KIRBYVILLE CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

Kirbyville, Texas

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED AUGUST 31, 2023

KIRBYVILLE CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
Annual Financial Report
For The Year Ended August 31, 2023

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KIRBYVILLE CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
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INTRODUCTORY SECTION

CERTIFICATE OF BOARD

Kirbyville Consolidated Independent School District	Jasper	121-905
Name of School District	County	Co.-Dist. Number

We, the undersigned, certify that the attached annual financial reports of the above named school district was reviewed and _____ approved _____ disapproved for the year ended August 31, 2023 at a meeting of the board of school trustees of such school district on the 19th day of December, 2023.

Board Secretary

Board President

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

FINANCIAL SECTION

December 11, 2023

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Kirbyville Consolidated Independent School District
Kirbyville, Texas

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Kirbyville Consolidated Independent School District (the "District") as of and for the year ended August 31, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the 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 Kirbyville Consolidated Independent School District, as of August 31, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*. 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 Kirbyville Consolidated Independent School District and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 Kirbyville Consolidated Independent School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting form 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 judgement made by a reasonable user based on the financial statements.

1465 Cornerstone Ct., Ste. A ♦ Beaumont, TX 77706
Phone (409) 924-9100 ♦ Fax (409) 924-0990

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 Kirbyville Consolidated Independent School District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2023, on our consideration of Kirbyville Consolidated Independent School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Kirbyville Consolidated Independent School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Kirbyville Consolidated Independent School District's internal control over financial reporting and compliance.

J.R. Edwards & Associates, LLC

In this section of the Annual Financial Report, we, the managers of the Kirbyville Independent School District (the District), discuss and analyze the District's financial performance for the fiscal year ended August 31, 2023. We encourage readers to consider the information presented here in conjunction with the independent auditors' report on page 2, and the District's Basic Financial Statements that begin on page 12.

FINANCIAL HIGHLIGHTS

- The District's total combined net position was $14,087,437 at August 31, 2023.
- During the year, the District's expenses were $4,732,355 less than the $22,504,991 generated in taxes and other revenues for governmental activities.
- The total cost of the District's programs increased this year. The District continues to introduce new programs and enhance existing programs designed to assist students in at-risk, economically disadvantaged, and special education sub-groups in order to comply with State of Texas Assessment of Academic Readiness and End of Course assessments as well as the mandates of the federal SSI.
- The general fund reported a fund balance this year of $9,448,509. Of this amount, $8,348,509 is for unrestricted use by the District.
- During the 2022-2023 school year the District passed the State's Financial Integrity Rating System of Texas for the school year 2021-2022 with a Superior rating

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements include three components: (1) management's discussion and analysis (this section), (2) the basic financial statements, and (3) required supplementary information.

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. They include the Statement of Net Position and the Statement of Activities that provide information about the activities of the District as a whole and present a longer-term view of the District's property and debt obligations and other financial matters. They reflect the flow of total economic resources in a manner similar to the financial reports of a business enterprise.

The Statement of Net Position presents information in a format that displays assets, plus deferred outflows of resources, less liabilities, less deferred inflows of resources to equal net position. Net position is displayed in three components – net investment in capital assets, restricted, and unrestricted. 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. To assess the overall health of the District, one needs to consider additional nonfinancial factors such as changes in the District's tax base. Unrestricted net position reflects a deficit created by a prior period adjustment resulting from the implementation of GASB 74 in the current fiscal year for OPEB. Although the District reports a deficit, the deficit is primarily due to reporting the District's proportionate share of the net OPEB liability. The total district liability is reported in the governmental activities; however, the actual liability does not require the use of current resources at the fund level, which results in a timing difference since the TRS-Care plan is funded on a pay-as-you go basis. The District has made all contractually required contributions as noted in the required supplementary information and has sufficient fund balance to meet the District's ongoing obligations to students and creditors.

The *Statement of Activities* presents information showing how the government's net position changed during the current fiscal year. All changes in net position are reported for all of the current year's revenues and expenses

OVERVIEW OF THE FINANCIAL STATEMENTS – Continued

Government-Wide Financial Statements, **Continued**

regardless of when cash is received or paid. Thus, revenue and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the District's government-wide financial statements distinguish the functions of the District as being principally supported by taxes and intergovernmental revenues (governmental activities) as opposed to business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges.

In fiscal year 2018, the District adopted the Governmental Accounting Standards Board Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions – which superseded GASB No. 45. Statement No. 75 establishes financial reporting standards and/or accounting standards for state and local government defined other postemployment benefit (OPEB) plans and defined contribution OPEB plans. Statement No. 75 requires that, at transition, a government recognizes a beginning deferred outflow of resources for its OPEB contributions, if any, made subsequent to the measurement date of the beginning net OPEB liability. The effect of the adoption of this statement has no impact on the District's governmental fund financial statements. However, adoption has resulted in certain changes to the presentation of the District's government-wide financial statements.

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 objects. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related requirements. The fund financial statements provide detailed information about the District's most significant funds, *not* the District as a whole.

- Some funds are required by State law and by bond covenants.
- The Board of Trustees establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The District has the following kinds of 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 government'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 government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds 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 several individual governmental funds organized according to their type. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the District's most significant funds. The District's major governmental fund is the General Fund. Data for the remaining governmental funds are combined into a single, aggregated presentation.

OVERVIEW OF THE FINANCIAL STATEMENTS - Continued

The District adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget. The Texas Education Agency also requires the District to present a budgetary comparison statement for one of its special revenue funds (food service) and the debt service fund.

- ***Proprietary Funds.*** Proprietary funds reported by the District are generally used to account for services for which the District charges its employees or internal units. The District maintains an Internal Service fund to accumulate and allocate costs internally among the District's various functions. The District used internal service funds to account for its self-insurance program for workers' compensation. The activities and balances of these funds have been included with governmental activities in the government-wide financial statements.

- ***Fiduciary Funds.*** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in separate Statements of Fiduciary Net position and the Statement of Changes in Fiduciary Net Position as listed in the table of contents.

Notes to the Financial Statements. The notes, as listed in the table of contents, provide additional information that is essential to a complete 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. Required supplementary information can be found on page 48 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Our analysis focuses on the Net Position (Table I) and Changes in Net Position (Table II) of the District's governmental activities.

The District's combined net position was $14,087,437 at August 31, 2023. (See Table I)

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Table I
Kirbyville Consolidated Independent School District
Net Position

	August 31, 2023	August 31, 2022
Current and Other Assets	$ 13,897,294	$ 11,741,231
Capital Assets	30,431,771	28,424,398
Deferred Outflows	5,872,387	4,007,628
Total Assets and Dferred Outflows	50,201,452	44,173,257
Long-term Liabilities	28,953,738	28,103,634
Other Liabilities	1,624,978	1,146,612
Deferred Inflows	5,535,299	5,567,929
Total Liabilities and Deferred Inflows	36,114,015	34,818,175
Net Position:		
Net Investment in Capital Assets	11,216,137	8,397,747
Restricted for Federal and State Programs	881,766	791,143
Restricted for Debt Service	1,415,785	1,213,377
Unrestricted	573,749	(1,047,185)
Total Net Position	$ 14,087,437	$ 9,355,082

Approximately $11.2 million of the District's net position represents investments in capital assets net of related debt. The $573 thousand is unrestricted net position.

Changes in net position. The Districts total revenues were $22.5 million. A portion, 19.6 percent, of the District's revenue comes from local property taxes, 75.9 percent comes from grants and contributions, while only 1.6 percent relates to charges for services and the remaining 2.9 percent relates to investment earnings and other miscellaneous revenue.

Total Cost of all programs and services was $17.8 million. The net position of the District for the current year increased $4,732,355 (see Table II of this report).

Key elements of the governmental activities of the District are reflected in the following table.

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Table II
Kirbyville Consolidated Independent School District
Changes in Net Position

	August 31, 2023	August 31, 2022
Revenues:		
Program Revenues:		
Charges for Services	$ 354,236	$ 186,169
Operating Grants and Contributions	4,070,121	3,469,895
General Revenues:		
Maintenance and Operations Taxes	3,330,673	3,169,178
Debt Service Taxes	1,082,822	1,131,624
State Aid - Formula Grants		
Grants and Contributions - Not Restricted to Specific Functions	13,013,049	11,609,250
Investment Earnings	444,094	64,274
Miscellaneous	209,996	188,794
Payment to State	-	(40,400)
Total Revenue	22,504,991	19,778,784
Expenses:		
Instruction	8,993,607	8,632,948
Instructional Resources and Media Services	179,669	168,484
Curriculum/Instructional Development	43,281	104,267
Instructional Leadership	-	1,107
School Leadership	826,624	730,161
Guidance and Counseling Services	386,468	444,778
Social Work Services	2,620	3,622
Health Services	215,581	200,053
Student (Pupil) Transportation	770,891	733,141
Food Services	1,042,913	996,528
Cocurricular/Extracurricular Activities	592,701	602,111
General Administration	953,750	870,924
Plant Maintenance and Operations	2,147,781	1,969,774
Security and Monitoring Services	262,681	267,658
Data Processing Services	267,867	265,915
Community Services	2,555	3,313
Debt Services - Interest on Long-Term Debt	553,332	589,581
Debt Services - Bond Issuance Cost & Fees	1,500	2,000
Payments to Fiscal Agent/Member Districts of SSA	528,815	508,488
Total Expenses Governmental Activities	17,772,636	17,094,853
Increase (Decrease) in Net Assets	4,732,355	2,683,931
Net Assets - September 1 (Beginning)	9,355,082	6,671,151
Prior Period Adjustment	-	-
Net Assets - September 1 (Restated)	9,355,082	6,671,151
Net Assets - August 31 (Ending)	$ 14,087,437	$ 9,355,082

GOVERNMENTAL ACTIVITIES

- Property tax rates were set at $.9245 per $100 valuation for M&O and $.30229 for I&S. The rate for 2023-2024 is set at $.7380 for M&O and $.3177 for I&S.

- The District continues to pay down the $18.3 million in bonds and notes payable.

Table III presents the cost of each of the District's largest functions as well as each function's net cost (total cost less fees generated by the activities and intergovernmental aid. The net cost reflects what was funded by state revenues as well as local tax dollars.

- The cost of all governmental activities this year was $17.7 million.

- The amount that our taxpayers paid for these activities through property taxes was $4.1million.

- Some of the cost, $354,236 was paid by those who directly benefited from the programs or by grants and contributions in the amount of $4,070,121.

	Total Cost of Services		Net Cost of Services	
	2023	2022	2023	2022
Instruction	$ 8,993,607	$ 8,632,948	$ 7,426,881	$ 6,469,740
School Administration	953,750	870,924	942,524	859,210
School Leadership	826,624	730,161	814,450	730,161
Plant Maintenance & Operations	2,147,781	1,969,774	617,404	1,918,973
Cocurrricular/Extracurricular Activities	592,701	602,111	554,966	559,082
Food Services	1,042,913	996,528	(82,165)	(201,635)
Student (Pupil) Transportation	770,891	733,141	734,849	727,973

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The District continues to operate from a very conservative viewpoint. With much uncertainty about the future of public school finance and the increasing requirements from the state government, the District feels it is prudent to continue to approach fiscal matters conservatively.

In 2022-2023, safety and security improvements continued throughout the District Including a full-time security officer, CPR certifications, trauma kits, and upgrades to security fencing and door locking systems. Emergency cabinets are being stocked with supplies in every classroom and other areas throughout the District**.**

GENERAL FUND BUDGETARY HIGHLIGHTS

Budget amendments for the 2022-2023 school year were required to meet various needs throughout the District. All amendments were approved by the Board of Trustees.

CAPITAL ASSET AND LONG-TERM DEBT ACTIVITY

Capital Assets. At August 31, 2023 the District had $30.4 million (net of depreciation) invested in a broad range of capital assets, including land, buildings, furniture and equipment used for instruction, transportation, athletics, administration, and maintenance. This amount represents a small net decrease (including additions and deductions) over last year.

Kirbyville Consolidated Independent School District
Capital Assets
Governmental Activities

	August 31, 2023	August 31, 2022
Land	596,685	596,685
Construction in Process	2,735,382	896,042
Buildings and Improvements	42,873,822	41,800,054
Equipment	3,142,558	3,011,728
Vehicles	2,987,439	2,987,439
Right-to-Use Asset, Equipment	148,627	159,712
Totals at Historical Cost	52,484,513	49,451,660
Less Accumulated Depreciation:		
Buildings and Improvements	(16,910,641)	(16,027,801)
Equipment	(2,485,782)	(2,362,292)
Vehicles	(2,628,454)	(2,530,698)
Right-to-Use Asset, Equipment	(27,868)	(106,474)
Total Accumulated Depreciation	(22,052,745)	(21,027,265)
Net Capital Assets	$ 30,431,768	$ 28,424,395

Long-Term Debt. At year-end, the District had $18.3 million in bonds and notes payable outstanding. More detailed information about the District's long-term liabilities is presented in the notes to the financial statements.

Kirbyville Consolidated Independent School District
Outstanding Debt

	August 31, 2023	August 31, 2022
Governmental activities:		
GASB 87 lease liability	123,825	54,650
General Obligation Bonds	$ 18,159,766	$ 19,104,766
Tax Exempt Obligations	53,759	104,622
Total	$ 18,337,350	$ 19,264,038

ECONOMIC FACTORS AND NEW YEAR'S BUDGETS AND RATES

- Appraised value used for 2023--2024 budget preparation increased slightly. However, due to the instability of the Texas school finance system and the uncertainty of the COVID-19 pandemic, the District continues to systematically review staffing patterns, special projects, and revenue and expenditure projections.

- General operating fund spending per student increased in the 2022-2023 school year and the District anticipates an increase again in 2024 due to the continued efforts to provide a device and internet service to every student in grades PK-12. Other increases from inflation, salaries, professional development for staff, and campus safety and security were realized in the 2022-2023 school year and expected to continue in the future.

- The District projected 2022-2023 refined ADA numbers to be approximately 1326. Actual refined ADA at year end was 1343.

These indicators were taken into account when adopting the general fund budget for 2023-2024. Budget amounts available in the general fund budget are slightly higher due to the District striving to be fiscally conservative.

Expenditures continue to rise due to salary increases, increased supply costs, increased insurance and utility costs. The District is consistently looking for highly qualified teachers and staff. This year the District's instructional focus was on early literacy for math/reading and preparing our students for post-secondary opportunities. Other initiatives remain focused on improving student performance due to the COVID learning loss by offering more instructional and professional development activities in core academic areas including math, science, language arts, and social studies.

The District continues to support Career and Technology education by providing several quality programs such as Ag Science, Auto Mechanics, Building Trades, FCCLA, and DECCA. We are currently offering additional certification programs in the health science fields and welding.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances as well as demonstrate accountability for funds the District receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the District's Superintendent, 206 East Main Street Kirbyville, Texas 75956.

BASIC FINANCIAL STATEMENTS

STATEMENT OF NET POSITION
AUGUST 31, 2023

Data Control Codes		Primary Government Governmental Activities
	Assets	
1110	Cash and Cash Equivalents	$ 10,316,840
1220	Property Taxes Receivable (Delinquent)	1,932,564
1230	Allowance for Uncollectible Taxes	(1,352,795)
1240	Due from Other Governments	2,981,766
1290	Other Receivables	18,919
	Capital Assets (Net of Accumulated Depreciation):	
1510	Land	596,685
1520	Buildings and Improvements	25,963,181
1530	Furniture and Equipment	1,015,764
1550	Rught-To -Use Lease Asset	120,759
1580	Construction In Progress	2,735,382
1000	**Total Assets**	44,329,065
	Deferred Outflows of Resources	
1701	Deferred Charge for Refunding	1,554,805
1705	Deferred Resource Outflow Related to TRS Pension	2,793,167
1706	Deferred Resource Outflow Related to TRS OPEB	1,524,415
1700	**Total Deferred Outflows of Resources**	5,872,387
	Total Assets and Deferred Outflows of Resources	50,201,452
	Liabilities	
2110	Accounts Payable and Accrued Expenses	691,500
2140	Interest Payable	22,326
2160	Accrued Wages Payable	782,256
2180	Due to Other Governments	58,276
2200	Accrued Expenditures	70,620
	Long Term Liabilities:	
2501	Due Within One Year	1,078,914
2502	Due in More Than One Year	20,093,308
2540	Net Pension Liability (District's Share)	4,842,173
2545	Net OPEB Liability (District's Share)	2,939,343
2000	**Total Liabilities**	30,578,716
	Deferred Inflows of Resources	
2605	Deferred Resource Inflow Related to TRS Pension	484,682
2606	Deferred Resource Inflow Related to TRS OPEB	5,050,617
2600	**Total Deferred Inflows of Resources**	5,535,299
	Total Liabilities and Deferred Inflows of Resources	36,114,015
	Net Position	
3200	Net Investment in Capital Assets	11,216,137
3820	Restricted for Federal and State Programs	881,766
3850	Restricted for Debt Service	1,415,785
3900	Unrestricted Net Position	573,749
3000	**Total Net Position**	$ 14,087,437

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

KIRBYVILLE CONSOLIDATED INDEPENDENT SCHOOL DISTRICT EXHIBIT B-1

STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED AUGUST 31, 2023

Data Control Codes		Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Primary Government Governmental Activities
	Governmental Activities				
0011	Instruction	$ 8,993,607	$ 96,526	$ 1,470,200	$ (7,426,881)
0012	Instructional Resources & Media Services	179,669	-	3,044	(176,625)
0013	Curriculum/Instructional Development	43,281	-	30,072	(13,209)
0023	School Leadership	826,624	-	12,174	(814,450)
0031	Guidance and Counseling Services	386,468	-	53,590	(332,878)
0032	Social Work Services	2,620	-	-	(2,620)
0033	Health Services	215,581	-	11,680	(203,901)
0034	Student (Pupil) Transportation	770,891	-	36,042	(734,849)
0035	Food Services	1,042,913	219,975	905,103	82,165
0036	Cocurricular/Extracurricular Activities	592,701	37,735	-	(554,966)
0041	General Administration	953,750	-	11,226	(942,524)
0051	Plant Maintenance and Operations	2,147,781	-	1,530,377	(617,404)
0052	Security and Monitoring Services	262,681	-	-	(262,681)
0053	Data Processing Services	267,867	-	4,058	(263,809)
0061	Community Services	2,555	-	2,555	-
0072	Debt Service - Interest on Long-Term Debt	553,332	-	-	(553,332)
0073	Debt Service - Bond Issuance Cost & Fees	1,500	-	-	(1,500)
0093	Shared Service Arrangements/Local Deaf	528,815	-	-	(528,815)
TG	**Total Governmental Activities:**	$ 17,772,636	$ 354,236	$ 4,070,121	$ (13,348,279)
TP	**Total Primary Government**	$ 17,772,636	$ 354,236	$ 4,070,121	(13,348,279)

Data Control Codes		
	General Revenues:	
	Taxes:	
MT	Property Taxes, levied for general purposes	3,330,673
DT	Property Taxes, levied for debt service	1,082,822
SF	State Aid not restricted to Specific Purpose	12,356,172
GC	Grants and Contributions not restricted	656,877
IE	Investment Earnings	444,094
MI	Miscellaneous Local and Intermediate	209,996
TR	**Total General Revenues**	18,080,634
CN	**Change in Net Position**	4,732,355
NB	**Net Position - September 1 (Beginning)**	9,355,082
NE	**Net Position - August 31 (Ending)**	$ 14,087,437

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

KIRBYVILLE CONSOLIDATED INDEPENDENT SCHOOL DISTRICT EXHIBIT C-1

BALANCE SHEET
GOVERNMENTAL FUNDS
AUGUST 31, 2023

Data Control Codes		10 General Fund	20 Special Revenue Fund	50 Debt Service Fund	Other Funds	Total Governmental Funds
	Assets					
1110	Cash and Cash Equivalents	$ 9,168,775	$ (873,621)	$ 1,514,217	$ 480,605	$10,289,976
1220	Property Taxes - Delinquent	1,529,986	-	402,578	-	1,932,564
1230	Allowance for Uncollectible Taxes (credit)	(1,070,990)	-	(281,805)	-	(1,352,795)
1240	Due from Other Governments	1,005,339	1,407,403	11,419	557,605	2,981,766
1260	Due from Other Funds	77,558	-	-	-	77,558
1290	Other Receivables	12,546	-	-	6,373	18,919
1000	**Total Assets**	$10,723,214	$ 533,782	$ 1,646,409	$ 1,044,583	$13,947,988
	Liabilities					
2110	Accounts Payable and Accrued Expenditures	$ 105,983	$ 533,782	$ -	$ 51,735	$ 691,500
2160	Accrued Wages Payable	691,402	-	-	90,854	782,256
2170	Due to Other Funds	47,470	-	77,558	-	125,028
2180	Due to Other Governments	-	-	38,048	20,228	58,276
2000	**Total Liabilities**	$ 844,855	$ 533,782	$ 115,606	$ 162,817	$ 1,657,060
	Deferred Inflows of Resources					
2601	Unavailable Revenue - Property Taxes	$ 429,850	$ -	$ 115,018	$ -	$ 544,868
2600	**Total Deferred Inflows of Resources**	$ 429,850	$ -	$ 115,018	$ -	$ 544,868
	Fund Balance					
	Restricted Fund Balance					
3450	Federal or State Funds Grant Restriction	$ -		$ -	$ 881,766	$ 881,766
3480	Retirement of Long-Term Debt	-	-	1,415,785	-	1,415,785
	Committed Fund Balance:					
3510	Construction	500,000	-	-	-	500,000
3525	Retirement of Long-Term Debt	500,000	-	-	-	500,000
3545	Other Committed Fund Balance	100,000	-	-	-	100,000
3600	Unassigned Fund Balance	8,348,509	-	-	-	8,348,509
3000	**Total Fund Balance**	$ 9,448,509	$ -	$ 1,415,785	$ 881,766	$11,746,060
4000	**Total Liabilities, Deferred Inflows, and Fund Balance**	$10,723,214	$ 533,782	$ 1,646,409	$ 1,044,583	$13,947,988

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

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
FOR THE FISCAL YEAR ENDED AUGUST 31, 2023

Total Fund Balances - Governmental Funds	$ 11,746,060
Capital assets and bond related costs used in governmental activities are not financial resources and therefore are not reported in governmental funds.	30,431,771
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	544,868
Notes payable which are not due in the current period are not reported in the funds.	(21,172,222)
The assets and liabilities of internal service funds are included in governmental activities in the statement of net assets.	3,714
Deferred charges on refunding bonds are not reported in the funds.	1,554,805
Payable for bond interest is not reported in the funds.	(22,326)
Included in the items related to debit is the recognition of the District's proportionate share of the net pension liability required by GASB 68. The net position related to TRS included a deferred resourse outflow of $2,793,167, deferred resource inflow of ($484,682) and a net pension liabilty of ($4,842,173).	(2,533,688)
Included in the items related to debit is the recognition of the District's proportionate share of the net OPEB liability required by GASB 75. The net position related to TRS included a deferred resourse outflow of $1,524,415, a deferred resource Inflow of ($5,050,617) and a net OPEB liabilty of ($2,939,343).	(6,465,545)
	$ 14,087,437

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

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2023

Data Control Codes		10 General Fund	20 Special Revenue Fund	50 Debt Service Fund	Other Funds	Total Governmental Funds
	Revenues					
5700	Local Sources	$ 3,947,120	$ -	$ 1,197,311	$ 273,988	$ 5,418,419
5800	State Program Revenues	12,995,392	-	458,422	215,768	13,669,582
5900	Federal Program Revenues	94,913	1,520,171	-	2,334,182	3,949,266
5020	**Total Revenues**	17,037,425	1,520,171	1,655,733	2,823,938	23,037,267
	Expenditures					
	Current					
0011	Instruction	7,363,129	14,649	-	1,455,551	8,833,329
0012	Instructional Resources and Media Services	172,952	-	-	3,044	175,996
0013	Curriculum and Instructional Development	10,336	-	-	30,072	40,408
0023	School Leadership	798,289	-	-	12,174	810,463
0031	Guidance and Counseling Services	322,453	-	-	53,590	376,043
0032	Social Work Services	2,446	-	-	-	2,446
0033	Health Services	141,900	-	-	11,680	153,580
0034	Student (Pupil) Transportation	701,458	-	-	36,042	737,500
0035	Food Services	-	-	-	1,010,431	1,010,431
0036	Cocurricular/Extracurricular Activities	615,972	-	-	-	615,972
0041	General Administration	915,372	-	-	11,226	926,598
0051	Plant Maintenance and Operations	1,997,478	1,505,522	-	102,892	3,605,892
0052	Security and Monitoring Services	255,711	-	-	-	255,711
0053	Data Processing Services	254,281	-	-	4,058	258,339
0061	Community Services	-	-	-	2,555	2,555
	Debt Service					
0071	Debt Service - Principal on long-term debt	105,513	-	945,000	-	1,050,513
0072	Debt Service - Interest on long-term debt	7,418	-	506,825	-	514,243
0073	Debt Service - Bond Issuance Cost and Fees	-	-	1,500	-	1,500
	Capital Outlay					
0081	Facilities Acquisition and Construction	1,410,260	-	-	-	1,410,260
	Intergovernmental					
0093	Shared Service Arrangement/Deaf Program	528,815	-	-	-	528,815
6030	**Total Expenditures**	15,603,783	1,520,171	1,453,325	2,733,315	21,310,594
1200	Net Change in Fund Balances	1,433,642	-	202,408	90,623	1,726,673
0100	**Fund Balance - September 1 (Beginning)**	8,014,867	-	1,213,377	791,143	10,019,387
3000	**Fund Balance - August 31 (Ending)**	$ 9,448,509	$ -	$ 1,415,785	$ 881,766	$ 11,746,060

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

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED AUGUST 31, 2023

Total Net Change in Fund Balances - Governmental Funds		$ 1,726,673
Capital outlays and bond issuance costs are not reported as expenses in the statement of activities.		3,043,938
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net position. This incldes the net effect on depreciation of right-to-use assets.		(1,185,192)
Repayment of loan principal is an expenditure in the funds but is not an expense in the statement of activities. This includes obligations of right-to-use assets.		1,075,316
The amortization of bond premiums and discounts are not reported in the funds.		(41,378)
Certain property tax revenues are deferred in the funds. This is the change in these.		(9,062)
Accrued interest on bonds is not reported in the funds.		2,289
The net revenue (expense) of internal service funds is reported with governmental activities		(42,204)
The net change in net pension liability, deferred outflows, and deferred inflowsis reported in the statement of acivities but does not require the use of current financial resources and, therefore, is not reported as expenditures in the governmental funds. The net change consists of the following:		
Deferred outflows increased (decreased)	1,655,084	
Deferred inflows increased (decreased)	1,362,755	
Net pension liability increased (decreased)	(3,298,612)	(280,773)
The net change in net OBEB liability, deferred outflows, and deferred inflowsis reported in the statement of acivities but does not require the use of current financial resources and, therefore, is not reported as expenditures in the governmental funds. The net change consists of the following:		
Deferred outflows increased (decreased)	283,713	
Deferred inflows increased (decreased)	(1,330,125)	
Net OPEB liability increased (decreased)	1,489,160	442,748
		$ 4,732,355

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AUGUST 31, 2023

	Governmental Activities Internal Service Fund
Assets	
Current Assets:	
Cash and Cash Equivalents	$ 26,864
Due from Other Funds	47,470
Total Current Assets	74,334
Total Assets	74,334
Liabilities	
Current Liabilities:	
Accrued Expenses	70,620
Total Current Liabilities	70,620
Total Liabilities	70,620
Net Position	
Unrestricted Net Position	3,714
Total Net Position	$ 3,714

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

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2023

	Governmental Activities Internal Service Fund
Operating Revenues	
Local and Intermediate Sources	$ 12,462
Total Operating Revenues	12,462
Operating Expenses	
Professional and Contracted Services	11,705
Other Operating Costs	42,961
Total Operating Expenses	54,666
Change in Net Position	(42,204)
Total Net Position - September 1 (Beginning)	45,918
Total Net Position - August 31 (Ending)	$ 3,714

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

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2023

	Internal Service Funds
Cash Flows from Operating Activities:	
Cash Received from Customers	$ (35,008)
Cash Payments to Other Suppliers for Goods and Services	(58,658)
Net Cash Provided by (Used for) Operating Activities	(93,666)
Net Increase (Decrease) in Cash and Cash Equivalents	(93,666)
Cash and Cash Equivalents at Beginning of the Year:	120,530
Cash and Cash Equivalents at End of the Year:	$ 26,864

Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities:

Operating Income (Loss):	$ (42,204)
Effect of Increases and Decreases in Current Assets and Liabilities:	
Increase (decrease) in Accrued Expenses and Due From Other Funds	(51,462)
Net Cash Provided by (Used for) Operating Activities	$ (93,666)

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

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2023

	Private Purpose Trust Fund	Custodial Fund
Assets		
Cash and Cash Equivalents	$ 53,664	$ 230,757
Other Receivables	-	2,875
Total Assets	$ 53,664	$ 233,632
Liabilities		
Accounts Payable		$ 685
Total Liabilities	$ -	$ 685
Net Position		
Restricted Net Position	53,664	$ 232,947
Total Liabilities and Net Position	$ 53,664	$ 233,632

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

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2023

	Private Purpose Trust Fund	Custodial Fund
Additions		
Miscellaneous Revenue - Student	$ -	$ 345,217
Contributions	11,800	-
Total Additions	11,800	345,217
Deductions		
Supplies and Materials	13,300	356,663
Total Deductions	13,300	356,663
Change in Fidcuciary Net Position Before Transfers	(1,500)	(11,446)
Net Position - September 1 (Beginning)	55,164	244,393
Net Position - August 31 (Ending)	$ 53,664	$ 232,947

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Kirbyville Consolidated Independent School District (District) is a public educational agency operating under the applicable laws and regulations of the State of Texas. The District prepares its basic financial statements in conformity with Generally Accepted Accounting Principles (GAAP) promulgated by the Governmental Accounting Standards Board (GASB) and other authoritative sources identified in *Statement of Auditing Standards No. 69* of the American Institute of Certified Public Accountants. Additionally, the District complies with the requirements of the appropriate version of the Texas Education Agency (TEA*) Financial Accountability System Resource Guide* (FASRG) and the requirements of contracts and grants of agencies from which it receives funds.

A. Reporting Entity

The Board of School Trustees ("Board"), a seven-member group, has governance responsibilities over all activities related to public elementary and secondary education within the jurisdiction of the District. The Board is elected by the public and has the exclusive power and duty to govern and oversee the management of the public schools of the District. All powers and duties not specifically delegated by statute to the Texas Education Agency ("TEA") or to the State Board of Education are reserved for the Board, and the TEA may not substitute its judgment for the lawful exercise of those powers and duties by the Board. The District receives funding from local, state and federal government sources and must comply with the requirements of those funding entities. However, the District is not included in any other governmental "reporting entity" as defined by the GASB in its Statement No. 14, "The Financial Reporting Entity" and there are no component units included within the reporting entity.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (consist of the statement of net position and the statement of activities. These statements report information on all non-fiduciary activities of the District. The effect of the interfund activity in the government-wide statements eliminates services provided and used in the process of consolidation. Governmental activities are mainly supported by tax revenues and intergovernmental revenues.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. All capital asset depreciation is reported as a direct expense of the functional program that benefits from the use of the capital assets. *Program revenues* include charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function. They also include grants and contributions that are restricted to meeting operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported 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.

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting.* 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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting.* Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e., both measurable and available to finance expenditures of the fiscal period. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues 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, claims and judgments, are recorded only when the payment is due.

Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State of Texas are recognized under the susceptible-to-accrual concept and so have been recognized as revenues of the current fiscal period. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available.

Grant funds are considered earned to the extent of the expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as deferred revenues until the related and authorized expenditures have been made. If balances have not been expended by the end of the project period, grantors sometimes require the District to refund all or part of the unused amount.

The District reports the following major governmental funds:

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

Debt Service Fund: This fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

In addition, the District reports the following fund types:

Special Revenue Funds: These are governmental funds that are restricted, committed or assigned for specific purposes by a grantor or the Board. Federal programs where unused balances are returned to the grantor at the close of the specified project periods are accounted for in these funds.

Private Purpose Trust Fund: These funds account for donations for which the donor has stipulated that both the principal and interest be used for purposes outside the District. This district has scholarship funds that meets these criteria. This fund is held in a trustee capacity and is not available to support district programs.

Custodial Funds: The District accounts for resources held for others in a custodial capacity in custodial funds. The District's custodial fund is the Student Activity Fund.

Proprietary Fund - Internal Service Fund: Internal service funds distinguish operating revenues from non-operating revenues. This fund is used to report on activity in the worker's compensation fund. Accrued liabilities include provisions for claims reported and claims incurred but not reported for workers' compensation insurance.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

D. Assets, Liabilities, and Net Assets or Equity

1. Cash, Cash Equivalents and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, money market bank sweep accounts, and short-term investments with original maturities of three months or less from the date of acquisition. Investments for the District are reported at fair value.

For cash management purposes, the District's funds must be deposited and invested under the terms of a depository contract, contents of which are set out in the Depository Contract Law. The depository bank deposits for safekeeping and trust with the District's agent bank approved pledged securities 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.

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

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

3. Inventories and Prepaid Items

The District records purchases of supplies as expenditures, utilizing the purchase method of accounting for inventory in accordance with the Resource Guide. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

4. Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded in the accounting system in order to assign the portion of the applicable appropriation, is employed in the governmental fund financial statements. Encumbrances, which have not been liquidated, are reported as an assigned portion of fund balance in the governmental funds.

5. Capital Assets

Capital assets which include land, buildings, furniture, and equipment, are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of $5,000 or more and an estimated useful life in excess of two years.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

5. Capital Assets, continued

Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. When assets are retired or otherwise disposed of, the related costs or other recorded amounts are removed.

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

Assets	Years
Infrastructure	40
Buildings	40
Building Improvements	40
Vehicles	10
Office Equipment	10
Computer Equipment	10
Right of Use Leased Equipment	Lease Term

6. Deferred Outflows/Inflows of Resources

Deferred outflows of resources represents a consumption of net position that applies to a future period and will not be recognized as an expense/expenditure until that future period. Deferred inflows of resources represents an acquisition of net position that applies to a future period and will not be recognized as revenue until that future period.

Deferred outflows/inflows of resources are amortized as follows:

Pension and OPEB activities are amortized over the weighted average remaining service life of all participants in the respective qualified pension plan and OPEB, except for projected and actual earnings differences on investments which are amortized on a closed basis over a 5 year period.

District contributions to the pension and OPEB plans after the measurement date of each plan are recognized in the subsequent fiscal year.

Property taxes are recognized in the period the amount becomes available.

7. Compensated Absences

No compensated absences are allowed under the District's personnel policies.

8. Arbitrage Payable

The Federal Tax Reform Act of 1986 requires issuers of tax-exempt debt to make payments to the United States Treasury for investment income received at yields that exceed the issuer's tax exempt borrowing rates. The Treasury requires payment for each issue every five years. The estimated liability is updated annually for all tax-exempt issuances or changes in yields until such time payment of the calculated liability is due. The District had no arbitrage liability as of August 31, 2023.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

9. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities.

10. Data Control Codes

The data control codes refer to the account code structure prescribed by TEA in the FASRG. The TEA requires school districts to display these codes in the financial statements filed with the Agency in order to ensure accuracy in building a state-wide data base for policy development and funding plans.

11. Government-Wide Net Position

Net investment in capital assets – the component of net position that represents capital assets less capital debt plus unspent bond proceeds. As of August 31, 2023, this amount was $11,216,137.

Restricted for Federal and State Programs – the component of net position that reports the difference between assets and liabilities of the Federal and State special revenue programs that consists of assets with constraints placed on their use by the Department of Education, Agriculture or Texas Education Agency ("TEA") of $881,766.

Restricted for debt service – the component of net position that reports the difference between assets and liabilities of the Debt Service Fund net of accrued interest at August 31, 2023 that consist of assets with constraints placed on their use by the bond covenants of $1,415,785.

Unrestricted – the difference between the assets and liabilities that are not restricted for any purposes in the amount of $573,749.

13. Fund Equity

In the fund financial statements, governmental funds report classifications of fund balance based on controls placed upon the funds. In accordance with GASB Statement No. 54, fund balance classifications are recorded as follows:

Non-spendable Fund Balance – amounts that are not in spendable form or amounts that are legally and contractually required to be maintained intact.

Restricted Fund Balance – amounts constrained to a specific purpose by external parties through constitutional provisions or by enabling legislation.

Committed Fund Balance – amounts constrained to a specific purpose by the Board of Trustees (the highest level of authority within the District); amount cannot be used for any other purpose unless the Board of Trustees takes the same action to remove or change the constraint.

Assigned Fund Balance- general fund amounts constrained to a specific purpose by the Superintendent.

Unassigned Fund balance – residual classification applicable to the general fund only.

The District's unassigned general fund balance will be maintained to provide the District with sufficient working capital and a margin of safety to address local and regional emergencies without borrowing. The unassigned general fund balance may only be appropriated by resolution of the Board of Trustees.

When it is appropriate for fund balance to be assigned, the Board delegates authority to the Superintendent.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended is from the least restrictive to the most restrictive, unless otherwise approved by the Board of Trustees.

14. 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.

15. Other Post-Employment Benefits

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 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.

16. GASB 87 Leases

In the fiscal year 2022, GASB 87 pronouncements were implemented by the District, Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset. The District is a lessee for noncancellable leases of equipment. The District recognizes a lease liability, reported with long term debt, and a right-to-use lease asset, reported with capital assets, in the government-wide financial statements. The District recognizes these lease assets and liabilities with an initial, individual value of $5,000 or more.

17. Management's review of subsequent events

Management has evaluated subsequent events through December 11, 2023, the date the financial statements were available to be issued.

Note 2: COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

The Board of Trustees adopts an "appropriated budget" on a basis consistent with GAAP for the General Fund, Debt Service Fund, and Food Service Fund, which is included in the Special Revenue Funds. At a minimum, the District is required to present the original and the final amended budgets for revenues and expenditures compared to actual revenues and expenditures for these three funds.

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

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

Note 2: COMPLIANCE AND ACCOUNTABILITY, continued

- After one or more budget workshops with the Board of Trustees, a meeting is called for the purpose of adopting the proposed budget. At least ten (10) days but no more than thirty (30) days public notice for the meeting is required.

- Prior to August 31st, the Board of Trustees legally adopts the budget for the General Fund, Debt Service Fund and Food Service Fund through passage of a resolution.

After the budget is approved, it can only be amended at the function and fund level by approval of a majority of the Board. Amendments are presented to the Board at its regular meetings for their approval.

As required by law, such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year end. Total expenditures may not exceed total appropriations, as amended, by fund at function level. Because the District has a policy of careful budgetary control, budget amendments are necessary throughout the year.

A. Finance-Related Legal and Contractual Provisions

1. In accordance with GASB Statement No. 38, "Certain Financial Statement Note Disclosures," there are no violations of finance-related legal and contractual provisions to report.

Note 3: DEPOSITS AND INVESTMENTS

At August 31, 2023, the carrying amount of the District's demand deposits and cash on hand was $1057,861. The $1,073,133 bank balance was covered by federal deposit insurance through the FDIC and was collateralized by securities held by the District or by the District's agent in name of the District.

All cash balances and investments are held separately in each of its funds. Funds held at the depository bank were properly secured at all times, and the following was disclosed:

a. Name of depository bank: PNC Bank

b. Amount of bond or securities pledged was not provided by bank.

c. Highest cash balance was not provided by bank.

d. Total amount of Federal Deposit Insurance Corporation ("FDIC") coverage at the time of the highest combined balance was $250,000.

The Districts deposits at August 31,2023 were entirely covered pledged collateral in the amount of $2,949,200.

Investments

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

Note 3: DEPOSITS AND INVESTMENTS, CONTINUED

Statutes authorize the District to invest in (1) obligations of the United States Treasury, certain United States agencies, and obligations of the State of Texas, (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) mutual funds, (8) investment pools,(9) guaranteed investment contracts, and (10) common trust funds. Management of the District believes it is in compliance with the requirements of the Act and with local policies. The District's investments in public funds investment pools and money market mutual funds include those with the Lone Star Investment Pool (LSIP).

LSIP is a public funds investment pool administered by First Public (formerly known as the Texas Association of School Board Financial Service). LSIP is a public funds investment pool created under the authorization of the Interlocal Cooperation Act of the State of Texas, Article 4413 (32c), Vernon's Texas Civil Statutes, as amended. It is designed to provide participating local governments with investment vehicles for (1) local funds that are not required to be spent immediately and are available for investment in securities with maturities and returns generally greater than those for money market instruments and (2) local funds which provide daily liquidity. The objective of the LSIP is to provide participating local governments with the highest possible rate of return for such funds, while maintaining safety of principal.

To achieve its objective, the LSIP invests primarily in obligations issued or secured by the U.S. Government, its agencies and instrumentalities, and in commercial paper. Standish Mellon Asset Management and AMR investments provide investment advisory services. Each fund within the Pool has received the highest rating, AAA, from Standard & Poor's as required by the Public Funds Investment Act

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

Non-negotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

The overall objective of the District's investment policy is to ensure that District financial assets are properly safeguarded, provide sufficient liquidity, and produce a reasonable rate of return while enabling the District to react to changes in economic conditions.

Investments, Continued

The District's investments at August 31, 2023 are shown below:

Type	Carrying Amount	Fair Value	Maturity
Investments not subject to categorization			
LoneStar	$ 9,532,472	$ 9,532,472	Weighted average < 120 days
Total Investments	$ 9,532,472	$ 9,532,472	

Analysis of Specific Deposit and Investment Risks

GASB Statement No. 40 requires a determination as to whether the District was exposed to the following specific investment risks at year end and if so, the reporting of certain related disclosures:

Note 3: DEPOSITS AND INVESTMENTS, CONTINUED

Credit Risk: Credit Ratings

District investments conform to the District's banking and investment policies and are in accordance with laws and regulations of the State of Texas and TEA. Statutes of the State of Texas and policies mandated by the District's Board authorize the District to invest in obligations of the U.S. Government or its agencies, repurchase agreements, commercial paper, public funds investment pools, mutual funds and money market accounts. As stated above, Lonestar has received the highest rating, AAA, from Standard & Poor's. At year end, the District was not significantly exposed to credit risk.

Custodial Credit Risk

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

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

The District was not exposed to custodial credit risk during the course of the fiscal year.

Custodial Credit Risk – Investments

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

Concentration of Credit Risk

It is the policy of the District to reduce risk associated with investments by diversification of the portfolio. The District was not exposed to concentration of credit risk during the course of the fiscal year

Foreign Currency Risk

At year end, there are no foreign currency investments in the District's portfolio.

Interest Rate Risk

This is the risk that changes in interest rates will adversely affect the fair value of an investment. The District concentrates its investment portfolio in short and intermediate term securities to limit market risk caused by changes in interest rates. At year end, the District was not exposed to interest rate risk.

Note 4: CAPITAL ASSETS

Capital asset activity for the governmental activities for the year ended August 31, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Not Being Depreciated:				
Land	$ 596,685	$ -	$ -	$ 596,685
Construction in Progress	896,042	2,835,108	(995,768)	2,735,382
Total Capital Assets, Not Being Depreciated	1,492,727	2,835,108	(995,768)	3,332,067
Capital Assets, Being Depreciated:				
Buildings & Improvements	41,800,054	1,073,768	-	42,873,822
Equipment	3,011,728	130,830	-	3,142,558
Right-to Use Asset, Equipment	159,712	148,627	(159,712)	148,627
Vehicles	2,987,439	-	-	2,987,439
Total Capital Assets, Being Depreciated:	47,958,933	1,353,225	(159,712)	49,152,446
Less Accumulated Depreciation:				
Buildings & Improvements	(16,027,801)	(882,840)	-	(16,910,641)
Equipment	(2,362,292)	(123,490)	-	(2,485,782)
Right-to Use Asset, Equipment	(106,474)	(81,106)	159,712	(27,868)
Vehicles	(2,530,698)	(97,756)	-	(2,628,454)
Total Accumulated Depreciation	(21,027,265)	(1,185,192)	159,712	(22,052,745)
Total Capital Assets, Being Depreciated, Net	26,931,668	168,033	-	27,099,701
Governmental Activities Capital Assets, Net	$ 28,424,395	$ 3,003,141	$ (995,768)	$ 30,431,768

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

Instruction	$ 674,511
Instructional resources	11,927
Cirriculum	2,873
Instructional leadership	-
School leadership	54,875
Guidance	25,655
Social Work Services	174
Health services	14,311
Student transportation	51,175
Food services	69,233
Cocurricular/Extracurricular Activities	39,346
General administration	63,314
Plant maintenance	142,578
Security	17,438
Data processing	17,782
Total Depreciation Expense	$ 1,185,192

Note 5: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund receivables and payables are short-term transactions between funds that are accounted for in the appropriate interfund receivable and payable accounts. Interfund balances at August 31, 2023 consisted of the following individual fund receivables and payables:

Receivable Fund	Payable Fund	Amount
General Fund	Debt Service	$ 77,558
Internal Service Fund	General Fund	47,470
		$ 125,028

The receivables in the General Fund totaling $77,558, from Debt Service represents amounts paid by the General Fund those funds to be reimbursed by the Debt Service Fund. The receivable with Internal Service Fund represents amounts owed by the General Fund for claim payments.

Note 6: SHORT-TERM DEBT ACTIVITY

The District accounts for short-term debts for maintenance purposes through the General Fund. The proceeds from loans are shown in the financial statements as Other Resources. There was no short-term debt activity during the year ended August 31, 2023.

Note 7: LONG-TERM DEBT

The District issued general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for only governmental activities. General obligation bonds are direct obligations and pledge the full faith and credit of the District. Current principal and interest requirements are payable solely from future revenues of the Debt Service fund which consists principally of property taxes collected by the District and interest earnings. Certain outstanding bonds may be redeemed at their par value prior to their normal maturity dates in accordance with the terms of the related bond indentures. The District has never defaulted on any principal or interest payment.

General obligation bonds payable at August 31, 2023, are summarized as follows:

Issue	Issue	Maturity	Installments	% Rate	Balance
2013	$ 9,000,000	2023	$145,000-$520,000	2.0%-4.375%	-
2014	$ 8,920,000	2024	$80,000-$555,000	2.0%-4.000%	200,000
2015	$ 6,550,000	2045	$90,000-$470,000	4.0%-4.50%	3,725,000
2020	$ 14,739,766	2044	$150,000-$975,000	2.228%-5.0%	14,234,766
					$ 18,159,766

The District entered into a finance contract with Government Capital Corporation for the purpose of financing "District Wide Energy Conservation Project". Amounts outstanding as of August 31, 2022 are as follows:

Date of Issue	Original Issue	Final Maturity	Annual Installments	% Rate	Outstanding Balance
2009	$ 575,670	2024	$3,060-$30,645	5.69%	$ 53,759

The District has a GASB 87 lease liability. The original amount was $148,627 in 2023. There are annual payments of $3,559 with interest at 7.0%. The balance at August 31, 2023 is $123,825.

Note 7: LONG-TERM DEBT, Continued

Changes in long-term liabilities

Long-term liability activity for the year ended August 31, 2023, was as follows:

	Beginning Balance	Additions	Retirements/ Payments	Ending Balance	Due Within One Year
Governmental activities:					
Bonds Payable:					
General obligations bonds	$ 19,104,766	$ -	$ 945,000	$ 18,159,766	$ 990,000
Add: Premium on bonds	2,214,265	-	373,495	1,840,770	-
Accretion on CAB	653,267	340,835	-	994,102	-
GASB 87 lease liability	54,650	148,627	79,452	123,825	35,155
Contractual Obligations	104,622	-	50,863	53,759	53,759
Total governmental activities	$ 22,131,570	$ 489,462	$ 1,448,810	$ 21,172,222	$ 1,078,914

Annual debt service requirements to maturity for the bonds and contractual obligations are as follows:

Year Ending August 31	Debt Principal	Debt Interest	Right-To-Use Lease		Total
2024	1,043,759	473,135	35,155	7,553	1,552,049
2025	474,233	441,925	37,696	5,012	953,854
2026	459,785	425,125	40,420	2,288	925,330
2027	465,748	407,725	10,554	123	884,027
2028	1,145,000	374,750	0	0	1,519,750
2029-2033	4,475,000	1,415,067	0	0	5,890,067
2034-2038	4,480,000	976,350	0	0	5,456,350
2039-2043	5,030,000	414,040	0	0	5,444,040
2044-2045	640,000	12,960	0	0	652,960
Total	$ 18,213,525	$ 4,941,077	$ 123,825	$ 14,976	$ 23,278,427

Note 8: RETIREMENT BENEFITS

Summary of Significant Accounting Policies

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 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.

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). TRS's defined benefit pension plan is established and administered in accordance with the Texas Constitution, Article XVI, Section

Note 8: RETIREMENT BENEFITS, Continued

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 work load and who are not exempted from membership under Texas Government Code, Title 8, Section 822.002 are covered by the system.

Pension Plan Fiduciary Net Position

Detailed 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 http://www.trs.texas.gov ; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592

Benefits Provided

TRS provides service and disability retirement, as well as death and survivor benefit 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 provision for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered under a previous rule. There are no automatic post-employment benefit changes; including automatic CPLAs. Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan description above.

Texas Government Code, Title 8, 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 increase by such action. Actuarial implications of the funding provided in the manner are determined by the System's actuary.

Contributions

Contribution requirements are established or amended pursuant to the following state laws:

- Article 16, Section 67 of the Texas Constitution which requires the Texas Legislature to establish a member contribution rate of not less than 6 percent of the member's annual compensation and a state contribution rate of not less than 6 percent and not more than 10 percent of the aggregate annual compensation paid to members of the system during the fiscal year.

- Employee contribution rates are set in state statute, Texas Government Code 825.402. The TRS Pension Reform Bill (Senate Bill 12) of the 86th Texas Legislature amended Texas Government Code 825.402 for member contributions and increased employee and employer contribution rates for fiscal years 2020 thru 2025. Contribution rates can be found in the TRS 2022 ACFR.

Note 8: RETIREMENT BENEFITS, Continued

The following table shows contribution rates by type of contributor for the fiscal years 2022 and 2023 and the contributions by type of contributions reported by TRS which were received by TRS during the TRS measurement year (FY 2022). The reported contributions from the member and the employers are included in the calculation of the district's proportionate share of the net pension liability.

Contribution Rates

	2022	2023
Member	8.00%	8.00%
Non-Employer Contributing Entity (State)	7.75%	8.00%
Employers	7.75%	8.00%

District's Measurement Year Employer Contributions	$ (380,596)
District's Measurement Year Member Contributions	$ 903,010
District's Measurement Year NECE on-Behalf Contributions	$ 444,775

The actual contributions made by the district during the reporting period (the district's FY 2023) were $333,978 for the district and $726,526 made by the plan members employed by the district.

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. The State contributes to the plan in accordance with state statutes and the General Appropriations Act (GAA).

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

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment
- When any or all of an employee's salary is paid by federal funding resources, a privately sponsored source, from non-educational and general, or local funds.

In addition to the employer contributions listed above, there is a surcharge and employer is subject to:

- All public schools, charter schools, and regional educational service centers must contribute 1.7 percent of the member's salary beginning in fiscal year 2022, gradually increasing to 2 percent in fiscal year 2025. This surcharge amount is 1.80% for fiscal year 2023.
- 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 8: RETIREMENT BENEFITS, Continued

Net Pension Liability

Components of the net pension liability of the plan as of August 31, 2022 are disclosed below: From TRS Annual Comprehensive Financial Report 2022, p.86.

Table 11.E.1: Net Pension Liability	
Components of Liability	**Amount**
Total Pension Liability	$ 243,553,045,455
Less: Plan Fiduciary Net Position	(184,185,617,196)
Net Pension Liability	**$ 59,367,428,259**
Net Position as Percentage of Total Pension Liability	**75.62%**

Actuarial Assumptions

Roll Forward –The total pension liability in the August 31, 2021 actuarial valuation was determined using the following actuarial assumptions: *Actuarial Assumptions can be found in the 2022 TRS ACFR, Note 11, page 87.*

Valuation Date	August 31, 2021 rolled forward to August 31, 2022
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Fair Value
Single Discount Rate	7.00%
Long-term expected Investment Rate of Return*	7.00%
Municipal Bond Rate as of August 2018	3.91% - Source for the rate is the Fixed Income Market Data/Yield Curve/Data Municipal Bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity index's "20 Year Municipal GO AA index"
Last year ending August 31in Projection Period	2121
Salary Increases*	2.95% to 8.95% including inflation
Inflation	2.30%
Ad hoc post-employment benefit changes	None

**Includes Inflation of 2.5%*

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

Discount Rate

A single discount rate of 7.00% was used to measure the total pension liability. The single discount rate was based on the expected rate of return on pension plan investments of 7.00%. The projection of cash

Note 8: RETIREMENT BENEFITS, Continued

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

The long-term rate of return on pension plan investments is 7.00 percent. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of August 31, 2022 (see page 54 of the TRS ACFR) are summarized below:

Note 8: RETIREMENT BENEFITS, Continued

Asset Class*	Target Allocation**	Long-Term Expected Geometric Real Rate of Return***	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
U.S.	18.0%	4.6%	1.12%
Non-U.S. Developed	13.0%	4.9%	0.90%
Emerging Markets	9.0%	5.4%	0.75%
Private Equity	14.0%	7.7%	1.55%
Stable Value			
Government Bonds	16.0%	1.0%	0.22%
Absolute Return	0.0%	3.7%	0.00%
Stable Vlaue Hedge Funds	5.0%	3.4%	0.18%
Real Return			
Real Estate	15.0%	4.1%	0.94%
Energy and Natural Resources	6.0%	5.1%	0.37%
Commodities	0.0%	3.6%	0.00%
Risk Parity			
Risk Parity*****	8.0%	4.6%	0.43%
Asset Allocation Leverage Cash	2.0%	3.0%	0.01%
Asset Allocation Leverage	-6.0%	3.6%	-0.05%
Inflation Expectation			2.70%
Volatillity Drag ****			-0.91%
Expected Return	**100.00%**		**8.19%**

** Absolute Return includes Credit Sensitive Investments*

*** Target allocations are based on the FY 2021 policy model.*

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

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

Discount Rate Sensitivity Analysis

The following table presents the District's Net Pension Liability of the plan using the discount rate of 7.00 percent, and what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current rate.

	1% Decrease in Discount Rate (6.00%)	Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
District's proportionate share of the net pension liability:	$ 7,532,586	$ 4,842,173	$ 2,661,468

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

At August 31, 2023, the District reported a liability of $4,842,173 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

Note 8: RETIREMENT BENEFITS, Continued

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	$ 4,842,173
State's proportionate share that is associated with District	5,658,690
Total	$ 10,500,863

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

At August 31, 2022 the employer's proportion of the collective net pension liability was 0.0081562793 which was an increase of 0.0020951279% from its proportion measured as of August 31, 2021.

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

Changes in Benefit Terms – There were no changes in benefits.

For the year ended August 31, 2023, the District recognized pension expense of $540,907 and revenue of $540,907 for support provided by the State in the Government Wide Statement of Activities.

At August 31, 2023, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources: (The amounts shown below will be the cumulative layers from the current and prior years combined.)

	Deferred Outflows	Deferred Inflows
Difference Between Expected and Actual Actuarial Experience	$ 70,211	$ 105,569
Changes in Assumptions	902,254	224,867
Difference Between Projected and Actual Investment Earnings	478,392	-
Changes in Proportion and Difference in Porportionate Share	854,005	154,246
Contributions paid to TRS subsequent to the Measurement Date:	488,305	-
	$ 2,793,167	$ 484,682

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

The net amounts of the employer's balances of deferred outflows and inflows (not including the deferred contribution paid subsequent to the measurement date) of resources related to pensions will be recognized in pension expense as follows:

Note 8: RETIREMENT BENEFITS, Continued

Year ended August 31:	Pension Expense Amount
2023	$ 481,049
2024	298,049
2025	163,707
2026	692,871
2027	184,504
Thereafter	-

Note 9: DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS

Summary of Significant Accounting Policies.

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 cast account.

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

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.

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.

Note 9: DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS, Continued

The premium rates for retirees are presented 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

Contributions

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

Texas Insurance Code, Section 1575.202 establishes the state's contribution rate which is 1.25% of the employee's salary. Section 1575.203 establishes the active employee's rate which is 0.65% of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25% or not more than 0.75% of the salary of each active employee of the public 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 as reported for the district by TRS for the TRS measurement year. The district and member contributions reported are included in the calculation of the district's proportionate share of the Net TRS-Care liability for the measurement period.

	2022
Contribution Rates:	
Active Employee	0.65%
Non-Employer Contributing Entity (State)	1.25%
Employers	0.75%
Federal/private Funding remitted by Employers	1.25%
District's Measurement Year Employer Contributions	$ (100,827)
District's Measurement Year Member Contributions	(10,189)
District's Measurement Year NECE On-Behalf Contributions	122,993

The actual contributions made by the district during the reporting period (the district's FY 2023) were $338,978 for the district and $726,526 made by the plan members employed by the district.

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

TRS-Care received a supplemental appropriations from the State of Texas as the Non-Employer Contributing Entity in the amount of $83 million in fiscal year 2022 from the Federal Rescue Plan Act (ARPA) to help defray COVID-19-related health care costs during fiscal year 2022.

Note 9: DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS, Continued

Actuarial Assumptions

The actuarial valuation was performed as of August 30, 2021. Update procedures were used to roll forward the total OPEB liability to August 31, 2022. The actuarial valuation was determined using the following actuarial assumptions;

The actuarial valuation of the OPEB plan offered through TRS-Care is similar to the actuarial valuation performed for the pension plan, except that the OPEB valuation is more complex. The demographics assumptions were developed in the experience study performed for TRS for the period ending August 31, 2017. The following assumptions and other inputs used for members of TRS-Care are based on an established pattern of practice and are identical to the assumptions used in the August 31, 2021 TRS pension actuarial valuation that was rolled forward to August 31, 2022.

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

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

Table 9.F.1: Actuarial Methods and Assumptions

Component	Result
Valuation Date	August 31, 2021 rolled forward to August 31, 2022
Actuarial Cost Method	Industry Entry-Age Normal
Inflation	2.30%
Single Discount Rate	3.91% as of August 31, 2022
Aging Factors	Based on plan specific experience
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs
Salary Increases	3.05% to 9.05%, including inflation
Ad Hoc Post-Employment Benefit Changes	None

The initial medical trend rates were 8.50 percent for Medicare retirees and 7.25 percent for non-Medicare retirees. There was an initial prescription drug trend rate of 8.25 percent for all retirees. The initial trend rates decrease to an ultimate trend rate of 4.25 percent over a period of 13 years.

Discount Rate

A single discount rate of 3.91 percent was used to measure the total OPEB liability. This was an increase of 1.96 percent in the discount rate since the previous year. The Discount Rate can be found in the 2023 TRS ACFR on page 77. Because the plan is essentially a "pay-as-you-go" plan, the single discount rate is equal to the prevailing municipal bond rate. The projection of cash flows used to determine the discount rate assumed that contributions from active members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on these 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

Note 9: DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS, Continued

was applied to all periods of projected benefit payments to determine the total OPEB liability.

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

Sensitivity of the Net OPEB Liability

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 (3.91%) in measuring the Net OPEB Liability.

	1% Decrease in Discount Rate (2.91%)	Current Single Discount Rate (3.91%)	1% Increase in Discount Rate (4.91%)
District's proportionate share of the NET OPEB Liability:	$ 3,465,718	$ 939,343	$ 2,512,911

Healthcare Cost Trend Rates – The following presents the net OPEB liability of the plan using the assumed healthcare cost trend rate, as well as what the net OPEB liability would be if it were calculated using a trend rate that is one-percentage point lower or on-percentage point higher than the assumed healthcare cost trend rate.

	1% Decrease in Healthcare Cost Trend Rates	Current Healthcare Cost Trend Rates	1% Increase in Healthcare Cost Trend Rates
District's proportionate share of the net OPEB liability	$ 2,422,032	$ 2,939,343	$ 3,609,970

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

At August 31, 2023, the District reported a liability of $2,939,343 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 net OPEB liability	$ 2,939,343
State's proportionate share that is associated with the District	3,585,536
Total	$ 6,524,879

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

Note 9: DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS, Continued

At August 31, 2023 the employer's proportion of the collective net OPEB liability was 0.0122759026% which was 0.0007955023% higher than the proportion measured as of August 31, 2022.

Changes Since the Prior Actuarial Valuation

The discount rate changed from 1.95 percent as of August 31, 2021 to 3.91 percent as of August 31, 2022. This change decreased the total OPEB liability.

Changes in Benefit Terms

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

For the year ended August 31, 2023, the District recognized OPEB expense of $508,817 and revenue of $508,817 for support provided by the State.

At August 31, 2023, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 163,417	$ 2,448,736
Changes in actuarial assumptions	447,720	2,042,080
Difference between projected and actual investment earnings	8,755	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	803,696	559,801
Contributions paid to TRS subsequent to the measurement date	100,827	-
Total	$ 1,524,415	$ 5,050,617

The net amounts of the employer's balances of deferred outflows and inflows (not including the deferred contribution paid subsequent to the measurement date) of resources related to OPEB will be recognized in OPEB expense as follows:

	OPEB Expense Amount
Year ended June 30:	
2023	$ (655,634)
2024	(665,605)
2025	(540,957)
2026	(372,205)
2027	(457,588)
Thereafter	(925,040)

Note 10: HEALTH CARE COVERAGE

The District contributes to the Texas Public School Retired Employees Group Insurance Program (TRS–Care), a cost–sharing multiple–employer defined benefit postemployment health care plan administered by the Teacher Retirement System of Texas. TRS–Care provides health care coverage for certain persons (and their dependents) who retired under the Teacher Retirement System of Texas. The statutory authority for the program is Texas Insurance Code, Chapter 1575. Section 1575.052 grants the TRS Board of Trustees the authority to establish and amend basic and optional group insurance coverage for participants. The Teacher Retirement System of Texas issues a publicly available financial report that includes financial statements and required supplementary information for TRS–Care. That report may be obtained by visiting the TRS Website at www.trs.state.tx.us under the TRS Publications heading, by calling the TRS Communications Department at 1–800–223–8778, or by writing to the Communications Department of the Teacher Retirement System of Texas at 1000 Red River Street, Austin, Texas 78701.

Funding Policy

Contribution requirements are not actuarially determined but are legally established each biennium by the Texas Legislature. Texas Insurance Code, Sections 1575.202, 203 and 204 establish state, active employee and public school contributions, respectively. Funding for free basic coverage is provided by the program based upon public school district payroll. Per Texas Insurance Code, Chapter 1575, the public school contribution may not be less than 0.25% or greater than 0.75% of the salary of each active employee of the public school. Funding for optional coverage is provided by those participants selecting the optional coverage. Contribution rates and amounts are shown in the table below for fiscal years 2018–2022

	Member		State		School District	
Year	Rate	Amount	Rate	Amount	Rate	Amount
2023	0.65%	$ 59,030	1.25%	$ 113,520	0.75%	$ 68,112
2022	0.65%	$ 57,403	1.25%	$ 109,380	0.75%	$ 65,628
2021	0.65%	$ 54,848	1.25%	$ 105,478	0.75%	$ 63,287
2020	0.65%	$ 54,121	1.25%	$ 104,078	0.75%	$ 62,447
2019	0.65%	$ 48,003	1.25%	$ 92,314	0.75%	$ 55,389

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 August 31, 2023, 2022, and 2021, the subsidy payments received by TRS-Care on-behalf of the District were $48,434, $36,219, and $36,990, respectively. The information for the year ended August 31, 2019 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, Casualty and Liability Insurance

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of property; errors and omissions; and natural disasters for which the District carries commercial insurance. Settled claims have not exceeded insurance coverage in any of the previous three years. There has not been any significant reduction in insurance coverage from that of the previous year. The District retains the risk of the first $10,000 in property insurance after which insurance is purchased.

Workman's Compensation

Effective September 1, 2000, the District contracted with the East Texas Educational Insurance Association for the administration of the worker's compensation program. Claims are paid through Claims Administrative Services, Inc., the third party administrator.

The claims liability recorded in the general ledger includes an estimate for claims incurred but not recorded, based on the District's historical claims experience. The District is protected against unanticipated catastrophic loss by stop-loss coverage carried through Safety National Casualty Corporation, a commercial insurer licenses or eligible to do business in Texas in accordance with the Texas Insurance Code. The District's maximum loss for 2022-2023 is $101,952. Stop-loss coverage in effect was for annual individual claims exceeding $500,000.

The following is a summary of the changes in the balances of claims liabilities for worker's compensation for the year ended August 31:

	2023	2022
Liability for claims September 1	$ 74,611	$ 47,869
Current year claims and changes in estimates	11,705	40,344
Claim payments	(15,697)	(13,602)
Liability for claims August 31	$ 70,619	$ 74,611

Note 12: COMMITMENTS AND CONTINGENCIES

During the year, the District received financial assistance from federal and state governmental agencies in the form of grants. The disbursements of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies and the TEA. Any disallowed claims resulting from such audits could become a liability of the General Fund. However, in the opinion of management, such disallowed claims, if any, will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the District at August 31, 2023.

Note 13: SHARED SERVICE ARRANGEMENTS

The District participates in a Shared Service Arrangement ("SSA") for a federal program with the following school districts:

Member Districts
Buna Independent School District

Note 13: SHARED SERVICE ARRANGEMENTS, Continued

The District does not account for revenues or expenditures in this program and does not disclose them in these financial statements. The District neither has a joint ownership interest in fixed assets purchased by the fiscal agent, nor does the District have a net equity interest in the fiscal agent. The fiscal agent is neither accumulating significant financial resources nor fiscal contingencies that would give rise to a future additional benefit or burden to the District. The fiscal agent manager is responsible for all financial activities of the SSA.

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures required by the Governmental Accounting Standards Board but not considered a part of the basic financial statements.

KIRBYVILLE CONSOLIDATED INDEPENDENT SCHOOL DISTRICT EXHIBIT G-1

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - GENERAL FUND
FOR THE FISCAL YEAR ENDED AUGUST 31, 2023

Data Control Codes		Budgeted Amounts			Variance with Final Budget Positive (Negative)
		Original	Final	Actual	
	Revenues				
5700	Local Sources	$ 3,590,824	$ 4,155,924	$ 3,947,120	$ (208,804)
5800	State Program Revenues	11,619,488	12,809,793	12,995,392	185,599
5900	Federal Program Revenues	70,000	100,000	94,913	(5,087)
5020	**Total Revenues**	15,280,312	17,065,717	17,037,425	(28,292)
	Expenditures				
	Current				
0011	Instruction	7,976,807	8,527,308	7,363,129	1,164,179
0012	Instructional Resources & Media Svcs	183,544	203,494	172,952	30,542
0013	Curriculum and Instructional Development	59,150	44,150	10,336	33,814
0021	Instructional Leadership	-	-	$ -	-
0023	School Leadership	787,427	840,127	798,289	41,838
0031	Guidance and Counseling Services	278,364	358,521	322,453	36,068
0032	Social Work Services	7,800	7,800	2,446	5,354
0033	Health Services	153,130	244,110	141,900	102,210
0034	Student (Pupil) Transportation	834,201	858,956	701,458	157,498
0036	Cocurricular/Extracurricular Activities	694,648	739,845	615,972	123,873
0041	General Administration	1,012,638	1,013,663	915,372	98,291
0051	Plant Maintenance and Operations	1,973,891	2,243,891	1,997,478	246,413
0052	Security and Monitoring Services	310,200	310,200	255,711	54,489
0053	Data Processing Services	276,709	276,709	254,281	22,428
0061	Community Services	800	800	-	800
0071	Debt Service - Principal on long-term debt	95,500	107,500	105,513	1,987
0072	Debt Service - Interest on long-term debt	18,500	6,500	7,418	(918)
0081	Facilities Acquisition and Construction	130,000	1,520,205	1,410,260	109,945
0093	Shared Service Arrangements/Deaf Program	545,000	545,000	528,815	16,185
6030	**Total Expenditures**	15,338,309	17,848,779	15,603,783	2,244,996
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	(57,997)	(783,062)	1,433,642	2,216,704
	Other Financing Sources (Uses):				
7913	Proceeds from Capital Leases			-	-
8911	Operating Transfers Out	-	-	-	-
8949	Other Uses		-	-	-
7080	**Total Other Financing Sources (Uses)**	-	-	-	-
	Extraordinary Item:				
7919	Extraordinary Item	-	-	-	-
1200	Net Changes in Fund Balance	(57,997)	(783,062)	1,433,642	2,216,704
0100	**Fund Balance - September 1 (Beginning)**	8,014,867	8,014,867	8,014,867	-
3000	**Fund Balance - August 31 (Ending)**	$ 7,956,870	$ 7,231,805	$ 9,448,509	$ 2,216,704

KIRBYVILLE INDEPENDENT SCHOOL DISTRICT EXHIBIT G-2

SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHER RETIREMENT SYSTEM
FOR THE YEAR ENDED AUGUST 31, 2023

	Fiscal Year			
	2023	2022	2021	2020
District's Proportion of the Net Pension Liability	0.0081563%	0.0060612%	0.0061402%	0.0067063%
District's Proportionate Share of Net Pension Liability	$ 4,842,173	$ 1,543,561	$ 3,288,588	$ 3,486,121
States Proportionate Share of the Net Pension Liability associated with the District	5,658,690	3,165,521	6,799,518	5,819,978
Total	10,500,863	4,709,082	10,088,106	9,306,099
District's Covered-Employee Payroll	9,081,575	8,750,397	8,438,201	8,326,270
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered Employee Payroll	53.32%	17.64%	38.97%	41.87%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.62%	88.79%	75.55%	75.24%

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

2019	2018	2017	2016	
0.0063624%	0.0061166%	0.0052782%	0.0058742%	-
$ 3,502,033	1,955,765	1,994,556	2,076,452	-
6,359,656	4,036,151	5,063,786	4,882,796	
9,861,689	5,991,916	7,058,342	6,959,248	
7,385,143	7,154,502	7,257,360	7,102,602	-
47.42%	27.34%	27.48%	29.24%	
83.25%	82.17%	78.00%	78.43%	-

KIRBYVILLE INDEPENDENT SCHOOL DISTRICT EXHIBIT G-3

SCHEDULE OF DISTRICT CONTRIBUTIONS
TEACHER RETIREMENT SYSTEM
FOR THE YEAR ENDED AUGUST 31, 2023

	Fiscal Year			
	2023	2022	2021	2020
Contractually Required Contribution	$ 540,907	$ 256,098	$ 278,019	$ 641,103
Contribution in Relation to the Contractually Required Contribution	(540,907)	(256,098)	(278,019)	(641,103)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
District's Covered-Employee Payroll	$ 9,081,575	$ 8,750,397	$ 8,438,201	$ 8,326,270
Contributions as a Percentage of Covered-Employee Payroll	5.96%	2.93%	3.29%	7.70%

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

2019	2018	2017	2016	
$ 233,808	305,610	167,702	176,231	-
(233,808)	(305,610)	(167,702)	(176,231)	-
$ -				
$ 7,385,143	7,154,502	7,257,360	7,253,814.00	-
3.17%	4.27%	2.31%	2.43%	-

SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET OTHER POST EMPLOYMENT BENEFITS (OPEB) LIABILITY
TEACHER RETIREMENT SYSTEM
FOR THE YEAR ENDED AUGUST 31, 2023

	Fiscal Year					
	2023	2022	2021	2020	2019	2018
District's Proportion of the Net Liability (Asset) for Other Post Employment Benefits	0.0122759%	0.0114804%	0.0124444%	0.0126728%	0.0119699%	0.0114700%
District's Proportionate Share of Net OPEB Liability (Asset)	$ 2,939,343	$ 4,428,503	$ 4,730,672	$ 5,993,134	$ 5,976,666	$ 4,986,369
States Proportionate Share of the Net OPEB Liability (Asset) associated with the District	3,585,536	5,933,208	6,356,889	7,963,537	5,597,624	5,597,624
Total	$ 6,524,879	$ 10,361,711	$ 11,087,561	$ 13,956,671	$ 11,574,290	$ 10,583,993
District's Covered-Employee Payroll	$ 9,081,575	$ 8,750,397	$ 8,438,201	$ 8,326,270	$ 7,385,143	$ 7,154,502
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered Employee Payroll	32.37%	50.61%	56.06%	71.98%	80.93%	69.70%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	11.52%	6.18%	4.99%	2.66%	1.57%	0.91%

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

SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR OTHER POST EMPLOYMENT BENEFITS (OPEB)
TEACHER RETIREMENT SYSTEM
FOR THE YEAR ENDED AUGUST 31, 2023

	Fiscal Year					
	2023	2022	2021	2020	2019	2018
Contractually Required Contributuion	$ 508,817	$ 89,688	$ 94,586	$ 89,942	$ 99,707	275,123
Contribution in Relation to the Contractually Required Contribution	(508,817)	(89,688)	(94,586)	(89,942)	(99,707)	(275,123)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	
District's Covered-Employee Payroll	$ 9,081,575	$ 8,750,397	$ 8,438,201	$ 8,326,270	$ 7,385,143	7,154,502
Contributions as a Percentage of Covered-Employee Payroll	5.60%	1.02%	1.12%	1.08%	1.35%	3.85%

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

OTHER SUPPLEMENTARY INFORMATION

This section includes financial information and disclosures not required by the Governmental Accounting Standards Board and not considered a part of the basic financial statements. It may, however, include information which is required by other entities.

KIRBYVILLE CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF DELINQUENT TAXES RECEIVABLE (UNAUDITED)
FOR THE FISCAL YEAR ENDED AUGUST 31, 2023

Last Ten Years Ended August 31	Tax Rate*		Assessed/Appraised Value For School Tax Purposes
	Maintenance	Debt Service	
2014 and prior years	Various	Various	Various
2015	1.04	0.345	222,766,498
2016	1.04	0.345	242,441,083
2017	1.04	0.345	260,251,119
2018	1.04	0.335	280,737,780
2019	1.17	0.205	288,059,491
2020	0.97	0.335	324,340,077
2021	0.9664	0.335	326,118,641
2022	0.9277	0.335	353,932,050
2023	0.9245	0.3023	367,871,699
1000 Totals			
8000 Taxes Refunded			

* - Per $100 of assessed valuation

10 Beginning Balance 09/01/22	20 Current Year's Total Levy	30 Maintenance Total Collections	30a Debt Service Total Collections	40 Entire Year's Adjustments	50 Ending Balance 08/31/23
$ 509,258	$ -	$ 15,481	$ (240)	$ (62,564)	$ 431,453
77,006	-	3,552	1,178	(3,587)	68,689
97,316	-	5,181	1,719	(3,587)	86,829
118,670	-	7,211	2,392	(4,200)	104,867
141,686	-	16,258	5,237	(3,891)	116,300
161,964	-	26,139	4,580	(4,001)	127,244
198,879	-	22,524	7,779	(5,265)	163,311
267,581	-	38,233	13,253	(7,703)	208,392
373,181	-	68,771	24,834	(17,033)	262,543
-	4,513,050	3,131,321	1,023,869	5,078	362,938
$ 1,945,541	$ 4,513,050	$ 3,334,671	$ 1,084,601	$ (106,753)	$ 1,932,566
		$ 25,692			

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (UNAUDITED)
BUDGET AND ACTUAL - CHILD NUTRITION PROGRAM
FOR THE FISCAL YEAR ENDED AUGUST 31, 2023

Data Control Codes		Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance with Final Budget Positive (Negative)
	Revenues				
5700	Local Sources	$ 85,000	$ 215,000	$ 219,975	$ 4,975
5800	State Program Revenues	10,000	87,000	83,032	(3,968)
5900	Federal Program Revenues	821,617	821,617	794,172	(27,445)
5020	**Total Revenues**	916,617	1,123,617	1,097,179	(26,438)
	Expenditures				
0035	Food Services	903,874	926,520	982,532	(56,012)
0051	Maintenance	33,000	33,000	24,024	8,976
6030	**Total Expenditures**	936,874	959,520	1,006,556	(47,036)
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	(20,257)	164,097	90,623	(73,474)
	Other Financing Sources (Uses):				
7915	Transfers In	-	-	-	-
	Proceeds From Capital Leases	-	-	-	-
	Total Other Financing Sources (Uses)	-	-	-	-
1200	Net Changes in Fund Balance	(20,257)	164,097	90,623	(73,474)
0100	**Fund Balance - September 1 (Beginning)**	791,143	791,143	791,143	-
3000	**Fund Balance - August 31 (Ending)**	$770,886	$955,240	$ 881,766	$ (73,474)

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (UNAUDITED)
BUDGET AND ACTUAL - DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED AUGUST 31, 2023

Data Control Codes		Budgeted Amounts			Variance with Final Budget Positive (Negative)
		Original	Final	Actual	
	Revenues				
5700	Local Sources	$ 1,099,477	$ 1,236,477	$ 1,197,312	$ (39,165)
5800	State Program Revenues	394,969	485,556	458,422	(27,134)
5020	**Total Revenues**	1,494,446	1,722,033	1,655,734	(66,299)
	Expenditures				
	Debt Service:				
0071	Debt Service - Principal on Long-Term Debt	945,000	945,000	945,000	-
0072	Debt Service - Interest on Long Term-Debt	506,826	506,826	506,825	1
0073	Debt Service - Bond Issuance Cost and Fees	1,000	2,000	1,500	500
6030	**Total Expenditures**	1,452,826	1,453,826	1,453,325	501
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	41,620	268,207	202,409	(65,798)
	Other Financing Sources (Uses):				
7901	Refunding Bonds Issued	-	-	-	-
7916	Premium or Discount on Issuance of Bonds	-	-	-	
8949	Other (Uses)	-	-	-	-
	Total Other Financing Sources (Uses)	-	-	-	-
1200	Net Changes in Fund Balance	41,620	268,207	202,409	(65,798)
0100	**Fund Balance - September 1 (Beginning)**	1,213,377	1,213,377	1,213,377	-
3000	**Fund Balance - August 31 (Ending)**	$ 1,254,997	$ 1,481,584	$ 1,415,786	$ (65,798)

STATE COMPENSATORY EDUCATION AND
BILINGUAL EDUCATION PROGRAM EXPENDITURES
FOR THE FISCAL YEAR ENDED AUGUST 31, 2023

	Section A: Compensatory Education Programs	
AP1	Did your LEA expend any state compensatory education program state allotment funds during the district's first 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.	1,541,366
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal year.	600,254
	Section B: Bilingual Education Programs	
AP5	Did your LEA expend any bilingual education program state allotment funds during the district's first 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 district's fiscal year.	20,489
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PICs 25,35)	74,005

COMPLIANCE SECTION

J. R. Edwards & Associates, LLC
Certified Public Accountants

December 11, 2023

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

Board of Trustees
Kirbyville Consolidated Independent School District
206 E. Main Street
Kirbyville, TX 75956

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 Kirbyville Consolidated Independent School District (the "District"), as of and for the year ended August 31, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 11, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the 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.

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 determination of financial statement amounts. 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*.

1465 Cornerstone Court, Suite A • Beaumont, TX 77706
Phone (409) 924-9100 • Fax (409) 924-0990

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.

J.R. Edwards & Associates, LLC

J. R. Edwards & Associates, LLC
Certified Public Accountants

December 11, 2023

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

Board of Trustees
Kirbyville Consolidated Independent School District
206 E. Main Street
Kirbyville, TX 75956

Report on Compliance for Each Major Federal Program

We have audited Kirbyville Consolidated 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 August 31, 2023. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2023.

Auditor's Responsibility

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

We are required to be independent of 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.

Management's Responsibility

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 Responsibility 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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as

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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 with generally accepted auditing standards, *Government Auditing Standards,* and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding 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 combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

J.R. Edwards & Associates, LLC

KIRBYVILLE CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2023

A. Summary of Auditors' Results

1. Financial Statements

Type of auditors' report issued:	Unmodified	
Internal control over financial reporting:		
Material weakness(es) identified?	____ Yes	X No
Significant deficiencies identified?	____ Yes	X None Reported
Noncompliance material to financial statements noted?	____ Yes	X No

2. Federal Awards

Internal control over major programs:		
Material weakness(es) identified?	____ Yes	X No
Significant deficiencies identified?	____ Yes	X None Reported
Type of auditors' report issued on compliance for major programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	____ Yes	X No

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.425D	COVID 19 - ESSER II - School Emergency Relief
84.425U	COVID 19 - ESSER III - School Emegency Relief
84.425U	COVID 19 - Learning Supports - TCLAS ESSER III

Dollar threshold used to distinguish between type A and type B programs:	$750,000	
Auditee qualified as low-risk auditee?	X Yes	____ No

B. Financial Statement Findings
NONE

C. Federal Award Findings and Questioned Costs
NONE

KIRBYVILLE CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FOR THE FISCAL YEAR ENDED AUGUST 31, 2023

Finding/Recommendation	Current Status	Management's Explanation If Not Implemented
None		

None

KIRBYVILLE CONSOLIDATED INDEPENDENT SCHOOL DISTRICT EXHIBIT K-1

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2023

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF EDUCATION			
Passed Through State Department of Education:			
ESEA Title I Part A Improving Basic Programs*	84.010A	23610101121905	$ 440,687
ESEA Title I Part A Improving Basic Programs*	84.010A	22610101121905	75,536
Total CFDA Number 84.010A			516,223
Career and Technical - Basic Grant; Perkins V	84.048	23420006121905	11,155
ESEA Title VI Part B Rural & Low Income Program	84.358A	23696001121905	20,205
ESEA Title II Part A Supporting EF	84.367A	23694501121905	112,351
ESEA Title II Part A Supporting EF	84.367A	22694501121905	17,635
Total CFDA Number 84.367A			129,986
Student Support and Academic Enrichment Program	84.424A	22680101121905	7,056
Elementary & Secondary School emergency Relief	84.425D	21521001121905	1,520,171
Elementary & Secondary School emergency Relief	84.425U	21528001121905	850,413
ESSER III - ARP School Emergency Relief	84.425U	21528042121905	4,972
Total ESSER Listing 84.425			2,375,556
Total Passed Through State Department of Education			3,060,181
TOTAL DEPARTMENT OF EDUCATION			$ 3,060,181
U.S. DEPARTMENT OF AGRICULTURE			
Passed Through State Department of Agriculture:			
National School Breakfast Program*	10.553	71402301	$ 190,725
National School Lunch Program*	10.555	71302301	549,418
National School Lunch Program - Non-Cash Assistance*	10.558	71302301	54,029
Total CFDA Number 10.555			603,447
Total Child Nutrition Cluster			794,172
TOTAL DEPARTMENT OF AGRICULTURE			794,172
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 3,854,353

*Clustered Programs

- For all Federal programs, the District uses the fund types specified in Texas Education Agency's ***Financial Accountability System Resource Guide***.

  (i) **General Fund** - is used to account for, among other things, resources related to the United States Department of Defense ROTC program and the United States Department of Education's Impact Aid.

  (ii) **Special Revenue Funds** - are used to account for resources restricted to, or designated for, specific purposes by a grantor. Federal and state financial assistance generally is accounted for in a Special Revenue Fund. Generally, unused balances are returned to the grantor at the close of specified project periods.

- The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Governmental Fund types are accounted for using a current financial resources measurement focus. All Federal grant funds were accounted for in a Special Revenue Fund or, in some instances, in the General Fund which are Governmental Fund type funds.

  With this measurement focus, only current assets and current liabilities and the fund balance are included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used for the Governmental Fund types. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual, i.e., both measurable and available, and expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on General Long-Term Debt, which is recognized when due, and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources. 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.

- The District must submit to the pass-through entity, no later than 90 calendar days (or an earlier date as agreed upon by the pass-through entity and District) after the end date of the period of performance, all financial, performance, and other reports as required by the terms and conditions of the Federal award. The Federal awarding agency or pass-through entity may approve extensions when requested and justified by the non-Federal entity, as applicable. (2 CFR 200.344(a))

  Unless the Federal awarding agency or pass-through entity authorizes an extension, a non-Federal entity must liquidate all financial obligations incurred under the Federal award no later than 120 calendar days after the end date of the period of performance as specified in the terms and conditions of the Federal award. (2 CFR 200.344(b))

- Assistance Listing numbers for commodity assistance are the Assistance Listing numbers of the programs under which USDA donated the commodities.

- Indirect cost reimbursement for federal programs for this fiscal year was received in the amount of $0.

- Reconciliation Information: (Example Below)

Amount reported on the Schedule of Expenditures of Federal awards.	$ 3,854,353
SHARS Revenue reported in the General Fund	94,913
Federal Program Revenue Reported on Exhibit C-3	3,949,266
Total Federal Program Revenue	$ 3,949,266

SCHEDULE OF REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2023

Data Control Codes			
SF1	Was there an unmodified opinion in the Annual Financial Report on the financial statements as a whole?		Yes
SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement?		No
SF3	Did the District make timely payments to Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS) and other government agencies?		Yes
SF4	Was the school district issued a warrant hold? (Yes, even if cleared within 30 days.)		No
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state or federal funds?		No
SF6	Was there any disclosure in the Annual Financial Report of material noncompliance for grants, contracts, and laws related to local, state, or federal funds?		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 in effect at the fiscal year end?		Yes
SF8	Did the school board members discuss the school district's property values at a board meeting within 120 days before the school district adopted its budget?		Yes
SF9	Total accumulated accretion on CABs included in government-wide financial statements at fiscal year end.	$	994,102