BULLARD
INDEPENDENT SCHOOL DISTRICT

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED AUGUST 31, 2023

Bullard Independent School District
Annual Financial Report
For The Year Ended August 31, 2023

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Introductory Section

CERTIFICATE OF BOARD

Bullard Independent School District	Smith	212-902
Name of School District	County	Co.-Dist. Number

We, the undersigned, certify that the attached annual financial reports of the above named school district were reviewed and (check one) _____approved _____disapproved for the year ended August 31, 2023, at a meeting of the board of trustees of such school district on the ____ day of _____, _____.

_____ _____

Signature of Board Secretary Signature of Board President

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

Financial Section

ANDERSON, MARX & BOHL, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

FRANK MARX, III, CPA
DORI BOHL, CPA & CFE
CALEB MARX, CPA

Independent Auditors' Report

To the Board of Trustees
Bullard Independent School District
1426B S Houston St
Bullard, Texas 75757

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Bullard 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 Bullard Independent School District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Bullard 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Bullard Independent School District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

Change in Accounting Principle

As described in Note A to the financial statements, in 2023, Bullard Independent School District adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements.* Our opinion is not modified with respect to this matter.

As described in Note A to the financial statements, in 2023, Bullard Independent School District adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements.* Our opinion is not modified with respect to this matter.

As described in Note A to the financial statements, in 2023, Bullard Independent School District adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 99, *Omnibus 2022.* Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Bullard 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.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, and the Required Supplementary Information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our

inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Bullard Independent School District's basic financial statements. The introductory section and combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not required parts of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* and is also not a required part of the basic financial statements. The accompanying other supplementary information is presented for purposes of additional analysis and is also not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and other supplementary information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information, except for that portion labeled "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and other supplementary information and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information Included in the Annual Report

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2023 on our consideration of Bullard 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 Bullard 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 Bullard Independent School District's internal control over financial reporting and compliance.

Respectfully submitted,

Anderson, Marx & Bohl, P.C.

Anderson, Marx & Bohl, P.C.

Corsicana, Texas
November 13, 2023

Bullard Independent School District
Excellence Through Education

1426B South Houston
Bullard, TX 75757

Phone (903) 894-6639
Fax (903) 894-9291

Dr. Jack Lee, Superintendent

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Bullard Independent School District's annual financial report presents our discussion and analysis of the District's financial performance during the year ended August 31, 2023. Please read it in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

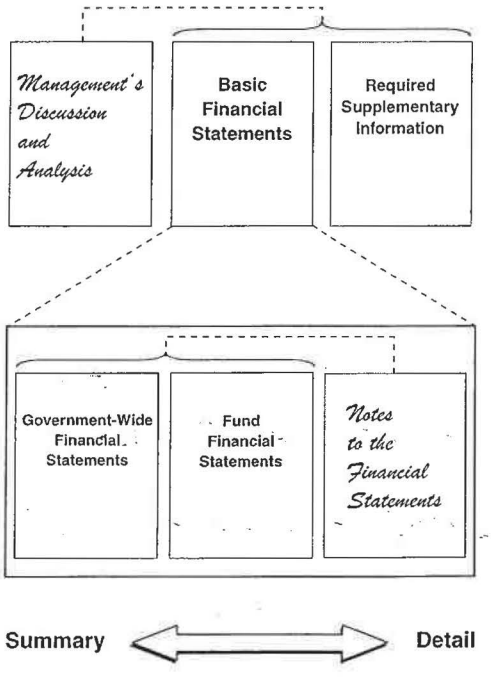
- The District's total combined net position on financial statement exhibit A-1 was $17,795,025 on August 31, 2023.
- During the year, the District's primary government expenses on financial statement exhibit B-1 were $4,792,892 less than the $45,449,782 generated in taxes and other revenues for governmental activities.
- The total cost of the District's programs on financial statement exhibit C-2 increased $15,070,562 from last year. An increase in capital outlay costs from the prior year accounted for a substantial portion of this increase.
- The general fund reported a fund balance this year on financial statement exhibit C-1 of $9,519,868. The District began the current year with a fund balance in the amount of $10,293,708.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts—*management's discussion and analysis* (this section), the *basic financial statements*, *and required supplementary information*. The basic financial statements include two kinds of statements that present different views of the District:

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

Figure A-1, Required Components of the District's Annual Financial Report



The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The

statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and related to one another.

Government-wide Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid. The two government-wide statements report the District's net position and how it has changed. Net position—the difference between the District's assets, deferred resource outflows, liabilities, and deferred resource inflows—is one way to measure the District's financial health or *position*.

- Over time, increases or decreases in the District's net position is an indicator of whether its financial health is improving or deteriorating, respectively.

- To assess the overall health of the District, one needs to consider additional nonfinancial factors such as changes in the District's tax base.

The government-wide financial statements of the District include the *Governmental activities*. Most of the District's basic services are included here, such as instruction, extracurricular activities, curriculum and staff development, health services and general administration. Property taxes and grants finance most of these activities.

Fund Financial Statements

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

- 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*—Most of the District's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explain the relationship (or differences) between them.

- *Fiduciary funds*—The District is the trustee, or *fiduciary*, for certain funds. It is also responsible for other assets that—because of a trust arrangement—can be used only for the trust beneficiaries. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the District's government-wide financial statements because the District cannot use these assets to finance its operations.

- *Proprietary funds*—The District's workman's compensation insurance is accounted for in an internal service fund.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net position. The District's combined net position was $17.795 million on August 31, 2023. (See Table A-1).

Table A-1
Bullard Independent School District's Net position
(In million dollars)

	Governmental Activities		Total Percentage Change
	2023	2022	2023-2022
Current assets:			
Cash and cash equivalents	$ 66.566	$ 13.392	397
Investments	47.082	84.717	-44
Due from other governments	2.718	1.442	88
Due from other funds	.000	.000	**
Other receivables	1.547	1.405	10
Unrealized expenses	.014	.010	40
Debt Issuance Costs-Net	.000	.000	**
Total current assets:	117.927	100.966	17
Noncurrent assets:			
Land, furniture and equipment	122.872	112.015	10
Less accumulated depreciation	(41.049)	(38.380)	-7
Total noncurrent assets	81.823	73.635	11
Total Assets	199.750	174.601	14
Deferred Outflows of Resources	7.533	6.475	16
Current liabilities:			
Accounts payable and accrued liabilities	5.440	2.503	117
Claims payable	.000	.000	**
Due to other funds	.000	.000	**
Due to other governments	.000	.002	**
Unavailable revenue	.304	.207	47
Payable from restricted assets	.156	.140	11
Total current liabilities	5.900	2.852	107
Long-term liabilities:			
Noncurrent liabilities due in one year	2.950	2.274	30
Noncurrent liabilities due more than 1 yr	160.102	143.294	12
Net Pension Liability	7.031	2.762	155
Net OPEB Liability	4.779	7.527	-37
Total Liabilities	180.762	158.709	14
Deferred Inflows of Resources	8.726	9.365	-7
Net Position:			
Net investment in capital assets	16.426	11.979	37
Restricted	4.368	3.576	22
Unrestricted	(2.999)	(2.553)	-17
Total Net Position	$17.795	$ 13.002	37

The District has $4,367,783 in restricted net position that represents $578,890 proceeds from federal and state programs, $3,774,996 proceeds from debt service, and $13,897 nonspendable for prepaid items. These proceeds when spent are restricted for the above purposes. The $(2,999,358) of unrestricted net position represents a deficit of resources to be available to fund the programs of the District next year.

Changes in net position. The District's total revenues were $45,449,782. A significant portion, 50 percent, of the District's revenue comes from taxes. (See Figure A-3.) 23 percent comes from state aid – formula grants, while only 4 percent relates to charges for services.

The total cost of all programs and services was $40,656,890; 82 percent of these costs are for governmental activities associated with instructional and student services.

Governmental Activities

- Property tax rates increased. For this reason, combined with increased values, tax revenues increased by $4,077,665 or 22%.

Table A-2

Changes in Bullard Independent School District's Net Position

(In million dollars)

	Governmental Activities		Total % Change
	2023	2022	
Program Revenues:			
Charges for Services	$ 1.614	$ 1.195	35
Operating Grants and Contributions	5.707	6.247	-9
Capital Grants and Contributions	.000	.000	**
General Revenues			
Property Taxes	22.884	18.807	22
State Aid – Formula	10.539	10.287	2
Investment Earnings	4.590	.217	2015
Gain (Loss) on Sale/Disposal of Assets	(.015)	.000	**
Other	.131	.198	-34
Total Revenues	45.450	36.951	23
Instruction	18.065	16.643	9
Instructional Resources and Media Services	.249	.244	2
Curriculum Dev. And Instructional Staff Dev.	.936	.765	22
Instructional Leadership	.458	.379	21
School Leadership	1.971	1.739	13
Guidance, Counseling and Evaluation Services	1.877	1.509	24
Health Services	.385	.381	1
Student (Pupil) Transportation	1.227	1.109	11
Food Services	1.213	1.027	18
Curricular/Extracurricular Activities	2.334	2.251	4
General Administration	1.234	1.196	3
Plant Maintenance & Oper.	3.748	3.158	19
Security & Monitoring Svcs.	.433	.320	35
Data Processing Services	.711	.658	8
Community Services	.007	.001	600
Debt Services	5.480	2.839	93
Facilities Acquisition and Construction	.000	.000	**
Contracted Instr. Services Between Public Schools	.000	.000	**
Increment Costs Associated Chapter 41 (WADA)	.000	.000	**
Payments to Fiscal Agent/Member Dist. - SSA	.000	.000	**
Public Education Grant Program	.000	.000	**
Payments to Juvenile Justice Alternative Ed. Program	.001	.001	0
Payments to Charter Schools	.000	.000	**
Other	.328	.305	8
Total Expenses	40.657	34.525	18
Excess (Deficiency) Before Other Resources, Uses & Transfers	4.793	2.426	98
Other Resources (Uses)	.000	.000	**
Transfers In (Out)	.000	.000	**
Prior Period Adjustment	.000	.000	**
Increase (Decrease) in Net Position	$4.793	$2.426	98

Table A-3 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 $40.657 million.
- However, the amount that our taxpayers paid for these activities through property taxes was only $22.884 million.
- Some of the cost was paid by those who directly benefited from the programs $1.614 million, or
- By grants and contributions $5.707 million.

Table A-3
Net Cost of Selected District Functions
(in millions of dollars)

	Total Cost of Services		% Change	Net Cost of Services		% Change
	2023	2022		2023	2022	
Instruction	18.065	16.643	9	15.830	13.996	13
School administration	1.234	1.196	3	1.167	1.127	4
Plant Maintenance & Operations	3.748	3.158	19	3.580	2.982	20
Debt Service – Interest & Fiscal Charges	5.480	2.839	93	5.206	2.729	91

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Revenues from governmental fund types totaled $46.197 million, while the previous year it was $38.742 million. The increase in local revenues is due to increased tax valuations. The decrease in state revenues is a result of student population changes and changes in state funding formulas. The change in federal revenues is due to grant funding formulas distributed through other agencies.

General Fund Budgetary Highlights

Over the course of the year, the District revised its budget 10 times. Actual expenditures were $386,103 below final budget amounts in the General Fund.

On the other hand, resources available were $128,892 above the final budgeted amount with state revenue being over budget by $314,979.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital and Right of Use Assets

At the end of 2023, the District had invested $122,872,090 in a broad range of capital assets, including land, equipment, buildings, and right-to-use assets. (See Table A-4.) This amount represents an increase (including additions and deductions) of $10,856,880 or 9.7% over last year.

Table A-4
District's Capital Assets
(In millions of dollars)

	Governmental Activities		Total Percentage Change
	2023	2022	2023-2022
Land	3.597	2.365	52
Construction in progress	8.629	.000	**
Buildings and improvements	102.796	102.370	0
Equipment	7.569	7.075	7
Right-to-use assets	.281	.205	37
Totals at historical cost	122.872	112.015	10
Total accumulated	(41.049)	(38.380)	-7
Net capital assets	81.823	73.635	11

The District's fiscal year 2024 and 2025 capital budgets anticipate spending the remaining amount of the $103,000,000 in approved bonds to complete construction and renovation of various ISD instructional and athletic facilities. More detailed information about the District's capital and right of use assets is presented in the notes to the financial statements.

Long Term Debt

At year-end the District had $174.862 million in bonds, notes, right-of-use liabilities, pension and OPEB liabilities outstanding as shown in Table A-5. More detailed information about the District's debt is presented in the notes to the financial statements.

Table A-5
District's Long-Term Debt
(In millions of dollars)

	Governmental Activities		Total Percentage Change
	2023	2022	2023-2022
Bonds payable	155.570	138.245	13
Notes payable	.943	1.043	-10
Right-of-use lease liability	.116	.140	-17
Right-of-use subscription liability	.033	.000	**
Pension liability	7.031	2.762	155
OPEB liability	4.779	7.527	-37
Accreted interest	.294	.344	-15
Premium on bonds	6.096	5.796	5
Total debt payable	174.862	155.857	12

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- Appraised value used for the 2024 budget preparation is $2,039,686,835, an increase of 28% from 2023.
- General operating fund spending per student decreased in the 2024 budget from $11,486 to $10,931. This is a 4.8% decrease.
- The District's 2024 refined average daily attendance is expected to be 2,793, an increase of 5 percent from last year.

These indicators were considered when adopting the general fund budget for 2024. Amounts available for appropriation in the general fund budget are $30,529,400, a decrease of less than 1 percent from the final 2023 budget.

If these estimates are realized, the District's budgetary general fund fund balance is not expected to change appreciably by the close of 2024.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Bullard Independent School District's Business Services Department at P.O. Box 250, Bullard, Texas 75757 or phone number 903-894-6639.

Basic Financial Statements

BULLARD INDEPENDENT SCHOOL DISTRICT

STATEMENT OF NET POSITION
AUGUST 31, 2023

Data Control Codes		1 Governmental Activities
	ASSETS:	
1110	Cash and Cash Equivalents	$ 66,566,132
1120	Current Investments	47,082,401
1225	Property Taxes Receivable (Net)	1,465,899
1240	Due from Other Governments	2,718,015
1290	Other Receivables (Net)	80,738
1410	Unrealized Expenses	13,897
	Capital and Right-to-Use Assets:	
1510	Land	3,596,596
1520	Buildings and Improvements, Net	66,176,262
1530	Furniture and Equipment, Net	3,266,819
1550	Right to Use Assets, Net	153,547
1580	Construction in Progress	8,629,337
1000	Total Assets	199,749,643
	DEFERRED OUTFLOWS OF RESOURCES:	
	Deferred Outflow Related to Bond Refunding	918,189
	Deferred Outflow Related to Pensions	3,606,503
	Deferred Outflow Related to OPEB	3,008,625
1700	Total Deferred Outflows of Resources	7,533,317
	LIABILITIES:	
2110	Accounts Payable	3,569,082
2140	Interest Payable	280,328
2165	Accrued Liabilities	1,590,560
2300	Unearned Revenue	304,178
2400	Payable from Restricted Assets	156,158
	Noncurrent Liabilities:	
2501	Due Within One Year	2,950,309
2502	Due in More Than One Year	160,102,191
2540	Net Pension Liability	7,030,687
2545	Net OPEB Liability	4,778,651
2000	Total Liabilities	180,762,144
	DEFERRED INFLOWS OF RESOURCES:	
	Deferred Inflow Related to Pensions	990,168
	Deferred Inflow Related to OPEB	7,735,623
2600	Total Deferred Inflows of Resources	8,725,791
	NET POSITION:	
3200	Net Investment in Capital Assets	16,426,600
	Restricted For:	
3820	Federal and State Programs	578,890
3850	Debt Service	3,774,996
	Other Purposes	
3890	Nonexpendable	13,897
3900	Unrestricted	(2,999,358)
3000	Total Net Position	$ 17,795,025

The accompanying notes are an integral part of this statement.

BULLARD INDEPENDENT SCHOOL DISTRICT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2023

Data Control Codes	Functions/Programs	1 Expenses	3 Program Revenues: Charges for Services	4 Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
	Governmental Activities:				
11	Instruction	$ 18,065,196	$ 345,483	$ 1,889,703	$ (15,830,010)
12	Instructional Resources and Media Services	249,323	--	18,664	(230,659)
13	Curriculum and Staff Development	936,184	--	301,127	(635,057)
21	Instructional Leadership	458,278	--	31,751	(426,527)
23	School Leadership	1,970,590	--	1,109,426	(861,164)
31	Guidance, Counseling, and Evaluation Services	1,877,226	--	551,821	(1,325,405)
33	Health Services	385,251	--	28,904	(356,347)
34	Student Transportation	1,227,276	--	77,995	(1,149,281)
35	Food Service	1,212,969	417,194	845,612	49,837
36	Cocurricular/Extracurricular Activities	2,333,539	845,877	72,475	(1,415,187)
41	General Administration	1,234,295	--	67,603	(1,166,692)
51	Facilities Maintenance and Operations	3,747,547	4,990	162,522	(3,580,035)
52	Security and Monitoring Services	432,895	--	241,510	(191,385)
53	Data Processing Services	710,615	--	27,862	(682,753)
61	Community Services	6,871	--	5,646	(1,225)
72	Interest on Long-term Debt	5,051,356	--	274,175	(4,777,181)
73	Bond Issuance Costs and Fees	428,825	--	--	(428,825)
95	Payments to Juvenile Justice Alternative Ed. Programs	707	--	--	(707)
99	Other Intergovernmental Charges	327,947	--	--	(327,947)
TG	Total Governmental Activities	40,656,890	1,613,544	5,706,796	(33,336,550)
TP	Total Primary Government	$ 40,656,890	$ 1,613,544	$ 5,706,796	(33,336,550)
	General Revenues:				
MT	Property Taxes, Levied for General Purposes				14,922,680
DT	Property Taxes, Levied for Debt Service				7,961,683
IE	Investment Earnings				4,589,957
GC	Grants and Contributions Not Restricted to Specific Programs				10,539,159
MI	Miscellaneous				130,551
	Loss on Disposal of Assets				(14,588)
TR	Total General Revenues				38,129,442
CN	Change in Net Position				4,792,892
NB	Net Position - Beginning				13,002,133
NE	Net Position - Ending				$ 17,795,025

The accompanying notes are an integral part of this statement.

BULLARD INDEPENDENT SCHOOL DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS
AUGUST 31, 2023

Data Control Codes		10 General Fund	50 Debt Service Fund
	ASSETS:		
1110	Cash and Cash Equivalents	$ 6,233,759	$ 3,210,638
1120	Current Investments	2,748,647	95,002
1225	Taxes Receivable, Net	1,063,692	402,207
1240	Due from Other Governments	2,225,260	--
1260	Due from Other Funds	344,769	--
1290	Other Receivables	9,003	67,149
1410	Prepaid Expenditures	13,897	--
1000	Total Assets	$ 12,639,027	$ 3,774,996
	LIABILITIES:		
	Current Liabilities:		
2110	Accounts Payable	$ 92,836	$ --
2150	Payroll Deductions and Withholdings	9,467	--
2160	Accrued Wages Payable	1,491,078	--
2170	Due to Other Funds	1,801	--
2300	Unearned Revenue	304,127	--
2400	Payable from Restricted Assets	156,158	--
2000	Total Liabilities	2,055,467	--
	DEFERRED INFLOWS OF RESOURCES:		
	Unavailable Revenue - Property Taxes	1,063,692	402,207
2600	Total Deferred Inflows of Resources	1,063,692	402,207
	FUND BALANCES:		
	Nonspendable Fund Balances:		
3430	Prepaid Items	13,897	--
	Restricted Fund Balances:		
3450	Federal/State Funds Grant Restrictions	--	--
3470	Capital Acquisitions and Contractual Obligations	--	--
3480	Retirement of Long-Term Debt	--	3,372,789
	Committed Fund Balances:		
3545	Other Committed Fund Balance-Capital Improvements	2,000,000	--
3545	Other Committed Fund Balance-Campus Activities	--	--
	Assigned Fund Balances:		
3560	Claims and Judgments	139,826	--
3590	Other Assigned Fund Balance-Preventive Maintenance	500,000	--
3600	Unassigned	6,866,145	--
3000	Total Fund Balances	9,519,868	3,372,789
4000	Total Liabilities, Deferred Inflow of Resources and Fund Balances	$ 12,639,027	$ 3,774,996

The accompanying notes are an integral part of this statement.

60 Capital Projects Fund	onmf Other Governmental Funds	98 Total Governmental Funds
$ 56,187,353	$ 934,282	$ 66,566,032
44,238,752	--	47,082,401
--	--	1,465,899
--	492,755	2,718,015
--	--	344,769
--	4,586	80,738
--	--	13,897
$ 100,426,105	$ 1,431,623	$ 118,271,751
$ 3,407,427	$ 68,819	$ 3,569,082
--	--	9,467
--	90,015	1,581,093
--	342,868	344,669
--	51	304,178
--	--	156,158
3,407,427	501,753	5,964,647
--	--	1,465,899
--	--	1,465,899
--	--	13,897
--	578,890	578,890
97,018,678	--	97,018,678
--	--	3,372,789
--	--	2,000,000
--	350,980	350,980
--	--	139,826
--	--	500,000
--	--	6,866,145
97,018,678	929,870	110,841,205
$ 100,426,105	$ 1,431,623	$ 118,271,751

BULLARD INDEPENDENT SCHOOL DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
AUGUST 31, 2023

Total fund balances - governmental funds balance sheet	$	110,841,205
Amounts reported for governmental activities in the Statement of Net Position ("SNP") are different because:		
Capital assets used in governmental activities are not reported in the funds.		81,822,561
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.		1,465,899
Payables for bond principal which are not due in the current period are not reported in the funds.		(155,570,000)
Payables for right-to-use leases which are not due in the current period are not reported in the funds.		(115,975)
Payables for debt interest which are not due in the current period are not reported in the funds.		(280,328)
Payables for notes which are not due in the current period are not reported in the funds.		(942,952)
Payables for right-to-use subscription liabilities which are not due and payable in the current period are not reported in the funds.		(33,049)
Deferred Resource Outflows related to bond refunding are not reported in the funds.		918,189
Recognition of the District's proportionate share of the net pension liability is not reported in the funds.		(7,030,687)
Deferred Resource Inflows related to the pension plan are not reported in the funds.		(990,168)
Deferred Resource Outflows related to the pension plan are not reported in the funds.		3,606,503
The accumulated accretion of interest on capital appreciation bonds is not reported in the funds.		(294,063)
Bond premiums are amortized in the SNA but not in the funds.		(6,096,461)
Recognition of the District's proportionate share of the net OPEB liability is not reported in the funds.		(4,778,651)
Deferred Resource Inflows related to the OPEB plan are not reported in the funds.		(7,735,623)
Deferred Resource Outflows related to the OPEB plan are not reported in the funds.		3,008,625
Net position of governmental activities - Statement of Net Position	$	17,795,025

The accompanying notes are an integral part of this statement.

BULLARD INDEPENDENT SCHOOL DISTRICT

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

Data Control Codes		10 General Fund	50 Debt Service Fund
	REVENUES:		
5700	Local and Intermediate Sources	$ 15,968,317	$ 8,130,589
5800	State Program Revenues	13,054,479	274,175
5900	Federal Program Revenues	278,735	--
5020	Total Revenues	29,301,531	8,404,764
	EXPENDITURES:		
	Current:		
0011	Instruction	16,781,886	--
0012	Instructional Resources and Media Services	238,614	--
0013	Curriculum and Staff Development	613,285	--
0021	Instructional Leadership	436,974	--
0023	School Leadership	823,106	--
0031	Guidance, Counseling, and Evaluation Services	1,334,077	--
0033	Health Services	369,165	--
0034	Student Transportation	1,490,898	--
0035	Food Service	13,662	--
0036	Cocurricular/Extracurricular Activities	1,451,082	--
0041	General Administration	1,169,283	--
0051	Facilities Maintenance and Operations	3,619,868	--
0052	Security and Monitoring Services	403,021	--
0053	Data Processing Services	690,631	--
0061	Community Services	621	--
0071	Principal on Long-term Debt	174,324	2,105,000
0072	Interest on Long-term Debt	41,846	5,635,434
0073	Bond Issuance Costs and Fees	--	2,557
0081	Capital Outlay	197,300	--
0095	Payments to Juvenile Justice Altermative		
0095	Education Programs	707	--
0099	Other Intergovernmental Charges	327,947	--
6030	Total Expenditures	30,178,297	7,742,991
1100	Excess (Deficiency) of Revenues Over (Under)		
1100	Expenditures	(876,766)	661,773
	Other Financing Sources and (Uses):		
7911	Capital-Related Debt Issued (Regular Bonds)	--	--
7912	Sale of Real or Personal Property	18,643	--
7913	Issuance of Right to Use Leased Assets	61,640	--
7915	Transfers In	--	63,889
7916	Premium or Discount on Issuance of Bonds	--	--
7917	Prepaid Interest	--	--
7949	Other Resources	22,643	--
8911	Transfers Out	--	--
7080	Total Other Financing Sources and (Uses)	102,926	63,889
1200	Net Change in Fund Balances	(773,840)	725,662
0100	Fund Balances - Beginning	10,293,708	2,647,127
3000	Fund Balances - Ending	$ 9,519,868	$ 3,372,789

The accompanying notes are an integral part of this statement.

60 Capital Projects Fund	onmf Other Governmental Funds	98 Total Governmental Funds
$ 3,756,189	$ 1,188,545	$ 29,043,640
--	309,338	13,637,992
--	3,237,090	3,515,825
3,756,189	4,734,973	46,197,457
--	755,937	17,537,823
--	37	238,651
--	269,485	882,770
--	3,523	440,497
--	1,050,766	1,873,872
--	452,708	1,786,785
--	--	369,165
--	--	1,490,898
--	1,266,013	1,279,675
--	738,614	2,189,696
--	--	1,169,283
--	--	3,619,868
--	216,082	619,103
--	--	690,631
--	5,654	6,275
--	--	2,279,324
--	--	5,677,280
301,374	--	303,931
9,860,540	--	10,057,840
--	--	707
--	--	327,947
10,161,914	4,758,819	52,842,021
(6,405,725)	(23,846)	(6,644,564)
19,430,000	--	19,430,000
--	--	18,643
--	--	61,640
--	--	63,889
885,572	--	885,572
49,691	--	49,691
--	--	22,643
(63,889)	--	(63,889)
20,301,374	--	20,468,189
13,895,649	(23,846)	13,823,625
83,123,029	953,716	97,017,580
$ 97,018,678	$ 929,870	$ 110,841,205

BULLARD INDEPENDENT SCHOOL DISTRICT

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

Net change in fund balances - total governmental funds	$	13,823,625
Amounts reported for governmental activities in the Statement of Activities ("SOA") are different because:		
Capital outlays are not reported as expenses in the SOA.		11,228,294
The depreciation of capital assets used in governmental activities is not reported in the funds.		(3,023,604)
Trade-in or disposal of capital assets decrease net position in the SOA but not in the funds.		(32,726)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.		125,083
Revenues in the SOA not providing current financial resources are not reported as revenues in the funds.		(124,894)
Repayment of right-to-use subscription principal is an expenditure in the funds but is not an expense in the SOA.		5,099
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.		2,105,000
Repayment of right-to-use lease principal is an expenditure in the funds but is not an expense in the SOA.		85,904
Repayment of loan principal is an expenditure in the funds but is not an expense in the SOA.		99,948
Bond issuance costs and similar items are amortized in the SOA but not in the funds.		584,871
The accretion of interest on capital appreciation bonds is not reported in the funds.		50,074
(Increase) decrease in accrued interest from beginning of period to end of period.		(25,648)
The net revenue (expense) of internal service funds is reported with governmental activities.		(10,095)
Proceeds of bonds do not provide revenue in the SOA, but are reported as current resources in the funds.		(19,430,000)
Bond premiums are reported in the funds but not in the SOA.		(885,572)
Proceeds of right-to-use leases do not provide revenue in the SOA, but are reported as current resources in the funds.		(61,640)
Proceeds of right-to-use subscriptions do not provide revenue in the SOA, but are reported as current resources in the funds.		(23,148)
Implementing GASB 68 required certain expenditures to be de-expended and recorded as deferred resource outflows.		(244,655)
Implementing GASB 75 required certain expenditures to be de-expended and recorded as deferred resource outflows.		546,976
Change in net position of governmental activities - Statement of Activities	$	4,792,892

The accompanying notes are an integral part of this statement.

BULLARD INDEPENDENT SCHOOL DISTRICT

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AUGUST 31, 2023

Data Control Codes		Nonmajor Internal Service Fund Insurance Fund
	ASSETS:	
	Current Assets:	
1110	Cash and Cash Equivalents	$ 100
	Total Current Assets	100
1000	Total Assets	100
	LIABILITIES:	
	Current Liabilities:	
2170	Due to Other Funds	100
	Total Current Liabilities	100
2000	Total Liabilities	100
	NET POSITION:	
3000	Total Net Position	$ --

The accompanying notes are an integral part of this statement.

BULLARD INDEPENDENT SCHOOL DISTRICT

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

Data Control Codes		Nonmajor Internal Service Fund Insurance Fund
	OPERATING REVENUES:	
5700	Local and Intermediate Sources	$ 46,792
5020	Total Revenues	46,792
	OPERATING EXPENSES:	
6200	Professional and Contracted Services	56,887
6030	Total Expenses	56,887
1300	Change in Net Position	(10,095)
0100	Total Net Position - Beginning	10,095
3300	Total Net Position - Ending	$ --

The accompanying notes are an integral part of this statement.

BULLARD INDEPENDENT SCHOOL DISTRICT

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

	Nonmajor Internal Service Fund
	Insurance Fund
Cash Flows from Operating Activities:	
Cash Received from Customers	$ 54,556
Cash Payments to Other Suppliers for Goods and Services	(56,887)
Net Cash Provided (Used) by Operating Activities	(2,331)
Cash Flows from Non-capital Financing Activities:	
Transfers From (To) Other Funds	--
Net Cash Provided (Used) by Non-capital Financing Activities	--
Cash Flows from Capital and Related Financing Activities:	
Proceeds from Issuance of Long-term Debt	--
Net Cash Provided (Used) for Capital and Related Financing Activities	--
Cash Flows from Investing Activities:	
Interest and Dividends on Investments	--
Net Cash Provided (Used) for Investing Activities	--
Net Increase (Decrease) in Cash and Cash Equivalents	(2,331)
Cash and Cash Equivalents at Beginning of Year	2,431
Cash and Cash Equivalents at End of Year	$ 100
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating Income (Loss)	$ (10,095)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Provision for Uncollectible Accounts	--
Change in Assets and Liabilities:	
Decrease (Increase) in Receivables	7,764
Total Adjustments	7,764
Net Cash Provided (Used) by Operating Activities	$ (2,331)

The accompanying notes are an integral part of this statement.

BULLARD INDEPENDENT SCHOOL DISTRICT

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
AUGUST 31, 2023

Data Control Codes		Custodial Funds Student Activity
	ASSETS:	
1110	Cash and Cash Equivalents	$ 93,640
1000	Total Assets	93,640
	LIABILITIES:	
	Current Liabilities:	
2110	Accounts Payable	836
2000	Total Liabilities	836
	NET POSITION:	
3800	Restricted for Indiv., Org., and Other Gov.	92,804
3000	Total Net Position	$ 92,804

The accompanying notes are an integral part of this statement.

BULLARD INDEPENDENT SCHOOL DISTRICT

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

	Custodial Funds
	Student Activity
ADDITIONS:	
Student Group Fundraising Activities	$ 178,974
Total Additions	178,974
DEDUCTIONS:	
Supplies and Materials	72,059
Other Expenses	108,356
Total Deductions	180,415
Change in Fiduciary Net Position	(1,441)
Net Position-Beginning of the Year	94,245
Net Position-End of the Year	$ 92,804

The accompanying notes are an integral part of this statement.

A. Summary of Significant Accounting Policies

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

1. 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 and there are no component units included within the District's reporting entity.

2. Basis of Presentation, Basis of Accounting

a. Basis of Presentation

Government-wide Financial Statements: The statement of net position and the statement of activities include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

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

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

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

The District reports the following major governmental funds:

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 collects the dedicated taxes from Interest and Sinking Fund property taxes assessed and records the payments on bonded debt.

Capital Projects Funds: These funds are used to account for significant, ongoing capital projects of the District.

In addition, the District reports the following fund types:

Special Revenue Funds: These funds account for resources restricted or committed for specific purpose. Federal revenues are generally accounted for in special revenues funds, as is some state assistance. Amounts unspent may be returned to the grantor agency at the close of the applicable project periods.

Internal Service Funds: These funds are used to account for revenues and expenses related to services provided to parties inside the District. These funds facilitate distribution of support costs to the users of support services on a cost-reimbursement basis. Because the principal users of the internal services are the District's governmental activities, this fund type is included in the "Governmental Activities" column of the government-wide financial statements.

Custodial Funds: These funds are used to report student activity funds and other resources held in a purely custodial capacity. Custodial funds typically involve only the receipt, temporary investment, and remittance of the fiduciary resources to individuals, private organizations, or other governments.

Fiduciary funds are reported in the fiduciary fund financial statements. However, because their assets are held in a trustee or custodial capacity and are therefore not available to support District programs, these funds are not included in the government-wide statements.

b. Measurement Focus, Basis of Accounting

Government-wide, Proprietary, and Fiduciary Fund Financial Statements: These financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

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

3. Financial Statement Amounts

a. Cash and Cash Equivalents

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

b. Property Taxes

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

Allowances for uncollectible tax receivables within the General and Debt Service Funds are based upon historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature. For the current fiscal year, an allowance of $9,395 is included in the financial statements.

c. 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.

d. Capital and Right of Use Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated acquisition value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. A capitalization threshold of $5,000 is used.

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

Asset Class	Estimated Useful Lives
Buildings	30-45
Building Improvements	10-20
Vehicles	6-10
Equipment	5-15
Right-to-use Lease Assets	2-5
Right-to-use Subscription Assets	2-5

e. Deferred Outflows and Inflows of Resources

In addition to assets, the statements of financial position (the government-wide Statement of Net Position and governmental funds balance sheet) will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position and/or fund balance that applies to one or more future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statements of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to one or more future periods and so will not be recognized as an inflow of resources (revenue) until that time.

f. Receivable and Payable Balances

The District believes that sufficient detail of receivable and payable balances is provided in the financial statements to avoid the obscuring of significant components by aggregation. Therefore, no disclosure is provided which disaggregates those balances.

There are no significant receivables which are not scheduled for collection within one year of year end.

g. Interfund Activity

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

h. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions that affect the reported amounts of certain assets, deferred resource outflows, liabilities, deferred resource inflows, revenues, and expenditures, expenses, and other disclosures. Accordingly, actual results could differ from those estimates.

i. Data Control Codes

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

j. Fund Balances - Governmental Funds

Fund balances of the governmental funds are classified as follows:

Nonspendable Fund Balance - represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid insurance) or legally required to remain intact (such as notes receivable or principal of a permanent fund).

Restricted Fund Balance - represents amounts that are constrained by external parties, constitutional provisions or enabling legislation.

Committed Fund Balance - represents amounts that can only be used for a specific purpose because of a formal action by the District's Board of Trustees. Committed amounts cannot be used for any other purpose unless the Board of Trustees removes those constraints by taking the same type of formal action. Committed fund balance amounts may be used for other purposes with appropriate due process by the Board of Trustees. Commitments are typically done through adoption and amendment of the budget.

Committed fund balance amounts differ from restricted balances in that the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

Assigned Fund Balance - represents amounts which the District intends to use for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent may be stipulated by the Board of Trustees or by an official or body to which the Board of Trustees delegates the authority. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service or permanent fund are assigned for purposes in accordance with the nature of their fund type or the fund's primary purpose. Assignments within the general fund convey that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the District itself.

Unassigned Fund Balance - represents amounts which are unconstrained in that they may be spent for any purpose. Only the general fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification because of overspending for specific purposes for which amounts had been restricted, committed or assigned.

k. Net Position

Net position in the government-wide financial statements is classified as Net Investment in Capital Assets, Restricted, and Unrestricted. Net Investment in Capital Assets consists of capital assets, net of accumulated depreciation, and reduced by outstanding debt attributed to the acquisition of these assets. Restricted Net Position consists of assets, net of any related liabilities, which have had restrictions imposed on them by external creditors, grantors, contributors, or laws or regulations of other governments or laws through constitutional provisions or enabling legislations. When both restricted and unrestricted resouces are available for use, it is the District's policy to use restricted resources first then unrestricted resources, as they are needed. Unrestricted Net Position consists of amounts that do not meet the definition of Net Investment in Capital Assets or Restricted Net Position.

l. Net Position Flow Assumption

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

m. Fund Balance Flow Assumptions

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

4. 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 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.

5. Other Post-Employment Benefits

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

6. Implementation of New Standards

In the current fiscal year, the District implemented the following new standards. The applicable provisions of the new standards are summarized below. Implementation is reflected in the financial statements and the notes to the financial statements.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*

The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in the Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in the Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The District implemented this Statement during the current year, with no significant impact.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*

This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended.

A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The District implemented this Statement during the current year. All existing applicable subscriptions have been revalued as of September 1, 2022, as necessary. All new subscriptions will follow GASB Statement No. 96, as applicable.

GASB Statement No. 99, *Omnibus 2022*

The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The practice issues addressed by this Statement are as follows:

- Classification and reporting of derivative instruments that do not meet the definition of either an investment or a hedge
- Guidance clarification for short-term leases when there is a modification of terms
- Considerations for public-private partnerships (PPP) terminology as well as recognizing installment payments and transferring underlying PPP assets
- Clarifications of subscription-based information technology arrangement (SBITA) terms, and liability measurement and recognition
- Disclosures related to nonmonetary transactions
- Certain provisions of GASB Statement No. 34
- Pledges of future revenues when resources are not received by the pledging government
- Terminology updates related to deferred inflows and outflows of resources and net position
- Resource flows statements terminology related to GASB Statement No. 53
- Accounting for SNAP distributions
- Requirements related to the extension of the use of LIBOR

The requirements of GASB Statement No. 99 that relate to the extension of the use of LIBOR , accounting for SNAP distributions, disclosures for nonmonetary transactions, pledges of future revenues by pledging governments, clarifications of certain provisions in Statement 34, and terminology updates took effect upon issuance.

The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The District implemented this portion of the Statement during the current fiscal year, in conjunction with GASB Statement No. 96.

The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

Future Implementation of New Standards
The District is currently evaluating the impact related to the implementation of the following GASB Statements, scheduled to become effective in fiscal years 2024 and 2025:

GASB Statement No. 100, *Accounting Changes and Error Corrections - An Amendment of GASB Statement No. 62*

The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. Furthermore, this Statement addresses how information that is effected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information

(SI). For periods that are earlier than those included in the basic financial statements, information presented in RSI or SI should be restated for error corrections, if practicable, but not for changes in accounting principles.

The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

GASB Statement No. 101, *Compensated Absences*

This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability for certain types of compensated absences - including parental leave, military leave, and jury duty leave - should not be recognized until the leave commences. A liability for specific types of compensated absences should not be recognized until the leave is used.

This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. A liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities. With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources.

This Statement amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (as long as they identify it as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences.

The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and for all reporting periods thereafter.

B. Compliance and Accountability

1. Finance-Related Legal and Contractual Provisions

In accordance with GASB Statement No. 38, "Certain Financial Statement Note Disclosures," violations of finance-related legal and contractual provisions, if any, are reported below, along with actions taken to address such violations:

Violation	Action Taken
None reported	Not applicable

2. Deficit Fund Balance or Fund Net Position of Individual Funds

Following are funds having deficit fund balances or fund net position at year end, if any, along with remarks which address such deficits:

Fund Name	Deficit Amount	Remarks
None reported	Not applicable	Not applicable

C. Deposits and Investments

The District's funds are required to be deposited and invested under the terms of a depository contract. 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.

1. Cash Deposits:

   At August 31, 2023, the carrying amount of the District's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was $66,659,772 and the bank balance was $67,006,717. The District's cash deposits at August 31, 2023 and during the year ended August 31, 2023, were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name.

2. Investments:

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

   The Public Funds Investment Act ("Act") requires an annual audit of investment practices. Audit procedures in this area conducted as a part of the audit of the basic financial statements disclosed that in the areas of investment practices, management reports and establishment of appropriate policies, the District adhered to the requirements of the Act. Additionally, investment practices of the District were in accordance with local policies.

   The Act determines the types of investments which are allowable for the District. These include, with certain restrictions, 1) obligations of the U.S. Treasury, U.S. agencies, and the State of Texas, 2) certificates of deposit, 3) certain municipal securities, 4) securities lending program, 5) repurchase agreements, 6) bankers acceptances, 7) mutual funds, 8) investment pools, 9) guaranteed investment contracts, and 10) commercial paper.

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

Investment or Investment Type	Maturity	Fair Value
Lone Star	N/A	$ 47,082,401
Total Investments		$ 47,082,401

3. 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:

   a. Credit Risk

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

b. Custodial Credit Risk

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

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

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

c. Concentration of Credit Risk

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

d. Interest Rate Risk

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

e. Foreign Currency Risk

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

Investment Accounting Policy

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

Public Funds Investment Pools

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

The District's investments in Pools are reported at an amount determined by the fair value per share of the pool's underlying portfolio.

Lone Star

The Lone Star Investment Pool (Lone Star) is a public funds investment pool created pursuant to the Interlocal Cooperation Act, Texas Government Code, Chapter 791, and the Public Funds Investment Act, Texas Government Code, Chapter 2256. Lone Star is administered by First Public, a subsidiary of the Texas Association of School Boards (TASB), with Standish and American Beacon Advisors managing the investment and reinvestment of Lone Star's assets. State Street Bank provides custody and valuation services to Lone Star. All of the board of trustees' eleven members are Lone Star participants by either being employees or elected officials of a participant. Lone Star has established an advisory board composed of both pool members and non-members. Lone Star is rated AAA by Standard and Poor's and operated in a manner consistent with the Investment Company Act of 1940. The District is invested in the Corporate Overnight Plus Fund of Lone Star which seeks to maintain a net asset value of one dollar. Lone Star has 3 different funds: Government Overnight, Corporate Overnight and Corporate Overnight Plus. Government Overnight, Corporate Overnight and Corporate Overnight Plus maintain a net asset value of one dollar.

D. Capital Assets

Capital and right of use asset activity for the year ended August 31, 2023, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated/amortized:				
Land	$ 2,365,393	$ 1,231,203	$ --	$ 3,596,596
Construction in progress	--	8,629,337	--	8,629,337
Total capital assets not being depreciated/amortized	2,365,393	9,860,540	--	12,225,933
Capital assets being depreciated/amortized:				
Buildings and improvements	102,370,109	426,225	--	102,796,334
Equipment	7,074,933	857,246	363,623	7,568,556
Right-to-use lease assets	204,775	61,640	22,791	243,624
Right-to-use subscription assets	--	37,643	--	37,643
Total capital assets being depreciated/amortized	109,649,817	1,382,754	386,414	110,646,157
Less accumulated depreciation/amortization for:				
Buildings and improvements	(34,074,460)	(2,545,612)	--	(36,620,072)
Equipment	(4,235,167)	(407,319)	(340,749)	(4,301,737)
Right-to-use lease assets	(69,986)	(67,494)	(12,939)	(124,541)
Right-to-use subscription assets	--	(3,179)	--	(3,179)
Total accumulated depreciation/amortization	(38,379,613)	(3,023,604)	(353,688)	(41,049,529)
Total capital assets being depr./amort., net	71,270,204	(1,640,850)	32,726	69,596,628
Governmental activities capital assets, net	$ 73,635,597	$ 8,219,690	$ 32,726	$ 81,822,561

Depreciation/amortization was charged to functions as follows:

Instruction	$	1,567,434
Instructional Resources and Media Services		21,633
Curriculum and Staff Development		81,228
Instructional Leadership		39,763
School Leadership		170,979
Guidance, Counseling, & Evaluation Services		162,878
Health Services		33,426
Student Transportation		106,485
Food Services		105,244
Extracurricular Activities		202,470
General Administration		107,094
Plant Maintenance and Operations		325,157
Security and Monitoring Services		37,560
Data Processing Services		61,657
Community Services		596
	$	3,023,604

E. Interfund Balances and Activities

1. Due To and From Other Funds

Balances due to and due from other funds at August 31, 2023, consisted of the following:

Due To Fund	Due From Fund		Amount	Purpose
General Fund	Other Governmental Funds	$	342,868	Short-term loans
General Fund	Nonmajor Internal Service Fund		100	Short-term loans
General Fund	General Fund		1,801	Short-term loans
	Total	$	344,769	

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

2. Transfers To and From Other Funds

Transfers to and from other funds for the year ended August 31, 2023, consisted of the following:

Transfers From	Transfers To		Amount	Reason
Capital Projects Fund	Debt Service Fund	$	63,889	Reimburse expenditures
	Total	$	63,889	

F. Long-Term Obligations

1. Long-Term Obligation Activity

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended August 31, 2023, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental activities:					
General Obligation Bonds	$ 138,245,000	$ 19,430,000	$ 2,105,000	$ 155,570,000	$ 2,770,000
Bond Premium	5,795,760	885,572	584,871	6,096,461	--
CAB Accretion	344,137	--	50,074	294,063	--
Lease Liability	140,239	61,640	85,904	115,975	62,332
Subscriptions Liability	--	38,148	5,099	33,049	12,242
Notes from Direct Borrowings and Direct Placements	117,900	--	21,948	95,952	22,735
Maintenance Tax Notes	925,000	--	78,000	847,000	83,000
Net Pension Liability *	2,762,054	4,821,247	552,614	7,030,687	--
Net OPEB Liability *	7,527,389	(2,584,818)	163,920	4,778,651	--
Total governmental activities	$ 155,857,479	$ 22,651,789	$ 3,647,430	$ 174,861,838	$ 2,950,309

* Other long-term liabilities
The funds typically used to liquidate other long-term liabilities in the past are as follows:

Liability	Activity Type	Fund
Net Pension Liability*	Governmental	General Fund
Net OPEB Liability *	Governmental	General Fund

Bonds

In 2014, Unlimited Tax Refunding Bonds were issued in the amount of $8,835,000 and were used to reduce the balance on the 2007 bonds. The Bonds carry an interest rate of 0.00% to 4.00% and mature in 2030 with annual payments of approximately $384,238 to $1,667,700 and the balance at August 31, 2023 is $8,345,000 with $350,000 considered CAB bonds.

In 2015, Unlimited Tax Refunding Bonds were issued in the amount of $7,865,000 and were used to reduce the balance on the 2005 bonds. The Bonds carry an interest rate of 2.00% to 3.50% and mature in 2025 with annual payments of approximately $250,000 to $1,000,000. The balance at August 31, 2023 is $515,000.

In 2015, Unlimited Tax Refunding Bonds were issued in the amount of $45,140,000 and were used to reduce the balance on the 2007 bonds. The Bonds carry an interest rate of 2.00% to 5.00% and mature in 2045 with annual payments of approximately $250,000 to $3,190,000. The balance at August 31, 2023 is $38,360,000.

In 2016, Unlimited Tax Refunding Bonds were issued in the amount of $8,320,000 and were used to reduce the balance on the 2007 bonds. The Bonds carry an interest rate of 2.00% to 4.50% and mature in 2034 with annual payments of approximately $131,300 to $2,400,000. The balance at August 31, 2023 is $8,320,000.

In fiscal year 2022, Fixed Rate Unlimited Tax School Building Bonds, Series 2022, were issued in the amount of $60,610,000 for the purpose of the construction and remodel of various ISD instructional and athletic facilities. The Bonds carry an interest rate of 4% and mature in 2052 with annual payments of approximately $800,000 to $4,525,000. The balance at August 31, 2023 is $60,610,000.

In fiscal year 2022, Adjustable Rate Unlimited Tax School Building Bonds, Series 2022, were issued in the amount of $19,990,000 for the purpose of the construction and remodel of various ISD instructional and athletic facilities. The Bonds carry an interest rate of 2.75% to 4.00% and mature in 2052 with annual payments of approximately $2,525,000 to $3,210,000. The balance at August 31, 2023 is $19,990,000.

In 2023, Unlimited Tax School Building Bonds were issued in the amount of $19,430,000 for the purpose of the construction and remodel of various ISD instructional and athletic facilities. The Bonds carry an interest rate of 2.00% to 4.50% and mature in 2052 with annual payments of approximately $305,300 to $1,420,000. The balance at August 31, 2023 is $19,430,000.

Maintenance Tax Notes

During fiscal year 2022, Maintenance Tax Notes, Series 2022, were issued in the amount of $925,000 for the purpose of purchasing buses. The notes carry an interest rate of 3% and mature in 2032, with annual payments of approximately $78,000 to $106,000. The balance at August 31, 2023 is $847,000.

Notes from Direct Borrowings and Direct Placements

During fiscal year 2022, the District financed three vehicles in the amount of $117,900. The note carries an interest rate of 3.5% and matures in 2027, with annual payments of $26,177. The vehicle serves as collateral. The balance at August 31, 2023 is $95,952. In the event of default, the remaining balance on the note plus any accrued interest will become immediately due and payable.

2. Debt Service Requirements

Debt service requirements on long-term debt at August 31, 2023, are as follows:

	Governmental Activities				
	Bonds		Tax Maint. Notes & Notes from Direct Borrowings & Direct Placements		
Year Ending August 31,	Principal	Interest	Principal	Interest	Total
2024	$ 2,770,000	$ 6,256,464	$ 105,735	$ 29,868	$ 9,162,067
2025	2,405,000	6,183,863	108,551	26,463	8,723,877
2026	3,030,000	6,326,537	112,396	22,966	9,491,899
2027	3,145,000	6,195,688	116,270	19,346	9,476,304
2028	3,280,000	6,059,562	94,000	15,600	9,449,162
2029-2033	18,740,000	27,956,842	406,000	32,136	47,134,978
2034-2038	23,035,000	23,665,488	--	--	46,700,488
2039-2043	28,820,000	17,881,675	--	--	46,701,675
2044-2048	35,820,000	10,886,025	--	--	46,706,025
2049-2053	34,525,000	2,830,900	--	--	37,355,900
Totals	$ 155,570,000	$ 114,243,044	$ 942,952	$ 146,379	$ 270,902,375

3. Advance Refunding of Debt

GASB Statement No. 7, "Advance Refundings Resulting in Defeasance of Debt," provides that refunded debt and assets placed in escrow for the payment of related debt service be excluded from the financial statements. As of August 31, 2023, outstanding balances of bond issues that have been refunded and defeased in-substance by placing existing assets and the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments are as follows.

Bond Issue	Amount
2005	$ 8,080,000
2007	7,415,000
2007	8,575,000
2011	310,000
Total	$ 24,380,000

The 2005 Series defeased amounts are scheduled to mature in 2025, both 2007 Series defeased amounts are scheduled to mature in 2034, and the 2011 Series defeased amounts are scheduled to mature in 2024.

G. Leases and Subscription-based Information Technology Arrangements

LEASES

Lease activity for the year ended August 31, 2023, was as follows:

The District previously entered into a forty-eight month leasing arrangement for copier/printer/scanner equipment which was revalued to a forty-four month leasing arrangement at September 1, 2021 under GASB 87, totaling $109,598, payable in monthly installments of $2,633 at an interest rate of 3 percent. There are no variable payments not included in the measurement of the leases. The balance at August 31, 2023 is $44,729.

The District previously entered into a forty-eight month leasing arrangement for copier/printer/scanner equipment which was revalued to a thirty-two month leasing arrangement at September 1, 2021 under GASB 87, totaling $70,256, payable in monthly installments of $2,221 at an interest rate of 3 percent. There are no variable payments not included in the measurement of the leases. The balance at August 31, 2023 is $19,738.

The District previously entered into a forty-eight month leasing arrangement for copier/printer/scanner equipment which was revalued to a sixteen month leasing arrangement at September 1, 2021 under GASB 87, totaling $3,409, payable in monthly installments of $218 at an interest rate of 3 percent. There are no variable payments not included in the measurement of the leases. The balance at August 31, 2023 is $0.

The District previously entered into a forty-eight month leasing arrangement for copier/printer/scanner equipment which was revalued to a twenty-four month leasing arrangement at September 1, 2021 under GASB 87, totaling $18,606, payable in monthly installments of $800 at an interest rate of 3 percent. There are no variable payments not included in the measurement of the leases. The balance at August 31, 2023 is $0.

The District previously entered into a forty-eight month leasing arrangement for copier/printer/scanner equipment which was revalued to a twenty-five month leasing arrangement at September 1, 2021 under GASB 87, totaling $6,941, payable in monthly installments of $287 at an interest rate of 3 percent. There are no variable payments not included in the measurement of the leases. The balance at August 31, 2023 is $286.

The District entered into a sixty month leasing arrangement for copier/printer/scanner equipment totaling $11,404, payable in monthly installments of $213 at an interest rate of 4.5 percent. There are no variable payments not included in the measurement of the leases. The balance at August 31, 2023 is $10,025.

The District entered into a sixty month leasing arrangement for copier/printer/scanner equipment totaling $43,112, payable in monthly installments of $779 at an interest rate of 3.25 percent. There are no variable payments not included in the measurement of the leases. The balance at August 31, 2023 is $35,044.

The District entered into a sixty month leasing arrangement for copier/printer/scanner equipment totaling $7,124, payable in monthly installments of $133 at an interest rate of 4.5 percent. There are no variable payments not included in the measurement of the leases. The balance at August 31, 2023 is $6,153.

Future lease payment maturity schedule is as follows:

Year ended August 31,	Principal	Interest	Total
2024	$ 62,332	$ 3,046	$ 65,378
2025	33,097	1,474	34,571
2026	12,716	786	13,502
2027	6,620	316	6,936
2028	1,210	10	1,220
	$ 115,975	$ 5,632	$ 121,607

SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The District previously entered into a twenty-four month subscription arrangement for website hosting services which was revalued to a twenty-one month subscription arrangement at September 1, 2022 under GASB 96. The present value of the agreement at September 1, 2022 was determined to be $15,505, payable in monthly installments of $708 at an interest rate of 4.2 percent. There are no applicable variable payments or commitments before commencement of term associated with the arrangement. As of August 31, 2023, the District has reported a right of use subscription asset in the amount of $15,000, less accumulated amortization of $750, and a remaining right of use subscription liability of $13,585.

The District entered into a sixty month subscription arrangement for bodycam licensing and storage during the current fiscal year. The present value of the agreement at October 1, 2022, was determined to be $22,643, payable in monthly installments of $377 at an interest rate of 4.2 percent. There are no applicable variable payments or commitments before commencement of term associated with the arrangement. As of August 31, 2023, the District has reported a right of use subscription asset in the amount of $22,643, less accumulated amortization of $2,429, and a remaining right of use subscription liability of $19,464.

Future subscription payment maturity schedule is as follows:

Year ended August 31,	Principal	Interest	Total
2024	$ 12,242	$ 1,464	$ 13,706
2025	10,978	870	11,848
2026	4,020	509	4,529
2027	4,225	303	4,528
2028	1,584	16	1,600
	$ 33,049	$ 2,334	$ 35,383

H. Risk Management

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

I. Pension Plan

1. Plan Description

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

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

2. Pension Plan Fiduciary Net Position

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

3. Benefits Provided

TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using 2.3 percent (multiplier) times the average of the five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, the three highest annual salaries are used. The normal service retirement is at age 65 with 5 years of credited service or when the sum of the member's age and years of credited service equals 80 or more years. Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered in under a previous rule. There are no automatic post-employment benefit changes; including automatic COLAs. Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan description in (1) above.

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

4. Contributions

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

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

Contribution Rates	2022	2023
Member	8.0%	8.0%
Non-Employer Contributing Entity (State)	7.75%	8.0%
Employers	7.75%	8.0%

District's 2023 Employer Contributions	$	691,279
District's 2023 Member Contributions	$	1,605,991
2022 NECE On-Behalf Contributions (State)	$	1,172,605

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

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

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

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

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

5. Actuarial Assumptions

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

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 2022	3.91% *
Last year ending August 31 in Projection Period	2121
Inflation	2.30%
Salary Increases including inflation	2.95% to 8.95%
Ad hoc post-employment benefit changes	None

* The source for the rate is the Fixed Income Market Data/Yield Curve/Data Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index"

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 actuarial valuation report dated November 12, 2021.

6. Discount Rate

A single discount rate of 7.00 percent was used to measure the total pension liability. The single discount rate was based on the expected rate of return on plan investments of 7.00 percent. The projection of cash flows used to determine this single discount rate assumed that contributions from active members, employers and the

non-employer contributing entity will be made at the rates set by the legislature during the 2019 session. It is assumed that future employer and state contributions will be 8.50 percent of payroll in fiscal year 2020 gradually increasing to 9.55 percent of payroll over the next several years. This includes all employer and state contributions for active and rehired retirees.

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

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

Asset Class *	Target Allocation **	Long-Term Expected Arithmetic Real Rate of Return ***	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
USA	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 Value Hedge Funds	5.0%	3.4%	0.18%
Real Return			
Real Estate	15.0%	4.1%	0.94%
Energy, Natural Resources and Infrastructure	6.0%	5.1%	0.37%
Commodities	0.0%	3.6%	0.00%
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%
Volatility Drag ****			(0.91)%
Expected Return	**100.0%**		**8.19%**

* Absolute Return includes Credit Sensitive Investments.
** Target allocations are based on the FY2022 policy model.
*** Capital Market Assumptions come from Aon Hewitt (as of 08/31/2022)
**** The volatility drag results from the conversion between arithmetic and geometric mean returns.

7. Discount Rate Sensitivity Analysis

The following table presents the Net Pension Liability of the plan using a discount rate of 7.00 percent, and what the net position liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) 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:	$ 10,937,083	$ 7,030,687	$ 3,864,369

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

At August 31, 2023, the District reported a liability of $7,030,687 for its proportionate share of the TRS net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	$ 7,030,687
State's proportionate share that is associated with District	14,918,590
Total	$ 21,949,277

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

At August 31, 2022 the employer's proportion of the collective net pension liability was 0.0118426668 percent which was an increase (decrease) of 0.0009968179 percent from its proportion measured as of August 31, 2021.

9. Changes Since the Prior Actuarial Valuation

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

For the year ended August 31, 2023, the District recognized pension expense of $2,361,982 and revenue of $1,426,048 for support provided by the State.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Actuarial Experience	$ 101,944	$ 153,282
Changes in Actuarial Assumptions	1,310,046	326,500
Difference Between Projected and Actual Investment Earnings	694,609	--
Changes in Proportion and Difference between District's Contributions and the Proportionate Share of Contributions	808,625	510,386
Contributions paid to TRS subsequent to the measurement date of the Net Pension Liability	691,279	--
Total	$ 3,606,503	$ 990,168

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

Year ended August 31,	Pension Expense Amount
2024	$ 540,545
2025	$ 255,046
2026	$ 53,568
2027	$ 896,776
2028	$ 179,122
Thereafter	$ (1)

J. Defined Other Post-Employment Benefit Plans

1. Plan Description

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

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

2. 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 https://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.

3. Benefits Provided

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

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

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

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

4. 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 participating employers are based on active employee compensation. The TRS board does not have the authority to set or amend contribution rates.

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

Contribution Rates		
	2022	2023
Active Employee	0.65%	0.65%
Non-Employer Contributing Entity (State)	1.25%	1.25%
Employers	0.75%	0.75%
Federal/Private Funding remitted by Employers	1.25%	1.25%

District's 2023 Employer Contributions	$	193,249
District's 2023 Member Contributions	$	130,488
2022 NECE On-Behalf Contributions (state)	$	199,957

All employers whose employees are covered by the TRS pension plan are also required to pay a surcharge of $535 per month when employing a retiree of TRS.

TRS-Care received supplemental appropriations from the State of Texas as the Non-Employer Contributing Entity in the amount of $230.8 million in fiscal year 2020 to maintain premiums and benefit levels in the 2020-2021 biennium.

5. Actuarial Assumptions

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

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

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

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

Additional Actuarial Methods and Assumptions:

Valuation Date	August 31, 2021 rolled forward to August 31, 2022
Actuarial Cost Method	Individual Entry-Age Normal
Inflation	2.30%
Single Discount Rate	3.91% as of August 31, 2022
Aging Factors	Based on plan specific experience
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the the age-adjusted claims costs.
Projected Salary Increases	3.05% to 9.05%, including inflation
Election Rates	Normal Retirement - 65% participation rate prior to age 65 and 40% participation rate after age 65. Pre-65 retirees - 25% are assumed to discontinue coverage at age 65.
Ad hoc post-employment benefit changes	None

The initial medical trend rates were 8.50 percent for Medicare retirees and 7.10 percent for non-Medicare retirees. There was an initial prescription drug trend rate of 8.50 percent for all retirees. The initial trend rates decrease to an an ultimate trend rate of 4.25 percent over a period of 12 years.

6. 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. Since the plan is a pay-as-you-go plan, the single discount rate is equal to the prevailing municipal bond rate. The projection of cash flows used to determine the discount rate assumed that contributions from active members and those of the contributing employers and the

non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, the municipal bond rate was used for the long-term rate of return and was applied to all periods of projected benefit payments to determine the total OPEB liability.

The source of the municipal bond rate is the Fidelity "20-year Municipal GO AA Index" as of August 31, 2022 using the Fixed Income Market Data/Yield Curve/ Data Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds.

7. Discount Rate Sensitivity Analysis

The following schedule shows the impact of the Net OPEB Liability if the discount rate used was 1 percentage point lower than and 1 percentage point higher than the discount rate that was used (3.91%) in measuring the Net OPEB Liability.

	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:	$ 5,634,409	$ 4,778,651	$ 4,085,378

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

At August 31, 2023, the District reported a liability of $4,778,651 for its proportionate share of the TRS Net OPEB liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the Net OPEB Liability that was associated with the District were as follows:

District's proportionate share of the collective net OPEB liability	$ 4,778,651
State's proportionate share that is associated with the District	5,829,204
Total	$ 10,607,855

The Net OPEB liability was measured as of August 31, 2021 and rolled forward to August 31, 2022 and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of that date. The District's proportion of the Net OPEB Liability was based on the District's contributions to OPEB 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 District's proportion of the collective net OPEB liability was 0.0199576101 percent, which was an increase of 0.0004436945 percent from its proportion measured at August 31, 2021.

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

	1% Decrease in Healthcare Trend Rate	Current Single Healthcare Trend Rate	1% Increase in Healthcare Trend Rate
District's proportionate share of Net OPEB Liability:	$ 3,937,630	$ 4,778,651	$ 5,868,927

9. Changes Since the Prior Actuarial Valuation

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

- The discount rate was 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 of Benefit Terms Since the Prior Measurement Date - There were no changes in benefit terms since the prior measurement date.

The amount of OPEB expense recognized by the District in the reporting period was $(1,180,938).

At August 31, 2023, the District reported its proportionate share of the TRS' deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 265,676	$ 3,981,045
Changes in actuarial assumptions	727,883	3,319,923
Difference between projected and actual investment earnings	14,234	--
Changes in proportion and difference between the District's contributions and the proportionate share of contributions	1,807,583	434,655
Contributions paid to TRS subsequent to the measurement date	193,249	--
Total	$ 3,008,625	$ 7,735,623

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

Year ended August 31:	OPEB Expense Amount
2024	$ (898,103)
2025	$ (898,053)
2026	$ (695,407)
2027	$ (421,057)
2028	$ (743,000)
Thereafter	$ (1,264,626)

For the year ended August 31, 2023, the District recognized OPEB expense of $(1,180,938) and revenue of $(827,211) for support provided by the State.

10. Medicare Part D Subsidies

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, which was effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the fiscal years ended August 31, 2023, 2022, and 2021, the subsidy payments received by TRS-Care on behalf of the District were $109,431, $78,502, and $79,144.

During the year ended August 31, 2023, employees of the District were covered by a health insurance plan (the Plan). The District paid premiums of $284 per month per employee to the Plan. Employees, at their option, authorized payroll withholdings to pay premiums for dependents. All premiums were paid to a third party administrator, acting on behalf of the licensed insurer. The Plan was authorized by Article 3.51-2, Texas Insurance Code and was documented by contractual agreement.

The contract between the District and the third party administrator is renewable September 1, 2023, and terms of coverage and premium costs are included in the contractual provisions.

Latest financial statements for the TRS Active Care are available for the year ended December 31, 2022, have been filed with the Texas State Board of Insurance, Austin, Texas, and are public records.

L. Commitments and Contingencies

1. Contingencies

The District participates in grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectibility of any related receivable may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying basic financial statements for such contingencies.

2. Litigation

No reportable litigation was pending against the District at August 31, 2023.

3. Commitments

During fiscal year 2022, the District's voters approved $103,000,000 in bonds for the construction and renovation of various school instructional and athletic facilities. All bonds have been issued as of August 31, 2023. The District anticipates substantially completing the athletic facilities in fiscal year 2024 and the instructional facilities in fiscal year 2025.

M. Accumulated Vacation and Personal Leave benefits

At August 31, 2023, the District had no liability for accrued sick leave or vacation leave. District employees accumulate personal leave at the rate of 5 days per year with no accumulation limit. The District has non vested sick and personal leave benefits at August 31, 2023 which are not recorded on the financial statements in the amount of $1,526,895. These benefits are recorded as expenditures as used.

N. Self-Funded Workman's Compensation Insurance

During the year ended August 31, 2023, the District was a member of a worker's compensation self-insurance joint fund plan (the Plan). All premiums were paid to a third party administrator acting on behalf of the Plan. The Plan was authorized pursuant to Texas Revised Civil Statues Annotated Art. 8309h and Texas Government Code Ch. 791 (the Interlocal Cooperation Act), which was documented by contractual agreement. The proportionate contributions of all members were combined into the Plan. Each member agreed to make its proportionate contribution available to all other members for the payment of worker's compensation benefits and the administration of the Plan. A member's proportionate contributions may be used for the payment of benefits and the administration of claims of that member's employees or another member's employees. Excess worker's compensation insurance is carried by Safety National Casualty Corporation. The specific retention is $225,000, aggregate limit $5,000,000. Liabilities are reported when it is probable that a loss has been incurred and the amount of that loss can be reasonably estimated. This liability of $156,158 is reflected in the General Fund.

Statement of Change in Liability	2023	2022
Unpaid claims at September 1	$ 139,826	$ 137,183
Claims and adjustments during the year	73,220	43,119
Payments of claims during the year	(56,888)	(40,476)
Total unpaid claims at August 31	$ 156,158	$ 139,826

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.

BULLARD INDEPENDENT SCHOOL DISTRICT

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED AUGUST 31, 2023

EXHIBIT G-1

Data Control Codes		1 Budgeted Amounts Original	2 Budgeted Amounts Final	3 Actual	Variance with Final Budget Positive (Negative)
	REVENUES:				
5700	Local and Intermediate Sources	$ 15,396,400	$ 16,133,139	$ 15,968,317	$ (164,822)
5800	State Program Revenues	11,837,500	12,739,500	13,054,479	314,979
5900	Federal Program Revenues	300,000	300,000	278,735	(21,265)
5020	Total Revenues	27,533,900	29,172,639	29,301,531	128,892
	EXPENDITURES:				
	Current:				
	Instruction and Instructional Related Services:				
0011	Instruction	15,568,090	16,773,090	16,781,886	(8,796)
0012	Instructional Resources and Media Services	268,150	243,000	238,614	4,386
0013	Curriculum and Staff Development	683,175	622,175	613,285	8,890
	Total Instruction and Instr. Related Services	16,519,415	17,638,265	17,633,785	4,480
	Instructional and School Leadership:				
0021	Instructional Leadership	423,900	438,900	436,974	1,926
0023	School Leadership	627,410	832,410	823,106	9,304
	Total Instructional and School Leadership	1,051,310	1,271,310	1,260,080	11,230
	Support Services - Student (Pupil):				
0031	Guidance, Counseling and Evaluation Services	1,212,575	1,336,575	1,334,077	2,498
0033	Health Services	350,260	370,260	369,165	1,095
0034	Student (Pupil) Transportation	1,179,305	1,502,305	1,490,898	11,407
0035	Food Services	4,000	16,000	13,662	2,338
0036	Cocurricular/Extracurricular Activities	1,334,700	1,452,700	1,451,082	1,618
	Total Support Services - Student (Pupil)	4,080,840	4,677,840	4,658,884	18,956
	Administrative Support Services:				
0041	General Administration	1,072,850	1,178,850	1,169,283	9,567
	Total Administrative Support Services	1,072,850	1,178,850	1,169,283	9,567
	Support Services - Nonstudent Based:				
0051	Plant Maintenance and Operations	3,311,885	3,746,885	3,619,868	127,017
0052	Security and Monitoring Services	301,600	411,600	403,021	8,579
0053	Data Processing Services	640,250	736,900	690,631	46,269
	Total Support Services - Nonstudent Based	4,253,735	4,895,385	4,713,520	181,865
	Ancillary Services:				
0061	Community Services	750	1,250	621	629
	Total Ancillary Services	750	1,250	621	629
	Debt Service:				
0071	Principal on Long-Term Debt	102,000	102,000	174,324	(72,324)
0072	Interest on Long-Term Debt	35,000	39,500	41,846	(2,346)
	Total Debt Service	213,000	217,500	216,170	1,330
	Capital Outlay:				
0081	Capital Outlay	--	350,000	197,300	152,700
	Total Capital Outlay	--	350,000	197,300	152,700

BULLARD INDEPENDENT SCHOOL DISTRICT

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED AUGUST 31, 2023

Data Control Codes		1 Budgeted Amounts Original	2 Budgeted Amounts Final	3 Actual	Variance with Final Budget Positive (Negative)
	Intergovernmental Charges:				
0095	Payments to Juvenile Justice Alternative				
0095	Education Programs	2,000	2,000	707	1,293
0099	Other Intergovernmental Charges	340,000	332,000	327,947	4,053
	Total Intergovernmental Charges	342,000	334,000	328,654	5,346
6030	Total Expenditures	27,533,900	30,564,400	30,178,297	386,103
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	--	(1,391,761)	(876,766)	514,995
	Other Financing Sources (Uses):				
7912	Sale of Real or Personal Property	--	--	18,643	18,643
7913	Issuance of Right to Use Leased Assets	--	64,000	61,640	(2,360)
7949	Other Resources	--	56,000	22,643	(33,357)
7080	Total Other Financing Sources and (Uses)	--	120,000	102,926	(17,074)
1200	Net Change in Fund Balance	--	(1,271,761)	(773,840)	497,921
0100	Fund Balance - Beginning	10,293,708	10,293,708	10,293,708	--
3000	Fund Balance - Ending	$ 10,293,708	$ 9,021,947	$ 9,519,868	$ 497,921

BULLARD INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
LAST TEN FISCAL YEARS *

	Measurement Year Ended August 31,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
District's proportion of the net pension liability (asset)	0.012%	0.011%	0.010%	0.012%	0.012%	0.011%	0.010%	0.010%	0.005%	--
District's proportionate share of the net pension liability (asset)	$ 7,030,687	$ 2,762,054	$ 5,373,518	$ 6,199,680	$ 6,871,507	$ 3,444,595	$ 3,656,024	$ 3,546,214	$ 1,269,218	$ --
State's proportionate share of the net pension liability (asset) associated with the District	14,918,590	6,852,792	14,021,313	12,371,201	13,846,589	7,832,312	8,949,256	8,428,334	6,943,198	--
Total	$ 21,949,277	$ 9,614,846	$ 19,394,831	$ 18,570,881	$ 20,718,096	$ 11,276,907	$ 12,605,280	$ 11,974,548	$ 8,212,416	$ --
District's covered payroll	$ 18,632,629	$ 17,838,696	$ 16,810,636	$ 15,702,432	$ 16,463,098	$ 14,796,967	$ 13,487,072	$ 12,732,153	$ 11,944,803	$ --
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	37.73%	15.48%	31.96%	39.48%	41.74%	23.28%	27.11%	27.85%	10.63%	--
Plan fiduciary net position as a percentage of the total pension liability	75.62%	88.79%	75.54%	75.24%	73.74%	82.17%	78.00%	78.43%	83.25%	--

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information only for those years for which information is available.

** The amounts presented are determined as of the Plan's measurement year which was as of August 31 in each prior calendar year from the District's fiscal year end.

EXHIBIT G-3

BULLARD INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF DISTRICT CONTRIBUTIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
LAST TEN FISCAL YEARS *

	Fiscal Year Ended August 31,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	$ 691,279	$ 552,587	$ 453,844	$ 413,968	$ 410,765	$ 407,000	$ 339,359	$ 307,398	$ 297,054	$ --
Contributions in relation to the contractually required contribution	(691,279)	(552,587)	(453,844)	(413,968)	(410,765)	(407,000)	(339,359)	(307,398)	(297,054)	--
Contribution deficiency (excess)	$ --	$ --	$ --	$ --	$ --	$ --	$ --	$ --	$ --	$ --
District's covered payroll	$ 20,074,897	$ 18,632,629	$ 17,838,696	$ 16,810,636	$ 15,702,432	$ 16,463,098	$ 14,796,767	$ 13,487,072	$ 12,732,153	$ --
Contributions as a percentage of covered payroll	3.44%	2.97%	2.54%	2.46%	2.62%	2.47%	2.29%	2.28%	2.33%	--

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information for those years for which information is available.

BULLARD INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET OPEB LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
LAST TEN FISCAL YEARS *

	Measurement Year Ended August 31,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
District's proportion of the collective net OPEB liability	0.02%	0.02%	0.02%	0.02%	0.10%	0.02%	--	--	--	--
District's proportionate share of the collective net OPEB liability	$ 4,778,651	$ 7,527,389	$ 6,961,218	$ 8,722,905	$ 9,754,759	$ 6,925,666	$ --	$ --	$ --	$ --
State proportionate share of the collective net OPEB liability associated with the District	5,829,204	10,085,024	9,354,209	11,590,788	13,565,637	11,460,979	--	--	--	--
Total	$ 10,607,855	$ 17,612,413	$ 16,315,427	$ 20,313,693	$ 23,320,396	$ 18,386,645	$ --	$ --	$ --	$ --
District's covered payroll	$ 18,632,629	$ 17,838,696	$ 16,810,636	$ 15,702,432	$ 16,463,098	$ 14,796,967	$ --	$ --	$ --	$ --
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	25.65%	42.20%	41.41%	55.55%	59.25%	46.80%	--	--	--	--
Plan fiduciary net position as a percentage of the total OPEB liability	11.52%	6.18%	4.99%	2.66%	1.57%	0.91%	--	--	--	--

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information only for those years for which information is available.

** The amounts presented are determined as of the Plan's measurement year which was as of August 31 in each prior calendar year from the District's fiscal year end.

EXHIBIT G-5

BULLARD INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S OPEB CONTRIBUTIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
LAST TEN FISCAL YEARS *

	Fiscal Year Ended August 31,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Statutorily or contractually required District contribution	$ 193,249	$ 163,908	$ 152,448	$ 139,184	$ 126,094	$ 126,748	$ --	$ --	$ --	$ --
Contributions recognized by OPEB in relation to statutorily or contractually required contribution	193,249	163,908	152,448	139,184	126,094	126,748	--	--	--	--
Contribution deficiency (excess)	$ --	$ --	$ --	$ --	$ --	$ --	$ --	$ --	$ --	$ --
District's covered payroll	$ 20,074,897	$ 18,632,629	$ 17,838,696	$ 16,810,636	$ 15,702,432	$ 16,463,098	$ --	$ --	$ --	$ --
Contributions as a percentage of covered payroll	0.96%	0.88%	0.85%	0.83%	0.80%	0.77%	--	--	--	--

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information for those years for which information is available.

Budget

The official budget was prepared for adoption for General Fund, National School Breakfast and Lunch Program, Debt Service Fund and Capital Projects Fund. The budget was prepared in accordance with accounting practices generally accepted in the United States of America. The following procedures are followed in establishing the budgetary data.:

a. Prior to August 21 of the preceding fiscal year, the District prepares a budget for the next succeeding fiscal year. The operating budget includes proposed expenditures and the means of financing them.

b. A meeting of the Board is then called for the purpose of adopting the proposed budget after ten days' public notice of the meeting has been given.

c. Prior to the beginning of the fiscal year, the budget is legally enacted through passage of a resolution by the board.

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

Each amendment must have Board approval. Such amendments are made before the fact, are reflected in the official minutes of the Board and are not made after fiscal year end as required by law.

Each amendment is controlled by the budget coordinator at the revenue and expenditure function/object level. Budgeted amounts are as amended by the Board. All budget appropriations lapse at year end.

Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under Texas law, appropriations lapse at August 31, and encumbrances outstanding at that time are to be either cancelled or appropriately provided for in the subsequent year's budget. There were no end-of-year outstanding encumbrances that were provided for in the subsequent year's budget.

Defined Benefit Pension Plan And Other Post-Benefit Plans

The following factors significantly affect trends in the amounts reported for the District's proportionate share of the net pension liability and OPEB liability:

Changes in actuarial assumptions and inputs

	Net Pension Liability		Net OPEB Liability
Measurement Date August 31,	Discount Rate	Expected Rate of Return	Long-term Discount Rate
2022	7.000%	7.000%	3.910%
2021	7.250%	7.250%	1.950%
2020	7.250%	7.250%	2.330%
2019	7.250%	7.250%	2.630%
2018	6.907%	7.250%	3.690%
2017	8.000%	8.000%	3.420%
2016	8.000%	8.000%	--
2015	8.000%	8.000%	--
2014	8.000%	8.000%	--

Changes in demographic and economic assumptions

For measurement date August 31, 2018 - Net Pension Liability and Net OPEB Liability:

Demographic assumptions including post-retirement mortality, termination rates, and rates of retirement and economic assumptions, including rates of salary increase for individual participants were updated based on the experience study performed for TRS for the period ending August 31, 2017.

For measurement date August 31, 2020 - Net OPEB Liability:

The participant rate for pre-65 retirees was lowered from 50% to 40%. This change decreased the total OPEB liability.

The ultimate health care trend assumption was lowered from 4.50% to 4.25% as a result of Congress' repeal of the excise (Cadillac) tax on high-cost employer health plans in December 2019. This change decreased the total OPEB liability.

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.

BULLARD INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AUGUST 31, 2023

Data Control Codes		211 ESEA Title I Improving Basic Programs	224 IDEA-Part B Formula	225 IDEA-Part B Preschool Grant	240 National School Breakfast/Lunch Program
	ASSETS:				
1110	Cash and Cash Equivalents	$ --	$ --	$ --	$ 597,412
1240	Due from Other Governments	69,343	180,397	570	33,793
1290	Other Receivables	--	--	--	4,586
1000	Total Assets	$ 69,343	$ 180,397	$ 570	$ 635,791
	LIABILITIES:				
	Current Liabilities:				
2110	Accounts Payable	$ --	$ --	$ --	$ 53,414
2160	Accrued Wages Payable	24,527	47,975	--	3,621
2170	Due to Other Funds	44,816	132,422	570	--
2300	Unearned Revenue	--	--	--	--
2000	Total Liabilities	69,343	180,397	570	57,035
	FUND BALANCES:				
	Restricted Fund Balances:				
3450	Federal/State Funds Grant Restrictions	--	--	--	578,756
	Committed Fund Balances:				
3545	Other Committed Fund Balance-Campus Activ.	--	--	--	--
3000	Total Fund Balances	--	--	--	578,756
4000	Total Liabilities and Fund Balances	$ 69,343	$ 180,397	$ 570	$ 635,791

244 Career and Tech Education Basic Grant	255 ESEA Title II Training & Recruiting	281 ESSER Fund II of the CRRSA Act	282 ESSER Fund III of the American Rescue Plan Act	284 IDEA-B the American Rescue Plan Act
$ --	$ --	$ --	$ --	$ --
213	25,993	40,524	95,153	13,011
--	--	--	--	--
$ 213	$ 25,993	$ 40,524	$ 95,153	$ 13,011
$ --	$ --	$ --	$ --	$ --
--	--	--	13,892	--
213	25,993	40,524	81,261	13,011
--	--	--	--	--
213	25,993	40,524	95,153	13,011
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
$ 213	$ 25,993	$ 40,524	$ 95,153	$ 13,011

BULLARD INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AUGUST 31, 2023

Data Control Codes		285 IDEA-B Preschool the American Rescue Plan Act	289 Title IV Part A Subpart 1	397 Advanced Placement Incentives
	ASSETS:			
1110	Cash and Cash Equivalents	$ --	$ (20,000)	$ 185
1240	Due from Other Governments	415	21,955	--
1290	Other Receivables	--	--	--
1000	Total Assets	$ 415	$ 1,955	$ 185
	LIABILITIES:			
	Current Liabilities:			
2110	Accounts Payable	$ --	$ --	$ --
2160	Accrued Wages Payable	--	--	--
2170	Due to Other Funds	415	1,955	--
2300	Unearned Revenue	--	--	51
2000	Total Liabilities	415	1,955	51
	FUND BALANCES:			
	Restricted Fund Balances:			
3450	Federal/State Funds Grant Restrictions	--	--	134
	Committed Fund Balances:			
3545	Other Committed Fund Balance-Campus Activ.	--	--	--
3000	Total Fund Balances	--	--	134
4000	Total Liabilities and Fund Balances	$ 415	$ 1,955	$ 185

410 State Textbook Fund	429 State Funded Special Revenue Fund	461 Campus Activity Funds	492 Bullard Education Foundation	Total Nonmajor Special Revenue Funds (See Exhibit C-1)
$ --	$ --	$ 354,185	$ 2,500	$ 934,282
4,599	6,789	--	--	492,755
--	--	--	--	4,586
$ 4,599	$ 6,789	$ 354,185	$ 2,500	$ 1,431,623
$ 2,911	$ 6,789	$ 5,705	$ --	$ 68,819
--	--	--	--	90,015
1,688	--	--	--	342,868
--	--	--	--	51
4,599	6,789	5,705	--	501,753
--	--	--	--	578,890
--	--	348,480	2,500	350,980
--	--	348,480	2,500	929,870
$ 4,599	$ 6,789	$ 354,185	$ 2,500	$ 1,431,623

BULLARD INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2023

Data Control Codes		211 ESEA Title I Improving Basic Programs	224 IDEA-Part B Formula	225 IDEA-Part B Preschool Grant	226 IDEA-Part B Discretionary
	REVENUES:				
5700	Local and Intermediate Sources	$ --	$ --	$ --	$ --
5800	State Program Revenues	--	--	--	--
5900	Federal Program Revenues	311,103	461,273	2,231	38,035
5020	Total Revenues	311,103	461,273	2,231	38,035
	EXPENDITURES:				
	Current:				
0011	Instruction	275,139	149,506	570	38,035
0012	Instructional Resources and Media Services	--	--	--	--
0013	Curriculum and Staff Development	30,310	--	--	--
0021	Instructional Leadership	--	--	--	--
0023	School Leadership	--	--	--	--
0031	Guidance, Counseling, and Evaluation Services	--	311,767	1,661	--
0035	Food Service	--	--	--	--
0036	Cocurricular/Extracurricular Activities	--	--	--	--
0052	Security and Monitoring Services	--	--	--	--
0061	Community Services	5,654	--	--	--
6030	Total Expenditures	311,103	461,273	2,231	38,035
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	--	--	--	--
1200	Net Change in Fund Balances	--	--	--	--
0100	Fund Balances - Beginning	--	--	--	--
3000	Fund Balances - Ending	$ --	$ --	$ --	$ --

240 National School Breakfast/Lunch Program	244 Career and Tech Education Basic Grant	255 ESEA Title II Training & Recruiting	281 ESSER Fund II of the CRRSA Act	282 ESSER Fund III of the American Rescue Plan Act
$ 421,741	$ --	$ --	$ --	$ --
5,808	--	--	--	--
839,693	22,437	68,998	466,504	906,552
1,267,242	22,437	68,998	466,504	906,552
--	22,437	8,292	(20,168)	61,388
--	--	--	--	--
--	--	29,126	--	207,697
--	--	3,523	--	--
--	--	28,057	486,672	536,037
--	--	--	--	101,430
1,266,013	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
1,266,013	22,437	68,998	466,504	906,552
1,229	--	--	--	--
1,229	--	--	--	--
577,527	--	--	--	--
$ 578,756	$ --	$ --	$ --	$ --

BULLARD INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2023

Data Control Codes		284 IDEA-B the American Rescue Plan Act	285 IDEA-B Preschool the American Rescue Plan Act	289 Title IV Part A Subpart 1	397 Advanced Placement Incentives
	REVENUES:				
5700	Local and Intermediate Sources	$ --	$ --	$ --	$ --
5800	State Program Revenues	--	--	--	--
5900	Federal Program Revenues	66,649	5,396	48,219	--
5020	Total Revenues	66,649	5,396	48,219	--
	EXPENDITURES:				
	Current:				
0011	Instruction	31,789	5,076	47,714	--
0012	Instructional Resources and Media Services	--	--	--	--
0013	Curriculum and Staff Development	--	320	--	--
0021	Instructional Leadership	--	--	--	--
0023	School Leadership	--	--	--	--
0031	Guidance, Counseling, and Evaluation Services	34,860	--	505	--
0035	Food Service	--	--	--	--
0036	Cocurricular/Extracurricular Activities	--	--	--	--
0052	Security and Monitoring Services	--	--	--	--
0061	Community Services	--	--	--	--
6030	Total Expenditures	66,649	5,396	48,219	--
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	--	--	--	--
1200	Net Change in Fund Balances	--	--	--	--
0100	Fund Balances - Beginning	--	--	--	134
3000	Fund Balances - Ending	$ --	$ --	$ --	$ 134

410 State Textbook Fund	429 State Funded Special Revenue Fund	461 Campus Activity Funds	492 Bullard Education Foundation	Total Nonmajor Special Revenue Funds (See Exhibit C-2)
$ --	$ --	$ 711,039	$ 55,765	$ 1,188,545
87,411	216,119	--	--	309,338
--	--	--	--	3,237,090
87,411	216,119	711,039	55,765	4,734,973
87,411	--	--	48,748	755,937
--	37	--	--	37
--	--	--	2,032	269,485
--	--	--	--	3,523
--	--	--	--	1,050,766
--	--	--	2,485	452,708
--	--	--	--	1,266,013
--	--	738,614	--	738,614
--	216,082	--	--	216,082
--	--	--	--	5,654
87,411	216,119	738,614	53,265	4,758,819
--	--	(27,575)	2,500	(23,846)
--	--	(27,575)	2,500	(23,846)
--	--	376,055	--	953,716
$ --	$ --	$ 348,480	$ 2,500	$ 929,870

BULLARD INDEPENDENT SCHOOL DISTRICT

EXHIBIT H-3

CAPITAL PROJECTS FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED AUGUST 31, 2023

Data Control Codes		1 Budget	2 Actual	3 Variance Positive (Negative)
	REVENUES:			
5700	Local and Intermediate Sources	$ 3,800,000	$ 3,756,189	$ (43,811)
5020	Total Revenues	3,800,000	3,756,189	(43,811)
	EXPENDITURES:			
	Debt Service:			
0073	Bond Issuance Costs and Fees	301,300	301,374	(74)
	Total Debt Service	301,300	301,374	(74)
	Capital Outlay:			
0081	Capital Outlay	9,900,000	9,860,540	39,460
	Total Capital Outlay	9,900,000	9,860,540	39,460
6030	Total Expenditures	10,201,300	10,161,914	39,386
1100	Excess (Deficiency) of Revenues Over (Under)			
1100	Expenditures	(6,401,300)	(6,405,725)	(4,425)
	Other Financing Sources (Uses):			
7911	Capital-Related Debt Issued (Regular Bonds)	19,430,000	19,430,000	--
7916	Premium or Discount on Issuance of Bonds	885,600	885,572	(28)
7917	Prepaid Interest	50,000	49,691	(309)
8911	Transfers Out	(64,000)	(63,889)	111
7080	Total Other Financing Sources and (Uses)	20,301,600	20,301,374	(226)
1200	Net Change in Fund Balance	13,900,300	13,895,649	(4,651)
0100	Fund Balance - Beginning	83,123,029	83,123,029	--
3000	Fund Balance - Ending	$ 97,023,329	$ 97,018,678	$ (4,651)

BULLARD INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF DELINQUENT TAXES RECEIVABLE
FOR THE YEAR ENDED AUGUST 31, 2023

Year Ended August 31	1 Tax Rates Maintenance	2 Tax Rates Debt Service	3 Assessed/Appraised Value For School Tax Purposes
2014 and Prior Years	$ Various	$ Various	$ Various
2015	1.17	.30	902,627,418
2016	1.17	.50	918,367,475
2017	1.17	.50	1,003,721,975
2018	1.17	.50	1,082,014,686
2019	1.17	.46	1,140,838,040
2020	1.06	.41	1,203,766,459
2021	.9953	.38	1,323,621,574
2022	.952	.4043	1,437,460,718
2023 (School Year Under Audit)	.9346	.50	1,672,948,940
1000 Totals			

10 Beginning Balance 9/1/22	20 Current Year's Total Levy	31 Maintenance Collections	32 Debt Service Collections	40 Entire Year's Adjustments	50 Ending Balance 8/31/23
$ 443,887	$ --	$ 18,445	$ 4,940	$ (19,420)	$ 401,082
54,263	--	2,559	656	(353)	50,695
56,641	--	2,361	1,009	(376)	52,895
62,160	--	6,294	2,690	(375)	52,801
76,878	--	7,470	3,192	(28)	66,188
97,108	--	9,780	3,846	(3,248)	80,234
112,453	--	20,048	7,755	16,314	100,964
138,432	--	23,556	8,994	5,465	111,347
307,274	--	92,477	39,208	(20,525)	155,064
--	22,726,819	14,470,683	7,741,646	(110,466)	404,024
$ 1,349,096	$ 22,726,819	$ 14,653,673	$ 7,813,936	$ (133,012)	$ 1,475,294

BULLARD INDEPENDENT SCHOOL DISTRICT

EXHIBIT J-2

FUND BALANCE AND CASH FLOW CALCULATION WORKSHEET (UNAUDITED)
GENERAL FUND
AS OF AUGUST 31, 2023

Data Control Codes	Explanation	Amount
1	Total General Fund Fund Balance as of August 31, 2023 (Exhibit C-1 object 3000 for the General Fund only)	$ 9,519,868
2	Total General Fund Nonspendable Fund Balance (from Exhibit C-1 - total of object 341X-344X for the General Fund only)	13,897
3	Total General Fund Restricted Fund Balance (from Exhibit C-1 - total of object 345X-349X for the General Fund only)	--
4	Total General Fund Committed Fund Balance (from Exhibit C-1 - total of object 351X-354X for the General Fund only)	2,000,000
5	Total General Fund Assigned Fund Balance (from Exhibit C-1 - total of object 355X-359X for the General Fund only)	639,826
6	Estimated amount needed to cover fall cash flow deficits in the General Fund (net of borrowed funds and funds representing deferred revenues)	--
7	Estimate of two months' average cash disbursements during the fiscal year	5,300,000
8	Estimate of delayed payments from state sources (58XX)	--
9	Estimate of underpayment from state sources equal to variance between Legislative Payment Estimate (LPE) and District Planning Estimate (DPE) or District's calculated earned state aid amount	--
10	Estimate of delayed payments from federal sources (59XX)	--
11	Estimate of expenditures to be reimbursed to General Fund from Capital Projects Fund (uses of General Fund cash after bond referendum and prior to issuance of bonds)	--
12	General Fund Optimum Fund Balance and Cash Flow (Lines 2+3+4+5+6+7+8+9+10+11)	7,953,723
13	Excess (Deficit) Unassigned General Fund Fund Balance (1-12)	$ 1,566,145

Above amount to be used for future buildings and equipment

BULLARD INDEPENDENT SCHOOL DISTRICT

USE OF FUNDS REPORT - SELECT STATE ALLOTMENT PROGRAM
AS OF AUGUST 31, 2023

Data Control Codes		Responses
	Section A: Compensatory Education Programs	
AP1	Did your LEA expend any state compensatory education program state allotment funds during the district's fiscal year?	Yes
AP2	Does the LEA have written policies and procedures for its state compensatory education program?	Yes
AP3	List the total state allotment funds received for state compensatory education programs during the district's fiscal year.	$ 1,267,420
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal year. (PICs 24, 26, 28 29, 30, 34)	$ 824,933
	Section B: Bilingual Education Programs	
AP5	Did your LEA expend any bilingual education program state allotment funds during the LEA's fiscal year?	Yes
AP6	Does the LEA have written policies and procedures for its bilingual education program?	Yes
AP7	List the total state allotment funds received for bilingual education programs during the LEA's fiscal year.	$ 46,876
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PICs 25, 35)	$ 26,365

BULLARD INDEPENDENT SCHOOL DISTRICT

EXHIBIT J-4

NATIONAL SCHOOL BREAKFAST AND LUNCH PROGRAM
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED AUGUST 31, 2023

Data Control Codes		1 Budget	2 Actual	3 Variance Positive (Negative)
	REVENUES:			
5700	Local and Intermediate Sources	$ 435,000	$ 421,741	$ (13,259)
5800	State Program Revenues	5,317	5,808	491
5900	Federal Program Revenues	885,000	839,693	(45,307)
5020	Total Revenues	1,325,317	1,267,242	(58,075)
	EXPENDITURES:			
	Current:			
	Support Services - Student (Pupil):			
0035	Food Services	1,322,000	1,266,013	55,987
	Total Support Services - Student (Pupil)	1,322,000	1,266,013	55,987
6030	Total Expenditures	1,322,000	1,266,013	55,987
1100	Excess (Deficiency) of Revenues Over (Under)			
1100	Expenditures	3,317	1,229	(2,088)
1200	Net Change in Fund Balance	3,317	1,229	(2,088)
0100	Fund Balance - Beginning	577,527	577,527	--
3000	Fund Balance - Ending	$ 580,844	$ 578,756	$ (2,088)

BULLARD INDEPENDENT SCHOOL DISTRICT

EXHIBIT J-5

DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED AUGUST 31, 2023

Data Control Codes		1 Budget	2 Actual	3 Variance Positive (Negative)
	REVENUES:			
5700	Local and Intermediate Sources	$ 8,115,030	$ 8,130,589	$ 15,559
5800	State Program Revenues	274,175	274,175	--
5020	Total Revenues	8,389,205	8,404,764	15,559
	EXPENDITURES:			
	Debt Service:			
0071	Principal on Long-Term Debt	2,105,000	2,105,000	--
0072	Interest on Long-Term Debt	5,642,155	5,635,434	6,721
0073	Bond Issuance Costs and Fees	12,000	2,557	9,443
	Total Debt Service	7,759,155	7,742,991	16,164
6030	Total Expenditures	7,759,155	7,742,991	16,164
1100	Excess (Deficiency) of Revenues Over (Under)			
1100	Expenditures	630,050	661,773	31,723
	Other Financing Sources (Uses):			
7915	Transfers In	--	63,889	63,889
7080	Total Other Financing Sources and (Uses)	--	63,889	63,889
1200	Net Change in Fund Balance	630,050	725,662	95,612
0100	Fund Balance - Beginning	2,647,127	2,647,127	--
3000	Fund Balance - Ending	$ 3,277,177	$ 3,372,789	$ 95,612

Overall Compliance, Internal Control Section and Federal Awards

ANDERSON, MARX & BOHL, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

FRANK MARX, III, CPA
DORI BOHL, CPA & CFE
CALEB MARX, CPA

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 *Government Auditing Standards*

Board of Trustees
Bullard Independent School District
1426B S Houston St
Bullard, Texas 75757

Members of the Board of Trustees:

We have audited, 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* 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 Bullard Independent School District, as of and for the year ended August 31, 2023, and the related notes to the financial statements, which collectively comprise Bullard Independent School District's basic financial statements, and have issued our report thereon dated November 13, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Respectfully submitted,

Anderson, Marx & Bohl, P.C.

Anderson, Marx & Bohl, P.C.

Corsicana, Texas
November 13, 2023

ANDERSON, MARX & BOHL, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

FRANK MARX, III, CPA
DORI BOHL, CPA & CFE
CALEB MARX, CPA

Independent Auditors' Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

Board of Trustees
Bullard Independent School District
1426B S Houston St
Bullard, Texas 75757

Members of the Board of Trustees:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Progam

We have audited Bullard Independent School District's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Bullard Independent School District's major federal programs for the year ended August 31, 2023. Bullard Independent School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal Progam

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.

- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Bullard Independent School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- obtain an understanding of Bullard Independent School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Bullard Independent School District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

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

Respectfully submitted,

Anderson, Marx & Bohl, P.C.

Anderson, Marx & Bohl, P.C.

Corsicana, Texas
November 13, 2023

BULLARD INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED AUGUST 31, 2023

A. Summary of Auditors' Results

1. Financial Statements

Type of auditors' report issued:	Unmodified		
Internal control over financial reporting:			
One or more material weaknesses identified?	____ Yes	X No	
One or more significant deficiencies identified that are not considered to be material weaknesses?	____ Yes	X None Reported	
Noncompliance material to financial statements noted?	____ Yes	X No	

2. Federal Awards

Internal control over major programs:			
One or more material weaknesses identified?	____ Yes	X No	
One or more significant deficiencies identified that are not considered to be material weaknesses?	____ Yes	X None Reported	
Type of auditors' report issued on compliance for major programs:	Unmodified		
Version of compliance supplement used in audit:	May 2023		
Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, para. 200.516(a)??	____ Yes	X No	

Identification of major programs:

Assistance Listing Number(s)	Name of Federal Program or Cluster
84.425	COVID-19 ESSER Funds

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

BULLARD INDEPENDENT SCHOOL DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED AUGUST 31, 2023

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

BULLARD INDEPENDENT SCHOOL DISTRICT

CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED AUGUST 31, 2023

No findings reported, so no corrective action required.

BULLARD INDEPENDENT SCHOOL DISTRICT

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

(1)	(2)	(2A)		(3)
Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal ALN Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
CHILD NUTRITION CLUSTER:				
U. S. Department of Agriculture				
Passed Through Texas Department of Agriculture:				
School Breakfast Program	10.553	212-902	$ --	$ 128,704
National School Lunch Program	10.555	212-902	--	95,449
National School Lunch Program	10.555	212-902	--	452,030
National School Lunch Program (Non-cash)	10.555	212-902	--	163,510
Total ALN Number 10.555			--	710,989
Total Passed Through Texas Department of Agriculture			--	839,693
Total U. S. Department of Agriculture			--	839,693
Total Child Nutrition Cluster			--	839,693
SPECIAL EDUCATION (IDEA) CLUSTER:				
U. S. Department of Education				
Passed Through State Department of Education:				
IDEA-Part B, Formula	84.027a	246600012129026000	--	47,975
IDEA-Part B, Formula	84.027a	236600012129026000	--	413,298
IDEA-Part B, Discretionary	84.027a	66002306	--	38,035
Total ALN Number 84.027a			--	499,308
COVID-19 IDEA-Pt B, Formula-Amer. Rescue Plan Act of 2021	84.027x	225350022129025000	--	66,649
Total ALN Number 84.027x			--	66,649
IDEA-Part B, Preschool	84.173a	236610012129026000	--	2,231
Total ALN Number 84.173a			--	2,231
COVID-19 IDEA-Pt B, Preschool-Amer. Rescue Plan Act of 2021	84.173x	225360022129025000	--	5,396
Total ALN Number 84.173x			--	5,396
Total Passed Through State Department of Education			--	573,584
Total U. S. Department of Education			--	573,584
Total Special Education (IDEA) Cluster			--	573,584
OTHER PROGRAMS:				
U. S. Department of Education				
Passed Through State Department of Education:				
ESEA Title I Part A - Improving Basic Programs	84.010a	24610101212902	--	24,527
ESEA Title I Part A - Improving Basic Programs	84.010a	23610101212902	--	286,576
Total ALN Number 84.010a			--	311,103
Career and Technical Education - Basic Grant	84.048a	23420006212902	--	22,437
Total ALN Number 84.048a			--	22,437
ESEA Title II, Part A-Teacher & Principal Training & Recruiting	84.367a	22694501212902	--	531
ESEA Title II, Part A-Teacher & Principal Training & Recruiting	84.367a	24694501212902	--	6,111
ESEA Title II, Part A-Teacher & Principal Training & Recruiting	84.367a	23694501212902	--	62,356
Total ALN Number 84.367a			--	68,998

BULLARD INDEPENDENT SCHOOL DISTRICT

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

(1)	(2)	(2A)		(3)
Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal ALN Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
Title IV, Part A, Subpart 1	84.424a	23680101212902	$ --	$ 28,219
Total ALN Number 84.424a			--	28,219
COVID-19 ESSER Fund II of the CRRSA Act	84.425d	21521001212902	--	466,504
Total ALN Number 84.425d			--	466,504
COVID-19 ESSER Fund III of the Amer. Rescue Plan Act of 202	184.425u	21528001212902	--	906,552
Total ALN Number 84.425u			--	906,552
Total Passed Through State Department of Education			--	1,803,813
Total U. S. Department of Education			--	1,803,813
Federal Communications Commission				
Direct Programs:				
Emergency Connectivity Fund Program	32.009	--	--	20,000
Total Direct Programs			--	20,000
Total Federal Communications Commission			--	20,000
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ --	$ 3,237,090

The accompanying notes are an integral part of this schedule.

BULLARD INDEPENDENT SCHOOL DISTRICT

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

Basis of Presentation

The accompanying schedule of expenditures of federal awards ("the Schedule") includes the federal grant activity of Bullard Independent School District. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Therefore, some amounts may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. These expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

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

Reconciliation of federal awards:		
Exhibit C-2 federal amounts	$	3,515,825
Less: Student Health and Related Services (not applicable for SEFA)		(278,735)
Total expenditures of federal awards per SEFA	$	3,237,090

Other Information

BULLARD INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS
AS OF AUGUST 31, 2023

Data Control Codes		Responses
SF1	Was there an unmodified opinion in the Annual Financial Report on the financial statements as a whole?	Yes
SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement at fiscal year-end?	No
SF3	Did the school district make timely payments to the Teacher Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies? (If the school district was issued a warrant hold and the warrant hold was not cleared within 30 days from the date the warrant hold was issued, the school district is considered **to not have made** timely payments.) Payments to the TRS and TWC are considered timely if a warrant hold that was issued in connection to the untimely payment was cleared within 30 daysfrom the date the warrant hold was issued. Payments to the IRS are considered timely if a penalty or delinquent payment notice was cleared within 30 days from the date the notice was issued.	Yes
SF4	Was the school district issued a warrant hold? Even if the issue surrounding the initial warrant hold was resolved and cleared within 30 days, the school district is considered to have been issued a warrant hold.	No
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state or federal funds?	No
SF6	Was there any disclosure in the Annual Financial Report of material noncompliance for grants, contracts and laws related to local, state, or federal funds?	No
SF7	Did the school district post the required financial information on its website in accordance with Government Code, Local Government code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules that were in effect at the school district's fiscal year-end?	Yes
SF8	Did the school board members discuss the school district's property values at a board meeting within 120 days before the school district adopted its budget?	Yes
SF9	Total accumulated accretion on CABs included in government-wide financial statements at fiscal year-end	$ 294,063