

**Medina Valley Independent School District  
Board of Trustees  
Regular Meeting on Monday, December 18, 2023 at 6:00 PM  
Medina Valley ISD Central Office Board Room**

**A Regular Board Meeting of the MVISD Board of Trustees was held on Monday, December 18, 2023, beginning at 6:00 PM at/on Medina Valley ISD Central Office Board Room.**

**I. First Order of Business**

- A Call Meeting to Order
- B Establish a Quorum
- C Pledge of Allegiance to the Flag followed by a moment of silence

**II. Student/Staff Recognition**

- A Star Students - Loma Alta Middle School 3
- B Above & Beyond Service Staff Recognition - Loma Alta Middle School 4
- C 2023-2024 VFW Patriot's Pen Scholarship Award
- D 2023-2024 VFW National Citizenship Education Teacher Award
- E **Break**
- F Texas FFA State Leadership Development Event Contest Winners
  - FFA Public Relations Team
  - FFA Senior Chapter Conducting Team
  - FFA Agricultural Advocacy Team

**III. Break**

**IV. Public Comment** 5

*At Regular Board Meetings the Board shall permit public comment on any topic. At all other Board Meetings public comments will be limited to items on the agenda posted with the notice of the meeting. All Public Comments are limited to 5 minutes.*

**V. Announcements/Communications/Presentations**

- A Board Committee Reports
  - Finance & Operations Committee - Matt Castiglione, Committee Chair
  - Construction Committee - Blane Nash, Committee Chair
  - Curriculum Committee - Veronica Cavazos, Committee Chair
  - Branding Committee - Jennilea Campbell, Committee Chair
- B Construction Briefing 6
  - Silos Elementary
  - High School #2
  - Medina Valley Middle School Traffic Improvement Project
- C Financial Briefing 27
  - General Fund Financial Statement
  - Child Nutrition Financial Statement
  - Debt Service Fund Financial Statement
  - Bond 2023 Capital Projects Report
- D Transportation Department Process and Procedures Presentation 33
- E Superintendent Briefing 37
  - Student Achievements
  - Staff Achievements
  - Legislative Update
  - District Enrollment Numbers
- F Bond Committee Presentation 45
- G First Reading - TASB Localized Policy Manual Update 122 62

**VI. Discussion and Possible Action Items**

- A Consider Approval of Minutes for Regular Board Meeting on November 27, 2023 82
- B Consider Approval of the Independent Financial Audit Report for the fiscal year ending August 31, 20223 87
- C Consider Approval of Financial Audit Agreement for the fiscal year ending August 31, 2024 215
- D Consider Approval of Motion to un-designate 4 million dollars as committed funds, labeling the 4 million as unassigned funds in the general fund 224
- E Consider Approval of Re-Cabling of Portables in place prior to 2023, updating to the Districts current standards for fiber runs
- F Consider Approval of Medina Valley ISD's Educational Specifications for Middle Schools 225
- G Consider Approval of the Construction Materials Observation and Testing Services for the Medina Valley ISD Silos Elementary Project 239
- H Consider Approval of New Elementary Attendance Zones to include Silos Elementary 1 255

I Consider Approval of Appointment of Members to the Safe and Supportive School Program (SSSP) Team	262
J Consider Approval of Interlocal Agreement with Education Service Center Region 20, Texas 20 Purchasing Cooperative	265
K Consider Approval of Amendments to the 2023-2024 Compensation Plan	269
<b>VII. Closed Session</b>	
A Personnel Matters: Resignations, Retirements, Leaves of Absence, Reassignments, New Employment, New Personnel Position, Duties/Responsibilities of Employees (TX Govt. Code Section 551.074)	
<ul style="list-style-type: none"> <li>• Executive Director of School Safety and Operations</li> </ul>	
B Deliberation Regarding Real Property (TX Govt. Code Section 551.072)	
<ul style="list-style-type: none"> <li>• approximately 19.717 acres situated in the J.J. Gonzales Survey No. 225, Abstract 269, County Block 4404, being a portion of a 100.904 acre tract as conveyed to KB Lone Star Inc. by Special Warranty Deed as recorded in Document No. 20210286179</li> <li>• Approximately 3.25 acres being a remainder portion of land out of 68.6201 acres of land, lying and being situated in Medina County, Texas, about nineteen miles S 87 degrees E of the City of Hondo the County Seat, lying within Survey No. 3/17, I&amp;G N. RR Co., Original Grantee, Abst No. 1213 and all improvements thereon located thereon in Medina County, Texas</li> <li>• Approximately 0.214 acre tract of land, lying and being situated in the J. Garner Survey, Abstract No. 1452, Medina County, Texas and being our of that certain 1345.8 acres tract described in a Partition Deed recorded in Volume 140 Page 437 Deed records of Medina County, Texas</li> </ul>	
C Discuss and consider possible pursuit of sanctions against a district certified educator for abandonment/untimely resignation of contract pursuant to Policy DFE (Legal) and (Local)	
<b>VIII. Continued Discussion and Possible Action Items</b>	
A Consider possible action regarding pursuit of sanctions against a district certified educator, Toni Draper, for abandonment/untimely resignation of Contract pursuant to Policy DFE (Legal) and (Local)	
B Consider possible action regarding pursuit of sanctions against a district certified educator, Julie Hudson, for abandonment/untimely resignation of Contract pursuant to Policy DFE(Legal) and (Local)	
C Consider approval of a Resolution authorizing the purchase of approximately 19.717 acres located in the development of The Preserve at Culebra Bexar County, Texas, with all improvements, if any, from KB Home Lone Star, Inc. for a purchase price of \$3.85 per square foot, and authorize the Superintendent to negotiate and sign a real estate sales contract with the seller and tender the purchase price and other costs and execute closing documents on behalf of the District, including a Development Agreement and Escrow Agreement	
D Consider approval of Resolution authorizing purchase of approximately 3.25 acres located adjacent to the Medina Valley ISD Transportation center off of FM 471 in Medina County, Texas, for a purchase price of \$65,000 per acre, and authorize the Superintendent to negotiate and sign a real estate sales contract with the seller and tender the purchase price and other costs and execute closing documents on behalf of the District	
E Consider approval of Resolution authorizing purchase of 0.214 acre tract of land off of Potranco Road and 0.026 acre tract of land off of CR 381 near Potranco Rd, in Medina County, Texas for a purchase price of \$130,000 and authorize the Superintendent to negotiate and sign a real estate sales contract with the seller and tender the purchase price and other costs and execute closing documents on behalf of the District	
F Consider Professional Contract Recommendation, Executive Director of School Safety and Operations	
G Consideration of future meeting dates	
<b>IX. Adjournment</b>	

(Items do not have to be taken in the same order as shown on the meeting agenda.)



Medina Valley

ISD

Star Student(s)



**Thank you for your  
Above & Beyond  
Service!**

# Public Comments



**Medina Valley**  
INDEPENDENT SCHOOL DISTRICT

**Board of Trustees Meeting:  
Silos Elementary School  
Construction Briefing**

**GENERAL PROJECT SUMMARY:**

**General Contractor (CMR):** \_\_\_\_\_ Nunnelly General Contractor

Original Substantial Completion Date: \_\_\_\_\_ April 2024

Requested Days to Date: \_\_\_\_\_ Zero (0)

**Original Contract Sum (GMP):** \_\_\_\_\_ \$42,139,608.00

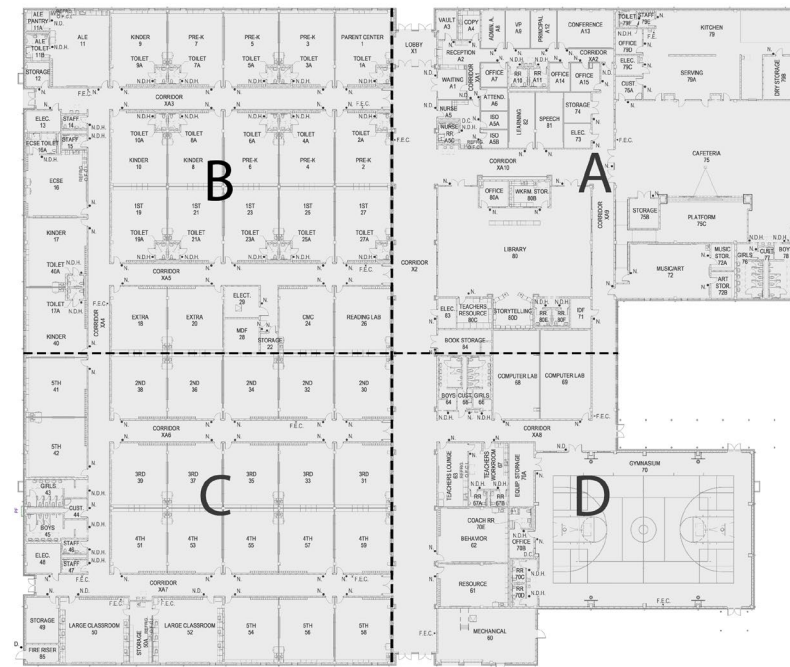
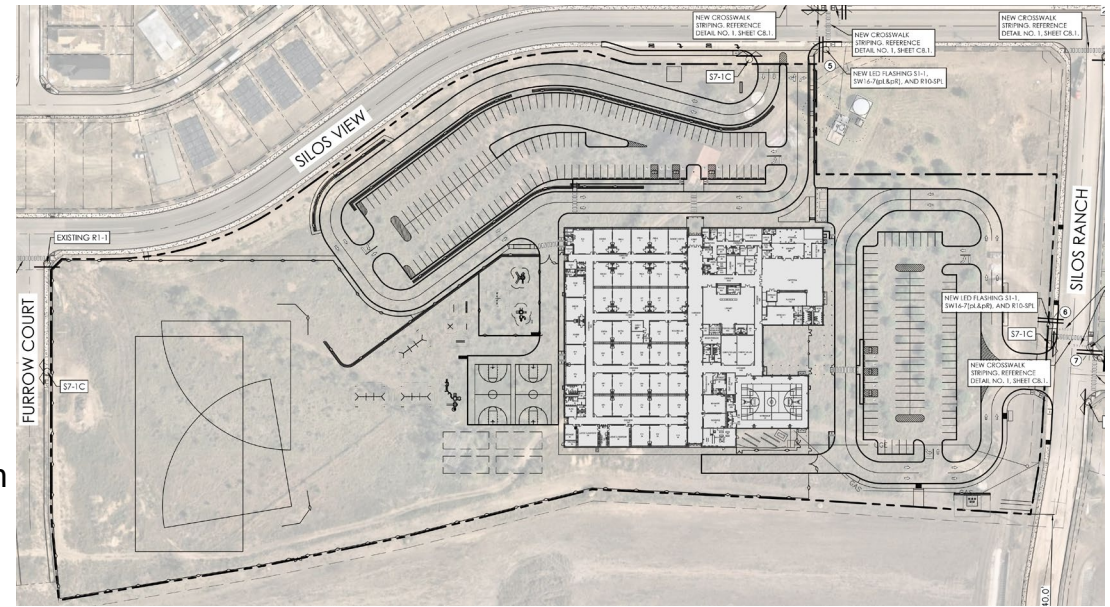
**Change Order Sum to Date:** \_\_\_\_\_ \$0.00

**Current Contract Sum:** \_\_\_\_\_ \$42,139,608.00

**Percentage of Work Complete:** \_\_\_\_\_ 70% - Pay Application No. 15  
\$29,682,014 Total Stored/Completed

# **RECENT CONSTRUCTION ACTIVITY**

1. Site work ongoing
  - Electrical wire has been pulled at all site light pole locations
  - Block retaining walls throughout near complete
  - Curbs round visitor drive and visitor complete
2. Building Exterior
  - Roof cap sheet installed throughout Area A, B, and C.
  - Exterior brick complete in Areas B and C.
  - Exterior brick nearly complete in Area A
  - Window glazing installed throughout pending high areas at Gym
3. Building Interior
  - Ductwork installation in progress in Gym
  - AHU and Chiller arrival scheduled
  - Electrical wire pull complete in Area A and D
  - Installation of electrical gear in progress throughout
  - Plumbing fixtures installation in progress
  - Kitchen freezer and cooler has been installed
  - All tape and float is complete in Area A
  - Painting is on-going in all areas
  - Data cable installation is complete in Area B and C



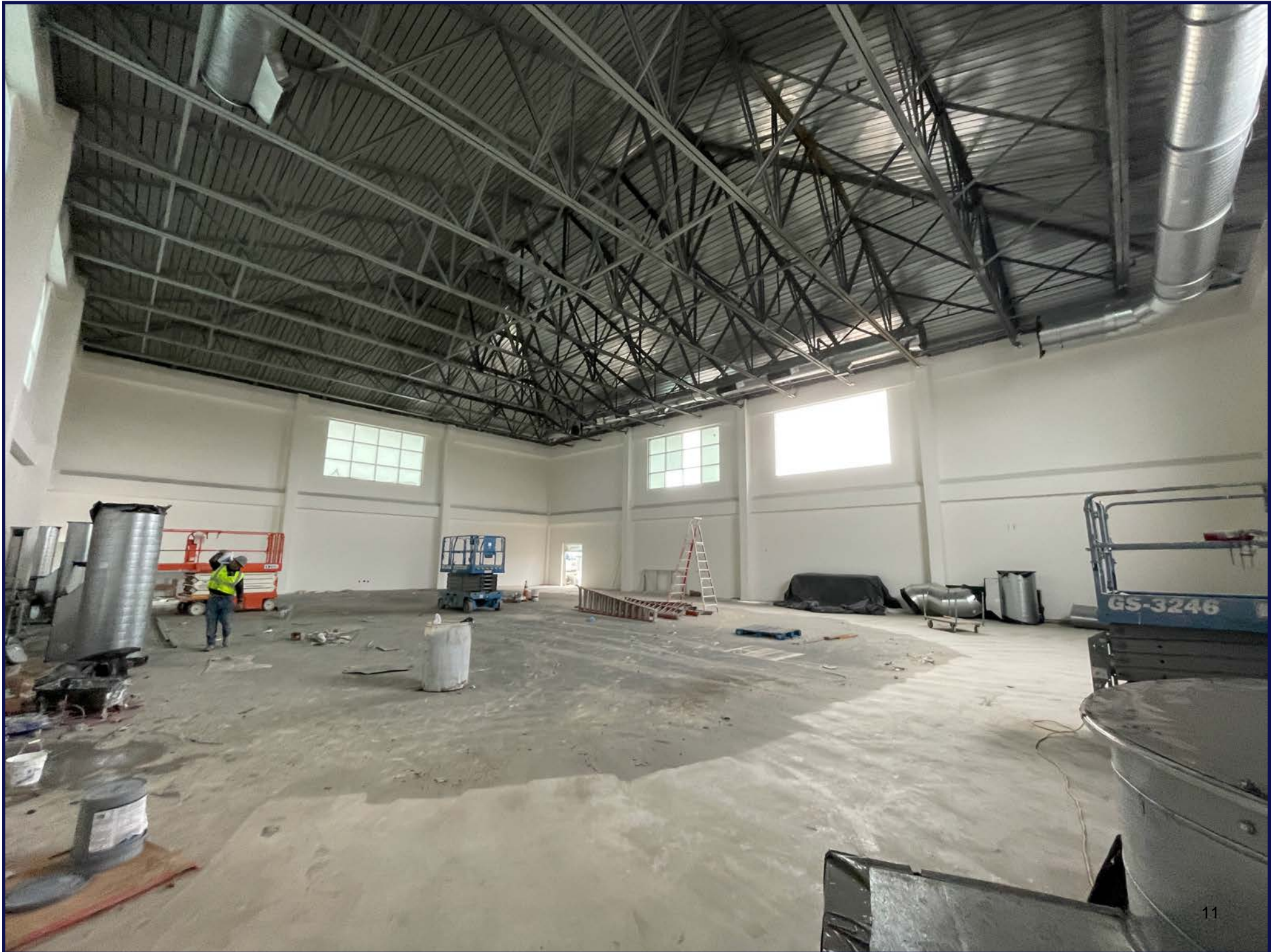
## **2 WEEK LOOK-AHEAD SUMMARY:**

1. Deceleration lane along Silos View
2. Installation of exterior pole lights
3. Begin placement of asphalt in visitor parking lot and drop off lanes
4. Begin installation of metal roofs
5. Begin installation of chillers and AHU
6. Interior windows and storefronts to begin





Medina Valley ISD - Silos Elementary School - Rafael Barajas - December 14 2023











**Board of Trustees Meeting:  
Medina Valley High School 2  
Construction Briefing**

**GENERAL PROJECT SUMMARY:**

**General Contractor (CMR):** \_\_\_\_\_ Bartlett Cocke General Contractors

Original Substantial Completion Date: \_\_\_\_\_ June 2026

Requested Days to Date: \_\_\_\_\_ Zero (0)

**Package 1 Original Contract Sum (GMP):** \_\_\_\_\_ \$31,730,161.00

**Change Order Sum to Date:** \_\_\_\_\_ \$0.00

**Current Contract Sum:** \_\_\_\_\_ \$31,730,161.00

**Percentage of Work Complete:** \_\_\_\_\_ approx. 1% as of November 2023 pay application

## **PACKAGE 1**

### **RECENT CONSTRUCTION ACTIVITY**

1. Project submittals continues
2. Owner-Architect-Contractor Meetings are ongoing every 1-2 weeks
3. Water, Sewer, Gas and Power permits in progress
4. Road grading continues
5. Building pad subgrade excavation continues
6. Pier drilling activities and pier rebar cages continue
7. Underground utility installation started

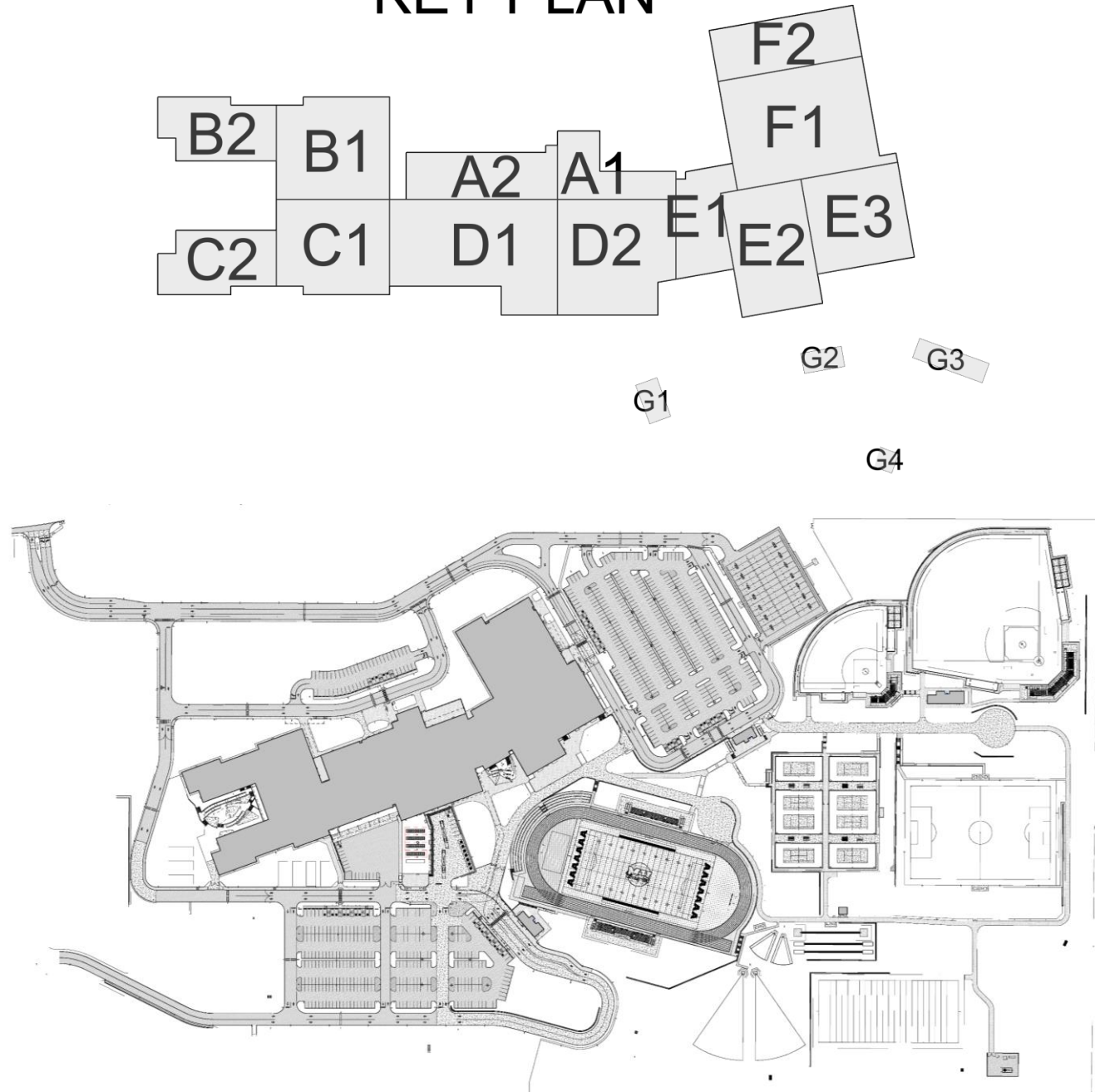
### **2 WEEK LOOK-AHEAD SUMMARY:**

1. Earthwork – Continued work at Bldg Pad Areas AD, EF and surrounding clearing areas
2. Utilities – Water & storm installation
3. Crawlspace Drainage installation
4. Concrete – Pier Drilling Continuing Area BC, Starting Area AD

## **PACKAGE 2**

- Bid Day held on December 14, 2023
- Draft GMP review meetings during December and January
- GMP presentation to Board in January 2024

## KEY PLAN















**Medina Valley**  
INDEPENDENT SCHOOL DISTRICT

**Board of Trustees Meeting:  
MVMS Traffic Improvements  
Construction Briefing**

**GENERAL PROJECT SUMMARY:**

**General Contractor (CMR):** W.R Griggs Construction Company Inc.

Original Substantial Completion Date: January 2024

Requested Days to Date: Zero (0)

**Original Contract Sum (GMP):** \$1,194,000.00

**Change Order Sum to Date:** \$0.00

**Current Contract Sum:** \$1,194,000.00

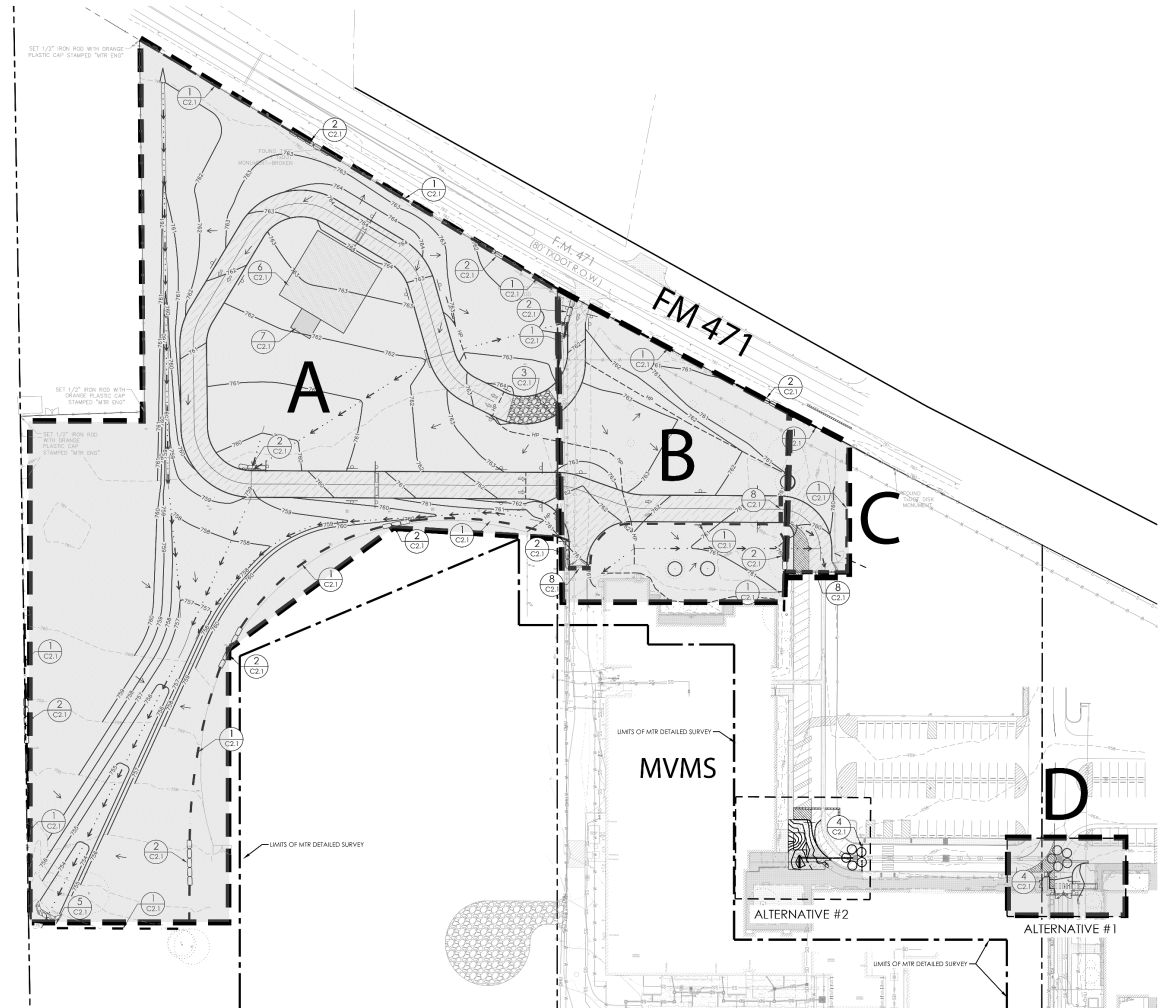
**Percentage of Work Complete:** 60% - Pay Application No. 2

# **RECENT CONSTRUCTION ACTIVITY**

1. Section A
  - Drainage concrete swale has been poured
  - Demo of existing drive has been completed
  - Curbs have been placed on both sides of the drive
  - Final grading on open areas is ongoing
  - All base installation and compaction is complete
2. Section B
  - Base installation and compaction is complete
  - Curb placement in progress
  - Underground utility work has been completed
3. Section D
  - Demolition of existing concrete is in progress

## **2 WEEK LOOK-AHEAD SUMMARY:**

1. Begin and complete asphalt
2. Place concrete section in Area B
3. Finish open areas Utility line work to be close to completion





# Medina Valley Independent School District

## *Agenda Item Memorandum*

*To: MVISD Board of Trustees Date:*

*Date: December 18, 2023*

*RE: November 2023 Financial Statements*

Financial Statements for the three board adopted funds – Maintenance & Operations, Food Service, and Debt Service – as well as the 2023 bond fund are provided monthly for review. Many accounting transactions are posted once a month and are included in the updated year-to-date financial position for the district. The current budget and year-to-date balances are provided for both revenues and expenses, as well as fund balances.

The intended purpose for this agenda item is to keep the Board informed of the financial position of the district as well as provide the Board with an opportunity to gain a better understanding of school finance. This includes providing financial transparency to the Board and the public.

The monthly financial statement through November 30, 2023, is provided for the Board's review.

# Medina Valley Independent School District

## Monthly Financial Report

November 2023

### Executive Summary

Financial Highlights: Currently, the district has collected 26% of budgeted revenue and spent 25% of budgeted expenses. The Food Service Fund has collected 34% of budgeted revenues and spent 29% of budgeted expenses. The district can expect to begin collecting current year tax revenue in late December for those trying to make payments before year-end. The next debt service payment is due February 1.

### Fund Balance

	General Fund	Food Service	Debt Service
Unaudited Fund Balance as of August 31, 2023	\$ 29,969,909	\$ 2,953,438	\$ 7,195,244
Year-to-Date Revenue	\$ 22,294,718	\$ 2,035,216	\$ 523,924
Year-to-Date Expenditures	\$ (21,977,683)	\$ (1,868,590)	\$ (500)
<b>Fund Balance as of October 31, 2023</b>	<b>\$ 30,286,944</b>	<b>\$ 3,120,064</b>	<b>\$ 7,718,668</b>

### Budget Amendments

	General Fund	Food Service	Debt Service
Revenue	\$ -	\$ -	\$ -
Expenditures	\$ 2,383,395	\$ -	\$ -

**NOVEMBER 2023-2024  
MEDINA VALLEY INDEPENDENT SCHOOL DISTRICT**

<b>ESTIMATED REVENUES</b>	<b>CURRENT BUDGET</b>	<b>YTD ACTUAL</b>	<b>BALANCE</b>
5700 - LOCAL REVENUES	\$35,055,513	\$1,242,984	\$33,812,529
5800 - STATE PROGRAM REVENUES	\$49,155,004	\$20,994,014	\$28,160,990
5900 - FEDERAL REVENUES	\$1,540,000	\$57,721	\$1,482,279
<b>TOTAL REVENUES</b>	<b>\$85,750,517</b>	<b>\$22,294,718</b>	<b>\$63,455,799</b>
<b>PROPOSED APPROPRIATIONS</b>			
11 - INSTRUCTION	\$49,500,770	\$12,382,110	\$37,118,660
12 - INST. RESOURCES & MEDIA SVCS	\$551,395	\$136,502	\$414,893
13 - CURRICULUM DEV.& INST.STF DEV	\$875,433	\$330,642	\$544,791
21 - INSTRUCTIONAL LEADERSHIP	\$1,296,439	\$261,063	\$1,035,376
23 - SCHOOL LEADERSHIP	\$4,573,079	\$1,146,423	\$3,426,656
31 - GUIDANCE & COUNSELING	\$3,421,399	\$818,328	\$2,603,071
32 - SOCIAL WORK SERVICES	\$813,033	\$208,423	\$604,610
33 - HEALTH SERVICES	\$955,682	\$210,787	\$744,895
34 - PUPIL TRANSPORTATION	\$5,430,115	\$1,386,102	\$4,044,013
35 - FOOD SERVICES	\$215,064	\$56,367	\$158,697
36 - COCURR./EXTRACURR.ACTIVITIES	\$2,381,472	\$634,176	\$1,747,296
41 - GENERAL ADMINISTRATION	\$2,722,585	\$688,664	\$2,033,921
51 - PLANT MAINTENANCE & OPERATIONS	\$8,816,150	\$2,363,058	\$6,453,092
52 - SECURITY & MONITORING SERVICES	\$1,425,038	\$261,954	\$1,163,084
53 - DATA PROCESSING SERVICES	\$2,268,611	\$949,622	\$1,318,989
61 - COMMUNITY SERVICES	\$9,373	\$4,809	\$4,564
71 - DEBT SERVICES	\$86,065	\$0	\$86,065
81 - FACILITIES ACQ. & CONSTRUCTION	\$1,583,575	\$3,795	\$1,579,780
95 - PYMTS.TO JJAEP PROGRAMS	\$5,000	\$0	\$5,000
99 - OTHER INTERGOVERNMENTAL CHARGE	\$650,000	\$134,860	\$515,140
<b>TOTAL APPROPRIATIONS</b>	<b>\$87,580,277</b>	<b>\$21,977,683</b>	<b>\$65,602,594</b>

2023-2024 FUND BALANCE = \$ 29,969,909

3 MONTH OPERATING CASH FLOW = \$ 21,895,069

**NOVEMBER 2023-2024  
MEDINA VALLEY INDEPENDENT SCHOOL DISTRICT**

<b>ESTIMATED REVENUES</b>	<b>CURRENT BUDGET</b>	<b>YTD ACTUAL</b>	<b>BALANCE</b>
5700 - LOCAL REVENUES	\$1,875,327	\$551,056	\$1,324,271
5800 - STATE PROGRAM REVENUES	\$35,438	\$0	\$35,438
5900 - FEDERAL REVENUES	\$4,029,726	\$1,484,160	\$2,545,566
<b>TOTAL REVENUES</b>	<b>\$5,940,491</b>	<b>\$2,035,216</b>	<b>\$3,905,275</b>
<b>PROPOSED APPROPRIATIONS</b>			
35 - FOOD SERVICES	\$6,512,006	\$1,868,590	\$4,643,416
<b>TOTAL APPROPRIATIONS</b>	<b>\$6,512,006</b>	<b>\$1,868,590</b>	<b>\$4,643,416</b>

2023-2024 FUND BALANCE = \$ 2,953,438

3 MONTH OPERATING CASH FLOW = \$ 1,628,002

**NOVEMBER 2023-2024  
MEDINA VALLEY INDEPENDENT SCHOOL DISTRICT**

<b>ESTIMATED REVENUES</b>	<b>CURRENT BUDGET</b>	<b>YTD ACTUAL</b>	<b>BALANCE</b>
5700 - LOCAL REVENUES	\$24,540,481	\$523,924	\$24,016,557
5800 - STATE PROGRAM REVENUES	\$3,343,378	\$0	\$3,343,378
<b>TOTAL REVENUES</b>	<b>\$27,883,859</b>	<b>\$523,924</b>	<b>\$27,359,935</b>
<b>PROPOSED APPROPRIATIONS</b>			
71 - DEBT SERVICES	\$27,883,859	\$500	\$27,883,359
<b>TOTAL APPROPRIATIONS</b>	<b>\$27,883,859</b>	<b>\$500</b>	<b>\$27,883,359</b>

2023-2024 FUND BALANCE = \$ 7,195,244

3 MONTH OPERATING CASH FLOW = \$ 6,970,965

**Medina Valley ISD**  
**Bond 2023 Summary**

Period Ending 11/30/2023

\*Unaudited\*

<b>2023 Bond Projects</b>	<b>Original Budget</b>	<b>Adjusted Budget</b>	<b>Cumulative Encumbrances</b>	<b>Cumulative Expenses</b>	<b>Balance</b>
High School #2	\$ 323,000,000	\$ 323,000,000	\$ 6,194,037	\$ 7,509,501	\$ 309,296,462
Traffic Improvements	\$ 4,000,000	\$ 4,000,000	\$ 1,088,625	\$ 249,582	\$ 2,661,793
Agricultural & Jr. ROTC Facility	\$ 14,000,000	\$ 14,000,000	\$ -	\$ -	\$ 14,000,000
Safety & Security Projects	\$ 5,000,000	\$ 5,000,000	\$ -	\$ 46,431	\$ 4,953,569
Land	\$ 30,000,000	\$ 30,000,000	\$ 151,263	\$ 153,285	\$ 29,695,452
Project Savings	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Projects</b>	<b>\$ 376,000,000</b>	<b>\$ 376,000,000</b>	<b>\$ 7,433,925</b>	<b>\$ 7,958,799</b>	<b>\$ 360,607,276</b>
Fees Associated with Sale of Bond	\$ -	\$ 830,037	\$ -	\$ 830,037	\$ -
<b>Total Bond Package</b>	<b>\$ 376,000,000</b>	<b>\$ 376,830,037</b>	<b>\$ 7,433,925</b>	<b>\$ 8,788,837</b>	<b>\$ 360,607,276</b>
Bond Interest		\$ 4,681,558	\$ -	\$ -	\$ 4,681,558
Salaries	\$ -	\$ 46,313	\$ -	\$ 46,313	\$ -
<b>Total Interest Earnings</b>	<b>\$ -</b>	<b>\$ 4,727,871</b>	<b>\$ -</b>	<b>\$ 46,313</b>	<b>\$ 4,681,558</b>

# TRANSPORTATION UPDATE DECEMBER 2023



## **INCREASES DUE TO GROWTH SINCE 2019-2020 SCHOOL YEAR**

- Student ridership has increased by almost 3,000 students as well as an increase in percentage of students utilizing transportation 35-40% to just over 60%
- We currently have 5,400 students requesting transportation services
  - Approximately 5,000 students have been routed
  - 195 students are currently on waiting lists
  - 200 students registered but are ineligible for transportation
- Annual route miles have increased by almost 200,000 miles
- Extracurricular miles have increased by 35,000 miles
- Total routes have increased by approximately 25 routes

## POSITIVE ADDITIONS TO TRANSPORTATION

- Transportation Training
  - Bus Driver Certification program
  - District Personnel provides ongoing training on student behavior management strategies
  - Special Education training for bus drivers and aides
  - Safety and Emergency protocol training
- Updated routing software to increase efficiency of our bus routes
- Student Badge scanning for increased safety and security for students
- 72 passenger air conditioned buses for student comfort
- Cameras installed to monitor student activity and enhance student safety
- Increased pay for drivers has supported recruitment and retention

## UPDATED ACCIDENT AND EMERGENCY PROCEDURES

- Created a system where bus drivers communicate with home base on any incidents/accidents that delay a bus route so that transportation can send out parent communication
- Increased requirements for post accident driver drug testing beyond what is required by State and Federal guidelines
- Ongoing review of transportation handbook procedures to ensure we have up to date and best practices in place

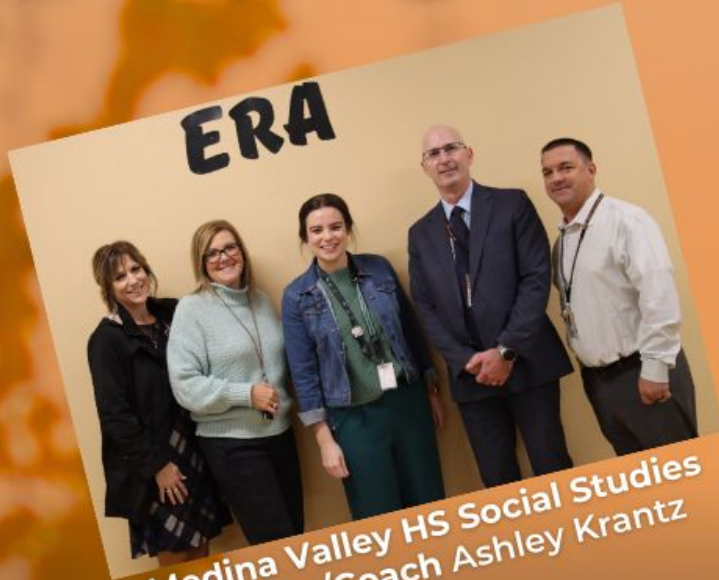


**Medina Valley**  
INDEPENDENT SCHOOL DISTRICT

# Superintendent Briefing

December 18, 2023

# Employees of the Month



Medina Valley HS Social Studies  
Teacher/Coach Ashley Krantz



Medina Valley HS Receptionist  
Vessa Dodd

◆ December 2023 ◆



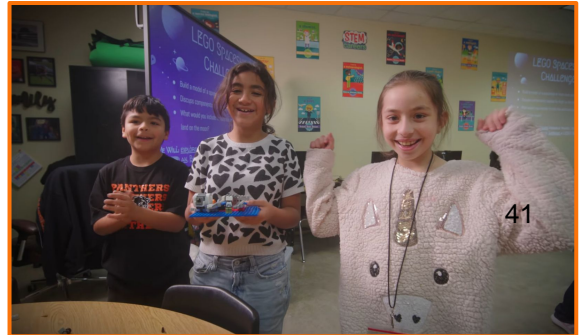
The MVHS Texas  
Association of Future  
Educators have qualified  
for State!

They will participate in the  
TEACH Tomorrow Summit  
in February.

# The Medina Valley High School's FFA Agricultural Advocacy Team earned the title of STATE CHAMPIONS!



The students competed with over 400 other teams at the Texas FFA State Leadership Development event where the Agricultural Advocacy team won 1st place, the Senior Chapter Conducting team placed 4th, and the Public Relations team placed 9th.



## STEAM Labs

Ms. Kristi Smith's students at Potranco Elementary are working together on building rocket ships for a NASA space challenge!



# Holiday Festivities



# DISTRICT ENROLLMENT

	5/25/23	12/13/23
Castroville Elementary	646	622
LaCoste Elementary	771	871
Ladera Elementary	778	892
Luckey Ranch Elementary	892	992
Potranco Elementary	899	895
Medina Valley Middle School	1,051	1,066
Loma Alta Middle School	801	918
Medina Valley High School	2,113	2,393
<b>DISTRICT-WIDE</b>	<b>7,951</b>	<b>8,649</b>

# TEA Accountability Update



# 2023 Citizen Bond Planning Committee Recap

# HIGH SCHOOL #2 BUDGET UPDATE

## Medina Valley ISD Bond Projects

	2023 Bond Budget	2024 Budget Update
Building Size	425,880	433,689
Cost / SF	\$ 628.19	\$ 580.56
MV High School #2	\$ 267,532,493	\$ 246,833,193
Traffic Improvements (Bus Lane + PR/381+TxDot)	\$ 9,902,880	\$ 4,947,674
<b>Hard Costs Sub Total</b>	<b>\$ 277,435,373</b>	<b>\$ 251,780,867</b>
<b>Soft Costs</b>		
Fees / PM / Expenses	\$ 22,740,262	\$ 14,089,043
Other Developmental Costs (Survey / Geotech / Etc)	\$ 936,364	\$ 953,393
Furnishings Fixtures and Equipment	\$ 6,758,716	\$ 6,882,644
IT Systems (Projectors, Network, Security, Phone)	\$ 5,632,263	\$ 5,735,537
Construction Testing	\$ 1,337,662	\$ 1,603,975
Contingency	\$ 8,159,361	\$ 8,159,361
Supply Chain + Post Pandemic Escalation per year	Included Above	
<b>Total Project Costs</b>	<b>\$ 323,000,000</b>	<b>\$ 289,204,820</b>
<b>Estimated Bond Savings</b>	<b>\$</b>	<b>33,795,180</b>

# BONDING CAPACITY

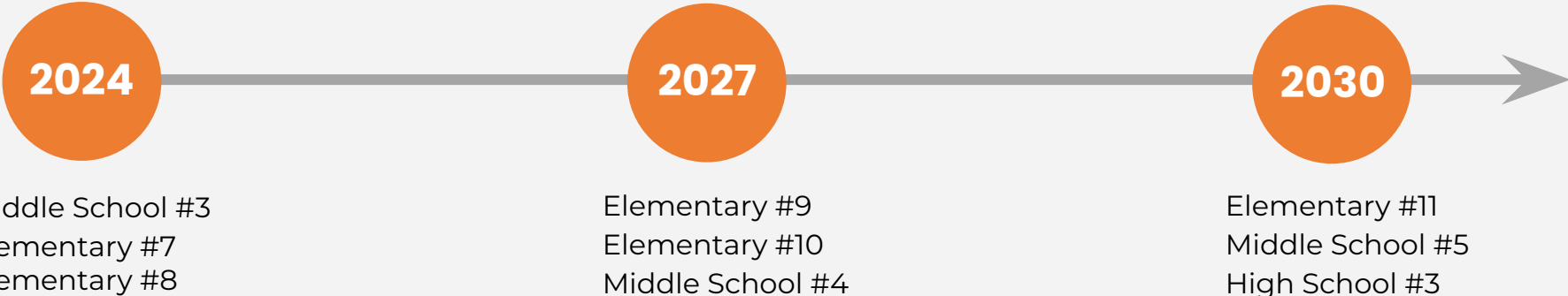
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•Bond committee decided the district should stay within bonding capacity, prioritizing building campuses.

# BOND PATHWAY WITH THREE-YEAR INTERVALS

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# MIDDLE SCHOOL #3

- Design in progress
- Capacity: 1,100 - 1,200 students
- Classrooms with open collaborative space
- Central open dining supporting flexible use of space
- Integration of natural light
- Welcoming + friendly environment enhanced with safety + security measures



# ELEMENTARY #7 and #8

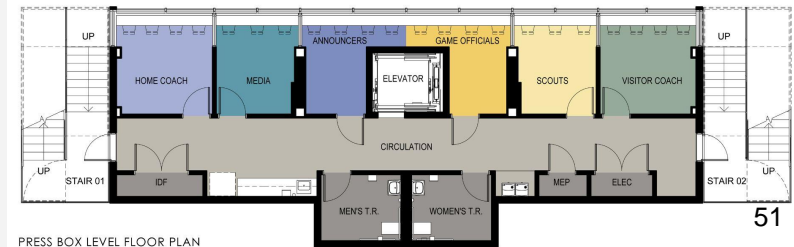
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- Capacity: 850 capacity
- Pre-K through 5th Grade



# ATHLETICS - HIGH SCHOOL #2

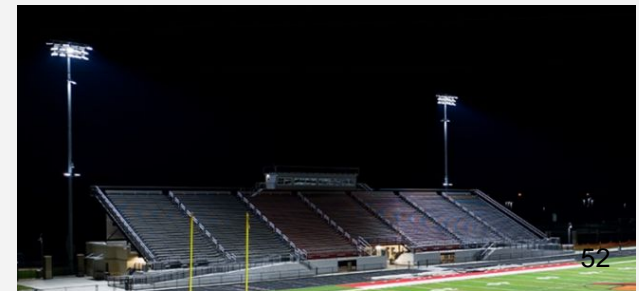
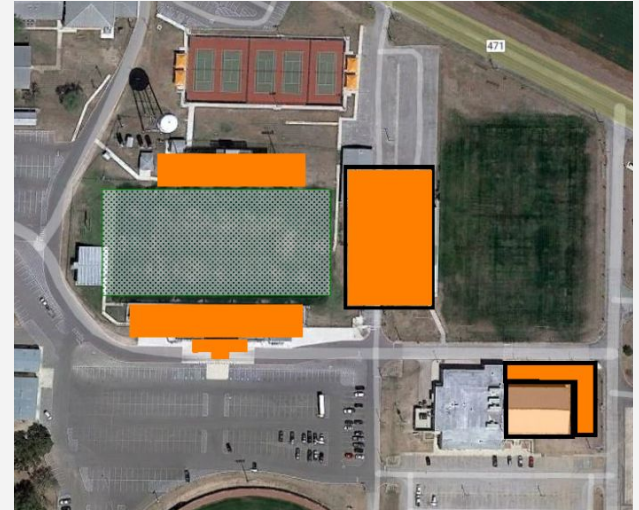
- 1-Story Press Box w/ elevator
- Additional seats to accommodate 6,500 spectators
- Additional restroom facilities & concessions
- Additional parking



PRESS BOX LEVEL FLOOR PLAN

# ATHLETICS - MEDINA VALLEY HS UPDATES

- New 1-Story Press Box w/ elevator
- Replacement of home side and away side seating to accommodate 6,500 spectators
- New Field House
- Weight room & film room addition to Panther Dome
- Additional restroom facilities & concessions
- Stadium lighting replacement
- Renovate seating at track



# MEDINA VALLEY HS UPDATES

- Replacement of aging roof on original building
- Replacement of HVAC System
- Relocating current practice field
- New parking lot at old practice field



# TRANSPORTATION SATELLITE

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- Parking for 40-50 buses
- Fueling station
- Office space



# SCHOOL BUSES

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- Additional buses for growth and replacement



# SAFETY & SECURITY

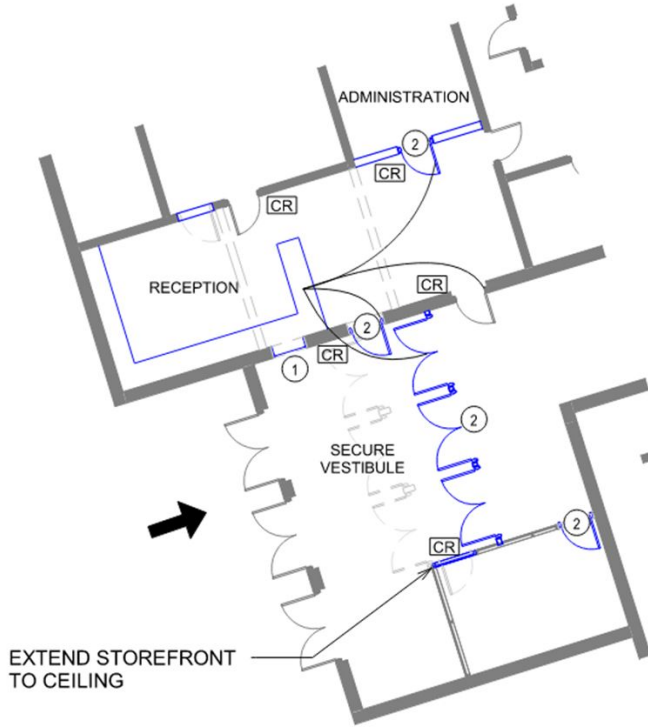
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- Vestibule updates
- Security fencing to meet TEA standards
- Access controlled gates

“Not Easily Scalable”



1. REPLACE EXISTING WINDOW WITH SECURE TRANSACTION WINDOW
2. ADD NEW WALLS AND DOORS



## Medina Valley High School Vestibule Enhancement



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# LAND ACQUISITION

# CENTRALIZED STADIUM VS STADIUMS AT EACH CAMPUS

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There was a conversation about central athletic stadiums vs having stadiums at each campus. The pros and cons were discussed for each option. At this time, the district has decided stadiums at each campus is the best option.

# COMMITTEE DECISIONS

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The committee decided the most important projects the district should focus on are:

- Middle School #3
- Elementary #7 and #8
- Athletics
- Safety and Security
- Land Acquisition

# NEXT BOND COMMITTEE MEETING

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The district will present a bond package that includes the most important projects that were recommended by the committee.

## **Summary - Policy Update 122**

### **CQB (LOCAL) – Technology Resources, Cybersecurity**

- To comply with SB 271, revised to reflect that breach notifications will also be made for security incidents.

### **CSA (LOCAL) – Facility Standards, Safety and Security**

- Adds new policy on building access control audits to comply with state rules.

### **DC (LOCAL) – Employment Practices**

- Adds cross-reference to DBE (LEGAL) regarding the nepotism exception in HB 1789 for the employment of bus drivers.

### **EHB (LOCAL) – Curriculum Design, Special Programs**

- Adds new text as required by HB 3928 that the district will comply with all rules and standards adopted by SBOE and the commissioner to implement the program to test students for dyslexia and related orders.

### **EHBC (LOCAL) and EHBCA (LOCAL) – Compensatory Services and Intensive Programs and Accelerated Instruction**

- Recode accelerated instruction provisions from EHBC to EHBCA (LOCAL).
- Revise text at EHBCA (LOCAL) in response to HB 1416 to clarify when a parent may request a particular teacher and the district's obligation to develop an accelerated learning plan.

### **FEA (LOCAL) – Attendance, Compulsory Attendance**

- Includes optional text permitted under SB68 that would allow excused absences for a student to visit a professional to explore a career in that professional's field.

### **FFAC (Local) – Wellness and Health Services, Medical Treatment**

- Adds provision to address opioid antagonists on campuses as required by SB 629

### **FFB (LOCAL) – Student Welfare, Crisis Intervention**

- Adds a new provision to comply with the HB 3 requirement that each campus establish a clear process for students to report concerning behavior by another student.
- Add new text regarding employee reports of potential threats to meet SB 1720 requirement.

### **FL (LOCAL) – Student Records**

- Revised accelerated learning committee (no longer required) to accelerated education plan (new requirement)



## (LOCAL) Policy Comparisons

These documents are generated by an automated process that compares the updated policy to the current policy as found in TASB records.

In this packet, you will find:

- Policies being recommended for revision (annotated)
- New policies (not annotated)
- Policies recommended for deletion (annotated in PDF; not shown in Word)

Annotations are shown as follows:

- Deletions are in a red strike-through font: ~~deleted text~~.
- Additions are in a blue, bold font: **new text**.
- Blocks of text that were moved without changes are shown in green, with double underline and double strike-through formatting to distinguish the text's new placement from its original location: ~~moved text~~ becomes moved text.
- Revision bars appear in the right margin to show sections with changes.

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**Note:** While the annotation software competently identifies simple changes, large or complicated changes—as in an extensive rewrite—may be more difficult to follow. In addition, TASB's recent changes to the policy templates to facilitate accessibility sometimes make formatting changes appear tracked, even though the text remains the same.

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For further assistance in understanding policy changes, please refer to the explanatory notes in your Localized Policy Manual update packet or contact your policy consultant.

<b>Contact:</b>	<b>School Districts and Education Service Centers</b>	<b>Community Colleges</b>
	<a href="mailto:policy.service@tasb.org">policy.service@tasb.org</a>	<a href="mailto:colleges@tasb.org">colleges@tasb.org</a>
	800.580.7529	800.580.1488

**Plan** The District shall develop a cybersecurity plan to secure the District's cyberinfrastructure against a cyberattack or any other cybersecurity incidents, determine cybersecurity risk, and implement appropriate mitigation planning.

**Coordinator** The Superintendent shall designate a cybersecurity coordinator. The cybersecurity coordinator shall serve as the liaison between the District and the Texas Education Agency in cybersecurity matters.

**Training** The Board delegates to the Superintendent the authority to:

1. Determine the cybersecurity training program to be used in the District;
2. Verify and report compliance with training requirements in accordance with guidance from the Department of Information Resources; and
3. Remove access to the District's computer systems and databases for noncompliance with training requirements as appropriate.

The District shall complete periodic audits to ensure compliance with the cybersecurity training requirements.

**Security Breach Notifications** Upon discovering or receiving notification of a breach of system security or a security incident, as defined by law, the District shall disclose the breach or incident to affected persons or entities in accordance with the time frames established by law. The District shall give notice by using one or more of the following methods:

1. Written notice.
2. Email, if the District has email addresses for the affected persons.
3. Conspicuous posting on the District's websites.
4. Publication through broadcast media.

The District shall disclose a breach or incident involving sensitive, protected, or confidential student information as required by law.

**Building Access  
Control**

Audits of building access control shall include weekly inspections of instructional facilities during school hours to certify all exterior doors are, by default, set to closed, latched, and locked status and cannot be opened from the outside without a key.

The Superintendent shall ensure that the findings of the weekly inspections are:

1. Reported to the District safety and security committee; and
2. Reported to the campus principal or lead administrator of the instructional facility to ensure awareness of any deficiencies identified.

The campus principal or lead administrator shall assign appropriate staff to take action to reduce the likelihood of similar deficiencies in the future.

The results of the weekly reports shall be kept for review as part of the required safety and security audit.

The District's building access control procedures shall not be interpreted as discouraging parents or guardians who have been properly verified as authorized visitors from visiting their student's campus. [See GKC]

**Personnel Duties** The Superintendent shall define the qualifications, duties, and responsibilities of all positions and shall ensure that job descriptions are current and accessible to employees and supervisors.

**Posting Vacancies** The Superintendent or designee shall establish guidelines for advertising employment opportunities and posting notices of vacancies. These guidelines shall advance the Board's commitment to equal opportunity employment and to recruiting well-qualified candidates. Current District employees may apply for any vacancy for which they have appropriate qualifications.

**Applications** All applicants shall complete the application form supplied by the District. Information on applications shall be confirmed before a contract is offered for a contractual position and before hiring or as soon as possible thereafter for a noncontractual position.

[For information related to the evaluation of criminal history records, see DBAA.]

**Employment of Contractual Personnel** The Superintendent has sole authority to make recommendations to the Board regarding the selection of contractual personnel.

The Board retains final authority for employment of contractual personnel in positions classified as principal and above. The Board delegates to the Superintendent final authority to employ contractual personnel in positions below the level of principal. The Superintendent shall inform the Board of any persons hired under this authority.

[See DCA, DCB, DCC, and DCE as appropriate]

**Employment of Noncontractual Personnel**

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**Note:** For employment of a bus driver related to a Board member or the Superintendent, see DBE(LEGAL).

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The Board delegates to the Superintendent final authority to employ and dismiss noncontractual employees on an at-will basis.  
[See DCD]

**Employment Assistance Prohibited**

No District employee shall assist another employee of the District or of any school district in obtaining a new job if the employee knows, or has probable cause to believe, that the other employee engaged in sexual misconduct regarding a minor or student in violation of the law. Routine transmission of an administrative or personnel file does not violate this prohibition. [See CJ for prohibitions relating to contractors and agents and DH(EXHIBIT) for the Educators' Code of Ethics.]

**Dyslexia and Related Disorders**

The District shall comply with all rules and standards adopted by the State Board of Education and guidance published by the commissioner of education to implement the program to test students for dyslexia and related disorders.

In accordance with administrative procedures, the District shall provide regular training opportunities for teachers of students with dyslexia that include new research and practices for educating students with dyslexia.

SPECIAL PROGRAMS  
COMPENSATORY SERVICES AND INTENSIVE PROGRAMS

EHBC  
(LOCAL)

~~Each student who has been identified as being at risk of dropping out of school, who is not performing at grade level, or who did not perform satisfactorily on a state-mandated assessment shall be provided accelerated and/or compensatory educational services.~~

**Accelerated  
Instruction**

~~The District shall provide accelerated instruction in accordance with law if a student fails to perform satisfactorily on a state-mandated assessment.~~

**Accelerated  
Learning Committee**

~~When a student fails to perform satisfactorily on a math or reading state-mandated assessment in grades 3, 5, or 8, an accelerated learning committee shall develop a written educational plan in accordance with law. If a parent requests that the student be assigned to a particular teacher the following school year, the request shall be addressed in accordance with the District's administrative procedures.~~

~~A parent complaint about the content or implementation of the educational plan shall be filed in accordance with FNG.~~

COMPENSATORY SERVICES AND INTENSIVE PROGRAMS  
ACCELERATED INSTRUCTION

EHBCA  
(LOCAL)

Each student who has been identified as being at risk of dropping out of school, who is not performing at grade level, or who did not perform satisfactorily on a state-mandated assessment shall be provided accelerated and/or compensatory educational services.

**Accelerated  
Instruction**

The District shall provide accelerated instruction in accordance with law if a student fails to perform satisfactorily on a state-mandated assessment.

**Parent Request**

If a student fails to perform satisfactorily on a state-mandated assessment, a parent's request that the student be assigned to a particular teacher the following school year shall be addressed in accordance with the District's administrative procedures.

**Accelerated  
Education Plan**

Appropriate District staff shall develop an accelerated education plan for a student who fails to perform satisfactorily on the same state-mandated assessment for two or more consecutive years.

A parent complaint about the content or implementation of the accelerated education plan shall be filed in accordance with FNG.

Students in violation of the compulsory attendance law shall be reported to the District attendance officer, who may institute court action as provided by law.

**Excused Absences**

In addition to excused absences required by law, the District shall excuse absences for the following purposes. A student shall be required to submit verification of these absences in accordance with administrative regulations.

Higher Education Visits

The District shall excuse a student for up to two days during the student's junior year and up to two days during the student's senior year to visit an accredited institution of higher education.

Career Investigation

The District shall excuse a student for up to two days during the student's junior year and up to two days during the student's senior year to visit a professional's workplace for purposes of exploring the student's interest in pursuing a career in that professional's field.

Armed Services Enlistment

The District shall excuse a student 17 years of age or older for up to four days during his or her enrollment in high school for activities related to pursuing enlistment in a branch of the U.S. Armed Services or Texas National Guard.

Early Voting or Election Clerk

The District shall excuse a student for up to two days per school year to serve as an early voting or election clerk.

Learner or Driver's License

The District shall excuse a student 15 years of age or older for one day during his or her enrollment in high school for each of the following:

- Visiting a driver's license office to obtain a learner license; or
- Visiting a driver's license office to obtain a driver's license.

[For extracurricular activity absences, see FM.]

**Withdrawal for Nonattendance**

The District may initiate withdrawal of a student under the age of 19 for nonattendance under the following conditions:

1. The student has been absent ~~ten~~10 consecutive school days; and
2. Repeated efforts by the attendance officer and/or principal to locate the student have been unsuccessful.

[For District-initiated withdrawal of students 19 or older, see FEA(LEGAL).]

**Students Attending Homeschools**

Students who are homeschooled are exempt from the compulsory attendance law to the same extent as students enrolled in other private schools.

ATTENDANCE  
COMPULSORY ATTENDANCE

FEA  
(LOCAL)

Adequate documentation of homeschooling for withdrawal shall consist of either a statement of withdrawal in accordance with FD(LOCAL) indicating the date homeschooling began, or a signed and dated letter from a parent or guardian indicating that his or her child is being homeschooled and the date the homeschooling began.

The District may request from a parent or guardian a letter of assurance that a child is being educated using a curriculum designed to meet basic education goals of reading, spelling, grammar, mathematics, and a study of good citizenship.

Enforcing  
Compulsory  
Attendance

If a parent or guardian refuses to submit a requested statement or letter, or if the District has evidence that a school-aged child is not being homeschooled within legal requirements, the District may investigate further and, if warranted, shall pursue legal action to enforce the compulsory attendance law.

No employee shall give any student prescription medication, non-prescription medication, herbal substances, anabolic steroids, or dietary supplements of any type, except as authorized by this or other District policy.

**Medication Provided by Parent**

The Superintendent shall designate the employees who are authorized to administer medication that has been provided by a student's parent. An authorized employee is permitted to administer the following medication in accordance with administrative regulations:

1. Prescription medication in accordance with legal requirements.
2. Nonprescription medication, upon a parent's written request, when properly labeled and in the original container.
3. Herbal substances or dietary supplements provided by the parent and only if required by the individualized education program or Section 504 plan for a student with disabilities.

**Medication Provided by District**

[Except as required by law and provided by this policy, the District shall not purchase medication to administer to a student.](#)

Emergency Basis

The District shall purchase certain nonprescription medications to administer to students only on an emergency basis and in accordance with:

1. Protocols established by the District's medical adviser who must be licensed to practice medicine in the state of Texas; and
2. Parental consent given on the emergency treatment form.

The Superintendent shall designate the employees who are authorized to administer nonprescription medication under these protocols and permissions.

First-Aid

The District shall purchase certain topical nonprescription medications for use when administering first-aid to students in accordance with administrative regulations.

The Superintendent shall designate the employees who are authorized to administer nonprescription medication under this provision.

Athletic Program

The District shall purchase nonprescription medication that may be used to prevent or treat illness or injury in the District's athletic program. Only a licensed athletic trainer or a physician licensed to practice medicine in the state of Texas may administer this medication and may do so only if:

WELLNESS AND HEALTH SERVICES  
MEDICAL TREATMENT

FFAC  
(LOCAL)

1. The District has prior written consent for medication to be administered [see Medical Treatment, below]; and
2. The administration of a medication by an athletic trainer is in accordance with a standing order or procedures approved by a physician licensed to practice medicine in the state of Texas.

Epinephrine

The District authorizes school personnel who have agreed in writing and been adequately trained to administer an unassigned epinephrine auto-injector in accordance with law and this policy. Administration of epinephrine shall only be permitted when an authorized and trained individual reasonably believes a person is experiencing anaphylaxis.

*On Campus*

Authorized and trained individuals may administer an unassigned epinephrine auto-injector at any time to a person experiencing anaphylaxis on a school campus.

The District shall ensure that at each campus a sufficient number of authorized individuals are trained to administer epinephrine so that at least one trained individual is present on campus during all hours the campus is open. In accordance with state rules, the campus shall be considered open for this purpose during regular on-campus school hours and whenever school personnel are physically on site for school-sponsored activities.

*Off Campus*

Authorized and trained individuals may administer an unassigned epinephrine auto-injector to a person experiencing anaphylaxis at an off-campus school event or while in transit to or from a school event when an unassigned epinephrine auto-injector is available.

*Maintenance,  
Availability, and  
Training*

The Superintendent shall develop administrative regulations designating a coordinator to manage policy implementation and addressing annual training of authorized individuals in accordance with law; procedures for auto-injector use; and acquisition or purchase, maintenance, expiration, disposal, and availability of unassigned epinephrine auto-injectors at each campus, at off-campus events, and while in transit to and from a school event.

*Notice to Parents*

In accordance with law, the District shall provide notice of the policy to parents regarding the epinephrine program, including notice of any change to or discontinuation of this program.

*Administration of  
Opioid Antagonist  
Medication*

This provision shall be applicable to every campus.

The District shall purchase and authorize school personnel who have been adequately trained to administer an opioid antagonist in accordance with law and store opioid antagonist medication, such as

*Maintenance,  
Availability,  
Training, and  
Reporting*

~~Naloxone, to assist~~this policy. Administration of an opioid antagonist shall only be permitted when an authorized and trained individual reasonably believes a person ~~who may be~~is experiencing an opioid-related ~~drug~~overdose. ~~Only a registered nurse or other designated and trained District employee~~

Each applicable campus shall ~~be~~have at least one individual who is authorized ~~to administer this medication~~ and ~~may do so only in accordance with a standing order or procedures approved~~trained to administer an opioid antagonist present during regular school hours.

Each applicable campus shall have at least two unused, unexpired opioid antagonist doses available.

All opioid antagonists shall be stored in a secure location and shall be easily accessible by ~~a physician licensed to practice medicine in the state of Texas~~individuals who are authorized and trained to administer an opioid antagonist.

The Superintendent shall develop administrative ~~procedures~~regulations addressing acquisition, maintenance, expiration, ~~and disposal, and availability~~ of opioid ~~antagonist medication~~antagonists in the District, as well as ~~reporting~~, employee training, and emergency notification requirements.

**Psychotropics**

Except as permitted by law, an employee shall not:

1. Recommend to a student or a parent that the student use a psychotropic drug;
2. Suggest a particular diagnosis; or
3. Exclude the student from a class or a school-related activity because of the parent's refusal to consent to psychiatric evaluation or examination or treatment of the student.

**Medical Treatment**

A student's parent, legal guardian, or other person having lawful control shall annually complete and sign a form that provides emergency information and addresses authorization regarding medical treatment. A student who has reached age 18 shall be permitted to complete this form.

The District shall seek appropriate emergency care for a student as required or deemed necessary.

**Threat Assessment  
and Safe and  
Supportive Team**

In compliance with law, the Superintendent shall ensure that a multidisciplinary threat assessment and safe and supportive team is established to serve each campus. The Superintendent shall appoint team members. The team shall be responsible for developing and implementing a safe and supportive school program at each campus served by the team and shall support the District in implementing its multi-hazard emergency operations plan.

Training

Each team shall complete training provided by an approved provider on evidence-based threat assessment programs.

Student Reports

Each campus shall establish a clear procedure for a student to report concerning behavior exhibited by another student for assessment by the team or other appropriate District employee.

Employee  
Confidentiality

A District employee who reports a potential threat may elect for the employee's identity to remain confidential and not be subject to disclosure under the state's public information law. The employee's identity shall only be revealed when necessary for the team, the District, or law enforcement to investigate the reported threat.

The District shall maintain a record of the identity of a District employee who elects for the employee's identity to remain confidential.

Imminent Threats or  
Emergencies

A member of the team or any District employee may act immediately to prevent an imminent threat or respond to an emergency, including contacting law enforcement directly.

Threat Assessment  
Process

The District shall develop procedures as recommended by the Texas School Safety Center. In accordance with those procedures, the threat assessment and safe and supportive team shall conduct threat assessments using a process that includes:

1. Identifying individuals, based on referrals, tips, or observations, whose behavior has raised concerns due to threats of violence or exhibition of behavior that is harmful, threatening, or violent.
2. Conducting an individualized assessment based on reasonably available information to determine whether the individual poses a threat of violence or poses a risk of harm to self or others and the level of risk.
3. Implementing appropriate intervention and monitoring strategies, if the team determines an individual poses a threat of harm to self or others. These strategies may include referral of a student for a mental health assessment and escalation procedures as appropriate.

For a student or other individual the team determines poses a serious risk of violence to self or others, the team shall immediately report to the Superintendent, who shall immediately attempt to contact the student's parent or guardian. Additionally, the Superintendent shall coordinate with law enforcement authorities as necessary and take other appropriate action in accordance with the District's multihazard emergency operations plan.

For a student the team identifies as at risk of suicide, the team shall follow the District's suicide prevention program.

For a student the team identifies as having a substance abuse issue, the team shall follow the District's substance abuse program.

For a student whose conduct may constitute a violation of the District's Student Code of Conduct, the team shall make a referral to the campus behavior coordinator or other appropriate administrator to consider disciplinary action.

As appropriate, the team may refer a student:

1. To a local mental health authority or health-care provider for evaluation or treatment; or
2. For a full individualized and initial evaluation for special education services.

The team shall not provide any mental health-care services, except as permitted by law.

Guidance to School  
Community

The team shall provide guidance to students and District employees on recognizing harmful, threatening, or violent behavior that may pose a threat to another person, the campus, or the community and methods to report such behavior to the team, including through anonymous reporting.

Reports

The team shall provide reports to the Texas Education Agency as required by law.

**Comprehensive System**

The Superintendent shall develop and maintain a comprehensive system of student records and reports dealing with all facets of the school program operation and shall ensure through reasonable procedures that records are accessed by authorized persons only, as allowed by this policy. These data and records shall be stored in a safe and secure manner and shall be conveniently retrievable for use by authorized school officials.

**Cumulative Record**

A cumulative record shall be maintained for each student from entrance into District schools until withdrawal or graduation from the District.

This record shall move with the student from school to school and be maintained at the school where currently enrolled until graduation or withdrawal. Records for nonenrolled students shall be retained for the period of time required by law. No permanent records may be destroyed without explicit permission from the Superintendent. [See CPC]

**Custodian of Records**

The ~~Superintendent~~ Superintendent is custodian of all records for currently enrolled students. ~~The Superintendent~~ The Superintendent is the custodian of records for students who have withdrawn or graduated. The student handbook made available to all students and parents shall contain a listing of the addresses of District schools, as well as the Superintendent's business address.

**Types of Education Records**

The record custodian shall be responsible for the education records of the District. These records may include:

1. Admissions data, personal and family data, including certification of date of birth.
2. Standardized test data, including intelligence, aptitude, interest, personality, and social adjustment ratings.
3. All achievement records, as determined by tests, recorded grades, and teacher evaluations.
4. All documentation regarding a student's testing history and any accelerated instruction he or she has received, including any ~~documentation of discussion or action by an accelerated learning committee convened~~ education plan developed for the student.
5. Health services record, including:
  - a. The results of any tuberculin tests required by the District.
  - b. The findings of screening or health appraisal programs the District conducts or provides. [See FFAA]

- c. Immunization records. [See FFAB]
6. Attendance records.
7. Student questionnaires.
8. Records of teacher, school counselor, or administrative conferences with the student or pertaining to the student.
9. Verified reports of serious or recurrent behavior patterns.
10. Copies of correspondence with parents and others concerned with the student.
11. Records transferred from other districts in which the student was enrolled.
12. Records pertaining to participation in extracurricular activities.
13. Information relating to student participation in special programs.
14. Records of fees assessed and paid.
15. Records pertaining to student and parent complaints.
16. Other records that may contribute to an understanding of the student.

### **Access by Parents**

The District shall make a student's records available to the student's parents, as permitted by law. The records custodian or designee shall use reasonable procedures to verify the requester's identity before disclosing student records containing personally identifiable information.

Records may be reviewed in person during regular school hours without charge upon written request to the records custodian. For in-person viewing, the records custodian or designee shall be available to explain the record and to answer questions. The confidential nature of the student's records shall be maintained at all times, and records to be viewed shall be restricted to use only in the Superintendent's, principal's, or school counselor's office, or other restricted area designated by the records custodian. The original copy of the record or any document contained in the cumulative record shall not be removed from the school.

Copies of records are available at a per copy cost, payable in advance. Copies of records must be requested in writing. Parents may be denied copies of records if they fail to follow proper procedures or pay the copying charge. If the student qualifies for free or

reduced-price lunches and the parents are unable to view the records during regular school hours, upon written request of a parent, one copy of the record shall be provided at no charge.

A parent may continue to have access to his or her child's records under specific circumstances after the student has attained 18 years of age or is attending an institution of postsecondary education. [See FL(LEGAL)]

**Access by School Officials**

A school official shall be allowed access to student records if he or she has a legitimate educational interest in the records.

For the purposes of this policy, "school officials" shall include:

1. An employee, Board member, or agent of the District, including an attorney, a consultant, a contractor, a volunteer, a school resource officer, and any outside service provider used by the District to perform institutional services.
2. An employee of a cooperative of which the District is a member or of a facility with which the District contracts for placement of students with disabilities.
3. A contractor retained by a cooperative of which the District is a member or by a facility with which the District contracts for placement of students with disabilities.
4. A parent or student serving on an official committee, such as a disciplinary or grievance committee, or assisting another school official in performing his or her tasks.
5. A person appointed to serve on a team to support the District's safe and supportive school program.

All contractors provided with student records shall follow the same rules as employees concerning privacy of the records and shall return the records upon completion of the assignment.

A school official has a "legitimate educational interest" in a student's records when he or she is:

1. Working with the student;
2. Considering disciplinary or academic actions, the student's case, or an individualized education program for a student with disabilities;
3. Compiling statistical data;
4. Reviewing an education record to fulfill the official's professional responsibility; or

5. Investigating or evaluating programs.

**Transcripts and  
Transfers of Records**

The District may request transcripts from previously attended schools for students transferring into District schools; however, the ultimate responsibility for obtaining transcripts from sending schools rests with the parent or student, if 18 or older.

For purposes of a student's enrollment or transfer, the District shall promptly forward in accordance with the timeline provided in law education records upon request to officials of other schools or school systems in which the student intends to enroll or enrolls. [See FD(LEGAL), Required Documentation] The District may return an education record to the school identified as the source of the record.

**Records  
Responsibility for  
Students in Special  
Education**

The ~~director of special programs~~ **director of special programs** shall be responsible for ensuring the confidentiality of any personally identifiable information in records of students in special education.

A current listing of names and positions of persons who have access to records of students in special education is maintained at ~~the office of the director of special programs~~ **the office of the director of special programs**.

**Procedure to Amend  
Records**

Within 15 District business days of the record custodian's receipt of a request to amend records, the District shall notify the parents in writing of its decision on the request and, if the request is denied, of their right to a hearing. If a hearing is requested, it shall be held within ~~ten~~ **10** District business days after the request is received.

Parents shall be notified in advance of the date, time, and place of the hearing. An administrator who is not responsible for the contested records and who does not have a direct interest in the outcome of the hearing shall conduct the hearing. The parents shall be given a full and fair opportunity to present evidence and, at their own expense, may be assisted or represented at the hearing.

The parents shall be notified of the decision in writing within ~~ten~~ **10** District business days of the hearing. The decision shall be based solely on the evidence presented at the hearing and shall include a summary of the evidence and reasons for the decision. If the decision is to deny the request, the parents shall be informed that they have 30 District business days within which to exercise their right to place in the record a statement commenting on the contested information and/or stating any reason for disagreeing with the District's decision.

**Directory  
Information**

Directory information for District students has been classified into two separate categories:

1. Items for use only for school-sponsored purposes; and
2. Items for all other purposes.

School-Sponsored  
Purposes

For the following school-sponsored purposes—~~all District publications and announcements~~ — all District publications and announcements — directory information shall include ~~student name; address; telephone listing; electronic mail address; photograph; major field of study; degrees, honors, and awards received; grade level; most recent educational institution attended; participation in officially recognized activities and sports; and weight and height of members of athletic teams~~ student name; address; telephone listing; electronic mail address; photograph; major field of study; degrees, honors, and awards received; grade level; most recent educational institution attended; participation in officially recognized activities and sports; and weight and height of members of athletic teams.

All Other Purposes

For all other purposes, directory information shall include ~~student name, address, and grade level.~~ student name, address, and grade level.

**Medina Valley Independent School District**  
**Regular School Board Meeting**

Board Minutes

November 27, 2023, 6:00 PM

MVISD Board Room, 8449 FM 471 S., Castroville, TX 78009

A **Regular Board Meeting** of the Board of Trustees was held Monday, November 27, 2023, beginning at 6:00 PM at the Medina Valley ISD Central Office Board Room.

**I. First Order of Business**

**A Call Meeting to Order**

Beth Zinsmeyer, Board President, called the Medina Valley ISD Regular Board Meeting to order at 6:00 pm.

**B Establish a Quorum**

A quorum of the Board Members were present, Matt Castiglione, Jennilea Campbell, Jason Bonney, Veronica Cavazos, Nathan Fillinger, and Beth Zinsmeyer. Blane Nash was absent.

**C Pledge of Allegiance to the Flag followed by a moment of silence**

Everyone joined in the Pledge of Allegiance to the American Flag and the Texas Flag, followed by a moment of silence.

**II. Public Hearing Concerning the Financial Integrity Rating System of Texas (FIRST) - presented by Crystal Hermes**

**A Discussion Concerning the Financial Integrity Rating System of Texas (FIRST)**

**B Public Comments Regarding FIRST Report - None**

**III. Student/Staff Recognition**

**A District Holiday Card Artwork Winners**

1 Aurora Mariscal, LaCoste Elementary

2 Parina Patel, Loma Alta Middle School

**B Star Students - Castroville Elementary School**

**C Above & Beyond Service Staff Recognition - Castroville Elementary School**

The Board took a short break, returning at 8:23 pm.

**IV. Public Comment**

Kayla Acree (student), Topic: Student view on graduation

**Medina Valley Independent School District**  
**Regular School Board Meeting**

Board Minutes

November 27, 2023, 6:00 PM

MVISD Board Room, 8449 FM 471 S., Castroville, TX 78009

**V. Announcements/Communications/Presentations**

**A Board Committee Reports**

- Finance & Operations Committee, presented by Matt Castiglione, Committee Chair
- Construction Committee, presented by Nathan Fillinger, Committee Member
- Curriculum Committee, presented by Veronica Cavazos, Committee Chair
- Branding Committee, presented by Jennilea Campbell, Committee Chair

**B Construction Briefing, presented by Rafael Barajas**

- Silos Elementary
- High School #2
- Medina Valley Middle School Traffic Improvement Project

**C District Volunteer Programs, presented by Jay Huffty**

**D Attendance Zones Presentation, presented by Dr. Caloss**

**E Bilingual Program Presentation, presented by Brandi Hendrix**

**F Financial Briefing, presented by Crystal Hermes**

- General Fund Financial Statement
- Child Nutrition Financial Statement
- Debt Service Fund Financial Statement
- Bond 2023 Capital Projects Report

**G Superintendent Briefing, presented by Dr. Caloss**

- Student Achievements
- Staff Achievements
- Legislative Update
- District Enrollment Numbers

**VI. Discussion and Possible Action Items**

**A Consider Approval of Minutes for Regular Board Meeting on October 23, 2023 and Special Board Meeting on November 1, 2023**

Veronica Cavazos made a Motion, seconded by Jason Bonney, to approve the Board Minutes for October 23, 2023 and November 1, 2023 as presented. All of the Board Members voted for and the Motion passed.

**Medina Valley Independent School District**  
**Regular School Board Meeting**

Board Minutes

November 27, 2023, 6:00 PM

MVISD Board Room, 8449 FM 471 S., Castroville, TX 78009

B Consider Approval of District Initiated Board Policy Revision to CW(Local)  
Jason Bonney made a Motion, seconded by Nathan Fillinger, to approve the District Initiated Board Policy Revision to CW(Local) as presented. All of the Board Members voted for and the Motion passed.

C Consider Adoption of Annual Resolution for the Review of the MVISD Investment Policy and Investment Strategies CDA (Local) with revisions  
Matt Castiglione made a Motion, seconded by Veronica Cavazos, to adopt the Annual Resolution for the Review of the MVISD Investment Policy and Investment Strategies CDA (Local) with revisions as presented. All of the Board Members voted for and the Motion passed.

D Consider Adoption of Resolution Designating Investment Officers for Medina Valley ISD  
Veronica Cavazos made a Motion, seconded by Jennilea Campbell to Adopt the Resolution Designating Investment Officers for Medina Valley ISD as presented. All of the Board Members voted for and the Motion passed.

E Consider Adoption of the District's list of Qualified Investment Brokers  
Matt Castiglione made a Motion, seconded by Veronica Cavazos, to Adopt the District's list of Qualified Investment Brokers as presented. All of the Board Members voted for and the Motion passed.

F Consider Approval of the Medina County Appraisal District Resolution to Cast Votes to Elect Directors for the Years 2024 and 2025  
Veronica Cavazos made a Motion, seconded by Jason Bonney, to cast the Medina Valley ISD votes to Elect Directors for the Years 2024 and 2025 for Cynthia Malone. All of the Board Members voted for and the Motion passed.

G Consider Approval of the Medina Valley ISD Elementary and Middle School Branding Guide  
Jason Bonney made a Motion, seconded by Veronica Cavazos, to approve the Medina Valley ISD Elementary and Middle School Branding Guide as presented. All of the Board Members voted for and the Motion passed.

H Consider Approval of the 2023-2024 District Improvement Plan  
Matt Castiglione made a Motion, seconded by Veronica Cavazos, to approve the 2023-2024 District Improvement Plan as presented. All of the Board Members voted for and the Motion passed.

**Medina Valley Independent School District**  
**Regular School Board Meeting**

Board Minutes

November 27, 2023, 6:00 PM

MVISD Board Room, 8449 FM 471 S., Castroville, TX 78009

- I Consider approval of purchase of 2024 Silverado 3500 4x4 Crew Cab Truck for the CTE Ag Programs

Jennilea Campbell made a Motion, seconded by Nathan Fillinger, to approve the purchase of a 2024 Silverado 3500 4x4 Crew Cab Truck for the CTE Ag Programs as presented. All of the Board Members voted for and the Motion passed.

- J Consider Approval of Procurement Method for MVHS Turf on the Football Stadium Field

Matt Castiglione made a Motion, seconded by Nathan Fillinger, to approve the Procurement Method of Competitive Sealed Proposals for the Medina Valley High School Turf project on the Football Stadium Field as presented. All of the Board Members voted for and the Motion passed.

- K Consider Approval of the award of the Construction Materials Observation and Testing Services for the Medina Valley ISD High School #2 Project

Nathan Fillinger made a Motion, seconded by Jason Bonney, to approve the award of the Construction Materials Observation and Testing Services for the Medina Valley ISD High School #2 Project to Raba Kistner, Inc. as presented. All of the Board Members voted for and the Motion passed.

- L Consider Approval of Purchase of 6 Portable Buildings

Matt Castiglione made a Motion, seconded by Veronica Cavazos, to approve the purchase of 6 portable buildings from Ramtech Building Systems as presented. All of the Board Members voted for and the Motion passed.

- M Consider Approval of Budget Amendment

Veronica Cavazos made a Motion, seconded by Jason Bonney, to approve the Budget Amendment as presented. All of the Board Members voted for and the Motion passed.

**VII. Closed Session**

Board President, Beth Zinsmeyer announced at 8:06 pm the Board of Trustees would convene into closed session as authorized by Section 551.071, 551.074, and 551.076 of the Texas Open Meetings Act to consider agenda item VI A. No action will be taken in closed session.

- A Personnel Matters: Resignations, Retirements, Leaves of Absence, Reassignments, New Employment, New Personnel Position, Duties/Responsibilities of Employees (TX Govt. Code Section 551.074)

- Recommendation for Silos Elementary Principal

Board President Beth Zinsmeyer announced that the Board would reconvene into Open Session on November 27, 2023 at 8:20 pm.

**Medina Valley Independent School District  
Regular School Board Meeting**

Board Minutes

November 27, 2023, 6:00 PM

MVISD Board Room, 8449 FM 471 S., Castroville, TX 78009

**VIII. Continued Discussion and Possible Action Items**

A Consider approval of Recommendation for Silos Elementary Principal Matt Castiglione made a Motion, seconded by Jason Bonney, to approve the professional contract recommendation of Brenda Estrella-Pagan for the Silos Elementary Principal position by the Superintendent as presented. All of the Board Members voted for and the Motion passed. Congratulations to Brenda Estrella-Pagan the new Silos Elementary Principal.

B Consideration of future meeting dates  
The next Regular Board Meeting is scheduled for December 18<sup>th</sup>.

**IX. Adjournment**

Jason Bonney made a Motion, seconded by Nathan Fillinger, to adjourn the Regular Board Meeting at 8:22 pm on November 27, 2023. All of the Board Members voted for and the Motion passed.

\_\_\_\_\_  
Beth Zinsmeyer, Board President

\_\_\_\_\_  
Jennilea Campbell, Board Secretary

Board Approved \_\_\_\_\_

# Medina Valley Independent School District

## *Agenda Item Memorandum*

*To: MVISD Board of Trustees Date:*

*Date: December 18, 2023*

*RE: Consider Approval of the Independent Financial Audit Report for the 2022-2023 year*

The Texas Education Agency requires that an annual financial report be performed by an independent auditor. The resulting report must then be approved by the Board of Trustees and submitted to TEA within 150 days of the close of the prior fiscal year.

To accomplish this task the district engaged ABIP. The finance committee was provided with a draft of the fund level financial statements on December 6<sup>th</sup>. Janet Pitman, ABIP Partner, will review the report and provide highlights to the Board on the financial performance of the district.

The administration recommends the Board review and approve the annual financial report for the fiscal year ended August 31, 2023.



Medina Valley Independent School District  
Annual Financial Report  
Fiscal Year Ended August 31, 2023





# AUDITOR'S REPORT IN ANNUAL FINANCIAL REPORT

- Independent Auditor's Report
- Internal Control Over Financial Reporting and Compliance and Other Matters in Accordance with *Government Auditing Standards*
- Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance



# Independent Auditor's Report (page 1)

- Audit standards to follow
  - Generally Accepted Auditing Standards
  - *Government Auditing Standards*
- Purpose
  - To form an independent opinion on whether the financial statements are presented in accordance with Generally Accepted Accounting Principles (GAAP).
- Independent opinion on the financial statements
  - Audit is “unmodified”
    - This is the best opinion that can be given for an independent audit. It means we have no modifying statements in our opinion letter.



## Internal Control Over Financial Reporting and Compliance and Other Matters in Accordance with Government Auditing Standards (page 91)

- Required because the audit was performed under *Government Auditing Standards* issued by the Comptroller General of the United States.
- Requires auditor to consider internal controls over financial reporting and compliance material to the financial statements in planning and performing the audit and report deficiencies in internal control.
- No material weaknesses, significant deficiencies or noncompliance material to the financial statements were noted.



## Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance (page 93)

- Required because the District had over \$750,000 in federal expenditures
- Major programs reviewed:
  - Elementary & Secondary School Emergency Relief Fund (ESSER)
  - Child Nutrition Cluster
- Unmodified opinion
- No internal control weaknesses, and no non-compliance or questioned costs identified in the major programs

A background image showing several modern, multi-story buildings with glass facades, viewed from a low angle looking up against a bright sky. The buildings are partially obscured by a large red banner at the top of the slide.

## Schedule of Findings and Questioned Costs (page 97)

- Summarizes the results of the audit reports issued
- Identifies the major programs
  - ESSER
  - Child Nutrition Cluster
- Threshold for Type A programs is \$750,000.
- District qualified as a low-risk auditee requiring 20% or more of the federal program expenditures to be audited as major programs.

# Financial Highlights

- Fund Balance for the General Fund:
  - Total fund balance - \$442,060,698
    - Nonspendable - \$122,633
    - Restricted - \$411,850,001
    - Committed - \$4,240,788
    - Unassigned - \$25,847,276 over 5 months of operating reserves
  - \$353 million increase in fund balance from 2022
- General Fund budget to actual:
  - Revenues exceeded budget by \$1.5 million
  - Expenditures were less than budget by \$1.9 million
  - Actual net change in fund balance was \$3.4 million more than expected from the budget

# Highlights of Note Disclosures

- New Accounting Policy
  - Adopted GASB 96, *Subscription-based Information Technology Arrangements (SBITAs)* establishing agreements for SBITA as financings of rights to use an underlying asset
- Long-term Debt
  - Issued \$364.3 million Series 2023 bonds
- Property Taxes
  - Tax rate decreased by 1.74 cents
  - Assessed values increased \$979.7 million which increased the levy by \$12.5
  - Overall tax revenue was \$12.8 million from 2022



# Letter on Conduct of Audit

- Accounting Policies
- Accounting Estimates and Disclosures
- Difficulties in Performing the Audit
- Misstatements
- Disagreements
- Management Representations
- Consultations with other Independent Accountants
- Material Weaknesses
- Other Comments



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**abip**<sup>97</sup>  
CPAs | ADVISORS

December 18, 2023

To The Board of Trustees  
Medina Valley Independent School District

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Medina Valley Independent School District for the year ended August 31, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated August 31, 2023. Professional standards also require that we communicate to you the following information related to our audit.

#### Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Medina Valley Independent School District are described in note 1 to the financial statements. The District adopted Statement of Governmental Accounting Standards No. 96, *Subscription Based Information Technology Arrangements* in FY 2023 related to the recognition of right to use subscription assets and liabilities. We noted no transactions entered into by Medina Valley Independent School District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

#### Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements include the net pension liability, the OPEB liability, deferred inflows and outflows related to the Texas Retirement System (TRS), state foundation receivable and related revenue, depreciation on capital assets, and the allowance for uncollectible tax receivable. We evaluated the key factors and assumptions used to develop these estimates in determining that it is reasonable in relation to the financial statements taken as a whole.

#### Financial Statement Disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements is the restatement of net position and fund balance in note 22.

The financial statement disclosures are neutral, consistent, and clear.

#### Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing our audit.

### Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

### Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 18, 2023.

### Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to Medina Valley Independent School District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Medina Valley Independent School District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### Other Matters

We applied certain limited procedures to Management's Discussion and Analysis, the Budgetary Comparison Schedules, and the GASB 68 and 75-Teacher Retirement System Schedules which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining and individual nonmajor fund financial statements and schedules, schedules required by Texas Education Agency, and the schedule of expenditures of federal awards, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Other Comments

*Public Funds Investment Act*

The Public Funds Investment Act (the Act) requires that we include, as part of our audit, procedures to determine if the District complied with the provisions of the Act. We found, as a result of our tests, that the District complied, in all material respects, with the provisions of the Act.

Restriction on Use

This information is intended solely for the information and use of the Board of Trustees and management of Medina Valley Independent School District and is not intended to be, and should not be, used by anyone other than these specified parties.

We would like to take this opportunity to acknowledge the courtesy and assistance extended to us by the personnel of Medina Valley Independent School District during the course of our audit.

ABIP, PC

San Antonio, Texas

# MEDINA VALLEY INDEPENDENT SCHOOL DISTRICT

ANNUAL FINANCIAL REPORT

YEAR ENDED AUGUST 31, 2023

**abip**

CPAs | ADVISORS

CLIENT **FOCUSED.** RELATIONSHIP **DRIVEN.**



**MEDINA VALLEY INDEPENDENT SCHOOL DISTRICT**

**ANNUAL FINANCIAL REPORT**

**For the year ended August 31, 2023**

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**MEDINA VALLEY INDEPENDENT SCHOOL DISTRICT**

**ANNUAL FINANCIAL REPORT**

**For the year ended August 31, 2023**

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## **INTRODUCTORY SECTION**



**CERTIFICATE OF BOARD**

Medina Valley Independent School District  
Name of School District

Medina  
County

163908  
Co. Dist. Number

We, the undersigned, certify that the attached annual financial report of the above named school district was reviewed and (check one) \_\_\_\_\_ approved \_\_\_\_\_ disapproved for the year ended August 31, 2023 at a meeting of the Board of Trustees of such school district on the 18<sup>th</sup> day of December, 2023.

\_\_\_\_\_  
Signature of Board Secretary

\_\_\_\_\_  
Signature of Board President

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



## **FINANCIAL SECTION**



## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees  
Medina Valley Independent School District  
Castroville, Texas

### Report on the Audit of the Financial Statements

#### *Opinions*

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of August 31, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information for the general fund, schedules of the District's proportionate share of the net pension and OPEB liability, and schedules of the District's contributions to the Teacher Retirement System of Texas 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 inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, 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 accompanying combining and individual nonmajor fund statements and schedules, required Texas Education Agency 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. 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 fund statements and schedules, required Texas Education Agency schedules and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2023 on our consideration of Medina Valley Independent School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Medina Valley Independent School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Medina Valley Independent School District's internal control over financial reporting and compliance.

ABIP, PC

San Antonio, Texas  
December 18, 2023



# MEDINA VALLEY INDEPENDENT SCHOOL DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

August 31, 2023

The annual financial report of the Medina Valley Independent School District (the District) is presented in six sections, Management Discussion and Analysis (this part), Basic Financial Statements, Required Supplementary Information, Combining and Other Statements, Texas Education Agency Required Schedules, and Federal Awards Section. This section of the District's annual financial report presents our discussion and analysis of the financial performance during the fiscal year ended August 31, 2023. Please read it in conjunction with the District's financial section, which follows.

## OVERVIEW OF THE FINANCIAL STATEMENTS

The basic financial statements include two kinds of statements that present different views of the District:

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

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements.

## GOVERNMENT-WIDE FINANCIAL STATEMENTS

### The Statement of Net Position and the Statement of Activities

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes *all* of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

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

- Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the District, you need to consider additional nonfinancial factors, such as changes in the District's tax base and student enrollment.

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

## **Fund Financial Statements**

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

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

The District has three kinds of funds:

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

We use *internal service funds* to report activities that provide supplies and services for the District's other programs and activities-such as the District's Self Insurance Fund.

- *Fiduciary fund* – The District is the custodian, or *fiduciary*, for certain funds. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in a separate Statement of Fiduciary Net Position. We exclude these activities from the District's government-wide financial statements because the District cannot use these assets to finance its operations.

## FINANCIAL HIGHLIGHTS

- The District’s combined net position was \$33,777,704 at August 31, 2023, an increase of \$17,784,640.
- During the year, the District’s revenue was \$114,269,090 as reflected below:

	Governmental Activities		
	Current Year	Prior Year	Change
Taxes	\$ 54,415,749	\$ 41,566,320	\$ 12,849,429
State aid	40,656,738	34,455,289	6,201,449
Federal aid	10,564,855	12,804,359	(2,239,504)
Investment earnings	5,515,589	533,568	4,982,021
Other	3,116,159	1,277,677	1,838,482
 Total	 \$ 114,269,090	 \$ 90,637,213	 \$ 23,631,877

During the year, the District’s expenses were \$96,484,450 as reflected below:

	Governmental Activities		
	Current Year	Prior Year	Change
Instruction and instructional related	\$ 48,495,458	\$ 44,310,039	\$ 4,185,419
Instruction leadership/school leadership	7,910,754	4,785,456	3,125,298
Guidance, social work, health, transportation	9,274,381	8,154,145	1,120,236
Food services	5,393,194	5,055,172	338,022
Extracurricular activities	3,151,553	1,964,610	1,186,943
General administration	2,629,906	2,380,120	249,786
Plant maintenance and security	8,803,997	8,109,808	694,189
Data processing services	1,657,327	1,843,969	(186,642)
Community services	70,906	109,336	(38,430)
Debt service	8,347,367	6,066,224	2,281,143
Capital outlay	232,226	793,677	(561,451)
Intergovernmental changes	517,381	430,656	86,725
 Total expenses	 \$ 96,484,450	 \$ 84,003,212	 \$ 12,481,238

The District's combined net position was \$33,777,704 at August 31, 2023, as reflected below:

**STATEMENT OF NET POSITION**  
**August 2023 and 2022**

	Governmental Activities		
	2023	2022	Change
Current and other assets	\$ 453,930,232	\$ 97,414,705	\$ 356,515,527
Capital and non-current assets	204,168,479	173,884,209	30,284,270
Total assets	<u>658,098,711</u>	<u>271,298,914</u>	<u>386,799,797</u>
Deferred outflows of resources	22,632,662	14,226,899	8,405,763
Total deferred outflows of resources	<u>22,632,662</u>	<u>14,226,899</u>	<u>8,405,763</u>
Current liabilities	15,095,145	6,978,437	8,116,708
Long term liabilities	611,204,335	242,099,474	369,104,861
Total liabilities	<u>626,299,480</u>	<u>249,077,911</u>	<u>377,221,569</u>
Deferred inflows of resources	20,654,189	20,693,596	(39,407)
Total deferred inflows of resources	<u>20,654,189</u>	<u>20,693,596</u>	<u>(39,407)</u>
Net position			
Net investment in capital assets	24,299,014	12,930,555	11,368,459
Restricted	10,148,682	7,375,109	2,773,573
Unrestricted	(669,992)	(4,551,358)	3,881,366
Total net position	<u>\$ 33,777,704</u>	<u>\$ 15,754,306</u>	<u>\$ 18,023,398</u>

**CHANGES IN NET POSITION**  
**August 2023 and 2022**

	Governmental Activities	
	2023	2022
Revenues:		
Program revenues:		
Charges for services	\$ 1,897,274	\$ 889,016
Operating grants and contributions	10,564,855	12,105,794
General revenues:		
Property taxes	54,415,749	41,566,320
State aid	40,080,523	32,714,475
Grants, contributions not restricted to a specific function	1,590,756	2,439,379
Investment earnings	5,515,589	533,568
Miscellaneous	204,344	388,661
Total revenues	<u>114,269,090</u>	<u>90,637,213</u>
Expenses:		
Instruction, curriculum and media services	48,495,458	43,344,835
Instructional/school leadership	7,910,754	5,750,660
Guidance, social work, health and transportation	9,274,381	8,154,145
Food services	5,393,194	5,055,172
Cocurricular activities	3,151,553	1,964,610
General administration	2,629,906	2,380,120
Plant maintenance and security	8,803,997	8,109,808
Data processing	1,657,327	1,843,969
Community services	70,906	109,336
Debt service	8,347,367	6,066,224
Other governmental charges	749,607	1,224,333
Total expenses	<u>96,484,450</u>	<u>84,003,212</u>
Increase in net position	<u>17,784,640</u>	<u>6,634,001</u>
Net position at September 1,	15,754,306	9,120,305
Restatement of beginning net position	<u>238,758</u>	<u>-</u>
Net position at August 31,	<u>\$ 33,777,704</u>	<u>\$ 15,754,306</u>

Property tax rates were reduced by 17.40 cents for the year. The tax base increased during the past year by \$979,663,699. The increase in the tax levy was \$12,463,045.

State program revenues increased for the year by \$6,201,449.

Federal program revenues decreased by \$2,239,504.

Investment earnings increased by \$4,982,021.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

Net capital assets for the District at the end of the fiscal year August 31, 2023 amounted to \$204,168,479. It is the District's policy to charge off as a current expenditure any purchases less than \$5,000. The total capital assets recorded were land and its improvements, buildings, equipment and vehicles, right-to-use lease assets, and construction in progress as reflected below:

#### DISTRICT'S CAPITAL ASSETS August 2023 and 2022

	Governmental Activities		
	Current Year	Prior Year	Change
Land	\$ 17,453,647	\$ 13,128,163	\$ 4,325,484
Buildings and improvements	202,605,849	204,022,406	(1,416,557)
Equipment	16,159,340	16,551,066	(391,726)
Right-to-use lease assets	241,675	241,676	(1)
SBITA assets	1,077,540	-	1,077,540
Construction in progress	33,819,689	349,417	33,470,272
Total at historical cost	<u>271,357,740</u>	<u>234,292,728</u>	<u>37,065,012</u>
Total accumulated depreciation	<u>(67,189,261)</u>	<u>(60,408,519)</u>	<u>(6,780,742)</u>
Net capital assets	<u>\$ 204,168,479</u>	<u>\$ 173,884,209</u>	<u>\$ 30,284,270</u>

### Long-Term Liabilities

For the year ended August 31, 2023, the District made bond debt principal payments of \$11,442,647.

	Governmental Activities		
	Current Year	Prior Year	Change
Bonds payable	\$ 551,805,285	\$ 198,907,932	\$ 352,897,353
Right-to-use lease liabilities	83,251	163,780	(80,529)
SBITA liabilities	731,599	-	731,599
Compensated absences	<u>121,643</u>	<u>124,596</u>	<u>(2,953)</u>
Sub-total	552,741,778	199,196,308	353,545,470
Accreted interest on capital appreciation bonds	1,116,592	1,254,109	(137,517)
Premium on bond issuance	<u>27,834,057</u>	<u>16,695,115</u>	<u>11,138,942</u>
Total long-term liabilities	<u>\$ 581,692,427</u>	<u>\$ 217,145,532</u>	<u>\$ 364,546,895</u>

## GOVERNMENTAL FUNDS

### Financial Highlights

At the close of the fiscal year ending August 31, 2023, the District's governmental funds reported a combined fund balance of \$442,060,698. This compares to a combined fund balance of \$89,092,953 at August 31, 2022. The significant increase is due to the issuance of new bonds of \$364,340,000. The general fund increased \$4,429,880 as revenues were above original projections and expenditures were below original projections. The debt service fund increased \$1,653,024 as the property values increased.

### Budgetary Highlights

In accordance with State law and Generally Accepted Accounting Standards (GAAS), the District prepares an annual budget for the general fund, the food service special revenue fund, and the debt service fund. Special revenue funds have budgets approved by the funding agency and are amended throughout the year as required.

During the period ended August 31, 2023, the District amended its budget as required by state law and to reflect current levels of revenue and anticipated expenses. The general fund budgeted revenues increased from an adopted budget amount of \$68,561,424 to the final amended budget amount of \$73,713,600. The general fund's actual revenues were \$75,215,869. The general fund expenditures were more than the original budget by \$2,224,565, but budget amendments were board approved throughout the year.

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

The following factors were considered in establishing the District's budget for 2023-2024:

- Student enrollment and attendance for 2023-2034 is projected to increase. The district demographer estimated a district enrollment of 8,741. The budget is based on an enrollment projection of 8,541 students. This is to account for historical trends of not achieving the demographer estimation by the October snapshot date. Average daily attendance is estimated to increase from 7,204 to 7,776 in 2023-2024.
- Property values for ad valorem tax purposes are projected to increase by \$1,281,078,117 or 29.49% for 2023-2024, as compared to the taxable values for 2022-2023. The District's maintenance and operations tax rate decreased to \$0.6692, and the interest and sinking tax rate had no change at \$0.50.
- The general fund budget was a surplus budget with revenues budgeted at \$85,750,517 and appropriations budgeted at \$85,196,881. Appropriations for the 2022-2023 general fund budget increased over the appropriations for the 2023-2024 general budget by \$16,635,457.
- The District added 95 new positions to account for the expected student growth at an estimated cost of \$4.7 million.
- The largest increase can be found in appropriations for instruction in the amount of \$9,531,895.

### 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 Medina Valley Independent School District, 8449 FM 471 South, Castroville, Texas 78009.



## **BASIC FINANCIAL STATEMENTS**



**MEDINA VALLEY INDEPENDENT SCHOOL DISTRICT**

**STATEMENT OF NET POSITION**

**August 31, 2023**

EXHIBIT A-1

Data Control Codes		Primary Government Governmental Activities
	Assets:	
1110	Cash and cash equivalents	\$ 439,850,953
1220	Property taxes receivable (delinquent)	2,590,351
1230	Allowance for uncollectible taxes	(259,035)
1240	Due from other governments	11,375,417
1290	Other receivables (net)	249,913
1300	Inventory	3,343
1410	Prepaid items	119,290
	Capital assets:	
1510	Land	17,453,647
1520	Buildings, (net)	147,250,746
1530	Furniture and equipment (net)	4,877,857
1553	SBITA assets, net	718,205
1559	Right-to-use assets, net	48,335
1580	Construction in progress	33,819,689
1000	Total assets	658,098,711
	Deferred outflows of resources:	
1705	Deferred outflow related to TRS pension	11,618,016
1706	Deferred outflow related to TRS OPEB	11,014,646
1700	Total deferred outflows of resources	22,632,662
	Liabilities:	
2110	Accounts payable	5,798,808
2140	Interest payable	1,107,785
2150	Payroll deductions and withholdings payable	10,308
2160	Accrued wages payable	3,575,918
2180	Due to other governments	13,319
2300	Unearned revenue	98,706
	Noncurrent liabilities:	
2501	Due within one year	4,490,301
2502	Due in more than one year	577,202,126
2540	Net pension liability (District's share)	21,695,841
2545	OPEB liability (District's share)	12,306,368
2000	Total liabilities	626,299,480
	Deferred inflows of resources:	
2605	Deferred inflows related to TRS pension	1,852,148
2606	Deferred inflows related to TRS OPEB	18,802,041
	Total deferred inflows of resources	20,654,189
	Net position:	
3200	Net investment in capital assets	24,299,014
3820	Restricted for Federal and State programs	2,953,438
3850	Restricted for debt service	7,195,244
3900	Unrestricted	(669,992)
3000	Total net position	\$ 33,777,704

The accompanying notes are an integral part of these financial statements.

**MEDINA VALLEY INDEPENDENT SCHOOL DISTRICT**

**STATEMENT OF ACTIVITIES**

**For the year ended August 31, 2023**

EXHIBIT B-1

Data Control Codes	1 Functions / Programs	Expenses	Program Revenues		Net (Expense)
			3	4	Revenue and
			Charges for Services	Operating Grants and Contributions	Changes in Net Position
					6 Primary Government Governmental Activities
	Governmental activities:				
11	Instruction	\$ 48,495,458	\$ 10,882	\$ 3,504,316	\$ (44,980,260)
12	Instructional resources and media services	720,061	-	7,164	(712,897)
13	Curriculum and instructional staff development	1,157,352	-	178,426	(978,926)
21	Instructional leadership	1,975,348	-	693,169	(1,282,179)
23	School leadership	4,057,993	-	48,424	(4,009,569)
31	Guidance, counseling, and evaluation services	3,001,345	-	141,601	(2,859,744)
32	Social work services	916,380	-	353,583	(562,797)
33	Health services	957,610	-	65,487	(892,123)
34	Student (pupil) transportation	4,399,046	-	112,271	(4,286,775)
35	Food services	5,393,194	1,711,694	4,227,711	546,211
36	Extracurricular activities	3,151,553	174,698	661,028	(2,315,827)
41	General administration	2,629,906	-	12,536	(2,617,370)
51	Facilities maintenance and operations	7,966,215	-	142,542	(7,823,673)
52	Security and monitoring services	837,782	-	125,720	(712,062)
53	Data processing services	1,657,327	-	13,969	(1,643,358)
61	Community services	70,906	-	47,187	(23,719)
72	Debt service - interest on long-term debt	7,514,130	-	-	(7,514,130)
73	Debt service - bond issuance costs and fees	833,237	-	-	(833,237)
81	Capital outlay	232,226	-	229,721	(2,505)
99	Other intergovernmental charges	517,381	-	-	(517,381)
TP	Total primary government	<u>\$ 96,484,450</u>	<u>\$ 1,897,274</u>	<u>\$ 10,564,855</u>	<u>(84,022,321)</u>
			General revenues:		
	MT		Property taxes, levied for general purposes		35,398,110
	DT		Property taxes, levied for debt service		19,017,639
	SF		State aid - Formula grants		40,080,523
	GC		Grants and contributions not restricted		1,590,756
	IE		Investment earnings		5,515,589
	MI		Miscellaneous local and intermediate revenue		204,344
	TR		Total general revenues		<u>101,806,961</u>
	CN		Change in net position		17,784,640
	NB		Net position - beginning		15,754,306
			Restatement of net position		238,758
	NE		Net position - ending		<u>\$ 33,777,704</u>

The accompanying notes are an integral part of these financial statements.

**MEDINA VALLEY INDEPENDENT SCHOOL DISTRICT**

**BALANCE SHEET – GOVERNMENTAL FUNDS**

**August 31, 2023**

EXHIBIT C-1

Data Control Codes		10	50	60	Other Funds	Total
		General Fund	Debt Service Fund	Capital Projects		Governmental Funds
<b>Assets:</b>						
1110	Cash and cash equivalents	\$ 23,535,251	\$ 7,201,646	\$ 404,895,116	\$ 3,175,556	\$ 438,807,569
1220	Property taxes - delinquent	1,762,013	828,338	-	-	2,590,351
1230	Allowance for uncollectible taxes	(176,201)	(82,834)	-	-	(259,035)
1240	Due from other governments	9,740,940	5,702	-	1,628,775	11,375,417
1260	Due from other funds	1,216,058	-	-	-	1,216,058
1290	Other receivables	1,697	-	-	-	1,697
1300	Inventory	3,343	-	-	-	3,343
1410	Prepayments	119,290	-	-	-	119,290
1000	<b>Total assets</b>	<u>\$ 36,202,391</u>	<u>\$ 7,952,852</u>	<u>\$ 404,895,116</u>	<u>\$ 4,804,331</u>	<u>\$ 453,854,690</u>
<b>Liabilities:</b>						
2110	Accounts payable	\$ 1,152,923	\$ -	\$ 3,193,549	\$ 201,895	\$ 4,548,367
2150	Payroll deductions and withholdings payable	10,308	-	-	-	10,308
2160	Accrued wages payable	3,483,439	-	-	92,479	3,575,918
2170	Due to other funds	-	-	248	1,215,810	1,216,058
2180	Due to other governments	-	12,104	-	1,215	13,319
2300	Unearned revenue	-	-	-	98,706	98,706
2000	<b>Total liabilities</b>	<u>4,646,670</u>	<u>12,104</u>	<u>3,193,797</u>	<u>1,610,105</u>	<u>9,462,676</u>
<b>Deferred inflows of resources:</b>						
2601	Unavailable revenue - property taxes	1,585,812	745,504	-	-	2,331,316
<b>Fund balances:</b>						
<b>Nonspendable fund balances:</b>						
3410	Inventory	3,343	-	-	-	3,343
3430	Prepaid items	119,290	-	-	-	119,290
<b>Restricted fund balances:</b>						
3450	Federal or state funds grant restriction	-	-	-	2,953,438	2,953,438
3470	Capital acquisition and contractual obligation	-	-	401,701,319	-	401,701,319
3480	Retirement of long-term debt	-	7,195,244	-	-	7,195,244
<b>Committed fund balance:</b>						
3510	Construction	4,000,000	-	-	-	4,000,000
3545	Other committed fund balance	-	-	-	240,788	240,788
3600	Unassigned fund balance	25,847,276	-	-	-	25,847,276
3000	<b>Total fund balances</b>	<u>29,969,909</u>	<u>7,195,244</u>	<u>401,701,319</u>	<u>3,194,226</u>	<u>442,060,698</u>
4000	<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 36,202,391</u>	<u>\$ 7,952,852</u>	<u>\$ 404,895,116</u>	<u>\$ 4,804,331</u>	<u>\$ 453,854,690</u>

The accompanying notes are an integral part of these financial statements.

**MEDINA VALLEY INDEPENDENT SCHOOL DISTRICT**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION**

**August 31, 2023**

EXHIBIT C-2

Total fund balances - governmental funds balance sheet \$ 442,060,698

Amounts reported for governmental activities in the statement of net position are different because:

The District uses internal service funds to charge the costs of self-insurance to appropriate functions in other funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position. The net effect of this consolidation is to increase net position. 41,159

Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. At the beginning of the year, the cost of these assets was \$234,292,728 and the accumulated depreciation was \$(60,408,519). In addition, long-term liabilities, including bonds payable of \$(200,162,041) and leases payable of \$(83,251) are not due and payable in the current period, and therefore are not reported as liabilities in the funds. The net effect of including the beginning balances for capital assets (net of depreciation) and long-term debt in the governmental activities is to decrease net position. (26,361,083)

Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of including the 2023 capital outlays of \$35,987,472 and debt principal payments of \$11,788,588 is to increase net position. 47,776,060

The 2023 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position. (6,780,742)

Included in the items related to debt is the recognition of the District's proportionate share of the net pension liability required by GASB 68 in the amount of \$(21,695,841), a deferred resource inflow of \$(1,852,148), and a deferred resource outflow of \$11,618,016. The net effect of this recognition is to decrease net position. (11,929,973)

Included in the items related to debt is the recognition of the District's proportionate share of net OPEB liability required by GASB 75 in the amount of \$(12,306,368), a deferred resource inflow of \$(18,802,041), and a deferred resource outflow of \$11,014,646. The net effect of this recognition is to decrease net position. (20,093,763)

Various other reclassifications and recognitions are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unavailable taxes receivable of \$2,331,316 as revenue, and recognizing the liabilities associated with maturing long-term debt interest of \$(1,107,785), recognizing accumulated accretion of capital appreciation bonds of \$137,517, unamortized bond premium of \$(27,834,057) accumulated local leave of \$(121,643), and reclassifying the proceeds of bonds issued of \$(364,340,000). The net effect of these reclassifications and recognitions is to decrease net position. (390,934,652)

Net position of governmental activities - statement of net position \$ 33,777,704

The accompanying notes are an integral part of these financial statements.

**MEDINA VALLEY INDEPENDENT SCHOOL DISTRICT**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS**

**For the year ended August 31, 2023**

EXHIBIT C-3

Data Control Codes		10	50	60	Other	Total
		General Fund	Debt Service Fund	Capital Projects	Governmental Funds	Governmental Funds
	Revenues:					
5700	Local and intermediate sources	\$ 36,334,084	\$ 20,560,606	\$ 3,373,934	\$ 2,263,643	\$ 62,532,267
5800	State program revenues	37,172,454	576,215	-	585,914	38,334,583
5900	Federal program revenues	<u>1,709,331</u>	<u>-</u>	<u>-</u>	<u>9,426,992</u>	<u>11,136,323</u>
5020	Total revenues	<u>75,215,869</u>	<u>21,136,821</u>	<u>3,373,934</u>	<u>12,276,549</u>	<u>112,003,173</u>
	Expenditures:					
	Current:					
0011	Instruction	39,850,360	-	-	3,612,819	43,463,179
0012	Instructional resources and media services	650,059	-	-	7,164	657,223
0013	Curriculum and instructional staff development	867,480	-	-	178,426	1,045,906
0021	Instructional leadership	1,062,931	-	-	693,169	1,756,100
0023	School leadership	3,634,860	-	-	48,424	3,683,284
0031	Guidance, counseling, and evaluation services	2,581,635	-	-	141,601	2,723,236
0032	Social work services	453,990	-	-	353,583	807,573
0033	Health services	803,543	-	-	65,487	869,030
0034	Student (pupil) transportation	4,511,950	-	-	112,271	4,624,221
0035	Food services	118,908	-	-	4,818,856	4,937,764
0036	Extracurricular activities	2,238,558	-	-	661,028	2,899,586
0041	General administration	2,384,098	-	-	12,536	2,396,634
0051	Facilities maintenance and operations	7,209,154	-	-	142,542	7,351,696
0052	Security and monitoring services	783,982	-	-	125,720	909,702
0053	Data processing services	1,494,887	-	-	13,969	1,508,856
0061	Community services	14,600	-	-	47,187	61,787
	Debt service:					
0071	Principal on long-term debt	426,470	11,442,647	-	-	11,869,117
0072	Interest on long-term debt	45,253	8,037,950	-	-	8,083,203
0073	Bond issuance cost and fees	-	3,200	830,037	-	833,237
	Capital outlay:					
0081	Facilities acquisition and construction	1,135,890	-	33,739,897	229,721	35,105,508
	Intergovernmental:					
0099	Other intergovernmental charges	<u>517,381</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>517,381</u>
6030	Total expenditures	<u>70,785,989</u>	<u>19,483,797</u>	<u>34,569,934</u>	<u>11,264,503</u>	<u>136,104,223</u>
1100	Excess (deficiency) of revenues over (under) expenditures	<u>4,429,880</u>	<u>1,653,024</u>	<u>(31,196,000)</u>	<u>1,012,046</u>	<u>(24,101,050)</u>
	Other financing sources and (uses):					
7911	Capital related debt issued	-	-	364,340,000	-	364,340,000
7916	Premium or discount on issuance of bonds	-	-	12,490,037	-	12,490,037
7080	Total other financing sources and (uses)	<u>-</u>	<u>-</u>	<u>376,830,037</u>	<u>-</u>	<u>376,830,037</u>
1200	Net change in fund balances	4,429,880	1,653,024	345,634,037	1,012,046	352,728,987
0100	Fund balance - September 1 (beginning)	<u>25,540,029</u>	<u>5,542,220</u>	<u>56,067,282</u>	<u>1,943,422</u>	<u>89,092,953</u>
	Restatement of fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>238,758</u>	<u>238,758</u>
3000	Fund balance - August 31 (ending)	<u>\$ 29,969,909</u>	<u>\$ 7,195,244</u>	<u>\$ 401,701,319</u>	<u>\$ 3,194,226</u>	<u>\$ 442,060,698</u>

The accompanying notes are an integral part of these financial statements.

**MEDINA VALLEY INDEPENDENT SCHOOL DISTRICT**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF  
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
TO THE STATEMENT OF ACTIVITIES**

**For the year ended August 31, 2023**

EXHIBIT C-4

Net change in fund balances - total governmental funds \$ 352,728,987

Amounts reported for governmental activities in the statement of activities are different because:

The District uses an internal service fund to charge the costs of self-insurance to appropriate functions in other funds. The change in net position of the internal service fund is reported with governmental activities. The net effect of this consolidation is to decrease net position. (226,265)

Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of removing the 2023 capital outlays of \$35,987,472 and bond debt principal payments of \$13,220,212 is to increase net position. 49,207,684

Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net position. (6,780,742)

The reporting of GASB 68 for the current year resulted in a decrease in revenue of \$(931,563) and increased expenses of \$(515,036). The result of these items is to decrease net position. (1,446,599)

The reporting of GASB 75 for the current year resulted in the recognition of revenue of \$2,130,301 and an increase in related expenses of \$(1,286,799). The result of these items is to increase net position. 843,502

Various other reclassifications and recognitions are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing the change in unavailable tax revenue of \$929,662, and recognizing the change in accrued bond interest of \$(782,022). Also, recognizing the decrease in accreted interest on capital appreciation bonds of \$137,517, the change in accrued local leave of \$2,953, reclassifying bond proceeds of \$(364,340,000), premium on bonds issued of \$(12,490,000). The net effect of these reclassifications is to decrease net position. (376,541,927)

Change in net position of governmental activities - statement of activities \$ 17,784,640

The accompanying notes are an integral part of these financial statements.

**MEDINA VALLEY INDEPENDENT SCHOOL DISTRICT**

**STATEMENT OF NET POSITION  
PROPRIETARY FUNDS**

**August 31, 2023**

EXHIBIT D-1

	<u>Governmental Activities</u>
	<u>Total Internal Service Funds</u>
Assets:	
Current assets:	
Cash and cash equivalents	\$ 1,043,384
Accounts receivable	<u>248,216</u>
 Total assets	 <u>1,291,600</u>
 Liabilities:	
Current liabilities:	
Accounts payable	<u>1,250,441</u>
 Total liabilities	 <u>1,250,441</u>
 Net position:	
Unrestricted net position	<u>41,159</u>
 Total net position	 <u>\$ 41,159</u>

The accompanying notes are an integral part of these financial statements.

**MEDINA VALLEY INDEPENDENT SCHOOL DISTRICT**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS**

**For the year ended August 31, 2023**

EXHIBIT D-2

Governmental  
Activities

Total  
Internal Service  
Funds

Operating revenues:

Local and intermediate sources

\$ 5,233,343

Total operating revenues

5,233,343

Operating expenses:

Professional and contracted services

5,459,608

Total operating expenses

5,459,608

Operating income (loss)

(226,265)

Total net position - September 1 (beginning)

267,424

Total net position - August 31 (ending)

\$ 41,159

The accompanying notes are an integral part of these financial statements.

**MEDINA VALLEY INDEPENDENT SCHOOL DISTRICT**

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS**

**For the year ended August 31, 2023**

EXHIBIT D-3

	<u>Governmental Activities Total Internal Service Funds</u>
Cash flows from operating activities:	
Cash received from assessments - other funds	\$ 4,985,127
Cash payments for insurance claims	<u>(5,004,359)</u>
Net cash used for operating activities	<u>(19,232)</u>
Net increase (decrease) in cash and cash equivalents	(19,232)
Cash and cash equivalents at beginning of year	<u>1,062,616</u>
Cash and cash equivalents at end of year	<u>\$ 1,043,384</u>
Reconciliation of operating income (loss) to net cash used for operating activities	
Operating income (loss)	\$ (226,265)
Effect of increases and decreases in current assets and liabilities:	
Assets and liabilities:	
(Increase) decrease in accounts receivable	(248,216)
Increase (decrease) in accounts payable	<u>455,249</u>
Net cash used for operating activities	<u>\$ (19,232)</u>

The accompanying notes are an integral part of these financial statements.

**MEDINA VALLEY INDEPENDENT SCHOOL DISTRICT**

**STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS**

**August 31, 2023**

EXHIBIT E-1

Custodial Fund

Assets:

Cash and cash equivalents

\$ 170,413

Total assets

170,413

Liabilities:

Due to other governments

60

Total liabilities

60

Net position:

Unrestricted net position

170,353

Total net position

\$ 170,353

The accompanying notes are an integral part of these financial statements.

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**MEDINA VALLEY INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**

**For the year ended August 31, 2023**

EXHIBIT E-2

Custodial Fund

Additions:	
Local and intermediate sources	\$ <u>115,358</u>
Deductions:	
Student activities	<u>83,468</u>
Change in fiduciary net position	<u>31,890</u>
Total net position - September 1 (beginning)	<u>377,221</u>
Restatement of net position	<u>(238,758)</u>
Total net position - August 31 (ending)	<u>\$ 170,353</u>

The accompanying notes are an integral part of these financial statements.



# MEDINA VALLEY INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended August 31, 2023

### (1) Summary of significant accounting policies

The Medina Valley Independent School District (the “District”) is a 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 registered voters of the District. The District prepares its basic financial statements in conformity with generally accepted accounting principles (GAAP) promulgated by the Government Accounting Standards Board (GASB) and other authoritative sources identified in GASB Statement Number 76, and it complies with the requirements of the appropriate version of Texas Education Agency’s *Financial Accountability Resource Guide* (the “Resource Guide”) and the requirements of contracts and grants of agencies from which it receives funds.

*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 the TRS fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

*Other postemployment benefits* - The fiduciary net position of the Teacher Retirement System of Texas (TRS) TRS-Care Plan has been determined using the flow of economic resource 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 postemployment 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.

*Fair value* - The District applies GASB Statement No. 72, *Fair Value Measurement and Application*. GASB Statement No. 72 provides guidance for determining fair value measurement for reporting purposes and applying fair value to certain investments and disclosures related to all fair value measurements.

### Reporting entity

The Board is elected by the public and 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 a financial reporting entity as defined by GASB in its Statement No. 14 “*The Financial Reporting Entity*”. There are no component units included within the reporting entity.

### Government-wide and fund financial statements

The statement of net position and the statement of activities are government-wide financial statements. They report information on all of the District’s nonfiduciary activities with most of the interfund activities removed. *Governmental activities* include programs supported primarily by taxes, state foundation funds, grants and other intergovernmental revenues.

# MEDINA VALLEY INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended August 31, 2023

### (1) Summary of significant accounting policies (continued)

#### Government-wide and fund financial statements (continued)

The statement of activities demonstrates how other people or entities that participate in programs the District operates have shared in the payment of the direct costs. The “charges for services” column includes payments made by parties that purchase, use, or directly benefit from goods or services provided by a given function or segment of the District. Examples include tuition paid by students not residing in the District, school lunch charges, etc. The “grants and contributions” column indicates amounts paid by organizations outside the District to help meet the operational or capital requirements of a given function. Examples include grants under the Elementary and Secondary Education Act. If a revenue is not a program revenue, it is a general revenue used to support all the District’s functions. Taxes are always general revenues.

Interfund activities between governmental funds appear and proprietary funds appear as due to/due from on the governmental fund balance sheet and the 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 internal service funds are eliminated on the government-wide statements. Interfund activities between governmental funds and fiduciary funds remain as due to/due from on the government-wide statement of net position.

The fund financial statements provide reports on the financial condition and results of operations for three fund categories – governmental, proprietary, and fiduciary. Since the resources in the fiduciary funds cannot be used for District operations, they are not included in the government-wide statements. The District considers some governmental funds major and reports their financial condition and results of operations in a separate column.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. All other revenues and expenses are nonoperating.

#### Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements use the economic resources measurement focus and the accrual basis of accounting, as do the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when the 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 use the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets, current liabilities and fund balances are included on the balance sheet. Operating statements of these funds present net increases and decreases in fund balance (i.e., revenues and other financing sources and expenditures and other financing uses).

# MEDINA VALLEY INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended August 31, 2023

### (1) Summary of significant accounting policies (continued)

#### Measurement focus, basis of accounting, and financial statement presentation (continued)

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 the unmatured interest and principal on long-term debt, which is recognized when due. The District considers all revenues available if they are collectible within 60 days after year end.

Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the *susceptible to accrual* concept, that is, when they are both measurable and available. The District considers them “available” if they will 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. Accordingly, when such funds are received, they are recorded as unearned revenues until related and authorized expenditures have been made. If balances have not been expended by the end of the project period, grantors may require the District to refund all or part of the unused amount.

The proprietary fund types and fiduciary funds are accounted for on a flow of economic resources measurement focus and utilize the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred and become measurable. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included in the statement of net position. The fund equity is segregated into net investment in capital assets, restricted net position, and unrestricted net position.

#### Fund accounting

The District reports the following major governmental funds:

- **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.
- **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.
- **Capital projects fund** – The proceeds from long-term debt financing and revenues and expenditures related to authorized construction and other capital asset acquisitions are accounted for in a capital projects fund.

# MEDINA VALLEY INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended August 31, 2023

### (1) Summary of significant accounting policies (continued)

Fund accounting (continued)

Additionally, the District reports the following fund type(s):

Non-major governmental funds:

- **Special revenue funds** – the District accounts for resources restricted to, or designated for, specific purposes by the District or a grantor in a special revenue fund. 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.

Proprietary funds:

- **Internal service funds** – revenues and expenses related to services provided to organizations inside the District on a cost reimbursement basis are accounted for in an internal service fund. The District's internal service funds are the workers compensation fund and the health insurance fund.

Fiduciary funds:

- **Custodial funds** - the District accounts for resources held for others in a custodial capacity in custodial funds. The District's custodial fund is the student activity account.

Fund balance policy

The District reports fund balance for governmental funds in classifications based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The *nonspendable* classification represents assets that will be consumed or “must be maintained intact” and therefore, will never convert to cash, such as inventories of supplies. Provisions of laws, contracts, and grants specify how fund resources can be used in the *restricted* classification. The nature of these two classifications precludes a need for policy from the Board. However, the Board has adopted fund balance policies for the three unrestricted classifications – *committed, assigned, and unassigned*.

From time to time, the Board may commit fund balances by a majority vote in a scheduled meeting. The Board's commitment may be modified or rescinded by a majority vote in a scheduled meeting. Board commitments cannot exceed the amount of fund balance that is greater than the sum of nonspendable and restricted fund balances since that practice would commit funds that the District does not have. Commitments may be for facility expansion or renovations, program modifications, wage and salary adjustments, financial cushions, and other purposes determined by the Board.

The Board may delegate authority to specified persons or groups to make assignments of certain fund balances by a majority vote in a scheduled meeting. The Board may modify or rescind its delegation of authority by the same action. The authority to make assignments shall be in effect until modified or rescinded by the Board by majority vote in a scheduled meeting. The Board has delegated this authority to the Superintendent or Assistant Superintendent for Business and Operations.

**MEDINA VALLEY INDEPENDENT SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended August 31, 2023**

(1) Summary of significant accounting policies (continued)

Fund balance policy (continued)

When the District incurs expenditures that can be made from either restricted or unrestricted balances, the expenditures should be charged to restricted balances. When the District incurs expenditures that can be made from either committed, assigned, or unassigned balances, the expenditures should be charged in the same order.

Nonspendable	
Inventories in the general fund	\$ 3,343
Prepayments in the general fund	<u>119,290</u>
Total nonspendable	122,633
Restricted	
Capital acquisition	401,701,319
Debt service	7,195,244
Federal or state grants	<u>2,953,438</u>
Total restricted	411,850,001
Committed	
Construction	4,000,000
Special revenue funds	<u>240,788</u>
Total committed	4,240,788
Unassigned	<u>25,847,276</u>
Total fund balances	<u>\$ 442,060,698</u>

Other accounting policies

1. The District reports inventories of supplies at cost including consumable custodial, maintenance, instructional, and office supplies. Inventories of supplies are recorded as expenditures when they are consumed rather than when they are purchased. Although commodities are received at no cost, their fair market value is supplied by the Texas Department of Human Services and recorded as revenue when received. When requisitioned, inventory is relieved, and expenditures are charged.
2. Cash and cash equivalents include cash and high liquid investments such as investment pools.
3. Unearned revenue accounted for on the balance sheet relates to excess funds received from funding sources over earned amounts.
4. The District provides risk management obligations by carrying appropriate insurance. Property and general liability insurance are obtained from a licensed insurer. Risk of loss is not retained by the District.

# MEDINA VALLEY INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended August 31, 2023

### (1) Summary of significant accounting policies (continued)

#### Other accounting policies (continued)

5. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.
6. The Data Control Codes refer to the account code structure prescribed by TEA in the *Financial Accountability System Resource Guide*. Texas Education Agency requires school districts to display these codes in the financial statements field in order to ensure accuracy in building a Statewide data base for policy development and funding plans.
7. 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 outflow of resources, represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District's deferred outflows of resources consist of differences between expected and actual actuarial experience (pension and OPEB), changes in actuarial assumptions (pension and OPEB), differences between projected and actual investment earnings (OPEB), change in proportion and differences between employer's contributions and the proportionate share of contributions (pension and OPEB), and contributions paid to TRS subsequent to the measurement date (pension and OPEB).
8. 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 that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one type of item which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Uncollected property taxes which are assumed collectible are reported in this category on the balance sheet for governmental funds. They are not reported in this category on the government-wide statement of net position. In the government-wide financial statements, the District reports a deferred inflow of resources for differences between expected and actual actuarial experience (pension and OPEB), changes in actuarial assumptions (pension and OPEB), difference between projected and actual investment earnings (pension), and changes in proportion and differences between employer's contributions and the proportionate share of contributions (pension).
9. In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. The District has implemented GASB 87 for reporting leases. A right-to-use lease is defined as a contract that conveys control of another entity's nonfinancial asset as specified in the contract for a period of time in an exchange or exchange-like transaction. To be accounted for as a lease, the lease must meet the definition of a "long-term" lease provided in GASB 87 and must meet the capitalization level set by the Board. The right-to-use lease liability is reported in the government-wide statements. The lease liability is calculated as the present value of the reasonably certain expected payments to be made over the term of the lease and the interest included in the lease payment is recorded as an expense. The District implemented GASB Statement 96,<sup>144</sup> *Subscription-Based Information Technology Arrangements (SBITAs)* during the current reporting period.

# MEDINA VALLEY INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended August 31, 2023

### (1) Summary of significant accounting policies (continued)

#### Other accounting policies (continued)

This statement is based on the principle that SBITAs are financings of the right-to-use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets). It establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding liability. The right to use SBITA and the related liability is reported in the governmental-wide statement.

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 resources 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. With GASB 87, the initial measure of a new right-to-use lease arrangement is reported in government fund types as an other financial source during the current period. Monthly payments are reported as principal and interest payments during the reporting period of the fund level statements.

10. Upon separation from the District, an employee in good standing who has ten or more years of employment in the District and who has accumulated 15 or more local leave days shall be paid one-third of the employee's daily rate of pay for the accrued and unused local leave days, up to a maximum of \$5,000.
11. Capital assets, which include land, buildings, furniture and equipment, and right-to-use lease assets are reported in the applicable governmental columns 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 two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The right-to-use asset capitalization level is determined by the Board. The term of the lease must be the noncancelable period during which the District has the right-to-use the tangible assets of another entity plus and periods in which either the lessee or the lessor has the sole option to extend the lease if it is reasonably certain the option will be exercised, plus any periods in which either the lessee or the lessor has the sole option to terminate the lease if it is reasonably certain the option will not be exercised by that party and must not meet the definition of a short-term lease under GASB 87. If the lease is in a governmental fund, the full amount of the lease asset will be reported as an expenditure in the fund level statements the year the agreement is made.

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.

**MEDINA VALLEY INDEPENDENT SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended August 31, 2023**

(1) Summary of significant accounting policies (continued)

Other accounting policies (continued)

Buildings, furniture and equipment, and lease assets of the District are depreciated using the straight-line method over the following estimated useful lives or, for the lease asset, for the term of the lease if the estimated useful life is longer than the term of the lease, if there is an option to purchase, which is expected to be exercised:

<u>Assets</u>	<u>Years</u>
Buildings	40
Vehicles	7-15
Equipment	5-15

(2) Stewardship, compliance and accountability

Budgetary data

The Board of Trustees adopts an “appropriated budget” for the general fund, debt service fund, and the food service fund which is included in the special revenue funds. The District is required to present the adopted and final amended budgeted revenues and expenditures for each of these funds. The District compares the final amended budget to actual revenues and expenditures. The general fund budget report appears in exhibit G-1, and the other two reports appear in exhibit J-2 and J-3.

The following procedures are followed in establishing budgetary data reflected in the basic financial statements.

- Prior to August 20<sup>th</sup> the District prepares a budget for the next succeeding fiscal year beginning September 1<sup>st</sup>. The operating budget includes proposed expenditures and the means of financing them.
- A meeting of the Board is then called for the purpose of adopting the proposed budget. At least ten days public notice of the meeting must be given.
- Prior to September 1<sup>st</sup>, the budget is legally enacted through passage of a resolution by the Board. Once a budget is approved, it can only be amended at the function and fund level by approval of a majority of the members of the Board. Amendments are presented to the Board at its regular meetings. Each amendment must have Board approval. As required by law, such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year end. Because the District has a policy of careful budgetary control, several amendments were necessary during the year.

**MEDINA VALLEY INDEPENDENT SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended August 31, 2023**

(2) Stewardship, compliance and accountability

Budgetary data (continued)

- Each budget is controlled by the budget coordinator at the revenue and expenditure/function/object level. Budgeted amounts are as amended by the Board. All budget appropriations lapse at year end. A reconciliation of fund balances for both appropriated budget and nonappropriated budget special revenue funds is as follows:

<u>Fund</u>	<u>Fund Balance August 31, 2023</u>
Appropriated budget funds - food service special revenue funds	\$ 2,953,438
Nonappropriated budget funds	<u>240,788</u>
All special revenue funds	<u>\$ 3,194,226</u>

Expenditures in excess of appropriations

As noted in exhibit J-2, the child nutrition program had expenditures in excess of budget in function 35 of \$164,909.

(3) Detailed notes on all funds and account groups

Cash, cash equivalents, and investments

Cash and cash equivalents

Direct policies and legal and contractual provisions governing deposits

*Custodial credit risk for deposits* – 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 pledged securities must be in the name of the governmental entity and held by the entity or its agent. Since the District complies with this law, it has no custodial credit risk for deposits.

At fiscal year end, the Districts funds were fully secured by pledged securities of the depository bank.

**MEDINA VALLEY INDEPENDENT SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended August 31, 2023**

(3) Detailed notes on all funds and account groups

Cash, cash equivalents, and investments (continued)

District policies on legal and contractual provisions governing investments

Compliance with the Public Investment Act

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

Statutes authorize the entity to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas and its agencies, (2) guaranteed or secured certificates of deposit issued by state and national banks domiciled in Texas, (3) obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality not less an “A”, (4) no load money market funds with a weighted average maturity of 90 days or less, (5) fully collateralized repurchase agreements, (6) commercial paper having a stated maturity of 270 days or less from the date of issuance and is not rated less than A-1 or P-1 by two nationally recognized credit rating agencies or one nationally recognized credit agency and is fully secured by an irrevocable letter of credit, (7) secured corporate bonds rated no lower than “AA-” or the equivalent, (8) public funds investment pools, and (9) guaranteed investment contracts for bond proceeds investment only, with a defined termination date and secured by U.S. Government direct or agency obligations approved by the Texas Public Funds Investment Act in an amount equal to the bond proceeds. The Act also requires the entity to have independent auditors perform test procedures related to investment practices provided by the Act. The District is in substantial compliance with the requirements of the Act and with local policies.

As of August 31, 2023, the District had the following investments, which are classified on the balance sheet as cash and cash equivalents:

Investment Type	Credit Rating	Amount	Maturity		
			Less than 1 Year	1-5 Years	10+ Years
External Investment Pools	AAAm	\$ 436,741,468	\$ 436,741,468	\$ -	\$ -
Total		<u>\$ 436,741,468</u>	<u>\$ 436,741,468</u>	<u>\$ -</u>	<u>\$ -</u>

# MEDINA VALLEY INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended August 31, 2023

### (3) Detailed notes on all funds and account groups (continued)

Cash, cash equivalents, and investments (continued)

Additional polices and contractual provisions governing deposits and investments of the District are specified below:

*Credit risk* – To limit the risk that an issuer or other counterparty to an investment will not fulfill its obligations, the District limits investments to those allowed by Government Code 2256. As of August 31, 2023, the District’s investments were limited to investment pools.

*Custodial credit risk for investments* – To limit the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in possession of an outside party. The District requires counterparties to register the securities in the name of the District’s custodian and hand them over to the District or its designated agent. All of the securities are held by the District’s agent.

*Concentration of credit risk* – To limit the risk of loss, the District’s investment portfolio is diversified in terms of investment instruments, maturity schedule, and financial institutions.

*Interest rate risk* – To limit the risk that changes in interest rates will adversely affect the fair value of investments, the District’s investment portfolio has various maturities.

*Foreign currency risk* – The District has no foreign currency investments.

Fair value measurement

The District categorizes its fair value measurements with the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. 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. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy. In instances where inputs used to measure fair value fall into different levels in the above fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The District’s assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability. The District is only invested in investment pools which are valued at amortized cost.

The investment pools used by the District are organized under the authority of the Interlocal Cooperation Act, Chapter 791, Texas Government Code, and the Public Funds Investment Act, Chapter 256, Texas Government Code. The investment pools are public funds investment pools created to provide a safe environment for the placement of local government funds in an authorized short-term investment.

The District’s investment in investment pools, which are exempt from regulation by the Securities and Exchange Commission, have as one of their objectives the maintenance of stable net asset value of \$1. The book value of the position in the pools is the same as the number of shares in each pool; the market value of a share should approximately equal the book value of a share.

**MEDINA VALLEY INDEPENDENT SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended August 31, 2023**

(3) Detailed notes on all funds and account groups (continued)

Cash, cash equivalents, and investments (continued)

Lone Star Investment Pool (the Pool) – The Pool’s liquidity fund operates in a manner consistent with SEC Rule 2a7 of the Investment Company Act of 1940, which allows the fund to use amortized cost rather than market value to report net assets to compute share prices. Accordingly, the fair value of the District’s position in the Pool is the same as the value of the Pool’s shares and does not include any unrealized gains and losses.

The Pool is governed by an eleven-member Board of Trustees made up of active participants in the Pool. The Board of Trustees has the responsibility of adopting and monitoring compliance with the investment policy, appointing investment officers, overseeing the selection of an investment advisor, custodian, investment consultant, administrator, and other service providers. The Board of Trustees is also responsible for monitoring performance of the Pool. Financial information for the Pool can be obtained by writing to post office box 400, Austin, Texas 78767-0400 or by calling 1-800-758-3927.

(4) Property taxes

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the District and 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 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 school fiscal year.

(5) Delinquent taxes receivable

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 fund and debt service fund 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.

(6) Interfund balances and transfers

Interfund balances at August 31, 2023 consisted of the following:

<u>DUE TO FUND</u>	<u>DUE FROM FUND</u>	<u>AMOUNT</u>	<u>PURPOSE</u>
General fund	Other governmental funds	\$ 1,215,810	Short-term loan
General fund	Capital projects fund	<u>248</u>	Short-term loan
		<u>\$ 1,216,058</u>	

**MEDINA VALLEY INDEPENDENT SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended August 31, 2023**

(7) Disaggregation of receivables and payables

Receivables at August 31, 2023, were as follows:

	<u>Property Taxes</u>	<u>Other Governments</u>	<u>Due From Other Funds</u>	<u>Other</u>	<u>Total Receivables</u>
Governmental Activities:					
General fund	\$ 1,585,812	\$ 9,740,940	\$ 1,216,058	\$ 1,697	\$ 12,544,507
Debt service fund	745,504	5,702	-	-	751,206
Nonmajor governmental funds	<u>-</u>	<u>1,628,775</u>	<u>-</u>	<u>-</u>	<u>1,628,775</u>
Total governmental activities	<u>\$ 2,331,316</u>	<u>\$ 11,375,417</u>	<u>\$ 1,216,058</u>	<u>\$ 1,697</u>	<u>\$ 14,924,488</u>

Payables at August 31, 2023, were as follows:

	<u>Accounts Payable</u>	<u>Salaries and Benefits</u>	<u>Due To Other Funds</u>	<u>Due to Other Governments</u>	<u>Total Receivables</u>
Governmental Activities:					
Governmental fund:					
General fund	\$ 1,152,923	\$ 3,493,747	\$ -	\$ -	\$ 4,646,670
Debt service fund	-	-	-	12,104	12,104
Capital projects	3,193,549	-	248	-	3,193,797
Nonmajor governmental funds	<u>201,895</u>	<u>92,479</u>	<u>1,215,810</u>	<u>1,215</u>	<u>1,511,399</u>
Total governmental activities	<u>\$ 4,548,367</u>	<u>\$ 3,586,226</u>	<u>\$ 1,216,058</u>	<u>\$ 13,319</u>	<u>\$ 9,363,970</u>

**MEDINA VALLEY INDEPENDENT SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended August 31, 2023**

**(8) Capital assets**

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

	Primary Government			Ending Balance
	Beginning Balance	Additions	Deletions	
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 17,084,366	\$ 369,281	\$ -	\$ 17,453,647
Construction in progress	<u>1,323,797</u>	<u>32,495,892</u>	-	<u>33,819,689</u>
Total capital assets not being depreciated	<u>18,408,163</u>	<u>32,865,173</u>	-	<u>51,273,336</u>
Capital assets being depreciated:				
Buildings and improvements	200,840,068	1,765,781	-	202,605,849
Equipment	14,802,822	1,356,518	-	16,159,340
Right-to-use leased assets	241,675	-	-	241,675
SBITA assets	<u>1,077,540</u>	-	-	<u>1,077,540</u>
Total capital assets being depreciated	<u>216,962,105</u>	<u>3,122,299</u>	-	<u>220,084,404</u>
Less accumulated depreciation for				
Buildings and improvements	(50,241,195)	(5,113,908)	-	(55,355,103)
Equipment	(10,070,654)	(1,210,829)	-	(11,281,483)
Right-to-use leased assets	(96,670)	(96,670)	-	(193,340)
SBITA assets	<u>-</u>	<u>(359,335)</u>	-	<u>(359,335)</u>
Total accumulated depreciation	<u>(60,408,519)</u>	<u>(6,780,742)</u>	-	<u>(67,189,261)</u>
Total capital assets being depreciated, net	<u>156,553,586</u>	<u>(3,658,443)</u>	-	<u>152,895,143</u>
Governmental activities capital assets, net	<u>\$ 174,961,749</u>	<u>\$ 29,206,730</u>	<u>\$ -</u>	<u>\$ 204,168,479</u>

**MEDINA VALLEY INDEPENDENT SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended August 31, 2023**

(8) Capital assets (continued)

Depreciation expense was charged to governmental functions as follows:

	<u>Amount</u>
Instruction	\$ 3,697,970
Instructional resources and media services	55,918
Curriculum and instructional staff development	88,989
Instructional leadership	149,414
School leadership	313,384
Guidance, counseling, and evaluation services	231,701
Social work services	68,711
Health services	73,940
Student (pupil) transportation services	393,442
Food services	420,119
Extracurricular activities	246,705
General administration	203,912
Facilities maintenance and operations	625,503
Security and monitoring	77,400
Data processing services	128,378
Community services	5,256
Total depreciation expense	<u>\$ 6,780,742</u>

# MEDINA VALLEY INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

**For the year ended August 31, 2023**

### (9) Bonds payable

Bonded indebtedness of the District is reflected in the statement of net position, and current requirements for principal and interest expenditures are accounted for in the debt service fund. The bonds mature serially and term through the year 2053, with interest rates of 0.0536% to 5.0%.

A summary of changes in bonds payable for the year ended August 31, 2023 is as follows:

Description	Interest Rate Payable	Amounts Original Issue	Interest Current Year	Payable Amounts Outstanding 9/1/2022	Issued	Retired/ Refunded	Amounts Outstanding 8/31/2023	Amounts Due Within One Year
Unlimited Tax Refunding Bonds Series 2014	2.00% - 4.00%	\$ 6,937,932	\$ 979,754	\$ 6,937,932	\$ -	\$ (862,247)	\$ 6,075,685	\$ 791,072
Unlimited Tax Refunding Bonds Series 2015	2.00% - 4.00%	8,665,000	331,925	8,525,000	-	(115,000)	8,410,000	115,000
Unlimited Tax Refunding Bonds Series 2015A	2.00% - 4.00%	6,800,000	99,700	3,300,000	-	(570,000)	2,730,000	585,000
Unlimited Tax Refunding Bonds Series 2016	2.00% - 5.00%	22,079,220	568,675	15,125,000	-	(325,000)	14,800,000	340,000
Unlimited Tax School Building Series 2016	2.00% - 4.00%	71,080,000	2,816,750	70,860,000	-	(235,000)	70,625,000	245,000
Unlimited Tax School Building Series 2019	2.25% - 5.00%	47,035,000	1,536,525	43,240,000	-	(1,465,000)	41,775,000	1,600,000
Unlimited Tax School Building Series 2021	3.00% - 5.00%	39,255,000	780,834	36,225,000	-	(7,720,000)	28,505,000	-
Unlimited Tax School Building Series 2022	5.00% - 4.00%	14,695,000	704,143	14,695,000	-	(150,000)	14,545,000	250,000
Unlimited Tax School Building Series 2023	5.00%	364,340,000	<u>227,735</u>	<u>-</u>	<u>364,340,000</u>	<u>-</u>	<u>364,340,000</u>	<u>-</u>
Totals			<u>\$ 7,818,306</u>	<u>\$ 198,907,932</u>	<u>\$ 364,340,000</u>	<u>\$ (11,442,247)</u>	<u>\$ 551,805,685</u>	<u>\$ 3,926,072</u>

On May 14, 2019, voters of the District approved the issuance of \$107,000,000 of Unlimited Tax School Building Bonds by the District for school facilities and the levying of a tax in payment thereof. As of August 31, 2023, \$100,985,000 of the bonds have been issued.

**MEDINA VALLEY INDEPENDENT SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended August 31, 2023**

(9) Bonds payable (continued)

Debt service requirements are as follows:

Year Ended August 31,	Principal	Interest	Total Requirements
2024	\$ 3,926,072	\$ 23,957,787	\$ 27,883,859
2025	4,002,934	23,880,925	27,883,859
2026	4,348,795	24,014,060	28,362,855
2027	7,507,884	23,324,372	30,832,256
2028	11,185,000	22,532,975	33,717,975
2029-2033	64,305,000	104,246,575	168,551,575
2034-2038	80,205,000	88,306,700	168,511,700
2039-2043	100,090,000	68,275,850	168,365,850
2044-2048	124,450,000	43,617,203	168,067,203
2049-2053	<u>151,785,000</u>	<u>15,647,500</u>	<u>167,432,500</u>
Total	<u>\$ 551,805,685</u>	<u>\$ 437,803,947</u>	<u>\$ 989,609,632</u>

There are a number of limitations and restrictions contained in the general obligation bond indenture. Management has indicated that the District is in compliance with all significant limitations and restrictions at August 31, 2023.

(10) Right-to-use lease liabilities

The District leases laptops with an agreement having a 5-year term. Annual payments of \$86,065 are made which consist of principal and annual interest of 3.38%. No assets were pledged as collateral for this lease.

A summary of right-to-use lease arrangements for the year ended August 30, 2023 is as follows:

Description	Date of Issue	Maturity	Interest Rate	Interest Current Year	Amounts Outstanding 9/1/2022	Issued	Retired	Amounts Outstanding 8/31/2023	Amounts Due Within One Year
Technology Equipment	2/29/2020	2/29/2024	3.38%	\$ -	\$ 163,780	\$ -	\$ (80,529)	\$ 83,251	\$ -
Totals				<u>\$ -</u>	<u>\$ 163,780</u>	<u>\$ -</u>	<u>\$ (80,529)</u>	<u>\$ 83,251</u>	<u>\$ -</u>

**MEDINA VALLEY INDEPENDENT SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended August 31, 2023**

(10) Right-to-use lease liabilities payable (continued)

Future principal and interest payments due to maturity as of the end of the fiscal year are as follows:

<u>Year Ended August 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2024	\$ <u>83,251</u>	\$ <u>2,814</u>	\$ <u>86,065</u>
Total	\$ <u>83,251</u>	\$ <u>2,814</u>	\$ <u>86,065</u>

(11) Subscription-Based Information Technology Agreements

Subscription-based information technology agreements are capitalized in the statement of net position. Correspondingly, a liability is reported to capture the present value of future payments for these agreements. The agreements allow the District to use various software in the course of its business. The agreements range from one to three years with varying renewal options.

Future principal and interest payments due to maturity as of the end of the fiscal year are as follows:

<u>Year Ended August 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2024	\$ 359,335	\$ 26,323	\$ 385,658
2025	<u>372,264</u>	<u>13,394</u>	<u>385,658</u>
Total	\$ <u>731,599</u>	\$ <u>39,717</u>	\$ <u>771,316</u>

**MEDINA VALLEY INDEPENDENT SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended August 31, 2023**

(12) Changes in long-term liabilities

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

Description	Payable Amounts		Retired/ Refunded	Amounts Outstanding 8/31/2023	Amounts Due Within One Year
	Outstanding 9/1/2022	Issued			
Governmental Activities:					
Bonds	\$ 198,907,932	\$ 364,340,000	\$ (11,442,647)	\$ 551,805,285	\$ 3,926,072
Right-to-use lease liabilities	163,780	-	(80,529)	83,251	83,251
SBITA liabilities	1,077,540	-	(345,941)	731,599	359,335
Compensated absences	<u>124,596</u>	<u>121,643</u>	<u>(124,596)</u>	<u>121,643</u>	<u>121,643</u>
Total governmental activities	200,273,848	364,461,643	(11,993,713)	552,741,778	4,490,301
Accreted interest on capital					
appreciation bonds, series 2014	1,254,109	-	(137,517)	1,116,592	-
Bond premium, refunding series 2014	1,704,317	-	(142,027)	1,562,290	-
Bond premium, refunding series 2015	741,560	-	(70,625)	670,935	-
Bond premium, refunding series 2015A	263,117	-	(42,667)	220,450	-
Bond premium, refunding series 2016	2,148,184	-	(185,455)	1,962,729	-
Bond premium, series 2015	5,844,585	-	(293,452)	5,551,133	-
Bond premium, series 2019	2,856,350	-	(105,791)	2,750,559	-
Bond premium, series 2021	2,735,352	-	(94,323)	2,641,029	-
Bond premium, series 2022	401,650	-	(13,850)	387,800	-
Bond premium, series 2023	<u>-</u>	<u>12,490,037</u>	<u>(402,905)</u>	<u>12,087,132</u>	<u>-</u>
Totals	<u>\$ 218,223,072</u>	<u>\$ 376,951,680</u>	<u>\$ (13,482,325)</u>	<u>\$ 581,692,427</u>	<u>\$ 4,490,301</u>

On October 15, 2015, the District issued \$6,800,000 of Unlimited Tax Refunding Bonds, Series 2015A. The proceeds of the bonds were used for refunding certain maturities of the 2006 Series Bonds. The Series 2006 maturities of February 15, 2019 through February 19, 2031 totaling \$7,405,000, with an average interest rate of 4.238% were refunded by the 2015A Series bonds with an average interest rate of 2.064%. The cash flow savings to the District as a result of this refunding was \$1,849,588. The net present value savings is \$1,187,498. The proceeds of the refunding bonds were used to purchase U.S. Government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for certain debt service payments on the Series 2006 bonds through 2031. As a result, those portions of the Series 2006 bonds were considered defeased and the liability for those bonds has been removed from the District's long-term debt accounting group. The defeased Series 2006 bonds are callable on August 15, 2025.

# MEDINA VALLEY INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended August 31, 2023

### (12) Changes in long-term liabilities (continued)

On March 1, 2016, the District issued \$22,079,220 of Unlimited Tax Refunding Bonds, Series 2016. The proceeds of the bonds were used for refunding certain maturities of the 2007 Series bonds. The Series 2007 maturities of February 15, 2019 through February 15, 2037 totaling \$22,079,220, with an average interest rate of 4.999% were refunded by the 2017 Series bonds with an average interest rate of 3.097%. The cash flow savings to the District as a result of this refunding was \$8,009,466. The net present value savings is \$4,901,874. The proceeds of the refunding bonds were used to purchase U.S. Government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for certain debt service payments on the Series 2007 bonds through 2037. As a result, those portions of the Series 2007 bonds were considered defeased and the liability for those bonds has been removed from the District's long-term debt accounting group. The defeased Series 2007 bonds are callable on February 15, 2026.

On August 15, 2022, the District deposited \$1,130,000 of its existing resources with an escrow agent in trust for the defeasance of \$1,130,000 of bonds from its Unlimited Tax School Building Bonds, Series 2021 that mature February 15, 2051. By placing the funds in trust with the escrow agent, the District looks to exercise the call date of August 15, 2022. Total debt service to maturity of the bonds amounts to \$2,292,431 and total debt service to the call date amounts to \$1,130,000 for a total cash flow savings to the District of \$1,162,431. As a result, those portions of the bonds refunded were considered defeased and the liability for those bonds has been removed from the District's statement of net position.

### (13) Accumulated unpaid vacation and leave benefits

The State of Texas has created a minimum personal leave program consisting of five days per year leave with no limit on accumulation and transferability among districts for every teacher regularly employed in Texas public schools.

Each district's local Board of Education is required to establish a leave plan. Local school districts may provide additional leave beyond the state minimum. The District provides that upon separation from the District, an employee in good standing who has ten or more years of employment in the District and who has accumulated 15 or more local leave days shall be paid one-third of the employee's daily rate of pay for the accrued and unused local leave days, up to a maximum of \$5,000. This liability has been recorded in the governmental activities.

# MEDINA VALLEY INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended August 31, 2023

### (14) Defined benefit pension plan

#### Plan description

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

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

#### Pension plan fiduciary net position

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

#### 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 postemployment benefit changes; including automatic COLAs. Ad hoc postemployment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the plan description above.

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

**MEDINA VALLEY INDEPENDENT SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended August 31, 2023**

(14) Defined benefit pension plan (continued)

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.

<u>Contribution Rates</u>	<u>2023</u>	<u>2022</u>
Member (employees)	8.00%	8.00%
Non-employer contributing entity (State of Texas)	8.00%	7.75%
Employer (District)	7.50%	7.75%
 <u>Contribution Amounts</u>		
Employer (District)	\$ 1,867,824	\$ 1,729,609
Member (employees)	4,254,545	3,844,362
Non-employer contributing entity (State of Texas)	3,850,116	2,337,113

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

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

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

**MEDINA VALLEY INDEPENDENT SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended August 31, 2023**

(14) Defined benefit pension plan (continued)

Contributions (continued)

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

- 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.
- All public schools, charter schools, and regional educational service centers must contribute 1.7% of the member’s salary beginning in fiscal year 2022, gradually increasing to 2% in fiscal year 2025.

Actuarial assumptions

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

Valuation date	August 31, 2021 rolled forward to August 31, 2022
Actuarial cost method	Individual entry age normal
Asset valuation method	Fair value
Single discount rate	7.00%
Long-term expected investment rate of return	7.00%
Last year in the projection period (100 years)	2121
Inflation	2.30%
Salary increases including inflation	2.95% to 8.95%
Ad hoc post-employment benefit changes	None
Municipal bond rate of return	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.”

The actuarial methods and assumptions used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2020. For a full description of these assumptions please see the actuarial valuation report dated November 12, 2021.

# MEDINA VALLEY INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

**For the year ended August 31, 2023**

(14) Defined benefit pension plan (continued)

Discount rate

A single discount rate of 7.00% was used to measure the total pension liability. The single discount rate was based on the expected rate of return on plan investments of 7.00%. The projection of cash flows used to determine this single discount rate assumed that contributions from active members, employers and the nonemployer 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% of payroll in fiscal year 2020 gradually increasing to 9.55% of payroll over the next several years. This includes all employer and state contributions for active and rehired retirees.

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

The long-term 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	Target Allocation %	Long-Term Expected Geometric Real Rate of Return ***	Expected Contributions To Long-Term Portfolio Returns
<b>Global Equity</b>			
USA	18.0%	4.6%	1.12%
Non-U.S. Developed	13.0%	4.9%	0.90%
Emerging Markets	9.0%	5.4%	0.75%
Private Equity*	14.0%	7.7%	1.55%
<b>Stable Value</b>			
Government Bonds	16.0%	1.0%	0.22%
Absolute Return*	0.0%	3.7%	0.00%
Stable Value Hedge Funds	5.0%	3.4%	0.18%
<b>Real Return</b>			
Real Estate	15.0%	4.1%	0.94%
Energy, Natural Resources, and Infrastructure	6.0%	5.1%	0.37%
Commodities	0.0%	3.6%	0.00%
<b>Risk Parity</b>			
Risk Parity	8.0%	4.6%	0.43%
<b>Asset Allocation</b>			
Cash	2.0%	3.0%	0.01%
Asset Allocation Leverage	-6.0%	3.6%	-0.05%
Inflation Expectation			2.70%
Volatility Drag****			-0.91%
Expected Return	100.0%		8.21%

\* Absolute return includes credit sensitive investments

\*\* Target allocations are based on the FY2022 policy model

\*\*\* Capital market assumptions come from Aon Hewitt (as of 8/31/2022)

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

**MEDINA VALLEY INDEPENDENT SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended August 31, 2023**

(14) Defined benefit pension plan (continued)

Discount rate sensitivity analysis

The following table presents the net pension liability of the plan using the discount rate of 7.00% and what the net pension liability would be if it were calculated using a discount rate that is 1% point lower (6.00%) or 1% point higher (8.00%) than the current rate.

	1% Decrease in Discount Rate <u>(6.00%)</u>	Discount Rate <u>(7.00%)</u>	1% Increase in Discount Rate <u>(8.00%)</u>
District's proportionate share of the net pension liability	<u>\$ 34,846,853</u>	<u>\$ 21,695,841</u>	<u>\$ 11,924,972</u>

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions

At August 31, 2023, the District reported a liability of \$21,695,841 for its proportionate share of the TRS net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	\$ 21,695,841
State's proportionate share that is associated with the District	<u>40,498,121</u>
 Total	 <u>\$ 62,193,962</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 District's contributions to the pension 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 employer's proportion of the collective net pension liability was 0.000365450245 which was an increase of 0.000060591750 from its proportion measured as of August 31, 2021.

Changes since the prior actuarial valuation

The actuarial assumptions and methods have been modified since the determination of the prior year's net pension liability. These new assumptions were adopted in conjunction with an actuarial experience study. The primary assumption change was the lowering of the single discount rate from 7.25 percent to 7.00 percent.

**MEDINA VALLEY INDEPENDENT SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended August 31, 2023**

(14) Defined benefit pension plan (continued)

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions (continued)

For the year ended August 31, 2023, the District recognized pension expense of \$3,231,381 and revenue of \$2,657,087 for support provided by the State.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual actuarial experience	\$ 314,588	\$ 473,010
Changes in actuarial assumptions	4,042,641	1,007,539
Differences between projected and actual investment earnings	2,143,479	-
Changes in proportion and difference between employer contributions and proportionate share of contributions	3,249,484	371,599
Contributions paid to TRS subsequent to the measurement date of the net pension liability	<u>1,867,824</u>	<u>-</u>
Total	<u>\$ 11,618,016</u>	<u>\$ 1,852,148</u>

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

<u>Measurement Year Ended August 31,</u>	<u>Pension Expense Amount</u>
2023	\$ 2,091,837
2024	1,391,090
2025	712,333
2026	3,011,307
2027	691,477
Thereafter	<u>-</u>
	<u>\$ 7,898,044</u>

**MEDINA VALLEY INDEPENDENT SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended August 31, 2023**

(15) Defined other postemployment benefit plans

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 postemployment benefit (OPEB) plan with a special funding situation. The TRS-Care program was established in 1986 by the Texas Legislature.

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

OPEB plan fiduciary net position

Detailed information about the TRS-Care’s fiduciary net position is available in the separately issued TRS Annual Comprehensive Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at [https://www.trs.texas.gov/Pages/about\\_publications.aspx](https://www.trs.texas.gov/Pages/about_publications.aspx); by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

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 postemployment benefit changes; including automatic COLAs.

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

TRS-Care Monthly Premium Rates				
	<u>Medicare</u>		<u>Non-Medicare</u>	
Retiree*	\$	135	\$	200
Retiree and spouse		529		689
Retiree* and children		468		408
Retiree and family		1,020		999

\* or surviving spouse

**MEDINA VALLEY INDEPENDENT SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended August 31, 2023**

(15) Defined other postemployment benefit plans (continued)

Contributions

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

Texas Insurance Code, section 1575.202 establishes the state’s contribution rate which is 1.25% of the employee’s salary. Section 1575.203 establishes the active employee’s rate which is 0.65% of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25 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.

<u>Contribution Rates</u>	2023	2022
Active employee	0.65%	0.65%
Non-employer contributing entity (State of Texas)	1.25%	1.25%
Employers	0.75%	0.75%
Federal/private funding remitted by employers	1.25%	1.25%
 <u>Contribution Amounts</u>		
Employer (District)	\$ 464,462	\$ 409,216
Member (employees)	345,689	312,354
Non-employer contributing entity (State of Texas)	312,828	466,437

In addition to the employer contributions listed above, there is an additional surcharge all TRS employers are subject to. When hiring a TRS retiree, employers 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 \$83 million in fiscal year 2022 from the Federal Reserve Plan Act (ARPA) to help defray COVID – 19 related health care costs during fiscal year 2022.

# MEDINA VALLEY INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended August 31, 2023

### (15) Defined other postemployment benefit plans (continued)

#### Actuarial assumptions

The actuarial valuation was performed as of August 31, 2021. Updated procedures were used to roll forward the total OPEB liability to August 31, 2022.

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, 2021 TRS pension actuarial valuation that was rolled forward to August 31, 2022:

Rates of mortality	General inflation
Rates of retirement	Wage inflation
Rates of termination	Rates of disability

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

#### Additional actuarial methods and assumptions.

Valuation date	August 31, 2021 rolled forward to August 31, 2022
Actuarial cost method	Individual Entry Age Normal
Inflation	2.30%
Projected single discount rate	3.91% as of August 31, 2022
Aging factors	Based on plan specific experience
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims cost.
Salary increases	3.05% to 9.05%, including inflation
Ad hoc postemployment benefit changes	None
Healthcare trend rates	8.25% decreasing to 4.25% for FY 2035
Election rates	Normal retirement: 62% participation prior to age 65 and 25% after age 65, 30% of pre-65 retirees are assumed to discontinue coverage at age 65.

**MEDINA VALLEY INDEPENDENT SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended August 31, 2023**

(15) Defined other postemployment benefit plans (continued)

Discount rate

A single discount rate of 3.91% was used to measure the total OPEB liability. There was an increase of 1.96% 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 non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, the municipal bond rate was used for the long-term rate of return and was applied to all periods of projected benefit payments to determine the total OPEB liability.

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

Sensitivity of the net OPEB liability

Discount rate sensitivity analysis

The following schedule shows the impact of the net OPEB liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (3.91%) in measuring the net OPEB liability.

	1% Decrease in Discount Rate (2.91%)	Discount Rate (3.91%)	1% Increase in Discount Rate (4.91%)
District’s proportionate share of the net OPEB liability	<u>\$ 14,510,184</u>	<u>\$ 12,306,368</u>	<u>\$ 10,520,994</u>

**MEDINA VALLEY INDEPENDENT SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended August 31, 2023**

(15) Defined other postemployment benefit plans (continued)

OPEB liabilities, OPEB expense, and deferred outflows of resources and deferred inflows of resources related to OPEBs

At August 31, 2023, the District reported a liability of \$12,306,368 for its proportionate share of the TRS's total OPEB liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the collective net OPEB liability	\$ 12,306,368
State's proportionate share that is associated with District	<u>15,011,835</u>
Total	<u>\$ 27,318,203</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 employer's proportion of the net OPEB liability was based on the employer's contributions to OPEB relative to the contributions of all employers to the plan for the period September 1, 2021 thru August 31, 2022.

At August 31, 2023 the employer's proportion of the collective net OPEB liability was .0000513964467 compared to 0.00044563655 as of August 31, 2022.

The following schedule shows the impact of the net OPEB liability if a healthcare trend rate is 1% less than and 1% greater than the health rates assumed.

	<u>1% Decrease in Healthcare Trend Rate</u>	<u>Current Single Healthcare Trend Rate</u>	<u>1% Increase in Healthcare Trend Rate</u>
District's proportionate share of the total OPEB liability	<u>\$ 10,140,503</u>	<u>\$ 12,306,368</u>	<u>\$ 15,114,134</u>

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 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 (TOL).

Changes of benefit terms since the prior measurement date

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

The amount of OPEB expense recognized by the District in the reporting period was \$(2,130,301) and revenue of \$514.944 for support provided by the State.

**MEDINA VALLEY INDEPENDENT SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended August 31, 2023**

(15) Defined other postemployment benefit plans (continued)

OPEB liabilities, OPEB expense, and deferred outflows of resources and deferred inflows of resources related to OPEBs (continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u>                    </u>	<u>                    </u>
Differences between expected and actual economic experience	\$ 684,191	\$ 10,252,309
Changes in actuarial assumptions	1,874,504	8,549,732
Difference between projected and actual investment earnings	36,657	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	7,954,832	-
Contributions paid to TRS subsequent to the measurement date	<u>464,462</u>	<u>-</u>
 Total	 <u>\$ 11,014,646</u>	 <u>\$ 18,802,041</u>

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

Measurement Year Ended August 31,	OPEB Expense Amount
<u>                                    </u>	<u>                                    </u>
2023	\$ (1,768,066)
2024	(1,767,933)
2025	(1,246,063)
2026	(539,536)
2027	(944,248)
Thereafter	<u>(1,986,011)</u>
Total	<u>\$ (8,251,857)</u>

(16) Medicare Part D – on behalf payments

The Medicare Prescription Drug, Improvement and Modernization Act of 2003, which was effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One provisions of Medicare Part D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. Payments made on behalf of the District for fiscal years 2021, 2022, and 2023 were \$181,103, \$202,723, and \$287,424 respectively.

**MEDINA VALLEY INDEPENDENT SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended August 31, 2023**

(17) General fund federal source revenues

Federally financed programs are generally accounted for in the special revenue funds of the District, except for certain federal programs which are accounted for in the general fund as prescribed by the TEA. The District recognized in the general fund such revenues for the year ended August 31, 2023, from federal sources as follows:

<u>Program or Source</u>	<u>Amount</u>
ROTC	\$ 88,727
SHARS	1,002,626
Indirect costs	519,670
Impact aid	<u>98,308</u>
Total	<u>\$ 1,709,331</u>

(18) Internal service funds

Workers Compensation Program

During the year ended August 31, 2023, employees of the District were covered by a self-funded workers' compensation program. All administrative costs were paid to a third-party administrator acting on behalf of the District.

The District, through a self-funded program, was protected with a specific retention limit of \$1,000,000 and an aggregate limit of \$5,000,000 per statute through Texas Educational Insurance Association and Midwest Employers Casualty Company, commercial insurers licensed or eligible to do business in Texas in accordance with the Texas Insurance Code.

Estimates of claims payable and of claims incurred, but not reported at year end are reflected as other long-term debt of the proprietary fund.

Changes in the balances of claims liabilities during the past year are as follows:

	<u>Year Ended August 31, 2023</u>	<u>Year Ended August 31, 2022</u>
Unpaid claims, beginning of year	\$ 795,192	\$ 486,355
Incurred claims (including IBNR's)	5,914,857	513,793
Claim payments	<u>(5,459,608)</u>	<u>(204,956)</u>
Unpaid claims, end of year	<u>\$ 1,250,441</u>	<u>\$ 795,192</u>

**MEDINA VALLEY INDEPENDENT SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended August 31, 2023**

(19) Unearned revenue

Unearned revenue at year end consisted of the following:

	Special Revenue Fund
State entitlements	\$ 97,548
Federal	<u>1,158</u>
 Total unearned revenue	 <u>\$ 98,706</u>

(20) Receivables from other governments

The District participates in a variety of federal and state programs from which it receives grants to partially or fully finance certain activities. In addition, the District receives entitlements from the state through the School Foundation and Per Capital Programs. Amounts due from federal and state governments as of August 31, 2023, are summarized below. All federal grants shown are passed through the TEA and are reported on the combined financial statements as due from other governments.

Fund	State Entitlements	Federal/ State Grants	Other	Total
General	\$ 9,470,665	\$ 270,275	\$ -	\$ 9,740,940
Debt service	-	-	5,702	5,702
Special revenue	-	1,628,775	-	1,628,775
 Total	 <u>\$ 9,470,665</u>	 <u>\$ 1,899,050</u>	 <u>\$ 5,702</u>	 <u>\$ 11,375,417</u>

(21) Revenue from local and intermediate sources

	General Fund	Debt Service Fund	Capital Projects Fund	Special Revenue Fund	Total
Property taxes	\$ 34,242,854	\$ 18,892,273	\$ -	\$ -	\$ 53,135,127
Penalties, interest and other tax related income	225,593	125,368	-	-	350,961
Investment income	1,475,714	528,424	3,373,934	-	5,378,072
Food sales	-	-	-	1,687,992	1,687,992
Co-curricular student activities	174,698	-	-	547,948	722,646
Other	215,225	1,014,541	-	27,703	1,257,469
 Total	 <u>\$ 36,334,084</u>	 <u>\$ 20,560,606</u>	 <u>\$ 3,373,934</u>	 <u>\$ 2,263,643</u>	 <u>\$ 62,532,267</u>

**MEDINA VALLEY INDEPENDENT SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended August 31, 2023**

(22) Restatement of net position/fund balance

During the year the District reclassified certain funds from the custodial fund to the campus activity fund in the amount of \$238,758.



**REQUIRED SUPPLEMENTARY INFORMATION**



**MEDINA VALLEY INDEPENDENT SCHOOL DISTRICT**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL – GENERAL FUND**

**For the year ended August 31, 2023**

EXHIBIT G-1

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts		Actual Amounts (GAAP Basis)	
		Original	Final		
	Revenues:				
5700	Local and intermediate sources	\$ 36,410,641	\$ 36,257,754	\$ 36,334,084	\$ 76,330
5800	State program revenues	30,880,783	36,043,520	37,172,454	1,128,934
5900	Federal program revenues	<u>1,270,000</u>	<u>1,412,326</u>	<u>1,709,331</u>	<u>297,005</u>
5020	Total revenues	<u>68,561,424</u>	<u>73,713,600</u>	<u>75,215,869</u>	<u>1,502,269</u>
	Expenditures:				
	Current:				
0011	Instruction	39,809,875	40,340,029	39,850,360	489,669
0012	Instructional resources and media services	671,445	671,445	650,059	21,386
0013	Curriculum and instructional staff development	701,616	871,116	867,480	3,636
0021	Instructional leadership	868,278	1,078,778	1,062,931	15,847
0023	School leadership	3,447,370	3,645,870	3,634,860	11,010
0031	Guidance, counseling, and evaluation services	2,893,641	2,757,641	2,581,635	176,006
0032	Social work services	490,242	565,242	453,990	111,252
0033	Health services	762,463	827,463	803,543	23,920
0034	Student (pupil) transportation	4,402,577	4,747,689	4,511,950	235,739
0035	Food services	126,727	184,279	118,908	65,371
0036	Extracurricular activities	2,126,543	2,273,392	2,238,558	34,834
0041	General administrative	2,309,578	2,404,578	2,384,098	20,480
0051	Facilities maintenance and operations	6,660,154	7,270,137	7,209,154	60,983
0052	Security and monitoring services	1,005,492	846,767	783,982	62,785
0053	Data processing services	1,782,489	1,635,889	1,494,887	141,002
0061	Community services	9,987	19,987	14,600	5,387
	Debt service:				
0071	Principal on long-term debt	-	732,812	426,470	306,342
0072	Interest on long-term debt	-	45,253	45,253	-
	Capital outlay:				
0081	Facilities acquisition and construction	2,947	1,279,417	1,135,890	143,527
	Intergovernmental:				
0095	Payments to Juvenile Justice Alternative Ed. Program	5,000	5,000	-	-
0099	Other intergovernmental charges	<u>485,000</u>	<u>530,000</u>	<u>517,381</u>	<u>12,619</u>
6030	Total expenditures	<u>68,561,424</u>	<u>72,732,784</u>	<u>70,785,989</u>	<u>1,946,795</u>
1200	Net change in fund balance	-	980,816	4,429,880	3,449,064
0100	Fund balance - September 1 (beginning)	<u>25,540,029</u>	<u>25,540,029</u>	<u>25,540,029</u>	<u>-</u>
3000	Fund balance - August 31 (ending)	<u>\$ 25,540,029</u>	<u>\$ 26,520,845</u>	<u>\$ 29,969,909</u>	<u>\$ 3,449,064</u>

**MEDINA VALLEY INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE**  
**OF THE NET PENSION LIABILITY**  
**TEACHER RETIREMENT SYSTEM OF TEXAS**  
**LAST 10 FISCAL YEARS**

**For the year ended August 31, 2023**

	FY 2023 <u>Plan Year 2022</u>	FY 2022 <u>Plan Year 2021</u>	FY 2021 <u>Plan Year 2020</u>	FY 2020 <u>Plan Year 2019</u>
District's proportion of the net pension liability (asset)	0.0365450245%	0.030485853%	0.028925233%	0.030554519%
District's proportionate share of net pension liability (asset)	\$ 21,695,841	\$ 7,763,668	\$ 15,491,763	\$ 15,883,194
State's proportionate share of the net pension liability (asset) associated with the District	<u>40,498,121</u>	<u>13,946,890</u>	<u>28,765,959</u>	<u>23,053,745</u>
Total	<u>\$ 62,193,962</u>	<u>\$ 21,710,558</u>	<u>\$ 44,257,722</u>	<u>\$ 38,936,939</u>
District's covered payroll	<u>\$ 48,084,719</u>	<u>\$ 41,013,400</u>	<u>\$ 38,890,409</u>	<u>\$ 33,359,165</u>
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	45.12%	18.93%	39.83%	47.61%
Plan fiduciary net position as a percentage of the total net pension liability	75.62%	88.79%	75.54%	75.24%

Note: GASB 68, Paragraph 81 requires that the information in this schedule be data from the period corresponding with the period covered as of the measurement dates ending August 31 preceding the Districts fiscal year end.

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

EXHIBIT G-2

FY 2019 Plan Year 2018	FY 2018 Plan Year 2017	FY 2017 Plan Year 2016	FY 2016 Plan Year 2015	FY 2015 Plan Year 2014
0.027719505%	0.025814144%	0.0254971%	0.0252151%	0.0159954%
\$ 15,257,488	\$ 8,253,973	\$ 9,634,958	\$ 8,913,202	\$ 4,272,592
<u>22,173,892</u>	<u>12,608,345</u>	<u>14,616,892</u>	<u>12,770,773</u>	<u>10,574,503</u>
<u>\$ 37,431,380</u>	<u>\$ 20,862,318</u>	<u>\$ 24,251,850</u>	<u>\$ 21,683,975</u>	<u>\$ 14,847,095</u>
<u>\$ 28,928,414</u>	<u>\$ 26,672,860</u>	<u>\$ 25,143,936</u>	<u>\$ 22,692,173</u>	<u>\$ 20,540,125</u>
52.74%	30.95%	38.32%	39.28%	20.80%
73.74%	82.17%	78.00%	78.43%	83.25%

**MEDINA VALLEY INDEPENDENT SCHOOL DISTRICT**

**SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS FOR PENSIONS  
TEACHER RETIREMENT SYSTEM OF TEXAS  
LAST 10 FISCAL YEARS**

**For the year ended August 31, 2023**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 1,867,824	\$ 1,729,609	\$ 1,302,160	\$ 1,190,560
Contribution in relation to the contractually required contribution	<u>(1,867,824)</u>	<u>(1,729,609)</u>	<u>(1,302,160)</u>	<u>(1,190,560)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	<u>\$ 53,198,042</u>	<u>\$ 48,084,719</u>	<u>\$ 41,013,400</u>	<u>\$ 38,890,409</u>
Contribution as a percentage of covered payroll	3.51%	3.60%	3.17%	3.06%

Note: GASB 68, paragraph 81 requires that the data in this schedule be presented as of the District's current fiscal year as opposed to the time period covered by the measurement dates ending August 31 preceding the District's fiscal year end.

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

EXHIBIT G-3

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 1,068,148	\$ 933,445	\$ 846,037	\$ 810,106	\$ 746,629
<u>(1,068,148)</u>	<u>(933,445)</u>	<u>(846,037)</u>	<u>(810,106)</u>	<u>(746,629)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 33,359,165</u>	<u>\$ 28,928,414</u>	<u>\$ 26,672,860</u>	<u>\$ 25,143,936</u>	<u>\$ 22,692,173</u>
3.20%	3.23%	3.17%	3.22%	3.29%

**MEDINA VALLEY INDEPENDENT SCHOOL DISTRICT**

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE  
OF THE TOTAL OPEB LIABILITY  
TEACHER RETIREMENT SYSTEM OF TEXAS  
LAST 10 FISCAL YEARS**

**For the year ended August 31, 2023**

EXHIBIT G-4

	<u>FY 2023</u> <u>Plan Year 2022</u>	<u>FY 2022</u> <u>Plan Year 2021</u>	<u>FY 2021</u> <u>Plan Year 2020</u>	<u>FY 2020</u> <u>Plan Year 2019</u>	<u>FY 2019</u> <u>Plan Year 2018</u>	<u>FY 2018</u> <u>Plan Year 2017</u>
District's proportion of the net other postemployment benefit liability	0.0513964467%	0.044563866%	0.042889610%	0.039551195%	0.035670433%	0.032843168%
District's proportionate share of net other postemployment benefit liability	\$ 12,306,368	\$ 17,190,274	\$ 16,304,277	\$ 18,704,245	\$ 17,810,573	\$ 14,282,262
State's proportionate share of the net other postemployment benefit liability associated with the District	<u>15,011,835</u>	<u>23,031,137</u>	<u>21,909,041</u>	<u>24,853,757</u>	<u>24,578,727</u>	<u>20,722,653</u>
<b>Total</b>	<u>\$ 27,318,203</u>	<u>\$ 40,221,411</u>	<u>\$ 38,213,318</u>	<u>\$ 43,558,002</u>	<u>\$ 42,389,300</u>	<u>\$ 35,004,915</u>
District's covered payroll	<u>\$ 48,084,719</u>	<u>\$ 41,013,400</u>	<u>\$ 38,890,409</u>	<u>\$ 33,359,165</u>	<u>\$ 28,928,414</u>	<u>\$ 26,672,860</u>
District's proportionate share of the net other postemployment benefit liability as a percentage of its covered payroll	25.59%	41.91%	41.92%	56.07%	61.57%	53.55%
Plan fiduciary net position as a percentage of the total other postemployment benefit liability	11.52%	6.18%	4.99%	2.66%	1.57%	0.91%

Note: GASB Codification, Vol. 2, P50.238 states that the information on the schedule should be determined as of the measurement date. Therefore the amount reported for 2022 are based on the August 31, 2021 measurement date.

Note: The schedule shows only six years of information. Additional information will be added until 10 years of data are available and reported.

**MEDINA VALLEY INDEPENDENT SCHOOL DISTRICT**

**SCHEDULE OF THE DISTRICT'S CONTRIBUTION FOR  
OTHER POSTEMPLOYMENT BENEFITS (OPEB)  
TEACHER RETIREMENT SYSTEM OF TEXAS  
LAST 10 FISCAL YEARS**

**For the year ended August 31, 2023**

EXHIBIT G-5

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 464,462	\$ 409,216	\$ 348,626	\$ 326,898	\$ 280,673	\$ 245,953
Contribution in relation to the contractually required contribution	<u>(464,462)</u>	<u>(409,216)</u>	<u>(348,626)</u>	<u>(326,898)</u>	<u>(280,673)</u>	<u>(245,953)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	<u>\$ 53,198,042</u>	<u>\$ 48,084,719</u>	<u>\$ 41,013,400</u>	<u>\$ 38,890,409</u>	<u>\$ 33,359,165</u>	<u>\$ 28,928,414</u>
Contribution as a percentage of covered payroll	0.87%	0.85%	0.85%	0.84%	0.84%	0.85%

Note: The schedule shows six years of information. Additional information will be added until 10 years of data are available and reported.

**MEDINA VALLEY INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**For the year ended August 31, 2023**

(1) Notes to schedules for the TRS Pension

Changes in benefit terms – there were no changes of benefit terms since the prior measurement date.

Changes of assumptions – there were no changes in assumptions since the prior measurement date.

(2) Notes to schedules for the TRS OPEB plan

Changes in benefit terms – there were no changes in benefit terms since the prior measurement date.

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

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

**OTHER SUPPLEMENTARY INFORMATION**

**MEDINA VALLEY INDEPENDENT SCHOOL DISTRICT**

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS**

**August 31, 2023**

Data Control Codes		SPECIAL REVENUE FUNDS			
		206 ESSA, IX, A Homeless Children Ed.	211 ESEA I, A Improving Basic Program	224 IDEA - Part B Formula	225 IDEA - Part B Preschool
	Assets				
1110	Cash and cash equivalents	\$ -	\$ 3,667	\$ 6,888	\$ -
1240	Due from other governments	-	40,490	53,861	30,331
1000	Total assets	<u>\$ -</u>	<u>\$ 44,157</u>	<u>\$ 60,749</u>	<u>\$ 30,331</u>
	Liabilities				
2110	Accounts payable	\$ -	\$ -	\$ -	\$ -
2160	Accrued wages payable	-	40,490	51,989	-
2170	Due to other funds	-	3,667	8,760	30,331
2180	Due to other governments	-	-	-	-
2300	Unearned revenue	-	-	-	-
2000	Total liabilities	<u>-</u>	<u>44,157</u>	<u>60,749</u>	<u>30,331</u>
	Fund balances				
	Restricted fund balance:				
3450	Federal or state funds grant restriction	-	-	-	-
	Committed fund balance:				
3545	Other committed fund balance	-	-	-	-
3000	Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 44,157</u>	<u>\$ 60,749</u>	<u>\$ 30,331</u>

EXHIBIT H-1

SPECIAL REVENUE FUNDS						
226	240	244	255	263	278	280
IDEA - Part B Discretionary	National Breakfast and Lunch Program	Career and Technical - Basic Grant	ESEA II, A Training and Recruiting	Title III, A English Lang. Acquisition	ESSER (ARP) Homeless Children	ESSER III Homeless Children
\$ -	\$ 2,922,187	\$ -	\$ -	\$ 1,215	\$ -	\$ -
-	179,834	1,135	27,031	-	76	-
<u>\$ -</u>	<u>\$ 3,102,021</u>	<u>\$ 1,135</u>	<u>\$ 27,031</u>	<u>\$ 1,215</u>	<u>\$ 76</u>	<u>\$ -</u>
\$ -	\$ 145,769	\$ -	\$ 15,625	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	2,814	1,135	10,906	-	76	-
-	-	-	-	1,215	-	-
-	-	-	500	-	-	-
-	148,583	1,135	27,031	1,215	76	-
-	2,953,438	-	-	-	-	-
-	-	-	-	-	-	-
-	2,953,438	-	-	-	-	-
<u>\$ -</u>	<u>\$ 3,102,021</u>	<u>\$ 1,135</u>	<u>\$ 27,031</u>	<u>\$ 1,215</u>	<u>\$ 76</u>	<u>\$ -</u>

(continued)

**MEDINA VALLEY INDEPENDENT SCHOOL DISTRICT**

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS**

**August 31, 2023**

Data Control Codes		SPECIAL REVENUE FUNDS				
		281	282	284	285	289
		ESSER II CRRSA Act Supplemental	ESSER III ARP Act	IDEA B Formula ARP Act	IDEA B Preschool ARP Act	Title IV Part A Subpart 1
	<b>Assets</b>					
1110	Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
1240	Due from other governments	199,510	661,115	244,574	12,967	2,339
1000	Total assets	<u>\$ 199,510</u>	<u>\$ 661,115</u>	<u>\$ 244,574</u>	<u>\$ 12,967</u>	<u>\$ 2,339</u>
	<b>Liabilities</b>					
2110	Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
2160	Accrued wages payable	-	-	-	-	-
2170	Due to other funds	199,510	661,115	244,574	12,967	1,681
2180	Due to other governments	-	-	-	-	-
2300	Unearned revenue	-	-	-	-	658
2000	Total liabilities	<u>199,510</u>	<u>661,115</u>	<u>244,574</u>	<u>12,967</u>	<u>2,339</u>
	<b>Fund balances</b>					
	Restricted fund balance:					
3480	Federal or state funds grant restriction	-	-	-	-	-
	Committed fund balance:					
3545	Other committed fund balance	-	-	-	-	-
3000	Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total liabilities and fund balances	<u>\$ 199,510</u>	<u>\$ 661,115</u>	<u>\$ 244,574</u>	<u>\$ 12,967</u>	<u>\$ 2,339</u>

EXHIBIT H-1

SPECIAL REVENUE FUNDS						
385 State Supplement Visually Impaired	410 State Instructional Materials	429 Other State Special Revenue Funds	461 Campus Activity Funds	462 Foundation Grants	495 Donation Gifts	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ 34	\$ 235,299	\$ 2,117	\$ 4,149	\$ 3,175,556
-	175,512	-	-	-	-	1,628,775
<u>\$ -</u>	<u>\$ 175,512</u>	<u>\$ 34</u>	<u>\$ 235,299</u>	<u>\$ 2,117</u>	<u>\$ 4,149</u>	<u>\$ 4,804,331</u>
\$ -	\$ 39,724	\$ -	\$ 777	\$ -	\$ -	\$ 201,895
-	-	-	-	-	-	92,479
-	38,240	34	-	-	-	1,215,810
-	-	-	-	-	-	1,215
-	97,548	-	-	-	-	98,706
-	175,512	34	777	-	-	1,610,105
-	-	-	-	-	-	2,953,438
-	-	-	234,522	2,117	4,149	240,788
-	-	-	234,522	2,117	4,149	3,194,226
<u>\$ -</u>	<u>\$ 175,512</u>	<u>\$ 34</u>	<u>\$ 235,299</u>	<u>\$ 2,117</u>	<u>\$ 4,149</u>	<u>\$ 4,804,331</u>

**MEDINA VALLEY INDEPENDENT SCHOOL DISTRICT**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS**

**For the year ended August 31, 2023**

Data Control Codes		SPECIAL REVENUE FUNDS			
		206	211	224	225
		ESSA, IX, A Homeless Children Ed.	ESEA I, A Improving Basic Program	IDEA - Part B Formula	IDEA - Part B Preschool
	Revenues				
5700	Local and intermediate sources	\$ -	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-	-
5900	Federal program revenues	<u>1,870</u>	<u>614,476</u>	<u>1,075,329</u>	<u>30,331</u>
5020	Total revenues	<u>1,870</u>	<u>614,476</u>	<u>1,075,329</u>	<u>30,331</u>
	Expenditures				
	Current:				
0011	Instruction	1,471	528,321	495,760	30,331
0012	Instructional resources and media services	-	-	-	-
0013	Curriculum and instructional staff development	-	49,325	6,653	-
0021	Instructional leadership	-	2,000	572,916	-
0023	School leadership	-	-	-	-
0031	Guidance, counseling, and	-	-	-	-
0032	Social work services	-	-	-	-
0033	Health services	-	-	-	-
0034	Student (pupil) 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	399	34,830	-	-
	Capital outlay:				
0081	Facilities acquisition and construction	-	-	-	-
6030	Total expenditures	<u>1,870</u>	<u>614,476</u>	<u>1,075,329</u>	<u>30,331</u>
1200	Net change in fund balance	-	-	-	-
0100	Fund balance - September 1 (beginning)	-	-	-	-
	Restatement of fund balance	-	-	-	-
3000	Fund balance - August 31 (ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

EXHIBIT H-2

SPECIAL REVENUE FUNDS						
226	240	244	255	263	278	280
IDEA - Part B Discretionary	National Breakfast and Lunch Program	Career and Technical - Basic Grant	ESEA II, A Training and Recruiting	Title III, A English Lang. Acquisition	ESSER (ARP) Homeless Children	ESSER III Homeless Children
\$ -	\$ 1,711,695	\$ -	\$ -	\$ -	\$ -	\$ -
-	20,026	-	-	-	-	-
<u>80,248</u>	<u>4,161,860</u>	<u>37,968</u>	<u>141,936</u>	<u>9,968</u>	<u>2,552</u>	<u>9,801</u>
<u>80,248</u>	<u>5,893,581</u>	<u>37,968</u>	<u>141,936</u>	<u>9,968</u>	<u>2,552</u>	<u>9,801</u>
28,813	-	37,968	-	9,887	2,187	-
-	-	-	-	-	-	-
-	-	-	104,162	-	-	-
-	-	-	37,774	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
48,750	-	-	-	-	-	-
2,685	-	-	-	-	-	-
-	4,773,032	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	81	365	9,801
-	-	-	-	-	-	-
<u>80,248</u>	<u>4,773,032</u>	<u>37,968</u>	<u>141,936</u>	<u>9,968</u>	<u>2,552</u>	<u>9,801</u>
-	1,120,549	-	-	-	-	-
-	1,832,889	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 2,953,438</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

**MEDINA VALLEY INDEPENDENT SCHOOL DISTRICT**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS**

**For the year ended August 31, 2023**

Data Control Codes		SPECIAL REVENUE FUNDS				
		281 ESSER II CRRSA Act Supplemental	282 ESSER III ARP Act	284 IDEA B Formula ARP Act	285 IDEA B Preschool ARP Act	289 Title IV Part A Subpart 1
	Revenues					
5700	Local and intermediate sources	\$ -	\$ -	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-	-	-
5900	Federal program revenues	<u>1,189,666</u>	<u>1,758,769</u>	<u>244,574</u>	<u>12,967</u>	<u>54,677</u>
5020	Total revenues	<u>1,189,666</u>	<u>1,758,769</u>	<u>244,574</u>	<u>12,967</u>	<u>54,677</u>
	Expenditures					
	Current:					
0011	Instruction	737,910	1,418,966	96,957	12,967	7,278
0012	Instructional resources and media services	7,164	-	-	-	-
0013	Curriculum and instructional staff development	5,014	-	-	-	13,272
0021	Instructional leadership	13,432	-	53,775	-	13,272
0023	School leadership	48,424	-	-	-	-
0031	Guidance, counseling, and	26,265	639	93,842	-	20,855
0032	Social work services	71,384	282,199	-	-	-
0033	Health services	16,737	-	-	-	-
0034	Student (pupil) transportation	109,586	-	-	-	-
0035	Food services	45,824	-	-	-	-
0036	Extracurricular activities	3,377	-	-	-	-
0041	General administration	12,536	-	-	-	-
0051	Facilities maintenance and operations	75,179	56,965	-	-	-
0052	Security and monitoring services	1,433	-	-	-	-
0053	Data processing services	13,969	-	-	-	-
0061	Community services	716	-	-	-	-
	Capital outlay:					
0081	Facilities acquisition and construction	<u>716</u>	-	-	-	-
6030	Total expenditures	<u>1,189,666</u>	<u>1,758,769</u>	<u>244,574</u>	<u>12,967</u>	<u>54,677</u>
1200	Net change in fund balance	-	-	-	-	-
0100	Fund balance - September 1 (beginning)	-	-	-	-	-
	Restatement of fund balance	-	-	-	-	-
3000	Fund balance - August 31 (ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

EXHIBIT H-2

SPECIAL REVENUE FUNDS						
385 State Supplement Visually Impaired	410 State Instructional Materials	429 Other State Special Revenue Funds	461 Campus Activity Funds	462 Foundation Grants	495 Donation Gifts	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ 547,948	\$ -	\$ 4,000	\$ 2,263,643
8,460	192,338	365,090	-	-	-	585,914
-	-	-	-	-	-	9,426,992
<u>8,460</u>	<u>192,338</u>	<u>365,090</u>	<u>547,948</u>	<u>-</u>	<u>4,000</u>	<u>12,276,549</u>
8,460	192,338	1,400	-	-	1,805	3,612,819
-	-	-	-	-	-	7,164
-	-	-	-	-	-	178,426
-	-	-	-	-	-	693,169
-	-	-	-	-	-	48,424
-	-	-	-	-	-	141,601
-	-	-	-	-	-	353,583
-	-	-	-	-	-	65,487
-	-	-	-	-	-	112,271
-	-	-	-	-	-	4,818,856
-	-	-	657,651	-	-	661,028
-	-	-	-	-	-	12,536
-	-	10,398	-	-	-	142,542
-	-	124,287	-	-	-	125,720
-	-	-	-	-	-	13,969
-	-	-	-	-	995	47,187
-	-	<u>229,005</u>	-	-	-	<u>229,721</u>
<u>8,460</u>	<u>192,338</u>	<u>365,090</u>	<u>657,651</u>	<u>-</u>	<u>2,800</u>	<u>11,264,503</u>
-	-	-	(109,703)	-	1,200	1,012,046
-	-	-	105,467	2,117	2,949	1,943,422
-	-	-	238,758	-	-	238,758
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 234,522</u>	<u>\$ 2,117</u>	<u>\$ 4,149</u>	<u>\$ 3,194,226</u>



**REQUIRED TEXAS EDUCATION AGENCY SCHEDULES**

**MEDINA VALLEY INDEPENDENT SCHOOL DISTRICT**

**SCHEDULE OF DELINQUENT TAXES RECEIVABLE**

**For the year ended August 31, 2023**

Year Ended August 31,	(1) Tax Rates		(3)
	Maintenance	Debt Service	Assessed/Appraised Value for School Tax Purposes
2014 and prior years	Various	Various	Various
2015	1.040000	0.348200	1,240,688,373
2016	1.040000	0.348200	1,361,944,460
2017	1.040000	0.399200	1,509,279,947
2018	1.040000	0.399200	1,670,823,505
2019	1.040000	0.399200	1,936,124,861
2020	0.970000	0.455000	2,167,759,625
2021	0.873100	0.472890	2,505,465,884
2022	0.872000	0.472190	3,074,912,835
2023 (school year under audit)	0.854600	0.472190	4,054,576,534
1000 Totals			

EXHIBIT J-1

(10) Beginning Balance 09/01/2022	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 8/31/2023
\$ 251,191	\$ -	\$ 8,489	\$ 2,060	\$ -	\$ 240,642
28,176	-	2,855	951	-	24,370
56,360	-	2,381	797	-	53,182
55,665	-	4,281	1,633	-	49,751
65,764	-	5,377	2,064	(2,593)	55,730
67,634	-	7,495	2,864	(8,204)	49,071
104,898	-	18,701	8,757	(11,395)	66,045
218,989	-	38,239	20,750	(52,890)	107,110
792,900	-	5,088	2,706	(500,661)	284,445
-	53,795,716	34,146,542	18,845,366	851,890	1,655,698
\$ 1,651,591	\$ 53,795,716	\$ 34,239,698	\$ 18,887,948	\$ 270,690	\$ 2,590,351

**MEDINA VALLEY INDEPENDENT SCHOOL DISTRICT**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL – CHILD NUTRITION PROGRAM**

**For the year ended August 31, 2023**

EXHIBIT J-2

Data Control Codes		Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
		Original	Final		
	Revenues				
5700	Local and intermediate sources	\$ 1,500,152	\$ 1,500,152	\$ 1,711,695	\$ 211,543
5800	State program revenues	7,000	7,000	20,026	13,026
5900	Federal program revenues	<u>3,562,125</u>	<u>3,562,125</u>	<u>4,161,860</u>	<u>599,735</u>
5020	Total revenues	<u>5,069,277</u>	<u>5,069,277</u>	<u>5,893,581</u>	<u>824,304</u>
	Expenditures				
0035	Food services	<u>4,608,123</u>	<u>4,608,123</u>	<u>4,773,032</u>	<u>(164,909)</u>
6030	Total expenditures	<u>4,608,123</u>	<u>4,608,123</u>	<u>4,773,032</u>	<u>(164,909)</u>
1200	Net change in fund balance	461,154	461,154	1,120,549	659,395
0100	Fund balance - September 1 (beginning)	<u>1,832,889</u>	<u>1,832,889</u>	<u>1,832,889</u>	<u>-</u>
3000	Fund balance - August 31 (ending)	<u>\$ 2,294,043</u>	<u>\$ 2,294,043</u>	<u>\$ 2,953,438</u>	<u>\$ 659,395</u>

**MEDINA VALLEY INDEPENDENT SCHOOL DISTRICT**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL – DEBT SERVICE FUND**

**For the year ended August 31, 2023**

EXHIBIT J-3

Variance with  
Final Budget  
Positive  
(Negative)

Data Control Codes		Budgeted Amounts		Actual	
		Original	Final		
	Revenues				
5700	Local and intermediate sources	\$ 19,623,032	\$ 19,623,032	\$ 20,560,606	\$ 937,574
5800	State program revenues	-	-	576,215	576,215
5020	Total revenues	<u>19,623,032</u>	<u>19,623,032</u>	<u>21,136,821</u>	<u>1,513,789</u>
	Expenditures				
	Debt service:				
0071	Principal on long-term debt	11,469,403	11,469,403	11,442,647	26,756
0072	Interest on long-term debt	8,037,950	8,037,950	8,037,950	-
0073	Bond issuance cost and fees	<u>3,200</u>	<u>3,200</u>	<u>3,200</u>	-
6030	Total expenditures	<u>19,510,553</u>	<u>19,510,553</u>	<u>19,483,797</u>	<u>26,756</u>
1200	Net change in fund balance	112,479	112,479	1,653,024	1,540,545
0100	Fund balance - beginning	<u>5,542,220</u>	<u>5,542,220</u>	<u>5,542,220</u>	-
3000	Fund balance - ending	<u>\$ 5,654,699</u>	<u>\$ 5,654,699</u>	<u>\$ 7,195,244</u>	<u>\$ 1,540,545</u>

**MEDINA VALLEY INDEPENDENT SCHOOL DISTRICT**  
**USE OF FUNDS – SELECT STATE ALLOTMENT PROGRAMS**

**For the year ended August 31, 2023**

EXHIBIT J-4

**DATA  
CODES**

**RESPONSES**

**Section A: Compensatory Education Programs**

Districts are required to use at least 55% of state compensatory education state allotment funds on direct program costs. Statutory Authority: Texas Education Code, §48.104.		
AP1	Did your district expend any state compensatory education program state allotment funds during the district’s fiscal year?	Yes
AP2	Does the district 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.	\$6,356,096
AP4	List the actual direct program expenditures for state compensatory education programs during the district’s fiscal year. (PICs 24, 26, 28, 29, 30, 34)	\$3,016,116

**Section B: Bilingual Education Programs**

Districts are required to spend at least 55% of bilingual education state allotment funds on direct program costs. Statutory Authority: Texas Education Code, §48.105.		
AP5	Did your district expend any bilingual education program state allotment funds during the district’s fiscal year?	Yes
AP6	Does the district have written policies and procedures for its bilingual education program?	Yes
AP7	List the total state allotment funds received for bilingual education programs during the district’s fiscal year.	\$276,281
AP8	List the actual direct program expenditures for bilingual education programs during the district’s fiscal year. (PICs 25, 35)	\$176,383

**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  
Medina Valley Independent School District  
Castroville, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Medina Valley Independent School District (the District) as of and for the year ended August 31, 2023, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements, and have issued our report thereon dated December 18, 2023.

**Report on 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 District’s financial statements will not be prevented or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

## Report on Compliance and Other Matters

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

### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

ABIP, PC

San Antonio, Texas  
December 18, 2023

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

To the Board of School Trustees  
Medina Valley Independent School District  
Castroville, Texas

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

***Opinion on Each Major Federal Program***

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

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

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

We are required to be independent of Medina Valley Independent School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of 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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as 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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

### **Report on Internal Control over Compliance**

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

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

Our audit was designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

ABIP, PC

San Antonio, Texas  
December 18, 2023



**MEDINA VALLEY INDEPENDENT SCHOOL DISTRICT**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For the year ended August 31, 2023**

SECTION I – SUMMARY OF AUDITOR’S RESULTS

**FINANCIAL STATEMENTS**

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?      Yes   X   No
- Significant deficiency(ies) identified not considered to be material weakness(es)?      Yes   X   None Reported

Noncompliance material to financial statements noted?      Yes   X   No

**FEDERAL AWARDS**

Internal control over financial reporting:

- Material weakness(es) identified?      Yes   X   No
- Significant deficiency(ies) identified not considered to be material weakness(es)?      Yes   X   None Reported

Type of auditor’s report issued on compliance for Major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)?      Yes   X   No

**IDENTIFICATION OF MAJOR PROGRAMS**

<u>Federal Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
10.553/10.555	Child Nutrition Cluster
84.425	ESSER – COVID

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

Auditee qualified as low-risk auditee?   X   Yes      No

SECTION II – FINANCIAL STATEMENT FINDINGS

None

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

**MEDINA VALLEY INDEPENDENT SCHOOL DISTRICT**

**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS**

**For the year ended August 31, 2023**

NONE

**MEDINA VALLEY INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**For the year ended August 31, 2023**

EXHIBIT K-1

(1) Federal Grantor / Pass-Through Grantor/ Program or Cluster Title	(2) Federal Assistance Listing Number	(3) Pass-Through Entity Identifying Number	(4) Federal Expenditures
<b>U.S. DEPARTMENT OF EDUCATION</b>			
Passed through Texas Education Agency:			
ESEA Title I, Part A - Improving Basic Programs	84.010A	22-610101163908	\$ 604,389
ESEA Title I, Part A - Improving Basic Programs	84.010A	23-610101163908	<u>40,490</u>
Total Assistance Listing Number 84.010A			<u>644,879</u>
IDEA-Part B, Formula *	84.027A	236600011639086600	1,077,370
IDEA-Part B, Formula *	84.027A	246600011639086600	51,990
IDEA-Part B, Discretionary, High Cost*	84.027A	66002206	80,248
Covid 19-IDEA, Part B, Formula-American Rescue Act*	84.027X	225350021639085350	<u>252,933</u>
Total Assistance Listing Number 84.027			<u>1,462,541</u>
IDEA - Part B, Preschool*	84.173	236610011639086610	31,710
Covid 19-IDEA, Part B, Preschool -American Rescue Act*	84.173X	225360021639085360	<u>12,967</u>
Total Assistance Listing Number 84.173			<u>44,677</u>
Total Special Education Cluster (IDEA)			<u>1,507,218</u>
Career and Technical - Basic Grant	84.048A	23420006163908	39,795
ESSA Title IX, Part A Homeless Children Education	84.196A	23-4600057110055	1,960
Title III, Part A - English Language Acquisition	84.365A	350442301	9,968
ESEA, Title II, Part A, Teacher Principal Training	84.367A	23694501163908	148,698
COVID-19 - Elementary Secondary School Emergency Relief II	84.425D	21-521001163908	11,285
COVID-19 - ESSER II - CRRSA Supplemental	84.425D	21521001163908	1,352,354
COVID-19 - ESSER III - ARP School Emergency Relief	84.425U	21-528001163908	2,008,451
COVID-19 - ARP - Homeless II - Education for Homeless	84.425W	21-533002163908	<u>2,894</u>
Total Assistance Listing Number 84.425			<u>3,374,984</u>
Title IC, Part A, Subpart I	84.424A	23-680101163908	<u>55,039</u>
Total Assistance Listing Number 84.424			<u>55,039</u>
LEP Summer School	84.369A	69552002	<u>2,260</u>
Total passed through Texas Education Agency			<u>5,784,801</u>
<b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>			<u>5,784,801</u>

(continued)

**MEDINA VALLEY INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**For the year ended August 31, 2023**

(1) Federal Grantor / Pass-Through Grantor/ Program or Cluster Title	(2) Federal Assistance Listing Number	(3) Pass-Through Entity Identifying Number	(4) Federal Expenditures
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>			
Passed through Texas Department of Agriculture			
School Breakfast Program *	10.553	71402001	\$ 666,693
National School Lunch Program-cash assistance *	10.555	71302201	2,887,447
National School Lunch Program-non-cash assistance *	10.555	N/A	402,008
COVID-19-Supply chain assistance grant*	10.555	23-TX400N8903	<u>205,712</u>
Total Assistance Listing Number 10.553/10.555			<u>4,161,860</u>
Total Child Nutrition Cluster			<u>4,161,860</u>
Total passed through Texas Department of Agriculture			<u>4,161,860</u>
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>			<u>4,161,860</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>\$ 9,946,661</u>

\* Clustered Programs

Schedule does not include SHARS of \$1,002,626, ROTC of \$88,727, and Impact Aid of \$98,309.

# MEDINA VALLEY INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the year ended August 31, 2023

- For all federal programs, the District uses the fund types specified in Texas Education Agency's *Financial Accountability System Resource Guide*. Special revenue funds are used to account for resources restricted to, or designated for, specific purposes by a grantor. Federal and state financial assistance generally is accounted for in a special revenue fund.
- The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Governmental Fund types are accounted for using a current financial resources measurement focus. All federal grant funds were accounted for in a special revenue fund, or, in some instances, in the general fund, which are governmental fund type funds.

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

Federal grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant, and accordingly, when such funds are received, they are recorded as unearned revenues until earned.

- The period performance for federal grant funds for the purpose of liquidation of outstanding obligations made on or before the ending date of the federal project period extended 90 days beyond the federal project period ending date, in accordance with provisions in Section H, Period of Performance of Federal Funds, Part 3, Uniform Guidance Compliance Supplement.
- Federal assistance listing numbers for commodity assistance are the federal assistance numbers of the programs under which USDA donated the commodities.
- Indirect cost reimbursement for federal programs for this fiscal year was received in the amount of \$519,670.
- There were no awards passed through to subrecipients.

**MEDINA VALLEY INDEPENDENT SCHOOL DISTRICT**

**SCHEDULE OF REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS**

**For the year ended August 31, 2023**

EXHIBIT L-1

<u>DATA CONTROL CODES</u>		<u>RESPONSES</u>
SF1	Was there an unmodified opinion in the Annual Financial Report on the financial statements as a whole?	Yes
SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement at fiscal year end?	No
SF3	Did the school district make timely payments to the Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies?	Yes
SF4	Was the school district issued a warrant hold? 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.	<u>\$ 1,116,592</u>

# Medina Valley Independent School District

## *Agenda Item Memorandum*

*To: MVISD Board of Trustees Date:*

*Date: December 18, 2023*

*RE: Consider Approval the Financial Audit Agreement for the 2023-2024 year*

The MVISD administration recommends the Board review and approve the agreement for the annual financial audit for the fiscal year ending August 31, 2024.

August 31, 2024

To the Board of Trustees  
Medina Valley Independent School District  
8449 FM 47 South  
Castroville, Texas 78009

We are pleased to confirm our understanding of the services we are to provide for Medina Valley Independent School District for the year ended August 31, 2024.

### **Audit Scope and Objectives**

We will audit the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, including the disclosures, which collectively comprise the basic financial statements of Medina Valley Independent School District as of and for the ended August 31, 2024. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement Medina Valley Independent School District's basic financial statements. Such information, 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. As part of our engagement, we will apply certain limited procedures to Medina Valley Independent School District's RSI in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will consist of inquiries of management regarding 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 will 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. The following RSI is required by U.S. generally accepted accounting principles (GAAP) and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis
2. Budget and Actual – General Fund
3. Schedule of the District's Proportionate Share of the Net Pension Liability and Net OPEB Liability
4. Schedule of District Contributions – Pension and OPEB

We have also been engaged to report on supplementary information other than RSI that accompanies Medina Valley Independent School District's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS, and we will provide an opinion on it in relation to the financial statements as a whole in a report combined with our auditor's report on the financial statements.

1. Schedule of expenditures of federal awards
2. Combining and other statements
3. Required Texas Education Agency Schedules

In connection with our audit of the basic financial statements, we will read the following 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.

1. Schedule of Required Responses to Selected School First Indicators
2. Schedule of Compensatory and Bilingual Education Programs

The objectives of our audit 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 issue an auditor's report that includes our opinions about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP, and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as whole. 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. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements. The objectives also include reporting on:

- a. Internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- b. Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

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

We will conduct our audit in accordance with GAAS; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements or noncompliance may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or on major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement.

According to generally accepted auditing standards (GAAS), significant risks include management override of controls, and GAAS presumes that revenue recognition is a significant risk. Accordingly, we have considered these as significant risks. We have not identified any other significant risk of misstatement as of the date of this letter. If we identify any significant risks of misstatement, we will notify you at that time.

Our audit of financial statements does not relieve you of your responsibilities.

#### **Audit Procedures—Internal Control**

We will obtain an understanding of the government and its environment, including the system of internal control, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. 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, misrepresentation, or the override of internal control. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.<sup>218</sup>

### **Audit Procedures—Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Medina Valley Independent School District's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance, and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of Medina Valley Independent School District's major programs. For federal programs that are included in the Compliance Supplement, our compliance and internal control procedures will relate to the compliance requirements that the Compliance Supplement identifies as being subject to audit. The purpose of these procedures will be to express an opinion on Medina Valley Independent School District's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

### **Other Services**

We will also assist in preparing the financial statements, schedule of expenditures of federal awards, and related notes of Medina Valley Independent School District in conformity with accounting principles generally accepted in the United States of America and the Uniform Guidance based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statements, schedule of expenditures of federal awards, and related notes services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

You agree to assume all management responsibilities for the financial statements, schedule of expenditures of federal awards, and related notes, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, the schedule of expenditures of federal awards, and related notes and that you have reviewed and approved the financial statements, the schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

### **Responsibilities of Management for the Financial Statements and Single Audit**

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for (1) designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including internal controls over federal awards, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts,

and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards, and all accompanying information in conformity with accounting principles generally accepted in the United States of America and for compliance with applicable laws and regulations (including federal statutes) and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

You are also responsible for making drafts of financial statements, schedule of expenditures of federal awards, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance; (3) additional information that we may request for the purpose of the audit; and (4) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants. You are also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan, if applicable.

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received, and COVID-19 related concepts, such as lost revenues, if applicable) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal awards in any document that contains, and indicates that we have reported on, the schedule of expenditures of federal awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Scope and Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information.

#### **Engagement Administration, Fees, and Other**

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditor's reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditor's reports or nine months after the end of the audit period.

We will provide copies of our reports to the Board of Trustees of Medina Valley Independent School District however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of ABIP, PC and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to Department of Education, the Texas Education Agency or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of ABIP personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the Department of Education of the Texas Education Agency. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Janet Pitman is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to them. We expect to begin our audit in October 2024 and to issue our reports for presentation at the December 2024 Board meeting.

Our fee for these services will be \$51,500 plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.). This fee includes the financial audit and up to two major federal programs for the single audit. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account become 30 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report(s). You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, we will keep you informed of any problems we encounter and our fees will be adjusted accordingly.

The above fee estimate is for the service of conducting a financial audit of Medina Valley Independent School District (see **Auditor’s Responsibilities for the Audit of the Financial Statements and Single Audit** of the engagement letter) for the year ended August 31, 2024. The audit service does not include time and effort necessary to adjust or correct Medina Valley Independent School District’s financial accounting records in order to present and report in accordance with generally accepted accounting principles. Any noted deviations or missing information we identify through our audit procedures will be brought to Medina Valley Independent School District’s attention for correction. If Medina Valley Independent School District requires our assistance to perform services to correct the financial records the District will be billed for these non-audit services at our standard hourly rates, which are as follows:

Partner	\$410/hour
Manager	\$300/hour
Supervisor	\$275/hour
Staff	\$160/hour

### Reporting

We will issue written reports upon completion of our Single Audit. Our reports will be addressed to the Board of Trustees of Medina Valley Independent School District. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor’s report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will state that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will state that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

We appreciate the opportunity to be of service to Medina Valley Independent School District and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the attached copy and return it to us.

Very truly yours,  
ABIP, PC

ABIP, PC  
San Antonio, Texas

RESPONSE:

This letter correctly sets forth the understanding of Medina Valley Independent School District.

Management signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Governance signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

# Medina Valley Independent School District

## *Agenda Item Memorandum*

To: MVIDS Board of Trustees

Date: December 18, 2023

RE: Consider approving Motion to un-designate 4 million dollars as committed funds, labeling the 4 million as unassigned funds in the general fund

As of December 2018, the District has \$4 million dollars in the general fund that have been marked as “committed,” these funds were designated for future construction. With the district currently utilizing bond funds for construction it is not necessary to commit funds within the general fund for only construction. Administration recommends that the Board un-commit those funds, labeling them as unassigned. The change in the label on the funds allows the Board to utilize the funds as needed.

| DECEMBER 18, 2023

# MEDINA VALLEY ISD EDUCATIONAL SPECIFICATIONS

**MV** Medina Valley  
INDEPENDENT SCHOOL DISTRICT

 VLK|ARCHITECTS

# AGENDA

Definition of Educational Specifications

Summit Overview

Experience Mapping

Typology of Spaces

Typology of Space Development

Instructional Facility Space Program Guidelines

Educational Specifications Recommended Action





# DEFINITION OF EDUCATIONAL SPECIFICATIONS



MEDINA VALLEY ISD | EDUCATIONAL SPECIFICATIONS

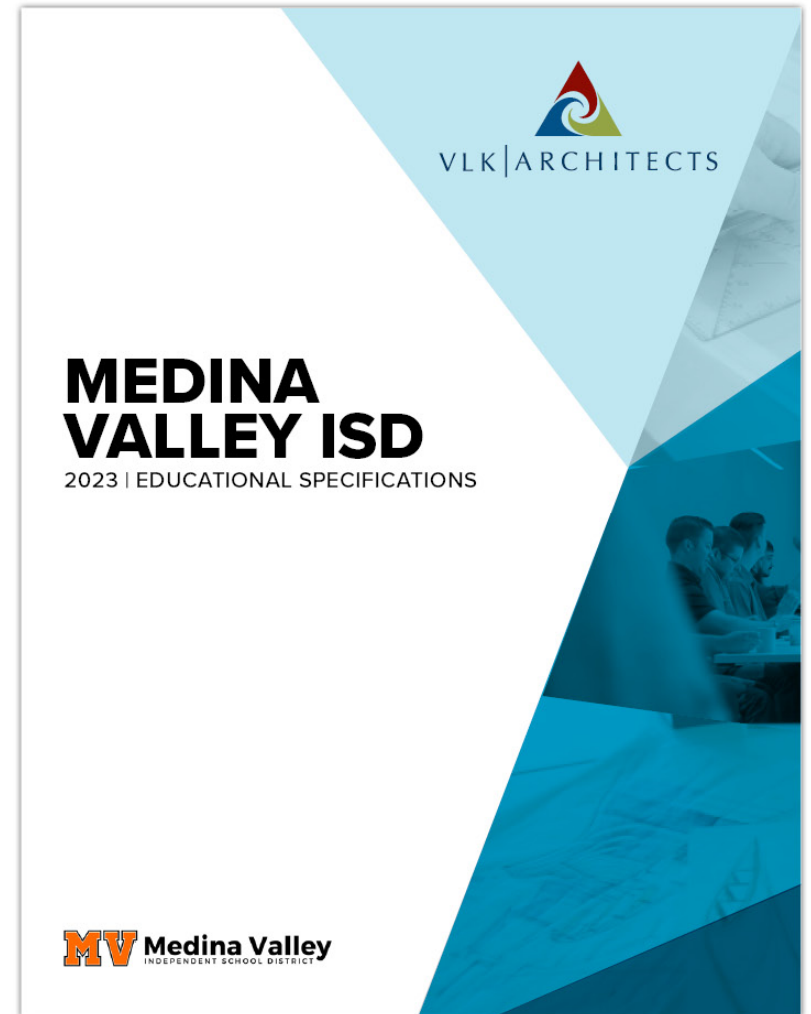
# EDUCATIONAL SPECIFICATIONS

Educational Specifications or “Ed Specs” are design standards and concepts used by school districts to guide new school facility construction and major space renovations to create engaging and effective learning environments. By Texas law, districts are required to adopt Ed Specs.

As part of 19 Tex. Admin. Code § 61.1036- 61.1040, school districts are required to develop educational specifications for instructional facilities. That plan must be presented to the Board of Trustees and made available to the architect or design professional for the project. It’s also required to be updated every five years. The new standards also require school districts to use inclusive design, which allows for even more accessibility for students and staff. When properly aligned with the district’s mission and vision, the Educational Specifications enhance the desired experience and intended outcomes by defining expectations among project stakeholders without limiting creativity.



MEDINA VALLEY ISD | EDUCATIONAL SPECIFICATIONS



# SUMMIT OVERVIEW



MEDINA VALLEY ISD | EDUCATIONAL SPECIFICATIONS

# SUMMIT OVERVIEW

## EXPERIENCE MAPPING

On November 1, 2023 the Medina Valley Educational Specification committee members worked in a collaborative group to review the intended experiences needed by Medina Valley ISD students and teachers in order to best prepare for the district's future. Student and teacher experiences were previously generated by the Medina Valley Curation Team in September 2023.

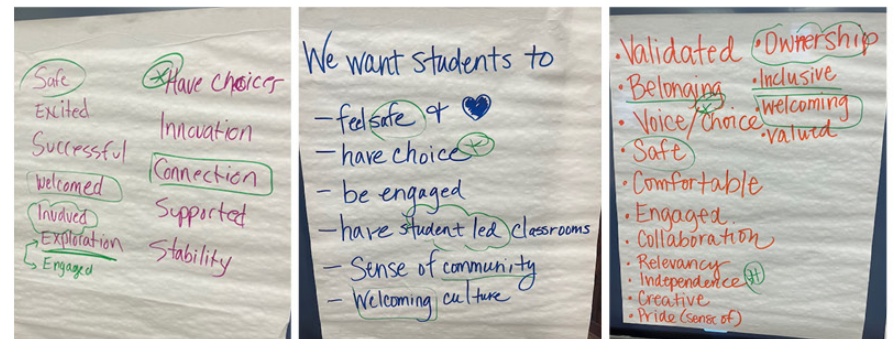
### MEDINA VALLEY EDUCATIONAL SPECIFICATION COMMITTEE MEMBERS

#### Representing Owner:

- Dr. Scott Caloss - Superintendent
- Brandi Hendrix - Assistant Superintendent of Curriculum & Instruction
- Rose Pearson - Executive Director of Schools
- Rafael Barajas - Director of Construction
- Henry Acosta - CEO, HRA Construction Management Service

#### Representing VLK Architects:

- Michael Martinez - Principal-in-Charge
- Sara Koprowski - Educational Planner
- Richard Hunt - Senior Associate | Architect
- Chad Davis - Senior Associate | Architect
- Liliana Solache - Architect



# SUMMIT OVERVIEW

## EXPERIENCE MAPPING

### PREVALENT THEMES

Safety	Welcoming
Choice	Belonging
Ownership	Exploration
Connection	Engagement

### ADDITIONAL THEMES

Safe	Real-World
Flexible	Pride
Efficient	Active Media Center
Collaborative	Under “One Roof”
Multipurpose	Maintenance Fiendly
Intentional	



# SUMMIT OVERVIEW

## TYPOLOGY OF SPACES

On **November 1, 2023**, a Typology of Spaces activity was presented to the Educational Specifications Committee. The purpose of the work was to provide visual examples of the built environment for teams to consider as they aligned with space for intended learning experiences as defined by the previous outcomes of Experience Mapping.

The Medina Valley ISD Educational Specifications Committee identified spaces that would best facilitate the district's intentions for environments to promote:

- |               |                 |
|---------------|-----------------|
| Safety        | Flexibility     |
| Collaboration | Active Learning |
| Belonging     |                 |



MEDINA VALLEY ISD | EDUCATIONAL SPECIFICATIONS



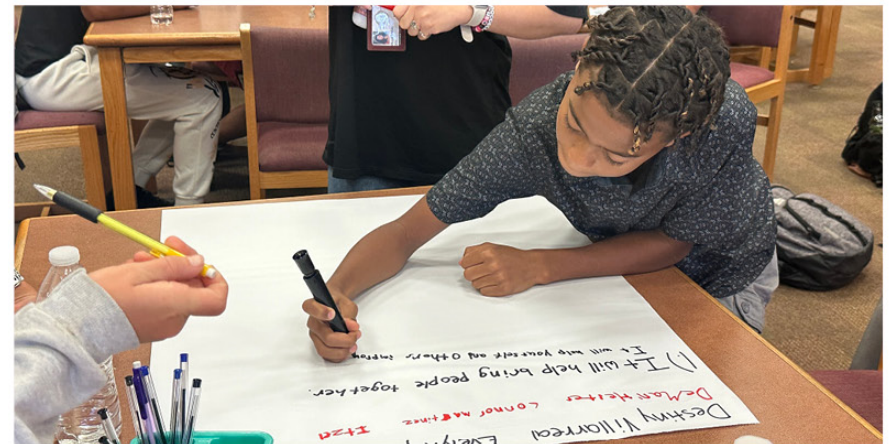
# SUMMIT OVERVIEW

## TYOLOGY OF SPACE DEVELOPMENT OUTCOMES

Committee members worked in teams to use the information presented and discussed to revoew and identify preferred adjacencies based on beliefs as to how neighborhoods, or pods, should function at Medina Valley ISD middle school learning environments. Teams considered plans and consensus was achieved for future design needs.

### SPECIFIC ATTENTION WAS PAID TO

- |                        |                           |
|------------------------|---------------------------|
| 1. Safety              | 5. Collaboration          |
| 2. Student Experiences | 6. Student Choice         |
| 3. Multipurpose Areas  | 7. Science and CTE Spaces |
| 4. Engagement          |                           |





# INSTRUCTIONAL FACILITY SPACE PROGRAM GUIDELINES

# INSTRUCTIONAL FACILITY SPACE PROGRAM GUIDELINES

## Quantitative Method of Compliance

- “Maximum student enrollment” must equal the “maximum instructional capacity”
- Must meet minimum aggregate square footage
- Stipulated space types are eligible to be used
- Libraries, cafeterias, and gymnasias are not eligible
- Increase in minimum space for middle school science laboratories

**Middle School #3**  
Outline of Programmed Spaces  
November 21, 2023



Room Name	Net Area	Quantity	Total Net SF
<b>ADMINISTRATION</b>			
Reception	500	1	500
Registrar / Attendance	200	1	200
Vault	200	1	200
Police	150	1	150
Storage	75	1	75
Storage	150	1	150
Principal	250	1	250
Secretary	150	1	150
Conference	250	1	250
Counselor	150	3	450
AP	150	3	450
Conference	250	3	750
Waiting	75	3	225
Clinic	300	1	300
Clinic Office	150	1	150
Isolation Room	50	1	50
Clinic Restroom	80	1	80
Workroom	400	1	400
Instructional Coach	150	1	150
ISS	750	1	750
Testing	200	1	200
Mail Room	150	1	150
Book Room	300	1	300
Social Worker	150	1	150
Academic Dean	150	1	150
Staff RR	55	2	110
<b>ADMINISTRATION SUBTOTAL</b>		<b>35</b>	<b>6,720</b>



# EDUCATIONAL SPECIFICATIONS RECOMMENDED ACTION

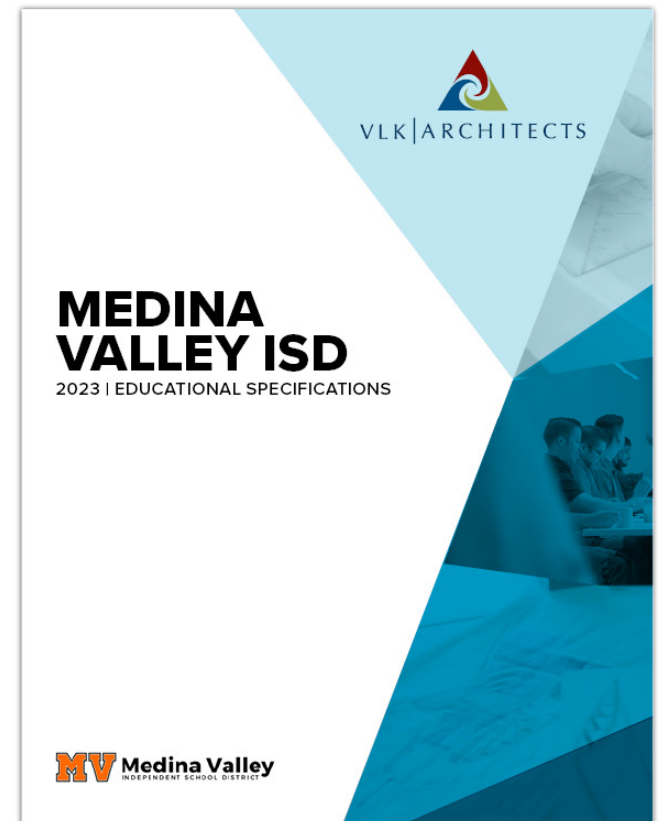
# EDUCATIONAL SPECIFICATIONS RECOMMENDED ACTION

## ITEM ADDRESSED

To address TEA rules on Facility Standards, the district Cabinet and a select district committee convened in November 2023 to develop Middle School Educational Specifications to be used to support Long-Range Facility Planning efforts.

## RECOMMENDED ACTION

Move to Approve Medina Valley Middle School Educational Specifications



# Medina Valley Independent School District

## *Agenda Item Memorandum*

*To: MVISD Board of Trustees*

*Date: December 18, 2023*

*RE: Consider approving Medina Valley ISD's Educational Specifications for Middle Schools*

As part of 19 Tex. Admin. Code 61.1036-61.1040, school districts are required to develop educational specifications for instructional facilities. The approved plan must be presented to the Board of Trustees and made available to the architect or design professional for the project. These plans must be updated every five years.

Administration recommends approval of Medina Valley ISD's Educational Specifications for Middle Schools.

# Medina Valley Independent School District

## Agenda Item Memorandum

*To: MVISD Board of Trustees*

*Date: 12-18-2023*

*RE: Consider award of the Construction Materials Observation and Testing Services for the Silos Elementary Project.*

- Independently of the contractor, construction manager-at-risk, or design-build firm, a district shall provide or contract for the construction materials engineering, testing, and inspection services and the verification testing services necessary for acceptance of the facility by the district. The district shall select the services for which it contracts in accordance with (Government Code 2254.004. *Gov't Code 2269.058*)
- It is recommended that TTL, Inc. perform the materials observation and testing services since they are also the engineering firm that has performed the geotechnical engineering for the project.
- The proposed cost for the materials observation and testing services is in the amount of \$221,426.00.
- These services will be paid out of 2019 Bond Funds and was originally budgeted under the soft cost expenditures for the Silos Project.

District Administration recommends approval of the award of the Construction Materials Observation and Testing Services contract for Silos Elementary to TTL, Inc.

# Delivering Solutions for Medina Valley ISD

## WHO WE ARE

TTL provides construction materials engineering and testing, geotechnical engineering, environmental consulting, and forensic engineering services for school districts, municipalities, state, and private clients. Our San Antonio team has been committed to supporting Medina Valley Independent School District's (MVISD) goals to expand and enhance the community's education and pride for nearly a decade. TTL has delivered over 20 projects, from land acquisition to commissioning for various elementary and high school structures, including building complexes, parking and drive areas, playgrounds, athletic fields, open spaces, and areas for future temporary structures. Our full understanding of the geotechnical and environmental conditions of the Medina area reduces the need for excess studies and risk to the construction schedule, keeping pace with the school district's rapid growth.



### Dedicated Team

Our team has certified inspection personnel for soils and foundations, cast-in-place concrete, asphalt, structural steel, wood, and masonry. Our representatives are thoroughly trained utilizing internal and industry-leading training programs. Special Inspectors are American Concrete Institute (ACI), International Code Council (ICC), and American Welding Society (AWS) certified. Inspector's certifications include Concrete Field Testing – Level 1, Reinforced Concrete Special Inspector, Soils Special Inspector, Structural Masonry Special Inspector, Structural Steel and Bolting Special Inspector, Structural Welding Inspector, Certified Welding Inspector, and Commercial Building Inspector. Our technicians are cross-trained in all service areas and provided continuing education to keep certifications current and make sure personnel are available for project services. **All field services are performed under the direction of licensed professional engineers.**



### Range of Services

Our full range of construction materials engineering and testing services include soils, concrete, asphalt, wood, steel, and masonry. During construction, we confirm the materials installed are constructed per plans and specifications. Our services include, but are not limited to, earthwork testing, drilled pier observation, concrete testing, welding and bolting inspection, roofing observation, and HMAC and PCC pavement testing.



### Commitment to Quality

Field and laboratory testing equipment are maintained regularly and calibrated annually by independent certifying agencies, with all state and federal (CCRL, ASTM, AASHTO and TXDOT) quality standards and accreditations to perform industry standardized tests of construction materials including soils, aggregates, asphalt, and concrete. Laboratory tests are performed by trained engineering technicians certified through programs developed by the National Institute for Certification in Engineering Technologies (NICET), Texas Hot Mix Asphalt Center (TXHMAC), and American Concrete Institute (ACI).



### Safety by Choice

The safety of school attendees and staff as a priority cannot be understated. All work areas are marked and monitored to confirm no unauthorized access, with equipment secured at all times. Construction operations are scheduled with peak traffic and public access limitations – events, drop off, and pickup - accounted for in the workplan approved by district and school leadership.

# Delivering Solutions for Medina Valley ISD

### Testing Methods / Services

- Destructive and nondestructive methods
- Design and performance of full-scale load tests
- Evaluation of construction techniques - construction materials, design, instrumentation programs
- Assessment and evaluation of foundation and structure distress
- Building surveys for as-built construction details
- Expert witness testimony and third-party review

### MEDINA VALLEY SCHOOL DISTRICT EXPERIENCE:

#### Medina Valley High School Addition

The project consisted of construction materials engineering and testing and geotechnical engineering services to support the construction of the school's building addition and expansion of the parking area with pavement recommendations.

**Geotechnical and construction services:** Conducted the field exploration program, performed laboratory testing of subsurface samples, provided site improvement and foundation recommendations, documented/monitored materials testing during construction for QC, and coordinated with team members to verify the specifications were met.

#### Ladera Elementary School

The project consisted of construction materials engineering and testing and geotechnical engineering services including subsurface exploration, rough and precise grading plan reviews, and observation and testing during the grading and construction of the 96,000 square foot modern school building. Performed detailed documentation and monitoring of materials testing during construction for QC, and coordinated with team members to confirm the project specifications were met.

### ADDITIONAL MEDINA VALLEY SCHOOL DISTRICT EXPERIENCE:

#### Geotechnical / Construction Materials Testing

- Silos Elementary School
- Ladera Elementary School
- Luckey Ranch Elementary School
- Luckey Ranch Elementary School
- Ladera Elementary School
- Potranco Elementary School
- Medina Valley High School Addition No. 1 and 2
- Medina Valley Music Room
- Football Field New Turf

#### Environmental

- Silos Elementary School - Environmental Site Assessment
- Silos Elementary School - Archaeological Survey
- Ladera Elementary School Archaeological Survey
- 92-acre Archaeological Investigation
- Schuchart Ranch tract Environmental Site Assessment
- Two tracks 84.7- and 29.94-acres Phase I Environmental Site Assessment



17215 Jones Maltsberger Rd. #101  
San Antonio, TX 78247  
210.888.6100  
[www.TTLUSA.com](http://www.TTLUSA.com)

September 16, 2022

Mr. Juan C. Zamora  
Assistant Superintendent of Finance and Operations  
Medina Valley ISD  
8449 FM 471 S  
Castroville, Texas 78009

**RE: *Proposal for Construction Materials Engineering and Testing and Special Inspections  
Silos Elementary School  
Silos Ranch Road and Silos View Road  
Bexar County, Texas  
TTL Project No. 22-09-03551.00***

Dear Mr. Zamora:

We appreciate having the opportunity to provide materials engineering and testing services and special inspections during construction of the new Silos Elementary school located near the intersection of Silos Ranch Road and Silos View Road in Bexar County, Texas. This proposal contains our understanding of the project, the proposed scope of services, and fee and scheduling information.

## WHY CHOOSE TTL?

**Project Experience** – Your project will benefit from an experienced consultant who is familiar with the working on educational institutions. We have performed consulting services on over 50 similar projects.

TTL performed the Geotechnical Exploration Report for this proposed school; therefore, we have extensive knowledge of the subsurface conditions at this site. Our knowledge of the subsurface conditions will be critical to the success of the project during construction. By allowing our forces to continue with the project during the construction phase, the owner is better assured that the information and design assumptions used by the geotechnical engineer and design team are applied during construction. Because we have participated in the design phase of this project, TTL, Inc. has a high level of commitment and responsibility to this project which should not be overlooked as you make your testing firm selection. We desire, and will appreciate the opportunity, to continue with this important project as a follow up to the professional services we have already provided.

**Safety** – Safety is paramount on any jobsite, but TTL understands the nature of the proposed construction and unique challenges this site will require. **TTL's current EMR rating is 0.69**, well below the industry average of 1.0. Additionally, our personnel are experienced and specifically trained to work safely on these types of complex and congested project sites.

**Reporting and Forms** – Documentation and communication of discrepancies can make or break a day of hard work. Using our advanced software and tools, we will communicate swiftly and efficiently to reduce discrepancies and keep the project moving forward.

Metafield is our internet-based software that offers real-time access to inspectors and technicians wherever internet or mobile data is available. Our field representatives utilize handheld smart phones and tablets to enter project information and reports in the field. This information is available in real time to our engineers and project managers. TTL's project management team can review these results and present them to the project team swiftly which can be invaluable to the construction schedule and save money.

As a result of our relevant experience on this project, our commitment to safety, and our advanced reporting and communication tools, we believe we are the best prepared, experienced, committed, and positioned team to offer advantageous solutions and professional review and guidance during the construction process. We appreciate your thoughtful consideration and look forward to working with you.

## PROJECT INFORMATION

We understand the planned project is for an approximately 95,400 square foot elementary school structure, parking and drive areas, playgrounds, athletic fields, open spaces, and areas for future temporary structures. The elementary school structure will consist of a combination of reinforced concrete, reinforced masonry, and structural steel. The structure will be supported by a system of drilled pier foundations as well as conventional spread and continuous footings.

Project information was obtained from a set of drawings provided in PDF format. The structural drawings were prepared by R-S-C-R, Inc with an issue date of March 7, 2022. The structural drawings did not include a Quality Assurance Plan or Statement of Special Inspections; however, review of the project specifications does mention that this scope will be required. We were also provided with a set of project specifications prepared by Garza/Bomberger & Associates, dated March 7, 2022. Finally, we were not provided with a preliminary construction schedule for the project; therefore, our specific durations for each task are based on projects of similar size and complexity.

## PROPOSED SCOPE OF SERVICES

We have been provided with a set of construction drawings and specifications. Therefore, based on the provided information and our experience on similar projects, we propose to provide the following services during construction:

### Earthwork Construction / Pavement Construction:

- Observe and test fill and utility backfill placements and compaction activities and measure compaction efforts with a proofroll and/or a nuclear density gauge, if applicable.
- Performing laboratory standard Proctor compaction testing for soil materials used as fill.
- Observe proofrolling and perform density testing of aggregate base course materials and asphalt pavement layers.

### Pier Construction:

- Observe drilled pier drilling operations and maintain complete and accurate records for each pier including location, diameter, length, embedment depth, and end-bearing strata.

### **Concrete Construction:**

- Observe reinforcing steel, anchor bolts, and embedments prior to concrete placement to evaluate conformance with the specifications in regard to size, grade, spacing, profiles, lap lengths, and concrete coverage.
- Observe formwork for shape, location, dimensions, surfaces, and tightness in accordance with the project specifications.
- Make test specimens and perform field tests on plastic concrete. Tests will include slump, air content, unit weight, and temperature. We will cast five test cylinders (4 in. x 8 in.) for every 100 cubic yards of concrete placed per day as required in the project specifications, with at least one set per placement.
- Review approved concrete mix designs for conformance to project specifications.
- Field curing of the concrete samples will be performed utilizing an on-site curing box for the first 24 to 48 hours. Upon completion of field curing, the specimens will be transported to our laboratory for final curing and compressive strength testing.
- Perform floor flatness and levelness measurements in general accordance with ASTM E-1155 “Standard Test Method for Determining Floor Flatness and Levelness Using the ‘F Number’ System” and project specifications.

### **Masonry Construction:**

- Observe reinforcing steel prior to grout and mortar placement to evaluate conformance with the project drawings and specifications.
- Observe CMU block cells for cleanliness prior to grouting.
- Observe installation of masonry units for size, layout, bonding and placement of masonry units.
- Review approved grout and mortar mix design submittals for conformance to project specifications.
- Make test specimens and perform field tests on fresh mortar (six 2-in. by 2-in. cubes) and CMU block fill grout (four 3.25-in. by 3.25-in. by 6.5-in. grout prisms), including slump and temperature, as appropriate for the material.
- Field curing of the grout and mortar samples will be performed utilizing an on-site curing box for the first 24 to 48 hours. Upon completion of field curing, the specimens will be transported to our laboratory for final curing and compressive strength testing.
- Observe installation of lintels and bond beams in accordance with project drawings and specifications.

### **Structural Steel Construction:**

- Review Welder Procedure Qualifications documentation prior to steel erection for conformance to project specifications.
- Observe and test penetration welds, multi-pass fillet welds, and fillet welds greater than 5/16 of an inch.

- Observe single-pass field-welded and field-bolted connections of structural steel elements in general accordance with project requirements. Our scope of work does not include observations at the fabrication shop or observation/testing of shop-welded connections.
- Observe steel deck alignment, laps, welds, sidelap attachments, and installation of deck closures.

We will issue field and testing reports for each site visit. Our project manager will review the field reports and test results before these documents are issued as final documents and will also be available for consultation at your request. The actual scope of services may vary from the proposed scope of services based on the project schedule, budget constraints, and other issues that we do not control. Please keep in mind that our testing is a sampling of the construction materials and does not guarantee the quality of the entire work product. Our representatives will notify you and the contractor of any portions of the work we observe which do not meet the project specifications. We do not have the authority to stop the contractor's work.

We will issue a final special inspection report stamped by a licensed professional engineer at job completion. Our special inspection services are limited to those aspects of the Statement of Structural Special Inspections that are assigned to us. We are not the Special Inspector for the entire project, and our services and reports will not address the special inspections of architectural, mechanical, electrical, plumbing, or other systems, if any are required.

We will need to be provided copies of the full construction documents (plans, specifications, and submittals related to Special Inspections), at the beginning of the project. As project conditions change or are modified by Requests for Information (RFIs), we will need to be copied on the RFIs and responses.

Additionally, we are not responsible for the safety of persons other than TTL personnel. Job-site safety is the sole responsibility of the general contractor.

## **DETAILED WORK PLAN**

TTL understands the complexity of this project. We have assembled a core team to keep the project on schedule. Our Field Technicians and/or Special Inspectors will be on-site on a part-time (periodic) and/or a full time (continuous) basis depending on the activity. Our field personnel and Construction Services Project Manager will regularly communicate with the design team and contractor to verify that the appropriate inspections are performed and thoroughly documented. Inspections and tests that do not meet the intent of the plans and specifications will be reported in a timely manner to the contractor(s) so remedial work can be performed. If remedial work is not performed or continues to fail inspections or testing, the design team and contractor(s) will be alerted to the deficient work so a proper course of action may be implemented. These actions may include a detailed evaluation from the structural engineer for acceptability as-is or alternative inspection techniques, as required. It will be imperative to engage all parties early to prevent costly re-work, minimize destructive testing, and/or highly specialized and costly testing procedures. Our team's web-based reporting platform, Metafield, will be a key to timely communication with the project team.

## **OUR TEAM**

Our team has certified inspection personnel for soils and foundations, cast-in-place concrete, structural steel, and masonry. Our representatives are thoroughly trained utilizing both internal and industrial leading training programs. We understand the importance of having the right field professionals assigned to the project to ensure inspections are being performed in accordance with the project plans and specifications. TTL's San Antonio office maintains a full-service laboratory that is CCRL and AASHTO accredited to perform industry standardized tests of construction materials including soils, aggregates, asphalt, and concrete.

TTL's Special Inspectors are American Concrete Institute (ACI), International Code Council (ICC), and American Welding Society (AWS) certified having the following certifications, Concrete Field Testing – Level 1, Reinforced

Concrete Special Inspector, Structural Masonry Special Inspector, Structural Steel and Bolting Special Inspector, Structural Welding Inspector, and Certified Welding Inspector.

## SCHEDULING

A TTL representative will be on-site on a full-time (continuous) and part-time (periodic) basis, depending on the activity. Our on-site representative(s) or Project Manager will be available to communicate with the General Contractor's Project Manager or designated representative to discuss construction schedules. Scheduling of our activities will be the sole responsibility of the contractor. We require at least 24 hours' notice to assist with scheduling our services for periodic observations.

## COMPENSATION

Based on our understanding of the site-specific needs and the scope of work described within this proposal, we recommend a budget for our services as outlined above and on the appended sheets to be **\$221,426.00**. Our project estimate is based on the assumed work schedule which is shown on the detailed cost estimate included with this proposal. We were not provided with a detailed construction schedule. We request that a final detailed construction schedule be provided prior to the project start so we may revise our scope of services and cost estimate, if necessary.

We will provide our materials testing and special inspection services on a time and materials basis. Our budget for this project is based on our services being provided during normal work hours (6:00AM to 6:00PM) and does not include overtime. Technician rates will be multiplied by 1.3 for time in excess of 8 hours per day, time worked between the hours of 6:00PM and 6:00AM (night shift), and all hours on Saturdays, Sundays and Holidays. The cost estimate breakdown is provided for reference only and is not a Schedule of Values nor individual NTE budgets for the indicated general work categories. Our invoices will not break down our charges by work categories. If the project exceeds the duration shown on the provided construction schedule and it appears that we will exceed the budget estimate, we will notify you and discuss whether you wish to expand the budget or reduce the remaining scope of services. Our fees will depend on the quality of the work and rate of progress achieved by the contractor, weather conditions, and other factors beyond our control. We will monitor and keep you apprised of the budget status and items requiring re-inspection. Our estimate does not include project delays and/or re-inspections for project discrepancies. If it appears that we will exceed the budget estimate, we will notify you and discuss whether you wish to expand the budget or reduce the remaining scope of services, if possible, to maintain the budget.

## AUTHORIZATION

To authorize our services, please sign the attached Professional Services Agreement and return it and the proposal to our office. This proposal will remain valid for a period of 60 days from the date of this letter.

## CLOSING

We appreciate this opportunity to be of service to you on this project. If you have questions or require additional information, please contact our office at (210) 888-6100.

Sincerely,  
TTL, Inc.



Steven A. Casanova  
Construction Services Regional Manager



Rafael Flores  
Construction Services Project Manager

Attachments:   Schedule of Fees  
                      Agreement for Services


<b>EARTHWORK</b>	No. Days	hrs/day	Total	Rate	Subtotal	
Monitoring Cut/Fill Activities & Density Testing	18	8	144	\$48.00	\$6,912.00	
Technician Overtime	18	2	36	\$62.40	\$2,246.40	
Project Manager / Engineer Review	18	0.5	9	\$130.00	\$1,170.00	
PM Support Services	18	0.25	4.5	\$57.00	\$256.50	
						\$10,585
<b>RIGID / FLEXIBLE PAVEMENTS</b>	No. Days	hrs/day	Total	Rate	Subtotal	
Subgrade Review / Proofrolling	6	4	24	\$48.00	\$1,152.00	
Monitoring Cut/Fill Activities & Density Testing	12	8	96	\$48.00	\$4,608.00	
Monitoring Base Placement	8	4	32	\$48.00	\$1,536.00	
Monitoring & Testing Pavement Placement	8	8	64	\$48.00	\$3,072.00	
Concrete Pavement Placement	6	8	48	\$48.00	\$2,304.00	
Technician Overtime	22	2	44	\$62.40	\$2,745.60	
Test Specimen Pick-Up	6	2	12	\$48.00	\$576.00	
Project Manager / Engineer Review	40	0.5	20	\$130.00	\$2,600.00	
PM Support Services	40	0.25	10	\$57.00	\$570.00	
						\$19,164
<b>FOUNDATIONS</b>	No. Days	hrs/day	Total	Rate	Subtotal	
Shallow Foundations (Spread / Continuous Footings)	8	8	64	\$48.00	\$3,072.00	
Deep Foundations (Drilled Piers / Micropiles / etc.)	50	8	400	\$62.00	\$24,800.00	
Technician Overtime	58	2	116	\$62.40	\$7,238.40	
Test Specimen Pick-Up	58	2	116	\$48.00	\$5,568.00	
Project Manager / Engineer Review	58	0.5	29	\$130.00	\$3,770.00	
PM Support Services	58	0.25	14.5	\$57.00	\$826.50	
						\$45,275
<b>CONCRETE</b>	No. Days	hrs/day	Total	Rate	Subtotal	
Slab-On-Grade / Slab-On-Deck / Beams	8	8	64	\$48.00	\$3,072.00	
Misc. Placements (Sidewalks / Stairwells / Curbs)	4	4	16	\$48.00	\$768.00	
Technician Overtime	8	2	16	\$62.40	\$998.40	
Special Inspector (Post Tension / Reinforcement Insp. / etc)	12	4	48	\$62.00	\$2,976.00	
Test Specimen Pick-Up	12	2	24	\$48.00	\$1,152.00	
Project Manager / Engineer Review	24	0.5	12	\$130.00	\$1,560.00	
PM Support Services	24	0.25	6	\$57.00	\$342.00	
						\$10,868
<b>STRUCTURAL STEEL</b>	No. Days	hrs/day	Total	Rate	Subtotal	
Anchor Bolts / Bolted Connections	12	8	96	\$100.00	\$9,600.00	
Welded Connections	12	8	96	\$100.00	\$9,600.00	
Metal Decking	6	8	48	\$100.00	\$4,800.00	
Project Manager / Engineer Review	30	0.5	15	\$130.00	\$1,950.00	
PM Support Services	30	0.25	7.5	\$57.00	\$427.50	
						\$26,378
<b>MASONRY / MORTAR</b>	No. Days	hrs/day	Total	Rate	Subtotal	
Masonry Monitoring / Masonry Sampling	60	8	480	\$48.00	\$23,040.00	
Special Inspector (Reinforcement Insp. / Cleanliness / etc)	60	4	240	\$62.00	\$14,880.00	
Test Specimen Pick-Up	60	2	120	\$48.00	\$5,760.00	
Project Manager / Engineer Review	120	0.5	60	\$130.00	\$7,800.00	
PM Support Services	120	0.25	30	\$57.00	\$1,710.00	
						\$53,190
<b>HIGH-STRENGTH GROUT</b>	No. Days	hrs/day	Total	Rate	Subtotal	
Grout Monitoring / Grout Sampling	4	4	16	\$48.00	\$768.00	
Test Specimen Pick-Up	4	2	8	\$48.00	\$384.00	
Project Manager / Engineer Review	4	0.5	2	\$130.00	\$260.00	
PM Support Services	4	0.25	1	\$57.00	\$57.00	
						\$1,469
<b>MATERIALS / LAB TESTING / ADDITIONAL SERVICES</b>	Number	Units	Total	Rate	Subtotal	
Floor Flatness / Floor Levelness Testing	1	95400	95400	\$0.05	\$4,770.00	
Floor Flatness / Floor Levelness Testing (Special Inspector)	8	4	32	\$62.00	\$1,984.00	
Moisture Density, Subgrade	7	1	7	\$200.00	\$1,400.00	
Moisture Density Relationship (Base)	1	1	1	\$250.00	\$250.00	
Atterberg Limits	8		8	\$75.00	\$600.00	
Concrete Specimens (Foundation)	62	5	310	\$10.00	\$3,100.00	
Concrete Specimens (Structure)	48	5	240	\$10.00	\$2,400.00	
Concrete Specimens (Site)	24	5	120	\$10.00	\$1,200.00	
Masonry Grout / Mortar Specimens	60	10	600	\$15.00	\$9,000.00	
Gradation (5 sieves max)	8		8	\$75.00	\$600.00	
High-Strength Grout Cube Specimens	4	6	24	\$15.00	\$360.00	
Progress Meeting / PM Site Visit / Kick-Off Meetings	4	4	16	\$130.00	\$2,080.00	
Special Inspection Letter & Engineer Review	1		1	\$250.00	\$250.00	
Nucler Density Gauge (Daily Equipment Charge)	44		44	\$50.00	\$2,200.00	
						\$30,194
<b>DIRECT COSTS</b>	Trips	Miles	Total	Rate	Subtotal	
Trip Charge	434	80	34720	\$0.70	\$24,304.00	
						\$24,304
<b>PROJECT ESTIMATE / BUDGET</b>					<b>\$221,426</b>	

## AGREEMENT FOR SERVICES

<b>CLIENT:</b>	Medina Valley ISD	<b>DATE OF ISSUE:</b>	September 16, 2022
<b>PROJECT:</b>	Silos Elementary School Silos Ranch Road and Silos View Road Bexar County, Texas	<b>AGREEMENT No.:</b>	22-09-03551.00
		<b>COMPENSATION.:</b>	\$221,426.00

This Agreement for Services (“Agreement”) is made and entered into by and between the Client named above and TTL, Inc., (“TTL”). The scope of services outlined in this Agreement, which is made a part hereof, for Client on the Project referenced above. TTL will provide the Services outlined in this Project and will be subject to the Terms and Conditions defined in this Agreement. Client will pay TTL, depending on the Services performed, on a **time and materials basis**, using the fees noted in this Agreement. TTL’s invoices are payable and *due upon receipt* of the invoice.

**Client And Consultant, With Mutual Consent, Hereby Execute This Agreement TO BE EFFECTIVE AS OF THE DATE OF ISSUE NOTED ABOVE.**

<b>Client:</b>	Medina Valley ISD	<b>Consultant:</b>	TTL, Inc.
<b>By:</b>	_____	<b>By:</b>	 _____
<b>Name:</b>	_____	<b>Name:</b>	Steven A. Casanova
<b>Title:</b>	_____	<b>Title:</b>	Construction Services Regional Manager
<b>Email:</b>	_____	<b>Email:</b>	<a href="mailto:scasanova@ttlusa.com">scasanova@ttlusa.com</a>
<b>Telephone:</b>	_____	<b>Telephone:</b>	(210) 888-6100
<b>Facsimile:</b>	_____	<b>Facsimile:</b>	(210) 888-6101
<b>Address:</b>	_____	<b>Address:</b>	17215 Jones Maltsberger Road, Suite 101 San Antonio, Texas 78247
<b>Date Signed:</b>	_____	<b>Date Signed:</b>	September 16, 2022

## TERMS AND CONDITIONS

**SECTION 1: SERVICES TO BE PROVIDED.** Consultant, as an independent consultant, agrees to provide Client for its sole benefit and exclusive use, the Services set forth, which is attached to this Agreement.

**SECTION 2: PAYMENT TERMS.** Client will pay Consultant based upon the fee or terms agreed and set forth and noted on page 1 of this Agreement. The fee or terms for Services to be rendered by Consultant can only be modified pursuant to Section 3: Change Orders. Payment is due upon receipt of invoice. If payment is not received within 30 days from the invoice date, Client agrees to pay a finance charge of 1 percent per month, but not to exceed the maximum rate allowed by law, for all unpaid amounts 30 days or older.

In the event Client requests termination (“Termination Date”) of Consultant’s Services after startup and prior to completion, Client agrees to pay Consultant for all expenses incurred from the date of this Agreement to the Termination Date.

**SECTION 3: CHANGE ORDERS.** The Client may request changes in the Services being rendered by Consultant under this Agreement. Such changes, including any increase or decrease in the amount of Consultant’s compensation, or time for performance, which are mutually agreed upon by and between the Client and Consultant, shall be incorporated in this Agreement by written correspondence. This written correspondence may be formal documentation, such as an amendment or change order document, or informal documentation, such as an email or letter confirming the verbal authorization for such changes in Consultant’s Services.

**SECTION 4: INSURANCE.** Consultant maintains Workers' Compensation in conformance with applicable Texas law, and Employers Liability Insurance (\$1,000,000). In addition, Consultant maintains Commercial General Liability Insurance (\$1,000,000 occ. / \$2,000,000 agg.), Automobile Liability Insurance (\$1,000,000 bodily injury and property damage, combined single limit), Excess Liability Insurance (\$1,000,000), and Professional Liability Insurance (\$1,000,000 claim / \$1,000,000 agg). Cost of the above coverage is included in the quoted fees. If additional coverage or increased limits of liability are required by Client, Consultant will endeavor to obtain the requested insurance specific to the project and charge separately for costs associated with additional coverage or increased limits. Certificates of insurance will be provided upon request by Client. Consultant and Client shall waive subrogation against the other party on all general liability and property coverage.

**SECTION 5: THIRD PARTY RELIANCE.** The Services rendered by Consultant are for Client’s sole benefit and exclusive use with no third-party beneficiaries intended. Reliance upon any instruments of service provided by the Consultant is limited to Client only, regardless if a third party relies on Consultant’s data; provided, however, Consultant will grant reliance to others provided Client and those parties sign and return Consultant’s reliance agreement along with the applicable reliance fee.

**SECTION 6: STANDARD OF CARE.** The only warranty or guarantee made by Consultant in connection with the Services performed hereunder is that Consultant will use that degree of care and skill ordinarily exercised under similar conditions by reputable members of the same profession practicing in the same or similar locality. No other warranty, express or implied, is made or intended by Consultant’s consulting services or by Consultant’s furnishing of oral or written reports.

**SECTION 7: LIMITATION OF CONSULTANT'S LIABILITY.** CLIENT AND CONSULTANT HEREBY AGREE, TO THE FULLEST EXTENT PERMITTED BY TEXAS LAW, CONSULTANT'S TOTAL LIABILITY TO CLIENT FOR ANY AND ALL INJURIES, CLAIMS, LOSSES, EXPENSES OR DAMAGES WHATSOEVER ARISING OUT OF, OR IN ANY WAY RELATED TO, THE PROJECT, OR THIS AGREEMENT, FROM ANY CAUSE OR CAUSES, INCLUDING BUT NOT LIMITED TO

**CONSULTANT'S NEGLIGENCE, ERRORS, OMISSIONS, STRICT LIABILITY, BREACH OF CONTRACT OR BREACH OF WARRANTY (HEREAFTER "CLIENT'S CLAIMS") SHALL NOT EXCEED \$222,000.00 OR THE CONSULTANT'S FEE FOR THE PROJECT, WHICHEVER IS GREATER. FOR ADDITIONAL CONSIDERATION, CLIENT MAY CONSIDER NEGOTIATING A HIGHER LIMITATION OF LIABILITY FOR THE PROJECT PROVIDED THE CLIENT SUBMITS A WRITTEN REQUEST TO DO SO. THIS LIMITATION OF LIABILITY SHALL APPLY REGARDLESS OF AVAILABLE PROFESSIONAL LIABILITY INSURANCE COVERAGE OR DUE TO THE CAUSES(S) OR THE THEORY OF LIABILITY, INCLUDING NEGLIGENCE, INDEMNITY, OR OTHER RECOVERY.**

**SECTION 8: CONSEQUENTIAL DAMAGES.** CLIENT AND CONSULTANT HEREBY AGREE, TO THE FULLEST EXTENT PERMITTED BY TEXAS LAW, THAT NEITHER PARTY WILL BE LIABLE TO THE OTHER FOR LOSS OF REVENUE OR PROFIT; GOODWILL; OPPORTUNITY; CAPITAL; SUBSTITUTE FACILITIES, PRODUCTS, OR SERVICES; OR ANY SPECIAL, INDIRECT, PUNITIVE, EXEMPLARY, OR CONSEQUENTIAL DAMAGES WHATSOEVER.

**SECTION 9: INDEMNIFICATION.** CONSULTANT SHALL INDEMNIFY AND SAVE HARMLESS CLIENT AND ITS OFFICERS, AGENTS, SERVANTS AND EMPLOYEES FROM AND AGAINST LEGAL LIABILITY FOR ALL ACTIONS, LOSSES, DAMAGES, CLAIMS, OR EXPENSES TO THE EXTENT SUCH CLAIMS, LOSSES, DAMAGES, OR EXPENSES ARE LEGALLY DETERMINED TO BE CAUSED BY, OCCASIONED BY, OR TO THE EXTENT ARISING OUT OF THE NEGLIGENT ACTS OF CONSULTANT OR ITS EMPLOYEES IN THE EXECUTION OF PERFORMANCE OF THIS AGREEMENT. IN THE EVENT SUCH CLAIMS, LOSSES, DAMAGES, OR EXPENSES ARE LEGALLY DETERMINED TO BE CAUSED BY THE JOINT OR CONCURRENT NEGLIGENCE OF CONSULTANT AND CLIENT, THE PAYMENT OR JUDGEMENT THAT IS DUE SHALL BE BORNE BY EACH PARTY IN PROPORTION TO ITS OWN NEGLIGENCE UNDER COMPARATIVE FAULT PRINCIPLES. NEITHER CONSULTANT NOR CLIENT SHALL HAVE A DUTY TO DEFEND EACH OTHER, AND NO DUTY TO DEFEND IS HEREBY INFERRED OR CREATED BY THIS INDEMNITY PROVISION AND SUCH DUTY IS EXPLICITLY WAIVED UNDER THIS AGREEMENT.

**SECTION 10: TERMINATION.** This Agreement may be terminated by either party with 30 days written notice in the event of substantial failure by the other party to perform in accordance with the terms hereof. Such termination shall not be effective if that substantial failure has been remedied before expiration of the period specified in the written notice. In the event of termination, Consultant shall be paid for Services performed to the Termination Date notice, plus reasonable termination expenses. Expenses of termination or suspension shall include all direct costs of Consultant required to complete analyses and records necessary to complete its files and may also include a report on the Services performed to the date of notice of termination or suspension.

**SECTION 11: ASSIGNS.** Neither the Client, nor the Consultant, may delegate, assign, sublet or transfer its duties or interest in this Agreement without the written consent of the other party.

**SECTION 12: FORCE MAJEURE.** In the event that the Client or Consultant shall be prevented from completing performance of its obligations under this Agreement by an Act of God, or other occurrence whatsoever, which is beyond the control of the Client or Consultant, then the Client or Consultant shall be excused from any further performance of their respective obligations and undertakings.

**SECTION 13: OWNERSHIP OF DOCUMENTS.** All documents, including, but not limited to, drawings, specifications, reports, boring logs, field notes, laboratory test data, calculations and estimates, prepared by Consultant as instruments of service pursuant to this Agreement, shall be the sole property of Consultant. However, Client will be allowed to have ample copies of Consultant's final instruments of service prepared for the Project. Client agrees that all documents of any nature furnished to Client or Client's agents or designees, if not paid for by Client, will be returned to Consultant upon demand and will not be used by Client for any purpose whatsoever. Project files will be retained or disposed of in accordance with Consultant's file retention policy.

**SECTION 14: SAFETY.** Consultant, in the performance of its Services, may provide periodic observations or monitoring services at the Project site prior to and during construction, Client agrees that, in accordance with generally accepted construction practices, the Client or Client's contractor will be solely and completely responsible for working conditions on the Project site, including the safety of all persons and property during the performance of the construction work, and compliance with OSHA regulations, and that these requirements will apply continuously, and not be limited to normal working hours. Any monitoring and observation of the contractor's procedures conducted by Consultant is not intended to include quality control review of the adequacy of the contractor's safety measures in, on, adjacent to, or near the construction site. Consultant will be responsible for supervision and site safety measures for its own employees but shall not be responsible for the supervision or health and safety precautions for any other parties.

**SECTION 15. RIGHT OF ENTRY AND SITE VISITS.** Unless otherwise agreed in advance in writing, Client will furnish legal right-of-entry on the subject property for Consultant to make the planned borings, surveys, tests, and/or explorations. The Client will secure all necessary approvals, permits, licenses and consents necessary to perform the services hereunder unless

Client has otherwise contracted with Consultant to provide these services. Consultant will take reasonable precautions to minimize damage to the property caused by Consultant's normal operations, but the Consultant does not include in its fee, the cost of restoration of routine surface damage, which may result. If Client desires Consultant to restore the property to its former condition or better, Consultant will accomplish this extra service and add the cost to its fee.

Client hereby agrees that Consultant will not be expected to make exhaustive or continuous on-site inspections, but that periodic observations appropriate to the construction stage shall be performed. It is further agreed by Client that Consultant will not assume any responsibility for the contractor's means, methods, techniques, sequences or procedures of construction, and it is understood that field and testing services provided by Consultant will not relieve the contractor of his own quality control responsibilities to Client for performing the work in accordance with the plans and specifications. The words "supervision," "inspection," or "control" if used by Client are interpreted by Consultant to mean periodic observation of the work and the performance of tests by Consultant to observe substantial compliance by contractor with the plans, specifications and design concepts. Periodic observations by Consultant employees do not mean that Consultant is observing placement of all contractor materials. It is mutually agreed that if Client requires "full-time inspections," it means that an employee of Consultant has been assigned to contractor's job site and is to be appropriately compensated for the time logged to the Project.

**SECTION 16: DAMAGE TO EXISTING MAN-MADE OBJECTS.** It shall be the responsibility of the Client, or his duly authorized engineering or survey representative and consultants, to disclose the presence and accurate location of all hidden or obscure man-made objects relative to field tests or boring locations. Client, or Client's engineering or survey representatives and consultants, shall have responsibility to notify any utility companies about field locator services. Consultant's field personnel are trained to recognize clearly identifiable stakes or markings in the field, and without special written instructions, to initiate field testing, drilling and/or sampling within a reasonable distance of each Client-designated location. If Consultant is cautioned, advised, or given data in writing, by Client or his engineering or survey representatives and consultants, that reveal the presence, or potential presence, of underground or over-ground obstructions, such as utilities, Consultant will give special instructions to its field personnel. AS EVIDENCED BY CLIENT'S ACCEPTANCE OF THIS PROPOSAL, CLIENT AGREES TO SAVE CONSULTANT HARMLESS FROM ALL CLAIMS, SUITS, LOSSES, PERSONAL INJURIES, DEATH AND PROPERTY LIABILITY RESULTING FROM DAMAGING CONTACT WITH UNKNOWN OR UNUSUAL SUBSURFACE STRUCTURES, OWNED BY CLIENT OR THIRD PARTIES, OCCURRING DURING THE PERFORMANCE OF THE

PROPOSED SERVICES, WHOSE PRESENCE AND EXACT LOCATIONS WERE NOT REVEALED TO CONSULTANT IN WRITING BY CLIENT OR CLIENT'S ENGINEERING OR SURVEY REPRESENTATIVES AND CONSULTANTS, AND TO REIMBURSE CONSULTANT FOR EXPENSES IN CONNECTION WITH ANY SUCH CLAIMS OR SUITS, INCLUDING REASONABLE ATTORNEY'S FEES. CONSULTANT SHALL ONLY BE LIABLE FOR DAMAGES IF HE IS SOLELY NEGLIGENT IN HIS USE OF THE INFORMATION PROVIDED TO CONSULTANT BY CLIENT OR CLIENT'S ENGINEERING OR SURVEY REPRESENTATIVES AND CONSULTANTS.

If the Client wants the Consultant to assist in locating potentially conflicting man-made obstructions, such as utilities, Client must make special written contractual scope of work modifications with Consultant in advance of field testing and agree to adequately compensate Consultant for this extra service.

**SECTION 17: UNANTICIPATED HAZARDOUS MATERIALS AND DISPOSAL.** It shall be the duty of the Client, or its representatives to advise Consultant of any known or suspected hazardous substances which are, or may be, related to the services to be provided; such hazardous substances include, but are not limited to, products, materials, by-products, wastes or samples of the foregoing which Consultant may be provided, or obtain, performing its services or, which hazardous substances exist, or may exist, on or near any premises upon which work is to be performed by Consultant employees, agents or subcontractors. If Consultant observes or suspects the existence of unanticipated hazardous materials during the course of providing services, Consultant may at its option suspend or terminate further work on the project and notify Client of the condition. Consultant does not create, generate or at any time own, or take possession or ownership of, or arrange for transport, disposal or treatment of hazardous materials as a result of its services. All hazardous materials, including but not limited to samples, drilling fluids, decontamination fluids, development fluids, soil cuttings and tailings, and used disposable protective gear and equipment, are the property of the Client, and responsibility for proper transportation and disposal is the Client's, unless prior alternative contractual arrangements are made. All laboratory and field equipment that cannot readily and adequately be cleansed of its hazardous contaminants shall become the property and responsibility of the Client. The Client shall purchase any such equipment and it shall be turned over the Client for proper disposal unless prior alternate contractual arrangements are made.

**SECTION 18: SAMPLE DISPOSAL AGREEMENT.** Unless otherwise requested by Client, or his duly appointed representative, in writing, all samples or specimens will be disposed of by Consultant 30 days after submission of Consultant's report. The Client, upon written request, may request that the samples or specimens be retained for a longer period of time. Depending on the storage request by Client, there may be a charge for retention of samples or specimens in excess of 30 days.

**SECTION 19: DISPUTE RESOLUTION.** In the event of default or claim by either Consultant or Client, the parties agree to first resolving the issue through mediation. If the issue cannot be resolved by mediation, then the parties both agree to resolve the issue through arbitration. Both mediation and arbitration shall be subject to the laws and statutes of the State of Texas, and such events shall be administered in Bexar County, Texas.

**SECTION 20: PRECEDENCE.** The Terms and Conditions in this Agreement shall take precedence over any inconsistent or contradictory provisions contained in any proposal, agreement, contract, purchase order, requisition, notice to proceed, or like documents regarding Consultant's services.

**SECTION 21: INCORPORATION OF PROVISIONS REQUIRED BY LAW.** Each provision and clause required by law to be inserted into this Agreement will be enacted herein, and the Agreement shall be read and be enforced as though each were included herein. If through mistake, or otherwise, any such provision is not inserted, or is not correctly inserted, the Agreement shall be mutually amended to make such insertion, on application by either party.

**SECTION 22: SEVERABILITY.** If any of the provisions contained in this Agreement are held illegal, invalid, or unenforceable, the enforceability of the remaining provisions will not be impaired.

# Medina Valley Independent School District

## *Agenda Item Memorandum*

*To: MVISD Board of Trustees*

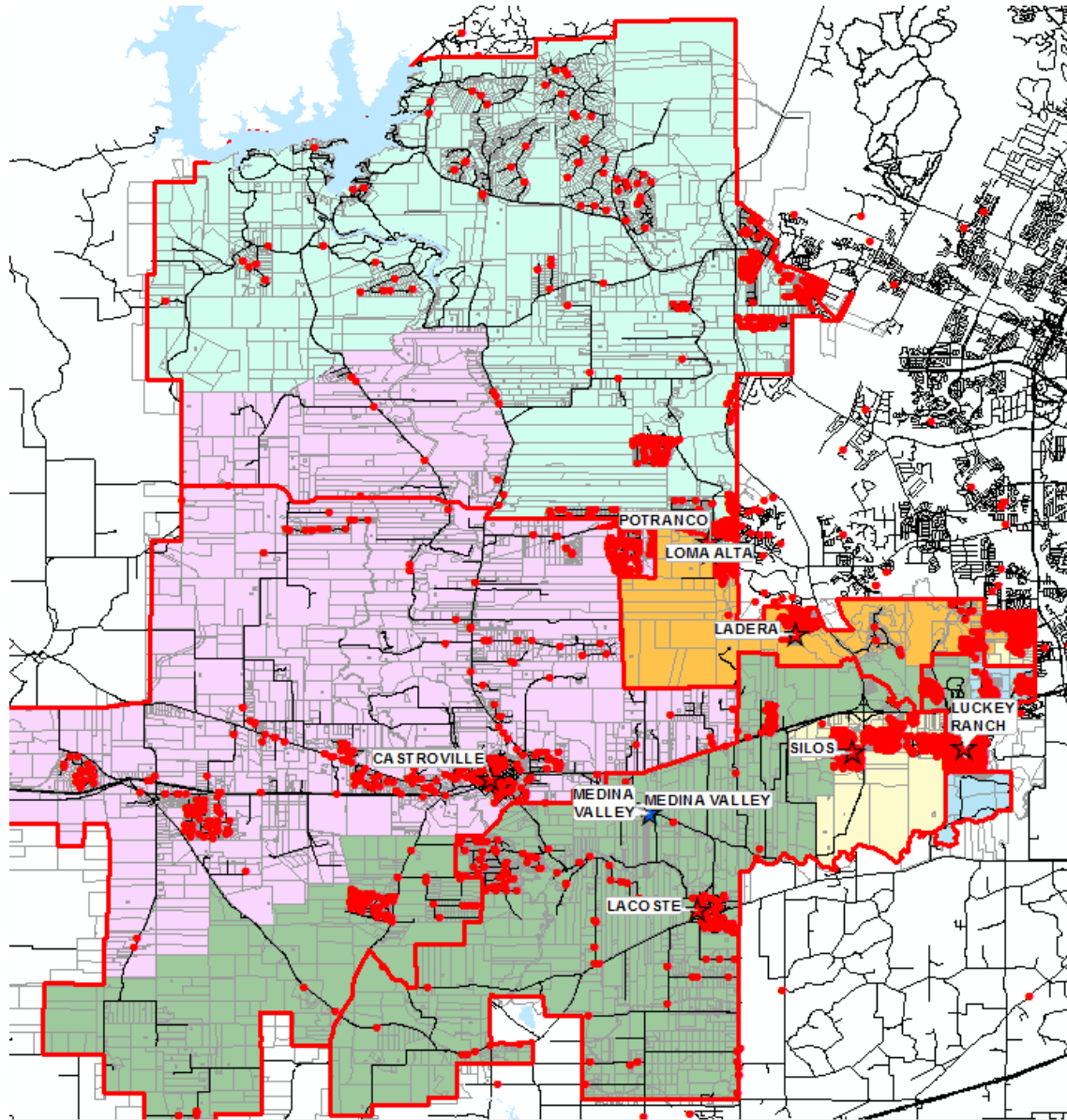
*Date: December 18, 2023*

*RE: Consider approving new elementary Attendance zones to include Silos Elementary*

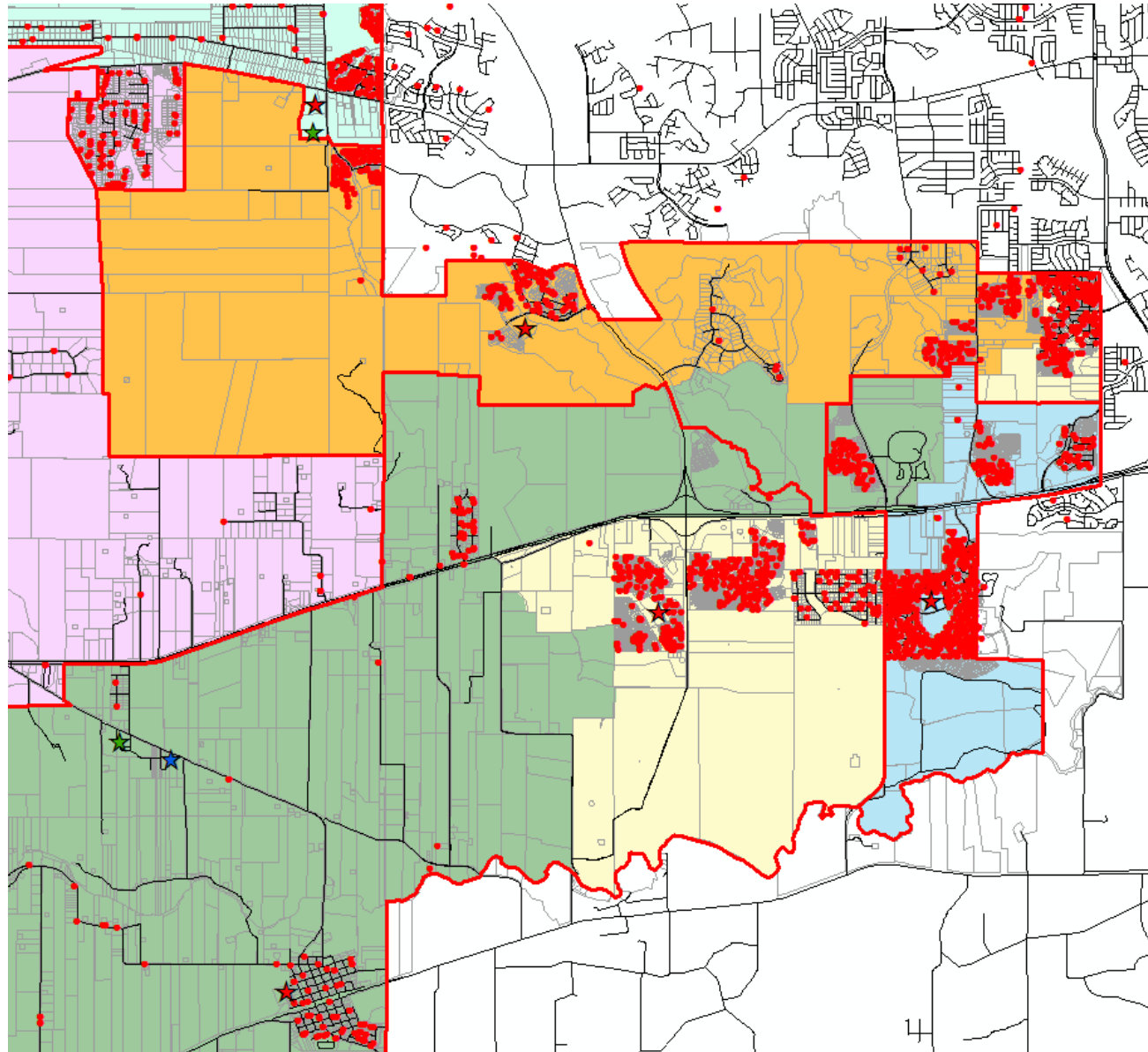
After careful consideration of enrollment at each elementary campus and the projected growth information from our demographic company, Zonda, these new attendance zones were drawn to include Silos Elementary.

MVISD Administration seeks approval of new Elementary Attendance Zones.

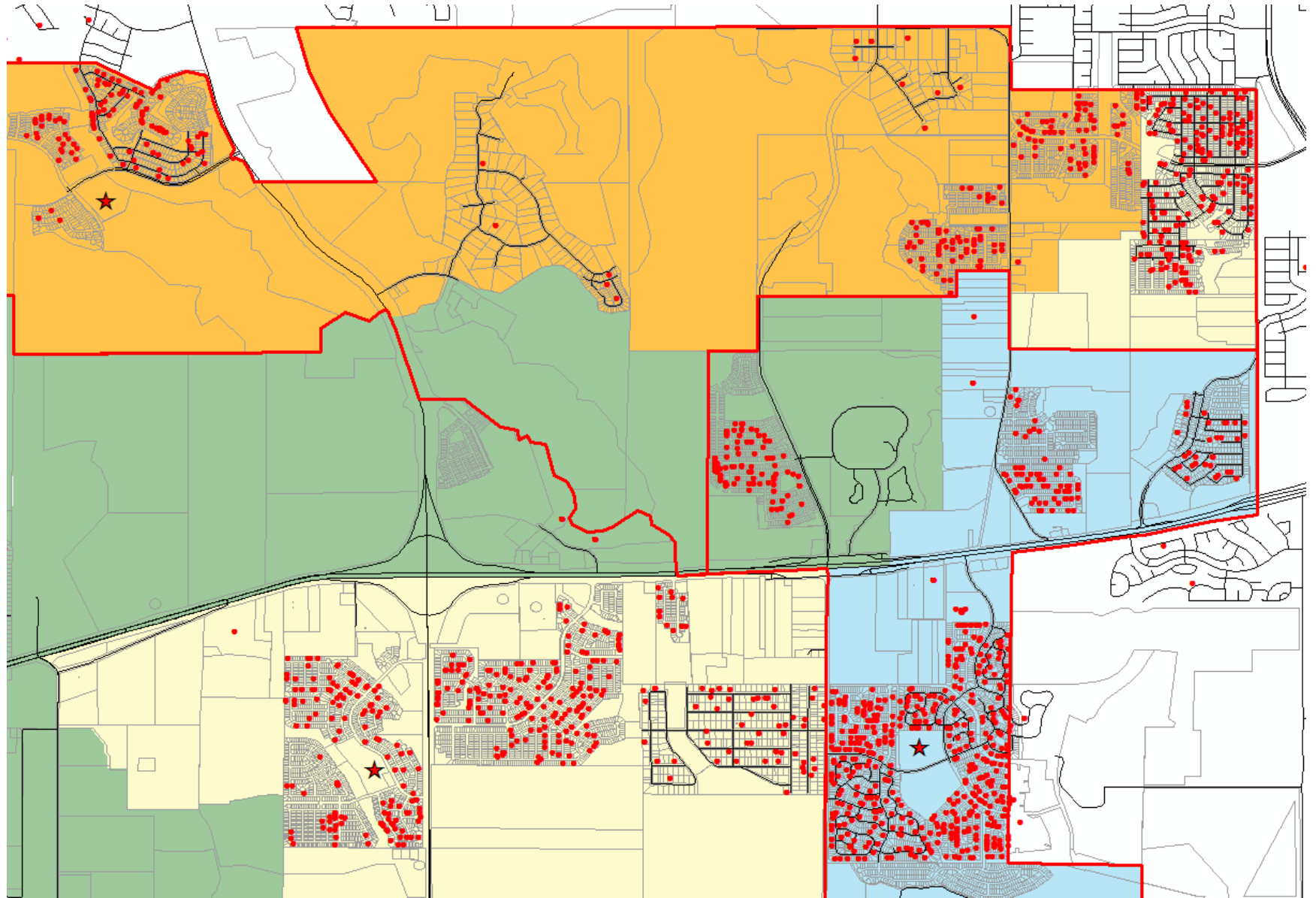
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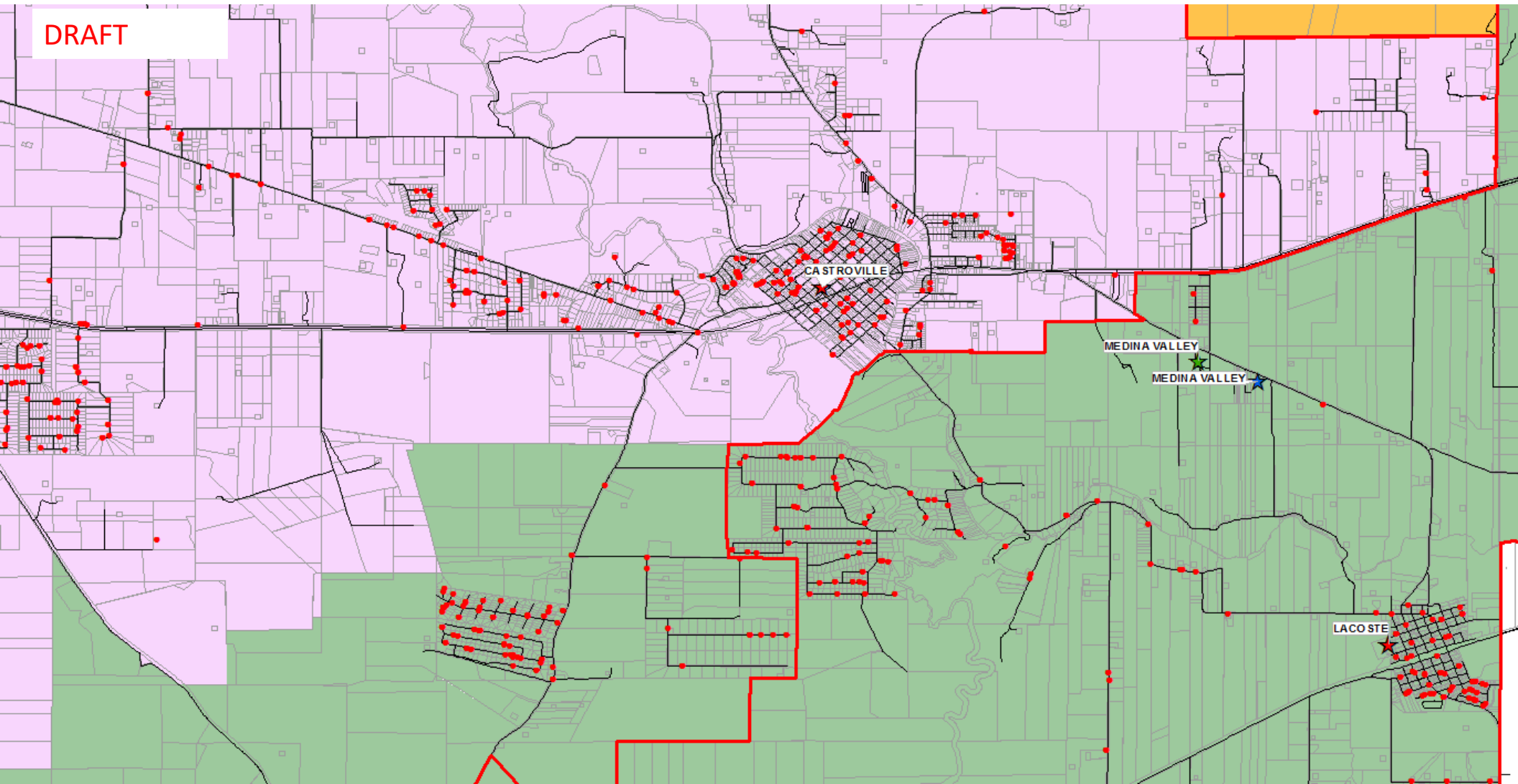
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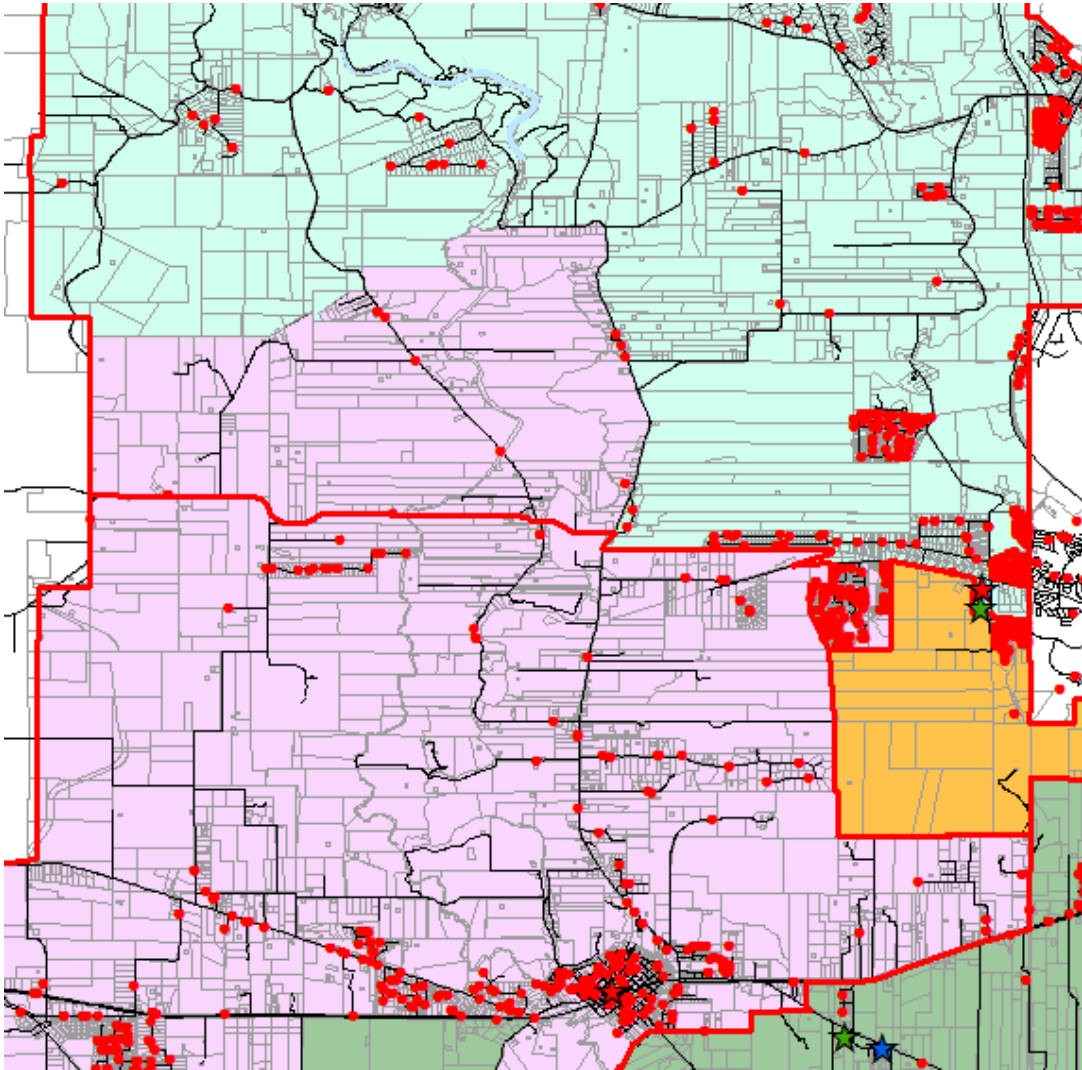
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### Projected Enrollment for Elementary Schools

SCHOOL	CAPACITY	2024/25	2025/26	2026/27	2027/28	2028/29
CASTROVILLE	750	698	719	756	790	826
LACOSTE	850	655	688	757	842	935
LADERA	850	707	850	1,001	1,146	1,260
LUCKEY RANCH	850	912	985	1,078	1,176	1,268
POTRANCO	850	845	938	1,076	1,204	1,383
SILOS	850	930	1,026	1,060	1,103	1,134
<b>TOTAL</b>	<b>5,000</b>	<b>4,747</b>	<b>5,206</b>	<b>5,728</b>	<b>6,261</b>	<b>6,806</b>

SCHOOL	ED	%ED
CASTROVILLE	339	51.0%
LACOSTE	359	61.0%
LADERA	297	50.6%
LUCKEY RANCH	602	69.5%
POTRANCO	401	52.6%
SILOS	502	65.1%
<b>TOTAL</b>	<b>2,500</b>	<b>59.0%</b>

# Medina Valley Independent School District

## *Agenda Item Memorandum*

*To: MVIDS Board of Trustees*

*Date: December 18, 2023*

*RE: Consider approving the Safe and Supportive School Program Members*

In accordance with guidelines from the Texas School Safety Center (TxSSC), each Texas school district is required by law to establish a school safety and security committee. Tex. Educ. Code § 37.109. The Safe and Supportive School Program is required by TEC 37.115.

MVIDS campuses and administration have compiled the attached lists of staff, personnel, local first responders, parents, and community members to serve on the Safe and Supportive School Program Members. Administration recommends approval.

# MVISD DISTRICT SAFETY SECURITY COMMITTEE

TITLE	DISTRICT	EMAIL
<b>Superintendent</b>	Scott Caloss	
<b>Board Members - President</b>	Beth Zinsmeyer Jennilea Campbell	
<b>Campus Administration</b>	Tanner Lange	
<b>Safety/EOP's</b>	Jay Huffty Tanya Stivors	
<b>SRO's/Police/Sheriff</b>	Cathy Gonzalez	
<b>Emergency Management</b>	Mark Chadwick	
<b>Communications</b>	Selena Viera	
<b>Counselor</b>	Tonie Hutzler	
<b>Teacher/Teachers</b>	Elementary Stephanie Summerlin (Castroville) Grace DeLeon (Potranco)	Middle School James Stancek (MVMS)
<b>Nurse</b>	Sarah Faulks	
<b>Special Education</b>	John Reynolds	
<b>Facilities</b>	Richard Reyes	
<b>Transportation</b>	Tobie Kennedy	
<b>Parent/Safety</b>	Gaby Guajardo Matthew Jordan	

**Safety and Security Meeting**  
**August 16, 2023**

<b>NAME:</b>	<b>SIGNATURE:</b>
Ashley Winters	
Benito Juarez	
Beth Zinsmeyer	
Cathy Gonzalez	
Grace DeLeon	
Jay Huffty	
Janet Graff	
Jennilea Campbell	
John Reynolds	
Katherine Hernandez	
Kathleen Pickering	
Kathryn Rubio	
Kayla Wiggins	
Mark Chadwick	
Rebecca Ozuna	
Scott Caloss	
Selena Viera	
Stephanie Summerlin	
Tanya Stivors	
Tiffany Eckenrod	
Tina Baron	
Tobie Kennedy	
Tonie Hutzler	

# Medina Valley Independent School District

## *Agenda Item Memorandum*

To: MVISD Board of Trustees

Date: December 18, 2023

RE: Consider approving the Interlocal agreement with ESC 20 for Texas 20 Purchasing Cooperative

Medina Valley ISD participates in Education Service Center 20's purchasing cooperative Texas 20. The Child Nutrition Department purchases food, non-food and other items from Texas 20. Due to TDA's transition moving from TX-UNPS to WBSCM, entering requested processing pounds will now be the responsibility of each CE instead of the cooperative. Because of this, it was necessary to update the language in the Interlocal-Agreement with our members.



# INTERLOCAL AGREEMENT



Education Service Center Region 20, TEXAS 20 Purchasing Cooperative

Organization: Medina Valley ISD County/District Number: Medina / 00804  
103-908

## General Provisions

This Interlocal Agreement is entered into by and between the Contracting Parties shown below pursuant to authority granted in and in compliance with the *Inter-local Cooperation Act, Chapter 791, Texas Government Code*. Agreement between TEXAS 20 Purchasing Cooperative and members choosing to participate in processing of USDA Foods and/or Commercial Purchasing.

This agreement shall be automatically renewed unless either party gives ninety (90) days prior notice of non-renewal. This agreement may be terminated with or without cause by either party upon thirty (30) days written notice.

TEXAS 20 Purchasing Cooperative and member agree on maintaining an effective advisory group that provides support to the TEXAS 20 Purchasing Cooperative team.

TEXAS 20 Purchasing Cooperative member agrees to comply with all requirements for receiving, handling, distributing, transporting, storing, and/or using USDA Processed Foods as provided in the TDA policy handbooks, and USDA regulations and instructions, including requirements relating to dry, chilled and frozen product received directly from USDA/TDA approved and TEXAS 20 Purchasing Cooperative awarded processors.

TEXAS 20 Purchasing Cooperative member agrees to effectively manage entitlement dedicated in TDA's electronic system to Commodity Processing and coordinate with the Co-op Coordinator the use of commodity processing balances on a timely basis.

TEXAS 20 Purchasing Cooperative member agrees on a regular basis, to track and manage USDA Foods processing inventory balances in processor's tracking system (e.g., K12, ProcessorLink, etc.); verify for accuracy end products sold through a distributor, including commodity value discounts and pounds used; verify processing option(s); delivery destination; and assigned distributor.

TEXAS 20 Purchasing Cooperative member agrees to verify receipt of end products delivered by the state contracted warehouse, awarded vendors, distributors and manufacturers, back door deliveries or directly to the direct to district warehouse to ensure:

1. End products received match delivery order form.
2. End products received match bill of lading prior to signing delivery invoice.
3. Damaged cases are not accepted; note damages on the bill of lading and return to driver.
4. Report to processing co-op coordinator any issues and/or concerns with USDA Food processing and commercial purchasing products and services. TDA will be notified if applicable.

TEXAS 20 Purchasing Cooperative member agrees to communicate with the Co-op coordinator and USDA approved commodity processor regarding commodity pound transfers, within the co-op, to the same awarded processor. Members must provide justification when requesting to transfer pounds to a different processor through TEXAS 20 Purchasing Cooperative for evaluation to determine if notification meets requirement for TDA approval or denial.

TEXAS 20 Purchasing Cooperative member agrees to utilize processing pounds in a timely manner and comply with federal regulations to not exceed a six-month inventory supply.



# INTERLOCAL AGREEMENT



Education Service Center Region 20, TEXAS 20 Purchasing Cooperative

Organization: Medina Valley ISD County/District Number: Medina / 00804  
163-908

TEXAS 20 Purchasing Cooperative and member ensure all initiated request for proposals follow the State and Federal procurement regulations and requirements, which include commodity processing and commercial purchasing.

TEXAS 20 Purchasing Cooperative will provide members with a procurement timeline schedule. Member agrees to meet all TEXAS 20 Purchasing Cooperative deadlines.

TEXAS 20 Purchasing Cooperative maintains procurement information, files and records for the purpose of ensuring the availability of documentation and compliance with established policies and regulatory guidelines. TEXAS 20 Purchasing Cooperative website provides a source of communication and resources for members. TEXAS 20 Cooperative team provides technical assistance to maximize resources.

TEXAS 20 Purchasing Cooperative member agrees to provide TEXAS 20 Co-op team the description of items and accurate quantity projections to ensure solicitation integrity, which includes commodity processing and commercial purchasing.

TEXAS 20 Purchasing Cooperative will conduct ongoing analysis of velocity reports comparing the estimated quantity provided to the distributor/vendor/manufacturer to the actual quantity of product purchased, which includes commodity processing and commercial purchasing.

TEXAS 20 Purchasing Cooperative shall send request for proposal invitations to all approved USDA/TDA processors. Those processors submitting the RFP by the opening deadline and having completed the processing agreements with TDA will be considered. The Co-op Coordinator will negotiate pricing to designate award/non-award processors.

TEXAS 20 Purchasing Cooperative member agrees to submit in writing the request approval to use the Direct to District option. The member accepts the responsibility of verifying deliveries, reconciling drawdowns, resolving issues with shorts, overages, and damages, and any other issues that may arise directly with the processor.

TEXAS 20 Purchasing Cooperative member is expected to honor all contracts and is obligated to purchase the products and or services listed on the contract from the awarded contractor. The member cannot buy these items from another vendor unless the quantity described in the contract has been exhausted, or the contract has been legally terminated. When the quantity is exhausted or the contract has been legally terminated, the member must correctly procure the products and/or services through a new solicitation. Timely payments must be made to vendors who receive proposal awards.

The TEXAS 20 Purchasing Cooperative reserves the right, but is not obligated, to add additional members and allow participation. A member may not be able to participate if purchases materially change the existing contract(s). The Member may become active upon any new bids or rebids being awarded.

### Authorization



# INTERLOCAL AGREEMENT



Education Service Center Region 20, TEXAS 20 Purchasing Cooperative

Organization: Medina Valley ISD County/District Number: Medina / 00804  
103-908

By execution and delivery of this Agreement, the undersigned individuals warrant that they have been duly authorized by all requisite administrative action required to enter into and perform the terms of this Agreement.

### School District or Public Entity

### Education Service Center, Region 20

By \_\_\_\_\_  
Authorized Signature

By \_\_\_\_\_  
Authorized Signature

Beth Zinsmeyer,  
Board President  
Title

\_\_\_\_\_  
Executive Director  
Title

\_\_\_\_\_  
Date  
Tiffany Eckenrod  
Contact Person

\_\_\_\_\_  
Date

Director of Child Nutrition  
Title of Contact Person

(830) 931. 2243 ext 1154  
Phone Number

tiffany.eckenrod@mvisd.org  
Email Address

8449 FM 471 South  
Street Address

Castroville, TX 78009  
City, State ZIP

# Medina Valley Independent School District

## *Agenda Item Memorandum*

*To: MVISD Board of Trustees*

*Date: December 18, 2023*

*RE: Consider approving Amendments to 2023-2024 Compensation Plan*

In accordance with Board Policy DEA (Legal) and (Local), District administration is recommending changing pay grades to the following positions due to increase duties/responsibilities and to increase retention and number of applications.

- Aide- Special Education ALE, BIP and ECSE
- Aide- Specialized Self-Contained
- Lead Cook

Administration recommends that the Board approve the Amendments to the 2023-2024 Compensation Plan.



**Proposed Amendments to 2023-2024 Compensation Plan**

**Pay Grade Change- Manual Trades**

Lead Cook change Pay Grade 2 to Pay Grade 3

**Pay Grade Change-Clerical/Paraprofessional**

Aide- SPED ALE change Pay Grade 2 to Pay Grade 3

Aide- SPED BIP change Pay Grade 2 to Pay Grade 3

Aide- SPED ECSE change Pay Grade 2 to Pay Grade 3

Aide- Specialized Self-Contained change Pay Grade 3 to Pay Grade 4