

Year Ended  
June 30, 2023

# ANNUAL FINANCIAL REPORT

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT



OUR students...THE future



**ECTOR COUNTY INDEPENDENT  
SCHOOL DISTRICT**

**ANNUAL FINANCIAL REPORT**

**For the Year Ended June 30, 2023**



# ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT

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## INTRODUCTORY SECTION

**CERTIFICATE OF BOARD**

**Ector County Independent School District**

Name of School District

**Ector**

County

**068901**

Co. - Dist. No.

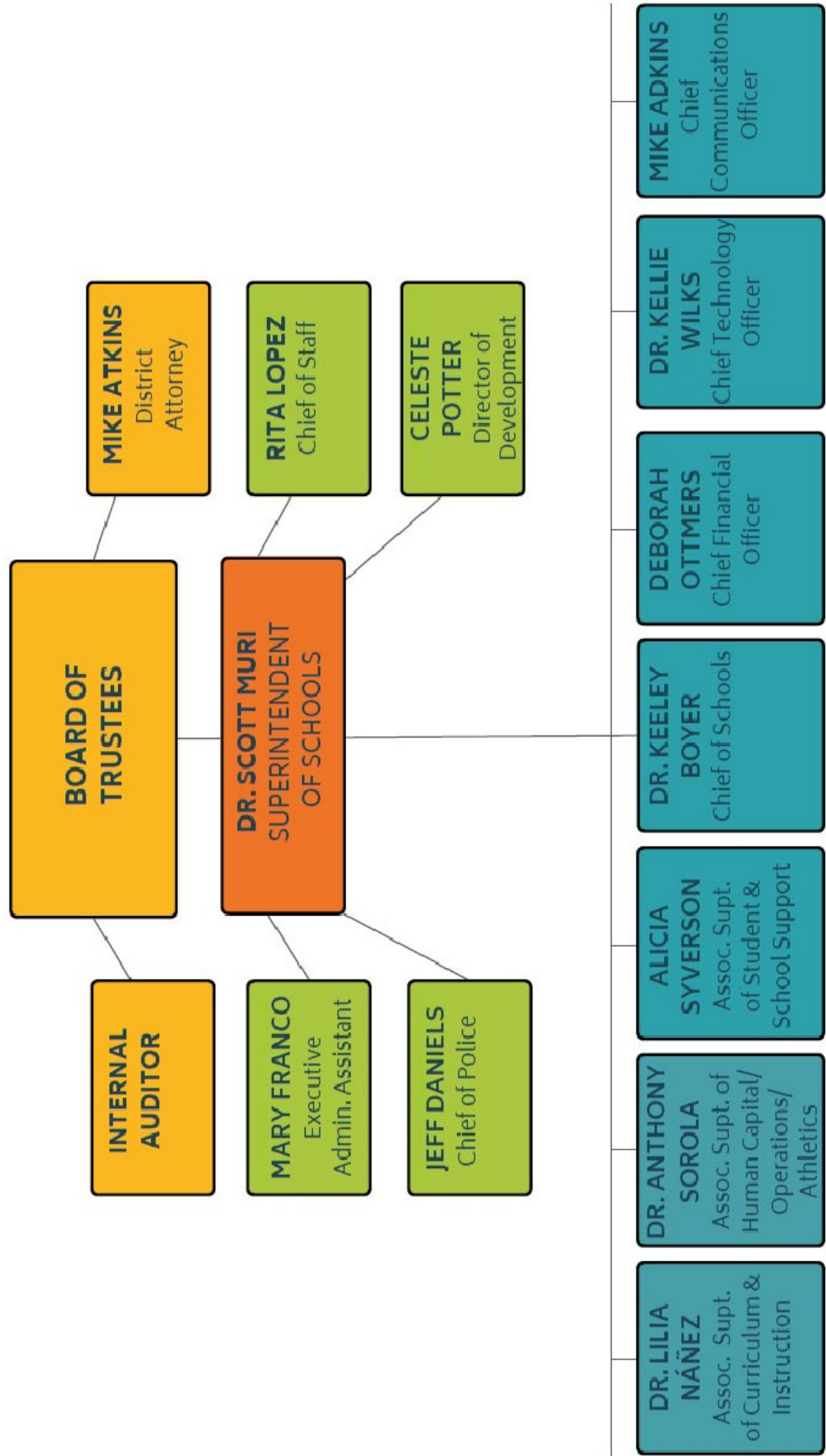
We, the undersigned, certify that the attached annual financial report of the above-named school district were reviewed and approved for the fiscal year ended June 30, 2023, at a meeting of the Board of Trustees of such school district on November 14, 2023.

\_\_\_\_\_  
Board Secretary

\_\_\_\_\_  
Board President



# Superintendent of Schools Organization Chart 2022-2023



**ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT**  
**BOARD OF TRUSTEES, CONSULTANTS, AND ADVISORS**

**Board of Trustees**

Chris Stanley	President
Delma Abalos	Vice President
Tammy Hawkins	Secretary
Dawn Miller	Member
Wayne Woodall	Member
Dr. Steve Brown	Member
Bob Thayer	Member

**Consultants and Advisors**

Whitley Penn LLP	Independent Auditors
Atkins, Hollman, Jones, Peacock, Lewis, and Lyon	General Counsel
McCall, Parkhurst & Horton, LLP	Bond Counsel
BOK Financial Securities, Inc.	Bond Financial Advisor
Frost Bank	Official Depository
Underwood Law Firm, PC	Chapter 313 Counsel
Culwell Consulting, LLC	Chapter 313 Financial Advisor

## **FINANCIAL SECTION**



## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees  
Ector County Independent School District

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

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Ector County Independent School District (the "District"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 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 the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

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

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

To the Board of Trustees  
Ector County Independent School District

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

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

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

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

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

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

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

### ***Supplementary Information***

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

To the Board of Trustees  
Ector County Independent School District

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

***Other Information***

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

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

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2023 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Odessa, Texas  
November 14, 2023





## **ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS**

Our discussion and analysis of Ector County Independent School District's financial performance provides an overview of the District's financial activities for the year ended June 30, 2023. Please read it in conjunction with the District's financial statements, which begin on page 12.

#### **FINANCIAL HIGHLIGHTS**

- The assets and deferred outflows of resources exceeded the liabilities and deferred inflows of resources of the District at the close of the most recent fiscal year by \$146,552,794. Of this amount, \$198,194,985 is net investment in capital assets which represents the net value of the capital assets less the related debt. Restricted net position amounts of \$16,976,852, \$8,396,358 and \$734,116 are restricted for debt service and food service and other purposes, respectively. The remaining amount was a deficit unrestricted net position of (\$77,749,517).
- The District's total net position increased by \$30,955,477. This is primarily related to an overall increase in revenues including property taxes, insurance recoveries and local revenues.
- The District's governmental funds reported combined ending fund balances of \$136,508,212 as of June 30, 2023. Of this amount, \$2,749,223 is non-spendable in the form of (1) inventory in the amount of \$2,462,672 and (2) prepaid items in the amount of \$286,551. Fund balance of \$25,995,514 is restricted for (1) child nutrition services in the amount of \$8,396,358, (2) other purposes in the amount of \$529,847 and (3) debt service in the amount of \$17,069,309. Fund balance of \$15,050,629 is committed for (1) construction and capital equipment of \$7,853,385 and (2) self-insurance of \$1,000,000, and (3) other purposes of \$6,197,244. Fund balance of \$14,367,518 is assigned for (1) construction in the amount of \$10,000,000, and (2) other purposes in the amount of \$4,367,518. The remaining amount in fund balance of \$78,345,328 is classified as unassigned and is available for spending at the District's discretion. This is an increase of 1% as compared to the prior fiscal year. The unassigned fund balance represents 24 percent of total general fund expenditures.
- The District's bonded debt decreased by \$26,950,000 due to debt service principal payments.

#### **Overview of the Financial Statements**

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

#### **Government-wide Financial Statements**

The analysis of the District's overall financial condition and operations begins on page 14. Its primary objective is to show whether the District is better off or worse off as a result of the year's activities. The Statement of Net Position includes all the District's assets plus deferred outflows of resources and liabilities plus deferred inflows of resources while the Statement of Activities includes all the revenue and expenses generated by the District's operations during the year. These apply the accrual basis of accounting, which is the same method used by most private sector companies.

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

**ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

The District reports governmental activities in the Statement of Net Position and the Statement of Activities. Governmental activities report all of the District's basic services including instruction, counseling, co-curricular activities, food services, transportation, maintenance, community services, and general administration. Local property taxes, tuition, fees, state and federal grants finance most of these activities.

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

***Fund Financial Statements***

The fund financial statements begin on page 14 and provide detailed information about the most significant funds-not the District as a whole. Laws and contracts require the District to establish some funds, such as grants received under the Every Student Succeeds Act and the IDEA laws from the U.S. Department of Education. The District's administration establishes many other funds to help it control and manage money for particular purposes. All of the funds of the District can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

***Governmental Funds***

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The District maintains individual governmental funds for general, special revenue, debt service, and capital projects funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the general fund, National School Breakfast and Lunch program, and debt service fund, each of which is considered to be a major fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in the financial statements. The District adopts an annual appropriated budget for its general fund, debt service fund, and National School Breakfast and Lunch Program special revenue fund.

***Proprietary Funds***

The District maintains internal service funds for housing, workers' compensation insurance coverage and medical trust. *Internal service funds*, one type of proprietary fund, are an accounting device used to accumulate and allocate costs internally among the District's various funds and functions. Because this service predominantly benefits governmental functions, it has been included within *governmental activities* in the government-wide financial statements.

Proprietary fund statements provide the same type of information as the government-wide financial statements, only in more detail. The nonmajor enterprise funds financial statements provide information for the internal service funds.

**ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

***Fiduciary Funds***

The fiduciary funds are used to account for resources held for the benefit of students and employees. The fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the District's own programs.

A *custodial fund* is a type of fiduciary fund used to report resources held by the District in a purely custodial capacity. The District accounts for the activities of student groups and refunds/overpayments due to taxpayers in a custodial fund.

**Notes to the Financial Statements**

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

**Required Supplementary Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information that further explains and supports the information in the financial statements. The required supplementary information relates to comparison of the original adopted budget, the final amended budget, and the actual amounts for the fiscal year. This is required supplementary information for the general fund and any major special revenue funds. The general fund and National School Breakfast and Lunch Program is presented as required supplementary information. The required supplementary information also includes information related to the required pension system information and the required other post-employment benefit system information.

**Other Information**

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

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of a District's financial position. In the case of the District, liabilities and deferred inflows exceeded assets and deferred outflows by \$146,552,794 at the close of the most recent fiscal year.

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

**ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

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

**Table I**  
**Ector County Independent School District**  
**Net Position**

	<b>Governmental Activities</b>	
	<b>2023</b>	<b>2022</b>
<b>Assets:</b>		
Current and other assets	\$ 200,383,792	\$ 218,084,536
Capital and non-current assets	<u>310,056,552</u>	<u>303,136,355</u>
<b>Total Assets</b>	<u>510,440,344</u>	<u>521,220,891</u>
<b>Deferred Outflows of Resources:</b>		
Deferred outflows of resources	<u>74,979,359</u>	<u>66,552,059</u>
<b>Total Deferred Outflows of Resources</b>	<u>74,979,359</u>	<u>66,552,059</u>
<b>Liabilities:</b>		
Current liabilities	34,213,198	42,119,205
Long term liabilities	<u>291,632,252</u>	<u>301,153,743</u>
<b>Total Liabilities</b>	<u>325,845,450</u>	<u>343,272,948</u>
<b>Deferred Inflows of Resources:</b>		
Deferred inflows of resources	<u>113,021,459</u>	<u>128,902,685</u>
<b>Total Deferred Inflows of Resources</b>	<u>113,021,459</u>	<u>128,902,685</u>
<b>Net Position:</b>		
Net investment in capital assets	198,194,985	163,381,552
Restricted	26,107,326	26,860,512
Unrestricted	<u>(77,749,517)</u>	<u>(74,644,717)</u>
<b>Total Net Position</b>	<u>\$ 146,552,794</u>	<u>\$ 115,597,347</u>

Net position of the District's governmental activities increased approximately 27% from \$115,597,317 to \$146,552,794. Significant changes in net position from the prior year are explained as follows:

Total assets decreased mainly due to planned spending and payment of outstanding liabilities at prior year-end.

Deferred outflows, net pension liability, net other post-employment liability, and deferred inflows changed due to assignment of pension liability and other post-employment benefits liability from the Teacher Retirement System.

Other current liabilities decreased due to a decrease in accounts payable and unearned revenue.

Long term liabilities decreased due to principal payments.

**ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

**Table II**  
**Ector County Independent School District**  
**Changes in Net Position**

	<b>Governmental Activities</b>	
	<b>2023</b>	<b>2022</b>
<b>Program Revenues</b>		
Charges for services	\$ 2,833,902	\$ 3,865,482
Operating grants and contributions	71,174,719	67,683,100
<b>General Revenues</b>		
Property taxes	196,108,617	172,672,601
State Aid - Formula Grants	129,656,820	123,881,785
Investment earnings	5,771,442	315,773
Other	12,693,004	5,667,236
<b>Total Revenues</b>	<b>418,238,504</b>	<b>374,085,977</b>
<b>Expenses</b>		
Instruction	219,262,208	188,546,648
Instructional resources and media services	2,167,047	2,185,317
Curriculum and staff development	14,050,608	11,778,190
Instructional leadership	5,466,793	4,969,159
School leadership	22,706,666	21,491,977
Guidance, counseling, and evaluation services	14,096,893	12,669,175
Social work services	2,186,898	1,813,374
Health services	3,102,399	3,068,009
Student transportation	9,224,678	9,534,104
Food service	20,137,115	18,665,116
Extracurricular activities	9,184,517	8,879,315
General administration	7,714,822	7,860,525
Facilities maintenance and operations	34,051,413	44,500,861
Security and monitoring services	3,833,369	3,215,671
Data processing services	10,924,176	10,656,648
Community services	1,838,733	1,450,304
Debt Service	4,864,349	8,191,640
Facilities acquisition and construction	486,494	702,290
Other governmental charges	1,983,849	1,847,323
<b>Total Expenses</b>	<b>387,283,027</b>	<b>362,025,646</b>
Increase in Net Position	30,955,477	12,060,331
<b>Beginning Net Position</b>	<b>115,597,317</b>	<b>103,536,986</b>
<b>Ending Net Position</b>	<b>\$ 146,552,794</b>	<b>\$ 115,597,317</b>

The District's total revenues increased by 12% – approximately \$44.2 million from prior year revenues. Significant changes in revenue from the prior year are explained as follows:

Program revenues increased approximately \$2.5 million, due to an increase in grant revenues. General revenues increased by \$41.7 million or 13.8% due to an increase in property tax revenues related to property value increase. An increase in State revenues, insurance recovery and investment earnings also contributed.

The District's total expenses increased by 7% – approximately \$25.3 million from prior year expenses. The increase is due in large part to the cost associated with the increase in the net pension liability plus increases in pay and other costs.

**ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

**Governmental Funds Financial Analysis**

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

The focus of the District's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the District's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a District's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$136,508,212, a decrease of \$11,792,048 in comparison with the prior year.

The general fund is the chief operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the general fund was \$78,345,328, while total fund balance reached \$103,018,472. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures.

Unassigned fund balance represents 24 percent of expenditures and total fund balance represents 32 percent of the same amount.

During the current fiscal year, the total fund balance of the District's general fund decreased by \$7,630,962. Total general fund expenditures increased, primarily in facilities and maintenance while revenues overall decreased slightly due to a decrease in federal funds.

The Child Nutrition fund balance decreased by \$2,175,865 due to a decrease in federal program revenues as well as planned spending on equipment to decrease excess fund balance.

The debt service fund has a total fund balance of \$17,069,309, all of which is restricted for the payment of debt service. The net increase in the debt service fund balance during the current year of \$817,564 was due to higher property tax revenues received for delinquent tax collections compared to budgeted.

**General Fund Budgetary Highlights**

The District amends the budget as needed throughout the year. Changes to the general fund budget are summarized below:

	<b>Budget</b>	
	<b>Original</b>	<b>Final Amended</b>
Total revenues	\$ 334,270,000	\$ 315,372,839
Total expenditures	338,220,000	364,328,317
<b>Net Change in Fund Balance</b>	<b>\$ (3,950,000)</b>	<b>\$ (48,955,478)</b>

**ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

**Capital Asset and Debt Administration**

**Capital Assets**

At the end of 2023, the District had approximately \$310.1 million invested in a broad range of capital assets, (net of accumulated depreciation and amortization) including right to use assets, facilities and equipment for instruction, transportation, athletics, administration, maintenance, and computer technology. This amount represents a net increase of approximately \$6.9 million, due to completed projects and new furniture and equipment.

	<u>2023</u>	<u>2022</u>
Land	\$ 13,277,999	\$ 12,893,485
Construction in progress	11,070,542	-
Buildings and land improvements	474,687,029	473,985,968
Furniture and equipment	38,762,133	33,125,415
Vehicles and other assets	31,132,643	31,430,092
Subscription based IT assets	1,745,387	-
Right to use assets	2,228,890	1,871,890
Total capital assets	<u>572,904,623</u>	<u>553,306,850</u>
Accumulated depreciation	(261,409,858)	(249,530,155)
Amortization, right to use assets & SBITA's	(1,438,213)	(640,340)
Net capital assets	<u>\$ 310,056,552</u>	<u>\$ 303,136,355</u>

**Debt Administration**

At year-end, the District had approximately million in bonds outstanding versus approximately million in the previous year. No new debt was issued and the decrease resulted from bond principal payments and a defeasance of certain bonds.

Based on information provided by the Teacher Retirement System of Texas (TRS), the District recognized its proportionate share of TRS's net other post-employment benefits liability of \$56.6 million, a decrease from the prior year of \$41.8 million.

Based on information provided by the Teacher Retirement System of Texas (TRS), the District recognized its proportionate share of TRS's net pension liability of \$106.4 million, an increase from the prior year of \$59.8 million.

Other obligations include accrued worker's compensation and sick leave. More detailed information about the District's long-term liabilities is presented in the notes to the financial statements.

**Economic Factors and Next Year's Budgets and Rates**

The District's elected and appointed officials considered many factors when preparing the fiscal year 2024 budget: (1) the need to staff and operate campuses; (2) the anticipated change of student population within the campuses.

These factors were considered when adopting the General Fund budget for fiscal year 2024. Estimated revenues and other financing sources in the General Fund are \$332.7 million, and estimated appropriations and other uses total \$346.1 million. Budgeted appropriations have been increased over the prior year actual expenditures by approximately \$19.0 million for pay increases, staff development, security and transportation.

**ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

**Contacting the District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's business office, at Ector County Independent School District, 802 N. Sam Houston, Odessa, Texas.



## **BASIC FINANCIAL STATEMENTS**

**ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**June 30, 2023**

*Exhibit A-1*

<u>Data Control Codes</u>		<u>Governmental Activities</u>
<b>Assets</b>		
1110	Cash and cash equivalents	\$ 8,854,634
1120	Current investments	128,410,436
1225	Property taxes receivables, net	14,518,289
1240	Due from other governments	45,382,797
1267	Due from fiduciary funds	406
1290	Other receivables, net	468,007
1300	Inventories	2,462,672
1410	Prepaid items	286,551
	Capital assets not subject to depreciation:	
1510	Land	13,277,999
1580	Construction in Progress	11,070,542
	Capital assets net of depreciation:	
1520	Buildings and improvements, net	263,945,866
1530	Furniture and equipment, net	10,369,023
1540	Other Capital Assets, net	8,857,058
1553	Subscription-based IT assets	1,700,762
1559	Right to use assets, net	835,302
<b>1000</b>	<b>Total Assets</b>	<u>510,440,344</u>
<b>Deferred Outflows of Resources</b>		
	Deferred charge on refunding	6,714,347
	Deferred outflows - pension	50,867,806
	Deferred outflows - OPEB	17,397,206
1700	<b>Total Deferred Outflows of Resources</b>	<u>74,979,359</u>
<b>Liabilities</b>		
2110	Accounts payable	6,429,235
2120	Short term liabilities	7,985
2140	Interest payable	1,775,442
2150	Payroll deductions and withholdings	5,114,921
2160	Accrued wages payable	16,376,791
2180	Due to other governments	19,472
2200	Accrued expenses	3,439,250
2300	Unearned revenue	1,050,102
	Noncurrent Liabilities:	
2501	Due within one year	11,096,515
2502	Due in more than one year	117,493,208
2540	Net Pension Liability	106,403,268
2545	Net Other Post-Employment Benefits (OPEB) Obligation	56,639,261
<b>2000</b>	<b>Total Liabilities</b>	<u>325,845,450</u>
<b>Deferred Inflows of Resources</b>		
	Deferred inflows - pension	13,601,281
	Deferred inflows - OPEB	99,420,178
<b>2600</b>	<b>Deferred Inflows of Resources</b>	<u>113,021,459</u>
<b>Net Position</b>		
3200	Net investment in capital assets	198,194,985
	Restricted for:	
3840	Child nutrition	8,396,358
3850	Debt service	16,976,852
3890	Other purposes	734,116
3900	Unrestricted	(77,749,517)
<b>3000</b>	<b>Total Net Position</b>	<u>\$ 146,552,794</u>

See notes to the financial statements.

**ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT**

**STATEMENT OF ACTIVITIES**

*For the Year Ended June 30, 2023*

*Exhibit B-1*

Data Control Codes	Functions/Programs	Expenses	Program Revenue		Net (Expense) Revenue and Changes in Net Position
			Charges for Services	Operating Grants and Contributions	Primary Governmental Activities
<b>Governmental activities:</b>					
11	Instruction	\$219,262,208	\$ 708,625	\$ 30,259,984	\$ (188,293,599)
12	Instructional resources and media	2,167,047	545	38,480	(2,128,022)
13	Curriculum and staff development	14,050,608	3,150	7,464,644	(6,582,814)
21	Instructional leadership	5,466,793	-	624,783	(4,842,010)
23	School leadership	22,706,666	787,619	1,587,112	(20,331,935)
31	Guidance, counseling, and evaluation services	14,096,893	-	2,229,879	(11,867,014)
32	Social work services	2,186,898	-	680,970	(1,505,928)
33	Health services	3,102,399	-	2,673,856	(428,543)
34	Student transportation	9,224,678	-	109,837	(9,114,841)
35	Food service	20,137,115	863,404	17,873,909	(1,399,802)
36	Extracurricular activities	9,184,517	470,559	31,724	(8,682,234)
41	General administration	7,714,822	-	560,776	(7,154,046)
51	Facilities maintenance and operations	34,051,413	-	5,591,050	(28,460,363)
52	Security and monitoring services	3,833,369	-	279,997	(3,553,372)
53	Data processing services	10,924,176	-	443,543	(10,480,633)
61	Community services	1,838,733	-	232,310	(1,606,423)
72	Interest and fiscal charges for long term debt	4,864,349	-	491,865	(4,372,484)
81	Facilities acquisition and construction	486,494	-	-	(486,494)
99	Other governmental charges	1,983,849	-	-	(1,983,849)
<b>TG</b>	<b>Total Governmental Activities</b>	<u>\$387,283,027</u>	<u>\$ 2,833,902</u>	<u>\$ 71,174,719</u>	<u>(313,274,406)</u>

**Data Control Codes**

**General revenues:**

Taxes:

<b>MT</b>	Property taxes, levied for general purposes	162,759,056
<b>DT</b>	Property taxes, levied for debt service	33,349,561
<b>SF</b>	State-aid formula grants	129,656,820
<b>IE</b>	Investment earnings	5,771,442
<b>MI</b>	Miscellaneous	12,693,004
<b>TR</b>	<b>Total General Revenues</b>	<u>344,229,883</u>
<b>CN</b>	Change in net position	30,955,477
<b>NB</b>	<b>Net Position - Beginning</b>	<u>115,597,317</u>
<b>NE</b>	<b>Net Position - Ending</b>	<u>\$ 146,552,794</u>



## **GOVERNMENTAL FUND FINANCIAL STATEMENTS**

**ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**June 30, 2023**

*Exhibit C-1*  
*Page 1 of 2*

Data Control Codes	General Fund	National School Breakfast & Lunch Program	Debt Service Fund
<b>Assets</b>			
1110 Cash and cash equivalents	\$ 6,671,585	\$ 15,364	\$ 5,395
1120 Current investments	87,933,102	939,696	16,789,042
<b>Receivables:</b>			
1220 Property taxes - delinquent	18,725,492	-	2,455,315
1230 Allowance for uncollectible taxes (credit)	(5,890,188)	-	(772,330)
1240 Due from other governments	34,062,894	214,850	-
1260 Due from other funds	-	8,465,214	294,344
1290 Other receivables	399,732	25,861	-
1300 Inventories	1,144,690	1,317,982	-
1410 Prepaid items	286,551	-	-
<b>1000 Total Assets</b>	<b><u>\$ 143,333,858</u></b>	<b><u>\$ 10,978,967</u></b>	<b><u>\$ 18,771,766</u></b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balance</b>			
<b>Liabilities</b>			
2110 Accounts payable	\$ 3,416,100	\$ 228,575	\$ -
2120 Short term liabilities	7,985	-	-
2150 Payroll deduction and withholdings	4,947,235	19,087	-
2160 Accrued wages payable	13,473,428	156,226	-
2170 Due to other funds	2,679,472	-	-
2180 Due to other governments	-	-	19,472
2200 Accrued expenditures	2,933,862	3,743	-
2300 Unearned revenue	22,000	856,996	-
<b>2000 Total Liabilities</b>	<b><u>27,480,082</u></b>	<b><u>1,264,627</u></b>	<b><u>19,472</u></b>
<b>Deferred Inflows of Resources</b>			
2600 Unavailable revenues - property taxes	12,835,304	-	1,682,985
<b>2600 Total Deferred Inflows of Resources</b>	<b><u>12,835,304</u></b>	<b><u>-</u></b>	<b><u>1,682,985</u></b>
<b>Fund Balance</b>			
<b>Non-Spendable:</b>			
3410 Inventories	1,144,690	1,317,982	-
3430 Prepaid items	286,551	-	-
<b>Restricted:</b>			
3450 Federal/State funds grant restrictions	-	8,396,358	-
3480 Retirement of long-term debt	-	-	17,069,309
3490 Other purposes	-	-	-
<b>Committed:</b>			
3510 Construction	2,030,457	-	-
3530 Capital expenditures for equipment	5,822,928	-	-
3540 Self Insurance	1,000,000	-	-
3545 Other purposes	21,000	-	-
<b>Assigned</b>			
3550 Construction	10,000,000	-	-
3590 Other purposes	4,367,518	-	-
3600 <b>Unassigned</b>	<b>78,345,328</b>	<b>-</b>	<b>-</b>
<b>3000 Total Fund Balances</b>	<b><u>103,018,472</u></b>	<b><u>9,714,340</u></b>	<b><u>17,069,309</u></b>
<b>4000 Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b><u>\$ 143,333,858</u></b>	<b><u>\$ 10,978,967</u></b>	<b><u>\$ 18,771,766</u></b>

See notes to the financial statements.

**ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**June 30, 2023**

*Exhibit C-1*  
*Page 2 of 2*

Nonmajor Governmental Funds	Total Governmental Funds
\$ 880,947	\$ 7,573,291
6,711,611	112,373,451
-	21,180,807
-	(6,662,518)
11,105,053	45,382,797
848,547	9,608,105
2,560	428,153
-	2,462,672
-	286,551
<u>\$ 19,548,718</u>	<u>\$ 192,633,309</u>

\$ 2,625,490	\$ 6,270,165
-	7,985
148,599	5,114,921
2,747,137	16,376,791
6,648,650	9,328,122
-	19,472
501,645	3,439,250
171,106	1,050,102
<u>12,842,627</u>	<u>41,606,808</u>

-	14,518,289
-	14,518,289

-	2,462,672
-	286,551
-	8,396,358
-	17,069,309
529,847	529,847
-	2,030,457
-	5,822,928
-	1,000,000
6,176,244	6,197,244
-	10,000,000
-	4,367,518
-	78,345,328
<u>6,706,091</u>	<u>136,508,212</u>
<u>\$ 19,548,718</u>	<u>\$ 192,633,309</u>

See notes to the financial statements.





**ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT**  
**RECONCILIATION OF BALANCE SHEET FOR GOVERNMENTAL FUNDS TO**  
**STATEMENT OF NET POSITION**  
**June 30, 2023**

*Exhibit C-2*

<u>Data Control Codes</u>	<b>Total Fund Balance, Governmental Funds</b>	\$	136,508,212
	Amounts reported for governmental activities in the statements of net position are different because:		
<b>1</b>	Capital assets used in governmental activities are not financial resources and therefore, are not reported as assets in governmental funds. Capital assets at historical cost, net of accumulated depreciation and amortization, where applicable.		307,000,415
<b>2</b>	The uncollected portion of the current year property tax levy is recognized as property taxes receivable and general revenue.		14,518,289
<b>3</b>	Deferred charge on refunding		6,714,347
<b>4</b>	Deferred outflows relating to pension activities		50,867,806
<b>5</b>	Deferred outflows relating to other post employment benefits		17,397,206
	Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:		
<b>6</b>	General obligation bonds		(107,635,000)
<b>7</b>	Premium/Discount on issuance		(9,799,242)
<b>8</b>	Accumulated accretion on capital appreciation bonds		(73,016)
<b>9</b>	Lease liabilities		(995,640)
<b>10</b>	Accrued compensated absences		(4,367,518)
<b>11</b>	Accrued interest payable		(1,775,442)
<b>12</b>	Net pension liability		(106,403,268)
<b>13</b>	Net other post-employment benefit liability		(56,639,261)
<b>14</b>	Deferred inflows relating to pension activities		(13,601,281)
<b>15</b>	Deferred inflows relating to other post-employment benefits		(99,420,178)
<b>16</b>	Addition of Internal Service fund net position (see D-1)		<u>14,256,365</u>
<b>17</b>	<b>Total Net Position-Governmental Activities</b>	<b>\$</b>	<b><u>146,552,794</u></b>

**ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - GOVERNMENTAL FUNDS**  
**For the Year Ended June 30, 2023**

Data Control Codes		National School		
		General Fund	Breakfast & Lunch Program	Debt Service Fund
<b>Revenues</b>				
5700	Local, intermediate, and out-of-state	\$ 167,334,304	\$ 897,725	\$ 32,205,506
5800	State program of revenues	144,458,249	436,186	491,865
5900	Federal program of revenues	6,898,105	17,650,972	-
<b>5020</b>	<b>Total Revenues</b>	<b>318,690,658</b>	<b>18,984,883</b>	<b>32,697,371</b>
<b>Expenditures</b>				
<b>Current:</b>				
0011	Instruction	193,706,366	-	-
0012	Instruction resources and media services	1,955,139	-	-
0013	Curriculum and instructional staff development	7,711,241	-	-
0021	Instructional leadership	5,165,610	-	-
0023	School leadership	20,832,890	-	-
0031	Guidance, counseling and evaluation services	12,927,182	-	-
0032	Social work services	1,625,925	-	-
0033	Health services	3,094,946	-	-
0034	Student transportation	9,258,483	-	-
0035	Food services	-	21,221,691	-
0036	Extracurricular activities	6,891,150	-	-
0041	General administration	7,938,666	-	-
0051	Facilities maintenance and operations	32,797,420	-	-
0052	Security and monitoring services	3,855,391	-	-
0053	Data processing services	11,218,992	-	-
0061	Community services	1,627,143	-	-
<b>Debt Service:</b>				
0071	Principal on long-term debt	749,746	-	26,950,000
0072	Interest on long-term debt	356,923	-	5,257,880
<b>Capital Outlay:</b>				
0081	Facilities acquisition and construction	3,082,951	-	-
<b>Intergovernmental:</b>				
0093	Payments to Fiscal Agent/Member Districts of SSA	-	-	-
0099	Other intergovernmental charges	1,983,848	-	-
<b>6030</b>	<b>Total Expenditures</b>	<b>326,780,012</b>	<b>21,221,691</b>	<b>32,207,880</b>
1100	Excess (deficiency) of revenues over expenditures	(8,089,354)	(2,236,808)	489,491
<b>Other Financing Sources (Uses)</b>				
7912	Sale of real or personal property	357,374	60,943	-
7913	Proceeds from lease	491,900	-	-
7915	Transfers in	-	-	-
7917	Other resources	-	-	328,073
8911	Transfers out	(390,882)	-	-
<b>7080</b>	<b>Total Other Financing Sources (Uses)</b>	<b>458,392</b>	<b>60,943</b>	<b>328,073</b>
1200	Net change in fund balances	(7,630,962)	(2,175,865)	817,564
<b>0100</b>	<b>Fund Balance - July 1 (Beginning)</b>	<b>110,649,434</b>	<b>11,890,205</b>	<b>16,251,745</b>
<b>3000</b>	<b>Fund Balance - June 30 (Ending)</b>	<b>\$ 103,018,472</b>	<b>\$ 9,714,340</b>	<b>\$ 17,069,309</b>

**ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - GOVERNMENTAL FUNDS**  
**For the Year Ended June 30, 2023**

*Exhibit C-3*  
*Page 2 of 2*

<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 9,682,941	\$ 210,120,476
4,598,967	149,985,267
38,167,827	62,716,904
<u>52,449,735</u>	<u>422,822,647</u>
29,306,232	223,012,598
186,855	2,141,994
7,409,716	15,120,957
584,487	5,750,097
2,064,082	22,896,972
2,087,210	15,014,392
664,811	2,290,736
187,382	3,282,328
62,692	9,321,175
76,990	21,298,681
411,771	7,302,921
52,000	7,990,666
1,055,879	33,853,299
263,661	4,119,052
613,145	11,832,137
226,333	1,853,476
-	27,699,746
-	5,614,803
10,310,873	13,393,824
79,283	79,283
-	1,983,848
<u>55,643,402</u>	<u>435,852,985</u>
<u>(3,193,667)</u>	<u>(13,030,338)</u>
-	418,317
-	491,900
390,882	390,882
-	328,073
-	(390,882)
<u>390,882</u>	<u>1,238,290</u>
(2,802,785)	(11,792,048)
9,508,876	148,300,260
<u>\$ 6,706,091</u>	<u>\$ 136,508,212</u>

See notes to the financial statements.

**ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2023**

*Exhibit C-4*

<u>Data Control Codes</u>		
	Net change in fund balances - total governmental funds (from C-3)	\$ (11,792,048)
	Amounts reported for <i>governmental activities</i> in the statement of activities (B-1) are different because:	
	Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.	
1	Governmental funds capital outlays	21,923,267
2	Governmental funds depreciation expense	(14,791,351)
3	Net effect of other retirements and adjustments to capital assets	(124,715)
4	Property tax revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	5,843,854
5	Repayment of long-term debt principal is an expenditure in the governmental fund, but the repayment reduces long-term liabilities in the statement of net position.	26,950,000
6	Repayment of lease liability is an expenditure in the governmental fund, but the repayment reduces long-term liabilities in the statement of net position.	749,746
7	Proceeds for lease liability	(491,900)
	Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:	
8	Decrease in interest payable not recognized in fund statements	111,934
9	Decrease in accrued compensated absences	81,511
10	Amortization of premium/discount	1,311,616
11	Increase in accumulated accretion on capital appreciation bonds	(29,105)
12	Amortization of deferred charge on refunding	(480,164)
13	Changes in net pension liabilities and related deferred outflows and inflows of resources	(3,705,864)
14	Changes in net OPEB liabilities and related deferred outflows and inflows of resources	10,475,754
15	Internal service funds are used by management to charge the costs of certain activities, such as insurance to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities (see D-2).	<u>(5,077,058)</u>
	<b>Change in Net Position of Governmental Activities (See B-1)</b>	<u><u>\$ 30,955,477</u></u>

## **PROPRIETARY FUND FINANCIAL STATEMENTS**



**ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**For the Year Ended June 30, 2023**

*Exhibit D-2*

	<b>Governmental Activities - Internal Service Fund</b>
<b>Operating Revenues</b>	
Rent Revenue	\$ 287,153
Employee and employer premiums	27,856,256
Stop Loss Reimbursement	<u>1,151,607</u>
<b>Total Operating Revenues</b>	<u>29,295,016</u>
<b>Operating Expenses</b>	
Claims and Prescriptions	31,144,996
Professional and contracted services	1,525,014
Supplies and materials	77,950
Claims expense and other operating expenses	2,194,243
Depreciation	<u>87,004</u>
<b>Total Operating Expenses</b>	<u>35,029,207</u>
<b>Operating Income Loss</b>	<u>(5,734,191)</u>
<b>Non-Operating Revenues (Expenses)</b>	
Investment earnings	<u>657,133</u>
<b>Total Nonoperating Revenues (Expenses)</b>	<u>657,133</u>
Change in Net Position	(5,077,058)
<b>Net Position - July 1 (Beginning)</b>	<u>19,333,423</u>
<b>Net Position - June 30 (Ending)</b>	<u>\$ 14,256,365</u>

**ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**For the Year Ended June 30, 2023**

Exhibit D-3

	<u>Governmental Activities - Internal Service Fund</u>
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	
<b>Cash Flows from Operating Activities:</b>	
Cash received from rental receipts	\$ 378,245
Cash received from employees and employer	26,279,560
Cash receipts for interfund services provided	1,343,430
Cash receipts for stop loss	1,151,607
Cash payments to suppliers	(31,978,744)
Cash payments for other operating expenses	<u>(3,732,392)</u>
<b>Net Cash Provided by (Used for) Operating Activities</b>	<u>(6,558,294)</u>
<b>Cash Flows from Investing Activities:</b>	
Interest on investments	<u>657,133</u>
<b>Net Cash Provided by Investing Activities</b>	<u>657,133</u>
Net change in Cash and Cash Equivalents	(5,901,161)
<b>Cash and Cash Equivalents at Beginning of Year</b>	<u>23,219,489</u>
<b>Cash and Cash Equivalents at End of Year</b>	<u>\$ 17,318,328</u>
<b>Reconciliation to Balance Sheet</b>	
Cash and Cash Equivalents Per Cash Flow	<u>\$ 17,318,328</u>
Cash and Cash Equivalents per Balance Sheet	<u>\$ 17,318,328</u>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</b>	
Operating Income (Loss)	\$ (5,734,191)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation	87,004
Change in Assets and Liabilities:	
Decrease (increase) in Receivables	51,238
Decrease (increase) in Interfund Receivables	1,490,138
Decrease (increase) in Prepaid Expenses	21,436
Increase (decrease) in Accounts Payable	(775,398)
Increase (decrease) in Interfund Payables	(1,683,550)
Increase (decrease) in Claims Payable	<u>(14,971)</u>
<b>Net Cash Provided by (Used for) Operating Activities</b>	<u>\$ (6,558,294)</u>



## **FIDUCIARY FUND FINANCIAL STATEMENTS**

**ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF FIDUCIARY NET POSITION**  
*June 30, 2023*

*Exhibit E-1*

	<u>Custodial Fund</u>
<b>Assets</b>	
Current Assets:	
Cash and cash equivalents	\$ 1,133,455
<b>Total Assets</b>	<u>\$ 1,133,455</u>
<b>Liabilities</b>	
Accounts payable	\$ 45
Due to other funds	406
<b>Total Liabilities</b>	<u>\$ 451</u>
<b>Net Position</b>	
Restricted for Other Purposes	\$ 1,133,004
<b>Total Net Position</b>	<u>\$ 1,133,004</u>

**ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**For the Year Ended June 30, 2023**

*Exhibit E-2*

	<u>Custodial Fund</u>
<b>Additions</b>	
Revenues from student activities	\$ 286,182
<b>Total Additions</b>	<u>286,182</u>
<b>Deductions</b>	
Professional and Contracted Services	39,973
Supplies and Materials	5,392
Other Deductions	<u>240,257</u>
<b>Total Deductions</b>	<u>285,622</u>
Change in net position	560
<b>Net Position Beginning of Year</b>	<u>1,132,444</u>
<b>Net Position - Ending</b>	<u>\$ 1,133,004</u>



## NOTES TO FINANCIAL STATEMENTS



**Note 1 - Summary of Significant Accounting Policies**

The Ector County Independent School District (the "District") is an independent public educational agency operating under the applicable laws and regulations of the State of Texas. It is governed by a seven-member Board of Trustees (the "Board") elected by the registered voters of the District and has fiscal accountability over all activities within the jurisdiction of the District. Therefore, the District is a financial reporting entity as defined by the Governmental Accounting Standards Board ("GASB") in its Statement No. 14, "The Financial Reporting Entity." The District prepares its basic financial statements in conformity with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board (GASB) and other authoritative sources identified in the Statement of Auditing Standards of the American Institute of Certified Public Accountants; and it complies with the requirements of the appropriate version of Texas Education Agency's *Financial Accountability System Resource Guide* (the "Resource Guide") and the requirements of contracts and grants of agencies from which it receives funds. If you have questions about this report or need additional financial information, contact the District's business office, at Ector County Independent School District, 802 N. Sam Houston, Odessa, Texas.

The following is a summary of the most significant accounting policies.

**A. Reporting Entity**

The District's Board is elected by the public and it has the authority to make decisions, appoint administrators and managers, and significantly influence operations. It also has the primary accountability for fiscal matters. Therefore, the District is considered an independent entity for financial reporting purposes, and is considered a primary government as defined by GASB. As the District is considered a primary government for financial reporting purposes, its activities are not considered a part of any other governmental or other, type of reporting entity.

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

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities* include programs supported primarily by taxes, charges to school districts for services, state funds, grants, and other intergovernmental revenues.

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

Interfund activities between governmental funds and between governmental and proprietary funds appear as due to or due from on the Governmental Fund Balance Sheet and Proprietary Fund Statement of Net Position and as other resources and other uses on the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance and on the Proprietary Fund Statement of Revenues, Expenses, and Changes in Fund Net Position. All interfund transactions between governmental funds and between governmental and internal service funds are eliminated on the government-wide statements. Interfund activities between governmental funds and fiduciary funds remain as due to or due from on the government-wide Statement of Net Position.

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

**Note 1 - Summary of Significant Accounting Policies (continued)**

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements while the agency funds have no measurement of focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. With this measurement focus, only current assets, current liabilities, deferred inflows of resources, and fund balances are included on the balance sheet. Operating statements of these funds present net increases and decreases in current assets (i.e., revenues and other financing sources and expenditures and other financing uses).

The modified accrual basis of accounting recognizes revenues in the accounting period in which they become both measurable and available, and it recognizes expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest and principal on long-term debt, which is recognized when due. The expenditures related to certain compensated absences and claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Revenues from local sources consist primarily of property taxes and are recorded as revenue when received. The District considers property tax revenue available if they expect the revenue to be collected within 60 days of the end of the fiscal year. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available.

Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant. If balances have not been expended by the end of the project period, determination is made to record as unearned revenue, fund balance, or return the funds if the grantors stipulate that the District must refund all or part of the unused amount.

The District reports the following major governmental funds:

- The General Fund - The general fund is the District's primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund.
- National School Breakfast & Lunch Program – The District accounts for the expenditures and related revenues related to the operation of the child nutrition program.
- Debt Service Fund - The District accounts for resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds in a debt service fund. This is a budgeted fund and separate bank accounts are maintained.



**Note 1 - Summary of Significant Accounting Policies (continued)**

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

The District reports the following nonmajor governmental funds:

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

Additionally, the District reports the following fund types:

- Internal Service Funds - These funds are used to account for financing of goods or services provided by one department to other departments of the District on a cost-reimbursement basis. The District operates the Housing Fund, Workers' Compensation fund and the Medical Trust fund internal service funds.
- Fiduciary Funds - The District accounts for resources held for others in custodial funds. This fund uses the economic resources measurement focus and accrual basis. The District's Custodial Fund is the Student Activity fund.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's internal service fund are charges to the funds and/or employees for self-funded health services. Operating expenses for the internal service fund include the cost of services and administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**D. Deposits and Investments**

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

For purposes of the statement of cash flows for proprietary funds, the District considers highly liquid investments to be cash equivalents if they have a maturity of three months or less when purchased.

The District's investment pools are valued and reported at amortized cost, which approximates fair value. The District categorizes fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District's local government investment pools are recorded at amortized costs as permitted by GASB Statement No. 79, *Certain Investment Pools and Pool Participants*.

**Note 1 - Summary of Significant Accounting Policies (continued)**

**E. Receivables and Payables**

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

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the District in conformity with Subtitle E, Texas Property 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 31 of each year, a tax lien attaches to the property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available (1) when they become due or past due and receivable within the current period and (2) when they are expected to be collected during a 60-day period after the close of the fiscal year.

Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. Allowances for uncollectible tax receivables within the General and Debt Service Funds are based on 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.

**F. Inventories and Prepaid Items**

The District reports inventories of supplies at weighted average cost. Supplies are recorded as expenditures when they are consumed. Inventories of food commodities are recorded at market values supplied by the Texas Department of Agriculture. Although commodities are received at no cost, their fair value is supplied by the Texas Department of Agriculture and recorded as inventory and unearned revenue when received. When requisitioned, inventory and unearned revenue are relieved, expenditures are charged, and revenue is recognized for an equal amount.

At year end, the commodities inventory is recorded to inventory. A portion of fund balance is classified as nonspendable to reflect minimum inventory quantities considered necessary for the District's continuing operations.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

**G. Capital Assets**

Capital assets, which include land, buildings, furniture and equipment, right to use lease assets and subscription-based IT arrangements ("SBITA") are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

**Note 1 - Summary of Significant Accounting Policies (continued)**

**G. Capital Assets (continued)**

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

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	40
Furniture and Equipment	5-20
Vehicles	5-10
Software	5
Right to Use Equipment	3-5
Subscription based IT assets	3-5

**H. Compensated Absences**

Compensated absences are absences for which employees will be paid, such as local sick leave, state personal leave and vacation leave. A liability for compensated absences that are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the government and its employees is accrued as employees earn the rights to the benefits. Compensated absences that relate to future services or that are contingent on a specific event that is outside the control of the government and its employees are accounted for in the period in which such services are rendered or such events take place.

The District’s policy for accumulated (DEC) and vacation leave (DED) is based on the following:

- Hourly position employees not working a scheduled 40-hour week are not eligible to be paid for accrued leave.
- Local sick leave and state personal leave: Any employee not mentioned above who retired after completing five consecutive years or resigns after completing 20 years of service with the District shall be paid for accrued state personal and/or local sick leave. Accrued sick leave shall be computed at one-half the daily rate at the time of retirement or resignation times the number of accrued leave days, which shall not exceed one-half the number of working days in an annual contract. In order to receive payment for unused sick leave, retirement must occur at the end of the employee’s contract period, or when retirement is necessitated by a medical disability as approved by the Teacher Retirement System. Exceptions to this provision were reviewed by the Board upon recommendation of the Superintendent. No benefits shall be calculated on a salary schedule exceeding that of a regular teacher’s salary schedule. Individuals who are retiring and have worked less than 85 days of the contract year shall have accrued sick leave paid based on the previous year’s salary schedule.
- Vacation leave: Any accrued vacation leave is paid upon separation at the employee’s current daily rate of pay.

**I. Long-term Obligations**

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type Statement of Net Position. Premiums and discounts are presented as a component of liabilities while deferred charges on refundings are presented as deferred outflows of resources. Both items are deferred and amortized over the life of the related debt using the straight-line method. Long-term debt is reported net of the applicable premium or discount.

**Note 1 - Summary of Significant Accounting Policies (continued)**

**I. Long-term Obligations (continued)**

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

**J. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of a government's net position (a decrease in assets in excess of any related decrease in liabilities or an increase in liabilities in excess of any related increase in assets) by the government that is applicable to a future reporting period. The District has three items that qualify for reporting in this category:

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

**Note 1 - Summary of Significant Accounting Policies (continued)**

**J. Deferred Outflows/Inflows of Resources (continued)**

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position (an increase in assets in excess of any related increase in liabilities or a decrease in liabilities in excess of any related decrease in assets) by the government that is applicable to a future reporting period. The District has three items that qualify for reporting in this category:

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

**K. Pensions**

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

**L. 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.

**Note 1 - Summary of Significant Accounting Policies (continued)**

**M. Net Position**

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

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

**N. Fund Balance**

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

- *Non-spendable fund balance* - Represents amounts that are not in spendable form, such as inventory and prepaids, or are required to be maintained intact.
- *Restricted fund balance* - Represents amounts constrained to specific purposes by their providers, such as grantors, bondholders, and higher levels of government, through constitutional provisions, or by enabling legislation.
- *Committed fund balance* - Represents amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority, i.e., Board of Trustees. To be reported as committed, amounts cannot be used for any other purpose unless the District's Board of Trustees approves the changes by Board Resolution. Examples of committed fund balance include potential litigation, claims and judgements, campus activity funds, construction, capital expenditures for equipment and self-insurance.
- *Assigned fund balance* - Represents amounts the District intends to use for a specific purpose. Intent can be expressed by the District or by an official or body to which the Board of Trustees delegates the authority.
- *Unassigned fund balance* - Represents amounts that are available for any purpose. Positive amounts are reported only in the general fund.

**Note 1 - Summary of Significant Accounting Policies (continued)**

**N. Fund Balance (continued)**

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

When the District incurs an expense for which it may use either restricted or unrestricted resources, it uses the restricted resources first unless unrestricted resources will have to be returned because they were not used. Since Internal Service Funds support the operations of governmental funds, they are consolidated with the governmental funds in the government-wide financial statements. The expenditures of governmental funds that create the revenues of internal service funds are eliminated to avoid "grossing up" the revenues and expenses of the District as a whole.

The District sponsors self-insured plans to provide workers' compensation benefits to employees and a Medical Trust Fund to provide health care benefits to employees and dependents. Revenues of these Internal Service Funds are received from both the District's governmental funds and employees. Expenses are comprised of claims incurred during the fiscal year, professional and contracted services, and other miscellaneous expenses.

The General Fund is contingently liable for liabilities of these funds.

**O. Data Control Codes**

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

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

**P. Use of Estimates**

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

**Q. Implementation of New Accounting Standards**

**The following GASB pronouncements have been implemented by the District in the current fiscal year:**

The District adopted GASB 96 - *Subscription Based information Technology Arrangements (SBITA)*. The District recognizes a liability and corresponding right-to-use the information technology software in the government-wide and internal service fund financial statements. The District recognizes subscription liabilities with an initial, individual value of \$250,000 or more and a contact term of twelve months or more.

**Note 2 - Deposits and Investments**

**Cash Deposits:** The funds of the District must be deposited and invested under the terms of a contract, contents of which are set out in the Depository Contract Law. The depository bank places approved pledged securities for safekeeping and trust with the District's agent bank 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.

On June 30, 2023, the carrying amount of the District's cash deposits (cash and interest-bearing accounts) was \$8,854,634 and the bank balance was \$12,007,222. The District's cash deposits on June 30, 2023, were entirely covered by FDIC Insurance or by pledged collateral held by the District's agent bank in the District's name.

**Investments:** The District's investment policy is in accordance with the Public Funds Investment Act (Government Code Chapter 2256). Statutes authorize the District to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas; (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers' acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, (10) and common trust funds.

The State Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports, and establishment of appropriate policies. It requires the District to adopt, implement, and publicize an investment policy. The investment policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit. Statutes authorize the District to invest in (1) obligations of the United States Treasury, certain United States agencies, and obligations of the State of Texas; (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers' acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, and (10) common trust funds. Management of the District believes it is in compliance with the requirements of the Act and with local policies. The District's temporary investments consist of balances held by the Texas Local Government Investment Pool (TexPool), TexStar and Lone Star Investment Pool (LSIP) and Texas CLASS.

TexPool is a public funds investment pool created by the Texas Treasury Safekeeping Trust Company (Trust Company) to provide a safe environment for the placement of local government funds in authorized short-term, fully collateralized investments, including direct obligations of, or obligations guaranteed by, the United States or State of Texas or their agencies; federally insured certificates of deposit issued by Texas banks or savings and loans; and fully collateralized direct repurchase agreements secured by United States Government agency securities and placed through a primary government securities dealer.

The Trust Company was incorporated by the State Treasurer by authority of the Texas Legislature as a special purpose trust company with direct access to the services of the Federal Reserve Bank to manage, disburse, transfer, safe keep, and invest public funds and securities more efficiently and economically. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. TexPool uses amortized cost rather than fair value to report net position to compute share prices. The fair value of the position in TexPool is the same as the value of TexPool shares. Accordingly, the District's investments in TexPool are stated at amortized cost, which approximates fair value. TexPool is currently rated AAAM by Standard and Poor's. This rating indicates excellent safety and a superior capacity to maintain principal value and limit exposure to loss.



**Note 2 - Deposits and Investments (continued)**

Lone Star Investment Pool is restricted to invest in obligations of the United States or its agencies and instrumentalities; other obligations insured by the United States; fully collateralized repurchase agreements having a defined termination date, secured by obligations described previously; and SEC-registered no-load money market mutual funds, the assets which consist exclusively of the obligations described above.

TexSTAR Investment Pool is duly chartered by the State of Texas Interlocal Cooperation Act, is administered and managed by JPMorgan Fleming Asset Management, Inc. and First Southwest Asset Management, Inc. JP Morgan Chase Bank and/or its subsidiary JP Morgan Investor Services Co. is the custodial bank. The primary objectives of TexSTAR are, in order of priority, on of principal, maintenance of sufficient liquidity to meet Participants’ needs, diversification to avoid unreasonable or avoidable risks, and yield.

The Texas Cooperative Liquid Assets Securities System Trust (Texas CLASS) was created as a local government investment pool (LGIP) pursuant to Section 2256.016 of the Public Funds Investment Act, Texas Government Code (PFIA). Texas CLASS is overseen by the Texas CLASS Board of Trustees, comprised of active members of the pool and elected by the Participants, guided by the Advisory Board. The Board is responsible for selecting the Administrator and Investment Advisor. The Board retains the services of Public Trust Advisors, LLC (Public Trust).

At June 30, 2023, the District’s cash and investment balances, the weighted average maturity, and the credit ratings of these investments were as follows:

	<u>Carrying Value</u>	<u>Weighted Average Maturity (Days)</u>	<u>Credit Rating</u>
<b>Governmental Activities</b>			
Cash and deposits	\$ 8,854,634	N/A	N/A
<b>Investments</b>			
Local Government Investment Pools:			
TexPool	56,066,858	25	AAAm
LoneStar	917,263	25	AAA
TexasClass	44,458,606	12	AAA
TexStar	<u>13,591,000</u>	42	AAA
Total Local Government Investment Pools	<u>115,033,727</u>		
Short term investments:			
Money market	10,448,786	N/A	
Federal government obligation fund	518,314	N/A	AAAm
Municipal bonds	446,750	93	Various
US Treasury Bills	1,518,750	160	AAA
Federal Farm Credit Bank	<u>444,109</u>	94	AAA
Total short term investments	<u>13,376,709</u>	53	
<b>Total Investments</b>	<u>128,410,436</u>		
<b>Total Governmental Activities</b>	<u>137,265,070</u>		
<b>Fiduciary Funds</b>			
Cash and Deposits	<u>1,133,455</u>	N/A	N/A
<b>Total Fiduciary Funds</b>	<u>1,133,455</u>		
<b>Total</b>	<u>\$ 138,398,525</u>		

**Note 2 - Deposits and Investments (continued)**

Due to the immediate availability of the funds, the District’s temporary investments at June 30, 2023 are included in cash and cash equivalents. Local government investment pools are recorded at amortized cost which approximates fair value. Texpool, Lone Star and TexStar do not have any limitations and restrictions on withdrawals such as notice periods or maximum transaction amounts. The pools do not impose any liquidity fees or redemption gates.

Additional policies and contractual provisions governing deposits and investments for the District are specified below:

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

**Credit Risk:** To limit the risk that an issuer or other counterparty to an investment will not fulfill its obligations, the District limits investments in commercial paper, corporate bonds, mutual bond funds, public funds investment pools to those that have received top ratings issued by nationally recognized statistical rating organizations (NRSROs). As of June 30, 2023, the District’s investments in Texas Pool and Lone Star were rated AAAM and AAA, respectively.

**Custodial Credit Risk:** State law requires governmental entities to contract with financial institutions in which funds will be deposited to secure those deposits with insurance or pledged securities with a fair value equaling or exceeding the amount on deposit at the end of each business day. The District’s policy regarding deposits is in accordance with this law.

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

**Note 3 - Receivables and Unearned Revenue**

Receivables as of June 30, 2023, for the District's individual major and non-major funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General Fund</u>	<u>National School Breakfast &amp; Lunch Program</u>	<u>Debt Service Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Nonmajor Internal Service Fund</u>	<u>Total</u>
Property Taxes	\$ 18,725,492	\$ -	\$ 2,455,315	\$ -	\$ -	\$ 21,180,807
Due from other governments	34,062,894	214,850	-	11,105,053	-	45,382,797
Other	399,732	25,861	-	2,560	39,854	468,007
Gross Receivables	53,188,118	240,711	2,455,315	11,107,613	39,854	67,031,611
Less allowance for doubtful accounts	(5,890,188)	-	(772,330)	-	-	(6,662,518)
<b>Net Total Receivables</b>	<u>\$ 47,297,930</u>	<u>\$ 240,711</u>	<u>\$ 1,682,985</u>	<u>\$ 11,107,613</u>	<u>\$ 39,854</u>	<u>\$ 60,369,093</u>

**Note 3 - Receivables and Unearned Revenue (continued)**

Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned. At the end of the fiscal year 2023, the various components of unearned revenues reported in the governmental funds were as follows:

	<u>Unearned</u>
Advanced collection of fees (food service)	\$ 856,996
Unearned federal revenue	171,106
Unearned state and local revenue	22,000
	<u>\$ 1,050,102</u>

**Note 4 - Interfund Receivables, Payables, and Transfers**

Interfund balances consist of short-term lending/borrowing arrangements that result from normal operations and are cleared out periodically. Additionally, some lending/borrowing may occur between two or more nonmajor governmental funds.

The composition of interfund balances and transfers as of June 30, 2023, is as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>	<u>Net</u>
<b>Governmental Activities:</b>			
General Fund	\$ -	\$ 2,679,472	\$ (2,679,472)
National School Breakfast & Lunch Program	8,465,214	-	8,465,214
Insurance recovery	-	-	-
Debt Service Fund	294,344	-	294,344
Nonmajor Governmental Funds	848,547	6,648,650	(5,800,103)
Nonmajor Internal Service Funds	-	279,577	(279,577)
<b>Total Governmental Activities</b>	<u>9,608,105</u>	<u>9,607,699</u>	<u>406</u>
Fiduciary Funds	-	406	(406)
<b>Total</b>	<u>\$ 9,608,105</u>	<u>\$ 9,608,105</u>	<u>\$ -</u>

<u>Transfer Out</u>	<u>Transfer In</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	<u>\$ 390,882</u>
<b>Total</b>		<u>\$ 390,882</u>

The purpose of the transfer from General Fund to the SSA Regional Day School State Deaf fund is for the District's portion of fund expenditures.

**Note 5 - Capital Assets**

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

Governmental Activities:

	Balance July 01, 2022	Additions	Transfers	(Retirements)	Balance June 30, 2023
<b>Governmental Capital Assets</b>					
Capital assets, not being depreciated:					
Land	\$ 12,893,485	\$ 384,514	\$ -	\$ -	\$ 13,277,999
Construction in progress	-	11,070,542	-	-	11,070,542
Total capital assets, not being depreciated	<u>12,893,485</u>	<u>11,455,056</u>	<u>-</u>	<u>-</u>	<u>24,348,541</u>
Capital assets, being depreciated:					
Buildings and improvements	473,985,968	701,061	-	-	474,687,029
Furniture and equipment	33,040,236	5,903,068	-	(181,171)	38,762,133
Vehicles	27,302,518	1,676,516	-	(2,144,323)	26,834,711
Software	4,212,753	85,179	-	-	4,297,932
Subscription based IT arrangements	-	1,745,387	-	-	1,745,387
Right to use assets	1,871,890	357,000	-	-	2,228,890
Total capital assets, being depreciated	<u>540,413,365</u>	<u>10,468,211</u>	<u>-</u>	<u>(2,325,494)</u>	<u>548,556,082</u>
Less accumulated depreciation for:					
Buildings and improvements	(200,888,817)	(9,852,346)	-	-	(210,741,163)
Furniture and equipment	(25,915,394)	(2,638,989)	-	161,273	(28,393,110)
Vehicles	(18,518,476)	(1,581,290)	-	2,039,506	(18,060,260)
Software	(4,207,468)	(7,857)	-	-	(4,215,325)
Subscription based IT arrangements	-	(44,625)	-	-	(44,625)
Right to use assets	(640,340)	(753,248)	-	-	(1,393,588)
Total accumulated depreciation	<u>(250,170,495)</u>	<u>(14,878,355)</u>	<u>-</u>	<u>2,200,779</u>	<u>(262,848,071)</u>
<b>Governmental Capital Assets</b>	<u>\$ 303,136,355</u>	<u>\$ 7,044,912</u>	<u>\$ -</u>	<u>\$ (124,715)</u>	<u>\$ 310,056,552</u>

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

Function	Depreciation Expense
<b>Governmental Activities:</b>	
Instruction	\$ 5,462,942
Instructional resources and media services	165,334
Curriculum and staff development	1,396
Instructional leadership	26,286
School leadership	457,444
Guidance, counseling and evaluation services	11,712
Health services	1,066
Student transportation	1,095,045
Food Services	1,486,428
Extracurricular activities	2,218,685
General administration	51,813
Plant maintenance and operations	2,749,120
Security and monitoring services	288,445
Data processing services	692,465
Community services	39,437
Facilities acquisition and construction	43,733
Internal service fund	87,004
<b>Total Governmental Activities</b>	<u>\$ 14,878,355</u>

**Note 6 - Long-term Liabilities**

The District's long-term liabilities consist of bond indebtedness and compensated absences. The current requirements for general obligation bonds principal and interest expenditures are accounted for in the debt service fund.

**Changes in Long-term Liabilities**

Long-term liability activities for the fiscal year ended June 30, 2023, was as follows:

	Balance July 1, 2022	Additions	Retirements	Balance June 30, 2023	Due Within One Year
General Obligation Bonds:	\$ 134,585,000	\$ -	\$ 26,950,000	\$ 107,635,000	\$ 6,840,000
Premiums on bonds	11,110,858	-	1,311,616	9,799,242	-
Accumulated accretion on capital appreciation bonds	43,911	29,105	-	73,016	-
Worker's compensation claims payable	2,903,690	-	147,923	2,755,767	692,313
Healthcare claims payable	2,830,587	132,953	-	2,963,540	2,963,540
Accrued compensated absences	4,449,029	-	81,511	4,367,518	-
Lease liabilities	1,253,486	491,900	749,746	995,640	600,662
<b>Total Governmental Long-term Liabilities</b>	<b>\$ 157,176,561</b>	<b>\$ 653,958</b>	<b>\$ 29,240,796</b>	<b>\$ 128,589,723</b>	<b>\$ 11,096,515</b>

**General Obligation Bonds**

General Obligation Bonds outstanding, at June 30, 2023, are comprised of the following:

Issue	Original Issuance Amount	Interest Rate (%)	Maturity Date	Debt Outstanding
General Obligation Bonds:				
Unlimited Tax Building Bonds, Series 2013	\$ 121,595,000	3.00% to 5.00%	8/15/2038	\$ 13,445,000
Unlimited Tax Refunding Bonds, Series 2016	49,235,000	3.00% to 5.00%	8/15/2027	30,925,000
Unlimited Tax Refunding Bonds, Series 2020A	8,935,000	3.00%	8/15/2037	8,775,000
Unlimited Tax Refunding Bonds, Series 2020B	56,150,000	1.75% to 5.00%	8/15/2036	54,490,000
				<u>\$ 107,635,000</u>

Debt service requirements to maturity for the General Obligation Bonds are as follows:

Year Ending June 30th	Principal	Interest	Totals
2024	\$ 6,840,000	\$ 3,922,072	\$ 10,762,072
2025	7,165,000	3,583,722	10,748,722
2026	7,535,000	3,228,472	10,763,472
2027	6,840,000	3,948,347	10,788,347
2028	7,635,000	3,127,847	10,762,847
2029 - 2033	42,695,000	7,155,993	49,850,993
2034 - 2038	28,925,000	2,128,637	31,053,637
	<u>\$ 107,635,000</u>	<u>\$ 27,095,090</u>	<u>\$ 134,730,090</u>

**Note 6 - Long-term Liabilities (continued)**

**General Obligation Bonds (continued)**

**Capital Appreciation Bonds**

A portion of the bonds sold in the Series 2012 bond issues were capital appreciation bonds commonly referred to as “premium compound interest bonds.” The District annually records the appreciation of the bond principal for the accreted value of the bonds through maturity of the issue. The interest of these bond series will be paid upon maturity. The following table summarizes the significant features of the individual bonds, by issue:

<u>Series</u>	<u>Accreted Value</u>	<u>Original Bond Principal</u>	<u>Accreted Interest</u>	<u>Maturity Value</u>	<u>Maturity Dates</u>
2020B Refunding	\$ 113,016	\$ 40,000	\$ 73,016	\$ 2,115,000	2026 and 2027

**Prior Years’ Refunding of Long-Term Debt**

In the current year, the District defeased certain general obligation debt by placing funds wired from the District’s debt service fund to be placed in an irrevocable trust to provide for all future debt service payments on the refunded debt. Accordingly, the trust account assets and the liability for the defeased debt are not included in the District’s financial statements. At June 30, 2023, there are \$9,840,000 defeased bonds outstanding.

**Deferred charge on refunding**

The balance of deferred charge on refunding at June 30, 2023 was and is presented as a deferred outflow of resources in the Statement of Net Position:

	<u>Balance July 01, 2022</u>	<u>Deferred Charge on New Issues</u>	<u>Recognized Amortization</u>	<u>Balance June 30, 2023</u>
Deferred charge on refunding	\$ 7,194,511	\$ -	\$ 480,164	\$ 6,714,347

**Right to Use Lease Liabilities**

The District has several agreements to lease copiers and printers, postage machines and mailers and tablets for transportation vehicles. As of June 30, 2023, the values of the lease liabilities was \$995,640. Monthly lease payments range from \$215 to \$28,000 and mature in fiscal year 2024 through 2028. The leases qualify as other than short-term lease as defined by Government Accounting Standards Board (GASB) Statement No. 87 (“GASB87”). Therefore the District has recorded right-to-use lease assets and the lease liability at an amount equal to the initial measurement of the related lease liability. The liability was measured at a discount rate of 5%. The rights to use assets are amortized on a straight-line basis over the life of the asset.

Debt service requirements to maturity for the right to use lease liabilities are as follows:

<u>Year Ending June 30th</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2024	\$ 600,662	\$ 33,249	\$ 633,911
2025	244,724	13,782	258,506
2026	64,756	5,656	70,412
2027	44,004	3,261	47,265
2028	41,494	1,045	42,539
	<u>\$ 995,640</u>	<u>\$ 56,993</u>	<u>\$ 1,052,633</u>

**Note 7 - Revenues from Local, Intermediate, and Out-of-State Sources**

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

	<b>General Fund</b>	<b>National School Breakfast &amp; Lunch Program</b>	<b>Debt Service Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Internal Service Fund</b>	<b>Total</b>
Property Taxes	\$158,598,187	\$ -	\$ 31,666,576	\$ -	\$ -	\$ 190,264,763
Insurance Recovery	60,128	-	-	7,155,550	-	7,215,678
Campus Activity	-	-	-	1,258,178	-	1,258,178
Insurance Premiums	-	-	-	-	29,007,863	29,007,863
Food Service Activity	-	859,640	-	-	-	859,640
Extracurricular Activities	724,377	-	-	-	-	724,377
Tuition and Fees	708,625	-	-	-	-	708,625
Investment Income	4,274,757	34,321	538,930	266,301	657,133	5,771,442
Gifts and bequests	1,263,010	-	-	-	-	1,263,010
Rent	42,426	-	-	-	287,153	329,579
Other	1,662,794	3,764	-	1,002,912	-	2,669,470
	<u>\$167,334,304</u>	<u>\$ 897,725</u>	<u>\$ 32,205,506</u>	<u>\$ 9,682,941</u>	<u>29,952,149</u>	<u>\$ 240,072,625</u>

**Note 8 - Defined Benefit Pension Plan**

**A. Plan Description**

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

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

**B. Pension Plan Fiduciary Net Position**

Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately-issued Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the internet at <https://www.trs.texas.gov/TRS%20Documents/acfr-2022.pdf>, or by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698, or by calling (512) 542-6592.

**Note 8 - Defined Benefit Pension Plan (continued)**

**C. Benefits Provided**

TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using 2.3 percent (multiplier) times the average of the five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, the three highest annual salaries are used. The normal service retirement is at age 65 with 5 years of credited service or when the sum of the member’s age and years of credited service equals 80 or more years. Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit.

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

**D. Contributions**

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

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

	<b>Contribution Rates</b>	
	<b>Plan Fiscal Year</b>	
	<b>2023</b>	<b>2022</b>
Member (Employee)	8.00%	8.00%
Non-employer contributing agency (State)	8.00%	7.75%
District	8.00%	7.75%

	<b>Fiscal Year (2023)</b>	
	<b>Contributions</b>	
Employer (District)	\$	9,456,993
Employee (Member)		16,981,591
Non-employer Contributing Entity		
On-behalf Contributions (State)		11,065,001

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).



**Note 8 - Defined Benefit Pension Plan (continued)**

**D. Contributions (continued)**

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

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

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

- All public schools, charter schools, and regional educational service centers must contribute 1.5 percent of the member's salary beginning in fiscal year 2020, gradually increasing to 2 percent in fiscal year 2025.

When employing a retiree of the Teacher Retirement System, the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.

**E. Actuarial Assumptions**

The total pension liability in the August 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

<b>Component</b>	<b>Result</b>
Valuation Date	August 31, 2021, rolled forward to August 31, 2022
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Single Discount Rate	7.00%
Long-term Expected Rate	7.00%
Municipal Bond Rate as of August 2020	3.91%. Source for the rate is the Fixed Income Market Data/Yield Curve/Data Municipal Bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index."
Last year ending August 31 in Projection Period (100 years)	2121
Inflation	2.30%
Salary Increases	2.95% to 8.95% including inflation
Ad Hoc Post-Employment Benefit Changes	None

**Note 8 - Defined Benefit Pension Plan (continued)**

**E. Actuarial Assumptions (continued)**

The actuarial assumptions used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2021. The actuarial methods and assumption were primarily based on a study of actual experience for the three-year ending August 31, 2017 and were adopted in July 2018. For a full description of these assumptions see the actuarial valuation report described the 2022 TRS ACFR, which includes actuarial valuation report dated November 22, 2022.

**F. 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 pension plan investments of 7.00 percent. The projection of flows used to determine this single discount rate assumed that contributions from active members, employers and the non-employer contributing entity will be made at the rates set by the legislature during the 2019 session. It is assumed that future employer and state contributions will be 8.50 percent of payroll in fiscal year 2020 gradually increasing to 9.55 percent of payroll over the next several years. This includes all employer and state contributions for active and rehired retirees.

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

**Note 8 - Defined Benefit Pension Plan (continued)**

**F. Discount Rate (continued)**

The long-term rate of return on pension plan investments is 7.00%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of August 31, 2022 are summarized below:

Asset Class <sup>1</sup>	Target Allocation <sup>1</sup>	Long-Term Expected Arithmetic Real Rate of Return <sup>2</sup>	Expected Contribution to Long-Term Portfolio Returns
<b>Global Equity</b>			
USA	18.00%	46.00%	1.12%
Non-U.S. Developed	13.00%	4.90%	0.90%
Emerging Markets	9.00%	5.40%	0.75%
Private Equity	14.00%	7.70%	1.55%
<b>Stable Value</b>			
Government Bonds	16.00%	1.00%	0.22%
Absolute Return (Including Credit Sensitive Investments)	0.00%	3.70%	0.00%
Stable Value Hedge Funds	5.00%	3.40%	0.18%
<b>Real Return</b>			
Real Estate	15.00%	4.10%	0.94%
Energy, Natural Resources and Infrastructure	6.00%	5.10%	0.37%
Commodities	0.00%	3.60%	0.00%
<b>Risk Parity</b>			
Risk Parity	8.00%	4.60%	0.43%
<b>Leverage</b>			
Cash	2.00%	3.00%	0.01%
Asset Allocation Leverage	-6.00%	3.60%	-0.05%
Inflation Expectation	0.00%	0.00%	2.70%
Volatility Drag <sup>3</sup>	0.00%	0.00%	-0.91%
<b>Expected Return</b>	100.00%		8.21%

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

<sup>2</sup> Target allocations are based on the fiscal year 2022 policy model.

<sup>3</sup> Capital Market Assumptions come from Aon Hewitt as of August 31, 2022.

**Note 8 - Defined Benefit Pension Plan (continued)**

**G. Discount Rate Sensitivity Analysis (continued)**

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

	<b>1% Decrease</b>	<b>Current Discount</b>	<b>1% Increase</b>
	<b>6.00%</b>	<b>Rate</b>	<b>8.00%</b>
	<b>6.00%</b>	<b>7.00%</b>	<b>8.00%</b>
District's proportional share of the net pension liability	\$ 165,523,141	\$ 106,403,268	\$ 58,483,836

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

At June 30, 2023, the District reported a liability of \$106,403,268 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$ 106,403,268
State's proportionate share of the net pension liability associated with the District	<u>132,833,188</u>
<b>Total</b>	<u><u>\$ 239,236,456</u></u>

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

At August 31, 2022, the District's proportion of the collective net pension liability was 0.1792% which was a decrease of 0.0038% from its proportion measured as of August 31, 2021.

All future statutorily required contributions will be made from the General Fund.

***Changes Since the Prior Actuarial Valuation***

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

For the year ended June 30, 2023, the District recognized pension expense of \$13,036,281. The District also recognized an additional on-behalf revenue and expense of \$12,697,347 representing for support provided by the State.

**Note 8 - Defined Benefit Pension Plan (continued)**

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

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,542,839	\$ (2,319,793)
Changes of assumptions	19,826,392	(4,941,291)
Net difference between projected and actual earnings on pension plan investments	10,512,303	-
Changes in proportion and differences between District contributions and proportionate share of contributions	11,008,279	(6,340,197)
District contributions subsequent to the measurement date	7,977,993	-
<b>Total</b>	<u>\$ 50,867,806</u>	<u>\$ (13,601,281)</u>

Deferred outflows of resources resulting from District contributions subsequent to the measurement date in the amount of \$7,977,993 will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. 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:

<u>Fiscal Year</u>	<u>Pension Expense Amount</u>
2024	\$ 7,182,892
2025	4,565,731
2026	1,753,834
2027	13,673,910
2028	2,112,165
Thereafter	-
	<u>\$ 29,288,532</u>

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

**Note 9 - Defined Other Post-Employment Benefit Plans**

**A. Plan Description**

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

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

**B. OPEB Plan Fiduciary Net Position**

Detail information about the TRS-Care’s fiduciary net position is available in the separately issued TRS 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/TRS%20Documents/acfr-2022.pdf>, or by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698, or by calling (512) 542-6592.

**C. Benefits Provided**

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

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

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

**Note 9 - Defined Other Post-Employment Benefit Plans (continued)**

**D. Contributions**

Texas Insurance Code, section 1575.202 establishes the state’s contribution rate which is 1.25 percent of the employee’s salary. Section 1575.203 establishes the active employee’s rate which is .65 percent of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25 percent or not more than 0.75 percent of the salary of each active employee of the public or charter school. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act. The following table shows contributions to the TRS-Care plan by type of contributor.

	<b>Contribution Rates</b>	
	<b>2023</b>	<b>2022</b>
Member	0.65%	0.65%
Non-employer contributing agency	1.25%	1.25%
Employers	0.75%	0.75%
Federal/private funding	1.25%	1.25%

	<b>Fiscal Year 2023</b>	
	<b>Contributions</b>	
Employer (District)	\$	1,924,320
Employee (Member)		1,378,190
Non-employer Contributing Entity		
On-behalf Contributions (State)		3,559,243

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

TRS-Care received supplemental appropriations from the State of Texas as the Non-Employer Contributing Entity in the amount of \$5,520,343 medical and health care billing by certain out-of-network providers.

**E. Actuarial Assumptions**

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

The actuarial valuation of the OPEB plan offered through TRS-Care is similar to the actuarial valuation performed for the pension plan, except that the OPEB valuation is more complex. The demographic assumptions were developed in the experience study performed for TRS for the period ending August 31, 2017. The following assumptions and other inputs used for members of TRS-Care are based on an established pattern of practice and are identical to the assumptions used in the August 31, 2020 TRS pension actuarial valuation that was rolled forward to August 31, 2021: (a) Rates of Mortality, (b) Rates of Retirement, (c) Rates of Termination, (d) Rates of Disability, (e) General Inflation, and (f) Wage Inflation.

**Note 9 - Defined Other Post-Employment Benefit Plans (continued)**

**E. Actuarial Assumptions (continued)**

The following assumptions and other inputs used for members of TRS-Care are based on an established pattern of practice and are identical to the assumptions used in the August 31, 2021 TRS pension actuarial valuation that was rolled forward to August 31, 2022: (a) Rates of Mortality, (b) Rates of Retirement, (c) Rates of Termination, (d) Rates of Disability, (e) General Inflation, (f) Wage Inflation, and (g) Expected Payroll Growth.

<u>Component</u>	<u>Result</u>
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
Election Rates	Normal Retirement: 65 percent participation rate prior to age 65 and 40 percent participation rate after age 65. Pre-65 retirees: 25 percent are assumed to discontinue coverage at age 65.
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claim costs.
Salary Increases	3.05% to 9.05% including inflation
Healthcare Trend Rates	The initial medical trend rates were 8.25 percent for Medicare retirees and 7.25 percent for non-Medicare retirees. There was an initial prescription drug trend rate of 8.25 percent for all retirees. The initial trend rates decrease to an ultimate trend rate of 4.25 percent over a period of 13 years.
Ad Hoc Post-Employment Benefit Changes	None

*^ Source: p.77 of 2021 TRS ACFR*

**F. Discount Rate**

A single discount rate of 3.91 percent was used to measure the Total OPEB Liability. There was an increase of 1.96 percent in the discount rate since the previous year. Because the plan is essentially a “pay-as-you-go” plan, the single discount rate is equal to the prevailing municipal bond rate. The projection of cash flows used to determine the discount rate assumed that contributions from active members and those of the contributing employers and the nonemployer contributing entity are made at the statutorily required rates. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, the municipal bond rate was used for the long-term rate of return and was applied to all periods of projected benefit payments to determine the total OPEB liability. The source of the municipal bond rate is the Fidelity “20-year Municipal GO AA Index” as of August 31, 2022, using the fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds



**Note 9 - Defined Other Post-Employment Benefit Plans (continued)**

**G. Discount Rate Sensitivity Analysis**

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

	<b>Discount Rate</b>		
	<b>1% Decrease</b>	<b>Current Rate</b>	<b>1% Increase</b>
	<b>(2.91%)</b>	<b>(3.91%)</b>	<b>(4.91%)</b>
District's proportionate share of the Net OPEB Liability:	\$ 66,782,180	\$ 56,639,261	\$ 48,422,195

*Healthcare Cost Trend Rate* - The following presents the District's proportional share of the net OPEB liability of the plan using net OPEB liability would be if it were calculated using a trend rate that is one-percentage point lower or one-percentage point higher than the assumed healthcare cost trend rate:

	<b>Healthcare Cost Trend</b>		
	<b>1% Decrease</b>	<b>Current</b>	<b>1% Increase</b>
	<b>(1.0%)</b>	<b>(1.0%)</b>	<b>(1.0%)</b>
District's proportionate share of the Net OPEB Liability:	\$ 46,971,006	\$ 56,639,261	\$ 69,561,821

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

At June 30, 2023, the District reported a liability of \$56,639,261 for its proportionate share of the TRS's Net OPEB Liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the net OPEB liability	\$ 56,639,261
State's proportionate share of the net OPEB liability associated with the District	<u>69,091,000</u>
<b>Total</b>	<u><u>\$ 125,730,261</u></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 the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2021 through August 31, 2022.

At August 31, 2022, the District's proportion of the collective Net OPEB Liability was 0.2365% which was a decrease of 0.0187% from its proportion measured as of August 31, 2021.

All future statutorily required contributions will be made from the General Fund.

**Note 9 - Defined Other Post-Employment Benefit Plans (continued)**

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

***Changes Since the Prior Actuarial Valuation***

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

- The discount rate changed from 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.

For the year ended June 30, 2023, the District recognized negative OPEB expense of \$8,657,843. The District also recognized negative on-behalf expense and revenue of \$9,804,571 for support provided by the State.

At June 30, 2023, the District reported its proportionate share of the TRS’s deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actuarial economic experience	\$ 3,148,943	\$ (47,185,588)
Changes of assumptions	8,627,281	(39,349,589)
Net difference between projected and actual earnings on OPEB plan investments	168,713	-
Changes in proportion and difference between the District contributions and the proportionate share of contributions	3,879,411	(12,885,001)
Contributions paid to TRS subsequent to the measurement date	<u>1,572,858</u>	<u>-</u>
<b>Total</b>	<u>\$ 17,397,206</u>	<u>\$ (99,420,178)</u>

The \$1,572,858 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2024. 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:

<u>Fiscal Year</u>	<u>OPEB Expense Amount</u>
2024	\$ (15,110,220)
2025	(15,109,608)
2026	(12,707,737)
2027	(9,456,020)
2028	(9,761,090)
Thereafter	<u>(21,451,155)</u>
	<u>\$ (83,595,830)</u>

**Note 9 - Defined Other Post-Employment Benefit Plans (continued)**

**I. Medicare Part D**

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the years ended June 30, 2023, 2022 and 2021, the subsidy payments received by TRS Care on behalf of the District are as follows:

<u>Fiscal Year</u>	<u>Medicare Part D</u>
June 30, 2023	\$ 1,059,266
June 30, 2022	851,616
June 30, 2021	870,228

**Note 10 - Risk Management**

**Property/Liability**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District’s risk management program encompasses various means of protecting the District against loss by obtaining property, casualty, and liability coverage through commercial insurance carriers, and from participation in a risk pool. The District’s participation in the risk pool is limited to payment of premiums.

**Health Insurance**

The District sponsors a self-funded plan to provide health care benefits to staff members and their dependents. Transactions related to the plan are accounted for in the Medical Trust Fund (the “Fund”), an internal service fund of the District. The District contributed \$380 per month per employee-for the period of July 2022 through June 2023. Each employee contributed \$125 per month for the period of July 2022 through June 2023. Employees, at their option, authorized payroll withholding to pay contributions for dependents. Third party administrators paid all claims from the fund. The plan was authorized by Section 21.922, Texas Education Code, and was documented by contractual agreement. The District was protected against unanticipated catastrophic individual or aggregate loss by stop-loss coverage carried through Sirius America Insurance Company, commercial insurer licensed or eligible to do business in Texas in accordance with the Texas Insurance Code. Stop loss coverage was in effect in 2022 for individual claims exceeding \$350,000 annually and aggregate coverage with an attachment point of \$30,746,728. These amounts were \$350,000 individual and \$30,334,131 aggregate in 2022. In 2023 these amounts were \$375,000 individual and \$200,000 aggregate. Estimates of claims payable and of claims incurred, but not reported at June 30, 2023, are reflected as accounts and claims payable of the Fund. The plan is funded to discharge liabilities of the Fund as they become due.

For the fiscal year July 2022-December 2022, five (5) claims exceeded the \$350,000 limit plus one one-time aggregating specific of \$200,000. January 2023-June 2023 three (3) claims exceeded the \$375,000 limit plus one one-time aggregating specific of \$200,000. Changes in the balances of claims liabilities during the past year are as follows:

Changes in the balances of claims and liabilities are as follows:

<u>Fiscal Year</u>	<u>Beginning of Year Unpaid Claims</u>	<u>Incurred Claims (IBNR)</u>	<u>Claims Payments</u>	<u>End of Year Accrual</u>
June 30, 2023	\$ 2,830,587	\$ 30,851,374	\$ (30,718,421)	\$ 2,963,540
June 30, 2022	2,260,960	28,822,757	(28,253,130)	2,830,587
June 30, 2021	1,807,206	25,792,128	(25,338,374)	2,260,960

**Note 10 - Risk Management (continued)**

**Workers' Compensation**

The District sponsors a self-funded Worker's Compensation Fund. Claims exceeding \$500,000 up to the State of Texas statutory limits per occurrence are covered by a stop loss plan through the Texas Association of School Boards, whose carrier is Safety National Casualty Corporation.

For the school year 2022-2023, no claims exceeded the \$500,000 limit.

Estimates of claims payable and of claims incurred but not reported at June 30, 2023, are reflected as accrued expenses of the Fund. The liabilities include an amount for claims that have been incurred but were not reported until after June 30, 2023. Liability for claims is reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines and damage awards, the process used in computing the liabilities is an estimate. Claims liabilities are reevaluated periodically to take into consideration recently settled claims, the frequency of claims and other economic and social factors.

Changes in the balances of claims liabilities are as follows:

<u>Fiscal Year</u>	<u>Beginning of Year Unpaid Claims</u>	<u>Incurred Claims (IBNR)</u>	<u>Claims Payments</u>	<u>End of Year Accrual</u>
June 30, 2023	\$ 2,903,690	\$ 1,112,401	\$ (1,260,324)	\$ 2,755,767
June 30, 2022	2,340,590	1,678,172	(1,115,072)	2,903,690
June 30, 2021	2,560,759	421,749	(641,918)	2,340,590

**Note 11 - Shared Service Arrangements**

The District is the fiscal agent for a Shared Service Arrangement ("SSA") that provides deaf education services to member districts. In addition to the District, other member districts are noted below. All services are provided by the fiscal agent. The member districts provide the funds to the fiscal agent. According to guidance provided in TEA's Resource Guide, the District has accounted for the fiscal agent's activities of the SSA in venue Fund 315, 340, and 435 using Model 3 in the SSA section. Expenditures of the SSA are summarized below:

Ector County Independent School District	\$ 597,444
Midland Independent School District	224,041
Andrews Independent School District	104,553
Big Spring Independent School District	74,680
Ft. Stockton Independent School District	44,808
Reagan County Independent School District	44,808
Monahans Independent School District	44,808
Crane Independent School District	29,872
Garden City Independent School District	14,938
Coahoma Independent School District	14,936
Kermit Independent School District	14,936
	<u>\$ 1,209,824</u>

**Note 12 - Contingent Liabilities**

The District participates in numerous federally-funded programs, on both a direct and state pass-through basis, as well as on a service-provider basis. In connection with these grants, the District is required to comply with specific terms and agreements, as well as applicable federal and state laws, and regulations. Such compliance is subject to review and audit by the grantors and their representatives, including audits under the "Single Audit" concept and compliance examinations which build upon such audits.

In the opinion of management, the District has materially complied with all requirements. However, such programs are subject to future audit or review, the possibility of disallowed expenditures exists. In the event of such disallowance of claimed expenditures, the District does not expect the resulting liability to have a material adverse effect on its combined financial statements at June 30, 2023.

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

**Note 13 - Arbitrage**

In accordance with the provisions of Section 148(f) of the Internal Revenue Code of 1986, as amended, bonds must satisfy certain arbitrage rebate requirements. Positive arbitrage is the excess of (1) the amount earned on investments purchased with bond proceeds over (2) the amount that such investments would have earned had such investments been invested at a rate equal to the yield on the bond issue. In order to comply with the arbitrage rebate requirements, positive arbitrage must be paid to the U.S. Treasury at the end of each five-year anniversary date of the bond issue. The District has estimated that it has no arbitrage liability as of June 30, 2023.

**Note 14 - Tax Abatements**

Value limitation agreements are part of a state program, originally created in 2001, which allows school districts to limit the taxable value of an approved project for Maintenance and Operations (M&O) to a maximum of \$30 million for a period of ten years specified in the statute. The project(s) under the Chapter 313 Agreement(s) must be consistent with the State's goal to "encourage large scale capital investments in this state." Chapter 313 of the Texas Tax Code grants eligibility to companies engaged in manufacturing, research and development, renewable electric energy production, clean coal projects, nuclear power generation and data centers.

In order to qualify for a value limitation agreement, each Applicant has been required to meet a series of capital investment, job creation, and wage requirements specified by state law. At the time of the Applications' approval, each of the Agreements were deemed to have done so by both the District's Board of Trustees and the Texas Comptroller's Office, which recommended approval of the projects. The Applications, the Agreements, and state reporting requirement documentation can be viewed at the Texas Comptroller's website: <https://www.comptroller.texas.gov/economy/local/ch313/agreement-docs.php>.

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

**Note 14 - Tax Abatements (continued)**

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

In fiscal year 2018/19, the Ector County Independent School District (ECISD) Board of Trustees approved an Agreement with Oberon Solar IA LLC, the "Company", for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes pursuant to Chapter 313 of the Texas Tax Code, i.e., the Texas Economic Development Act, as set forth in Chapter 313 of the Texas Tax Code, as amended. The Company qualified for a tax limitation agreement under Texas Tax Code §313.024(b)(5), as a renewable energy electric generation project. The valuation limitation period began in 2020-2021 and will continue through 2029-2030.

Payments made to the District for Chapter 313 tax abatements are as follows:

<b>Fiscal Year</b>	<b>Payment Amount</b>
2021	\$261,570
2022	\$576,795
2023	\$288,098

**Note 15 – School Nutrition Excess Net Cash Resources**

The Texas Department of Agriculture Food and Nutrition Division states in order to maintain the nonprofit status required for the School Nutrition Program, the net cash resources of the School Nutrition Program account must not exceed three month's average expenditures. During fiscal year 2022, ECISD's School Nutrition department submitted a plan for reducing an excessive operating fund balance from school year 2020-2021. Such plan was accepted and approved. As of June 30, 2023, ECISD's School Nutrition department had net cash resources of approximately \$9,714,340 which exceeds the 3 month's average expenditures of \$6,366,507. Excess fund balance of approximately \$3.4 million will be set up in fiscal year 2023-2024 to pay operating expenses.

**REQUIRED SUPPLEMENTARY INFORMATION – BUDGETARY  
COMPARISON SCHEDULES**

**ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**For The Year Ended June 30, 2023**

*Exhibit G-1*

Data Control Codes	Budgeted Amounts		Actual Amounts, GAAP Basis	Variance with Final Budget	
	Original	Final			
<b>Revenues</b>					
5700	Local revenues	\$ 158,953,780	\$ 164,638,965	\$ 167,334,304	\$ 2,695,339
5800	State program revenues	167,676,531	145,015,754	144,458,249	(557,505)
5900	Federal program revenues	7,569,689	5,718,120	6,898,105	1,179,985
<b>5020</b>	<b>Total Revenues</b>	<b>334,200,000</b>	<b>315,372,839</b>	<b>318,690,658</b>	<b>3,317,819</b>
<b>Expenditures</b>					
<b>Current:</b>					
0011	Instruction	201,846,932	201,486,231	193,706,366	7,779,865
0012	Instruction resources and media services	2,779,013	2,428,772	1,955,139	473,633
0013	Curriculum and instructional staff development	10,887,249	8,599,331	7,711,241	888,090
0021	Instructional leadership	5,637,274	5,507,587	5,165,610	341,977
0023	School leadership	21,203,091	21,608,146	20,832,890	775,256
0031	Guidance, counseling and evaluation services	14,600,113	14,627,766	12,927,182	1,700,584
0032	Social work services	1,829,748	1,839,788	1,625,925	213,863
0033	Health services	3,292,711	3,234,141	3,094,946	139,195
0034	Student transportation	8,788,644	11,155,618	9,258,483	1,897,135
0036	Extracurricular activities	6,376,278	7,533,410	6,891,150	642,260
0041	General administration	8,677,023	9,174,888	7,938,666	1,236,222
0051	Facilities maintenance and operations	33,381,540	42,262,002	32,797,420	9,464,582
0052	Security and monitoring services	3,319,708	3,983,442	3,855,391	128,051
0053	Data processing services	11,315,070	12,143,689	11,218,992	924,697
0061	Community services	1,725,606	1,770,126	1,627,143	142,983
<b>Debt Service:</b>					
0071	Principal on long-term debt	1,050,000	981,525	749,746	231,779
0072	Interest on long-term debt	-	356,923	356,923	-
<b>Capital Outlay:</b>					
0081	Facilities acquisition and construction	-	13,624,932	3,082,951	10,541,981
<b>Intergovernmental:</b>					
0099	Other Intergovernmental Charges	2,010,000	2,010,000	1,983,848	26,152
<b>6030</b>	<b>Total Expenditures</b>	<b>338,720,000</b>	<b>364,328,317</b>	<b>326,780,012</b>	<b>37,548,305</b>
1100	Excess (deficiency) of revenues over expenditures	(4,520,000)	(48,955,478)	(8,089,354)	40,866,124
<b>Other Financing Sources (Uses)</b>					
7912	Sale of property	70,000	70,000	357,374	287,374
7913	Right-to-uses leases	5,000,000	5,495,000	491,900	(5,003,100)
7949	Subscription based IT assets	-	750,000	-	(750,000)
8911	Transfers Out	(550,000)	(550,000)	(390,882)	159,118
<b>7080</b>	<b>Total Other Financing Sources (Uses)</b>	<b>4,520,000</b>	<b>5,765,000</b>	<b>458,392</b>	<b>(5,306,608)</b>
1200	Net change in fund balances	-	(43,190,478)	(7,630,962)	35,559,516
<b>0100</b>	<b>Fund Balances - Beginning</b>	<b>110,649,434</b>	<b>110,649,434</b>	<b>110,649,434</b>	<b>-</b>
<b>3000</b>	<b>Fund Balances - Ending</b>	<b>\$ 110,649,434</b>	<b>\$ 67,458,956</b>	<b>\$ 103,018,472</b>	<b>\$ 35,559,516</b>



**ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE**  
**NATIONAL SCHOOL BREAKFAST AND LUNCH PROGRAM**  
**For The Year Ended June 30, 2023**

*Exhibit G-2*

Data Control Codes		Budgeted Amounts			Variance with Final Budget
		Original	Final	Actual Amounts	
	<b>Revenues</b>				
5700	Local revenues	\$ 1,503,000	\$ 1,028,299	\$ 897,725	\$ (130,574)
5800	State program revenues	413,000	436,243	436,186	(57)
5900	Federal program revenues	16,199,065	18,031,381	17,650,972	(380,409)
<b>5020</b>	<b>Total Revenues</b>	<u>18,115,065</u>	<u>19,495,923</u>	<u>18,984,883</u>	<u>(511,040)</u>
	<b>Expenditures</b>				
	<b>Current:</b>				
0035	Food services	18,115,065	25,313,771	21,221,691	4,092,080
<b>6030</b>	<b>Total Expenditures</b>	<u>18,115,065</u>	<u>25,313,771</u>	<u>21,221,691</u>	<u>4,092,080</u>
1100	Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(5,817,848)</u>	<u>(2,236,808)</u>	<u>3,581,040</u>
	<b>Other Financing Sources (Uses)</b>				
7912	Sale of real or personal property	-	65,000	-	(65,000)
7080	<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>65,000</u>	<u>-</u>	<u>(65,000)</u>
1200	Net change in fund balances	-	(5,752,848)	(2,236,808)	3,516,040
<b>0100</b>	<b>Fund Balances - Beginning</b>	<u>11,890,205</u>	<u>11,890,205</u>	<u>11,890,205</u>	<u>-</u>
<b>3000</b>	<b>Fund Balances - Ending</b>	<u>\$ 11,890,205</u>	<u>\$ 6,137,357</u>	<u>\$ 9,653,397</u>	<u>\$ 3,516,040</u>



**REQUIRED SUPPLEMENTARY INFORMATION – PENSION AND OTHER  
POST-EMPLOYMENT INFORMATION**

**ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF**  
**THE NET PENSION LIABILITY**  
**TEACHER RETIREMENT SYSTEM OF TEXAS**  
**For the Last Nine Measurement Years**

*Exhibit G-3*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
District's proportion of the net pension liability	0.17920%	0.18300%	0.15255%	0.17173%	0.16252%
District's proportionate share of the net pension liability	\$ 106,403,268	\$ 46,597,268	\$ 81,703,061	\$ 89,271,128	\$ 89,454,550
State's proportionate share of the net pension liability associated with the District	<u>132,833,188</u>	<u>59,774,871</u>	<u>133,153,469</u>	<u>115,099,303</u>	<u>130,227,666</u>
<b>Total</b>	<u>\$ 239,236,456</u>	<u>\$ 106,372,139</u>	<u>\$ 214,856,530</u>	<u>\$ 204,370,431</u>	<u>\$ 219,682,216</u>
District's covered payroll (for Measurement Year)	\$ 202,521,314	\$ 194,543,132	\$ 178,615,584	\$ 166,363,097	\$ 162,321,705
District's proportionate share of the net pension liability as a percentage of its covered payroll	52.54%	23.95%	45.74%	53.66%	55.11%
Plan fiduciary net position as a percentage of the total pension liability *	75.65%	88.79%	75.74%	75.24%	73.74%

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability	0.16301%	0.17793%	0.17171%	0.12568%
District's proportionate share of the net pension liability	\$ 52,121,909	\$ 67,236,631	\$ 60,696,210	\$ 33,571,908
State's proportionate share of the net pension liability associated with the District	<u>81,929,372</u>	<u>96,003,500</u>	<u>88,961,129</u>	<u>75,916,290</u>
<b>Total</b>	<u>\$ 134,051,281</u>	<u>\$ 163,240,131</u>	<u>\$ 149,657,339</u>	<u>\$ 109,488,198</u>
District's covered payroll (for Measurement Year)	\$ 164,691,543	\$ 162,443,801	\$ 150,542,332	\$ 147,350,185
District's proportionate share of the net pension liability as a percentage of its covered payroll	31.65%	41.39%	40.32%	22.78%
Plan fiduciary net position as a percentage of the total pension liability *	82.17%	78.00%	78.43%	83.25%

\* Per Teacher Retirement System of Texas' comprehensive annual financial report.

The amounts presented for each Plan year which ends the preceding August 31 of the District's fiscal year.

This schedule shows only the years for which this information is available. Additional information will be added until 10 years of data are available and reported.

**ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF THE DISTRICT PENSION CONTRIBUTIONS**  
**TEACHER RETIREMENT SYSTEM OF TEXAS**  
**Last Nine Fiscal Years**

*Exhibit G-4*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contributions	\$ 9,456,993	\$ 8,329,288	\$ 4,356,619	\$ 3,233,829	\$ 3,339,028
Contributions in relation to the contractual required contributions	<u>(9,456,993)</u>	<u>(8,329,288)</u>	<u>(4,356,619)</u>	<u>(3,233,829)</u>	<u>(3,339,028)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 212,093,436	\$ 200,889,873	\$ 192,050,226	\$ 175,704,924	\$ 164,417,160
Contributions as a percentage of covered payroll	4.46%	4.15%	2.27%	1.84%	2.03%

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$ 2,951,106	\$ 2,792,264	\$ 3,086,526	\$ 2,819,306
Contributions in relation to the contractual required contributions	<u>(2,951,106)</u>	<u>(2,792,264)</u>	<u>(3,086,526)</u>	<u>(2,819,306)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 162,515,095	\$ 164,788,323	\$ 160,914,812	\$ 149,308,655
Contributions as a percentage of covered payroll	1.82%	1.69%	1.92%	1.89%

Note: GASB Codification, Vol. 2,P20.183 requires that the data in this schedule be presented as of the District's respective fiscal years as opposed to the time periods covered by the measurement dates ending August 31 of the preceding year.

This schedule shows only the years for which this information is available. Additional information will be added until 10 years of data are available and reported.

**ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF**  
**THE NET OPEB LIABILITY**  
**TEACHER RETIREMENT SYSTEM OF TEXAS**  
**For the Last Six Measurement Years Ended June 30**

*Exhibit G-5*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
District's proportion of the net OPEB liability	0.23650%	0.25520%	0.25238%	0.25253%	0.24519%
District's proportionate share of the net OPEB liability	\$ 56,639,261	\$ 98,426,461	\$ 95,940,818	\$ 119,423,267	\$ 122,426,875
State's proportionate share of the net OPEB liability associated with the District	<u>69,091,000</u>	<u>131,869,523</u>	<u>128,921,462</u>	<u>158,686,808</u>	<u>135,999,016</u>
<b>Total</b>	<u>\$ 125,730,261</u>	<u>\$ 230,295,984</u>	<u>\$ 224,862,280</u>	<u>\$ 278,110,075</u>	<u>\$ 258,425,891</u>
District's covered payroll (for Measurement Year)	\$ 202,521,314	\$ 194,543,132	\$ 178,615,584	\$ 166,363,097	\$ 162,321,705
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	28.0%	50.6%	53.7%	71.8%	75.4%
Plan fiduciary net position as a percentage of the total OPEB liability	11.52%	6.18%	4.99%	2.66%	1.57%

**Notes:**

The amounts presented for each Plan year which ends the preceding August 31 of the District's fiscal year.  
Ten years of data should be presented in this schedule but data is unavailable prior to the implementation of GASB 75 in 2017.

	<u>2017</u>
District's proportion of the net OPEB liability	0.25593%
District's proportionate share of the net OPEB liability	\$ 111,292,438
State's proportionate share of the net OPEB liability associated with the District	<u>126,511,621</u>
<b>Total</b>	<u>\$ 237,804,059</u>
District's covered payroll (for Measurement Year)	\$ 164,691,543
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	67.6%
Plan fiduciary net position as a percentage of the total OPEB liability	91.00%

**Notes:**

The amounts presented for each Plan year which ends the preceding August 31 of the District's fiscal year.

This schedule shows only the years for which this information is available. Additional information will be added until 10 years of data are available and reported.

**ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF THE DISTRICT OPEB CONTRIBUTIONS**  
**TEACHER RETIREMENT SYSTEM OF TEXAS**  
**Last Six Fiscal Years Ended June 30**

*Exhibit G-6*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contributions	\$ 1,924,320	\$ 2,044,316	\$ 1,440,594	\$ 1,475,872	\$ 1,373,728
Contributions in relation to the contractual required contributions	<u>(1,924,320)</u>	<u>(2,044,316)</u>	<u>(1,440,594)</u>	<u>(1,475,872)</u>	<u>(1,373,728)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 212,093,436	\$ 200,889,873	\$ 192,077,205	\$ 175,704,924	\$ 164,417,160
Contributions as a percentage of covered payroll	0.91%	1.02%	0.75%	0.84%	0.84%

	<u>2018</u>
Contractually required contributions	\$ 1,322,075
Contributions in relation to the contractual required contributions	<u>(1,322,075)</u>
Contribution deficiency (excess)	<u>\$ -</u>
District's covered payroll	\$ 162,515,095
Contributions as a percentage of covered payroll	0.81%

Note: GASB Codification, Vol. 2, P50.238 requires that the data in this schedule be presented as of the District's respective fiscal years as opposed to the time periods covered by the measurement dates ending August 31 of the preceding year.

This schedule shows only the years for which this information is available. Additional information will be added until 10 years of data are available and reported.

**Note 1 - Budgetary Information**

The Board adopts an “appropriated budget” on a basis consistent with GAAP for the General Fund, Debt Service Fund, and National School Breakfast and Lunch Program Fund (which is included in special revenue funds). At a minimum, the District is required to present the original and the final amended budgets for revenues and expenditures compared to actual revenues and expenditures for these three funds.

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

- Prior to June 19<sup>th</sup> for a fiscal year start date of July 1, the District prepares a budget based on the incremental budgeting concept for the next succeeding fiscal year. The operating budget includes proposed expenditures and the means of financing them.
- After one or more budget workshops with the Board, a meeting is called for the purpose of adopting the proposed budget. At least ten days but not more than 30 days public notice of the meeting is required.
- Prior to June 30<sup>th</sup> for a fiscal year start date of July 1, the Board legally adopts the budget for the general fund, debt service fund, and food service fund.
- After the budgets for the above listed funds are approved, any amendment that causes an increase or decrease in a fund or functional spending category or total revenue or other resources major object category requires Board approval prior to the fact. These amendments are presented to the Board at its regular monthly meeting and/or special board meetings and are reflected in the official minutes. Because the District has a policy of careful budgetary control, several budgetary amendments were necessary throughout the year.
- Expenditure budgets are controlled at the expenditure functional and object level by the appropriate budget manager (principal, department director, or divisional administrator). Budget managers may authorize transfers within functional and organizational categories that do not affect the total functional and organizational appropriation. All budget appropriations lapse at year end.

Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under Texas law, time are to be either canceled or appropriately in the subsequent year’s budget. The District had no outstanding end-of-year encumbrances.

**Note 2 - TRS Pension**

**Changes of Assumptions**

The single discount rate of 7.00 percent was used as of August 31, 2022.

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

There is no change in the contribution rate.

**Changes in Benefit Terms**

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



**Note 2 - TRS Pension (continued)**

**Other Information**

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

The following rate increases occurred between 2020 and 2023:

<u>Measurement Year:</u>	<u>Increased to:</u>
2020-2021	1.6%
2021-2022	1.7%
2020-2023	1.8%

The rate will increase to 1.9% for 2023-2024.

**Note 3 - TRS OPEB Plan**

**Changes of Assumptions**

The discount rate changed to 3.91% as of August 31, 2022. This change decreased the Total OPEB Liability.

**Changes of Benefit Terms**

There were no changes in benefit terms since Prior Measurement Date.



## **OTHER SUPPLEMENTARY INFORMATION**

**ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT**  
**COMBINING BALANCE SHEET**  
**June 30, 2023**

	206	211	224	225
Data Control Codes	ESEA Title X, Part C	ESEA Title I, Part A	IDEA-Part B, Formula	IDEA-Part B, Preschool
<b>Assets</b>				
1110	\$ -	\$ 10,705	\$ -	\$ -
1120	-	-	-	-
<b>Receivables:</b>				
1240	43,095	2,859,937	1,253,832	20,274
1260	-	53,546	55,265	-
1290	-	52	-	-
<b>1000 Total Assets</b>	<u>\$ 43,095</u>	<u>\$ 2,924,240</u>	<u>\$ 1,309,097</u>	<u>\$ 20,274</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balance</b>				
<b>Liabilities</b>				
2110	\$ 1,493	\$ 401,859	\$ 56,130	\$ -
2150	1,929	41,333	38,265	2,226
2160	17,249	716,698	336,093	11,883
2170	22,424	1,764,350	878,609	6,165
2200	-	-	-	-
2300	-	-	-	-
<b>2000 Total Liabilities</b>	<u>43,095</u>	<u>2,924,240</u>	<u>1,309,097</u>	<u>20,274</u>
<b>Fund Balance</b>				
<b>Restricted:</b>				
3490	-	-	-	-
<b>Committed:</b>				
3545	-	-	-	-
<b>3000 Total Fund Balances</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>4000</b>				
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<u>\$ 43,095</u>	<u>\$ 2,924,240</u>	<u>\$ 1,309,097</u>	<u>\$ 20,274</u>

**ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT**  
**COMBINING BALANCE SHEET**  
**June 30, 2023**

*Exhibit H-1*  
*Page 2 of 11*

	242	244	255	258
<b>Data Control Codes</b>	<b>Summer Food Service Pgm for Children</b>	<b>Career and Technical - Basic Grant</b>	<b>ESEA Title II, Part A</b>	<b>Public Charter Schools</b>
<b>Assets</b>				
1110	\$ -	\$ -	\$ -	\$ -
1120	-	-	-	-
<b>Receivables:</b>				
1240	-	192,628	200,370	-
1260	-	-	1,875	-
1290	-	-	-	-
<b>1000 Total Assets</b>	<b>\$ -</b>	<b>\$ 192,628</b>	<b>\$ 202,245</b>	<b>\$ -</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balance</b>				
<b>Liabilities</b>				
2110	\$ -	\$ 94,920	\$ 26,244	\$ -
2150	-	-	4,861	-
2160	-	-	53,817	-
2170	-	97,708	117,323	-
2200	-	-	-	-
2300	-	-	-	-
<b>2000 Total Liabilities</b>	<b>-</b>	<b>192,628</b>	<b>202,245</b>	<b>-</b>
<b>Fund Balance</b>				
<b>Restricted:</b>				
3490	-	-	-	-
<b>Committed:</b>				
3545	-	-	-	-
<b>3000 Total Fund Balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>4000</b>				
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ -</b>	<b>\$ 192,628</b>	<b>\$ 202,245</b>	<b>\$ -</b>

**ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT**  
**COMBINING BALANCE SHEET**  
**June 30, 2023**

*Exhibit H-1*  
*Page 3 of 11*

Data Control Codes		263	272	278	279
		Title III, Part A	Medicaid Administrative Claim Program (MAC)	American Rescue Plan (ESSER)	TCLAS - State ESSER III Funds
<b>Assets</b>					
1110	Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
1120	Current investments	-	-	-	-
<b>Receivables:</b>					
1240	Due from other governments	288,576	-	17,855	1,933,482
1260	Due from other funds	-	-	-	-
1290	Other receivables	-	-	-	-
<b>1000</b>	<b>Total Assets</b>	<u>\$ 288,576</u>	<u>\$ -</u>	<u>\$ 17,855</u>	<u>\$ 1,933,482</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balance</b>					
<b>Liabilities</b>					
2110	Accounts payable	\$ -	\$ -	\$ -	\$ 155,721
2150	Payroll deduction and withholdings	1,998	-	930	30,746
2160	Accrued wages payable	19,790	-	7,264	1,236,662
2170	Due to other funds	266,788	-	9,661	510,353
2200	Accrued expenditures	-	-	-	-
2300	Unearned revenue	-	-	-	-
<b>2000</b>	<b>Total Liabilities</b>	<u>288,576</u>	<u>-</u>	<u>17,855</u>	<u>1,933,482</u>
<b>Fund Balance</b>					
<b>Restricted:</b>					
3490	Other purposes	-	-	-	-
<b>Committed:</b>					
3545	Other purposes	-	-	-	-
<b>3000</b>	<b>Total Fund Balances</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>4000</b>	<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<u>\$ 288,576</u>	<u>\$ -</u>	<u>\$ 17,855</u>	<u>\$ 1,933,482</u>

**ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT**  
**COMBINING BALANCE SHEET**  
**June 30, 2023**

*Exhibit H-1*  
*Page 4 of 11*

		282	284	285	289
Data Control Codes		ESSER III	IDEA-Part B, Formula - ARP	IDEA - Part B, Preschool - ARP	Federally Funded SRF
<b>Assets</b>					
1110	Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
1120	Current investments	-	-	-	-
<b>Receivables:</b>					
1240	Due from other governments	1,865,093	114,124	29	545,556
1260	Due from other funds	5,774	17,000	463	5,969
1290	Other receivables	-	-	-	-
<b>1000</b>	<b>Total Assets</b>	<u>\$ 1,870,867</u>	<u>\$ 131,124</u>	<u>\$ 492</u>	<u>\$ 551,525</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balance</b>					
<b>Liabilities</b>					
2110	Accounts payable	\$ 518,367	\$ 44,850	\$ -	\$ 211,416
2150	Payroll deduction and withholdings	13,140	-	-	1,166
2160	Accrued wages payable	175,941	-	-	14,489
2170	Due to other funds	1,163,419	86,274	492	324,454
2200	Accrued expenditures	-	-	-	-
2300	Unearned revenue	-	-	-	-
<b>2000</b>	<b>Total Liabilities</b>	<u>1,870,867</u>	<u>131,124</u>	<u>492</u>	<u>551,525</u>
<b>Fund Balance</b>					
<b>Restricted:</b>					
3490	Other purposes	-	-	-	-
<b>Committed:</b>					
3545	Other purposes	-	-	-	-
<b>3000</b>	<b>Total Fund Balances</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>4000</b>	<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<u>\$ 1,870,867</u>	<u>\$ 131,124</u>	<u>\$ 492</u>	<u>\$ 551,525</u>

**ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT**  
**COMBINING BALANCE SHEET**  
**June 30, 2023**

		315	340	397	410
Data Control Codes		SSA - IDEA - Part B - Discretionary	SSA - IDEA, Part C, ECI	Advanced Placement Incentives	Instructional Materials Allotment
<b>Assets</b>					
1110	Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
1120	Current investments	-	-	-	-
<b>Receivables:</b>					
1240	Due from other governments	9,947	17	-	37,020
1260	Due from other funds	-	-	7,412	144,790
1290	Other receivables	-	-	-	-
<b>1000</b>	<b>Total Assets</b>	<u>\$ 9,947</u>	<u>\$ 17</u>	<u>\$ 7,412</u>	<u>\$ 181,810</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balance</b>					
<b>Liabilities</b>					
2110	Accounts payable	\$ -	\$ -	\$ -	\$ 13,404
2150	Payroll deduction and withholdings	711	-	-	-
2160	Accrued wages payable	2,841	-	-	-
2170	Due to other funds	6,395	17	-	-
2200	Accrued expenditures	-	-	-	-
2300	Unearned revenue	-	-	-	168,406
<b>2000</b>	<b>Total Liabilities</b>	<u>9,947</u>	<u>17</u>	<u>-</u>	<u>181,810</u>
<b>Fund Balance</b>					
<b>Restricted:</b>					
3490	Other purposes	-	-	7,412	-
<b>Committed:</b>					
3545	Other purposes	-	-	-	-
<b>3000</b>	<b>Total Fund Balances</b>	<u>-</u>	<u>-</u>	<u>7,412</u>	<u>-</u>
<b>4000</b>	<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<u>\$ 9,947</u>	<u>\$ 17</u>	<u>\$ 7,412</u>	<u>\$ 181,810</u>



**ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT**  
**COMBINING BALANCE SHEET**  
**June 30, 2023**

*Exhibit H-1*  
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Data Control Codes		429	435	459	461
		State Funded Special Revenues	SSA - State Deaf	SSA - State Educational Programs - Innovative Services	Campus Activity Funds
<b>Assets</b>					
1110	Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 870,242
1120	Current investments	-	-	-	-
<b>Receivables:</b>					
1240	Due from other governments	1,467,284	34,844	221,090	-
1260	Due from other funds	-	53,524	10,000	81,383
1290	Other receivables	-	-	-	808
<b>1000</b>	<b>Total Assets</b>	<u>\$ 1,467,284</u>	<u>\$ 88,368</u>	<u>\$ 231,090</u>	<u>\$ 952,433</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balance</b>					
<b>Liabilities</b>					
2110	Accounts payable	\$ 216,687	\$ 285	\$ 24,850	\$ 60,155
2150	Payroll deduction and withholdings	1,799	9,495	-	-
2160	Accrued wages payable	75,822	78,588	-	-
2170	Due to other funds	1,172,976	-	206,240	-
2200	Accrued expenditures	-	-	-	-
2300	Unearned revenue	-	-	-	2,700
<b>2000</b>	<b>Total Liabilities</b>	<u>1,467,284</u>	<u>88,368</u>	<u>231,090</u>	<u>62,855</u>
<b>Fund Balance</b>					
<b>Restricted:</b>					
3490	Other purposes	-	-	-	-
<b>Committed:</b>					
3545	Other purposes	-	-	-	889,578
<b>3000</b>	<b>Total Fund Balances</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>889,578</u>
<b>4000</b>	<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<u>\$ 1,467,284</u>	<u>\$ 88,368</u>	<u>\$ 231,090</u>	<u>\$ 952,433</u>

**ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT**  
**COMBINING BALANCE SHEET**  
**June 30, 2023**

*Exhibit H-1*  
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		462	463	464	465
Data Control Codes		Memorial Scholarship Fund	Raising Blended Learners	Susan Powell Memorial Scholarship	Connectivity Project
<b>Assets</b>					
1110	Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
1120	Current investments	17,583	-	30,824	-
<b>Receivables:</b>					
1240	Due from other governments	-	-	-	-
1260	Due from other funds	-	47,032	-	-
1290	Other receivables	-	-	-	-
<b>1000</b>	<b>Total Assets</b>	<u>\$ 17,583</u>	<u>\$ 47,032</u>	<u>\$ 30,824</u>	<u>\$ -</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balance</b>					
<b>Liabilities</b>					
2110	Accounts payable	\$ -	\$ 24,290	\$ -	\$ -
2150	Payroll deduction and withholdings	-	-	-	-
2160	Accrued wages payable	-	-	-	-
2170	Due to other funds	8,600	-	1,500	-
2200	Accrued expenditures	-	-	-	-
2300	Unearned revenue	-	-	-	-
<b>2000</b>	<b>Total Liabilities</b>	<u>8,600</u>	<u>24,290</u>	<u>1,500</u>	<u>-</u>
<b>Fund Balance</b>					
<b>Restricted:</b>					
3490	Other purposes	8,983	22,742	29,324	-
<b>Committed:</b>					
3545	Other purposes	-	-	-	-
<b>3000</b>	<b>Total Fund Balances</b>	<u>8,983</u>	<u>22,742</u>	<u>29,324</u>	<u>-</u>
<b>4000</b>	<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<u>\$ 17,583</u>	<u>\$ 47,032</u>	<u>\$ 30,824</u>	<u>\$ -</u>

**ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT**  
**COMBINING BALANCE SHEET**  
**June 30, 2023**

*Exhibit H-1*  
*Page 8 of 11*

		466	475	477	478
Data Control Codes		Trademark Scholarship	Insurance Recovery	Chapter 313	PICK Education
<b>Assets</b>					
1110	Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
1120	Current investments	93,892	5,196,685	1,260,083	-
<b>Receivables:</b>					
1240	Due from other governments	-	-	-	-
1260	Due from other funds	8,696	-	-	-
1290	Other receivables	1,700	-	-	-
<b>1000</b>	<b>Total Assets</b>	<u>\$ 104,288</u>	<u>\$ 5,196,685</u>	<u>\$ 1,260,083</u>	<u>\$ -</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balance</b>					
<b>Liabilities</b>					
2110	Accounts payable	\$ -	\$ 772,745	\$ -	\$ -
2150	Payroll deduction and withholdings	-	-	-	-
2160	Accrued wages payable	-	-	-	-
2170	Due to other funds	-	-	-	-
2200	Accrued expenditures	-	501,645	-	-
2300	Unearned revenue	-	-	-	-
<b>2000</b>	<b>Total Liabilities</b>	<u>-</u>	<u>1,274,390</u>	<u>-</u>	<u>-</u>
<b>Fund Balance</b>					
<b>Restricted:</b>					
3490	Other purposes	-	-	-	-
<b>Committed:</b>					
3545	Other purposes	104,288	3,922,295	1,260,083	-
<b>3000</b>	<b>Total Fund Balances</b>	<u>104,288</u>	<u>3,922,295</u>	<u>1,260,083</u>	<u>-</u>
<b>4000</b>	<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<u>\$ 104,288</u>	<u>\$ 5,196,685</u>	<u>\$ 1,260,083</u>	<u>\$ -</u>

**ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT**  
**COMBINING BALANCE SHEET**  
**June 30, 2023**

		482	483	488	489
Data Control Codes		Education Foundation Awards	Citi Foundation Award - AVID	Summer Learning Grant	Brown Agriculture Fund
<b>Assets</b>					
1110	Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
1120	Current investments	-	-	-	54,367
<b>Receivables:</b>					
1240	Due from other governments	-	-	-	-
1260	Due from other funds	296,636	11,521	22,850	-
1290	Other receivables	-	-	-	-
<b>1000</b>	<b>Total Assets</b>	<u>\$ 296,636</u>	<u>\$ 11,521</u>	<u>\$ 22,850</u>	<u>\$ 54,367</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balance</b>					
<b>Liabilities</b>					
2110	Accounts payable	\$ 2,074	\$ -	\$ -	\$ -
2150	Payroll deduction and withholdings	-	-	-	-
2160	Accrued wages payable	-	-	-	-
2170	Due to other funds	141	-	-	4,761
2200	Accrued expenditures	-	-	-	-
2300	Unearned revenue	-	-	-	-
<b>2000</b>	<b>Total Liabilities</b>	<u>2,215</u>	<u>-</u>	<u>-</u>	<u>4,761</u>
<b>Fund Balance</b>					
<b>Restricted:</b>					
3490	Other purposes	294,421	11,521	22,850	49,606
<b>Committed:</b>					
3545	Other purposes	-	-	-	-
<b>3000</b>	<b>Total Fund Balances</b>	<u>294,421</u>	<u>11,521</u>	<u>22,850</u>	<u>49,606</u>
<b>4000</b>	<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<u>\$ 296,636</u>	<u>\$ 11,521</u>	<u>\$ 22,850</u>	<u>\$ 54,367</u>

**ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT**  
**COMBINING BALANCE SHEET**  
 June 30, 2023

*Exhibit H-1*  
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	490	491	494	496
Data Control Codes	Barbara Jordan Elem Trust	OHS Scholarship Fund	Chevron Project Lead the Way	Odessa Regional School Clinic
<b>Assets</b>				
1110	\$ -	\$ -	\$ -	\$ -
1120	2,095	26,313	-	-
<b>Receivables:</b>				
1240	-	-	-	-
1260	1,703	-	5,971	17,137
1290	-	-	-	-
<b>1000</b>	<b>\$ 3,798</b>	<b>\$ 26,313</b>	<b>\$ 5,971</b>	<b>\$ 17,137</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balance</b>				
<b>Liabilities</b>				
2110	\$ -	\$ -	\$ -	\$ -
2150	-	-	-	-
2160	-	-	-	-
2170	-	-	-	-
2200	-	-	-	-
2300	-	-	-	-
<b>2000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance</b>				
<b>Restricted:</b>				
3490	3,798	26,313	5,971	17,137
<b>Committed:</b>				
3545	-	-	-	-
<b>3000</b>	<b>3,798</b>	<b>26,313</b>	<b>5,971</b>	<b>17,137</b>
<b>4000</b>	<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>			
	<b>\$ 3,798</b>	<b>\$ 26,313</b>	<b>\$ 5,971</b>	<b>\$ 17,137</b>

**ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT**  
**COMBINING BALANCE SHEET**  
 June 30, 2023

497

Data Control Codes		Weldon Scholarship Fund	Total Nonmajor Special Revenue Funds
<b>Assets</b>			
1110	Cash and cash equivalents	\$ -	\$ 880,947
1120	Current investments	29,769	6,711,611
<b>Receivables:</b>			
1240	Due from other governments	-	11,105,053
1260	Due from other funds	-	848,547
1290	Other receivables	-	2,560
<b>1000</b>	<b>Total Assets</b>	<u>\$ 29,769</u>	<u>\$ 19,548,718</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balance</b>			
<b>Liabilities</b>			
2110	Accounts payable	\$ -	\$ 2,625,490
2150	Payroll deduction and withholdings	-	148,599
2160	Accrued wages payable	-	2,747,137
2170	Due to other funds	-	6,648,650
2200	Accrued expenditures	-	501,645
2300	Unearned revenue	-	171,106
<b>2000</b>	<b>Total Liabilities</b>	<u>-</u>	<u>12,842,627</u>
<b>Fund Balance</b>			
<b>Restricted:</b>			
3490	Other purposes	29,769	529,847
<b>Committed:</b>			
3545	Other purposes	-	6,176,244
<b>3000</b>	<b>Total Fund Balances</b>	<u>29,769</u>	<u>6,706,091</u>
<b>4000</b>	<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<u>\$ 29,769</u>	<u>\$ 19,548,718</u>

**ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year Ended June 30, 2023**

		206	211	224	225
Data Control Codes		ESEA Title X, Part C	ESEA Title I, Part A	IDEA-Part B, Formula	IDEA-Part B, Preschool
<b>Revenues</b>					
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-	-
5900	Federal program revenues	227,561	10,843,858	5,626,437	160,593
<b>5020</b>	<b>Total Revenues</b>	<u>227,561</u>	<u>10,843,858</u>	<u>5,626,437</u>	<u>160,593</u>
<b>Expenditures</b>					
<b>Current:</b>					
0011	Instruction	-	6,383,656	5,163,979	160,593
0012	Instruction resources and media services	-	3,074	-	-
0013	Curriculum and instructional staff development	-	3,810,183	19,374	-
0021	Instructional leadership	-	59,417	51,492	-
0023	School leadership	-	236,679	-	-
0031	Guidance, counseling and evaluation services	-	96,717	387,735	-
0032	Social work services	227,561	82,690	-	-
0033	Health services	-	9,734	-	-
0034	Student transportation	-	16,515	2,755	-
0035	Food services	-	-	-	-
0036	Extracurricular activities	-	-	1,102	-
0041	General administration	-	-	-	-
0051	Facilities maintenance and operations	-	-	-	-
0052	Security and monitoring services	-	-	-	-
0053	Data processing services	-	-	-	-
0061	Community services	-	145,193	-	-
<b>Capital Outlay:</b>					
0081	Facilities acquisition and construction	-	-	-	-
<b>Intergovernmental:</b>					
0093	Payments to Fiscal Agent/Member Districts of SSA	-	-	-	-
<b>6030</b>	<b>Total Expenditures</b>	<u>227,561</u>	<u>10,843,858</u>	<u>5,626,437</u>	<u>160,593</u>
1100	Excess (deficiency) of revenues over expenditures	-	-	-	-
<b>Other Financing Sources (Uses)</b>					
7915	Transfers in	-	-	-	-
<b>7080</b>	<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1200	Net change in fund balances	-	-	-	-
<b>0100</b>	<b>Fund Balance - July 1 (Beginning)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>3000</b>	<b>Fund Balance - June 30 (Ending)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year Ended June 30, 2023**

		242	244	255	258
Data Control Codes		Summer Food Service Pgm for Children	Career and Technical - Basic Grant	ESEA Title II, Part A	Public Charter Schools
<b>Revenues</b>					
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-	-
5900	Federal program revenues	76,406	512,067	1,346,574	796,600
<b>5020</b>	<b>Total Revenues</b>	<u>76,406</u>	<u>512,067</u>	<u>1,346,574</u>	<u>796,600</u>
<b>Expenditures</b>					
<b>Current:</b>					
0011	Instruction	-	293,770	-	679,198
0012	Instruction resources and media services	-	-	-	-
0013	Curriculum and instructional staff development	-	113,825	1,337,943	98,402
0021	Instructional leadership	-	-	-	-
0023	School leadership	-	-	8,631	19,000
0031	Guidance, counseling and evaluation services	-	103,312	-	-
0032	Social work services	-	-	-	-
0033	Health services	-	-	-	-
0034	Student transportation	-	-	-	-
0035	Food services	76,406	-	-	-
0036	Extracurricular activities	-	-	-	-
0041	General administration	-	1,160	-	-
0051	Facilities maintenance and operations	-	-	-	-
0052	Security and monitoring services	-	-	-	-
0053	Data processing services	-	-	-	-
0061	Community services	-	-	-	-
<b>Capital Outlay:</b>					
0081	Facilities acquisition and construction	-	-	-	-
<b>Intergovernmental:</b>					
0093	Payments to Fiscal Agent/Member Districts of SSA	-	-	-	-
<b>6030</b>	<b>Total Expenditures</b>	<u>76,406</u>	<u>512,067</u>	<u>1,346,574</u>	<u>796,600</u>
1100	Excess (deficiency) of revenues over expenditures	-	-	-	-
<b>Other Financing Sources (Uses)</b>					
7915	Transfers in	-	-	-	-
<b>7080</b>	<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1200	Net change in fund balances	-	-	-	-
<b>0100</b>	<b>Fund Balance - July 1 (Beginning)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>3000</b>	<b>Fund Balance - June 30 (Ending)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



**ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year Ended June 30, 2023**

		263	272	278	279
Data Control Codes		Medicaid			TCLAS - State ESSER III Funds
		Title III, Part A	Administrative Claim Program (MAC)	American Rescue Plan (ESSER)	
<b>Revenues</b>					
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-	-
5900	Federal program revenues	885,758	103,055	108,315	2,609,419
<b>5020</b>	<b>Total Revenues</b>	<b>885,758</b>	<b>103,055</b>	<b>108,315</b>	<b>2,609,419</b>
<b>Expenditures</b>					
<b>Current:</b>					
0011	Instruction	281,636	-	-	2,090,334
0012	Instruction resources and media services	-	-	-	2,150
0013	Curriculum and instructional staff development	539,539	-	-	309,970
0021	Instructional leadership	-	-	-	-
0023	School leadership	-	-	-	109,191
0031	Guidance, counseling and evaluation services	-	-	-	29,998
0032	Social work services	-	-	108,315	-
0033	Health services	-	103,055	-	24,354
0034	Student transportation	-	-	-	43,422
0035	Food services	-	-	-	-
0036	Extracurricular activities	-	-	-	-
0041	General administration	-	-	-	-
0051	Facilities maintenance and operations	-	-	-	-
0052	Security and monitoring services	-	-	-	-
0053	Data processing services	-	-	-	-
0061	Community services	64,583	-	-	-
<b>Capital Outlay:</b>					
0081	Facilities acquisition and construction	-	-	-	-
<b>Intergovernmental:</b>					
0093	Payments to Fiscal Agent/Member Districts of SSA	-	-	-	-
<b>6030</b>	<b>Total Expenditures</b>	<b>885,758</b>	<b>103,055</b>	<b>108,315</b>	<b>2,609,419</b>
1100	Excess (deficiency) of revenues over expenditures	-	-	-	-
<b>Other Financing Sources (Uses)</b>					
7915	Transfers in	-	-	-	-
<b>7080</b>	<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
1200	Net change in fund balances	-	-	-	-
<b>0100</b>	<b>Fund Balance - July 1 (Beginning)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>3000</b>	<b>Fund Balance - June 30 (Ending)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year Ended June 30, 2023**

		282	284	285	289
Data Control Codes		ESSER III	IDEA-Part B, Formula - ARP	IDEA - Part B, Preschool - ARP	Federally Funded SRF
<b>Revenues</b>					
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-	-
5900	Federal program revenues	12,568,824	1,209,735	38,504	997,841
<b>5020</b>	<b>Total Revenues</b>	<u>12,568,824</u>	<u>1,209,735</u>	<u>38,504</u>	<u>997,841</u>
<b>Expenditures</b>					
<b>Current:</b>					
0011	Instruction	8,962,844	919,256	38,504	679,600
0012	Instruction resources and media services	11,476	-	-	-
0013	Curriculum and instructional staff development	500,333	8,400	-	107,451
0021	Instructional leadership	184,058	148,519	-	-
0023	School leadership	989,228	-	-	14,178
0031	Guidance, counseling and evaluation services	1,316,739	133,560	-	17,639
0032	Social work services	177,082	-	-	69,163
0033	Health services	848	-	-	49,391
0034	Student transportation	-	-	-	-
0035	Food services	-	-	-	584
0036	Extracurricular activities	-	-	-	-
0041	General administration	44,915	-	-	-
0051	Facilities maintenance and operations	57,037	-	-	31,658
0052	Security and monitoring services	-	-	-	24,577
0053	Data processing services	320,083	-	-	3,600
0061	Community services	4,181	-	-	-
<b>Capital Outlay:</b>					
0081	Facilities acquisition and construction	-	-	-	-
<b>Intergovernmental:</b>					
0093	Payments to Fiscal Agent/Member Districts of SSA	-	-	-	-
<b>6030</b>	<b>Total Expenditures</b>	<u>12,568,824</u>	<u>1,209,735</u>	<u>38,504</u>	<u>997,841</u>
1100	Excess (deficiency) of revenues over expenditures	-	-	-	-
<b>Other Financing Sources (Uses)</b>					
7915	Transfers in	-	-	-	-
<b>7080</b>	<b>Total Other Financing Sources (Uses)</b>	-	-	-	-
1200	Net change in fund balances	-	-	-	-
<b>0100</b>	<b>Fund Balance - July 1 (Beginning)</b>	-	-	-	-
<b>3000</b>	<b>Fund Balance - June 30 (Ending)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year Ended June 30, 2023**

		315	340	397	410
Data Control Codes		SSA - IDEA - Part B - Discretionary	SSA - IDEA, Part C, ECI	Advanced Placement Incentives	Instructional Materials Allotment
<b>Revenues</b>					
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-	1,614,453
5900	Federal program revenues	55,515	765	-	-
<b>5020</b>	<b>Total Revenues</b>	<u>55,515</u>	<u>765</u>	<u>-</u>	<u>1,614,453</u>
<b>Expenditures</b>					
<b>Current:</b>					
0011	Instruction	55,515	765	-	1,529,260
0012	Instruction resources and media services	-	-	-	-
0013	Curriculum and instructional staff development	-	-	-	-
0021	Instructional leadership	-	-	-	-
0023	School leadership	-	-	-	-
0031	Guidance, counseling and evaluation services	-	-	-	-
0032	Social work services	-	-	-	-
0033	Health services	-	-	-	-
0034	Student transportation	-	-	-	-
0035	Food services	-	-	-	-
0036	Extracurricular activities	-	-	-	-
0041	General administration	-	-	-	-
0051	Facilities maintenance and operations	-	-	-	-
0052	Security and monitoring services	-	-	-	-
0053	Data processing services	-	-	-	85,193
0061	Community services	-	-	-	-
<b>Capital Outlay:</b>					
0081	Facilities acquisition and construction	-	-	-	-
<b>Intergovernmental:</b>					
0093	Payments to Fiscal Agent/Member Districts of SSA	-	-	-	-
<b>6030</b>	<b>Total Expenditures</b>	<u>55,515</u>	<u>765</u>	<u>-</u>	<u>1,614,453</u>
1100	Excess (deficiency) of revenues over expenditures	-	-	-	-
<b>Other Financing Sources (Uses)</b>					
7915	Transfers in	-	-	-	-
<b>7080</b>	<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1200	Net change in fund balances	-	-	-	-
<b>0100</b>	<b>Fund Balance - July 1 (Beginning)</b>	<u>-</u>	<u>-</u>	<u>7,412</u>	<u>-</u>
<b>3000</b>	<b>Fund Balance - June 30 (Ending)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,412</u>	<u>\$ -</u>

**ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year Ended June 30, 2023**

Data Control Codes	429	435	459	461
	State Funded Special Revenues	SSA - State Deaf	SSA - State Educational Programs - Innovative Services	Campus Activity Funds
<b>Revenues</b>				
5700	-	\$ 439,787	-	\$ 1,259,356
5800	1,661,646	322,875	999,993	-
5900	-	-	-	-
<b>5020</b>	<b>1,661,646</b>	<b>762,662</b>	<b>999,993</b>	<b>1,259,356</b>
<b>Expenditures</b>				
<b>Current:</b>				
0011	196,664	1,035,428	587,660	44,664
0012	-	-	-	170,155
0013	248,887	19,442	199,890	1,370
0021	-	-	133,160	-
0023	89	96,526	-	527,289
0031	-	1,510	-	-
0032	-	-	-	-
0033	-	-	-	-
0034	-	-	-	-
0035	-	-	-	-
0036	-	-	-	410,669
0041	-	-	-	-
0051	967,184	-	-	-
0052	239,084	-	-	-
0053	-	-	-	-
0061	9,738	638	-	-
<b>Capital Outlay:</b>				
0081	-	-	-	-
<b>Intergovernmental:</b>				
0093	-	-	79,283	-
<b>6030</b>	<b>1,661,646</b>	<b>1,153,544</b>	<b>999,993</b>	<b>1,154,147</b>
1100	-	(390,882)	-	105,209
<b>Other Financing Sources (Uses)</b>				
7915	-	390,882	-	-
<b>7080</b>	<b>-</b>	<b>390,882</b>	<b>-</b>	<b>-</b>
1200	-	-	-	105,209
<b>0100</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>784,369</b>
<b>3000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 889,578</b>

**ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year Ended June 30, 2023**

		462	463	464	465
Data Control Codes		Memorial Scholarship Fund	Raising Blended Learners	Susan Powell Memorial Scholarship	Connectivity Project
<b>Revenues</b>					
5700	Local, intermediate, and out-of-state	\$ 976	\$ 3,150	\$ 1,165	\$ -
5800	State program revenues	-	-	-	-
5900	Federal program revenues	-	-	-	-
<b>5020</b>	<b>Total Revenues</b>	<u>976</u>	<u>3,150</u>	<u>1,165</u>	<u>-</u>
<b>Expenditures</b>					
<b>Current:</b>					
0011	Instruction	-	112,057	-	-
0012	Instruction resources and media services	-	-	-	-
0013	Curriculum and instructional staff development	-	10,367	-	-
0021	Instructional leadership	-	2,841	-	-
0023	School leadership	-	1,121	-	-
0031	Guidance, counseling and evaluation services	-	-	-	-
0032	Social work services	-	-	-	-
0033	Health services	-	-	-	-
0034	Student transportation	-	-	-	-
0035	Food services	-	-	-	-
0036	Extracurricular activities	-	-	-	-
0041	General administration	200	-	-	-
0051	Facilities maintenance and operations	-	-	-	-
0052	Security and monitoring services	-	-	-	-
0053	Data processing services	-	-	-	204,269
0061	Community services	-	-	1,500	-
<b>Capital Outlay:</b>					
0081	Facilities acquisition and construction	-	-	-	-
<b>Intergovernmental:</b>					
0093	Payments to Fiscal Agent/Member Districts of SSA	-	-	-	-
<b>6030</b>	<b>Total Expenditures</b>	<u>200</u>	<u>126,386</u>	<u>1,500</u>	<u>204,269</u>
1100	Excess (deficiency) of revenues over expenditures	<u>776</u>	<u>(123,236)</u>	<u>(335)</u>	<u>(204,269)</u>
<b>Other Financing Sources (Uses)</b>					
7915	Transfers in	-	-	-	-
<b>7080</b>	<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1200	Net change in fund balances	776	(123,236)	(335)	(204,269)
<b>0100</b>	<b>Fund Balance - July 1 (Beginning)</b>	<u>8,207</u>	<u>145,978</u>	<u>29,659</u>	<u>204,269</u>
<b>3000</b>	<b>Fund Balance - June 30 (Ending)</b>	<u>\$ 8,983</u>	<u>\$ 22,742</u>	<u>\$ 29,324</u>	<u>\$ -</u>

**ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year Ended June 30, 2023**

		466	475	477	478
Data Control Codes		Trademark Scholarship	Insurance Recovery	Chapter 313	PICK Education
<b>Revenues</b>					
5700	Local, intermediate, and out-of-state	\$ 109,788	\$ 7,392,112	\$ 316,943	\$ 5,000
5800	State program revenues	-	-	-	-
5900	Federal program revenues	-	-	-	-
<b>5020</b>	<b>Total Revenues</b>	<u>109,788</u>	<u>7,392,112</u>	<u>316,943</u>	<u>5,000</u>
<b>Expenditures</b>					
<b>Current:</b>					
0011	Instruction	-	-	-	-
0012	Instruction resources and media services	-	-	-	-
0013	Curriculum and instructional staff development	-	-	-	-
0021	Instructional leadership	-	-	5,000	5,000
0023	School leadership	-	-	-	-
0031	Guidance, counseling and evaluation services	-	-	-	-
0032	Social work services	-	-	-	-
0033	Health services	-	-	-	-
0034	Student transportation	-	-	-	-
0035	Food services	-	-	-	-
0036	Extracurricular activities	-	-	-	-
0041	General administration	5,500	-	225	-
0051	Facilities maintenance and operations	-	-	-	-
0052	Security and monitoring services	-	-	-	-
0053	Data processing services	-	-	-	-
0061	Community services	-	-	-	-
<b>Capital Outlay:</b>					
0081	Facilities acquisition and construction	-	10,310,873	-	-
<b>Intergovernmental:</b>					
0093	Payments to Fiscal Agent/Member Districts of SSA	-	-	-	-
<b>6030</b>	<b>Total Expenditures</b>	<u>5,500</u>	<u>10,310,873</u>	<u>5,225</u>	<u>5,000</u>
1100	Excess (deficiency) of revenues over expenditures	<u>104,288</u>	<u>(2,918,761)</u>	<u>311,718</u>	<u>-</u>
<b>Other Financing Sources (Uses)</b>					
7915	Transfers in	-	-	-	-
<b>7080</b>	<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1200	Net change in fund balances	104,288	(2,918,761)	311,718	-
<b>0100</b>	<b>Fund Balance - July 1 (Beginning)</b>	<u>-</u>	<u>6,841,056</u>	<u>948,365</u>	<u>-</u>
<b>3000</b>	<b>Fund Balance - June 30 (Ending)</b>	<u>\$ 104,288</u>	<u>\$ 3,922,295</u>	<u>\$ 1,260,083</u>	<u>\$ -</u>

**ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year Ended June 30, 2023**

		482	483	488	489
Data Control Codes		Education Foundation Awards	Citi Foundation Award - AVID	Summer Learning Grant	Brown Agriculture Fund
<b>Revenues</b>					
5700	Local, intermediate, and out-of-state	\$ 92,901	\$ -	\$ 62,510	\$ 2,055
5800	State program revenues	-	-	-	-
5900	Federal program revenues	-	-	-	-
<b>5020</b>	<b>Total Revenues</b>	<u>92,901</u>	<u>-</u>	<u>62,510</u>	<u>2,055</u>
<b>Expenditures</b>					
<b>Current:</b>					
0011	Instruction	90,849	-	-	-
0012	Instruction resources and media services	-	-	-	-
0013	Curriculum and instructional staff development	84,340	-	-	-
0021	Instructional leadership	-	-	-	-
0023	School leadership	-	-	62,150	-
0031	Guidance, counseling and evaluation services	-	-	-	-
0032	Social work services	-	-	-	-
0033	Health services	-	-	-	-
0034	Student transportation	-	-	-	-
0035	Food services	-	-	-	-
0036	Extracurricular activities	-	-	-	-
0041	General administration	-	-	-	-
0051	Facilities maintenance and operations	-	-	-	-
0052	Security and monitoring services	-	-	-	-
0053	Data processing services	-	-	-	-
0061	Community services	-	500	-	-
<b>Capital Outlay:</b>					
0081	Facilities acquisition and construction	-	-	-	-
<b>Intergovernmental:</b>					
0093	Payments to Fiscal Agent/Member Districts of SSA	-	-	-	-
<b>6030</b>	<b>Total Expenditures</b>	<u>175,189</u>	<u>500</u>	<u>62,150</u>	<u>-</u>
1100	Excess (deficiency) of revenues over expenditures	<u>(82,288)</u>	<u>(500)</u>	<u>360</u>	<u>2,055</u>
<b>Other Financing Sources (Uses)</b>					
7915	Transfers in	-	-	-	-
<b>7080</b>	<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1200	Net change in fund balances	(82,288)	(500)	360	2,055
<b>0100</b>	<b>Fund Balance - July 1 (Beginning)</b>	<u>376,709</u>	<u>12,021</u>	<u>22,490</u>	<u>47,551</u>
<b>3000</b>	<b>Fund Balance - June 30 (Ending)</b>	<u>\$ 294,421</u>	<u>\$ 11,521</u>	<u>\$ 22,850</u>	<u>\$ 49,606</u>

**ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year Ended June 30, 2023**

	490	491	494	496
Data Control Codes	Barbara Jordan Elem Trust	OHS Scholarship Fund	Chevron Project Lead the Way	Odessa Regional School Clinic
<b>Revenues</b>				
5700	\$ 79	\$ 994	\$ -	\$ -
5800	-	-	-	-
5900	-	-	-	-
<b>5020</b>	<b>79</b>	<b>994</b>	<b>-</b>	<b>-</b>
<b>Expenditures</b>				
<b>Current:</b>				
0011	-	-	-	-
0012	-	-	-	-
0013	-	-	-	-
0021	-	-	-	-
0023	-	-	-	-
0031	-	-	-	-
0032	-	-	-	-
0033	-	-	-	-
0034	-	-	-	-
0035	-	-	-	-
0036	-	-	-	-
0041	-	-	-	-
0051	-	-	-	-
0052	-	-	-	-
0053	-	-	-	-
0061	-	-	-	-
<b>Capital Outlay:</b>				
0081	-	-	-	-
<b>Intergovernmental:</b>				
0093	-	-	-	-
<b>6030</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
1100	79	994	-	-
<b>Other Financing Sources (Uses)</b>				
7915	-	-	-	-
<b>7080</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
1200	79	994	-	-
<b>0100</b>	<b>3,719</b>	<b>25,319</b>	<b>5,971</b>	<b>17,137</b>
<b>3000</b>	<b>\$ 3,798</b>	<b>\$ 26,313</b>	<b>\$ 5,971</b>	<b>\$ 17,137</b>



**ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year Ended June 30, 2023**

497

<u>Data Control Codes</u>		<u>Weldon Scholarship Fund</u>	<u>Total Nonmajor Special Revenue Funds</u>
<b>Revenues</b>			
5700	Local, intermediate, and out-of-state	\$ 1,125	\$ 9,682,941
5800	State program revenues	-	4,598,967
5900	Federal program revenues	-	38,167,827
<b>5020</b>	<b>Total Revenues</b>	<u>1,125</u>	<u>52,449,735</u>
<b>Expenditures</b>			
<b>Current:</b>			
0011	Instruction	-	29,306,232
0012	Instruction resources and media services	-	186,855
0013	Curriculum and instructional staff development	-	7,409,716
0021	Instructional leadership	-	584,487
0023	School leadership	-	2,064,082
0031	Guidance, counseling and evaluation services	-	2,087,210
0032	Social work services	-	664,811
0033	Health services	-	187,382
0034	Student transportation	-	62,692
0035	Food services	-	76,990
0036	Extracurricular activities	-	411,771
0041	General administration	-	52,000
0051	Facilities maintenance and operations	-	1,055,879
0052	Security and monitoring services	-	263,661
0053	Data processing services	-	613,145
0061	Community services	-	226,333
<b>Capital Outlay:</b>			
0081	Facilities acquisition and construction	-	10,310,873
<b>Intergovernmental:</b>			
0093	Payments to Fiscal Agent/Member Districts of SSA	-	79,283
<b>6030</b>	<b>Total Expenditures</b>	<u>-</u>	<u>55,643,402</u>
1100	Excess (deficiency) of revenues over expenditures	<u>1,125</u>	<u>(3,193,667)</u>
<b>Other Financing Sources (Uses)</b>			
7915	Transfers in	-	390,882
<b>7080</b>	<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>390,882</u>
1200	Net change in fund balances	1,125	(2,802,785)
<b>0100</b>	<b>Fund Balance - July 1 (Beginning)</b>	<u>28,644</u>	<u>9,508,876</u>
<b>3000</b>	<b>Fund Balance - June 30 (Ending)</b>	<u>\$ 29,769</u>	<u>\$ 6,706,091</u>



## **INTERNAL SERVICE FUNDS**

**ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**June 30, 2023**

*Exhibit H-3*

	715	771	772	
	<u>Housing Fund</u>	<u>Worker's Comp</u>	<u>Medical Trust</u>	<u>Total Internal Service Funds</u>
<b>Assets</b>				
<b>Current assets:</b>				
Cash and cash equivalents	\$ 239,845	\$ -	\$ 1,041,497	\$ 1,281,342
Current investments	-	7,645,623	8,391,363	16,036,986
Receivables:				
Other receivables	-	-	39,854	39,854
<b>Total Current assets</b>	<u>239,845</u>	<u>7,645,623</u>	<u>9,472,714</u>	<u>17,358,182</u>
<b>Noncurrent assets:</b>				
<b>Capital assets:</b>				
Land	54,012	-	-	54,012
Buildings	3,663,335	-	-	3,663,335
Accumulated depreciation - Buildings	<u>(661,210)</u>	<u>-</u>	<u>-</u>	<u>(661,210)</u>
<b>Total noncurrent assets</b>	<u>3,056,137</u>	<u>-</u>	<u>-</u>	<u>3,056,137</u>
<b>Total Assets</b>	<u>3,295,982</u>	<u>7,645,623</u>	<u>9,472,714</u>	<u>20,414,319</u>
<b>Liabilities</b>				
<b>Current Liabilities:</b>				
Accounts payable	7,442	-	151,628	159,070
Due to other funds	<u>279,577</u>	<u>-</u>	<u>-</u>	<u>279,577</u>
<b>Total Liabilities</b>	<u>287,019</u>	<u>-</u>	<u>151,628</u>	<u>438,647</u>
<b>Non-current Liabilities:</b>				
Claims and judgments due within one year	-	692,313	-	692,313
Claims and judgments due in more than one year	<u>-</u>	<u>2,063,454</u>	<u>2,963,540</u>	<u>5,026,994</u>
<b>Total Non-current Liabilities</b>	<u>-</u>	<u>2,755,767</u>	<u>2,963,540</u>	<u>5,719,307</u>
<b>Total Liabilities</b>	<u>287,019</u>	<u>2,755,767</u>	<u>3,115,168</u>	<u>6,157,954</u>
<b>Net Position</b>				
Net investment in capital assets	3,056,137	-	-	3,056,137
Unrestricted net position	<u>(47,174)</u>	<u>4,889,856</u>	<u>6,357,546</u>	<u>11,200,228</u>
<b>Total Net Position</b>	<u>\$ 3,008,963</u>	<u>\$ 4,889,856</u>	<u>\$ 6,357,546</u>	<u>\$ 14,256,365</u>

**ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**For the Year Ended June 30, 2023**

*Exhibit H-4*

	715	771	772	
	<u>Housing Fund</u>	<u>Worker's Comp</u>	<u>Medical Trust</u>	<u>Total Internal Service Funds</u>
<b>Operating Revenues</b>				
Rent revenue	\$ 287,153	\$ -	\$ -	\$ 287,153
Employee and Employer Insurance premiums	-	1,133,105	26,723,151	27,856,256
Stop loss reimbursement	-	5,507	1,146,100	1,151,607
<b>Total Operating Revenues</b>	<u>287,153</u>	<u>1,138,612</u>	<u>27,869,251</u>	<u>29,295,016</u>
<b>Operating Expenses</b>				
Claims and prescriptions	-	977,843	30,167,153	31,144,996
Professional and contracted services	190,313	59,875	1,274,826	1,525,014
Supplies and materials	77,950	-	-	77,950
Claims expense and other operating expenses	-	-	2,194,243	2,194,243
Depreciation	87,004	-	-	87,004
<b>Total Operating Expenses</b>	<u>355,267</u>	<u>1,037,718</u>	<u>33,636,222</u>	<u>35,029,207</u>
<b>Operating Income (Loss)</b>	<u>(68,114)</u>	<u>100,894</u>	<u>(5,766,971)</u>	<u>(5,734,191)</u>
<b>Non-Operating Revenues (Expenses)</b>				
Investment earnings	-	299,613	357,520	657,133
<b>Total Nonoperating Revenues (Expenses)</b>	<u>-</u>	<u>299,613</u>	<u>357,520</u>	<u>657,133</u>
Change in Net Position	(68,114)	400,507	(5,409,451)	(5,077,058)
<b>Net Position - Beginning</b>	<u>3,077,077</u>	<u>4,489,349</u>	<u>11,766,997</u>	<u>19,333,423</u>
<b>Net Position - Ending</b>	<u>\$ 3,008,963</u>	<u>\$ 4,889,856</u>	<u>\$ 6,357,546</u>	<u>\$ 14,256,365</u>

**ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**For the Year Ended June 30, 2023**

*Exhibit H-5*

	715	771	772	Total Internal Service Funds
	<u>Housing Fund</u>	<u>Worker's Comp</u>	<u>Medical Trust</u>	
<b>Increase (Decrease) in Cash and Cash Equivalents</b>				
<b>Cash Flows from Operating Activities:</b>				
Cash received from rental receipts	\$ 378,245	\$ -	\$ -	\$ 378,245
Cash received from employees and employer	-	42,991	26,236,569	26,279,560
Cash receipts for interfund services provided	(146,708)	1,038,107	452,031	1,343,430
Cash receipts for stop loss	-	5,507	1,146,100	1,151,607
Cash payments to suppliers	-	(1,260,323)	(30,718,421)	(31,978,744)
Cash payments for other operating expenses	(263,323)	-	(3,469,069)	(3,732,392)
<b>Net Cash Provided by (Used for) Operating Activities</b>	<u>(31,786)</u>	<u>(173,718)</u>	<u>(6,352,790)</u>	<u>(6,558,294)</u>
<b>Cash Flows from Investing Activities:</b>				
Interest on investments	-	299,613	357,520	657,133
<b>Net Cash Provided by Investing Activities</b>	<u>-</u>	<u>299,613</u>	<u>357,520</u>	<u>657,133</u>
Net change in Cash and Cash Equivalents	(31,786)	125,895	(5,995,270)	(5,901,161)
<b>Cash and Cash Equivalents at Beginning of Year</b>	<u>271,631</u>	<u>7,519,728</u>	<u>15,428,130</u>	<u>23,219,489</u>
<b>Cash and Cash Equivalents at End of Year</b>	<u>\$ 239,845</u>	<u>\$ 7,645,623</u>	<u>\$ 9,432,860</u>	<u>\$ 17,318,328</u>
<b>Reconciliation to Balance Sheet</b>				
Cash and Cash Equivalents Per Cash Flow	\$ 239,845	\$ 7,645,623	\$ 9,432,860	\$ 17,318,328
Cash and Cash Equivalents per Balance Sheet	<u>\$ 239,845</u>	<u>\$ 7,645,623</u>	<u>\$ 9,432,860</u>	<u>\$ 17,318,328</u>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</b>				
Operating Income (Loss)	\$ (68,114)	\$ 100,894	\$ (5,766,971)	\$ (5,734,191)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities				
Depreciation	87,004	-	-	87,004
Change in Assets and Liabilities:				
Decrease (increase) in Receivables	91,092	-	(39,854)	51,238
Decrease (increase) in Interfund Receivables	-	1,038,107	452,031	1,490,138
Decrease (increase) in Prepaid Expenses	-	-	21,436	21,436
Increase (decrease) in Accounts Payable	4,940	(74,681)	(705,657)	(775,398)
Increase (decrease) in Interfund Payables	(146,708)	(1,090,114)	(446,728)	(1,683,550)
Increase (decrease) in Claims Payable	-	(147,924)	132,953	(14,971)
<b>Net Cash Provided by (Used for) Operating Activities</b>	<u>\$ (31,786)</u>	<u>\$ (173,718)</u>	<u>\$ (6,352,790)</u>	<u>\$ (6,558,294)</u>

## REQUIRED TEA SCHEDULES

**ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF DELINQUENT TAXES RECEIVABLE**  
**For the Year Ended June 30, 2023**

*Exhibit J-1*  
*Page 1 of 2*

Last Ten Fiscal Years	1		2	3	10
	Tax Rates		Debt Service	Net Assessed/Appraised Value For School Tax Purposes	Beginning Balance 7/1/2022
	Maintenance				
2014 and prior	Various		Various	Various	\$ 3,749,825
2015	1.040000		0.121000	\$ 13,401,694,166	864,799
2016	1.040000		0.110000	14,256,078,650	874,153
2017	1.040000		0.110000	13,190,683,066	1,009,865
2018	1.040000		0.109600	11,855,872,243	1,011,429
2019	1.170000		0.109600	12,190,897,339	1,360,078
2020	1.068350		0.109570	15,070,399,797	2,134,759
2021	1.054700		0.123220	14,780,081,913	3,223,786
2022	1.051700		0.126220	14,448,009,937	6,477,653
2023	0.981000		0.196920	16,073,593,331	-
<b>1000 Totals</b>					<u><u>\$ 20,706,347</u></u>

**8000** Taxes refunded under Section 26.155(c), Tax Code, for tax refunds  
issued for immediate homestead exemptions pursuant to Senate Bill (SB) 8, 87-2



**ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF DELINQUENT TAXES RECEIVABLE**  
**For the Year Ended June 30, 2023**

*Exhibit J-1*  
*Page 2 of 2*

	20	31	32	40	50
<u>Last Ten Fiscal Years</u>	<u>Current Year's Total Levy</u>	<u>Maintenance Total Collections</u>	<u>Debt Service Total Collections</u>	<u>Entire Year's Adjustments</u>	<u>Ending Balance 6/30/2023</u>
2014 and prior	\$ -	\$ 115,147	\$ 13,397	\$ (52,675)	\$ 3,568,606
2015	-	47,008	5,469	(2,660)	809,662
2016	-	55,152	5,833	(3,193)	809,975
2017	-	73,975	7,824	(4,763)	923,303
2018	-	127,682	13,456	4,406	874,697
2019	-	245,806	23,026	3,871	1,095,117
2020	-	473,786	48,592	(78,180)	1,534,201
2021	-	783,823	91,574	(370,156)	1,978,233
2022	-	2,170,523	260,496	(1,306,167)	2,740,467
2023	<u>189,334,571</u>	<u>151,716,325</u>	<u>30,454,617</u>	<u>(317,083)</u>	<u>6,846,546</u>
<b>1000 Totals</b>	<u>\$ 189,334,571</u>	<u>\$ 155,809,227</u>	<u>\$ 30,924,284</u>	<u>\$ (2,126,600)</u>	<u>\$ 21,180,807</u>
		<u>\$ 136,229</u>			

**ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE**  
**DEBT SERVICE FUND**  
**For the Year Ended June 30, 2023**

*Exhibit J-2*

Data Control Codes		Budgeted Amounts			Variance with Final Budget
		Original	Final	Actual Amounts	
	<b>Revenues</b>				
5700	Local and intermediate sources	\$ 27,547,576	\$ 31,861,000	\$ 32,205,506	\$ 344,506
5800	State program revenues	-	442,356	491,865	49,509
<b>5020</b>	<b>Total Revenues</b>	<u>27,547,576</u>	<u>32,303,356</u>	<u>32,697,371</u>	<u>394,015</u>
	<b>Expenditures</b>				
	<b>Debt Service:</b>				
0071	Principal on long-term debt	22,621,683	26,950,000	26,950,000	-
0072	Interest on long-term debt	4,925,893	5,265,382	5,257,880	7,502
<b>6030</b>	<b>Total Expenditures</b>	<u>27,547,576</u>	<u>32,215,382</u>	<u>32,207,880</u>	<u>7,502</u>
1100	Excess (deficiency) of revenues over expenditures	-	87,974	489,491	401,517
	<b>Other Financing Sources (Uses)</b>				
	Premium or discount on issuance of				
7917	bonds	-	-	328,073	328,073
7080	<b>Total Other Financing Sources (Uses)</b>	-	-	<u>328,073</u>	<u>328,073</u>
1200	Net change in fund balances	-	87,974	817,564	729,590
<b>0100</b>	<b>Fund Balances - Beginning</b>	<u>16,251,745</u>	<u>16,251,745</u>	<u>16,251,745</u>	<u>-</u>
<b>3000</b>	<b>Fund Balances - Ending</b>	<u>\$ 16,251,745</u>	<u>\$ 16,339,719</u>	<u>\$ 17,069,309</u>	<u>\$ 729,590</u>

**ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT**  
**COMPENSATORY EDUCATION PROGRAM AND BILINGUAL EDUCATION PROGRAM COMPLIANCE RESPONSES**  
**For the Year Ended June 30, 2023**

*Exhibit J-4*

<b>Data Codes</b>	<b>Section A: Compensatory Education Programs</b>	<b>Responses</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.	\$ 33,853,372
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal year. (PICs 24, 26, 28, 29, 30)	\$ 19,987,524
<b>Section B: Bilingual Education Programs</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.	\$ 5,103,012
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PICs 25)	\$ 3,305,748



## FEDERAL AWARDS SECTION



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

To the Board of Trustees  
Ector County Independent School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Ector County Independent School District (the “District”), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise District’s basic financial statements, and have issued our report thereon dated November 14, 2023.

**Internal Control Over Financial Reporting**

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

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

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

To the Board of Trustees  
Ector County Independent School District

**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 District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Odessa, Texas  
November 14, 2023



**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR  
PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Trustees  
Ector County Independent School District

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

***Opinion on Each Major Program***

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

In our opinion, the District’s complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

***Basis for Opinion on Each Major Federal Program***

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

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

***Responsibilities of Management for Compliance***

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

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

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

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

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

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

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

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

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

To the Board of Trustees  
Ector County Independent School District

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

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

Odessa, Texas  
November 14, 2023

**ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2023**

**I. Summary of Auditors' Results**

**Financial Statements**

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

**Federal Awards**

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

**Identification of major programs:**

<b>Name of Federal Program or Cluster</b>	<b>Assistance Listing Number ( ALN)</b>
<b>U.S. Department of Agriculture</b>	
<i>Child Nutrition Cluster:</i>	
<i>School Breakfast Program - Cash Assistance</i>	10.553
<i>National School Lunch Program - Cash Assistance</i>	10.555
<i>Supply Chain Grant</i>	10.556
<i>Summer Feeding Program - Cash Assistance</i>	10.559
<i>National School Lunch Program - Non-Cash Assistance</i>	10.559
<b>U.S. Department of Education:</b>	
<i>ESEA, Title I, Part A - Improving Basic Programs</i>	84.010A
<i>ESEA, Title I, Part D</i>	84.010A
<i>TTL I 1003 School Improvement</i>	84.010A
<i>School Action Fund Planning</i>	84.010A
<i>School Action Fund Continuation</i>	84.010A
<i>2021-2023 School Action Fund - Cycle 5</i>	84.010A
<i>Special Education Cluster</i>	
<i>IDEA-B Formula</i>	84.027A
<i>IDEA-B Formula ARP</i>	84.027X
<i>IDEA-B Preschool</i>	84.173A
<i>IDEA-B Preschool ARP</i>	84.173X
<i>IDEA-B Discretionary DEAF</i>	84.027A
<i>COVID - 19 - ARP Homeless I - TECHY Supplemental</i>	84.425W
<i>COVID - 19 - TCLAS - ESSER III</i>	84.425U
Dollar Threshold Considered Between Type A and Type B Federal Programs	\$1,781,842
Auditee qualified as low risk auditee?	Yes

**ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT**  
***SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)***  
***For the Year Ended June 30, 2023***

**II. Financial Statement Findings**

No current findings were noted.

**III. Federal Award Findings and Questioned Costs**

There are no federal awards findings during the current fiscal year.

**ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended June 30, 2023**

*Exhibit K-1*  
*Page 1 of 2*

(1)	(2)	(2A)	(3)
Federal Grantor/ Pass-Through Grantor/ Program Title	Federal Assistance Listing Number	Pass Through Entity Identifying Number	Federal Expenditures and Indirect Costs
<b>U. S. Department of Agriculture</b>			
<b>Passed Through the Texas Education Agency:</b>			
<i>School Breakfast Program - Cash Assistance</i>	10.553	71402101	\$ 5,124,494
<i>National School Lunch Program - Cash Assistance</i>	10.555	71302101	10,307,933
<b>Passed Through the Texas Department of Agriculture:</b>			
<i>Summer Seamless Option - School Breakfast Program</i>	10.553	71402101	63,194
<i>Summer Seamless Option - National School Lunch Program</i>	10.555	71302101	148,919
<i>Supply Chain Grant</i>	10.556	226TX400N8903	748,951
<i>Supply Chain Grant</i>	10.556	236TX400N8903	277,406
<i>Summer Feeding Program - Cash Assistance</i>	10.559	00327	76,406
<i>National School Lunch Program - Non-Cash Assistance</i>	10.559	71302301	1,044,997
<i>Total Child Nutrition Cluster (ALN 10.553, 10.555, 10.559, 10.556)</i>			<u>17,792,300</u>
 <i>Child &amp; Adult Care Food Program - Cash Assistance</i>	 10.558	 00327	 717,108
<i>Child &amp; Adult Care Food Program - Non-Cash Assistance</i>	10.558	00327	52,554
<i>Total ALN 10.588</i>			<u>769,662</u>
 <b>Total U. S. Department of Agriculture</b>			 <u><b>18,561,962</b></u>
<b>Federal Communications Commission</b>			
<b>Direct</b>			
<i>Emergency Connectivity Fund</i>	32.009	ECOECF229001242011	29,050
<i>Emergency Connectivity Fund</i>	32.009	ECOECF229001247811	2,608
<i>Total ALN 32.009</i>			<u>31,658</u>
<b>Total Federal Communications Commission</b>			<u><b>31,658</b></u>
<b>U. S. Department of Education</b>			
<b>Passed Through Texas Education Agency:</b>			
<i>ESEA, Title I, Part A - Improving Basic Programs</i>	84.010A	22610101068901	849,015
<i>ESEA, Title I, Part A - Improving Basic Programs</i>	84.010A	23610101068901	8,961,595
<i>ESEA, Title I, Part D</i>	84.010A	22610103068901	274
<i>ESEA, Title I, Part D</i>	84.010A	23610101068901	42,287
<i>TTL I 1003 School Improvement</i>	84.010A	23610141068901	169,561
<i>School Action Fund Planning</i>	84.010A	226101517110011	188,421
<i>School Action Fund Continuation</i>	84.010A	226101517110010	404,355
<i>School Action Fund Continuation</i>	84.010A	226101517110012	304,694
<i>School Action Fund Continuation</i>	84.010A	226101517110014	234,072
<i>School Action Fund Continuation</i>	84.010A	226101517110013	247,747
<i>2021-2023 School Action Fund - Cycle 5</i>	84.010A	226101637110005	290,206
<i>Total ALN Number 84.010</i>			<u>11,692,227</u>
 <i>IDEA-B FORMULA</i>	 84.027A	 226600010689016600	 142,091
<i>IDEA-B FORMULA</i>	84.027A	236600010689016600	5,778,539
<i>IDEA-B FORMULA ARP</i>	84.027A	225350010689015350	266,207
<i>IDEA-B FORMULA ARP</i>	84.027X	225350020689015350	1,006,821
<i>IDEA-B DISCRETIONARY DEAF</i>	84.027X	236600110689016673	58,420
<i>IDEA-B PRESCHOOL</i>	84.173A	226610010689016610	436
<i>IDEA-B PRESCHOOL</i>	84.173A	236610010689016610	168,086
<i>IDEA-B PRESCHOOL ARP</i>	84.173X	225360010689015360	100
<i>IDEA-B PRESCHOOL ARP</i>	84.173X	225360020689015360	40,419
<i>Total Special Education Cluster ( IDEA) (ALN 84.027, 84.173)</i>			<u>7,461,119</u>

**ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended June 30, 2023**

(1)	(2)	(2A)	(3)
Federal Grantor/ Pass-Through Grantor/ Program Title	Federal Assistance Listing Number	Pass Through Entity Identifying Number	Federal Expenditures and Indirect Costs
<b>U. S. Department of Education (continued)</b>			
<b>Passed Through Texas Education Agency: (continued)</b>			
<i>Carl D. Perkins Basic Formula</i>	84.048A	23420006068901	\$ 453,236
<i>Effective Advising Implementation</i>	84.048A	234200327110006	85,622
<i>Total ALN Number 84.048</i>			<u>538,858</u>
 <i>IDEA- C, Early Childhood Intervention</i>	 84.181A	 233911010689013911	 805
<i>Texas Education for Homeless Children and Youth</i>	84.196A	224600057110087	18,645
<i>2022-2023 Texas Education for Homeless Youth</i>	84.196A	234600057110023	220,822
<i>Total ALN Number 84.196</i>			<u>239,467</u>
 <i>2021 - 2023 Charter School Program</i>	 84.282A	 215901027110013	 796,600
<i>Title III, Part A- English Language Acquisition</i>	84.365A	22671001068901	867
<i>Title III, Part A- English Language Acquisition</i>	84.365A	23671001068901	931,234
<i>Total ALN Number 84.365</i>			<u>932,101</u>
 <i>ESEA Title II, Part A: Supporting Effective Instruction</i>	 84.367A	 22694501068901	 8,056
<i>ESEA Title II, Part A: Supporting Effective Instruction</i>	84.367A	23694501068901	1,058,061
<i>2022-2023 Principal Residency Cycle</i>	84.367A	226945677110012	333,463
<i>Total ALN Number 84.367</i>			<u>1,399,580</u>
 <i>LEP Summer School</i>	 84.369A	 69552102	 12,950
<i>LEP Summer School</i>	84.369A	69552202	10,354
<i>Total ALN Number 84.369</i>			<u>23,304</u>
 <i>Title IV, Part A, Subpart 1</i>	 84.424A	 22680101068901	 160,577
<i>Title IV, Part A, Subpart 1</i>	84.424A	23680101068901	539,010
<i>Total ALN Number 84.424</i>			<u>699,587</u>
 <i>COVID - 19 - ARP Homeless I - TECHY Supplemental</i>	 84.425W	 215330017110023	 119,849
<i>COVID - 19 - TCLAS - ESSER III</i>	84.425U	21528042068901	2,887,296
<i>COVID - 19 - ESSER III</i>	84.425U	21528001068901	13,907,278
<i>Total ALN Number 84.425</i>			<u>16,914,423</u>
<b>Total U. S. Department of Education</b>			<b><u>40,698,071</u></b>
 <b>U. S. Department of Health and Human Services</b>			
<b>Passed Through Texas Health and Human Services Commission:</b>			
<i>Medicaid Administrative Claiming Program</i>	93.778	HHS000537900265	103,055
<i>Total Medicaid Cluster (ALN 93.778)</i>			<u>103,055</u>
<b>Total U. S. Department of Health and Human Services</b>			<b><u>103,055</u></b>
 <b>Total Expenditures of Federal Awards</b>			 <b><u>\$ 59,394,746</u></b>

**Note 1 - Basis of Accounting**

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

The modified accrual basis of accounting is used for these funds. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual, i.e., both measurable and available, and expenditures in the accounting period in which the liability is incurred, if measurable, except for certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources. Expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited to reimbursement. Pass-through entity identifying numbers are presented where available.

Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant. If balances have not been expended by the end of the project period, determination is made to record as unearned revenue, fund balance, or return the funds if the grantors stipulate that the District must refund all or part of the unused amount. The District has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**Note 2 - Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the District under programs of the federal government for the year ended June 30, 2023. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position or cash flows of the District.

**Note 3 - Reconciliation to Basic Financial Statements**

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

<b>Total Expenditures of Federal Awards on Exhibit K-1</b>	\$ 59,394,745
Medicaid SHARS	2,458,285
E-Rate	775,080
Junior Reserve Officer's Training Corps (JROTC)	78,619
West Texas Opportunities Child Care Tuition	10,174
<b>Total Federal Revenue - Exhibit C-3</b>	<u>\$ 62,716,903</u>



**ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (continued)**

*Exhibit K-2*

**Note 4 - General Fund Expenditures**

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

<b>Federal Revenue reported in the General Fund</b>	
Medicaid SHARS	\$ 2,458,285
E-Rate	775,080
Junior Reserve Officer's Training Corps (JROTC)	78,619
West Texas Opportunities Child Care Tuition	10,174
Indirect Costs:	
ESSER III	1,338,454
National School Lunch Program	557,452
ESEA, Title I, Part A	487,771
IDEA-B Formula	294,193
TCLAS - ESSER III	277,877
School Breakfast Program	277,132
IDEA-B Formula, ARP	63,293
School Action Fund Continuation	59,846
ESEA Title II, Part A: Supporting Effective Instruction	53,006
Title III, Part A- English Language Acquisition	46,343
Title IV Part A Subpart 1	34,783
Carl D. Perkins Basic Formula	22,534
School Action Fund Implementation	12,131
ARP Homeless I - TECHY Supplemental	11,534
2022-2023 Texas Education for Homeless Youth	10,979
TTL I 1003 School Improvement	8,430
IDEA-B Preschool	7,929
Effective Advising Implementation	4,257
SSA - IDEA - Part B, Discretionary	2,905
ESEA, Title I, Part D	2,116
IDEA-B Preschool, ARP	2,015
Texas Education for Homeless Children and Youth	927
IDEA-C, Early Childhood Intervention	40
<b>Total Federal Revenue reported in the General Fund</b>	<b><u>\$ 6,898,105</u></b>

**ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT**

***SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS***

***For the Year Ended June 30, 2023***

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

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

**I. Prior Year Findings**

Not Applicable

**ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT**

***CORRECTIVE ACTION PLAN***

***For the Year Ended June 30, 2023***

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

**I. Corrective Action Plan**

Not Applicable

**ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT**  
**REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS**  
**For the Year Ended June 30, 2023**

**Schedule L-1**

SF1	Was there an unmodified opinion in the Annual Financial Report on the financial statements as a whole?	Yes
SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement at fiscal year end?	No
SF3	Did the school district make timely payments to the Teacher Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies?	
	(If the school district was issued a warrant hold and the warrant hold was not cleared within 30 days from the date the warrant hold was issued, the school district is considered <b>to not have made</b> timely payments.) Payments to the TRS and TWC are considered timely if a warrant hold that was issued in connection to the untimely payment was cleared within 30 days from the date the warrant hold was issued.	
	Payments to the IRS are considered timely if a penalty or delinquent payment notice was cleared within 30 days from the date the notice was issued.	Yes
SF4	Was the school district issued a warrant hold? Even if the issue surrounding the initial warrant hold was resolved and cleared within 30 days, the school district is considered to have been issued a warrant hold.	No
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds?	No
SF6	Was there any disclosure in the Annual Financial Report of material noncompliance for grants, contracts, and laws related to local, state, or federal funds?	No
SF7	Did the school district post the required financial information on its website in accordance with Government Code, Local Government Code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules that were in effect at the school district's fiscal year end?	Yes
SF8	Did the school board members discuss the school district's property values at a board meeting within 120 days before the school district adopted its budget?	Yes
SF9	Total accumulated accretion on CABs included in government-wide financial statements at fiscal year-end.	\$ 73,016

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





OUR students...THE future