

**BISHOP CONSOLIDATED  
INDEPENDENT SCHOOL DISTRICT**

**ANNUAL FINANCIAL REPORT**

FOR THE YEAR ENDED AUGUST 31, 2023



Bishop Consolidated Independent School District

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

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## Introductory Section



Bishop Consolidated Independent School District

CERTIFICATE OF BOARD

Bishop Consolidated Independent School District  
Name of School District

Nueces  
County

178-902  
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 auditor's report, the reason(s) for disapproving it is (are):  
(attach list as necessary)



Bishop Consolidated Independent School District

## Financial Section



Bishop Consolidated Independent School District

JOHN WOMACK & CO., P.C.  
CERTIFIED PUBLIC ACCOUNTANTS

JOHN L. WOMACK, CPA  
MARGARET KELLY, CPA

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KINGSVILLE, TEXAS 78364  
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**Independent Auditor's Report**

To the Board of Trustees  
Bishop Consolidated Independent School District  
719 East Sixth Street  
Bishop, Texas 78343

**Report on the Audit of the Financial Statements**

**Opinions**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Bishop Consolidated Independent School District ("the District"), as of and for the year ended August 31, 2023, and the related notes to the financial statements, which collectively comprise the Bishop Consolidated 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, the business-type activities, each major fund, and the aggregate remaining fund information of Bishop Consolidated Independent School District as of August 31, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (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 Bishop Consolidated Independent School District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Emphasis of Matter**

*Change in Accounting Principle*

As described in Note A to the financial statements, in 2023, Bishop Consolidated 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.



PRIVATE COMPANIES PRACTICE SECTION, AICPA DIVISION FOR CPA FIRMS

## **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 Bishop Consolidated Independent School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## **Auditor's 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 budgetary comparison information and schedule of the District's proportionate share of the net pension liability and schedule of District pension contributions, and schedule of the District's

proportionate share of the net OPEB liability and schedule of District OPEB contributions 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 Bishop Consolidated Independent School District's basic financial statements. The introductory section 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 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 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 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**

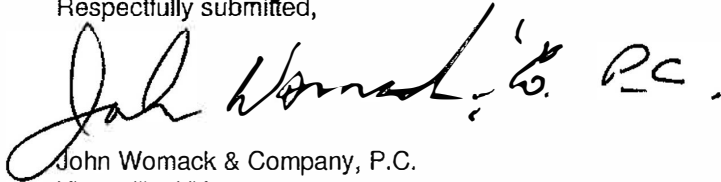
Management is responsible for the other information included in the annual report. The other information as identified in the table of contents comprises the information included in the annual report but does not include the basic financial statements and our auditor's report thereon. Our opinions on 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 17, 2023 on our consideration of Bishop Consolidated Independent School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Bishop Consolidated Independent School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Bishop Consolidated Independent School District's internal control over financial reporting and compliance.

Respectfully submitted,

A handwritten signature in black ink that reads "John Womack & Co. P.C.". The signature is written in a cursive style with a large initial "J" and "W".

John Womack & Company, P.C.  
Kingsville, TX  
November 17, 2023

# Management's Discussion and Analysis

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

**FINANCIAL HIGHLIGHTS**

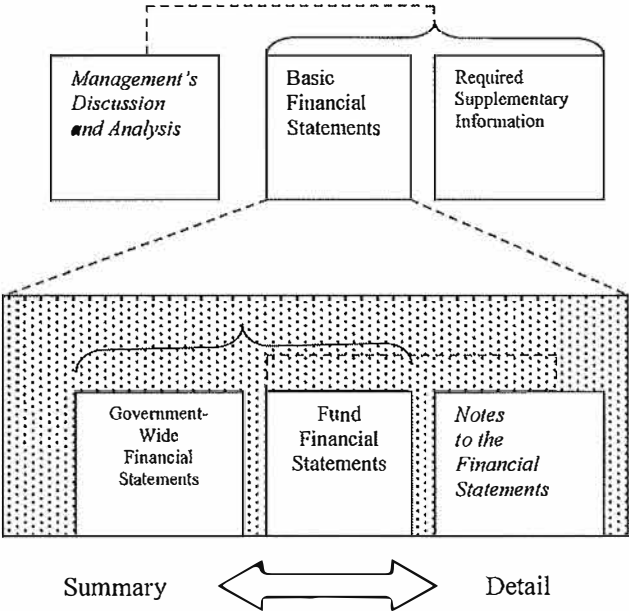
- The District's total combined net position was \$14,635,250 at August 31, 2023.
- During the year, the District's expenses were \$865,972 more than the \$23,286,461 generated in taxes and other revenues for governmental activities.
- The total cost of the District's programs for governmental activities increased \$1,970,051 from last year.
- The general fund reported a fund balance this year of \$6,889,383.

**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 offer *short-term* and *long-term* financial information about the activities the government operates *like businesses*, such as self-insurance.
  - *Fiduciary fund* statements provide information about the financial relationships in which the District acts solely as a *trustee or agent* 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.

Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

<b>Figure A-2. Major Features of the District's Government-Wide and Fund Financial Statements</b>				
<i>Type of Statements</i>	<b>Fund Statements</b>			
	<b>Government-Wide</b>	<b>Governmental Funds</b>	<b>Proprietary Funds</b>	<b>Fiduciary Funds</b>
<i>Scope</i>	Entire District's government (except fiduciary funds) and the District's component units	The activities of the District that are not proprietary or fiduciary	Activities the District operates similar to private businesses: self-insurance	Instances in which the District is the trustee or agent for someone else's resources
<i>Required financial statement</i>	*Statement of net position	*Balance Sheet	*Statement of net position	*Statement of Fiduciary net position
	*Statement of activities	*Statement of revenues, expenditures & changes in fund balances	*Statement of revenues, expenses and changes in fund net position	*Statement of changes in fiduciary net position
			*Statement of cash flows	
<i>Accounting basis and measurement focus</i>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
<i>Type of asset/liability information</i>	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term, the District's funds do not currently contain capital assets, although they can
<i>Type of inflow/outflow information</i>	All revenue and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year ; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All revenues and expenses during the year, regardless of when cash is received or paid

### **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 and liabilities. All of the current year's revenues and expenses are accounted for in the statement activities regardless of when cash is received or paid.

The two government-wide statements report the District's net position and how they have changed. Net position -- the difference between the District's assets and liabilities -- are one way to measure the District's financial health or *position*.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the District, you need to consider additional non-financial 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 three 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 view that helps 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 statement, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explains the relationship (or differences) between them.
- *Proprietary funds*—Services for which the District charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long- and short-term financial information.
  - We use *internal service funds* to report activities that provide supplies and services for the District's other programs and activities—such as the District's Self Insurance Fund.
- *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. 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.

## FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The District's *combined* net position was \$14,709,444 at August 31, 2023. (See Table A-1).

The \$2,944,274 of *combined* unrestricted net position represents resources available to fund the programs of the District next year.

Total *combined* current assets decreased \$2,666,774, primarily due to a large decrease in cash and cash equivalents of \$2,270,329 for the decreased tax collections and state revenue payments. Long-term liabilities experienced a decrease of \$1,590,817 due to scheduled payments.

**Table A-1**  
**The District's Net Position**

	Governmental Activities		% Change	Business-Type Activities		% Change
	2023	2022		2023	2022	
Current and other assets	\$ 11,645,976	\$ 14,311,872	-18.63%	\$ 49,241	\$ 50,119	-1.75%
Capital and non-current assets	39,410,258	39,021,504	1.00%	26,600	18,909	40.67%
<b>Total Assets</b>	<u>51,056,234</u>	<u>53,333,376</u>	-4.27%	<u>75,841</u>	<u>69,028</u>	9.87%
Deferred Outflow of Resources-						
Undesignated	493,617	579,286				
Deferred Outflow Related						
to Pensions	2,769,646	1,451,626	90.80%	-	-	0.00%
Deferred Outflow Related						
to OPEB	2,380,032	1,715,350	38.75%	-	-	0.00%
<b>Total Deferred Outflows of Resources</b>	<u>5,643,295</u>	<u>3,746,262</u>	50.64%	<u>-</u>	<u>-</u>	0.00%
Current liabilities	2,643,739	2,631,632	0.46%	1,647	112	1370.54%
Long-term liabilities	26,427,840	28,018,657	-5.68%	-	-	0.00%
Net Pension Liability	5,138,471	1,860,847	176.14%	-	-	0.00%
Net OPEB Liability	2,949,138	4,142,217	-28.80%	-	-	0.00%
<b>Total Liabilities</b>	<u>37,159,188</u>	<u>36,653,353</u>	1.38%	<u>1,647</u>	<u>112</u>	1370.54%
Deferred Inflows Related						
to Pensions	399,308	2,047,938	-80.50%	-	-	0.00%
Deferred Inflows Related						
to OPEB	4,505,783	2,881,125	56.39%	-	-	0.00%
<b>Total Deferred Inflows of Resources</b>	<u>4,905,091</u>	<u>4,929,063</u>	-0.49%	<u>-</u>	<u>-</u>	0.00%
Net Position						
Net investment in						
capital assets	11,738,570	10,377,734	13.11%	26,600	18,909	40.67%
Restricted	-	-	-100.00%	-	-	0.00%
Unrestricted	2,896,680	5,119,488	-43.42%	47,594	50,007	-4.83%
<b>Total Net Position</b>	<u>\$ 14,635,250</u>	<u>\$ 15,497,222</u>	-5.56%	<u>\$ 74,194</u>	<u>\$ 68,916</u>	7.66%

### Changes in net position

The District's total revenues from governmental activities were \$23,290,461. A significant portion, 43%, of the District's revenue comes from taxes. (See Figure A-3)

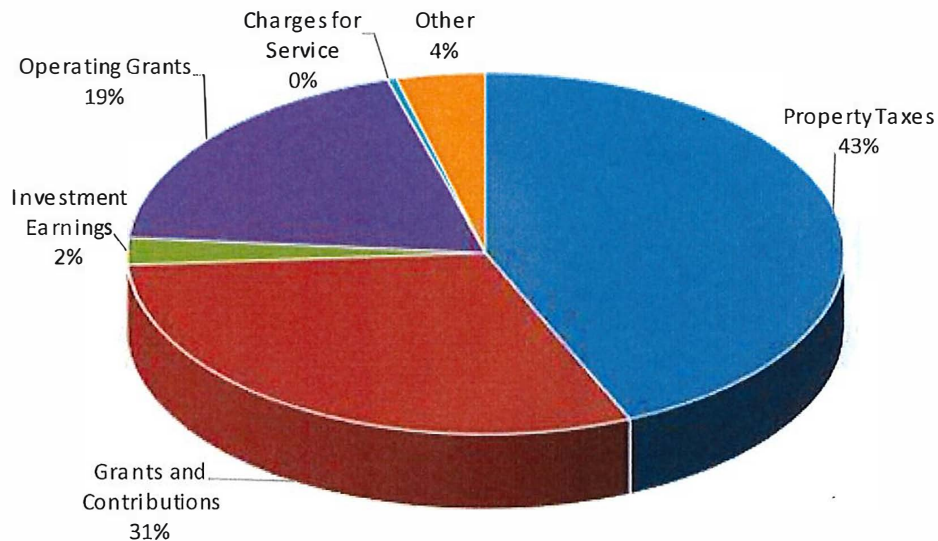
Grants and contributions not restricted to specific functions decreased from 32% to 31%, while operating grants decreased from 20% to 19%.

The total costs of all programs and services for governmental activities were \$24,152,433, and 73% of these costs are for instructional and student services.

### Governmental Activities

- Operating and maintenance property tax rates dropped slightly from .8747 to .8676 per \$100 of value, while property valuations increased by 3.9%. The debt service tax rate was increased by 2.3%.

**Figure A-3**  
**District Sources of Revenue for Fiscal Year**



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Table A-2  
The District's Revenues and Expenditures

	Governmental Activities		%	Business - Type Activities		%
	2023	2022	Change	2023	2022	Change
Revenues:						
Program Revenues:						
Charges for service	\$ 95,818	\$ 89,413	7.16%	\$ 20,000	\$ 19,200	4.17%
Operating grants and contributions	4,466,861	4,487,902	-0.47%	-	-	0.00%
General Revenues:						
Maintenance and operations taxes	7,838,218	7,685,512	1.99%	-	-	0.00%
Debt service taxes	2,276,693	2,315,436	-1.67%	-	-	0.00%
Grants and contributions not restricted to specific functions	7,114,911	7,197,603	-1.15%	-	-	0.00%
Investment earnings	556,589	70,307	691.66%	-	-	0.00%
Transfers	4,000	0	100.00%	-	-	0.00%
Miscellaneous	937,371	924,649	1.38%	-	-	0.00%
Total Revenue	<u>23,290,461</u>	<u>22,770,822</u>	2.28%	<u>20,000</u>	<u>19,200</u>	4.17%
Expenses:						
Instruction, curriculum and media services	11,307,238	10,357,714	9.17%	-	-	0.00%
Instructional and school leadership	1,881,595	1,615,137	16.50%	-	-	0.00%
Student support services	1,484,826	1,489,093	-0.29%	-	-	0.00%
Child nutrition	1,675,873	1,631,142	2.74%	-	-	0.00%
Cocurricular activities	1,337,986	1,290,835	3.65%	-	-	0.00%
General administration	943,044	777,383	21.31%	-	-	0.00%
Facilities maintenance, security & data processing	4,267,243	3,719,713	14.72%	-	-	0.00%
Community Services	35,812	37,259	-3.88%	-	-	0.00%
Debt service	992,830	1,033,417	-3.93%	-	-	0.00%
Capital Outlay	-	9,922	100.00%	-	-	0.00%
Other Intergovernmental Charges	136,216	128,874	5.70%	-	-	0.00%
Bond Issuance Costs	89,770	91,893	-2.31%	-	-	0.00%
Rental Property	-	-	0.00%	14,721	64,101	-77.03%
Total Expenses	<u>24,152,433</u>	<u>22,182,382</u>	8.88%	<u>14,721</u>	<u>64,101</u>	-77.03%
Increase in net position	(861,972)	588,440	-246.48%	5,279	(44,901)	-111.76%
Net position at beginning of year	15,497,222	14,908,782	3.95%	68,916	113,817	-39.45%
Prior Period Adjustment	-	-	0.00%	-	-	0.00%
Net position at end of year	<u>\$ 14,635,250</u>	<u>\$ 15,497,222</u>	-5.56%	<u>\$ 74,195</u>	<u>\$ 68,916</u>	7.66%

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 \$24,152,433.
- The amount that our taxpayers paid for these activities through property taxes was \$10,114,911.
- Some of the cost was paid by those who directly benefited from the programs, \$95,818, and by grants and contributions, \$4,466,861.

**Table A-3  
Net Cost of Selected District Functions**

	Total Cost of Services		% Change	Net Cost of Services		% Change
	2023	2022		2023	2022	
Instruction	\$ 10,416,384	\$ 9,579,779	8.73%	\$ 9,531,892	\$ 8,494,702	12.21%
School leadership	1,462,334	1,265,387	15.56%	1,300,505	1,213,606	7.16%
Facilities maintenance & operations	3,654,399	3,216,942	13.60%	3,653,386	3,278,174	11.45%

#### FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Revenues from governmental fund types totaled \$23,835,497 and were up 0.17% from the preceding year. There was a \$497,529 decrease in federal program revenues, and a \$45,793 decrease in state revenues and a \$585,835 increase in local revenue, which more than offset the decrease in federal program revenues.

#### General Fund Budgetary Highlights

Over the course of the year, the District revised its budget several times. The actual expenditures were \$1,961,276 less than final budgeted amounts. Staffing was budgeted for full employment throughout the full year.

Resources available were \$562,437 below the final budgeted amount. As noted earlier:

- Actual state revenues were lower than budgeted by \$985,186, which offset property tax collections being more than the final budgeted amount by \$548,076.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of the 2023 school year, the District had invested \$62,140,307 in a broad range of governmental activities' capital assets, including land, buildings, and vehicles before depreciation. (See Table A-4) This amount represents a net increase (including additions and deletions) of \$1,875,404 or approximately 3.11% over last year, due to the new roofing project that was completed.

**Table A-4  
District's Capital Assets**

	Governmental Activities		% Change	Business-Type Activities		% Change
	2023	2022		2023	2022	
Land	\$ 658,768	\$ 639,026	3.09%	\$ -	\$ -	0.00%
Construction in Progress	182,448	309,451	-41.04%	-	-	0.00%
Buildings and improvements	56,051,537	54,146,478	3.52%	38,077	27,927	36.34%
Equipment	3,024,995	2,947,389	2.63%	-	-	0.00%
Vehicles	2,222,559	2,222,559	0.00%	-	-	0.00%
Totals at historical cost	62,140,307	60,264,903	3.11%	38,077	27,927	36.34%
Total accumulated depreciation	22,730,053	21,243,403	7.00%	11,478	9,018	-27.28%
Net capital assets	\$ 39,410,254	\$ 39,021,500	1.00%	\$ 26,599	\$ 18,909	40.67%

**Long -Term Debt**

The District, as of August 31, 2023, had \$25,655,000 in outstanding Tax School Refunding and Building Bonds Series 2018, 2017, 2016 and 2009. The District had a \$2,020,804 Premium on Bonds, a deferred loss on refunding bonds and \$493,617 in Capital Leases. See note F for additional information.

**Table A-5  
The District's Long-Term Debt**

<b>Governmental Activities</b>	<b>2023</b>	<b>2022</b>	<b>Total % Change</b>
Tax school building bonds	\$ 25,655,000	\$ 26,902,000	-4.64%
Capital appreciation bonds	-	-	0.00%
Premium on bonds	2,020,804	2,203,943	-8.31%
Deferred loss on refunding bond	(493,617)	(579,287)	-14.79%
Capital Lease	160,831	324,830	-50.49%
Subscriptions Liability	26,101	-	
Net Pension Liability	5,138,471	1,860,847	176.14%
Net OPEB Liability	2,949,138	4,142,217	-28.80%
Total governmental activities	\$ 35,456,728	\$ 34,854,550	1.73%

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

- Net taxable valuations for the 2023 tax assessments will be \$912,017,380, or 2.21% above the 2022 tax year valuations.
- General operating fund spending per student in the 2024 budget is \$13,964.
- The district's 2024 refined average daily attendance is expected to remain stable.

These indicators were considered when adopting the general fund budget for 2024. Amounts available for appropriation in the general fund budget are \$18,167,821, an increase of almost 1% from the final 2023 budget of \$17,988,722.

The District opened the 2024 school year with all teacher positions filled with highly qualified teachers. The District has added no major new programs or initiatives to the 2024 budget.

If these estimates are realized, the District's budgetary general fund balance is expected to stay the same.

## **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 District's Business Services Department.

Bishop Consolidated Independent School District  
719 East Sixth Street  
Bishop, Texas 78343

(361) 584-3591  
(361) 584-3147 fax

## Basic Financial Statements

**BISHOP CONSOLIDATED INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**AUGUST 31, 2023**

Data Control Codes	1	2	3
	Governmental Activities	Business-type Activities	Total
<b>ASSETS:</b>			
1110	\$ 10,141,263	\$ 49,241	\$ 10,190,504
1225	463,824	--	463,824
1240	591,404	--	591,404
1260	7,850	--	7,850
1290	281	--	281
1410	441,354	--	441,354
Capital Assets:			
1510	658,768	--	658,768
1520	37,305,222	26,600	37,331,822
1530	1,238,358	--	1,238,358
1550	25,461	--	25,461
1580	182,449	--	182,449
1000	<u>51,056,234</u>	<u>75,841</u>	<u>51,132,075</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
	493,617	--	493,617
	2,769,646	--	2,769,646
	2,380,032	--	2,380,032
1700	<u>5,643,295</u>	<u>--</u>	<u>5,643,295</u>
<b>LIABILITIES:</b>			
2110	604,969	1,647	606,616
2140	52,390	--	52,390
2165	551,055	--	551,055
2180	360	--	360
2300	68	--	68
Noncurrent Liabilities:			
2501	1,434,897	--	1,434,897
2502	26,427,840	--	26,427,840
2540	5,138,471	--	5,138,471
2545	2,949,138	--	2,949,138
2000	<u>37,159,188</u>	<u>1,647</u>	<u>37,160,835</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
	399,308	--	399,308
	4,505,783	--	4,505,783
2600	<u>4,905,091</u>	<u>--</u>	<u>4,905,091</u>
<b>NET POSITION:</b>			
3200	11,725,839	26,600	11,752,439
3900	2,909,411	47,594	2,957,005
3000	<u>\$ 14,635,250</u>	<u>\$ 74,194</u>	<u>\$ 14,709,444</u>

The accompanying notes are an integral part of this statement.

# BISHOP CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

## STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED AUGUST 31, 2023

Data Control Codes	Functions/Programs	1	3	4
		Expenses	Charges for Services	Program Revenues Operating Grants and Contributions
	Governmental Activities:			
11	Instruction	\$ 10,416,384	\$ --	\$ 884,492
12	Instructional Resources and Media Services	241,104	--	185,275
13	Curriculum and Staff Development	649,750	--	133,028
21	Instructional Leadership	419,261	--	170,656
23	School Leadership	1,462,334	--	161,829
31	Guidance, Counseling, and Evaluation Services	811,802	--	68,916
33	Health Services	186,377	--	187,019
34	Student Transportation	486,647	--	--
35	Food Service	1,675,873	39,773	1,678,922
36	Cocurricular/Extracurricular Activities	1,337,986	54,387	--
41	General Administration	943,044	645	--
51	Facilities Maintenance and Operations	3,654,399	1,013	--
52	Security and Monitoring Services	116,714	--	25,431
53	Data Processing Services	496,130	--	--
61	Community Services	35,812	--	851,945
62	School Dist. Admin. Support Services	--	--	792
72	Interest on Long-term Debt	992,830	--	--
73	Bond Issuance Costs and Fees	89,770	--	--
81	Capital Outlay	--	--	94,630
93	Payments Related to Shared Services Arrangements	23,931	--	23,926
99	Other Intergovernmental Charges	112,285	--	--
TG	Total Governmental Activities	<u>24,152,433</u>	<u>95,818</u>	<u>4,466,861</u>
	Business-type Activities:			
03	Fund 713	14,721	20,000	--
TB	Total Business-type Activities	<u>14,721</u>	<u>20,000</u>	<u>--</u>
TP	Total Primary Government	<u>\$ 24,167,154</u>	<u>\$ 115,818</u>	<u>\$ 4,466,861</u>
	General Revenues:			
MT	Property Taxes, Levied for General Purposes			
DT	Property Taxes, Levied for Debt Service			
IE	Investment Earnings			
GC	Grants and Contributions Not Restricted to Specific Programs			
MI	Miscellaneous			
FR	Transfers			
TR	Total General Revenues and Transfers			
CN	Change in Net Position			
NB	Net Position - Beginning			
NE	Net Position - Ending			

The accompanying notes are an integral part of this statement.

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Net (Expense) Revenue and Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ (9,531,892)		\$ (9,531,892)
(55,829)		(55,829)
(516,722)		(516,722)
(248,605)		(248,605)
(1,300,505)		(1,300,505)
(742,886)		(742,886)
642		642
(486,647)		(486,647)
42,822		42,822
(1,283,599)		(1,283,599)
(942,399)		(942,399)
(3,653,386)		(3,653,386)
(91,283)		(91,283)
(496,130)		(496,130)
816,133		816,133
792		792
(992,830)		(992,830)
(89,770)		(89,770)
94,630		94,630
(5)		(5)
(112,285)		(112,285)
<u>(19,589,754)</u>		<u>(19,589,754)</u>
<u>--</u>	<u>5,279</u>	<u>5,279</u>
<u>--</u>	<u>5,279</u>	<u>5,279</u>
<u>(19,589,754)</u>	<u>5,279</u>	<u>(19,584,475)</u>
7,838,218	--	7,838,218
2,276,693	--	2,276,693
556,589	--	556,589
7,114,911	--	7,114,911
937,371	--	937,371
4,000	--	4,000
<u>18,727,782</u>	<u>--</u>	<u>18,727,782</u>
(861,972)	5,279	(856,693)
<u>15,497,222</u>	<u>68,915</u>	<u>15,566,137</u>
<u>\$ 14,635,250</u>	<u>\$ 74,194</u>	<u>\$ 14,709,444</u>

**BISHOP CONSOLIDATED INDEPENDENT SCHOOL DISTRICT**

BALANCE SHEET - GOVERNMENTAL FUNDS

AUGUST 31, 2023

Data Control Codes	10 General Fund	50 Debt Service Fund
<b>ASSETS:</b>		
1110 Cash and Cash Equivalents	\$ 6,929,738	\$ 1,117,962
1225 Taxes Receivable, Net	333,804	130,020
1240 Due from Other Governments	217,064	318
1260 Due from Other Funds	7,850	--
1290 Other Receivables	270	--
1410 Unrealized Expenditures	424,499	--
1000 Total Assets	<u>7,913,225</u>	<u>1,248,300</u>
<b>LIABILITIES:</b>		
Current Liabilities:		
2110 Accounts Payable	\$ 266,148	\$ --
2150 Payroll Deductions and Withholdings	1,524	--
2160 Accrued Wages Payable	413,084	--
2180 Due to Other Governments	--	--
2200 Accrued Expenditures	9,283	--
2300 Unearned Revenue	--	--
2000 Total Liabilities	<u>690,039</u>	<u>--</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>		
Deferred Revenue	333,803	130,020
2600 Total Deferred Inflows of Resources	<u>333,803</u>	<u>130,020</u>
<b>FUND BALANCES:</b>		
Restricted Fund Balances:		
3450 Federal/State Funds Grant Restrictions	--	--
3480 Retirement of Long-Term Debt	--	1,118,280
3490 Other Restrictions of Fund Balance	--	--
Assigned Fund Balances:		
3590 Other Assigned Fund Balance	--	--
3600 Unassigned	6,889,383	--
3000 Total Fund Balances	<u>6,889,383</u>	<u>1,118,280</u>
4000 Total Liabilities, Deferred Inflow of Resources and Fund Balances	<u>\$ 7,913,225</u>	<u>\$ 1,248,300</u>

The accompanying notes are an integral part of this statement.

EXHIBIT C-1

60 Capital Projects Fund	onmf Other Governmental Funds	98 Total Governmental Funds
\$ 177,034	\$ 683,486	\$ 8,908,220
--	--	463,824
--	374,022	591,404
--	--	7,850
--	11	281
--	--	424,499
<u>177,034</u>	<u>1,057,519</u>	<u>10,396,078</u>
\$ 177,034	\$ 43,563	\$ 486,745
--	--	1,524
--	33,489	446,573
--	360	360
--	3,562	12,845
--	68	68
<u>177,034</u>	<u>81,042</u>	<u>948,115</u>
<u>--</u>	<u>--</u>	<u>463,823</u>
<u>--</u>	<u>--</u>	<u>463,823</u>
--	801,402	801,402
--	--	1,118,280
--	146,251	146,251
--	28,824	28,824
--	--	6,889,383
<u>--</u>	<u>976,477</u>	<u>8,984,140</u>
<u>\$ 177,034</u>	<u>\$ 1,057,519</u>	<u>\$ 10,396,078</u>

**BISHOP CONSOLIDATED 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	\$ 8,984,140
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.	38,760,233
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	463,823
The assets and liabilities of internal service funds are included in governmental activities in the SNP.	1,601,284
Payables for bond principal which are not due in the current period are not reported in the funds.	(25,655,000)
Payables for right-to-use leases which are not due in the current period are not reported in the funds.	(26,101)
Payables for debt interest which are not due in the current period are not reported in the funds.	(51,190)
Payables for notes which are not due in the current period are not reported in the funds.	(71,729)
Other long-term assets are not available to pay for current period expenditures and are deferred in the funds.	493,617
Recognition of the District's proportionate share of the net pension liability is not reported in the funds.	(5,138,471)
Deferred Resource Inflows related to the pension plan are not reported in the funds.	(399,308)
Deferred Resource Outflows related to the pension plan are not reported in the funds.	2,769,646
Bond premiums are amortized in the SNA but not in the funds.	(2,020,805)
Recognition of the District's proportionate share of the net OPEB liability is not reported in the funds.	(2,949,138)
Deferred Resource Inflows related to the OPEB plan are not reported in the funds.	(4,505,783)
Deferred Resource Outflows related to the OPEB plan are not reported in the funds.	<u>2,380,032</u>
Net position of governmental activities - Statement of Net Position	<u>\$ 14,635,250</u>

The accompanying notes are an integral part of this statement.



Bishop Consolidated Independent School District

**BISHOP CONSOLIDATED 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
<b>REVENUES:</b>		
5700 Local and Intermediate Sources	\$ 8,966,397	\$ 2,354,839
5800 State Program Revenues	7,935,215	65,060
5900 Federal Program Revenues	<u>224,673</u>	<u>--</u>
5020 Total Revenues	<u>17,126,285</u>	<u>2,419,899</u>
<b>EXPENDITURES:</b>		
Current:		
0011 Instruction	8,702,425	--
0012 Instructional Resources and Media Services	31,296	--
0013 Curriculum and Staff Development	477,227	--
0021 Instructional Leadership	222,221	--
0023 School Leadership	1,208,614	--
0031 Guidance, Counseling, and Evaluation Services	695,025	--
0033 Health Services	178,050	--
0034 Student Transportation	412,694	--
0035 Food Service	--	--
0036 Cocurricular/Extracurricular Activities	1,039,402	--
0041 General Administration	888,426	--
0051 Facilities Maintenance and Operations	3,585,960	--
0052 Security and Monitoring Services	84,695	--
0053 Data Processing Services	478,991	--
0061 Community Services	29,207	--
0071 Principal on Long-term Debt	134,179	1,180,000
0072 Interest on Long-term Debt	26,984	1,149,950
0073 Bond Issuance Costs and Fees	--	4,100
0081 Capital Outlay	307,485	--
0093 Payments to Shared Service Arrangements	--	--
0099 Other Intergovernmental Charges	<u>112,285</u>	<u>--</u>
6030 Total Expenditures	<u>18,615,166</u>	<u>2,334,050</u>
1100 Excess (Deficiency) of Revenues Over (Under)		
1100 Expenditures	<u>(1,488,881)</u>	<u>85,849</u>
Other Financing Sources and (Uses):		
7915 Transfers In	--	--
7949 Other Resources	11,477	--
8911 Transfers Out	<u>(514,989)</u>	<u>--</u>
7080 Total Other Financing Sources and (Uses)	<u>(503,512)</u>	<u>--</u>
1200 Net Change in Fund Balances	(1,992,393)	85,849
0100 Fund Balances - Beginning	<u>8,881,776</u>	<u>1,032,431</u>
3000 Fund Balances - Ending	<u>\$ 6,889,383</u>	<u>\$ 1,118,280</u>

The accompanying notes are an integral part of this statement.

EXHIBIT C-2

60 Capital Projects Fund	onmf Other Governmental Funds	98 Total Governmental Funds
\$ 21,872	\$ 326,317	\$ 11,669,425
--	129,634	8,129,909
--	3,811,490	4,036,163
<u>21,872</u>	<u>4,267,441</u>	<u>23,835,497</u>
--	1,258,231	9,960,656
--	194,204	225,500
--	146,584	623,811
--	177,608	399,829
--	204,903	1,413,517
--	93,222	788,247
--	4,037	182,087
--	445	413,139
--	1,572,677	1,572,677
--	240,800	1,280,202
--	24,791	913,217
--	29,253	3,615,213
--	26,216	110,911
--	4,571	483,562
--	4,577	33,784
--	--	1,314,179
--	--	1,176,934
--	--	4,100
1,315,446	94,630	1,717,561
--	23,931	23,931
--	--	112,285
<u>1,315,446</u>	<u>4,100,680</u>	<u>26,365,342</u>
<u>(1,293,574)</u>	<u>166,761</u>	<u>(2,529,845)</u>
514,989	4,000	518,989
--	--	11,477
--	--	(514,989)
<u>514,989</u>	<u>4,000</u>	<u>15,477</u>
(778,585)	170,761	(2,514,368)
778,585	805,716	11,498,508
<u>\$ --</u>	<u>\$ 976,477</u>	<u>\$ 8,984,140</u>

**BISHOP CONSOLIDATED 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	\$ (2,514,368)
Amounts reported for governmental activities in the Statement of Activities ("SOA") are different because:	
Capital outlays are not reported as expenses in the SOA.	1,848,688
The depreciation of capital assets used in governmental activities is not reported in the funds.	(1,338,024)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	40,786
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	1,247,000
Repayment of right-to-use lease principal is an expenditure in the funds but is not an expense in the SOA.	12,091
Repayment of loan principal is an expenditure in the funds but is not an expense in the SOA.	55,088
(Increase) decrease in accrued interest from beginning of period to end of period.	98,434
The net revenue (expense) of internal service funds is reported with governmental activities.	(209,588)
Proceeds of right-to-use leases do not provide revenue in the SOA, but are reported as current resources in the SOA.	(11,477)
The District's share of the unrecognized deferred inflows and outflows for the pension plan was amortized.	66,755
Pension expense relating to GASB 68 is recorded in the SOA but not in the funds.	(377,729)
OPEB contributions made after the measurement date but in current FY were de-expended & reduced NPL.	889,680
The District's share of the unrecognized deferred inflows and outflows for the OPEB plan was amortized.	(656,578)
The amortization of right-to-use lease assets used in governmental activities is not reported in the funds.	(12,731)
OPEB contributions made after the measurement date but in current FY were de-expended & reduced NPL.	889,680
The District's share of the unrecognized deferred inflows and outflows for the OPEB plan was amortized.	(656,578)
The amortization of right-to-use lease assets used in governmental activities is not reported in the funds.	(12,731)
Other reconciling items	<u>(220,371)</u>
Change in net position of governmental activities - Statement of Activities	<u>\$ (861,922)</u>

The accompanying notes are an integral part of this statement.

**BISHOP CONSOLIDATED INDEPENDENT SCHOOL DISTRICT**  
 STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 AUGUST 31, 2023

Data Control Codes	Other Enterprise Funds	Internal Service Funds
<b>ASSETS:</b>		
Current Assets:		
1110 Cash and Cash Equivalents	\$ 49,241	\$ 1,233,043
1410 Unrealized Expenses	--	16,855
Total Current Assets	<u>49,241</u>	<u>1,249,898</u>
Noncurrent Assets:		
Capital Assets:		
1520 Buildings and Improvements	38,077	--
1530 Furniture and Equipment	--	2,031,949
1570 Accumulated Depreciation	<u>(11,477)</u>	<u>(1,381,924)</u>
Total Noncurrent Assets	<u>26,600</u>	<u>650,025</u>
1000 Total Assets	<u>75,841</u>	<u>1,899,923</u>
<b>LIABILITIES:</b>		
Current Liabilities:		
2110 Accounts Payable	\$ 1,647	\$ 118,224
2120 Bonds, Notes and Loans Payable	--	89,102
2140 Interest Payable	--	1,200
2200 Accrued Expenses	--	90,113
Total Current Liabilities	<u>1,647</u>	<u>298,639</u>
2000 Total Liabilities	<u>1,647</u>	<u>298,639</u>
<b>NET POSITION:</b>		
3200 Net Investment in Capital Assets	26,600	560,923
3900 Unrestricted	<u>47,594</u>	<u>1,040,361</u>
3000 Total Net Position	<u>\$ 74,194</u>	<u>\$ 1,601,284</u>

The accompanying notes are an integral part of this statement.

**BISHOP CONSOLIDATED 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	Other Enterprise Funds	Internal Service Funds
<b>OPERATING REVENUES:</b>		
5700 Local and Intermediate Sources	\$ 20,000	\$ 2,081,946
5800 State Program Revenues	--	10,649
5020 Total Revenues	<u>20,000</u>	<u>2,092,595</u>
<b>OPERATING EXPENSES:</b>		
6100 Payroll Costs	--	139,631
6200 Professional and Contracted Services	9,080	1,256,573
6300 Supplies and Materials	2,582	109,832
6400 Other Operating Costs	3,059	791,865
6030 Total Expenses	<u>14,721</u>	<u>2,297,901</u>
Operating Income (Loss)	<u>5,279</u>	<u>(205,306)</u>
<b>NON-OPERATING REVENUES (EXPENSES):</b>		
8989 Other Non-operating Expenses	--	(4,282)
8030 Total Non-operating Revenues (Expenses)	<u>--</u>	<u>(4,282)</u>
1300 Change in Net Position	5,279	(209,588)
0100 Total Net Position - Beginning	68,915	1,810,872
3300 Total Net Position - Ending	<u>\$ 74,194</u>	<u>\$ 1,601,284</u>

The accompanying notes are an integral part of this statement.

**BISHOP CONSOLIDATED INDEPENDENT SCHOOL DISTRICT**

## STATEMENT OF CASH FLOWS

## PROPRIETARY FUNDS

FOR THE YEAR ENDED AUGUST 31, 2023

	Nonmajor Enterprise Funds	Internal Service Funds
<b>Cash Flows from Operating Activities:</b>		
Cash Received from Customers	\$ 20,000	\$ --
Cash Received from Grants		10,649
Cash Receipts (Payments) for Quasi-external Operating Transactions with Other Funds	--	2,078,728
Cash Payments to Employees for Services	--	(139,631)
Cash Payments to Other Suppliers for Goods and Services	<u>(10,727)</u>	<u>(1,954,799)</u>
Net Cash Provided (Used) by Operating Activities	<u>9,273</u>	<u>(5,053)</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>		
Principal and Interest Paid	--	(120,914)
Acquisition or Construction of Capital Assets	<u>(10,150)</u>	--
Net Cash Provided (Used) for Capital and Related Financing Activities	<u>(10,150)</u>	<u>(120,914)</u>
<b>Cash Flows from Investing Activities:</b>		
Interest and Dividends on Investments	--	3,217
Net Cash Provided (Used) for Investing Activities:	<u>--</u>	<u>3,217</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(877)	(122,750)
Cash and Cash Equivalents at Beginning of Year	50,118	1,355,793
Cash and Cash Equivalents at End of Year	<u>\$ 49,241</u>	<u>\$ 1,233,043</u>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</b>		
Operating Income (Loss)	\$ 5,279	\$ (205,306)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities		
Depreciation	2,459	135,895
Change in Assets and Liabilities:		
Increase (Decrease) in Accounts Payable	1,535	(10,309)
Increase (Decrease) in Accrued Expenses	--	74,667
Total Adjustments	<u>3,994</u>	<u>200,253</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 9,273</u>	<u>\$ (5,053)</u>

The accompanying notes are an integral part of this statement.

**BISHOP CONSOLIDATED INDEPENDENT SCHOOL DISTRICT**

## STATEMENT OF FIDUCIARY NET POSITION

## FIDUCIARY FUNDS

AUGUST 31, 2023

Data Control Codes	<u>Private-purpose Trust Funds</u>	<u>Private-Purpose Trust Fund</u>	<u>Custodial Funds</u>
<b>ASSETS:</b>			
1110 Cash and Cash Equivalents	\$ (1,000)		\$ 77,299
1240 Due from Other Governments	--		8,311
1800 Restricted Assets	<u>86,804</u>		<u>--</u>
1000 Total Assets	<u>85,804</u>		<u>85,610</u>
<b>LIABILITIES:</b>			
Current Liabilities:			
2110 Accounts Payable	\$ --		\$ 5,048
2170 Due to Other Funds	7,850		--
2180 Due to Other Governments	<u>--</u>		<u>8,695</u>
2000 Total Liabilities	<u>7,850</u>		<u>13,743</u>
<b>NET POSITION:</b>			
3800 Held in Trust	77,954		--
3800 Restricted for Other Purposes	<u>--</u>		<u>71,867</u>
3000 Total Net Position	<u>\$ 77,954</u>		<u>\$ 71,867</u>

The accompanying notes are an integral part of this statement.

**BISHOP CONSOLIDATED INDEPENDENT SCHOOL DISTRICT**

## STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

## FIDUCIARY FUNDS

FOR THE YEAR ENDED AUGUST 31, 2023

	Private Purpose Trusts	Custodial Funds
<b>ADDITIONS:</b>		
Investment Income	\$ 3,647	\$ --
Net (Decrease) in Fair Value of Investments	--	--
Student Group Fundraising Activities	--	162,052
Total Additions	<u>3,647</u>	<u>162,052</u>
<b>DEDUCTIONS:</b>		
Scholarships	3,000	--
Transfers to Other Funds	--	4,000
Purchased and Contracted Services	--	3,065
Supplies and Materials	--	127,345
Other Operating Expenses	--	24,864
Total Deductions	<u>3,000</u>	<u>159,274</u>
<b>Change in Fiduciary Net Position</b>	647	2,778
Net Position-Beginning of the Year	77,307	69,089
Net Position-End of the Year	<u>\$ 77,954</u>	<u>\$ 71,867</u>

The accompanying notes are an integral part of this statement.

**BISHOP CONSOLIDATED INDEPENDENT SCHOOL DISTRICT**  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2023

A. Summary of Significant Accounting Policies

The basic financial statements of Bishop Consolidated 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. These statements distinguish between the governmental and business-type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

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

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

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

The District reports the following major governmental funds:

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.

**BISHOP CONSOLIDATED INDEPENDENT SCHOOL DISTRICT**  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2023

Debt Service Fund: This fund accounts for tax revenues for debt service, as well as the principal, interest, and other expenditures related to debt service.

Capital Projects Fund: This fund accounts for funds received from the issuance of bonds for the purposes of capital projects, as well as related expenditures for the completion of those bond projects.

In addition, the District reports the following fund types:

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.

Private-Purpose Trust Funds: These funds are used to report trust arrangements under which principal and income benefit individuals, private organizations, or other governments not reported in other fiduciary fund types.

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, with the exception of property taxes, which are fully deferred. 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.

**BISHOP CONSOLIDATED INDEPENDENT SCHOOL DISTRICT**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2023

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.

The tax rates assessed for the year ended August 31, 2023, to finance General Fund operations and the payment of principal and interest on general obligation long-term debt were \$.867600 and \$.251993 per \$100 valuation, respectively, for a total of \$1.119593 per \$100 valuation.

Current tax collections for the year ended August 31, 2023, were 97.7% of the year-end adjusted tax levy. Delinquent taxes are prorated between maintenance and debt service based on the rates adopted for the year of the levy.

	Balance 09/01/22	Current Year Levy	Total Collections	Yearly Adjustments	Balance 08/31/23
Delinquent Taxes					
Receivable	\$ 929,803	\$ 10,130,472	\$ 9,997,187	\$ (41,851)	1,021,237
Allowance for Uncollectible Taxes	(506,762)			(50,652)	(557,414)
Net Delinquent Taxes Receivable	<u>\$ 423,041</u>	<u>\$ 10,130,472</u>	<u>\$ 9,997,187</u>	<u>\$ (92,503)</u>	<u>463,823</u>

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.

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 Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair 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.

**BISHOP CONSOLIDATED INDEPENDENT SCHOOL DISTRICT**  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED AUGUST 31, 2023

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

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings	50
Building Improvements	20
Vehicles	3-15
Furniture and Equipment	5-10
Computer Equipment	3-15
Right-to-use Lease Assets	5
Right-to-use Subscription Assets	5

Impairment losses related to capital assets are recognized and measured when there has been a significant, unexpected decline in the service utility of capital assets. The events or changes in circumstances which lead to impairment determinations are not considered to be normal or ordinary. The service utility of a capital asset is the usable capacity which, at acquisition, was expected to be used or provide service. Common indicators of impairment include - evidence of physical damage where the level of damage is such that restoration efforts are needed to restore service utility; enactment of laws or approval of regulations as well as changes in environmental factors; technological developments, or other evidence of obsolescence; changes in the manner of duration or use of capital assets; or construction stoppage due to lack of funding. There were no impairment charges during fiscal 2021.

e. Deferred Outflows and Inflows of Resources

In addition to assets, the statements of financial position (the government-wide and proprietary Statements 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. Compensated Absences

On retirement of certain employees who have been employed by the District at least five consecutive years, the District pays any accrued sick leave in a lump case payment to such employee or his/her estate at a rate of \$40/day, up to 50 days, not to exceed \$2,000. The amount of this accrual is immaterial and has not been recorded.

h. 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

# BISHOP CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AUGUST 31, 2023

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.

i. Use of Estimates

The preparation of financial statements in conformity with GAAP requires the use of management's estimates.

j. 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.

k. 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. 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.

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.

**BISHOP CONSOLIDATED INDEPENDENT SCHOOL DISTRICT**  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2023

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 standard. 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. 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.

**BISHOP CONSOLIDATED INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2023**

**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:

<u>Violation</u>	<u>Action Taken</u>
Excess Expenditures over Appropriations	Review of budget procedures by management

<u>Fund/Function</u>	<u>Budget</u>	<u>Amount of Excess</u>
199 Curriculum and Staff Development	465,178	12,049

**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:

<u>Fund Name</u>	<u>Deficit Amount</u>	<u>Remarks</u>
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 \$807,094 and the bank balance was \$1,462,057. 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.

**BISHOP CONSOLIDATED INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2023**

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.

<u>Investment or Investment Type</u>	<u>Maturity</u>	<u>Fair Value</u>
TexPool, rated AAAM	N/A	\$ 8,527,119
Lone Star Investment Pool, rated AAA	N/A	1,017,169
Total Investments		<u>\$ 9,544,288</u>

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.

At August 31, 2023, the District's investments, other than those which are obligations of or guaranteed by the U. S. Government, are rated as to credit quality as follows:

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.

**BISHOP CONSOLIDATED INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2023**

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, unless the pool is 2a7-like, in which case they are reported at share value. A 2a7-like pool is one which is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940.

D. Capital Assets

Capital asset activity for the year ended 2023, Bishop Consolidated Independent School District, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<u>Governmental activities:</u>				
Capital assets not being depreciated:				
Land	\$ 639,026	\$ 19,742	\$ --	\$ 658,768
Construction in progress	309,451	1,063,014	1,190,017	182,448
Total capital assets not being depreciated	<u>948,477</u>	<u>1,082,756</u>	<u>1,190,017</u>	<u>841,216</u>
Capital assets being depreciated:				
Buildings and improvements	54,146,478	1,905,059	--	56,051,537
Equipment	2,947,389	39,414	--	2,986,803
Right of Use SBITA Assets - Equipment	--	38,192	--	38,192
Vehicles	2,222,559	--	--	2,222,559
Total capital assets being depreciated	<u>59,316,426</u>	<u>1,982,665</u>	<u>--</u>	<u>61,299,091</u>
Less accumulated depreciation for:				
Buildings and improvements	(17,702,848)	(1,043,469)	--	(18,746,317)
Equipment	(2,169,798)	(270,909)	--	(2,440,707)
Right of Use SBITA Assets - Equipment	--	(12,731)	--	(12,731)
Vehicles	(1,370,757)	(159,541)	--	(1,530,298)
Total accumulated depreciation	<u>(21,243,403)</u>	<u>(1,486,650)</u>	<u>--</u>	<u>(22,730,053)</u>
Total capital assets being depreciated, net	<u>38,073,023</u>	<u>496,015</u>	<u>--</u>	<u>38,569,038</u>
Governmental activities capital assets, net	<u>\$ 39,021,500</u>	<u>\$ 1,578,771</u>	<u>\$ 1,190,017</u>	<u>\$ 39,410,254</u>

**BISHOP CONSOLIDATED INDEPENDENT SCHOOL DISTRICT**  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED AUGUST 31, 2023

	Beginning Balances	Increases	Decreases	Ending Balances
<u>Business-type activities:</u>				
Capital assets being depreciated:				
Buildings and improvements	27,927	10,150	--	38,077
Total capital assets being depreciated	27,927	10,150	--	38,077
Less accumulated depreciation for:				
Buildings and improvements	(9,019)	(2,459)	--	(11,478)
Total accumulated depreciation	(9,019)	(2,459)	--	(11,478)
Total capital assets being depreciated, net	18,908	7,691	--	26,599
Business-type activities capital assets, net	\$ 18,908	\$ 7,691	\$ --	\$ 26,599

Depreciation was charged to functions as follows:

Instruction	\$ 605,296
Instructional Resources and Media Services	13,624
Curriculum and Staff Development	37,689
Instructional Leadership	24,157
School Leadership	85,401
Guidance, Counseling, & Evaluation Services	47,624
Health Services	11,001
Student Transportation	160,856
Food Services	103,196
Extracurricular Activities	77,347
General Administration	55,174
Plant Maintenance and Operations	218,422
Security and Monitoring Services	6,701
Data Processing Services	38,121
Community Services	2,041
	<u>\$ 1,486,650</u>

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	Private Purpose Trust Fund	\$ 7,850	Short-term loans
	Total	<u>\$ 7,850</u>	

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

2. Transfers To and From Other Funds

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

Transfers From	Transfers To	Amount	Reason
General fund	Capital Projects Fund	\$ 514,989	Supplement other funds sources
Student Activity Fund	Campus Activity Fund	4,000	Correct classification of activities
	Total	<u>\$ 518,989</u>	

**BISHOP CONSOLIDATED INDEPENDENT SCHOOL DISTRICT**  
 NOTES TO THE FINANCIAL STATEMENTS  
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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 2023, Bishop Consolidated Independent School District, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<u>Governmental activities:</u>					
Tax School Building Bonds	\$ 26,902,000	\$ --	\$ 1,247,000	\$ 25,655,000	\$ 1,294,000
Premium on Bonds	2,203,943	--	183,139	2,020,804	--
Deferred Loss on Refunding Bonds	(579,287)	--	(85,670)	(493,617)	--
Capital Financing Activities	324,830	--	163,999	160,831	128,177
Subscriptions Liability	--	38,192	12,091	26,101	12,720
Net Pension Liability *	1,860,847	3,681,509	403,885	5,138,471	--
Net OPEB Liability *	4,142,217	(1,091,916)	101,163	2,949,138	--
Total governmental activities	\$ 34,854,550	\$ 2,627,785	\$ 2,025,607	\$ 35,456,728	\$ 1,434,897

\* 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
Net OPEB Liability *	Governmental	General

Bonded debt consists of the following:

	2023	2022
2018 Unlimited Tax School Refunding Bonds, payable semi-annually, with payments of \$941,720 to \$901,000 including interest at 2.0% to 5.0%, maturing February 15, 2048	\$ 12,690,000	\$ 12,950,000
2016 Unlimited Tax Refunding (CAP) Bonds, payable semi-annually, with principal payments of \$375,000 to \$590,000 plus interest at 3.00% to 4%, maturing August 31, 2034	5,435,000	5,835,000
2017 Unlimited Tax School Refunding Bonds, payable semi-annually interest only at 2% till August 15, 2023, with principal payments ranging from \$520,000 to \$685,000 (beginning August 15, 2023) plus interest at 4.00%, maturing August 15, 2034	6,845,000	7,365,000
2017 Maintenance Tax Notes payable annually, with principal payments ranging from \$86,477 to \$86,167 including interest at 2.580%, maturing August 15, 2032	685,000	752,000
	25,655,000	26,902,000
Premium on Bonds	2,020,805	2,203,943
	27,675,805	29,105,943
Add Capital Leases	160,831	324,830
Add Subscriptions Liability	26,101	--
Less Current Portion	(1,434,897)	(1,412,116)
Total Due in More than One Year	\$ 26,427,840	\$ 28,018,657

**BISHOP CONSOLIDATED INDEPENDENT SCHOOL DISTRICT**  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED AUGUST 31, 2023

2. Debt Service Requirements

Debt service requirements on long-term debt at 2023, Bishop Consolidated Independent School District, are as follows:

<u>Year Ending 2023,</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 1,294,000	\$ 1,124,423	\$ 2,418,423
2025	1,335,000	1,077,745	2,412,745
2026	1,387,000	1,029,587	2,416,587
2027	1,444,000	972,179	2,416,179
2028	1,501,000	912,420	2,413,420
2029-2033	8,069,000	3,602,107	11,671,107
2034-2038	3,660,000	2,161,750	5,821,750
2039-2040	3,050,000	1,451,250	4,501,250
2044-2048	3,915,000	586,500	4,501,500
Totals	<u>\$ 25,655,000</u>	<u>\$ 12,917,961</u>	<u>\$ 38,572,961</u>

3. Advance Refunding of Debt

The District issued \$6,630,000 Bishop Consolidated Independent School District Unlimited Tax Bonds Series 2016 in March of 2016. The District refunded \$6,865,000 of the 2008 bond issue that was outstanding at August 31, 2016. The interest rate of the refunding bonds ranges from 3.0% to 4.0%. The refunding bonds are anticipated to generate a gross saving to the District of \$677,637 and present value savings of \$568,854.

The District issued \$7,405,000 Bishop Consolidated Independent School District Unlimited Tax Bonds Series 2017 in March of 2017. The District refunded \$7,600,000 of the 2009 bond issue that was outstanding at August 31, 2017. The interest rate of the refunding bonds ranges from 2.0% to 4.0%. The refunding bonds are anticipated to generate a gross saving to the District of \$914,041 and present value savings of \$739,477.

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 2023, Bishop Consolidated Independent School District, 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.

<u>Bond Issue</u>	<u>Amount</u>
Series 2009 - called 8/15/19	--
Total	<u>--</u>

4. Capital Financing Activities

Commitments under capital financing activities for facilities and equipment provide for minimum future payments as of 2023, Bishop Consolidated Independent School District, as follows:

<u>Year Ending 2023,</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	128,177	5,408	133,585
2025	32,654	676	33,330
Totals	<u>\$ 160,831</u>	<u>\$ 6,084</u>	<u>\$ 166,915</u>

The effective interest rate was 3.39%.

**BISHOP CONSOLIDATED INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2023**

**G. Leases and Subscription-Based Information Technology Arrangements**

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

The District has no contracts that qualify as leases under GASB 87 in the current year.

Subscription-Based Information Technology Arrangement (SBITA) activity for the year ended August 31, 2023, were as follows:

1. During the year ended August 31, 2023, the District entered into a SBITA totaling \$26,715 payable in annual installments of \$8,458 to \$9,360 for three years at an interest rate of 5.2%.
2. During the year ended August 31, 2023, the District entered into a SBITA totaling \$11,477 payable in annual installments of \$3,633 to \$4,021 for three years at an interest rate of 5.20%.
3. SBITA Right-of-Use asset and amortization information are included in Note D.
4. Future lease payment maturity schedule is as follows:

Year ended August 31,	Principal	Interest	Total
2024	\$ 12,719	\$ 1,357	\$ 14,076
2025	13,382	696	14,078
	<u>\$ 26,101</u>	<u>\$ 2,053</u>	<u>\$ 28,154</u>

**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.

The District operates a risk management program for life and health, workers compensation, and state unemployment insurance claims. The District funds each plan 100% during the year, and has no additional funding liability. Any unused funds in the group health and workers compensation plans at year-end are available for carryover to the next operating year. Interfund premiums are paid into the Internal Service Fund and treated as charges for services and are available to pay claims and administrative costs of the program.

**Health Care**

The District contracts with an insurance company to provide the District with a minimum premium group health plan and to administer the plan. The plan provides that the District's liability for individual claims is limited to \$50,000 and the aggregate claims are limited to the aggregate maximum which was \$1,695,580 for 2023 and \$1,796,001 for 2022. Settlements did exceed insurance coverages during the current year.

All funds of the District participate in the program and make payments to the Self-Insurance Fund based on estimates of amounts needed to pay prior and current year claims. The claims liability of \$90,113 at August 31, 2023 is based on requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements and the amount of the loss can be reasonably estimated. Changes in the fund claims liability amounts for fiscal year 2023 and 2022 were:

	Beginning-of Fiscal-Year Liability	Current-Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year-End
2023	\$ 13,914	\$ 1,091,711	\$ 1,015,512	\$ 90,113
2022	206,772	797,028	839,402	13,914

## **BISHOP CONSOLIDATED INDEPENDENT SCHOOL DISTRICT**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AUGUST 31, 2023**

During the year ended August 31, 2023, employees of the Bishop Consolidated Independent School District were covered by a health insurance plan (the Plan). The District paid premiums of \$400 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 Section 21.922, Texas Education Code and was documented by contractual agreement.

The contract between the Bishop Consolidated Independent School 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 Healthcare Benefits, Inc., are available for the year ended December 31, 2022. They have been filed with the Texas State Board of Insurance, Austin, Texas, and are public records.

#### Workers Compensation

The District contracts with an insurance company to provide the District with a minimum premium workers compensation plan and with Claims Administration Service, Inc., to manage the plan. The fixed cost of the plan was \$45,625 for the year ended August 31, 2023, and \$44,689 in 2022, and estimated claims of \$56,887 and \$66,684 were recorded as a liability at August 31, 2023 and 2022, respectively. The maximum fund loss is \$87,586 and \$85,789 for 2023 and 2022, respectively.

#### Unemployment

During the year ended August 31, 2023, Bishop CISD provided unemployment compensation coverage to its employees through participation in the TASB Risk Management Fund (the Fund). The Fund was created and is operated under the provisions of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. The Fund's Unemployment Compensation Program is authorized by Section 22.005 of the Texas Education Code and Chapter 172 of the Texas Local Government Code. All members participating in the Fund execute Interlocal Agreements that define the responsibilities of the parties.

The Fund meets its obligations to the Texas Workforce Commission. Expenses are accrued each month until the quarterly payment has been made. Expenses can be reasonably estimated; therefore, there is no need for specific or aggregate stop loss coverage for Unemployment Compensation pool members.

The Fund engages the services of an independent auditor to conduct an independent financial audit after the close of each plan year on August 31. The audit is approved by the Fund's Board of Trustees in February of the following year. The Fund's audited financial statements as of August 31, 2022, are available at the TASB website and have been filed with the Texas State Board of Insurance in Austin.

#### **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.

# BISHOP CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AUGUST 31, 2023

### 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.

	<u>Contribution Rates</u>	
	<u>2022</u>	<u>2023</u>
Member	8.0%	8.0%
Non-Employer Contributing Entity (State)	7.75%	8.0%
Employers	7.75%	8.0%
District's 2023 Employer Contributions		\$ 462,436
District's 2023 Member Contributions		\$ 1,021,984
2022 NECE On-Behalf Contributions (State)		\$ 669,881

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).

# BISHOP CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AUGUST 31, 2023

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, 2020 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 9, 2021.

**BISHOP CONSOLIDATED INDEPENDENT SCHOOL DISTRICT**  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2023

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%

**BISHOP CONSOLIDATED INDEPENDENT SCHOOL DISTRICT**  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED AUGUST 31, 2023

- \* 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:	\$ <u>7,993,512</u>	\$ <u>5,138,471</u>	\$ <u>2,824,326</u>

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 \$5,138,471 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	\$ 5,138,471
State's proportionate share that is associated with District	<u>8,522,629</u>
Total	<u>\$ 13,661,100</u>

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

At August 31, 2022 the employer's proportion of the collective net pension liability was 0.0086553702 percent which was an increase (decrease) of 0.00128486 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 \$814,667 and revenue of \$814,667 for support provided by the State.

**BISHOP CONSOLIDATED INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2023**

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	\$ 74,507	\$ 112,028
Changes in Actuarial Assumptions	957,464	238,627
Difference Between Projected and Actual Investment Earnings	507,664	--
Changes in Proportion and Difference between District's Contributions and the Proportionate Share of Contributions	767,575	48,653
Contributions paid to TRS subsequent to the measurement date of the Net Pension Liability (to be calculated by employer)	462,436	--
Total	<u>\$ 2,769,646</u>	<u>\$ 399,308</u>

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	\$ 507,508
2025	\$ 352,771
2026	\$ 182,140
2027	\$ 707,358
2028	\$ 158,126
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](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.

# BISHOP CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AUGUST 31, 2023

### 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	
	2023
Active Employee	0.65%
Non-Employer Contributing Entity (State)	1.25%
Employers	0.75%
Federal/Private Funding remitted by Employers	1.25%
District's 2023 Employer Contributions	\$ 109,500
District's 2023 Member Contributions	\$ 83,038
2022 NECE On-Behalf Contributions (state)	\$ 123,403

**BISHOP CONSOLIDATED INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2023**

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

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

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.

# BISHOP CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AUGUST 31, 2023

### 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 (1.95%) in measuring the Net OPEB Liability.

	1% Decrease in Discount Rate <u>(0.95%)</u>	Current Single Discount Rate <u>(1.95%)</u>	1% Increase in Discount Rate <u>(2.95%)</u>
District's proportionate share of the Net OPEB Liability:	\$ <u>3,477,268</u>	\$ <u>2,949,138</u>	\$ <u>2,521,285</u>

### 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 \$507,072 for its proportionate share of the TRS's Net OPEB liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the Net OPEB Liability that was associated with the District were as follows:

District's proportionate share of the collective net OPEB liability	\$ 2,949,138
State's proportionate share that is associated with the District	\$ <u>3,597,485</u>
Total	\$ <u>6,546,623</u>

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

At August 31, 2023 the District's proportion of the collective net OPEB liability was 0.0123168113, compared ERR

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:	\$ <u>2,430,103</u>	\$ <u>2,949,138</u>	\$ <u>3,622,000</u>

**BISHOP CONSOLIDATED INDEPENDENT SCHOOL DISTRICT**  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED AUGUST 31, 2023

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 \$(510,512).

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 163,962	\$ 2,456,897
Changes in actuarial assumptions	449,212	2,048,886
Difference between projected and actual investment earnings	8,817	32
Changes in proportion and difference between the District's contributions and the proportionate share of contributions	1,648,573	--
Contributions paid to TRS subsequent to the measurement date	109,500	
Total	<u>\$ 2,380,064</u>	<u>\$ 4,505,815</u>

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	\$ (459,573)
2025	\$ (459,542)
2026	\$ (334,477)
2027	\$ (165,163)
2028	\$ (261,958)
Thereafter	\$ (554,539)

For the year ended August 31, 2023, the District recognized OPEB expense of \$(510,512) and revenue of \$(510,512) for support provided by the State.

**BISHOP CONSOLIDATED INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2023**

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 year ended August 31, 2023, the subsidy payment received by TRS-Care on behalf of the District was \$64,388.

K. 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.

M. Subsequent Events

Management has reviewed subsequent events and transactions that occurred after the balance sheet date through November 17, 2023 (the date of the Audit Report). The financial statements include all Type I events or transactions, including estimates, required to be recognized in accordance with generally accepted accounting principles. Management and those charged with governance have determined that there are no non-recognized Type II subsequent events that require additional disclosure.

N. Concentration of Risk

The District is located within Nueces County, Texas and it derives approximately 50% of all revenue from property taxes and related penalties and interest. The District's top ten taxpayers have a total taxable property value of \$608,045,210 or 66.67% of the total property tax value of 911,976,759. The top taxpayer is in wind energy, and the second top taxpayer is a chemical and plastics plant that has been in operation since 1946. The other top eight are in the fields of transportation, utilities and oil and gas.

Kinder Morgan Tejas PL, LP Taxpayer	Taxable Value	Percent of Total Taxable Value
Celanese LTD	\$ 214,728,310	23.55%
Avangrid Renewables, LLC	199,893,290	21.92%
Ticona Polymers Inc.	81,210,790	8.90%
BASF Corp.	37,557,920	4.12%
AEP Texas Central Co.	29,694,510	3.26%
Valley Crossing Pipeline LLC	14,541,420	1.59%
OQ Chemicals Bishop LLC	11,570,750	1.27%
Union Pacific RR Company	7,016,080	0.77%
Net Mexio Pipeline LP	6,033,500	0.66%
Kinder Morgan Tejas PL, LP	5,798,640	0.64%
Total Top Ten	<u>\$ 608,045,210</u>	<u>66.67%</u>
Total All Taxpayers	<u>\$ 911,976,759</u>	<u>100.00%</u>

**BISHOP CONSOLIDATED INDEPENDENT SCHOOL DISTRICT**  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED AUGUST 31, 2023

O. Workers Compensation Fund - Changes in Liability

	<u>1996 - 2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>Total</u>
Unpaid Claims at 9/1:	\$25,656	\$2,169	\$12,724	\$26,135	--	\$66,684
Incurred Claims:						
Provision for insured events of the current year	--	--	--	--	14,421	\$14,421
Increases in provision for insured events of the prior year	<u>(1,881)</u>	<u>334</u>	<u>(113)</u>	<u>6,040</u>	<u>--</u>	<u>\$4,380</u>
Total Incurred Claims	<u>(1,881)</u>	<u>334</u>	<u>(113)</u>	<u>6,040</u>	<u>14,421</u>	<u>18,801</u>
Payments:						
Claims attributable to insured events of the current year	--	--	--	--	1,140	\$1,140
Claims attributable to insured events of the prior year	<u>16,830</u>	<u>521</u>	<u>681</u>	<u>9,426</u>	<u>--</u>	<u>\$27,458</u>
Total Payments	<u>16,830</u>	<u>521</u>	<u>681</u>	<u>9,426</u>	<u>1,140</u>	<u>28,598</u>
Total Unpaid Claims at 8/31:*	<u>\$6,945</u>	<u>\$1,982</u>	<u>\$11,930</u>	<u>\$22,749</u>	<u>\$13,281</u>	<u>\$56,887</u>
* Minimum amount to be encumbered. Calculation of this amount allows for estimated claims Incurred But Not Reported of:	<u>\$16,499</u>	<u>\$769</u>	<u>\$2,869</u>	<u>\$7,345</u>	<u>\$6,701</u>	<u>\$34,183</u>

P. Economic Dependency

The District receives a significant portion of its revenue from pass-through funds of federal grants. The District operated during the fiscal year under three major sources of funds. The grant amounts are appropriated each year at the federal level. If significant budget cuts are made at the federal and/or state level, the amount of funds the District receives could be reduced significantly and could have an adverse impact on its operations.



Bishop Consolidated Independent School District

## 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.

**BISHOP CONSOLIDATED INDEPENDENT SCHOOL DISTRICT**

**EXHIBIT G-1**

GENERAL FUND

Page 1 of 2

BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED AUGUST 31, 2023

Data Control Codes	Budgeted Amounts			Variance with Final Budget Positive (Negative)	
	1	2	3		
	Original	Final	Actual		
<b>REVENUES:</b>					
5700	Local and Intermediate Sources	\$ 8,468,321	\$ 8,418,321	\$ 8,966,397	\$ 548,076
5800	State Program Revenues	8,920,401	8,920,401	7,935,215	(985,186)
5900	Federal Program Revenues	300,000	350,000	224,673	(125,327)
5020	Total Revenues	<u>17,688,722</u>	<u>17,688,722</u>	<u>17,126,285</u>	<u>(562,437)</u>
<b>EXPENDITURES:</b>					
Current:					
Instruction and Instructional Related Services:					
0011	Instruction	8,256,992	8,756,992	8,702,425	54,567
0012	Instructional Resources and Media Services	35,620	35,620	31,296	4,324
0013	Curriculum and Staff Development	471,178	465,178	477,227	(12,049)
	Total Instruction and Instr. Related Services	<u>8,763,790</u>	<u>9,257,790</u>	<u>9,210,948</u>	<u>46,842</u>
Instructional and School Leadership:					
0021	Instructional Leadership	231,699	225,699	222,221	3,478
0023	School Leadership	<u>1,246,227</u>	<u>1,211,227</u>	<u>1,208,614</u>	<u>2,613</u>
	Total Instructional and School Leadership	<u>1,477,926</u>	<u>1,436,926</u>	<u>1,430,835</u>	<u>6,091</u>
Support Services - Student (Pupil):					
0031	Guidance, Counseling and Evaluation Services	692,656	697,656	695,025	2,631
0033	Health Services	173,805	183,805	178,050	5,755
0034	Student (Pupil) Transportation	433,718	415,718	412,694	3,024
0036	Cocurricular/Extracurricular Activities	<u>1,075,533</u>	<u>1,070,533</u>	<u>1,039,402</u>	<u>31,131</u>
	Total Support Services - Student (Pupil)	<u>2,375,712</u>	<u>2,367,712</u>	<u>2,325,171</u>	<u>42,541</u>
Administrative Support Services:					
0041	General Administration	<u>820,746</u>	<u>890,746</u>	<u>888,426</u>	<u>2,320</u>
	Total Administrative Support Services	<u>820,746</u>	<u>890,746</u>	<u>888,426</u>	<u>2,320</u>
Support Services - Nonstudent Based:					
0051	Plant Maintenance and Operations	3,310,798	5,413,518	3,585,960	1,827,558
0052	Security and Monitoring Services	124,829	89,829	84,695	5,134
0053	Data Processing Services	<u>520,969</u>	<u>495,969</u>	<u>478,991</u>	<u>16,978</u>
	Total Support Services - Nonstudent Based	<u>3,956,596</u>	<u>5,999,316</u>	<u>4,149,646</u>	<u>1,849,670</u>
Ancillary Services:					
0061	Community Services	<u>33,550</u>	<u>33,550</u>	<u>29,207</u>	<u>4,343</u>
	Total Ancillary Services	<u>33,550</u>	<u>33,550</u>	<u>29,207</u>	<u>4,343</u>
Debt Service:					
0071	Principal on Long-Term Debt	118,500	138,500	134,179	4,321
0072	Interest on Long-Term Debt	<u>23,902</u>	<u>23,902</u>	<u>26,984</u>	<u>(3,082)</u>
	Total Debt Service	<u>142,402</u>	<u>162,402</u>	<u>161,163</u>	<u>1,239</u>
Capital Outlay:					
0081	Capital Outlay	<u>300,000</u>	<u>310,000</u>	<u>307,485</u>	<u>2,515</u>
	Total Capital Outlay	<u>300,000</u>	<u>310,000</u>	<u>307,485</u>	<u>2,515</u>
0099	Other Intergovernmental Charges	<u>118,000</u>	<u>118,000</u>	<u>112,285</u>	<u>5,715</u>
	Total Intergovernmental Charges	<u>118,000</u>	<u>118,000</u>	<u>112,285</u>	<u>5,715</u>
6030	Total Expenditures	<u>17,988,722</u>	<u>20,576,442</u>	<u>18,615,166</u>	<u>1,961,276</u>

**BISHOP CONSOLIDATED INDEPENDENT SCHOOL DISTRICT**

EXHIBIT G-1

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

Page 2 of 2

Data Control Codes	1	2	3	Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
1100 Excess (Deficiency) of Revenues Over (Under)				
1100 Expenditures	<u>(300,000)</u>	<u>(2,887,720)</u>	<u>(1,488,881)</u>	<u>1,398,839</u>
Other Financing Sources (Uses):				
7949 Other Resources	--	13,000	11,477	(1,523)
8911 Transfers Out	<u>--</u>	<u>(550,000)</u>	<u>(514,989)</u>	<u>35,011</u>
7080 Total Other Financing Sources and (Uses)	<u>--</u>	<u>(537,000)</u>	<u>(503,512)</u>	<u>33,488</u>
1200 Net Change in Fund Balance	<u>(300,000)</u>	<u>(3,424,720)</u>	<u>(1,992,393)</u>	<u>1,432,327</u>
0100 Fund Balance - Beginning	<u>8,881,776</u>	<u>8,881,776</u>	<u>8,881,776</u>	<u>--</u>
3000 Fund Balance - Ending	<u>\$ 8,581,776</u>	<u>\$ 5,457,056</u>	<u>\$ 6,889,383</u>	<u>\$ 1,432,327</u>

**BISHOP CONSOLIDATED 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 **								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability (asset)	0.0086554%	0.0073071%	0.0069803%	0.0071745%	0.0060416%	0.0058127%	0.0059232%	0.0063288%	0.0036172%
District's proportionate share of the net pension liability (asset)	\$ 5,138,471	\$ 1,860,847	\$ 3,738,531	\$ 3,729,542	\$ 3,325,440	\$ 1,858,585	\$ 2,238,277	\$ 2,237,147	\$ 966,204
State's proportionate share of the net pension liability (asset) associated with the District	8,522,629	3,829,908	7,984,315	7,075,978	7,119,490	4,145,684	5,092,183	4,981,350	4,251,525
<b>Total</b>	<b>\$ 13,661,100</b>	<b>\$ 5,690,755</b>	<b>\$ 11,722,846</b>	<b>\$ 10,805,520</b>	<b>\$ 10,444,930</b>	<b>\$ 6,004,269</b>	<b>\$ 7,330,460</b>	<b>\$ 7,218,497</b>	<b>\$ 5,217,729</b>
District's covered-employee payroll	\$ 12,031,032	\$ 10,822,379	\$ 10,288,549	\$ 9,259,645	\$ 8,068,887	\$ 7,597,182	\$ 7,531,806	\$ 7,439,682	\$ 7,209,175
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	42.71%	17.19%	36.34%	40.28%	41.21%	24.46%	29.72%	30.07%	13.40%
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.

**BISHOP CONSOLIDATED INDEPENDENT SCHOOL DISTRICT**SCHEDULE OF DISTRICT CONTRIBUTIONS  
TEACHER RETIREMENT SYSTEM OF TEXAS  
LAST TEN FISCAL YEARS \*

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	
Contractually required contribution	\$ 462,436	\$ 403,885	\$ 311,957	\$ 285,245	\$ 251,118	\$ 203,634	\$ 190,506	\$ 188,194	\$ 187,398	
Contributions in relation to the contractually required contribution	(462,436)	(403,885)	(311,957)	(285,245)	(251,118)	(203,634)	(190,506)	(188,194)	(187,398)	
Contribution deficiency (excess)	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
District's covered-employee payroll	\$ 12,780,245	\$ 12,031,032	\$ 10,822,379	\$ 10,288,549	\$ 9,259,645	\$ 8,068,887	\$ 7,597,182	\$ 7,531,806	\$ 7,439,682	
Contributions as a percentage of covered-employee payroll	3.62%	3.36%	2.88%	2.77%	2.71%	2.52%	2.51%	2.50%	2.52%	

\* 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.

**BISHOP CONSOLIDATED INDEPENDENT SCHOOL DISTR**

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

	Measurement Year **					
	2022	2021	2020	2019	2018	2017
District's proportion of the collective net OPEB liability	0.0123168%	0.0107382%	0.0106009%	0.0101731%	0.0090762%	0.0084016%
District's proportionate share of the collective net OPEB liability	\$ 2,949,138	\$ 4,142,217	\$ 4,029,868	\$ 4,810,995	\$ 4,531,844	\$ 3,653,540
State proportionate share of the collective net OPEB liability associated with the District	\$ 3,597,485	\$ 5,549,648	\$ 5,415,177	\$ 6,392,734	\$ 7,068,554	\$ 6,162,242
Total	\$ 6,546,623	\$ 9,691,865	\$ 9,445,045	\$ 11,203,729	\$ 11,600,398	\$ 9,815,782
District's covered-employee payroll	\$ 12,031,032	\$ 10,822,379	\$ 10,288,549	\$ 9,259,645	\$ 8,068,887	\$ 7,597,182
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	24.51%	38.27%	39.17%	51.96%	56.16%	48.09%
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.

**BISHOP CONSOLIDATED INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF THE DISTRICT'S OPEB CONTRIBUTIONS**  
**TEACHER RETIREMENT SYSTEM OF TEXAS**  
**LAST TEN FISCAL YEARS \***

	Fiscal Year					
	2023	2022	2021	2020	2019	2018
Statutorily or contractually required District contribution	\$ 109,500	\$ 101,163	\$ 83,890	\$ 80,026	\$ 72,201	\$ 62,613
Contributions recognized by OPEB in relation to statutorily or contractually required contribution	<u>(109,500)</u>	<u>(101,163)</u>	<u>(83,890)</u>	<u>(80,026)</u>	<u>(72,201)</u>	<u>(62,613)</u>
Contribution deficiency (excess)	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
District's covered-employee payroll	\$ 12,780,245	\$ 12,031,032	\$ 10,822,379	\$ 10,288,549	\$ 9,259,645	\$ 8,068,887
Contributions as a percentage of covered-employee payroll	0.86%	0.84%	0.78%	0.78%	0.78%	0.78%

\* 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.

# **BISHOP CONSOLIDATED INDEPENDENT SCHOOL DISTRICT**

## **NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**FOR THE YEAR ENDED AUGUST 31, 2023**

### Budget

The official budget was prepared for adoption for all Governmental Fund Types. 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

#### Changes of benefit terms

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

#### Changes of assumptions

There were no changes of assumptions or other inputs that affected measurement of the total pension liability during the measurement period.

### Other Post-Employment Benefit Plan

#### Changes of benefit terms

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

#### Changes of assumptions

There were no changes of assumptions or other inputs that affected measurement of the total OPEB liability during the measurement period.

## Other Supplementary Information

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

**BISHOP CONSOLIDATED INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF DELINQUENT TAXES RECEIVABLE**  
**FOR THE YEAR ENDED AUGUST 31, 2023**

Year Ended August 31	1		2		3
	Tax Rates				Assessed/Appraised Value For School Tax Purposes
	Maintenance	Debt Service			
2014 and Prior Years	\$ Various	\$ Various			\$ Various
2015	1.0392	.4934			493,099,960
2016	1.0392	.3671			499,993,817
2017	1.0392	.3601			498,973,343
2018	1.0392	.3201			538,300,512
2019	1.0392	.465			585,614,859
2020	.9692	.394			622,899,613
2021	.8747	.292			898,767,162
2022	.8747	.2633			887,277,955
2023 (School Year Under Audit)	.8676	.252			911,976,759
1000 Totals					

EXHIBIT J-1

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
\$ 245,015	\$ --	\$ 3,061	\$ 1,131	\$ (20,900)	\$ 219,923
39,951	--	785	373	(652)	38,141
46,038	--	1,093	386	(635)	43,924
65,479	--	2,653	919	(558)	61,349
65,736	--	3,703	1,141	(884)	60,008
86,266	--	5,779	2,586	(684)	77,217
102,887	--	10,189	4,142	(705)	87,851
107,848	--	16,127	5,383	(1,917)	84,421
170,583	--	29,045	8,742	(14,915)	117,881
--	10,130,471	7,671,713	2,228,236	--	230,522
<u>\$ 929,803</u>	<u>\$ 10,130,471</u>	<u>\$ 7,744,148</u>	<u>\$ 2,253,039</u>	<u>\$ (41,850)</u>	<u>\$ 1,021,237</u>

**BISHOP CONSOLIDATED INDEPENDENT SCHOOL DISTRICT**  
 USE OF FUNDS REPORT - SELECT STATE ALLOTMENT PROGRAM  
 AS OF AUGUST 31, 2023

<u>Data Control Codes</u>		<u>Responses</u>
<b><u>Section A: Compensatory Education Programs</u></b>		
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.	\$ 1,407,021
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)	\$ 965,647
<b><u>Section B: Bilingual Education Programs</u></b>		
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.	\$ 29,532
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PICs 25, 35)	\$ 25,812

**BISHOP CONSOLIDATED INDEPENDENT SCHOOL DISTRICT**

**EXHIBIT J-3**

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

Data Control Codes	1		2	3	Variance with Final Budget Positive (Negative)
	Budgeted Amounts			Actual	
	Original	Final			
<b>REVENUES:</b>					
5700	Local and Intermediate Sources	\$ 124,599	\$ 124,599	\$ 39,773	\$ (84,826)
5800	State Program Revenues	4,500	4,500	4,322	(178)
5900	Federal Program Revenues	<u>1,228,882</u>	<u>1,528,882</u>	<u>1,674,600</u>	<u>145,718</u>
5020	Total Revenues	<u>1,357,981</u>	<u>1,657,981</u>	<u>1,718,695</u>	<u>60,714</u>
<b>EXPENDITURES:</b>					
Current:					
Support Services - Student (Pupil):					
0035	Food Services	<u>1,257,941</u>	<u>1,657,941</u>	<u>1,572,677</u>	<u>85,264</u>
	Total Support Services - Student (Pupil)	<u>1,257,941</u>	<u>1,657,941</u>	<u>1,572,677</u>	<u>85,264</u>
6030	Total Expenditures	<u>1,257,941</u>	<u>1,657,941</u>	<u>1,572,677</u>	<u>85,264</u>
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	<u>100,040</u>	<u>40</u>	<u>146,018</u>	<u>145,978</u>
1200	Net Change in Fund Balance	<u>100,040</u>	<u>40</u>	<u>146,018</u>	<u>145,978</u>
0100	Fund Balance - Beginning	<u>650,849</u>	<u>650,849</u>	<u>650,849</u>	<u>--</u>
3000	Fund Balance - Ending	<u>\$ 750,889</u>	<u>\$ 650,889</u>	<u>\$ 796,867</u>	<u>\$ 145,978</u>

**BISHOP CONSOLIDATED INDEPENDENT SCHOOL DISTRICT**

**EXHIBIT J-4**

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

Data Control Codes	1		2	3	Variance with Final Budget Positive (Negative)
	Budgeted Amounts			Actual	
	Original	Final			
<b>REVENUES:</b>					
5700	Local and Intermediate Sources	\$ 2,337,510	\$ 2,337,510	\$ 2,354,839	\$ 17,329
5800	State Program Revenues	--	--	65,060	65,060
5020	Total Revenues	<u>2,337,510</u>	<u>2,337,510</u>	<u>2,419,899</u>	<u>82,389</u>
<b>EXPENDITURES:</b>					
Debt Service:					
0071	Principal on Long-Term Debt	1,180,000	1,180,000	1,180,000	--
0072	Interest on Long-Term Debt	1,150,000	1,150,000	1,149,950	50
0073	Bond Issuance Costs and Fees	7,510	7,510	4,100	3,410
	Total Debt Service	<u>2,337,510</u>	<u>2,337,510</u>	<u>2,334,050</u>	<u>3,460</u>
6030	Total Expenditures	<u>2,337,510</u>	<u>2,337,510</u>	<u>2,334,050</u>	<u>3,460</u>
1100	Excess (Deficiency) of Revenues Over (Under)			85,849	85,849
1100	Expenditures	--	--		
1200	Net Change in Fund Balance	--	--	85,849	85,849
0100	Fund Balance - Beginning	1,032,431	1,032,431	1,032,431	--
3000	Fund Balance - Ending	<u>\$ 1,032,431</u>	<u>\$ 1,032,431</u>	<u>\$ 1,118,280</u>	<u>\$ 85,849</u>

JOHN WOMACK & CO., P.C.  
CERTIFIED PUBLIC ACCOUNTANTS

JOHN L. WOMACK, CPA  
MARGARET KELLY, CPA

P.O. BOX 1147  
KINGSVILLE, TEXAS 78364  
(361) 592-2671  
FAX (361) 592-1411

Independent Auditor's Report on Internal Control over Financial Reporting and  
On Compliance and Other Matters Based on an Audit of Financial Statements  
Performed In Accordance With *Government Auditing Standards*

Board of Trustees  
Bishop Consolidated Independent School District  
719 East Sixth Street  
Bishop, Texas 78343

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, the business-type activities, each major fund, and the aggregate remaining fund information of Bishop Consolidated Independent School District, as of and for the year ended August 31, 2023, and the related notes to the financial statements, which collectively comprise Bishop Consolidated Independent School District's basic financial statements, and have issued our report thereon dated November 17, 2023.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Bishop Consolidated 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 Bishop Consolidated Independent School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Bishop Consolidated 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.



PRIVATE COMPANIES PRACTICE SECTION, AICPA DIVISION FOR CPA FIRMS

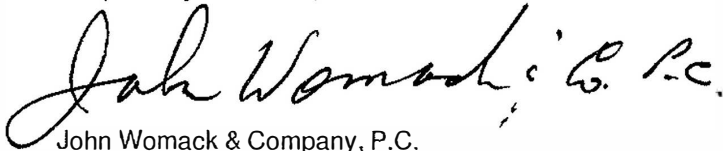
## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Bishop Consolidated 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,

A handwritten signature in black ink that reads "John Womack & Company, P.C." in a cursive style.

John Womack & Company, P.C.  
Kingsville, TX  
November 17, 2023

JOHN WOMACK & CO., P.C.  
CERTIFIED PUBLIC ACCOUNTANTS

JOHN L. WOMACK, CPA  
MARGARET KELLY, CPA

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

Board of Trustees  
Bishop Consolidated Independent School District  
719 East Sixth Street  
Bishop, Texas 78343

Members of the Board of Trustees:

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

**Opinion on Each Major Federal Program**

We have audited Bishop Consolidated 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 Bishop Consolidated Independent School District's major federal programs for the year ended August 31, 2023. Bishop Consolidated 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, Bishop Consolidated 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 Program**

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

We are required to be independent of Bishop Consolidated 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 Bishop Consolidated Independent School District's compliance with the compliance requirements referred to above.



PRIVATE COMPANIES PRACTICE SECTION, AICPA DIVISION FOR CPA FIRMS

## **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 Bishop Consolidated 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 Bishop Consolidated 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 Bishop Consolidated 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 Bishop Consolidated 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 Bishop Consolidated 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 Bishop Consolidated 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,

A handwritten signature in cursive script that reads "John Womack & Company, P.C." followed by a period.

John Womack & Company, P.C.  
Kingsville, TX  
November 17, 2023

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

**A. Summary of Auditor's Results**

1. Financial Statements

Type of auditor's 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 auditor's 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:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.027A	IDEA-B, Formula
84.173A	IDEA-B, Preschool
84.425D	ESSER II of the CRRSA Act
84.425U	ESSER III of the American Rescue Plan Act

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee?   X   Yes      No

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

B. Financial Statement Findings

NONE

C. Federal Award Findings and Questioned Costs

NONE

**BISHOP CONSOLIDATED INDEPENDENT SCHOOL DISTRICT**  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED AUGUST 31, 2023

<u>Finding/Recommendation</u>	<u>Current Status</u>	<u>Management's Explanation If Not Implemented</u>
There were no findings or questioned costs in the prior year.		

**BISHOP CONSOLIDATED INDEPENDENT SCHOOL DISTRICT**  
CORRECTIVE ACTION PLAN  
FOR THE YEAR ENDED AUGUST 31, 2023

There are no findings or questioned costs in the current year.

**BISHOP CONSOLIDATED INDEPENDENT SCHOOL DISTRICT**

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

EXHIBIT K-1

Page 1 of 2

(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
<b>CHILD NUTRITION CLUSTER:</b>					
<u>U. S. Department of Agriculture</u>					
Passed Through State Department of Education:					
School Breakfast Program	10.553	NT4XL1YGL	\$ --	\$	324,416
National School Lunch Program	10.555	NT4XL1YGLGC	--		569,212
Seamless Summer Option Program	10.555	NT4XL1YGLGC5	--		95,915
Total ALN Number 10.555			--		665,127
Total Passed Through State Department of Education			--		989,543
Passed Through Texas Department of Agriculture:					
National School Lunch Program-Commodities (Non-cash)	10.555	NT4XL1YGLGC	--		193,636
National School Lunch Program-Supply Chain Assistance	10.555	NT4XL1YGLGC	--		16,468
Total ALN Number 10.555			--		210,104
Total Passed Through Texas Department of Agriculture			--		210,104
Total U. S. Department of Agriculture			--		1,199,647
Total Child Nutrition Cluster			--		1,199,647
<b>SPECIAL EDUCATION (IDEA) CLUSTER:</b>					
<u>U. S. Department of Education</u>					
Passed Through State Department of Education:					
IDEA-Part B, Formula	84.027A	2166000117890	--		329,556
IDEA-Part B, Formula	84.027A	2366000117890	--		8,125
Total ALN Number 84.027A			--		337,681
IDEA-Part B, Preschool	84.173A	2366100117890	--		3,327
Total Passed Through State Department of Education			--		341,008
Total U. S. Department of Education			--		341,008
Total Special Education (IDEA) Cluster			--		341,008
<b>OTHER PROGRAMS:</b>					
<u>U. S. Department of Education</u>					
Passed Through State Department of Education:					
ESEA Title I Part A - Improving Basic Programs	84.010A	2361010117902	--		347,404
ESEA Title I Part A - Improving Basic Programs	84.010A	2461010117890	--		12,155
Total ALN Number 84.010A			--		359,559
Career and Technical Education - Basic Grant	84.048A	2342000617890	--		21,156
ESEA Title II, Part A - Teacher and Principal Training and Recruiting	84.367A	2369450117890	--		3,306
ESEA Title II, Part A - Teacher and Principal Training and Recruiting	84.367A	2369450117890	--		65,094
Total ALN Number 84.367A			--		68,400
LEP Summer School	84.369A	69551902	--		--
Title IV, Part A, Subpart 1	84.424A	2368010117890	--		29,701
ESSER Fund II of the CRRSA Act	84.425D	2152100117	\$ --	\$	604,922
ESSER Fund III of the American Rescue Plan Act of 2021	84.425U	2152800117	\$ --	\$	13,465

**BISHOP CONSOLIDATED INDEPENDENT SCHOOL DISTRICT**

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

EXHIBIT K-1

Page 2 of 2

(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	
ESSER Fund III of the American Rescue Plan Act of 2021	84.425U	2152800117890	--	565,797
Texas COVID Learning Acceleration Supports (TCLAS)-State ESSE	84.425U	2152804217890	--	132,882
Total ALN Number 84.425U			--	712,144
Total Passed Through State Department of Education			--	1,795,882
Total U. S. Department of Education			--	1,795,882
 <u>U. S. Department of Agriculture</u>				
Passed Through State Department of Education:				
Child and Adult Care Food Program (CACFP)	10.558	NT4XL1YGLGC	--	474,953
Total U. S. Department of Agriculture			--	474,953
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b>\$ --</b>	<b>\$ 3,811,490</b>

The accompanying notes are an integral part of this schedule.

**BISHOP CONSOLIDATED 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 Bishop Consolidated 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.

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

**BISHOP CONSOLIDATED INDEPENDENT SCHOOL DISTRICT**  
 SCHEDULE OF REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS  
 AS OF AUGUST 31, 2023

<u>Data Control Codes</u>		<u>Responses</u>
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 <b>to not have made</b> timely payments.)	Yes
	Payments to the TRS and TWC are considered timely if a warrant hold that was issued in connection to the untimely payment was cleared within 30 days from the date the warrant hold was issued.	
	Payments to the IRS are considered timely if a penalty or delinquent payment notice was cleared within 30 days from the date the notice was issued.	
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	\$ --