,414,301	232,260,155
4000	Total Liabilities, Deferred Inflows, and Fund Balances	\$ 7,323,391	\$ 261,645,301



MANOR INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO
STATEMENT OF NET POSITION
June 30, 2022

Exhibit C-2

Data Control Codes		
	Total Fund Balance, Governmental Funds	\$ 232,260,155
	Amounts reported for governmental activities in the statement of net position (A-1) are different because:	
1	Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. Capital assets at historical cost, net of accumulated depreciation and amortization, where applicable.	357,133,388
2	Property taxes receivable have been levied and are due this year, but are not available soon enough to pay for the current period's expenditures, these property taxes and related penalty and interest amounts (net of allowance for uncollectible accounts).	3,123,934
3	Deferred charge on refunding	6,533,062
4	Deferred inflows and outflows related to pension activities	(9,501,605)
5	Deferred inflows and outflows related to OPEB activities	(17,244,278)
	Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:	
6	General obligation bonds	(448,769,999)
7	Premiums on issuance	(47,088,769)
8	Financed purchase payable	(542,785)
9	Lease liability payable	(381,190)
10	Accrued interest payable	(7,183,996)
11	Net pension liability	(12,910,709)
12	Net OPEB liability	(27,054,715)
19	Net Position - Governmental Activities	\$ 28,372,493

MANOR INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - GOVERNMENTAL FUNDS
For the Year Ended June 30, 2022

Exhibit C-3

Page 1 of 2

Data Control Codes		General Fund	Debt Service Fund	Capital Projects Funds
Revenues				
5700	Local, intermediate, and out-of-state	\$ 63,513,638	\$ 34,187,655	\$ 449,913
5800	State program revenues	25,756,541	291,459	-
5900	Federal program revenues	4,055,439	-	-
5020	Total Revenues	93,325,618	34,479,114	449,913
Expenditures				
Current:				
0011	Instruction	46,169,576	-	94,822
0012	Instructional resources and media services	494,955	-	-
0013	Curriculum and staff development	1,011,139	-	-
0021	Instructional leadership	3,574,610	-	-
0023	School leadership	7,036,225	-	-
0031	Guidance, counseling and evaluation services	2,489,042	-	-
0032	Social work services	724,916	-	-
0033	Health services	1,308,848	-	-
0034	Student transportation	4,764,836	-	1,507,868
0035	Food services	50,722	-	-
0036	Extracurricular activities	2,348,244	-	-
0041	General administration	3,337,278	-	24,265
0051	Facilities maintenance and operations	11,367,290	-	186,290
0052	Security and monitoring services	1,585,760	-	74,961
0053	Data processing services	2,377,285	-	693,444
0061	Community services	556,430	-	-
Debt service:				
0071	Principal on long-term debt	72,143	6,525,000	162,906
0072	Interest on long-term debt	7,817	16,043,425	37,696
0073	Bond issuance costs and fees	-	1,562,590	-
Capital outlay:				
0081	Facilities acquisition and construction	6,428	-	23,272,316
Intergovernmental:				
0099	Other governmental charges	382,248	-	-
6030	Total Expenditures	89,665,792	24,131,015	26,054,568
1100	Excess (deficiency) of revenues over expenditures	3,659,826	10,348,099	(25,604,655)
Other Financing Sources (Uses)				
7901	Refunding bonds issued	-	161,660,000	-
7913	Proceeds from lease	453,333	-	-
7916	Premium on issuance of bonds	-	19,542,136	-
8940	Payment to bond refunding escrow agent	-	(181,912,689)	-
7080	Total Other Financing Sources (Uses)	453,333	(710,553)	-
1200	Net change in fund balances	4,113,159	9,637,546	(25,604,655)
0100	Fund Balance - Beginning	37,418,832	29,128,256	174,152,716
3000	Fund Balance - Ending	\$ 41,531,991	\$ 38,765,802	\$ 148,548,061

MANOR INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - GOVERNMENTAL FUNDS
For the Year Ended June 30, 2022

Exhibit C-3

Page 2 of 2

Data Control Codes		Nonmajor Governmental Funds	Total Governmental Funds
Revenues			
5700	Local, intermediate, and out-of-state	\$ 938,189	\$ 99,089,395
5800	State program revenues	1,692,530	27,740,530
5900	Federal program revenues	18,990,498	23,045,937
5020	Total Revenues	21,621,217	149,875,862
Expenditures			
Current:			
0011	Instruction	9,164,044	55,428,442
0012	Instructional resources and media services	17,206	512,161
0013	Curriculum and staff development	594,295	1,605,434
0021	Instructional leadership	571,241	4,145,851
0023	School leadership	193,590	7,229,815
0031	Guidance, counseling and evaluation services	217,720	2,706,762
0032	Social work services	956,242	1,681,158
0033	Health services	333,614	1,642,462
0034	Student transportation	4,137	6,276,841
0035	Food services	6,491,629	6,542,351
0036	Extracurricular activities	333,595	2,681,839
0041	General administration	-	3,361,543
0051	Facilities maintenance and operations	-	11,553,580
0052	Security and monitoring services	220,274	1,880,995
0053	Data processing services	153,121	3,223,850
0061	Community services	650,728	1,207,158
Debt service:			
0071	Principal on long-term debt	-	6,760,049
0072	Interest on long-term debt	-	16,088,938
0073	Bond issuance costs and fees	-	1,562,590
Capital outlay:			
0081	Facilities acquisition and construction	-	23,278,744
Intergovernmental:			
0099	Other governmental charges	-	382,248
6030	Total Expenditures	19,901,436	159,752,811
1100	Excess (deficiency) of revenues over expenditures	1,719,781	(9,876,949)
Other Financing Sources (Uses)			
7901	Refunding bonds issued	-	161,660,000
7913	Proceeds from lease	-	453,333
7916	Premium on issuance of bonds	-	19,542,136
8940	Payment to bond refunding escrow agent	-	(181,912,689)
7080	Total Other Financing Sources (Uses)	-	(257,220)
1200	Net change in fund balances	1,719,781	(10,134,169)
0100	Fund Balance - Beginning	1,694,520	242,394,324
3000	Fund Balance - Ending	\$ 3,414,301	\$ 232,260,155

MANOR INDEPENDENT SCHOOL DISTRICT**Exhibit C-4**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE FOR GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2022**

**Data
Control
Codes**

Net Change in Fund Balances - Total Governmental Funds (from C-3)		\$ (10,134,169)
Amounts reported for governmental activities in the statement of activities (B-1) 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. This is the amount by which capital outlays exceeded depreciation in the current period.		
1	Capitalized expenditures reclassified to assets.	23,786,050
2	Depreciation and amortization expense taken to Statement of Activities.	(15,929,246)
3	Repayment of bond principal and lease liability principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	6,760,049
Proceeds from issuance of long-term debt is reported as an other financing source in the governmental funds. In the government-wide financial statements, proceeds are treated as an increase in long term liabilities.		
4	Proceeds from issuance on bonds	(161,660,000)
5	Premium on issuance of bonds	(19,542,136)
6	Proceeds from issuance of lease	(453,333)
7	Payment to escrow agent for refunding.	181,912,689
8	Property tax revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(197,923)
Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:		
9	Changes in net pension liabilities and related deferred outflows and inflows of resources	1,920,483
10	Changes in net OPEB liabilities and related deferred outflows and inflows of resources	1,811,460
11	Decrease in interest payable not recognized in fund statements	443,275
12	Amortization of premium on issuance	1,729,613
13	Amortization of deferred charge on refunding	(488,194)
Change in Net Position of Governmental Activities (see B-1)		\$ 9,958,618

MANOR INDEPENDENT SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2022

Exhibit E-1

	<u>Custodial Fund</u>
Assets	
Cash and cash equivalents	\$ -
Due from others	<u>57,879</u>
Total Assets	<u>57,879</u>
 Liabilities	
Accounts payable	250
Other liabilities	<u>289</u>
Total Liabilities	<u>539</u>
 Net Position	
Restricted for student scholarships and other activities	<u>57,340</u>
Total Net Position	<u><u>\$ 57,340</u></u>

MANOR INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Year Ended June 30, 2022

Exhibit E-2

	<u>Custodial Fund</u>
Additions	
Student activities	\$ 57,876
Total Additions	<u>57,876</u>
Deductions	
Operating expenses	<u>53,349</u>
Total Deductions	<u>53,349</u>
Change in net position	4,527
Net Position, Beginning of Year	<u>52,813</u>
Net Position, End of Year	<u><u>\$ 57,340</u></u>

Note 1 - Summary of Significant Accounting Policies

Reporting Entity

The Manor Independent School District (the District) is governed by a seven-member Board of Trustees (the Board), which has governance responsibilities over all activities related to public elementary and secondary education within the District. Because members of the Board are elected by the public; have authority to make decisions; appoint management and significantly influence operations; and have primary accountability for fiscal matters; the District is not included in any other governmental reporting entity. There are no component units, entities for which the District is considered to be financially accountable, included within the reporting entity.

The District receives funding from local, state and federal government sources and must comply with the requirements of these funding source entities.

Government-wide and Fund Financial Statements

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

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The fiduciary fund financial statement reflects the District's custodial funds. The fiduciary fund is accounted using an economic resources measurement focus and utilize the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred and become measurable.

Note 1 - Summary of Significant Accounting Policies (continued)

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

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

The District reports the following major governmental funds:

- The *general fund* is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The *capital projects funds* accounts for the proceeds from long-term debt financing and revenues and expenditures related to authorized acquisition, construction, or renovations as well as furnishing and equipping capital facilities.
- The *debt service fund* accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

The District reports the following nonmajor governmental funds:

- The *special revenue funds* account for resources restricted to or committed for specific purposes by a grantor, or for resources that are committed for specific purposes by the Board. Most federal and some state financial assistance is accounted for in a special revenue fund and sometimes unused balances must be returned to the grantor at the close of specified project periods.

Additionally, the District reports the following fiduciary fund:

- The *custodial fund* is used to account for assets held by the District as an agent for student organizations. The fund is custodial in nature.

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

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

Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, certificates of deposit, investment pools, and short-term investments with original maturities of one year or less from the date of acquisition.

Investments with an original maturity greater than one year from date of purchase are stated at fair value based on quoted market prices as of year-end, except for nonparticipating interest-earning investment contracts which are reported at cost. Investments with an original maturity of less than one year are reported at amortized cost.

The District categorizes fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Note 1 - Summary of Significant Accounting Policies (continued)

Receivables and Payables

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

Property tax receivables include unpaid property taxes at year-end and are shown net of an allowance for uncollectibles. Revenues from property taxes are recognized when levied to the extent they are available. The District considers property taxes as available when collected. However, not all outstanding property taxes are expected to be collected within one year of the date of the financial statements. Property values are determined by the Travis Central Appraisal District as of January 1 of each year. Prior to July 1 of each year, the District must adopt its annual budget and as soon thereafter as practicable, shall adopt a tax rate thus creating the tax levy.

Property taxes for the current calendar year are levied on approximately October 1 of each year and are payable by January 31 of the following year. Property tax receivables are recorded as of the date levied. Unpaid taxes become delinquent on February 1 and a tax lien on real property is created as of July 1 of each year.

Capital Assets

As the District constructs or acquires capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost (except for intangible right-to-use lease assets. See Note 6). The reported value excludes normal maintenance and repairs, which are amounts spent in relation to capital assets that do not increase the asset's capacity or efficiency or increase its estimated useful life. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class.

Land and construction in progress are not depreciated. The other tangible and intangible property, equipment, the right to use leased equipment, and infrastructure of the primary government are depreciated/amortized using the straight-line method over the following estimated useful lives:

Assets	Years
Building improvements	10 to 40 years
Furniture and equipment	4 to 10 years
Right to Use Leased Furniture and Equipment	5 to 10 years

Compensated Absences

Compensated absences are absences for which employees will be paid. Exempt and nonexempt employees in positions normally requiring 12 months of service shall not receive paid nonduty days. The employee's work schedule shall be set in accordance with the District calendar and the number of days in the employee's duty year (scheduled workdays per the employee's assignment and contract, as applicable).

Note 1 - Summary of Significant Accounting Policies (continued)

Leases

The District is a lessee for noncancellable leases of buildings, furniture, and equipment. The District recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide and internal service fund financial statements. The District recognizes lease liabilities with an initial, individual value of \$5,000 or more.

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

Key estimates and judgments related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

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

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

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Long-term Obligations

In the government-wide financial statements, long-term debt and long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Premiums and discounts are presented as a component of liabilities while deferred charges on refundings are presented as deferred outflows of resources. Both items are deferred and amortized over the life of the related debt using the straight-line method. Long-term debt is reported net of the applicable premium or discount. Bond issuance costs are expensed in the year incurred.

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

The current requirements for general obligation bonds principal and interest expenditures are accounted for in the debt service fund.

Note 1 - Summary of Significant Accounting Policies (continued)

Deferred Outflows/Inflows of Resources

Deferred outflows and inflows of resources are reported in the statement of financial position as described below:

A *deferred outflow of resources* is a consumption of a government's net assets (a decrease in assets in excess of any related decrease in liabilities or an increase in liabilities in excess of any related increase in assets) by the government that is applicable to a future reporting period. The District has three items that qualify for reporting in this category:

- *Deferred charge on refunding* - Reported in the government-wide statement of net position, this 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.
- *Deferred outflows relating to pension activities* – Reported in the government-wide financial statement of net position, this deferred outflow results from pension plan contributions made after the measurement date of the net pension liability and the results 1) changes in the District's proportional share of pension liabilities, 2) changes in actuarial assumptions; and 3) differences between expected and actual actuarial experiences. The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the next fiscal year. The remaining pension related deferred outflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with pensions through the pension plan.
- *Deferred outflows of resources for post-employment benefits* – Reported in the government wide financial statement of net position, this deferred outflow results from pension plan contributions made after the measurement date of the net pension liability and the results of 1) changes in the District's proportional share of post-employment liabilities; 2) changes in actuarial assumptions; 3) differences between expected and actual actuarial experiences and 4) differences between projected and actual earnings on post-employment plan investments. The deferred outflows of resources related to post-employment benefits resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net post-employment benefit liability in the next fiscal year. The deferred outflows resulting from differences between projected and actual earnings on OPEB plan investments will be amortized over a closed five year period. The remaining deferred outflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with post-employment benefits through the post-employment benefit plan.

A *deferred inflow of resources* is an acquisition of a government's net assets (an increase in assets in excess of any related increase in liabilities or a decrease in liabilities in excess of any related decrease in assets) by the government that is applicable to a future reporting period. The District has three items that qualify for reporting in this category:

- *Deferred inflows of resources for unavailable revenues* – Reported only in the governmental funds balance sheet, unavailable revenues from property taxes arise under the modified accrual basis of accounting. These amounts are deferred and recognized as an inflow or resources in the period that the amounts become available.
- *Deferred inflows relating to pension activities* – Reported in the government-wide financial statement of net position, these deferred inflows result primarily from 1) changes in the District's proportional share of pension liabilities; 2) changes in actuarial assumptions; 3) differences between expected and actual actuarial experiences and 4) differences between projected and actual earnings on pension plan investments. The deferred inflows resulting from differences between projected and actual earnings on pension plan investments will be amortized over a closed five year period. The remaining pension related deferred inflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with pensions through the pension plan.
- *Deferred inflows of resources for post-employment benefits* – Reported in the government wide financial statement of net position, these deferred inflows result primarily 1) changes in actuarial assumptions and 2) differences between expected and actual actuarial experiences. These post-employment related deferred inflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with post-employment benefits through the post-employment benefit plan.

Note 1 - Summary of Significant Accounting Policies (continued)

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.

Other Post-Employment Benefits (OPEB)

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.

Net Position

Net Position on the Statement of Net Position includes the following:

- Net investment in capital assets - this component of net position consists of capital assets, net accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt will be included in this component of net position.
- Restricted for federal and state programs - this component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets, which are restricted by federal and state granting agencies.
- Restricted for Debt Service - this component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. The assets arise from bond issuances which have constraints placed on them by the bond covenants for the purpose of future debt service payments.
- Unrestricted net position - this component of net position is the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

Note 1 - Summary of Significant Accounting Policies (continued)

Fund Balance

The fund balance in governmental funds has been classified as follows to describe the nature and relative strength of the spending constraints:

- Nonspendable fund balance – amounts that are not in spendable form or are required to be maintained intact. There is no amount of fund balance that is considered nonspendable at the end of the year.
- Restricted fund balance – Amounts that can be spent only for specific purposes because of local, state or federal laws, or externally imposed conditions by grantors or creditors.
- Committed fund balance – amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority (i.e. the Board of Trustees). To be reported as committed, amounts cannot be used for any other purposes unless the District takes the same highest level of action to remove or change the constraint. The District establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. The District has committed 100 percent of fund 461 Campus Activity Funds' fund balance.
- Assigned fund balance – amounts the District intends to use for a specific purpose. Intent can be expressed by the District or by an official or body to which the Board of Trustees delegates the authority. The Board of Trustees has retained this authority. There is no amount of fund balance assigned at the end of the year.
- Unassigned fund balance – amounts that are available for any purpose. Positive amounts are reported only in the General Fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Trustees have provided otherwise in their commitment or assignment actions.

In the fund financial statements, certain governmental funds report restrictions of the entire fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Since the entire fund balance is restricted for these funds, all assets are in essence restricted for their specified purpose.

When the District incurs an expense for which it may use either restricted or unrestricted resources, it uses the restricted resources first unless unrestricted resources will have to be returned because they were not used.

Data Control Codes

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

In accordance with the FASRG, the District has adopted and installed an accounting system which meets at least the minimum requirements prescribed by the Texas State Board of Education and approved by the State Auditor. Specifically, the District's accounting system uses codes and the code structure presented in the FASRG. Mandatory codes are recorded in the order provided in the FASRG.

Note 1 - Summary of Significant Accounting Policies (continued)

Implementation of New Accounting Standards

GASB Statement No. 87, *Leases*, was issued in June 2017 and was effective for periods beginning after June 15, 2021. This Statement established a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The District has incorporated such leases into its capital assets and long-term liabilities on both the face of the financial statements and the note disclosures.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans* – An Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32 was issued in June 2020. This Statement provides guidance regarding the financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans. The Statement will also enhance (1) information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all Section 457 plans. Paragraphs 4 and 5 of the Statement were effective immediately whereas the remaining requirements of this Statement are effective for periods beginning after June 15, 2021. The District has evaluated the effects of this standard and has determined that this Statement does not impact to the financial statements.

GASB Statement No. 98, *The Annual Comprehensive Financial Report* was issued in October 2021 and establishes the term annual comprehensive financial report and its acronym ACFR. This new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. This statement is effective for fiscal years ending after December 15, 2021. Management has evaluated the implementation of this statement and determined that it is not applicable to the District.

Note 2 - Deposits and Investments

Use of Estimates

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

Cash Deposits

The District's funds are required to be deposited and invested under the terms of a depository contract pursuant to the Texas School Depository Act. The depository bank pledges securities which comply with state law and these securities are held for safekeeping and trust with the District's and the depository bank's agent bank. The pledged securities are approved by the Texas Education Agency and shall be in an amount sufficient to protect District funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation (FDIC) insurance. At June 30, 2022, the District's cash in bank totaled \$26,718,556 while the carrying value was \$24,806,346. Pledged collateral and FDIC insurance for these deposits totaled \$36,528,565.

The District's investment policy is in accordance with the Public Funds Investment Act, the Public Funds Collateral Act, and federal and state laws. The District further limits its investments to obligations of the U.S. Treasury or the State of Texas, certain U.S. Agencies, certificates of deposit, collateralized mortgage obligations, no-load money market mutual funds, certain municipal securities, qualified commercial paper, repurchase agreements, or investment pools.

Note 2 - Deposits and Investments (continued)

Investments

For fiscal year 2022, the District invested in the MBIA Texas Class Investment Pool. Texas Class operates in a manner consistent with the Security and Exchange Commission's Rule 2a7 of the Investment Company Act of 1940.

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

In accordance with GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, the Local Government Investment Pool does not have any limitations and restrictions on withdrawals such as notice periods or maximum transaction amounts. These pools do not impose any liquidity fees or redemption gates.

At year-end, the District's cash and investment balances and the weighted average maturity of these investments were as follows:

	<u>Carrying Value</u>	<u>Weighted Average Maturity (Days)</u>
Governmental Activities		
Cash and deposits	\$ 24,806,346	N/A
Investments		
Local Government Investment Pools:		
Texas CLASS	<u>224,850,213</u>	70
Total	<u><u>\$ 249,656,559</u></u>	
Investment earnings	<u>\$ 641,103</u>	
Total Investment earnings	<u><u>\$ 641,103</u></u>	

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates may adversely affect the value of the investments. To limit the risk that changes in interest rates will adversely affect the fair value of the investments, the District monitors interest rate risk utilizing weighted average maturity (WAM) analysis. The District requires its investment portfolio to have maturities of less than one year on a WAM basis. However, specific to the District's debt service funds, maturities longer than one year are authorized within legal limits and as long as sufficient investment liquidity to timely meet debt service payment obligations is maintained. The long-term investment the District currently holds, which has no call options, is due when the debt instrument is due and the District intends to hold the investment until maturity, thereby reducing its risk of loss due to changes in the fair value of the investment.

	<u>Carrying value</u>	<u>Investment Maturity in Years</u>	
		<u>Less than 1</u>	<u>1-5</u>
Local government investment pools:			
Texas CLASS	\$ 224,850,213	\$ 224,850,213	\$ -
Total Local government investment pools	<u><u>\$ 224,850,213</u></u>	<u><u>\$ 224,850,213</u></u>	<u><u>\$ -</u></u>

Note 2 - Deposits and Investments (continued)

Credit Risk

State law and the District's investment policy limits investments in all categories to top ratings issued by nationally recognized statistical rating organizations. As of June 30, 2022, the District's investments were rated as follows:

<u>Investment</u>	<u>Rating</u>	<u>Rating Agency</u>
Texas CLASS	AAAm	Standard and Poor's

Concentration of Credit Risk

For temporary investments, to limit the risk of loss attributed to the magnitude of a government's investment in a single issuer, the District's policy states that the portfolio must be diversified. Concentration of Credit Risk is not applicable to investment pools since the purpose of these pools is to diversify the District's investment portfolio. For long-term investments - To limit the risk of loss attributed to the magnitude of a government's investment in a single issuer, the District's policy states that the portfolio must be diversified.

<u>Investment Type</u>	<u>Carrying Value</u>	<u>Percentage of Portfolio</u>
Texas CLASS	\$ 224,850,213	100.00%

Note 3 - Receivables and Unearned Revenues

Receivables as of year-end for the District's individual major and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General Fund</u>	<u>Debt Service Funds</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Property taxes	\$ 2,890,268	\$ 1,327,402	\$ -	\$ 4,217,670
Due from other governments	1,597,627	15,085	3,184,813	4,797,525
Gross receivables	4,487,895	1,342,487	3,184,813	9,015,195
Less allowance for doubtful accounts	(806,832)	(286,905)	-	(1,093,737)
Net Total Receivables	<u>\$ 3,681,063</u>	<u>\$ 1,055,582</u>	<u>\$ 3,184,813</u>	<u>\$ 7,921,458</u>

Governmental funds report unearned revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period or in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, District reported unearned revenues in the governmental funds in the amount of \$6,641,458, for grant funds received prior to meeting all eligibility requirements.

Note 4 - Interfund Receivables, Payables, and Transfers

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

The composition of interfund balances as of June 30, 2022, is as follows:

Receivable Fund	Payable Fund				Total
	General Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Fund	
Governmental Activities					
General Fund	\$ -	\$ -	\$ 48,943	\$ 20	\$ 48,963
Debt Service Funds	52,786	-	-	-	52,786
Capital Projects Funds	-	1,553	-	-	1,553
Nonmajor Governmental Funds	724,316	-	-	2,997,585	3,721,901
Total Governmental Funds	<u>\$ 777,102</u>	<u>\$ 1,553</u>	<u>\$ 48,943</u>	<u>\$ 2,997,605</u>	<u>\$ 3,825,203</u>

Interfund transfers are defined as “flows of assets without equivalent flow of assets in return and without a requirement for repayment.” There were no interfund transfers during the year ended June 30, 2022.

Note 5 - Capital Assets

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

	Beginning Balance July 1, 2021	Additions	Transfers/ Adjustments	Ending Balance June 30, 2022
Capital assets, not being depreciated:				
Land	\$ 24,454,547	\$ 45,303	\$ (12,001)	\$ 24,487,849
Construction in progress	14,668,445	22,359,124	(16,598,597)	20,428,972
Total Capital assets, not being depreciated	<u>39,122,992</u>	<u>22,404,427</u>	<u>(16,610,598)</u>	<u>44,916,821</u>
Capital assets, being depreciated/Amortized:				
Buildings and improvements	405,145,298	-	10,256,380	415,401,678
Furniture and equipment	28,661,160	2,636,167	3,759,763	35,057,090
Right to use leased assets	-	453,333	-	453,333
Total Capital assets, being depreciated/amortized	<u>433,806,458</u>	<u>3,089,500</u>	<u>14,016,143</u>	<u>450,912,101</u>
Less accumulated depreciation/amortization for:				
Buildings and improvements	(101,999,216)	(11,699,703)	(786,695)	(114,485,614)
Furniture and Equipment	(21,653,650)	(2,460,042)	(20,673)	(24,134,365)
Right to use leased assets	-	(75,555)	-	(75,555)
Total Accumulated depreciation/amortization	<u>(123,652,866)</u>	<u>(14,235,300)</u>	<u>(807,368)</u>	<u>(138,695,534)</u>
Governmental Activities Capital Assets	<u>\$ 349,276,584</u>	<u>\$ 11,258,627</u>	<u>\$ (3,401,823)</u>	<u>\$ 357,133,388</u>

Note 5 - Capital Assets (continued)

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

Function	Depreciation Expense
Instruction	\$ 7,664,135
Instructional resources and media services	409,997
Curriculum and staff development	155,418
School leadership	229,906
Guidance, counseling and evaluation services	83,795
Social work services	14,514
Health services	39,658
Student transportation	1,415,569
Food services	976,235
Extracurricular activities	2,289,416
General administration	319,977
Facilities maintenance and operations	142,291
Security and monitoring services	18,058
Data processing services	374,703
Community services	26,073
Total Depreciation Expense	\$ 14,159,745
Right to Use Leased Asset Amortization	<u><u>\$ 75,555</u></u>

Construction budgets and remaining commitments under related construction contracts as of June 30, 2022, follows:

Project	Approved Construction Budget	Construction in Progress	Remaining Commitment
F&C System Upgrades	\$ 30,107,808	\$ 2,326,052	\$ 27,781,756
Police Department Startup	804,919	791,614	13,305
New Transportation Center	20,759,172	1,155,076	19,604,096
Manor Early College HS	33,500,000	4,777,632	28,722,368
Kitchen Food Service Upgrades	5,000,000	4,447,409	552,591
Assessment Misc	3,754,947	272,152	3,482,795
Secure Vestibules	500,000	355,964	144,036
Multi-Purpose Facility - MSHS	9,500,000	332,252	9,167,748
Multi-Purpose Facility - MNTHS	9,500,000	379,357	9,120,643
Project Management/Owner Rep	4,780,636	1,780,636	3,000,000
New Elementary School #10	35,500,000	1,292,076	34,207,924
New K-8 Campus	51,469,000	2,416,260	49,052,740
Program Contingency	3,537,686	102,492	3,435,194
	<u><u>\$ 208,714,168</u></u>	<u><u>\$ 20,428,972</u></u>	<u><u>\$ 188,285,196</u></u>

Note 6 - Right to Use Leased Assets and Liability

The District has entered into an agreement to lease copiers and printers. The lease agreement requires monthly payment in the amount of \$19,990 and expires in February 2024. The lease qualifies as other than short-term leases as defined by Government Accounting Standards Board (GASB) Statement No. 87 ("GASB 87"). Therefore, the District has recorded right to use leased assets and the lease liability at an amount equal to the initial measurement of the related lease liability. The lease liability was measured at a discount rate of 5.5%. The right to use assets are amortized on a straight-line basis over the life of the related lease.

The right to use leased assets governmental activities of the District for the year ended June 30, 2022, are as follows:

	Beginning Balance July 1, 2021	Additions	Retirements	Ending Balance June 30, 2022
Right to Use Leased Assets Being Amortized:				
Furniture and equipment	\$ -	\$ 453,333	\$ -	\$ 453,333
Total Right to Use Leased Assets	<u>-</u>	<u>453,333</u>	<u>-</u>	<u>453,333</u>
Less Accumulated Amortization for:				
Furniture and Equipment	-	(75,555)	-	(75,555)
Total Accumulated Amortization	<u>-</u>	<u>(75,555)</u>	<u>-</u>	<u>(75,555)</u>
Governmental Activities Right to Use Leased Assets	<u>\$ -</u>	<u>\$ 377,778</u>	<u>\$ -</u>	<u>\$ 377,778</u>

The future principal and interest lease payment as of June 30, 2022, follow:

Year Ending June 30,	Principal	Interest	Total Requirement
2023	\$ 224,518	\$ 15,362	\$ 239,880
2024	156,672	3,248	159,920
	<u>\$ 381,190</u>	<u>\$ 18,610</u>	<u>\$ 399,800</u>

Note 7 - Long-term Liabilities

The District's long-term liabilities consist of bond indebtedness, leases and financed purchases. The current requirements for general obligation bonds principal and interest expenditures are accounted for in the debt service fund. The current requirements for leases and financed purchases are accounted for in the General Fund.

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2022, was as follows:

	Balance July 1, 2021	Additions	Retirements	Balance June 30, 2022	Due Within One Year
General Obligation Bonds	\$ 458,289,999	\$ 161,660,000	\$ (171,180,000)	\$ 448,769,999	\$ 11,820,000
Issuance Premium on Bonds	45,245,235	19,542,136	(17,698,602)	47,088,769	-
Accreted interest on capital appreciation bonds	771,017	-	(771,017)	-	-
Financed purchase	705,691	-	(162,906)	542,785	171,608
Right to use lease liabilities	-	453,333	(72,143)	381,190	224,518
Total Governmental Long-term Liabilities	<u>\$ 505,011,942</u>	<u>\$ 181,655,469</u>	<u>\$ (189,884,668)</u>	<u>\$ 496,782,743</u>	<u>\$ 12,216,126</u>

Note 7 - Long-term Liabilities (continued)

General Obligation Bonds

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

General obligation bonds currently outstanding are as follows:

Issue	Original Issuance amount	Interest Rate (%)	Fiscal Year Maturity	Debt Outstanding
Unlimited Tax Refunding Bonds, Series 2012	\$ 8,779,999	2-3.5%	2030	\$ 9,999
Unlimited Tax Refunding Bonds, Series 2013	48,240,000	1.5-5%	2037	2,385,000
Unlimited Tax Refunding Bonds, Series 2014	43,585,000	2-5%	2035	6,000,000
Unlimited Tax School Building Bonds, Series 2014	116,095,000	2-5%	2045	8,100,000
Unlimited Tax Refunding Bonds, Series 2015	25,995,000	4-5%	2039	9,385,000
Unlimited Tax Refunding Bonds, Series 2016	18,315,000	2-5%	2034	15,745,000
Unlimited Tax School Building Bonds, Series 2017	29,955,000	2-5%	2047	24,280,000
Unlimited Tax School Building Bonds, Series 2017A	51,190,000	3-5%	2048	39,490,000
Unlimited Tax School Building Bonds, Series 2020	181,715,000	3-5%	2051	181,715,000
Unlimited Tax Refunding Bonds, Series 2021A	6,625,000	3-5%	2030	6,625,000
Unlimited Tax Refunding Bonds, Series 2021B	155,035,000	2.389-5%	2045	155,035,000
				<u>\$ 448,769,999</u>

Debt service requirements to maturity for general obligation bonds are as follows:

Year Ending June 30,	Principal	Interest	Totals
2023	\$ 11,820,000	\$ 17,167,567	\$ 28,987,567
2024	11,555,000	16,598,624	28,153,624
2025	12,125,000	16,023,574	28,148,574
2026	12,710,000	15,413,549	28,123,549
2027	12,189,999	15,706,300	27,896,299
2028-2032	72,400,000	64,186,161	136,586,161
2033-2037	96,325,000	45,058,843	141,383,843
2038-2042	88,370,000	29,244,625	117,614,625
2043-2047	84,000,000	14,039,755	98,039,755
2048-2052	47,275,000	2,778,200	50,053,200
	<u>\$ 448,769,999</u>	<u>\$ 236,217,198</u>	<u>\$ 684,987,197</u>

There are a number of limitations and restrictions contained in the general obligation bond indentures. Management has indicated that the District is in compliance with all significant limitations and restrictions at June 30, 2022.

Deferred Charge on Refunding

The balance of deferred charge on refunding at June 30, 2022 is presented as a deferred outflow of resources in the Statement of Net Position as follows:

	Balance July 1, 2021	Deferred Charge on New Issues	Retirements	Balance June 30, 2022
Deferred charge on refunding	<u>\$ 6,503,573</u>	<u>\$ 4,897,316</u>	<u>\$ (4,867,827)</u>	<u>\$ 6,533,062</u>

Note 7 - Long-term Liabilities (continued)

Defeased Debt

The District has also defeased general obligation in the current year and prior years by placing the proceeds of bonds, in prior years defeasance, and the District's own resources, for current year defeasance, into irrevocable trust accounts to provide for all future debt service payments on the old bonds. Accordingly, those trust account assets and the liability for those defeased bonds are not included in the District's financial statements. At June 30, 2022, \$14,770,000 of defeased bonds remain outstanding.

Financed Purchase

In 2019, the District entered into an agreement to finance marquees, football scoring systems, and an indoor video system. The agreement carried an interest rate of 5.3%, annual principal and interest payment of \$200,602, and a maturity date of February 2025. Future minimum payments are as follows:

Year Ending June 30,	Principal	Interest	Total Requirements
2023	\$ 171,608	\$ 28,994	\$ 200,602
2024	180,774	19,828	200,602
2025	190,403	10,199	200,602
Total minimum payments	<u>\$ 542,785</u>	<u>\$ 59,021</u>	<u>\$ 601,806</u>

Note 8 - Revenues from Local, Intermediate, and Out-of-State Sources

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

	General Fund	Debt Service Funds	Capital Projects Fund	Nonmajor Governmental Funds	Total
Property taxes	\$ 61,130,259	\$ 33,884,321	\$ -	\$ -	\$ 95,014,580
Penalties, interest and other tax related revenue	430,581	208,366	-	-	638,947
Investment income	99,773	94,966	446,364	-	641,103
Co-curricular student activities	1,821,889	-	-	306,566	2,128,455
Food sales	-	-	-	363,449	363,449
Other	31,136	2	3,549	268,174	302,861
	<u>\$ 63,513,638</u>	<u>\$ 34,187,655</u>	<u>\$ 449,913</u>	<u>\$ 938,189</u>	<u>\$ 99,089,395</u>

Note 9 - Defined Benefit Pension Plan

A. Plan Description

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

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

B. Pension Plan Fiduciary Net Position

Detail information about the Teacher Retirement System's fiduciary net position is available in a separately issued Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at https://www.trs.texas.gov/TRS%20Documents/cafr_2020.pdf, or by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698, or by calling (512) 542-6592.

C. Benefits Provided

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

D. Contributions

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

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

Note 9 - Defined Benefit Pension Plan (continued)

D. Contributions (continued)

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

	Contribution Rates	
	2022	2021
Member	8.00%	7.70%
Non-employer contributing agency	7.75%	7.50%
Employers	7.75%	7.50%

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).

	Fiscal Year (2022)
Employer (District)	\$ 2,536,488
Employee (member)	5,459,466
Non-employer contributing entity on-behalf contributions (state)	3,786,565

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

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

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

- All public schools, charter schools, and regional educational service centers must contribute 1.5 percent of the member's salary beginning in fiscal year 2020, 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.

Note 9 - Defined Benefit Pension Plan (continued)

E. Actuarial Assumptions

The actuarial valuation was performed as of August 31, 2020. Update procedures were used to roll forward the total pension liability to August 31, 2021.

The total pension liability, net pension liability, and certain sensitivity information are based on the actuarial valuation performed as of August 31, 2020 and rolled forward to August 31, 2021. The actuarial valuation was determined using the following actuarial assumptions:

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

The actuarial assumptions used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2020. The actuarial methods and assumption were primarily based on a study of actual experience for the three-year ending August 31, 2017 and were adopted in July 2018. For a full description of these assumptions see the actuarial valuation report described the 2021 TRS ACFR, which includes actuarial valuation report dated November 9, 2020.

F. Discount Rate

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

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

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

Note 9 - Defined Benefit Pension Plan (continued)

F. Discount Rate (continued)

Best estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of August 31, 2021 are summarized below:

Asset Class¹	Target Allocation²	Long-Term Expected Geometric Real Rate of Return³	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
U.S.	18.00%	3.60%	0.94%
Non-U.S. Developed	13.00%	4.40%	0.83%
Emerging Markets	9.00%	4.60%	0.74%
Private Equity	14.00%	6.30%	1.36%
Stable Value			
Government Bonds	16.00%	-0.20%	0.01%
Absolute Return	0.00%	1.10%	0.00%
Stable Value Hedge Funds	5.00%	2.20%	0.12%
Real Return			
Real Estate	15.00%	4.50%	1.00%
Energy, Natural Resources and Infrastructure	6.00%	4.70%	0.35%
Commodities	0.00%	1.70%	0.00%
Risk Parity			
Risk Parity	8.00%	2.80%	0.28%
Asset Allocation Leverage			
Cash	2.00%	-0.70%	-0.01%
Asset Allocation Leverage	-6.00%	-0.50%	0.03%
Inflation Expectation			2.20%
Volatility Drag ⁴			-0.95%
Expected Return	100.00%		6.90%

¹ Absolute Return includes Credit Sensitive Investments

² Target allocations are based on the fiscal year 2021 policy model.

³ Capital Market Assumptions come from Aon Hewitt as of August 31, 2021.

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

G. Discount Rate Sensitivity Analysis

The following table presents the Net Pension Liability of the plan using the discount rate of 7.25 percent, and what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.25 percent) or one percentage point higher (8.25 percent) than the current rate.

	Discount Rate		
	1% Decrease (6.25%)	Current Rate (7.25%)	1% Increase (8.25%)
District's proportional share of the net pension liability	\$ 28,211,948	\$ 12,910,709	\$ 496,759

Note 9 - Defined Benefit Pension Plan (continued)

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

At June 30, 2022, the District reported a liability of \$12,910,709 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	\$ 12,910,709
State's proportionate share that is associated with the District	<u>21,773,959</u>
Total	<u>\$ 34,684,668</u>

The net pension liability was measured as of August 31, 2020 and rolled forward to August 31, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2020 through August 31, 2021.

At August 31, 2021, the District's proportion of the collective net pension liability was 0.0507% which was a decrease of 0.0023% from its proportion measured as of August 31, 2020.

The General and Special Revenue Funds are used to liquidate pension liabilities.

Changes Since the Prior Actuarial Valuation:

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

For the year ended June 30, 2022, the District recognized pension expense of \$605,829. The District also recognized an additional on behalf revenue and expense of \$87,050 representing for support provided by the State.

At June 30, 2022, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 21,606	\$ (908,924)
Changes of assumption	4,563,683	(1,989,375)
Net difference between projected and actual earnings on pension plan investments	-	(10,825,462)
Changes in proportion and differences between District contributions and proportionate share of contributions	1,150,182	(3,689,425)
District contributions subsequent to the measurement date	<u>2,176,110</u>	<u>-</u>
Total	<u>\$ 7,911,581</u>	<u>\$ (17,413,186)</u>

Note 9 - Defined Benefit Pension Plan (continued)

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

Changes Since the Prior Actuarial Valuation: (continued)

Deferred outflows of resources resulting from District contributions subsequent to the measurement date in the amount of \$2,176,110 will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. The net amounts of the District's balances of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ended	Pension Expense
June 30,	Amount
2023	\$ (2,023,535)
2024	(2,173,639)
2025	(3,023,083)
2026	(3,958,090)
2027	(422,969)
Thereafter	(76,399)
	<u>\$ (11,677,715)</u>

Note 10 - Defined Other Post-Employment Benefit Plans

A. Plan Description

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

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

B. OPEB Plan Fiduciary Net Position

Detail information about the TRS-Care's fiduciary net position is available in the separately-issued TRS Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the internet at https://www.trs.texas.gov/TRS%20Documents/cafr_2020.pdf, or by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698, or by calling (512) 542-6592.

C. Benefits Provided

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

Note 10 - Defined Other Post-Employment Benefit Plans (continued)

C. Benefits Provided (continued)

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

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

TRS-Care Monthly Premium Rates		
	Medicare	Non-Medicare
Retiree or surviving spouse	\$ 135	\$ 200
Retiree and spouse	529	689
Retiree or surviving spouse and children	468	408
Retiree and family	1,020	999

D. Contributions

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

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

	Contribution Rates	
	2022	2021
Member	0.65%	0.65%
Non-employer contributing entity (state)	1.25%	1.25%
Employers	0.75%	0.75%
Federal/Private funding remitted by employers	1.25%	1.25%

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.

	Fiscal Year (2022)
Employer (District)	\$ 574,112
Employee (member)	446,222
Non-employer contributing entity on-behalf contributions (state)	1,035,601

Note 10 - Defined Other Post-Employment Benefit Plans (continued)

E. Actuarial Assumptions

The actuarial valuation was performed as of August 31, 2020. Update procedures were used to roll forward the Total OPEB Liability to August 31, 2021. The actuarial valuation was determined using the following actuarial assumptions:

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 of 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 used 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, 2019 TRS pension actuarial valuation that was rolled forward to August 31, 2021: (a) Rates of Mortality, (b) Rates of Retirement, (c) Rates of Termination, (d) Rates of Disability, (e) General Inflation, (f) Wage Inflation, and (g) Expected Payroll Growth.

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

Valuation Date	August 31, 2020, rolled forward to August 31, 2021
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Single Discount Rate	1.95% as of August 31, 2021
Aging Factors	Based on plan specific experience
Election Rates	Normal Retirement: 65 percent participation rate prior to age 65 and 40 percent participation rate after age 65. Pre-65 retirees: 25 percent are assumed to discontinue coverage at age 65.
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
Salary Increases	3.05% to 9.05%, including inflation
Ad hoc post-employment benefit changes	None

F. Discount Rate

A single discount rate of 1.95 percent was used to measure the Total OPEB Liability. There was a decrease of .30 percent 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 nonemployer contributing entity are made at the statutorily required rates. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, the municipal bond rate was used for the long-term rate of return and was applied to all periods of projected benefit payments to determine the total OPEB liability. The source of the municipal bond rate is the Fidelity “20-year Municipal GO AA Index” as of August 31, 2021 using the fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds

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

Note 10 - Defined Other Post-Employment Benefit Plans (continued)

G. Discount Rate Sensitivity Analysis

Discount Rate - The following schedule shows the impact of the Net OPEB Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (1.95%) in measuring the Net OPEB Liability.

	Discount Rate		
	1% Decrease (0.95%)	Current Rate (1.95%)	1% Increase (2.95%)
District's proportionate share of the net OPEB liability:	\$ 32,634,221	\$ 27,054,715	\$ 22,663,463

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

At June 30, 2022, the District reported a liability of \$27,054,715 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	\$ 27,054,715
State's proportionate share that is associated with District	36,247,289
Total	<u>\$ 63,302,004</u>

The Net OPEB Liability was measured as of August 31, 2020 and rolled forward to August 31, 2021 and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of that date. The District's proportion of the Net OPEB Liability was based on the District's contributions to the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2020 through August 31, 2021.

At August 31, 2021 the District's proportion of the collective Net OPEB Liability was 0.0701% which was an decrease of 0.0048% from its proportion measured as of August 31, 2020.

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

	Healthcare Cost Trend Rate		
	1% Decrease	Current	1% Increase
District's proportionate share of the net OPEB liability:	\$ 21,913,423	\$ 27,054,715	\$ 33,953,053

Changes since the Prior Actuarial Valuation

The following were changes to the actuarial assumptions or other inputs that affected measurement of the Total OPEB liability (TOL) since the prior measurement period:

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

Note 10 - Defined Other Post-Employment Benefit Plans (continued)

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

Changes of Benefit Terms Since the Prior Measurement Date

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

For the year ended June 30, 2022, the District recognized negative OPEB expense of \$1,240,485. The District also recognized an additional negative on-behalf expense and revenue of \$1,337,802 for support provided by the State.

At June 30, 2022, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 1,164,834	\$ (13,096,375)
Changes in actuarial assumptions	2,996,627	(5,721,572)
Net difference between projected and actual investment earnings	29,372	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	1,699,054	(4,806,267)
Contributions paid to TRS subsequent to the measurement date	490,049	-
Total	<u>\$ 6,379,936</u>	<u>\$ (23,624,214)</u>

The \$490,049 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending June 30, 2023. The net amounts of the District's balances of deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ended June 30,	OPEB Expense Amount
2023	\$ (3,187,673)
2024	(3,188,336)
2025	(3,188,154)
2026	(2,476,004)
2027	(1,511,874)
Thereafter	<u>(4,182,286)</u>
	<u>\$ (17,734,327)</u>

The General and Special Revenue Funds are used to liquidate other post-employment liabilities.

I. Medicare Part D

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. 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. For the fiscal years ended June 30, 2022, 2021, and 2020, the subsidy payments received by TRS-Care on-behalf of the District were \$214,622, \$291,836, and \$315,566, respectively. The information for the year ended June 30, 2022 is an estimate provided by the Teacher Retirement System. These payments are recorded as equal revenues and expenditures in the governmental funds financial statements of the District.

Note 11 - Risk Management

Property/Liability

The District is exposed to various risks of loss related to property/liability losses for which the District carries commercial insurance. The district is covered on property insurance with a limit of \$297,844,333. Insurance coverage is limited to a maximum amount of \$250,000 per occurrence.

Note 12 - Contingent Liabilities

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

The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of management and the District's counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the District.

Note 13 - Tax Abatement

On December 17, 2012, the Manor ISD Board of Trustees approved an Agreement with Samsung Austin Semiconductor, LLC (Samsung) for a Limitation On Appraised Value of Property for School District Maintenance and Operations Taxes pursuant to the Chapter 313 of the Texas Tax Code, i.e., the Texas Economic Development Act, as set forth in Chapter 313 of the Texas Tax Code, as amended. Samsung qualified for a tax limitation agreement under Texas Tax Code §313.024(b)(5), as a manufacturing project.

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

In order to qualify for a value limitation agreement, each applicant, including Samsung has been required to meet a series of capital investment, job creation, and wage requirements specified by state law. At the time of the application's approval, the agreement was found to have done so by both the District's Board of Trustees and the Texas Comptroller's Office, which recommended approval of the project.

After approval, the applicant company must maintain a viable presence in the district for the entire period of the value limitation plus a period of years thereafter. In addition, there are specific reporting requirements, which are monitored on an annual and biennial basis in order to ensure relevant job, wage, and operational requirements are being met.

In the event that Samsung terminates this Agreement without the consent of the District, or in the event that the company or its successor-in-interest fails to comply in any material respect with the terms of this Agreement or to meet any material obligation under this Agreement, then the District shall be entitled to the recapture of all ad valorem tax revenue lost as a result of this Agreement together with the payment of penalty and interest, on that recaptured ad valorem tax revenue. Penalties on said amounts shall be calculated in accordance with the methodology set forth in Texas Tax Code § 33.01(a), or its successor statute. Interest on said amounts shall be calculated in accordance with the methodology set forth in Texas Tax Code § 33.01(c), or its successor statute. The agreement provides an administrative procedure to determine any company liability. Ultimately, enforcement of any payment obligation is through the local state district court.

Note 13 - Tax Abatement (continued)

As of the date of this report, the applicant company is in full compliance with all of its obligations under law and the agreement itself.

(A) Project Value 2022	(B) Project's Value Limitation Amount 2022	(C) Amount of Applicant's M&O Taxes Paid 2022	(D) Amount of Applicant's M&O Taxes Reduced 2022	(E) Company Revenue Loss Payment to School District 2022	(F) Company Supplemental Payment To School District 2022	(G) Net Benefit (Loss) to the School District 2022 (C+E+F)
\$790,000	\$80,000,000	\$697,600	\$7,488,738	\$0	\$870,432	\$1,568,032



REQUIRED SUPPLEMENTARY INFORMATION

MANOR INDEPENDENT SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2022

Exhibit G-1

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Revenues				
Local revenues	\$ 64,309,454	\$ 64,309,454	\$ 63,513,638	\$ (795,816)
State program revenues	28,024,314	28,024,314	25,756,541	(2,267,773)
Federal program revenues	2,185,000	2,185,000	4,055,439	1,870,439
Total Revenues	<u>94,518,768</u>	<u>94,518,768</u>	<u>93,325,618</u>	<u>(1,193,150)</u>
Expenditures				
Current:				
Instruction	51,636,484	51,636,484	46,169,576	5,466,908
Instructional resources and media services	1,168,067	1,168,067	494,955	673,112
Curriculum and staff development	1,732,882	1,732,882	1,011,139	721,743
Instructional leadership	4,444,596	4,444,596	3,574,610	869,986
School leadership	6,995,387	7,025,644	7,036,225	(10,581)
Guidance, counseling and evaluation services	3,109,086	3,109,086	2,489,042	620,044
Social work services	802,410	802,410	724,916	77,494
Health services	1,327,102	1,327,102	1,308,848	18,254
Student transportation	5,971,000	5,971,000	4,764,836	1,206,164
Food service	-	45,000	50,722	(5,722)
Extracurricular activities	2,585,159	2,585,159	2,348,244	236,915
General administration	3,624,748	3,624,748	3,337,278	287,470
Facilities maintenance and operations	12,772,607	12,690,950	11,367,290	1,323,660
Security and monitoring services	1,797,066	1,797,066	1,585,760	211,306
Data processing services	2,440,330	2,440,330	2,377,285	63,045
Community services	731,330	731,330	556,430	174,900
Debt Service:				
Principal on long-term debt	-	-	72,143	(72,143)
Interest on long-term debt	-	6,400	7,817	(1,417)
Intergovernmental:				
Payments to Juvenile Justice Alt. Ed. Prgm.	5,000	5,000	-	5,000
Payments to other governments	450,000	450,000	382,248	67,752
Total Expenditures	<u>101,593,254</u>	<u>101,593,254</u>	<u>89,665,792</u>	<u>11,927,462</u>
Excess (deficiency) of revenues over expenditures	<u>(7,074,486)</u>	<u>(7,074,486)</u>	<u>3,659,826</u>	<u>10,734,312</u>
Other Financing Sources (Uses)				
Proceeds from lease	-	-	453,333	453,333
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>453,333</u>	<u>453,333</u>
Net change in fund balances	(7,074,486)	(7,074,486)	4,113,159	11,187,645
Fund Balances - Beginning	<u>37,418,832</u>	<u>37,418,832</u>	<u>37,418,832</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 30,344,346</u>	<u>\$ 30,344,346</u>	<u>\$ 41,531,991</u>	<u>\$ 11,187,645</u>

MANOR INDEPENDENT SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY SCHEDULE

For the Year Ended June 30, 2022

The District adopts annual appropriations type budgets for the General Fund, Child Nutrition Program Special Revenue Fund, and the Debt Service Fund using the same method of accounting as for financial reporting, as required by law. The remaining Special Revenue Funds (primarily federal grant programs) utilize a managerial type budget approved at the fund level by the Board of Trustees upon acceptance of the grants. These grants are subject to federal, state, and locally imposed project length budgets and monitoring through submission of reimbursement reports. The General Fund Budget report is presented on Exhibit G-1, the Child Nutrition Program Special Revenue fund budget report and the Debt Service Fund budget report appear on Exhibit J-2 and J-3, respectively.

Expenditures may not legally exceed budgeted appropriations at the function or activity level. Expenditure requests which would require an increase in total budgeted appropriations must be approved by the Trustees through formal budget amendment. State law prohibits trustees from making budget appropriations in excess of funds available and estimated revenues. State law also prohibits amendment of the budget after fiscal year end. Supplemental appropriations were made during the fiscal year ended June 30, 2022.

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

The official school budget was prepared for adoption for budgeted governmental fund types by June 30, 2021. The budget was formally adopted by the Board of Trustees at a duly advertised public meeting prior to the expenditure of funds. The final amended budget is filed with the Texas Education Agency (TEA) through inclusion in the annual financial and compliance report.

Encumbrance accounting is utilized in all government fund types. Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under Texas law, appropriations lapse at year-end and encumbrances outstanding at that time are appropriately provided for in the subsequent year's budget.

For the year ended June 30, 2022, the District's expenditures exceeded appropriations in the general fund as follows:

School leadership	\$	10,581
Food service		5,722
Principal on long-term debt		72,143
Interest on long-term debt		1,417

MANOR INDEPENDENT SCHOOL DISTRICT

Exhibit G-2

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

REQUIRED SUPPLEMENTARY INFORMATION

Teacher Retirement System of Texas

For the Last Eight Measurement Years Ended June 30

	2021	2020	2019	2018
District's proportion of the net pension liability	0.0507%	0.0530%	0.0612%	0.0599%
District's proportionate share of the net pension liability	\$ 12,910,709	\$ 28,362,529	\$ 31,793,033	\$ 32,953,005
State's proportionate share of the net pension liability associated with the District	21,773,959	47,645,326	43,607,318	45,591,662
Total	<u>\$ 34,684,668</u>	<u>\$ 76,007,855</u>	<u>\$ 75,400,351</u>	<u>\$ 78,544,667</u>
District's covered payroll (for Measurement Year)	\$ 65,195,080	\$ 65,795,575	\$ 63,455,415	\$ 59,939,410
District's proportionate share of the net pension liability as a percentage of covered payroll	19.80%	43.11%	50.10%	54.98%
Plan's fiduciary net position as a percentage of the total pension liability *	88.79%	75.54%	75.24%	73.74%
Plan's net pension liability as a percentage of covered payroll *	51.08%	110.36%	114.93%	126.11%
	2017	2016	2015	2014
District's proportion of the net pension liability	0.0545%	0.0585%	0.0565%	0.0424%
District's proportionate share of the net pension liability	\$ 17,423,755	\$ 22,092,768	\$ 19,972,776	\$ 11,330,541
State's proportionate share of the net pension liability associated with the District	28,233,322	33,022,025	30,171,032	23,732,728
Total	<u>\$ 45,657,077</u>	<u>\$ 55,114,793</u>	<u>\$ 50,143,808</u>	<u>\$ 35,063,269</u>
District's covered payroll (for Measurement Year)	\$ 57,223,710	\$ 57,282,739	\$ 52,822,628	\$ 48,547,788
District's proportionate share of the net pension liability as a percentage of its covered payroll	30.45%	38.57%	37.81%	23.34%
Plan's fiduciary net position as a percentage of the total pension liability *	82.17%	78.00%	78.43%	83.25%
Plan's net pension liability as a percentage of covered payroll *	75.93%	92.75%	91.94%	72.89%

The amounts presented for each Plan year which ends the preceding August 31 of the Districts fiscal year Net pension liability is presented prospectively in accordance with GASB 68.

* Per Teacher retirement System of Texas' comprehensive annual financial report

MANOR INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S CONTRIBUTIONS
REQUIRED SUPPLEMENTARY INFORMATION
Teacher Retirement System of Texas
For the Last Eight Fiscal Years Ended June 30

Exhibit G-3

	2022	2021	2020	2019
Contractually required contributions	\$ 2,536,488	\$ 2,155,638	\$ 2,187,009	\$ 2,182,736
Contributions in relation to the contractually required contributions	2,536,488	2,155,638	2,187,009	2,182,736
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 68,851,471	\$ 64,695,584	\$ 65,770,930	\$ 62,950,545
Contributions as a percentage of covered payroll	3.68%	3.33%	3.33%	3.47%
	2018	2017	2016	2015
Contractually required contributions	\$ 2,058,940	\$ 1,695,335	\$ 1,876,432	\$ 1,719,011
Contributions in relation to the contractually required contributions	2,058,940	1,695,335	1,876,432	1,719,011
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 61,951,863	\$ 54,437,245	\$ 57,058,223	\$ 51,812,156
Contributions as a percentage of covered payroll	3.32%	3.11%	3.29%	3.32%

Notes:

- Ten years of data should be presented in this schedule but data is unavailable prior to 2015.
- Contribution data will be presented prospectively in accordance with GASB 68.

MANOR INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PENSION
Teacher Retirement System of Texas

Changes of Assumptions

The single discount of 7.25 percent was used as of August 31, 2021.

It is assumed that future employer and state contributions will be 8.5 percent in fiscal year 2020 gradually increasing to 9.55 percent of payroll over the next several years.

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

Changes in Benefit Terms

There were no changes of benefit terms that affected measurement of the total pension liability during the measurement period.

Other Information

Effective September 1, 2014, employers who did not contribute to Social Security for TRS-eligible employees were required to contribute an additional 1.5% of TRS-eligible compensation which nearly doubled the District's contributions into the Plan. Because the District's proportional share of the plan is determined by its proportional share of contributions, the District recognized a corresponding increase in its share of net pension liability.

MANOR INDEPENDENT SCHOOL DISTRICT
Exhibit G-4
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
REQUIRED SUPPLEMENTARY INFORMATION
Teacher Retirement System of Texas
For the Last Five Measurement Years Ended June 30

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's proportion of the net OPEB liability	0.0701%	0.0749%	0.0794%	0.0763%	0.0751%
District's proportionate share of the net OPEB liability	\$ 27,054,715	\$ 28,463,653	\$ 37,541,156	\$ 38,077,606	\$ 32,654,012
State's proportionate share of the net OPEB liability associated with the District	36,247,289	38,248,327	49,883,799	51,207,637	45,260,096
Total	<u>\$ 63,302,004</u>	<u>\$ 66,711,980</u>	<u>\$ 87,424,955</u>	<u>\$ 89,285,243</u>	<u>\$ 77,914,108</u>
District's covered payroll (for Measurement Year)	\$ 65,195,080	\$ 65,795,575	\$ 63,455,415	\$ 59,939,410	\$ 57,223,710
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	41.5%	43.3%	59.2%	63.5%	57.1%
Plan fiduciary net position as a percentage of the total OPEB liability	6.18%	4.99%	2.66%	1.57%	0.91%
Plan's net OPEB liability as a percentage of covered payroll	100.13%	101.46%	135.21%	146.64%	132.55%

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

Net OPEB liability and related ratios will be presented prospectively as data becomes available.

MANOR INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S OPEB CONTRIBUTIONS
REQUIRED SUPPLEMENTARY INFORMATION
Teacher Retirement System of Texas
For the Last Seven Fiscal Years Ended June 30

Exhibit G-5

	2022	2021	2020	2019
Contractually required contributions	\$ 574,112	\$ 472,858	\$ 571,426	\$ 568,234
Contributions in relation to the contractually required contributions	574,112	472,858	571,426	568,234
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 68,851,471	\$ 64,695,584	\$ 65,770,930	\$ 62,950,545
Contributions as a percentage of covered payroll	0.83%	0.73%	0.87%	0.90%
	2018	2017	2016	
Contractually required contributions	\$ 536,486	\$ 372,044	\$ 374,993	
Contributions in relation to the contractually required contributions	536,486	372,044	374,993	
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
District's covered payroll	\$ 61,951,863	\$ 54,437,245	\$ 51,812,156	
Contributions as a percentage of covered payroll	0.87%	0.68%	0.72%	

Notes:

- Ten years of data should be presented in this schedule but data is unavailable prior to 2016.
- Contribution data will be presented prospectively in accordance with GASB 75.

MANOR INDEPENDENT SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - OPEB

Changes of Assumptions

The following assumptions, methods and plan changes which are specific to TRS-Care were updated from the prior year's report:

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

Changes of Benefit Terms

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



OTHER SUPPLEMENTARY INFORMATION

MANOR INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
ALL NONMAJOR GOVERNMENTAL FUNDS
June 30, 2022

Exhibit H-1
Page 1 of 6

		206	211	224	225
Data Control Codes		ESEA Title X Part C - Education for Homeless Children	ESEA Title I Part A - Improving Basic Programs	IDEA - Part B Formula	IDEA - Part B Preschool
Assets					
1110	Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
	Receivables:				
1240	Receivables from other governments	13,426	322,068	347,237	7,445
1260	Due from other funds	-	-	-	-
1310	Inventories, at cost	-	-	-	-
1000	Total Assets	\$ 13,426	\$ 322,068	\$ 347,237	\$ 7,445
Liabilities and Fund Balances					
Liabilities:					
Current Liabilities:					
2110	Accounts payable	\$ -	\$ 883	\$ -	\$ -
2150	Payroll deduction and withholdings payable	-	4,880	616	-
2160	Accrued wages payable	-	-	-	-
2170	Due to other funds	12,894	316,305	346,621	7,445
2300	Unearned revenues	532	-	-	-
2000	Total Liabilities	13,426	322,068	347,237	7,445
Fund Balances:					
Restricted:					
3450	Federal/State grant restrictions	-	-	-	-
3490	Local grants	-	-	-	-
Committed:					
3545	Other purposes	-	-	-	-
3000	Total Fund Balances	-	-	-	-
4000	Total Liabilities and Fund Balances	\$ 13,426	\$ 322,068	\$ 347,237	\$ 7,445

MANOR INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
ALL NONMAJOR GOVERNMENTAL FUNDS
June 30, 2022

Exhibit H-1
Page 2 of 6

		240	244	255	263
Data Control Codes		Child Nutrition	Career and Technical - Basic Grant	Title II, Part A - Supportive Effective Instruction	Title III, Part A - English Language Acquisition
Assets					
1110	Cash and cash equivalents	\$ 1,290	\$ -	\$ 3,276	\$ -
Receivables:					
1240	Receivables from other governments	115,156	54,890	103,787	63,999
1260	Due from other funds	2,964,244	-	-	-
1310	Inventories, at cost	242,081	-	-	-
1000	Total Assets	\$ 3,322,771	\$ 54,890	\$ 107,063	\$ 63,999
Liabilities and Fund Balances					
Liabilities:					
Current Liabilities:					
2110	Accounts payable	\$ 477	\$ -	\$ 1,729	\$ -
2150	Payroll deduction and withholdings payable	3,334	-	325	1,704
2160	Accrued wages payable	224,704	-	-	-
2170	Due to other funds	83,132	54,890	101,733	62,295
2300	Unearned revenues	-	-	-	-
2000	Total Liabilities	311,647	54,890	103,787	63,999
Fund Balances:					
Restricted:					
3450	Federal/State grant restrictions	3,011,124	-	3,276	-
3490	Local grants	-	-	-	-
Committed:					
3545	Other purposes	-	-	-	-
3000	Total Fund Balances	3,011,124	-	3,276	-
4000	Total Liabilities and Fund Balances	\$ 3,322,771	\$ 54,890	\$ 107,063	\$ 63,999

MANOR INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
ALL NONMAJOR GOVERNMENTAL FUNDS
June 30, 2022

Exhibit H-1
Page 3 of 6

Data Control Codes		266	274	278	279
		ESSER Grant	GEAR UP	ESSER - ARP - Homeless Children and Youth (ARP- HCY)	ESSER III - TCLASS
Assets					
1110	Cash and cash equivalents	\$ -	\$ 170,030	\$ -	\$ -
	Receivables:				
1240	Receivables from other governments	-	37,935	2,582	11,945
1260	Due from other funds	-	-	-	-
1310	Inventories, at cost	-	-	-	-
1000	Total Assets	<u>\$ -</u>	<u>\$ 207,965</u>	<u>\$ 2,582</u>	<u>11,945</u>
Liabilities and Fund Balances					
Liabilities:					
Current Liabilities:					
2110	Accounts payable	\$ -	\$ -	\$ -	\$ 966
2150	Payroll deduction and withholdings payable	-	1,333	-	-
2160	Accrued wages payable	-	-	-	-
2170	Due to other funds	-	206,632	2,582	10,979
2300	Unearned revenues	-	-	-	-
2000	Total Liabilities	<u>-</u>	<u>207,965</u>	<u>2,582</u>	<u>11,945</u>
Fund Balances:					
Restricted:					
3450	Federal/State grant restrictions	-	-	-	-
3490	Local grants	-	-	-	-
Committed:					
3545	Other purposes	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ 207,965</u>	<u>\$ 2,582</u>	<u>\$ 11,945</u>

MANOR INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
ALL NONMAJOR GOVERNMENTAL FUNDS
June 30, 2022

Exhibit H-1
Page 4 of 6

		281	282	284	285
Data Control Codes		ESSER II	ESSER III - ARP	IDEA Part B - ARP	IDEA, Part B Preschool - ARP
	Assets				
1110	Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
	Receivables:				
1240	Receivables from other governments	1,121,756	338,653	253,114	21,055
1260	Due from other funds	-	-	-	-
1310	Inventories, at cost	-	-	-	-
1000	Total Assets	<u>\$ 1,121,756</u>	<u>\$ 338,653</u>	<u>\$ 253,114</u>	<u>\$ 21,055</u>
	Liabilities and Fund Balances				
	Liabilities:				
	Current Liabilities:				
2110	Accounts payable	\$ -	\$ -	\$ 27,374	\$ -
2150	Payroll deduction and withholdings payable	-	-	-	-
2160	Accrued wages payable	-	-	-	-
2170	Due to other funds	1,121,756	338,653	225,740	21,055
2300	Unearned revenues	-	-	-	-
2000	Total Liabilities	<u>1,121,756</u>	<u>338,653</u>	<u>253,114</u>	<u>21,055</u>
	Fund Balances:				
	Restricted:				
3450	Federal/State grant restrictions	-	-	-	-
3490	Local grants	-	-	-	-
	Committed:				
3545	Other purposes	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities and Fund Balances	<u>\$ 1,121,756</u>	<u>\$ 338,653</u>	<u>\$ 253,114</u>	<u>\$ 21,055</u>

MANOR INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
ALL NONMAJOR GOVERNMENTAL FUNDS
June 30, 2022

Exhibit H-1
Page 5 of 6

Data Control Codes		289	385	397	410
		Federally Funded Special Revenue Funds	State Supplemental Visually Impaired	Advanced Placement Initiatives	Instructional Materials Allotment
	Assets				
1110	Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
	Receivables:				
1240	Receivables from other governments	43,255	5,831	-	-
1260	Due from other funds	-	-	3,914	17,083
1310	Inventories, at cost	-	-	-	-
1000	Total Assets	<u>\$ 43,255</u>	<u>\$ 5,831</u>	<u>\$ 3,914</u>	<u>\$ 17,083</u>
	Liabilities and Fund Balances				
	Liabilities:				
	Current Liabilities:				
2110	Accounts payable	\$ 2,800	\$ 1,755	\$ -	\$ -
2150	Payroll deduction and withholdings payable	-	-	-	-
2160	Accrued wages payable	-	-	-	-
2170	Due to other funds	17,991	4,076	-	-
2300	Unearned revenues	22,464	-	3,804	17,083
2000	Total Liabilities	<u>43,255</u>	<u>5,831</u>	<u>3,804</u>	<u>17,083</u>
	Fund Balances:				
	Restricted:				
3450	Federal/State grant restrictions	-	-	110	-
3490	Local grants	-	-	-	-
	Committed:				
3545	Other purposes	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>110</u>	<u>-</u>
4000	Total Liabilities and Fund Balances	<u>\$ 43,255</u>	<u>\$ 5,831</u>	<u>\$ 3,914</u>	<u>\$ 17,083</u>

MANOR INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
ALL NONMAJOR GOVERNMENTAL FUNDS
June 30, 2022

Exhibit H-1
Page 6 of 6

		429	461	499	
Data Control Codes		State Special Revenue Fund	Campus Activity Funds	Local Grants	Total Nonmajor Governmental Funds
	Assets				
1110	Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 174,596
	Receivables:				
1240	Receivables from other governments	320,679	-	-	3,184,813
1260	Due from other funds	-	235,284	501,376	3,721,901
1310	Inventories, at cost	-	-	-	242,081
1000	Total Assets	<u>\$ 320,679</u>	<u>\$ 235,284</u>	<u>\$ 501,376</u>	<u>\$ 7,323,391</u>
	Liabilities and Fund Balances				
	Liabilities:				
	Current Liabilities:				
2110	Accounts payable	\$ 3,363	\$ 26,363	\$ 29,499	\$ 95,209
2150	Payroll deduction and withholdings payable	259	-	242	12,693
2160	Accrued wages payable	-	-	-	224,704
2170	Due to other funds	62,826	-	-	2,997,605
2300	Unearned revenues	201,255	-	333,741	578,879
2000	Total Liabilities	<u>267,703</u>	<u>26,363</u>	<u>363,482</u>	<u>3,909,090</u>
	Fund Balances:				
	Restricted:				
3450	Federal/State grant restrictions	-	-	-	3,014,510
3490	Local grants	-	-	137,894	137,894
	Committed:				
3545	Other purposes	52,976	208,921	-	261,897
3000	Total Fund Balances	<u>52,976</u>	<u>208,921</u>	<u>137,894</u>	<u>3,414,301</u>
4000	Total Liabilities and Fund Balances	<u>\$ 320,679</u>	<u>\$ 235,284</u>	<u>\$ 501,376</u>	<u>\$ 7,323,391</u>

MANOR INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - ALL NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2022

Exhibit H-2

Page 1 of 6

		206	211	224	225
Data Control Codes		ESEA Title X Part C - Education for Homeless Children	ESEA Title I Part A - Improving Basic Programs	IDEA - Part B Formula	IDEA - Part B Preschool
Revenues					
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-	-
5900	Federal program revenues	35,683	1,166,788	1,242,584	23,875
5020	Total Revenues	35,683	1,166,788	1,242,584	23,875
Expenditures					
Current:					
0011	Instruction	-	259,391	1,025,111	23,875
0012	Instruction resources and media services	-	-	-	-
0013	Curriculum and instructional staff development	-	171,996	-	-
0021	Instructional leadership	-	172,603	-	-
0023	School leadership	-	20,876	-	-
0031	Guidance, counseling and evaluation services	-	-	217,473	-
0032	Social work services	35,683	183,094	-	-
0033	Health services	-	-	-	-
0034	Student transportation	-	-	-	-
0035	Food service	-	-	-	-
0036	Extracurricular activities	-	-	-	-
0052	Security and monitoring services	-	-	-	-
0053	Data processing services	-	-	-	-
0061	Community services	-	358,828	-	-
6030	Total Expenditures	35,683	1,166,788	1,242,584	23,875
1100	Excess (deficiency) of revenues over expenditures	-	-	-	-
1200	Net change in fund balances	-	-	-	-
0100	Fund Balance - Beginning	-	-	-	-
3000	Fund Balance - Ending	\$ -	\$ -	\$ -	\$ -

MANOR INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - ALL NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2022

Exhibit H-2

Page 2 of 6

		240	244	255	263
Data Control Codes		Child Nutrition	Career and Technical - Basic Grant	Title II, Part A - Supportive Effective Instruction	Title III, Part A - English Language Acquisition
Revenues					
5700	Local, intermediate, and out-of-state	\$ 363,449	\$ -	\$ -	\$ -
5800	State program revenues	7,186	-	-	-
5900	Federal program revenues	7,833,768	38,352	237,211	234,499
5020	Total Revenues	<u>8,204,403</u>	<u>38,352</u>	<u>237,211</u>	<u>234,499</u>
Expenditures					
Current:					
0011	Instruction	-	38,352	-	8,271
0012	Instruction resources and media services	-	-	-	-
0013	Curriculum and instructional staff development	-	-	230,693	3,150
0021	Instructional leadership	-	-	3,242	222,728
0023	School leadership	-	-	-	350
0031	Guidance, counseling and evaluation services	-	-	-	-
0032	Social work services	-	-	-	-
0033	Health services	-	-	-	-
0034	Student transportation	-	-	-	-
0035	Food service	6,451,781	-	-	-
0036	Extracurricular activities	-	-	-	-
0052	Security and monitoring services	-	-	-	-
0053	Data processing services	-	-	-	-
0061	Community services	-	-	-	-
6030	Total Expenditures	<u>6,451,781</u>	<u>38,352</u>	<u>233,935</u>	<u>234,499</u>
1100	Excess (deficiency) of revenues over expenditures	<u>1,752,622</u>	<u>-</u>	<u>3,276</u>	<u>-</u>
1200	Net change in fund balances	1,752,622	-	3,276	-
0100	Fund Balance - Beginning	<u>1,258,502</u>	<u>-</u>	<u>-</u>	<u>-</u>
3000	Fund Balance - Ending	<u>\$ 3,011,124</u>	<u>\$ -</u>	<u>\$ 3,276</u>	<u>\$ -</u>

MANOR INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - ALL NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2022

Exhibit H-2

Page 3 of 6

		266	274	278	279
Data Control Codes				ESSER - ARP - Homeless Children and Youth (ARP-HCY)	ESSER III - TCLASS
Revenues					
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-	-
5900	Federal program revenues	23,811	167,917	2,582	43,945
5020	Total Revenues	23,811	167,917	2,582	43,945
Expenditures					
Current:					
0011	Instruction	23,811	2,372	-	34,104
0012	Instruction resources and media services	-	-	-	-
0013	Curriculum and instructional staff development	-	-	-	-
0021	Instructional leadership	-	165,545	-	5,704
0023	School leadership	-	-	-	-
0031	Guidance, counseling and evaluation services	-	-	-	-
0032	Social work services	-	-	2,582	-
0033	Health services	-	-	-	-
0034	Student transportation	-	-	-	4,137
0035	Food service	-	-	-	-
0036	Extracurricular activities	-	-	-	-
0052	Security and monitoring services	-	-	-	-
0053	Data processing services	-	-	-	-
0061	Community services	-	-	-	-
6030	Total Expenditures	23,811	167,917	2,582	43,945
1100	Excess (deficiency) of revenues over expenditures	-	-	-	-
1200	Net change in fund balances	-	-	-	-
0100	Fund Balance - Beginning	-	-	-	-
3000	Fund Balance - Ending	\$ -	\$ -	\$ -	\$ -

MANOR INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - ALL NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2022

Exhibit H-2

Page 4 of 6

		281	282	284	285
Data	Control				
Codes		ESSER II	ESSER III - ARP	IDEA Part B - ARP	IDEA, Part B Preschool - ARP
Revenues					
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-	-
5900	Federal program revenues	3,725,005	2,617,316	253,114	21,055
5020	Total Revenues	<u>3,725,005</u>	<u>2,617,316</u>	<u>253,114</u>	<u>21,055</u>
Expenditures					
Current:					
0011	Instruction	3,449,763	2,240,175	253,114	21,055
0012	Instruction resources and media services	-	-	-	-
0013	Curriculum and instructional staff development	-	178,725	-	-
0021	Instructional leadership	-	-	-	-
0023	School leadership	-	83,068	-	-
0031	Guidance, counseling and evaluation services	-	-	-	-
0032	Social work services	-	-	-	-
0033	Health services	-	-	-	-
0034	Student transportation	-	-	-	-
0035	Food service	-	-	-	-
0036	Extracurricular activities	-	-	-	-
0052	Security and monitoring services	-	112,539	-	-
0053	Data processing services	-	-	-	-
0061	Community services	275,242	2,809	-	-
6030	Total Expenditures	<u>3,725,005</u>	<u>2,617,316</u>	<u>253,114</u>	<u>21,055</u>
1100	Excess (deficiency) of revenues over expenditures	-	-	-	-
1200	Net change in fund balances	-	-	-	-
0100	Fund Balance - Beginning	-	-	-	-
3000	Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MANOR INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - ALL NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2022

Exhibit H-2

Page 5 of 6

		289	385	397	410
Data					
Control					
Codes					
	Revenues				
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ -	\$ 16
5800	State program revenues	-	4,076	-	381,206
5900	Federal program revenues	1,322,993	-	-	-
5020	Total Revenues	<u>1,322,993</u>	<u>4,076</u>	<u>-</u>	<u>381,222</u>
	Expenditures				
	Current:				
0011	Instruction	986,329	4,076	-	381,222
0012	Instruction resources and media services	-	-	-	-
0013	Curriculum and instructional staff development	3,050	-	-	-
0021	Instructional leadership	-	-	-	-
0023	School leadership	-	-	-	-
0031	Guidance, counseling and evaluation services	-	-	-	-
0032	Social work services	-	-	-	-
0033	Health services	333,614	-	-	-
0034	Student transportation	-	-	-	-
0035	Food service	-	-	-	-
0036	Extracurricular activities	-	-	-	-
0052	Security and monitoring services	-	-	-	-
0053	Data processing services	-	-	-	-
0061	Community services	-	-	-	-
6030	Total Expenditures	<u>1,322,993</u>	<u>4,076</u>	<u>-</u>	<u>381,222</u>
1100	Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1200	Net change in fund balances	-	-	-	-
0100	Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>110</u>	<u>-</u>
3000	Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 110</u>	<u>\$ -</u>

MANOR INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - ALL NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2022

Exhibit H-2

Page 6 of 6

		429	461	499	
Data Control Codes		State Special Revenue Fund	Campus Activity Funds	Local Grants	Total Nonmajor Governmental Funds
Revenues					
5700	Local, intermediate, and out-of-state	\$ -	\$ 306,566	\$ 268,158	\$ 938,189
5800	State program revenues	1,160,062	-	140,000	1,692,530
5900	Federal program revenues	-	-	-	18,990,498
5020	Total Revenues	<u>1,160,062</u>	<u>306,566</u>	<u>408,158</u>	<u>21,621,217</u>
Expenditures					
Current:					
0011	Instruction	66,978	-	346,045	9,164,044
0012	Instruction resources and media services	-	-	17,206	17,206
0013	Curriculum and instructional staff development	700	-	5,981	594,295
0021	Instructional leadership	-	-	1,419	571,241
0023	School leadership	83,796	-	5,500	193,590
0031	Guidance, counseling and evaluation services	-	-	247	217,720
0032	Social work services	734,883	-	-	956,242
0033	Health services	-	-	-	333,614
0034	Student transportation	-	-	-	4,137
0035	Food service	-	-	39,848	6,491,629
0036	Extracurricular activities	-	322,272	11,323	333,595
0052	Security and monitoring services	107,735	-	-	220,274
0053	Data processing services	153,121	-	-	153,121
0061	Community services	12,849	-	1,000	650,728
6030	Total Expenditures	<u>1,160,062</u>	<u>322,272</u>	<u>428,569</u>	<u>19,901,436</u>
1100	Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(15,706)</u>	<u>(20,411)</u>	<u>1,719,781</u>
1200	Net change in fund balances	-	(15,706)	(20,411)	1,719,781
0100	Fund Balance - Beginning	<u>52,976</u>	<u>224,627</u>	<u>158,305</u>	<u>1,694,520</u>
3000	Fund Balance - Ending	<u>\$ 52,976</u>	<u>\$ 208,921</u>	<u>\$ 137,894</u>	<u>\$ 3,414,301</u>



REQUIRED TEA SCHEDULES

MANOR INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
For the Year Ended June 30, 2022

Exhibit J-1
Page 1 of 2

	1	2	3	10
	Tax Rates		Net Assessed/Appraised	Beginning
Last Ten	Maintenance	Debt Service	Value For School	Balance
Fiscal Years				
			Tax Purposes	7/1/2021
2013 and prior	Various	Various	Various	\$ 1,271,037
2014	1.040000	0.475000	3,151,131,023	74,323
2015	1.040000	0.475000	4,186,459,208	57,744
2016	1.040000	0.475000	3,902,520,528	78,750
2017	1.040000	0.475000	4,670,138,746	82,994
2018	1.040000	0.475000	4,893,258,086	113,025
2019	1.040000	0.475000	4,895,991,089	237,208
2020	0.970000	0.500000	5,630,810,408	585,830
2021	0.942700	0.499970	6,186,063,064	1,202,545
2022	0.942700	0.499970	6,419,658,961	-
1000 Totals				<u><u>\$ 3,703,456</u></u>

MANOR INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
For the Year Ended June 30, 2022

Exhibit J-1
Page 2 of 2

	20	31	32	40	50
Last Ten Fiscal Years	Current Year's Total Levy	Maintenance Total Collections	Debt Service Total Collections	Entire Year's Adjustments	Ending Balance 6/30/2022
2013 and prior	\$ -	\$ 9,461	\$ 2,599	\$ (927,668)	\$ 331,309
2014	-	5,110	2,334	-	66,879
2015	-	6,139	2,804	(4)	48,797
2016	-	18,802	8,587	(4)	51,357
2017	-	17,560	8,020	753	58,167
2018	-	22,153	10,118	(6,393)	74,361
2019	-	57,199	26,124	(8,179)	145,706
2020	-	135,442	69,816	(36,271)	344,301
2021	-	226,712	120,239	(355,882)	499,712
2022	<u>97,764,364</u>	<u>60,789,516</u>	<u>33,462,119</u>	<u>(2,288,472)</u>	<u>1,224,257</u>
1000 Totals	<u>\$ 97,764,364</u>	<u>\$ 61,288,094</u>	<u>\$ 33,712,760</u>	<u>\$ (3,622,120)</u>	<u>2,844,846</u>
					<u>1,372,824</u>
					<u>\$ 4,217,670</u>

MANOR INDEPENDENT SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
CHILD NUTRITION PROGRAM
For the Year Ended June 30, 2022

Exhibit J-2

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Revenues				
Local revenues	\$ 1,200,000	\$ 1,200,000	\$ 363,449	\$ (836,551)
State program revenues	33,000	33,000	7,186	(25,814)
Federal program revenues	6,000,000	6,000,000	7,833,768	1,833,768
Total Revenues	7,233,000	7,233,000	8,204,403	971,403
Expenditures				
Current:				
Food services	6,951,473	6,951,473	6,451,781	499,692
Total Expenditures	6,951,473	6,951,473	6,451,781	499,692
Net change in fund balances	281,527	281,527	1,752,622	1,471,095
Fund Balances - Beginning	1,258,502	1,258,502	1,258,502	-
Fund Balances - Ending	\$ 1,540,029	\$ 1,540,029	\$ 3,011,124	\$ 1,471,095

MANOR INDEPENDENT SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
For the Year Ended June 30, 2022

Exhibit J-3

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Revenues				
Local revenues	\$ 36,408,755	\$ 36,408,755	\$ 34,187,655	\$ (2,221,100)
State program revenues	-	-	291,459	291,459
Total Revenues	<u>36,408,755</u>	<u>36,408,755</u>	<u>34,479,114</u>	<u>(1,929,641)</u>
Expenditures				
Debt Service:				
Principal on long-term debt	13,574,403	13,574,403	6,525,000	7,049,403
Interest on long-term debt	16,043,425	16,043,425	16,043,425	-
Bond issuance costs and fees	1,562,590	1,562,590	1,562,590	-
Total Expenditures	<u>31,180,418</u>	<u>31,180,418</u>	<u>24,131,015</u>	<u>7,049,403</u>
Excess of revenues over expenditures	<u>5,228,337</u>	<u>5,228,337</u>	<u>10,348,099</u>	<u>5,119,762</u>
Other Financing Sources (Uses)				
Refunding bonds issued	-	-	161,660,000	161,660,000
Premium on issuance of bonds	-	-	19,542,136	19,542,136
Payment to bond refunding escrow agent	-	-	(181,912,689)	(181,912,689)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(710,553)</u>	<u>(710,553)</u>
Net change in fund balances	5,228,337	5,228,337	9,637,546	4,409,209
Fund Balances - Beginning	<u>29,128,256</u>	<u>29,128,256</u>	<u>29,128,256</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 34,356,593</u>	<u>\$ 34,356,593</u>	<u>\$ 38,765,802</u>	<u>\$ 4,409,209</u>

MANOR INDEPENDENT SCHOOL DISTRICT*Exhibit J-4***COMPENSATORY EDUCATION PROGRAM AND BILINGUAL EDUCATION PROGRAM COMPLIANCE RESPONSES****For the Year Ended June 30, 2022**

Data Codes	Section A: Compensatory Education Programs	Responses
AP1	Did your LEA expend any state compensatory education program state allotment funds during the district's fiscal year?	Yes
AP2	Does the LEA have written policies and procedures for its state compensatory education program?	Yes
AP3	List the total state allotment funds received for state compensatory education programs during the district's fiscal year.	\$10,810,753
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)	\$ 4,009,736
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.	\$ 2,227,030
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PICs 25, 35)	\$ 1,302,278

MANOR INDEPENDENT SCHOOL DISTRICT
REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS
For the Year Ended June 30, 2022

Schedule L-1

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

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



FEDERAL AWARDS SECTION



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

To the Board of Trustees
Manor Independent School District
Manor, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Manor Independent School District (the District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise District's basic financial statements, and have issued our report thereon dated November 14, 2022.

Internal Control Over Financial Reporting

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

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

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

To the Board of Trustees
Manor Independent School District

Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in black ink that reads "Whitley Penn LLP". The signature is written in a cursive, flowing style.

Austin, Texas
November 14, 2022

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

To the Board of Trustees
Manor Independent School District
Manor, Texas

Report on Compliance for Each Major Federal Program

Opinion On Each Major Program

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

In our opinion, the District's complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion On Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

To the Board of Trustees
Manor Independent School District

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.

Whitley Penn LLP

Austin, Texas
November 14, 2022

MANOR INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2022

I. Summary of Auditors' Results

Financial Statements

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

Federal Awards

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

Identification of major programs:

<u>Name of Federal Program or Cluster</u>	<u>Assistance Listing Number (ALN)</u>
-------------------------------------------	-----------------------------------------

U.S. Department of Education

<i>COVID - 19 - Homeless ARP - TEHCY Supplemental</i>	84.425W
<i>COVID - 19 - ESSER GRANT</i>	84.425D
<i>COVID - 19 -ESSER II - Supplemental appropriations</i>	84.425D
<i>COVID - 19 - ESSER III - ARP</i>	84.425U
<i>COVID - 19 - ESSER III - TCLAS</i>	84.425U

Special Education Cluster:

<i>IDEA B - Preschool</i>	84.173A
<i>IDEA B - Formula</i>	84.027A
<i>COVID 19 - IDEA B Formula - ARP</i>	84.027A
<i>COVID 19 - IDEA B Preschool - ARP</i>	84.173A
<i>Title I Part A - Improving Basic Programs</i>	84.010A
<i>School Action Fund - Planning</i>	84.010A

Federal Communications Commission

<i>COVID 19 - Emergency Connectivity Fund Reimbursement</i>	32.009
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Dollar Threshold Considered Between Type A and Type B Federal Programs	\$750,000
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Auditee qualified as low risk auditee?	No
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MANOR INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
For the Year Ended June 30, 2022

II. Financial Statement Findings

None Reported

III. Federal Awards Findings and Questioned Costs

None Reported

MANOR INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2022

Exhibit K-1
Page 1 of 2

Fund Code	(1) Federal Grantor/ Pass-Through Grantor/ Program Title	(2) Federal ALN	(2A) Pass-Through Entity Identifying Number	(3) Federal Expenditures
U. S. Department of Education				
Passed Through Texas Education Agency:				
206	<i>Texas Education for Homeless Children and Youth</i>	84.196A	214600057110047	\$ 7,286
206	<i>Texas Education for Homeless Children and Youth</i>	84.196A	224600057110057	28,397
	<i>Total ALN 84.196</i>			<u>35,683</u>
211	<i>Title I Part A - Improving Basic Programs</i>	84.010A	20694501227907	46,403
211	<i>Title I Part A - Improving Basic Programs</i>	84.010A	216101627110030	99,161
211	<i>Title I Part A - Improving Basic Programs</i>	84.010A	22610101227907	1,064,903
211	<i>School Action Fund - Planning</i>	84.010A	216101627110030	13,907
	<i>Total ALN 84.010</i>			<u>1,224,374</u>
225	<i>IDEA B - Preschool</i>	84.173A	206610012279076000	16,430
225	<i>IDEA B - Preschool</i>	84.173A	226610012279076000	7,445
224	<i>IDEA B - Formula</i>	84.027A	226600012279076000	1,242,584
284	<i>COVID 19 - IDEA B Formula - ARP</i>	84.027A	225350012279075000	253,114
285	<i>COVID 19 - IDEA B Preschool - ARP</i>	84.173A	225360012279075000	21,055
	<i>Total Special Education Cluster (ALN 84.173 and 84.027)</i>			<u>1,540,628</u>
244	<i>Carl D. Perkins Basic Formula</i>	84.048A	22420006227907	38,352
255	<i>Title II, Part A - Supporting Effective Instruction</i>	84.367A	21694501227907	2,286
255	<i>Title II, Part A - Supporting Effective Instruction</i>	84.367A	22694501227907	245,706
	<i>Total ALN 84.367</i>			<u>247,992</u>
263	<i>Title III, Part A - ELA</i>	84.365A	20694501227907	64
263	<i>Title III, Part A - ELA</i>	84.365A	22671001227907	246,187
	<i>Total ALN 84.365</i>			<u>246,251</u>
278	<i>COVID - 19 - Homeless ARP - TEHCY Supplemental</i>	84.425W	215330017110053	2,582
266	<i>COVID - 19 - ESSER GRANT</i>	84.425D	20521001227907	23,811
281	<i>COVID - 19 -ESSER II - Supplemental appropriations</i>	84.425D	21521001227907	4,377,365
282	<i>COVID - 19 - ESSER III - ARP</i>	84.425U	21528001227907	3,075,687
279	<i>COVID - 19 - ESSER III - TCLAS</i>	84.425U	21528042227907	51,641
	<i>Total ALN 84.425</i>			<u>7,531,086</u>
289	<i>Title IV, Part A, Subpart 1</i>	84.424A	22680101227907	47,260
199	<i>Summer School LEP</i>	84.369A	69552002	16,220
Passed Through University of Texas at Austin:				
274	<i>Gaining Early Awareness and Readiness for Undergraduate Programs</i>	84.334	P334A170079	37,546
274	<i>Gaining Early Awareness and Readiness for Undergraduate Programs</i>	84.334	P334A170079	130,371
	<i>Total ALN 84.334</i>			<u>167,917</u>
Total U. S. Department of Education				<u>11,095,763</u>

MANOR INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2022

Exhibit K-1
Page 2 of 2

Fund Code	Federal Grantor/ Pass-Through Grantor/ Program Title	(2) Federal ALN	Pass-Through Entity Identifying Number	Federal Expenditures
	Federal Communications Commission			
	Direct:			
289	<i>COVID 19 - Emergency Connectivity Fund Reimbursement</i>	32.009	DIR-TSO-3763-R	<u>\$ 944,375</u>
	Total Federal Communication Commission			<u>944,375</u>
	U. S. Department of Health and Human Services			
	Passed Through Texas Education Agency:			
289	<i>COVID 19 - School Health Support Grant</i>	93.323	39352201	<u>333,614</u>
	Total U.S. Department of Health and Human Services			<u>333,614</u>
	U. S. Department of Agriculture			
	Passed Through Texas Department of Agriculture:			
	Non-cash assistance (commodities):			
240	<i>National School Lunch Program</i>	10.555	806780706	640,382
	Passed Through Texas Education Agency:			
240	<i>National School Lunch Program</i>	10.555	71302201	5,107,730
240	<i>National School Breakfast Program</i>	10.553	71402201	<u>2,085,656</u>
	<i>Total Child Nutrition Cluster (ALN 10.553 and 10.555)</i>			<u>7,833,768</u>
	Total U. S. Department of Agriculture			<u>7,833,768</u>
	Total Expenditures of Federal Awards			<u>\$ 20,207,520</u>

MANOR INDEPENDENT SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2022

Exhibit K-2

Note 1 - Summary of Significant Accounting Policies

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

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

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

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

Note 2 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the District under programs of the federal government for the District's fiscal year ended June 30, 2022. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Uniform Guidance. Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position or cash flows of the District.

Note 3 - Reconciliation to Basic Financial Statements

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

Total shown on Schedule of Expenditures of Federal Awards	\$ 20,207,520
Federal Revenue Accounted for in Governmental Funds:	
SHARS	2,438,175
E-Rate	400,242
Total Expenditures of Federal Awards per SEFA	<u>2,838,417</u>
Total Federal Revenue - Exhibit C-3	<u>\$ 23,045,937</u>

Note 4 - General Fund Expenditures

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

SHARS	\$ 2,438,175
E-Rate	400,242
Summer School LEP (ALN 84.369A)	16,220
Indirect Costs	<u>1,200,802</u>
	<u>\$ 4,055,439</u>

MANOR INDEPENDENT SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended June 30, 2022

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

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

I. Prior Audit Findings

Finding 2021-001 Internal Control over Financial Reporting: Financial Close

Type of Finding: Significant Deficiency

Finding Summary: During the course of our audit, it was noted that the District did not properly reconcile several accounts including capital assets.

Current Status: The prior finding has been corrected.

Finding 2021-002 Internal Control over Financial Reporting: Policies and Procedures

Type of Finding: Significant Deficiency

Finding Summary: Purchasing policy regarding procurement card purchases was not always followed.

Current Status: The prior finding has been corrected.

MANOR INDEPENDENT SCHOOL DISTRICT

CORRECTIVE ACTION PLAN

For the Year Ended June 30, 2022

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

I. Corrective Action Plan

Not Applicable