

ANNUAL FINANCIAL REPORT

of

**EDNA
INDEPENDENT SCHOOL DISTRICT**

**For the Year Ended
August 31, 2022**

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EDNA

INDEPENDENT SCHOOL DISTRICT

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INTRODUCTORY SECTION

CERTIFICATE OF BOARD

Edna Independent School District
Name of School District

Jackson
County

120-901
Co. Dist. Number

We, the undersigned, certify that the attached annual financial reports of the above named school district were reviewed and (check one) ☒ approved ☐ disapproved for the year ended August 31, 2022, at a meeting of the Board of Trustees of such school district on the 12 day of December, 2022.


Signature of Board Secretary


Signature of Board President

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

(attach list as necessary)

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FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of
Edna Independent School District:

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Edna Independent School District (the "District"), as of and for the year ended August 31, 2022, 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, 2022, 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 Auditors' 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.

Change in Accounting Principle

As described in Note I to the financial statements, the District adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 87, *Leases*, in fiscal year 2022. Our opinion is not modified with respect to this matter.

Responsibility of Management for the Financial Statements

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

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

Auditors' 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 auditors' 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 judgment 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 judgement, 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, schedules of the District's proportionate share of the net pension and other postemployment benefits liability, and schedules of District contributions, identified as Required Supplementary Information on the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary Information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying combining statements and 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 required parts 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 statements and 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 Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and the schedule of required responses to selected school first indicators but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2022 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

BELT HARRIS PECHACEK, LLP

Belt Harris Pechacek, LLP
Certified Public Accountants
Houston, Texas
December 7, 2022

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

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EDNA

INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended August 31, 2022

The purpose of the Management's Discussion and Analysis (MD&A) is to give the readers an objective and easily readable analysis of the financial activities of Edna Independent School District (the "District") for the year ending August 31, 2022. The analysis is based on currently known facts, decisions, or economic conditions. It presents short and long-term analysis of the District's activities, compares current year results with those of the prior year, and discusses the positive and negative aspects of that comparison. Please read the MD&A in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The District's total combined net position at August 31, 2022 was \$26,448,230.
- For the fiscal year ended August 31, 2022, the District's general fund reported a total fund balance of \$8,541,386, all of which is unassigned.
- At the end of the fiscal year, the District's governmental funds (the general fund plus all state and federal grant funds and the debt service fund) reported combined ending fund balances of \$10,077,881.

OVERVIEW OF THE FINANCIAL STATEMENTS

The annual report consists of three parts – *Management's Discussion and Analysis* (this section), the *Basic Financial Statements*, and *Required Supplementary Information*. The basic statements include two kinds of statements that present different views of the District.

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

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide statements report information about the District as a whole. These statements include transactions and balances relating to all assets, including infrastructure capital assets. These statements are designed to provide information about cost of services, operating results, and financial position of the District as an economic entity. The Statement of Net Position and the Statement of Activities, which appear first in the District's financial statements, report information on the District's activities that enable the reader to understand the financial condition of the District. These statements are prepared using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account even if cash has not yet changed hands.

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INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS, (Continued)
For the Year Ended August 31, 2022

The Statement of Net Position presents information on all of the District's assets, liabilities, and deferred outflows/inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. Other nonfinancial factors, such as changes in the District's tax base, staffing patterns, enrollment, and attendance, need to be considered in order to assess the overall health of the District.

The Statement of Activities presents information showing how the District's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows – the accrual method rather than modified accrual that is used in the fund level statements.

The Statement of Net Position and the Statement of Activities include the following class of activities:

Governmental Activities – Most of the District's basic services such as instruction, extracurricular activities, curriculum and staff development, health services, general administration, and plant operations and maintenance are included in *governmental activities*. Locally assessed property taxes, together with State foundation program entitlements, which are based upon student enrollment and attendance, finance most of the governmental activities.

The government-wide financial statements can be found after the MD&A.

FUND FINANCIAL STATEMENTS

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

- Some funds are required by State law and other funds are mandated by bond agreements or bond covenants.
- The Board of Trustees (the "Board") establishes other funds to control and manage money set aside for particular purposes or to show that the District is properly using certain taxes and grants.
- Other funds are used to account for assets held by the District in a custodial capacity – these assets do not belong to the District, but the District is responsible to properly account for them.

The District has the following kinds of funds:

- *Governmental Funds* – Most of the District's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explain the relationship (or differences) between them.
- *Fiduciary Fund* – The District serves as the trustee, or fiduciary, for certain funds such as student activity funds. The District is responsible for ensuring that the assets reported in this fund is used for their intended purposes. All of the District's fiduciary activities are reported in a separate statement of

EDNA
INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS, (Continued)
For the Year Ended August 31, 2022

fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the District's government-wide financial statements because the District cannot use these assets to finance its governmental operations.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The District's combined net position was \$26,448,230 at August 31, 2022. Table 1 focuses on net position while Table 2 shows the revenues and expenses that changed the net position balance during the fiscal year ended August 31, 2022. Within Table 1, the District reported an increase of \$1,345,415 in net position from the prior year. The increase in net position was primarily due to the net result of a decrease in total liabilities and increase in total deferred inflows of resources. Total liabilities mainly decreased from a decrease in long-term liabilities. Long-term liabilities included decreases in bonds payable, direct borrowings and placements, and notes payable from payment in their principal balances of \$1,201,580. Long-term liabilities also included a decrease in net pension liability of \$2,093,644. Total deferred inflows of resources in the 2022 fiscal year increased from the 2021 fiscal year primarily due to the result of an increase in deferred inflows of resources from the difference between the projected and actual investment earnings from the District's pension plan. Total assets and total deferred outflows of resources remained consistent with the prior year with a combined total increase of less than one percent from prior year.

Table 1 Net Position Description	Governmental Activities		Total Change
	2022	2021	2022-2021
Current assets	\$ 11,608,192	\$ 11,449,544	\$ 158,648
Capital assets	39,799,043	39,942,503	(143,460)
Total Assets	51,407,235	51,392,047	15,188
Deferred charge on refunding	602,505	655,009	(52,504)
Deferred outflows - pensions	1,288,291	1,632,254	(343,963)
Deferred outflows - OPEB	1,997,356	1,515,313	482,043
Total Deferred Outflows of Resources	3,888,152	3,802,576	85,576
Current liabilities	1,121,434	1,059,617	61,817
Long-term liabilities	21,565,020	24,530,877	(2,965,857)
Total Liabilities	22,686,454	25,590,494	(2,904,040)
Deferred inflows - pensions	2,369,091	734,574	1,634,517
Deferred inflows - OPEB	3,791,612	3,766,740	24,872
Total Deferred Inflows of Resources	6,160,703	4,501,314	1,659,389
Net Position			
Net investment in capital assets	26,504,848	25,536,613	968,235
Restricted	1,598,636	1,289,195	309,441
Unrestricted	(1,655,254)	(1,722,993)	67,739
Total Net Position	\$ 26,448,230	\$ 25,102,815	\$ 1,345,415

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INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS, (Continued)
For the Year Ended August 31, 2022

Table 2
Changes in Net Position

	Governmental Activities		Total Change
	2022	2021	2022-2021
Revenues:			
Program revenues:			
Charges for services	\$ 1,540,003	\$ 1,527,517	\$ 12,486
Operating grants and contributions	4,890,317	4,186,860	703,457
General revenues:			
Property taxes	7,374,460	7,046,845	327,615
Grants and contributions not restricted for specific programs	8,474,418	8,499,275	(24,857)
Investment earnings	53,443	134,769	(81,326)
Other revenues	360,860	321,929	38,931
Total Revenues	22,693,501	21,717,195	976,306
Expenses:			
Instruction	11,209,580	11,048,023	161,557
Instructional resources and media services	149,090	168,799	(19,709)
Curriculum/instructional staff development	125,989	97,710	28,279
Instructional leadership	487,446	490,939	(3,493)
School leadership	1,243,163	1,190,614	52,549
Guidance, counseling, and evaluation services	690,999	686,178	4,821
Health services	183,868	210,577	(26,709)
Student (pupil) transportation	512,944	455,766	57,178
Food services	997,593	817,927	179,666
Extracurricular activities	1,078,640	1,164,220	(85,580)
General administration	836,128	820,886	15,242
Plant maintenance and operations	2,405,840	2,120,344	285,496
Security and monitoring services	124,572	140,864	(16,292)
Data processing services	85,855	86,064	(209)
Debt service - interest on long-term debt	413,023	424,645	(11,622)
Bond issuance costs	-	2,549	(2,549)
Payments to fiscal agent/member districts of SSA	623,064	741,255	(118,191)
Other intergovernmental charges	180,292	188,268	(7,976)
Total Expenses	21,348,086	20,855,628	492,458
Change in Net Position	1,345,415	861,567	483,848
Beginning net position	25,102,815	24,241,248	861,567
Ending Net Position	\$ 26,448,230	\$ 25,102,815	\$ 1,345,415

Total revenues increased by \$976,306. The District experienced a significant increase in operating grants and contributions primarily due to federal grants and an increase in property taxes due to an increase in property tax appraisal values. Total expenses increased by \$492,458 mainly due to an increase in costs related to instruction, food service, and plant maintenance and operations.

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INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS, (Continued)
For the Year Ended August 31, 2022

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

At the close of the fiscal year ending August 31, 2022, the District's governmental funds reported a combined fund balance of \$10,077,881. This compares to a combined fund balance of \$10,001,832 at August 31, 2021. The combined governmental funds fund balance includes a decrease in fund balance for the general fund of \$228,379 during the fiscal year which had an ending fund balance of \$8,541,386. The fund balance in the general fund is unassigned and is approximately 53 percent of the general fund's expenditures for the 2022 fiscal year. The debt service fund had an increase of \$40,676 as a result of revenues in excess of current year debt service expenditures. All of the fund balance in the debt service is restricted for future debt service payments.

GENERAL FUND BUDGETARY HIGHLIGHTS

In accordance with State law and generally accepted accounting standards, 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, 2022, the District amended its budget as required by State law to reflect current levels of revenue and anticipated expenses. The budget was amended for unanticipated items throughout the year. The general fund's actual revenues exceeded budgeted revenues by \$53,857 mainly due to more state program revenues than expected. Budgeted expenditures exceeded actual expenditures by \$285,127 mainly due to the less expenditures than budgeted in instruction, plant maintenance and operations, security and monitoring services, and facilities acquisition and construction.

CAPITAL ASSETS

Capital assets are generally defined as those items that have useful lives of two years or more and have an initial cost of an amount determined by the Board. Donated capital assets are recorded at acquisition value at the date of donation. The capital assets also include the right-to-use assets that are associated with leases payable. During the fiscal year ended August 31, 2022, the District used a capitalization threshold of \$5,000, which means that all capital type assets, including library books, with a cost or initial value of less than \$5,000 were not included in the capital assets inventory.

At August 31, 2022, the District had a total of \$39,799,043 invested in capital assets (net of depreciation) such as land, construction in progress, buildings, and District equipment. This total includes \$1,427,657 invested during the fiscal year ended August 31, 2022.

Major capital asset events during the fiscal year included the following:

- Construction in progress for the high school \$240,780
- Purchase of a bus \$115,757
- Edna Junior High cafeteria equipment and renovations \$282,553
- Lights for the Edna High School football field \$170,273
- Right-to-use assets (copiers) \$172,909

More detailed information about the District's capital assets can be found in the notes to the financial statements.

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INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS, (Continued)
For the Year Ended August 31, 2022

LONG-TERM DEBT

At year end, the District had \$12,930,818 in outstanding bonds, direct borrowings and placements, notes payable, and lease payable versus \$14,009,067 last year. The current long-term debt activity includes additions of lease payable for \$172,909.

More detailed information about the District's long-term liabilities is presented in the notes to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The District's budgeted expenditures for the 2022-2023 school year total \$17,756,548 and the District's Board adopted a maintenance and operations tax rate of \$0.8546 and an interest and sinking tax rate of \$0.1913 for a combined rate of \$1.0459 per \$100 of assessed property value.

Revenues are projected to increase in athletics and in investment earnings due to the removal of COVID restrictions and the increase in interest rates.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, 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 601 N Wells, Edna, Texas 77957 or call 361-782-3573.

BASIC FINANCIAL STATEMENTS

EDNA INDEPENDENT SCHOOL DISTRICT

STATEMENT OF NET POSITION - EXHIBIT A-1

August 31, 2022

Data Control Codes		1 Governmental Activities
	<u>Assets</u>	
1110	Cash and cash equivalents	\$ 4,711,835
1120	Investments	5,880,667
1225	Property taxes receivable (net)	428,258
1240	Due from other governments	587,432
		<u>11,608,192</u>
	Capital assets:	
1510	Land	201,179
1520	Buildings and improvements, net	37,734,973
1530	Equipment and vehicles, net	1,500,312
1550	Right-to-use-assets, net	121,799
1580	Construction in progress	240,780
		<u>39,799,043</u>
1000	Total Assets	<u>51,407,235</u>
	<u>Deferred Outflows of Resources</u>	
1701	Deferred charge on refunding	602,505
1705	Deferred outflows - pensions	1,288,291
1706	Deferred outflows - OPEB	1,997,356
1700	Total Deferred Outflows of Resources	<u>3,888,152</u>
	<u>Liabilities</u>	
2110	Accounts payable	117,629
2140	Interest payable	19,381
2150	Payroll deductions payable	16,190
2160	Wages payable	826,537
2200	Accrued expenditures	26,749
2300	Unearned revenue	114,948
		<u>1,121,434</u>
	Noncurrent liabilities:	
2501	Long-term liabilities due within one year	1,310,407
2502	Long-term liabilities due in more than one year	12,740,853
2540	Net pension liability	2,082,019
2545	Net OPEB liability	5,431,741
2000	Total Liabilities	<u>22,686,454</u>
	<u>Deferred Inflows of Resources</u>	
2605	Deferred inflows - pensions	2,369,091
2606	Deferred inflows - OPEB	3,791,612
2600	Total Deferred Inflows of Resources	<u>6,160,703</u>
	<u>Net Position</u>	
3200	Net investment in capital assets	26,504,848
	Restricted for:	
3820	Federal and state programs	470,361
3850	Debt service	962,365
3870	Campus activities	79,828
3890	Other purposes	86,082
3900	Unrestricted	(1,655,254)
3000	Total Net Position	<u>\$ 26,448,230</u>

See Notes to Financial Statements.

EDNA

INDEPENDENT SCHOOL DISTRICT

STATEMENT OF ACTIVITIES - EXHIBIT B-1

For the Year Ended August 31, 2022

Data Control Codes	Functions/Programs	1 Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
			3 Charges for Services	4 Operating Grants and Contributions	6 Primary Gov. Governmental Activities
	Primary Government Governmental Activities				
11	Instruction	\$ 11,209,580	\$ -	\$ 2,643,868	\$ (8,565,712)
12	Instructional resources				
12	and media services	149,090	-	7,365	(141,725)
13	Curriculum/instructional				
13	staff development	125,989	-	16,951	(109,038)
21	Instructional leadership	487,446	-	75,247	(412,199)
23	School leadership	1,243,163	-	32,781	(1,210,382)
31	Guidance, counseling, and				
31	evaluation services	690,999	-	508,338	(182,661)
33	Health services	183,868	-	21,431	(162,437)
34	Student (pupil) transportation	512,944	-	32,329	(480,615)
35	Food services	997,593	146,257	1,058,305	206,969
36	Extracurricular activities	1,078,640	1,393,746	47,216	362,322
41	General administration	836,128	-	51,896	(784,232)
51	Plant maintenance and operations	2,405,840	-	127,640	(2,278,200)
52	Security and monitoring services	124,572	-	6,581	(117,991)
53	Data processing services	85,855	-	3,990	(81,865)
72	Debt service - interest on				
72	long-term debt	413,023	-	29,377	(383,646)
93	Payments to fiscal agent/member				
93	districts of SSA	623,064	-	199,976	(423,088)
99	Other intergovernmental charges	180,292	-	-	(180,292)
	Total Governmental Activities	<u>\$ 21,348,086</u>	<u>\$ 1,540,003</u>	<u>\$ 4,890,317</u>	<u>(14,917,766)</u>
TP	Total Primary Government	<u>\$ 21,348,086</u>	<u>\$ 1,540,003</u>	<u>\$ 4,890,317</u>	<u>(14,917,766)</u>
	General Revenues				
MT	Property taxes, levied for general purposes				5,939,375
DT	Property taxes, levied for debt service				1,435,085
GC	Grants and contributions not restricted				
GC	for specific programs				8,474,418
IE	Investment earnings				53,443
MI	Miscellaneous local and intermediate revenue				360,860
TR	Total General Revenues				<u>16,263,181</u>
CN	Change in Net Position				<u>1,345,415</u>
NB	Beginning net position				<u>25,102,815</u>
NE	Ending Net Position				<u>\$ 26,448,230</u>

See Notes to Financial Statements.

EDNA
INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS - EXHIBIT C-1

August 31, 2022

		10	50	98	
Data Control Codes		General	Debt Service	Nonmajor Governmental	Total Governmental Funds
Assets:					
1110	Cash and cash equivalents	\$ 3,889,425	\$ 87,532	\$ 734,878	\$ 4,711,835
1120	Investments	5,070,684	809,943	40	5,880,667
1220	Taxes receivable	629,097	143,613	-	772,710
1230	Allowance for uncollectible taxes	(282,361)	(62,091)	-	(344,452)
1240	Due from other governments	27,040	6,157	554,235	587,432
1260	Due from other funds	350,756	-	-	350,756
1000	Total Assets	<u>\$ 9,684,641</u>	<u>\$ 985,154</u>	<u>\$ 1,289,153</u>	<u>\$ 11,958,948</u>
Liabilities:					
2110	Accounts payable	\$ 29,602	\$ -	\$ 88,027	\$ 117,629
2150	Payroll deductions payable	16,190	-	-	16,190
2160	Accrued wages payable	626,160	-	200,377	826,537
2170	Due to other funds	-	-	350,756	350,756
2200	Accrued expenditures	13,027	-	13,722	26,749
2300	Unearned revenue	111,540	3,408	-	114,948
2000	Total Liabilities	<u>796,519</u>	<u>3,408</u>	<u>652,882</u>	<u>1,452,809</u>
Deferred Inflows of Resources:					
2600	Unavailable revenue-property taxes	<u>346,736</u>	<u>81,522</u>	<u>-</u>	<u>428,258</u>
Fund Balances:					
Restricted:					
3450	Federal/state grant funds	-	-	470,361	470,361
3480	Debt service	-	900,224	-	900,224
3490	Other restrictions	-	-	165,910	165,910
3600	Unassigned	8,541,386	-	-	8,541,386
3000	Total Fund Balances	<u>8,541,386</u>	<u>900,224</u>	<u>636,271</u>	<u>10,077,881</u>
4000	Total Liabilities , Deferred Inflows of Resources, and Fund Balances	<u>\$ 9,684,641</u>	<u>\$ 985,154</u>	<u>\$ 1,289,153</u>	<u>\$ 11,958,948</u>

See Notes to Financial Statements.

EDNA
INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION - EXHIBIT C-1R
August 31, 2022

Total fund balances for governmental funds	\$	10,077,881
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Amounts reported for governmental activities in the Statement of Net Position
are different because:

Capital assets used in governmental activities are not current financial
resources and, therefore, not reported in the governmental funds.

Capital assets - nondepreciable	441,959	
Capital assets - depreciable	39,235,285	
Right-to-use-assets	<u>121,799</u>	
		39,799,043

Deferred items and some liabilities, including bonds payable, net pension and net other
post employment benefits (OPEB), are not reported as liabilities or deferred items
in the governmental funds.

Accrued interest	(19,381)	
Deferred outflows - pensions	1,288,291	
Deferred outflows - OPEB	1,997,356	
Deferred tax revenue	428,258	
Deferred loss on bond refunding	602,505	
Deferred inflows - pensions	(2,369,091)	
Deferred inflows - OPEB	(3,791,612)	
Noncurrent liabilities due in one year	(1,310,407)	
Net pension liability	(2,082,019)	
Net OPEB liability	(5,431,741)	
Noncurrent liabilities due in more than one year	<u>(12,740,853)</u>	
		<u>(23,428,694)</u>

Net Position of Governmental Activities	\$	<u><u>26,448,230</u></u>
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See Notes to Financial Statements.

EDNA
INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS - EXHIBIT C-2
For the Year Ended August 31, 2022

Data Control Codes		10	50		98
		General	Debt Service	Nonmajor Governmental	Total Governmental Funds
	Revenues				
5700	Local, intermediate, and out-of-state	\$ 6,332,534	\$ 1,437,387	\$ 1,540,003	\$ 9,309,924
5800	State program revenues	9,203,264	29,377	402,715	9,635,356
5900	Federal program revenues	174,305	-	3,952,863	4,127,168
5020	Total Revenues	<u>15,710,103</u>	<u>1,466,764</u>	<u>5,895,581</u>	<u>23,072,448</u>
	Expenditures				
0011	Instruction	7,565,954	-	3,366,675	10,932,629
0012	Instructional resources				
0012	and media services	143,109	-	3,526	146,635
0013	Curriculum and staff development	105,644	-	12,585	118,229
0021	Instructional leadership	297,364	-	177,767	475,131
0023	School leadership	1,105,204	-	113,049	1,218,253
0031	Guidance, counseling, and				
0031	evaluation services	239,084	-	462,125	701,209
0033	Health services	147,053	-	28,496	175,549
0034	Student (pupil) transportation	591,470	-	-	591,470
0035	Food service	1,346	-	930,353	931,699
0036	Extracurricular activities	972,182	-	119,078	1,091,260
0041	General administration	748,169	-	61,548	809,717
0051	Plant maintenance and operations	2,190,629	-	59,793	2,250,422
0052	Security and monitoring services	116,849	-	-	116,849
0053	Data processing services	81,475	-	-	81,475
	Debt service:				
0071	Principal	249,352	1,000,000	1,806	1,251,158
0072	Interest	22,213	426,088	108	448,409
	Capital outlay:				
0081	Facilities acquisition and construction	925,834	-	100,024	1,025,858
	Intergovernmental:				
0093	Shared services arrangements	423,088	-	199,976	623,064
0099	Other intergovernmental charges	180,292	-	-	180,292
6030	Total Expenditures	<u>16,106,311</u>	<u>1,426,088</u>	<u>5,636,909</u>	<u>23,169,308</u>
	Excess (Deficiency) of Revenues				
1100	Over (Under) Expenditures	<u>(396,208)</u>	<u>40,676</u>	<u>258,672</u>	<u>(96,860)</u>
	Other Financing Sources (Uses)				
7913	Proceeds from right-to-use assets	167,829	-	5,080	172,909
7080	Total Other Financing Sources	<u>167,829</u>	<u>-</u>	<u>5,080</u>	<u>172,909</u>
1200	Net Change in Fund Balances	(228,379)	40,676	263,752	76,049
0100	Beginning fund balances	8,769,765	859,548	372,519	10,001,832
3000	Ending Fund Balances	<u>\$ 8,541,386</u>	<u>\$ 900,224</u>	<u>\$ 636,271</u>	<u>\$ 10,077,881</u>

See Notes to Financial Statements.

EDNA
INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES - EXHIBIT C-3
For the Year Ended August 31, 2022

Net changes in fund balances - total governmental funds \$ 76,049

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense or amortization of right-to-use-assets.

Depreciation	(1,520,007)
Amortization of right-to-use assets	(51,110)
Capital and right-to-use assets additions	1,427,657

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	18,842
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The issuance of long-term debt (e.g., bonds, leases, certificates of obligation) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when it is first issued; whereas, these amounts are deferred and amortized in the Statement of Activities.

Additions from lease agreements	(172,909)
Principal repayments	1,251,158
Accrued interest	1,940
Amortization of loss on refunding	(52,504)
Amortization of premiums	85,950

Some expenses reported in the Statement of Activities does not require the use of current financial resources and, therefore, is not reported as an expenditure or revenue in governmental funds.

Compensated absences	17,320
Change in net pension liability	2,093,644
Change in net OPEB liability	(309,306)
Net change in deferred outflows and inflows - pensions	(1,978,480)
Net change in deferred outflows and inflows - OPEB	457,171
Net on-behalf contributions adjustment - revenues	(397,789)
Net on-behalf contributions adjustment - expenses	397,789

Change in Net Position of Governmental Activities	\$ 1,345,415
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See Notes to Financial Statements.

EDNA
INDEPENDENT SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND - EXHIBIT E-1
August 31, 2022

Data Control Codes		Custodial Fund Student Activity
	<u>Assets</u>	
1110	Cash and cash equivalents	\$ 179,256
1000	Total Assets	<u>179,256</u>
	<u>Net Position</u>	
3800	Restricted for individuals and organizations	179,256
3000	Total Net Position	<u><u>\$ 179,256</u></u>

See Notes to Financial Statements.

EDNA
INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND - EXHIBIT E-2
For the Year Ended August 31, 2022

	Custodial Fund Student Activities
<u>Additions</u>	
Student club fees and dues	\$ 88,903
Student group fundraising activities	135,026
Concession stand sales	4,169
Donations	17,335
Total Additions	245,433
<u>Deductions</u>	
Scholarship awards	5,350
Cheerleading	10,802
Athletics	5,014
Band	48,542
Dance	7,885
Future Farmers of America	52,612
Student body clubs	42,797
Other campus activities	49,532
Administration operation cost	18,120
Total Deductions	240,654
Change in Fiduciary Net Position	4,779
Beginning net position	174,477
Ending Net Position	\$ 179,256

EDNA
INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
For the Year Ended August 31, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Edna Independent School District (the “District”) is a public educational agency operating under the applicable laws and regulations of the State of Texas (the “State”). 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 promulgated by the Governmental Accounting Standards Board (GASB) and it complies with the requirements of the appropriate version of Texas Education Agency’s (TEA) *Financial Accountability System Resource Guide* (the “Resource Guide”) and the requirements of contracts and grants of agencies from which it receives funds.

The District is an independent political subdivision of the State governed by a board elected by the public and it has the authority to make decisions, appoint administrators and managers, and significantly influence operations, and is considered a primary government. As required by generally accepted accounting principles, these basic financial statements have been prepared based on considerations regarding the potential for inclusion of other entities, organizations, or functions as part of the District’s financial reporting entity. No other entities have been included in the District’s reporting entity. Additionally, as the District is considered a primary government for financial reporting purposes, its activities are not considered a part of any other governmental or other type of reporting entity.

B. Government – Wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government. All fiduciary activities are reported only in the fund financial statements. *Governmental activities* are normally supported by taxes, intergovernmental revenues, and other nonexchange transactions.

C. Basis of Presentation – Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds. Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonable equivalent in value to the interfund services provided. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

D. Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the District’s funds, including its fiduciary fund. Separate statements for each fund category – governmental and fiduciary – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

EDNA
INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, (Continued)
For the Year Ended August 31, 2022

The District reports the following governmental funds:

General Fund

The general fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The general fund is always considered a major fund for reporting purposes.

Debt Service Fund

The debt service fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest on all long-term debt of the District. The primary source of revenue for debt service is local property taxes. The debt service fund is not considered a major fund for reporting purposes, but the District has elected to present it as a major fund due to its significance.

Special Revenue Funds

The special revenue funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specific purposes other than debt service or capital projects. The restricted proceeds of specific revenue sources comprise a substantial portion of the inflows of these special revenue funds. Most federal and some state financial assistance is accounted for in a special revenue fund.

Fiduciary Fund

The fiduciary fund accounts for assets held by the District in a trustee capacity or as an agent on behalf of others. The fiduciary fund is not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs.

The District has the following type of fiduciary fund:

Custodial Fund

The custodial fund reports resources, not in a trust, that are held by the District for other parties outside of the District. The custodial fund is accounted for using the accrual basis of accounting. This fund is used to account for the District's student activity funds.

During the course of operations, the District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

EDNA
INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, (Continued)
For the Year Ended August 31, 2022

E. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide and fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt services expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for the revenue source (within 60 days of year end). All other revenue items are considered measurable and available only when cash is received by the District.

F. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

2. Investments

Investments, except for certain investment pools, commercial paper, money market funds, and investment contracts, are reported at fair value. The investment pool operates in accordance with appropriate state laws and regulations and is reported at amortized cost. Money market funds, which are short-term highly liquid debt instruments that may include U.S. Treasury and agency obligations and commercial paper that have a remaining maturity of one year or less upon acquisition, are reported at amortized cost. Investments in nonparticipating interest earning contracts, such as certificates of deposit, are reported at cost.

EDNA
INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, (Continued)
For the Year Ended August 31, 2022

The District has adopted a written investment policy regarding the investment of its funds as defined in the Public Funds Investment Act, Chapter 2256, Texas Governmental Code. In summary, the District is authorized to invest in the following:

Direct obligations of the U.S. Government
Fully collateralized certificates of deposit and money market accounts
Government investment pools and commercial paper

3. Capital Assets

Capital assets, which include land, buildings, furniture, and equipment, are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of 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 acquisition value at the date of donation. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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.

Property, plant, and equipment of the primary government are depreciated using the straight-line method over the following estimated useful lives:

Asset Description	Estimated Useful Life
Buildings and improvements	20 to 40 years
Vehicles	10 years
Equipment	8 to 20 years

4. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. 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.

Deferred outflows/inflows of resources are amortized as follows:

- Deferred outflows/inflows from pension/other postemployment benefits (OPEB) activities are amortized over the average of the expected service lives of pension/OPEB plan members, except for the net differences between the projected and actual investment earnings on the pension/OPEB plan assets, which are amortized over a period of five years.
- For employer pension/OPEB plan contributions that were made subsequent to the measurement date through the end of the District's fiscal year, the amount is deferred and recognized as a reduction to the net pension/OPEB liability during the measurement period in which the contributions were made.

EDNA
INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, (Continued)
For the Year Ended August 31, 2022

- A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

At the fund level, the District has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

5. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method, if material. Bonds payable are reported net of the applicable bond premium or discount.

Long-term debt for governmental funds is not reported as a liability in the fund financial statements until due. The debt proceeds are reported as other financing sources, net of the applicable premium or discount and payment of principal and interest reported as expenditures. In the governmental fund types, issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. However, claims and judgments paid from governmental funds are reported as a liability in the fund financial statements only for the portion expected to be financed from expendable, available financial resources.

The property tax rate is allocated each year between the general and debt service funds. The full amount estimated to be required for debt service on general obligation debt is provided by the tax along with the interest earned in the debt service fund.

6. Leases

The District is a lessee for noncancellable leases of equipment. The District recognizes a lease liability and intangible, right-to-use lease assets (the "lease asset") in the government-wide financial statements.

At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the term of the lease.

Key estimates and judgments related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases.

EDNA
INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, (Continued)
For the Year Ended August 31, 2022

- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and the purchase option price that the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the Statement of Net Position.

7. Compensated Absences

The District maintains formal programs for local and state leave days. All employees shall earn three paid local leave days per school year in accordance with administrative regulations. Local leave days shall accumulate without limit. An employee who retires from the District and has at least five years of service with the District shall be reimbursed for up to 15 days of state leave and up to 25 days of state leave if the employee retires from the District with at least ten years of service. An employee who separates from employment with the District shall be eligible for reimbursement for local leave only. An employee who retires from the District and meets the above years of service shall be eligible for local and state leave to a maximum of 60 days, at a rate established by the Board under the condition approved by the District leave policy.

8. Net Position Flow Assumption

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

9. Fund Balance Flow Assumptions

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

10. Fund Balance Policies

Fund balances of governmental funds are reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The District itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

EDNA
INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, (Continued)
For the Year Ended August 31, 2022

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision-making authority. The District's Board is the highest level of decision-making authority for the District that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as committed. The District's Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

11. Estimates

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

12. Data Control Codes

The data control codes refer to the account code structure prescribed by TEA in the Resource Guide. The TEA requires school districts to display these codes in the financial statements filed with the TEA in order to ensure accuracy in building a statewide database for policy development and funding plans.

13. Pensions

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

14. Other Postemployment Benefits

The fiduciary net position of the TRS Texas Public School Retired Employees Group Insurance Program ("TRS-Care") has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, 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.

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INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, (Continued)
For the Year Ended August 31, 2022

G. Revenues and Expenditures/Expenses

1. Program Revenues

Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

2. Property Taxes

All taxes due to the District on real or personal property are payable at the Office of the Tax Assessor-Collector and may be paid at any time after the tax rolls for the year have been completed and approved, which is no later than October 1. Taxes are due by January 31, and all taxes not paid prior to this date are deemed delinquent and are subject to such penalty and interest.

Property taxes attach as an enforceable lien on property as of January 1 each year. Taxes are levied on October 1 and are payable prior to the next February 1. District property tax revenues are recognized when collected.

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Annual budgets are adopted on a basis consistent with generally accepted accounting principles. The original budget is adopted by the District prior to the beginning of the year. The legal level of control is the function code stated in the approved budget. Appropriations lapse at the end of the year.

In accordance with State law and generally accepted accounting standards, the District prepares an annual budget for the general fund, the national school lunch and breakfast program 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 year, the District amended its budget as required by State law and to reflect current levels of revenue and anticipated expenditures.

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

As of August 31, 2022, the District had the following investments:

<u>Investments</u>	<u>Market Value</u>	<u>Weighted Average Maturity (Year)</u>
Lone Star Investment Pool	<u>\$ 5,880,667</u>	0.10
Portfolio weighted average maturity		0.10

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For the Year Ended August 31, 2022

Custodial credit risk – deposits. In the case of deposits, this is the risk that in the event of a bank failure, the District’s deposits may not be returned to it. The District’s investment policy requires funds on deposit at the depository bank to be collateralized. As of August 31, 2022, checking and time deposits were entirely insured or collateralized with securities as provided by State laws and regulations and FDIC insurance.

Credit risk. The District’s policy requires that investment pools must be rated no lower than ‘AAA’ or ‘AAA-m’. Bankers’ acceptances must be issued in the United States and carry a rating of ‘A1’/‘P1’ as provided by two of the top nationally recognized rating agencies. As of August 31, 2022, the District’s investments in Lone Star were rated ‘AAA’ by Standard & Poor’s. All other investments are guaranteed (either express or implied) by the full faith and credit of the United States Government or the issuing U.S. agency.

Custodial credit risk – investments. For an investment, this is the risk that the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party in the event of the failure of the counterparty. The District’s investment policy requires that it will seek to safekeep securities at financial institutions, avoiding physical possession. Further, all trades, where applicable, shall be conducted on a delivery versus payment basis or commercial book entry system as utilized by the Federal Reserve and shall be protected through the use of a third-party custody/safekeeping agent.

Interest rate risk – In accordance with its investment policy, the District manages its exposure to declines in fair values by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations and invest operating funds primarily in short-term securities

Lone Star

The Lone Star Investment Pool (“Lone Star”) is a public funds investment pool created pursuant to the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. Lone Star is administered by First Public, a subsidiary of the Texas Associate of School Boards, with Standish and American Beacon Advisors managing the investment and reinvestment of Lone Star’s assets. State Street Bank provides custody and valuation services to Lone Star. All of the Board of Trustees’ eleven members are Lone Star participants by either being employees or elected officials of a participant. Lone Star has established an advisory board composed of both Lone Star members and nonmembers. Lone Star is rated ‘AAA’ by Standard and Poor’s and operated in a manner consistent with the SEC’s Rule 2a7 of the Investment Company Act of 1940. The District is invested in the Government Overnight Fund of Lone Star which seeks to maintain a net asset value of \$1.00. Lone Star has 3 different funds: Government Overnight, Corporate Overnight, and Corporate Overnight Plus. Government Overnight, Corporate Overnight, and Corporate Overnight Plus maintain a net asset value of \$1.00.

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INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, (Continued)
For the Year Ended August 31, 2022

B. Capital Assets

A summary of changes in capital assets for governmental activities at year end is as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 201,179	\$ -	\$ -	\$ 201,179
Construction in progress	-	240,780	-	240,780
Total capital assets not being depreciated	<u>201,179</u>	<u>240,780</u>	<u>-</u>	<u>441,959</u>
Other capital assets:				
Buildings and improvements	51,410,922	785,079	-	52,196,001
Equipment and vehicles	4,654,312	228,889	(7,939)	4,875,262
Right-to-use assets	-	172,909	-	172,909
Total other capital assets	<u>56,065,234</u>	<u>1,186,877</u>	<u>(7,939)</u>	<u>57,244,172</u>
Less accumulated depreciation and amortization for:				
Buildings and improvements	(13,313,330)	(1,147,698)	-	(14,461,028)
Equipment and vehicles	(3,010,580)	(372,309)	7,939	(3,374,950)
Right-to-use assets	-	(51,110)	-	(51,110)
Total accumulated depreciation and amortization	<u>(16,323,910)</u>	<u>(1,571,117)</u>	<u>7,939</u>	<u>(17,887,088)</u>
Other capital assets, net	<u>39,741,324</u>	<u>(384,240)</u>	<u>-</u>	<u>39,357,084</u>
Governmental Activities				
Capital Assets, Net	<u>\$ 39,942,503</u>	<u>\$ (143,460)</u>	<u>\$ -</u>	<u>39,799,043</u>
			Less associated debt	(13,896,700)
			Plus deferred charge on refunding	602,505
			Net Investment in Capital Assets	<u>\$ 26,504,848</u>

Depreciation and amortization of right-to-use expense was charged to governmental functions as follows:

	Governmental Activities
11 Instruction	\$ 889,378
12 Instructional resources/media services	13,993
13 Curriculum and staff development	9,048
21 Instructional leadership	38,213
23 School leadership	98,252
31 Guidance, counseling, and evaluation services	55,744
33 Health services	13,677
34 Student (pupil) transportation	46,738
35 Food service	65,894
36 Extracurricular activities	84,198
41 General administration	66,962
51 Plant maintenance and operations	173,593
52 Security and monitoring services	9,079
53 Data processing services	6,348
Total depreciation and amortization expense	<u>\$ 1,571,117</u>

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INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, (Continued)
For the Year Ended August 31, 2022

B. Long-Term Debt

The following is a summary of changes in the District's total governmental long-term liabilities for the year. In general, the District uses the debt service fund to liquidate governmental long-term liabilities.

Governmental Activities:	Beginning Balance	Additions	(Reductions)	Ending Balance	Amounts Due Within One Year
Bonds payable:					
Series 2014 tax refunding bonds	\$ 4,980,000	\$ -	\$ (425,000)	\$ 4,555,000	\$ 440,000
Series 2015 refunding bonds	1,140,000	-	(100,000)	1,040,000	100,000
Series 2017 refunding bonds	5,460,000	-	(85,000)	5,375,000	90,000
Direct borrowings and placements:					
Series 2011 QSC bonds	1,950,000	-	(390,000)	1,560,000	390,000
Loan payable:					
2017 LED lighting upgrade	199,493	-	(65,070)	134,423	66,722
Other finance agreements:					
Note payable 2019 Dell equipment	279,574	-	(136,510)	143,064	143,064
Leases payable	-	172,909	(49,578)	123,331	49,709
	<u>14,009,067</u>	<u>172,909</u>	<u>(1,251,158)</u>	<u>12,930,818</u>	<u>* 1,279,495</u>
Other liabilities:					
Unamortized bond premium	1,051,832	-	(85,950)	965,882	*
Net pension liability	4,175,663	-	(2,093,644)	2,082,019	-
Net OPEB liability	5,122,435	309,306	-	5,431,741	-
Compensated absences	171,880	17,056	(34,376)	154,560	30,912
Total Governmental Activities	<u>\$ 24,358,997</u>	<u>\$ 326,362</u>	<u>\$ (3,430,752)</u>	<u>\$ 21,565,020</u>	<u>\$ 1,310,407</u>
				<u>Long-term liabilities due in more than one year</u>	<u>\$ 20,254,613</u>
				*Debt associated with capital assets	<u>\$ 13,896,700</u>

Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities in the governmental funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.

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INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, (Continued)
For the Year Ended August 31, 2022

General long-term debt and current requirements for principal and interest expenditures are accounted for in the general, debt service, and nonmajor governmental funds. The current requirements for the bonds are accounted for in the debt service fund. Current requirements for direct borrowings and placements along with the other finance agreements are accounted for in the general fund. The nonmajor governmental funds account for \$1,914 of the current requirements for the principal and interest expenditures for leases payable with the remaining requirements paid by the general fund. The interest rates on the long-term debt and interest paid for the year ended August 31, 2022 were as follows:

Description	Interest Rates	2022 Fiscal Year Interest Paid
Series 2011 QSC bonds	N/A	\$ -
Unlimited Tax Refunding Bonds		
Series 2014	2.00 - 3.75%	165,737
Series 2015	3.00 - 4.00%	39,750
Series 2017	3.00 - 4.50%	216,551
Loan - LED lighting upgrade	2.54%	5,085
Capital lease 2019	4.70%	13,419
Leases payable	2.54%	3,817
Total General Obligation		\$ 444,359

The annual requirements to amortize debt issues outstanding for refunding bonds at year end were as follows:

Fiscal Year Ended August 31	Principal	Interest	Total Requirements
2023	\$ 630,000	\$ 402,938	\$ 1,032,938
2024	645,000	382,813	1,027,813
2025	675,000	362,013	1,037,013
2026	700,000	339,176	1,039,176
2027	1,035,000	306,432	1,341,432
2028-2032	5,045,000	899,250	5,944,250
2033-2036	2,240,000	183,800	2,423,800
Totals	\$ 10,970,000	\$ 2,876,422	\$ 13,846,422

The annual requirements to amortize debt issues outstanding for the direct borrowings/placements at year end were as follows:

Series 2011Q

Fiscal Year Ended August 31	Principal	Interest	Total Requirements
2023	\$ 390,000	\$ -	\$ 390,000
2024	390,000	-	390,000
2025	390,000	-	390,000
2026	390,000	-	390,000
Totals	\$ 1,560,000	\$ -	\$ 1,560,000

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NOTES TO FINANCIAL STATEMENTS, (Continued)
For the Year Ended August 31, 2022

LED lighting upgrade

Fiscal Year Ended August 31	Principal	Interest	Total Requirements
2023	\$ 66,722	\$ 3,433	\$ 70,155
2024	67,701	2,454	70,155
Totals	\$ 134,423	\$ 5,887	\$ 140,310

The annual requirements to amortize debt issues outstanding for other financing agreements at year end were as follows:

Fiscal Year Ended August 31	Principal	Interest	Total Requirements
2023	\$ 143,064	\$ 6,866	\$ 149,930
Totals	\$ 143,064	\$ 6,866	\$ 149,930

Leases Payable

During the current fiscal year, the District was a lessee for the acquisition and use of copiers which is recorded with capital assets. An initial lease liability and use of assets for copiers were recorded in the amount of \$172,909 during the current fiscal year. As of August 31, 2022, the value of the copier lease liabilities was \$123,331. The District is required to make annual principal and interest payments on the leases of approximately \$70,155. The interest rates on the copier leases is based on the District's estimated incremental borrowing rate of 2.54 percent. The copiers are amortized based on the term of the lease agreement which is from 4 months to 45 months. The value of the right-to-use assets for copiers as of the end of the current fiscal year was \$172,909 and had accumulated amortization of \$51,110.

The future principal and interest lease payments as of August 31, 2022 were as follows:

Fiscal Year Ended August 31	Principal	Interest	Total Requirements
2023	\$ 49,709	\$ 2,552	\$ 52,261
2024	38,929	1,346	40,275
2025	20,759	641	21,400
2026	13,934	144	14,078
Totals	\$ 123,331	\$ 4,683	\$ 128,014

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INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, (Continued)

For the Year Ended August 31, 2022

C. Interfund Transactions

The interfund balances at August 31, 2022 were as follows:

<u>Due To</u>	<u>Due From</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Fund	<u>\$ 350,756</u>

Amounts recorded as due to/from are considered to be temporary loans and will generally be paid during the following year.

IV. OTHER INFORMATION

A. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the District purchases commercial insurance. The District has not significantly reduced insurance coverage or had settlements which exceeded coverage amounts for the past three years.

B. Contingent Liabilities

Amounts received or receivable from granting agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount of expenditures which may be disallowed by the grantor cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

Liabilities are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts, and other economic and social factors. No claim liabilities are reported at year end due to immaterial balance.

The Tax Reform Act of 1986 instituted certain arbitrage restrictions consisting of complex regulations with respect to issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years for applicable bond issues. Accordingly, there is the risk that if such calculations are not performed, or not performed correctly, it could result in a substantial liability to the District. The District has engaged an arbitrage consultant to perform the calculations in accordance with IRS rules and regulations.

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INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, (Continued)
For the Year Ended August 31, 2022

C. Defined Benefit Pension Plan

Teacher Retirement System

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 TRS. TRS's defined benefit pension plan is established and administered in accordance with the Texas Constitution, Article XVI, Section 67 and Texas Government Code, Title 8, Subtitle C. The pension trust fund is a qualified pension trust under Section 401(a) of the Internal Revenue Code. The Texas Legislature establishes benefits and contribution rates within the guidelines of the Texas Constitution. The pension's Board of Trustees does not have the authority to establish or amend benefit terms.

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

Pension Plan Fiduciary Net Position

Detailed information about the 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/aboutpublications.aspx>, or by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698.

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 the State. The pension formula is calculated using 2.3% (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 cost-of-living adjustments (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 the manner are determined by TRS's actuary.

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INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, (Continued)

For the Year Ended August 31, 2022

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 TRS during the fiscal year.

Employee contribution rates are set in state statute, Texas Government Code 825.402. 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 through 2025.

Contribution Rates			
Fiscal Year	State	Public Education	Active
		Employer	Employee
2021	7.50%	1.60%	7.70%
2022	7.75%	1.70%	8.00%
2023	8.00%	1.80%	8.00%
2024	8.25%	1.90%	8.25%
2025	8.25%	2.00%	8.25%

	Contribution Rates	
	2021	2022
Member	7.70%	8.00%
NECE (State)	7.50%	7.75%
Employer	7.50%	7.50%

	Measurement Year (2021)	Fiscal Year (2022)
Employer contribution	\$ 348,889	\$ 347,029
Member contribution	\$ 784,154	\$ 850,311
NECE on-behalf contribution	\$ 595,846	\$ 638,567

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

As the NECE for public education and junior colleges, the State contributes to TRS an amount equal to the current employer contribution rate times the aggregate annual compensation of all participating members of TRS 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 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.

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INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, (Continued)

For the Year Ended August 31, 2022

- When any part or all of an employee's salary is paid by federal funding sources, a privately sponsored source, from non-educational, and general or local funds.
- When the employing district is a public junior college or junior college district, the employer shall contribute to TRS an amount equal to 50% of the state contribution rate for certain instructional or administrative employees and 100% of the state contribution rate for all other employees.

In addition to the employer contributions listed above, there are two additional surcharges to which an employer is subject:

- All public schools, charter schools, and regional educational service centers must contribute 1.5% of the member's salary beginning in fiscal year 2020, gradually increasing to 2% in fiscal year 2025.
- When employing a retiree of TRS, the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.

Actuarial Assumptions

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

Valuation date	August 31, 2020 rolled forward to August 31, 2021
Actuarial cost method	Individual entry age normal
Asset valuation method	Fair value
Single discount rate	7.25%
Long-term expected investment rate of return	7.25%
Municipal bond rate as of August 2020	1.95% - 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"
Inflation	2.30%
Salary increases including inflation	3.05% to 9.05%, including inflation
Benefit changes during the year	None
Ad hoc postemployment benefit changes	None

The actuarial methods and assumptions used in the determination of the TPL are the same assumptions used in the actuarial valuation as of August 31, 2020. For a full description of these assumptions, please see the TRS actuarial valuation report dated November 9, 2020.

Discount Rate

A single discount rate of 7.25% was used to measure the TPL. The single discount rate was based on the expected rate of return on plan investments of 7.25%. The projection of cash flows used to determine this single discount rate assumed that contributions from active members, employers, and the NECE 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.

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INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, (Continued)

For the Year Ended August 31, 2022

Based on those assumptions, TRS' 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 TRS investments was applied to all periods of projected benefit payments to determine the TPL.

The long-term expected rate of return on TRS investments is 7.25%. The long-term expected rate of return on TRS 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 TRS' target asset allocation as of August 31, 2021 are summarized below:

Teacher Retirement System of Texas Asset Allocation and Long-Term Expected Real Rate of Returns As of August 31, 2021

Asset Class	Target Allocation (1)	Long-Term Expected Geometric Real Rate Return (2)	Long- Term Expected Portfolio Real Rate of Return
Global			
U.S.	18.00%	3.60%	0.94%
Non-U.S. Developed	13.00%	4.40%	0.83%
Emerging Markets	9.00%	4.60%	0.74%
Private Equity	14.00%	6.30%	1.36%
Stable Value			
Government Bonds	16.00%	-0.20%	0.01%
Absolute Return	0.00%	1.10%	0.00%
Stable Value Hedge Funds	5.00%	2.20%	0.12%
Real Return			
Real Estate	15.00%	4.50%	1.00%
Energy, Natural Resources, and Infrastructure	6.00%	4.70%	0.35%
Commodities	0.00%	1.70%	0.00%
Risk Parity			
Risk Parity	8.00%	2.80%	0.28%
Leverage			
Cash	2.00%	-0.70%	-0.01%
Asset Allocation Leverage	-6.00%	-0.50%	0.03%
Inflation Expectation			2.20%
Volatility Drag (3)			-0.95%
Total	<u>100.00%</u>	<u>34.50%</u>	<u>6.90%</u>

(1) Target allocations are based on the FY2021 policy model.

(2) Capital Market Assumptions come from Aon Hewitt (as of 08/31/2021)

(3) The volatility drag results from the conversion between arithmetic and geometric mean returns.

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INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, (Continued)

For the Year Ended August 31, 2022

Discount Rate Sensitivity Analysis

The following table presents the net pension liability (NPL) of TRS using the discount rate of 7.25%, and what the NPL would be if it was calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

	1% Decrease in Discount Rate 6.25%	Discount Rate 7.25%	1% Increase in Discount Rate 8.25%
District's proportionate share of the net pension liability	\$ 4,549,542	\$ 2,082,019	\$ 80,109

Pension Liability, Pension Expense, and Deferred Outflows/Deferred Inflows of Resources Related to Pensions

At August 31, 2022, the District reported a liability of \$2,082,019 for its proportionate share of the TRS's NPL. 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 NPL, the related State support, and the total portion of the NPL that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	\$ 2,082,019
State's proportionate share that is associated with the District	3,555,750
Total	\$ 5,637,769

The NPL was measured as of August 31, 2020 and rolled forward to August 31, 2021 and the TPL used to calculate the NPL was determined by an actuarial valuation as of that date. The District's proportion of the NPL was based on the District's contributions to TRS relative to the contributions of all employers to TRS for the period September 1, 2020 through August 31, 2021.

At August 31, 2022, the District's proportion of the collective net pension liability was 0.0081755%, which was an increase of 0.000379% from its proportion measured as of August 31, 2021.

Changes Since the Prior Actuarial Valuation

There were no changes in assumption since the prior year measurement period.

For the year ended August 31, 2022, the District recognized pension expense of \$942,370 and revenue of \$942,370 for support provided by the State.

EDNA
INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, (Continued)
For the Year Ended August 31, 2022

At August 31, 2022, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual economic experience	\$ 3,484	\$ (146,576)
Changes in actuarial assumptions	735,953	(320,812)
Difference between projected and actual investment earnings	-	(1,745,746)
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	201,825	(155,957)
Contributions paid to TRS subsequent to the measurement date	347,029	-
Total	\$ 1,288,291	\$ (2,369,091)

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

Fiscal Year Ended August 31	Pension Expense
2023	\$ (257,385)
2024	(262,264)
2025	(400,969)
2026	(520,033)
2027	8,173
Thereafter	4,649
Total	\$ (1,427,829)

D. Defined Other Postemployment Benefits Plan

Plan Description

The District participates in TRS-Care. It is a multiple-employer, cost-sharing defined OPEB plan with a special funding situation. TRS-Care was established in 1986 by the Texas Legislature.

The TRS Board of Trustees (the "Board") administers the TRS-Care program and the related fund in accordance with Texas Insurance Code Chapter 1575. The Board 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 fiduciary net position is available in a 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/aboutpublications.aspx>; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512)542-6592.

EDNA

INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, (Continued)

For the Year Ended August 31, 2022

Components of the net OPEB liability of TRS-Care as of August 31, 2021 are as follows:

Total OPEB liability	\$ 41,113,711,083
Less: plan fiduciary net position	<u>(2,539,242,470)</u>
Net OPEB Liability	<u>\$ 38,574,468,613</u>
Net position as a percentage of total OPEB liability	-6.18%

Benefits Provided

TRS-Care provides health insurance coverage to retirees from public and charter schools, regional education service centers, and other educational districts who are members of TRS. 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 TRS. There are no automatic postemployment benefit changes, including automatic COLAs.

The premium rates for 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*

Contributions

Contribution rates for TRS-Care are established in state statute by the Texas Legislature, and there is no continuing obligation to provide benefits beyond each fiscal year. TRS-Care 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 does not have the authority to set or amend contribution rates.

Texas Insurance Code, section 1575.202 establishes the State's contribution rate which is 1.25% of the employee's salary. Section 1575.203 establishes the active employee's rate which is 0.65% of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25% or not more than 0.75% of the salary of each active employee of the public or charter school. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act.

EDNA

INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, (Continued)

For the Year Ended August 31, 2022

The following table shows contributions to TRS-Care by type of contributor:

	Contribution Rates	
	Fiscal Year	
	2021	2022
Active employee	0.65%	0.65%
NECE (State)	1.25%	1.25%
Employers	0.75%	0.75%
Federal/private funding remitted by employers	1.25%	1.25%

	Measurement Year (2021)	Fiscal Year (2022)
Employer contributions	\$ 110,006	\$ 120,588
Member contributions	\$ 35,261	\$ 34,544
NECE on-behalf contributions	\$ 147,384	\$ 132,861

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

TRS-Care received supplemental appropriations from the State as the NECE in the amount of \$5,520,343 in fiscal year 2021 for consumer protections against medical and health care billing by certain out-of-network providers.

Actuarial Assumptions

The total OPEB liability in the August 31, 2020 actuarial valuation was rolled forward to August 31, 2021.

The actuarial valuation of the OPEB plan offered through TRS-Care is similar to the actuarial valuation performed for the TRS pension plan, except that the OPEB valuation is more complex. The demographic assumptions were developed in the experience study performed for TRS for the period ending August 31, 2017. The following assumptions and other inputs used for members of TRS-Care are based on an established pattern of practice and are identical to the assumptions used in the August 31, 2020 TRS pension actuarial valuation that was rolled forward to August 31, 2021:

- | | |
|------------------------|-----------------------|
| 1 Rates of Mortality | 4 Rates of Disability |
| 2 Rates of Retirement | 5 General Inflation |
| 3 Rates of Termination | 6 Wage Inflation |

The active mortality rates were based on 90% 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.

EDNA
INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, (Continued)
For the Year Ended August 31, 2022

Additional actuarial methods and assumptions are as follows:

Valuation date	August 31, 2020 rolled forward to August 31, 2021
Actuarial cost method	Individual entry age normal
Inflation	2.30%
Single discount rate	1.95% as of August 31, 2021
Aging factors	Based on plan-specific experience
Expenses	Third-party administrative expenses related to the delivery of healthcare benefits are included in the age-adjusted claims costs.
Projected salary increases	3.05% to 9.05%, including inflation
Healthcare trend rates	Medical trend rates: 8.50% (Medicare retirees) and 7.10% (non-Medicare retirees) Prescription drug trend rate: 8.50%
Election rates	Normal retirement: 65% participation prior to age 65 and 40% participation after age 65. 25% of pre-65 retirees are assumed to discontinue coverage at age 65.
Ad hoc postemployment benefit changes	None

Discount Rate

A single discount rate of 1.95% was used to measure the total OPEB liability. There was a decrease of 0.38% in the discount rate since the previous year. Because TRS-Care 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 NECE are made at the statutorily required rates. Based on those assumptions, TRS-Care’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 percentage lower than and 1 percentage point higher than the discount rate that was used (1.95%) in measuring the net OPEB liability:

	1% Decrease in Discount Rate (0.95%)	Current Single Discount Rate (1.95%)	1% Increase in Discount Rate (2.95%)
District's proportionate share of net OPEB liability	\$ 6,551,931	\$ 5,431,741	\$ 4,550,114

EDNA
INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, (Continued)
For the Year Ended August 31, 2022

Healthcare Cost Trend Rates Sensitivity Analysis – The following presents the net OPEB liability of TRS-Care using the assumed healthcare cost trend rate, as well as what the net OPEB liability would be if it were calculated using a trend rate that is 1% less than or 1% higher than the assumed healthcare cost trend rate:

	1% Decrease in Healthcare Cost Trend Rate	Current Healthcare Cost Trend Rate	1% Increase in Healthcare Cost Trend Rate
District's proportionate share of net OPEB liability	\$ 4,399,530	\$ 5,431,741	\$ 6,816,711

OPEB Liability, OPEB Expense, and Deferred Outflows/Inflows of Resources Related to OPEB

At August 31, 2022, the District reported a liability of \$5,431,741 for its proportionate share of TRS-Care's net OPEB liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the collective net OPEB liability	\$ 5,431,741
State's proportionate share that is associated with the District	7,277,322
Total	\$ 12,709,063

The net OPEB liability was measured as of August 31, 2020 and rolled forward to August 31, 2021 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability was based on the District's contributions to TRS-Care relative to the contributions of all employers to TRS-Care for the period September 1, 2020 through August 31, 2021.

At August 31, 2022, the District's proportion of the collective net OPEB liability was 0.0140812%, an increase of 0.0006063% compared to August 31, 2021.

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 2.33% as of August 31, 2020 to 1.95% as of August 31, 2021. This change increased the total OPEB liability.

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 \$47,795.

EDNA
INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, (Continued)
For the Year Ended August 31, 2022

At August 31, 2022, the District reported its proportionate share of TRS-Care's deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 233,862	\$ (2,629,342)
Changes in actuarial assumptions	601,629	(1,148,713)
Differences between projected and actual investment earnings	5,897	-
Changes in proportion and difference between the District's contributions and the proportionate share of contributions	1,035,380	(13,557)
Contributions paid to TRS subsequent to the measurement date	120,588	-
Total	\$ 1,997,356	\$ (3,791,612)

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

Fiscal Year Ended August 31	OPEB Expense
2023	\$ (418,243)
2024	(418,377)
2025	(418,344)
2026	(275,365)
2027	(81,795)
Thereafter	(302,720)
	\$ (1,914,844)

Medicare Part D Subsidies

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, which was effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for TRS-Care to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the fiscal years ended August 31, 2022, 2021, and 2020, the subsidy payments received by TRS-Care on behalf of the District were \$44,620, \$44,943, and \$44,351, respectively.

E. Employee Health Care Coverage

During the year ended August 31, 2022, employees of the District were covered by a health insurance plan (the "Plan"). The District paid premiums of \$378 per month per employee to the Plan. Employees, at their option, authorized payroll withholdings to pay premiums for dependents. All premiums were paid to a licensed insurer. The Plan was authorized by Article 3.51-2, Texas Insurance Code and was documented by contractual agreement. The contract between the District and the insurer is renewable September 1, 2022 and terms of coverage and premiums costs are included in the contractual provisions.

EDNA
INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, (Continued)
For the Year Ended August 31, 2022

F. Workers' Compensation Insurance

During the year ended August 31, 2022, employees of the District were covered by a workers' compensation plan (the "Plan"). The Plan is a workers' compensation modified self-insurance, member owned and governed program pursuant to Texas Labor Code Chapter 504 and Texas Government Code Chapter 791.

The Plan is administered by a third party, Edwards Risk Management, acting on behalf of the plan. Members make a fixed benefit cost contribution plus 10% of the maximum loss fund that may be used for payment of benefits and the administration of claims. As the initial contribution is depleted, additional contributions of 10% of the maximum loss fund are made as needed not to exceed the member maximum loss fund. The District's loss fund maximum for fiscal year 2022 was \$152,283. Claims in excess of the self-insurance retention from any one employee or occurrence shall be paid by excess insurance up to the statutory limits. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

G. Unemployment Compensation

During the year ended August 31, 2022, the District provided unemployment compensation coverage to its employees through participation in the TASB Risk Management Fund (the "Fund"). The Fund was created and is operated under the provisions of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. The Fund's unemployment compensation program is authorized by Section 22.005 of the Texas Education Code and Chapter 172 of the Texas Local Government Code. All members participating in the Fund execute interlocal agreements that define the responsibilities of the parties.

H. Shared Services Arrangements

The District is the fiscal agent for a shared services arrangement (SSA) which provides special education services using state and local funds to the member districts listed below. All services are provided by the fiscal agent. The member districts provide the funds to the fiscal agent. According to guidance provided in TEA's Resource Guide, the District has accounted for the fiscal agent's activities of the SSA in a special revenue fund and will be accounted for using Model 3 in the SSA section of the Resource Guide.

Expenditures of the SSA are summarized below:

<u>Member Districts</u>	<u>Expenditures</u>
Edna ISD	\$ 424,058
Industrial ISD	329,562
Ganado ISD	219,820
Louise ISD	115,120
Total	<u><u>\$ 1,088,560</u></u>

The District is the fiscal agent for an SSA which provides special education services using federal funds to the member districts listed below. All services are provided by the fiscal agent. The State passes the funds to the fiscal agent. According to guidance provided in TEA's Resource Guide, the District has accounted for the fiscal agent's activities of the SSA in a special revenue fund and will be accounted for using Model 2 in the SSA section of the Resource Guide.

EDNA

INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, (Continued)

For the Year Ended August 31, 2022

Expenditures of the SSA are summarized below:

<u>Member Districts</u>	<u>Formula</u>	<u>Preschool</u>	<u>Residential</u>
Edna ISD	\$ 226,042	\$ 13,786	\$ 61,321
Industrial ISD	149,968	5,527	-
Ganado ISD	95,369	1,832	-
Louise ISD	66,163	3,295	-
Total	\$ 537,542	\$ 24,440	\$ 61,321

I. Tax Abatements

The District has entered into a property tax abatement agreement (the “Agreement”) with DCP Midstream Eagle Plant (the “Company”) for a limitation on appraised value of property for school district maintenance and operations (M&O) taxes pursuant to Chapter 313 of the Texas Tax Code, the Texas Economic Development Act (the “Act”) as of February 20, 2012. The final termination date of the Agreement is December 31, 2025.

Under the Act, a taxpayer agrees to build or install property and create jobs in exchange for an eight-year limitation on the taxable property value for school district M&O tax. The District has granted the Company a tax limitation of \$10 million for the period beginning January 1, 2015 through December 31, 2022. The qualified investment consists of an estimated \$100 million to construct a new gas processing facility in Jackson County.

The Company is entitled to the tax limitation amount for tax years 2015 through 2022. The limitation on the local ad valorem property values for M&O purposes shall commence with the property valuations made as of January 1, 2015, the appraisal date for the third full tax year following the commencement date. For the first two full tax years that begin after the commencement date (i.e., the 2013 and 2014 tax years), which along with the period from the date of approval until January 1, 2013, are collectively referred to herein as the “qualifying time period”, as that term is defined in Texas Tax Code 313.026, the Company shall not be entitled to a tax limitation. Unless sooner terminated as provided herein, the limitation on the local ad valorem property values shall terminate on December 31, 2022.

In order for the Company to receive and maintain the tax limitation, the Company must:

- Complete a minimum qualified investment of \$10 million during the qualifying time period or the Agreement shall become null and void on December 31, 2013.
- Create and maintain, subject to the provisions of Section 313.026 (a)(7) of the Texas Tax Code, 10 new qualifying jobs.
- Create and maintain at least 80% of all new jobs it committed to create and maintain.
- Pay the qualifying job holder’s wages, salaries, and benefits in accordance with Texas Tax Code Section 313.021 (3) at an average wage of \$1,019 weekly (\$53,000 annually).
- Make supplemental payments in accordance with the Agreement.
- Create and maintain a viable presence in the District through the final termination date.

EDNA
INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, (Continued)
For the Year Ended August 31, 2022

The estimated potential tax benefit to the Company resulting from the value limitation totals \$12,876,712 over a 15-year period. In addition, the Company is eligible for a tax credit on taxes paid on values in excess of the value limitation in each of the first two years. The cumulative tax credits are projected to be approximately \$1,047,206. The District is to be reimbursed by the State for tax credit payments. Over the same 15-year period, the District is projecting a net gain from the Agreement totaling \$761,037.

(A)	(B)	(C)	(D)	(E)	(F)	(G)
Project Value 2022	Project's Value Limitation Amount 2022	Amount of Applicant's M&O Taxes Paid 2022	Amount of Applicant's M&O Taxes Reduced 2022	Company Revenue Loss Payment To the District 2022	Company Payment To the District 2022	Net Benefit (Loss) to the District 2022 (C+E+F)
\$43,992,300	\$10,000,000	\$0	\$383,002	\$6,112	\$139,000	\$145,112

REQUIRED SUPPLEMENTARY INFORMATION

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EDNA
INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL - GENERAL FUND - EXHIBIT G-1
For the Year Ended August 31, 2022

Data Control Codes		Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
		Original	Final		
	Revenues				
5700	Local, intermediate, and out-of-state	\$ 5,936,737	\$ 6,393,868	\$ 6,332,534	\$ (61,334)
5800	State program revenues	8,803,920	9,082,378	9,203,264	120,886
5900	Federal program revenues	180,000	180,000	174,305	(5,695)
5020	Total Revenues	14,920,657	15,656,246	15,710,103	53,857
	Expenditures				
0011	Instruction	7,351,793	7,624,225	7,565,954	58,271
0012	Instructional resources/media services	161,700	160,700	143,109	17,591
0013	Curriculum and staff development	136,147	117,147	105,644	11,503
0021	Instructional leadership	280,395	298,595	297,364	1,231
0023	School leadership	1,099,378	1,112,378	1,105,204	7,174
0031	Guidance, counseling, and				
0031	evaluation services	244,083	248,083	239,084	8,999
0033	Health services	154,517	154,517	147,053	7,464
0034	Student (pupil) transportation	594,937	596,537	591,470	5,067
0035	Food service	6,900	6,900	1,346	5,554
0036	Extracurricular activities	845,596	982,198	972,182	10,016
0041	General administration	708,634	756,919	748,169	8,750
0051	Plant maintenance and operations	2,037,675	2,229,145	2,190,629	38,516
0052	Security and monitoring services	149,900	149,900	116,849	33,051
0053	Data processing services	82,002	83,002	81,475	1,527
0061	Community services	2,800	2,800	-	2,800
	Debt service:				
0071	Principal	201,581	249,352	249,352	-
0072	Interest	18,530	22,359	22,213	146
	Capital outlay:				
0081	Facilities acquisition and construction	226,000	990,592	925,834	64,758
	Intergovernmental:				
0093	Shared services arrangements	423,089	423,089	423,088	1
0099	Other intergovernmental charges	195,000	183,000	180,292	2,708
6030	Total Expenditures	14,920,657	16,391,438	16,106,311	285,127
	(Deficiency) of Revenues				
1100	(Under) Expenditures	-	(735,192)	(396,208)	338,984
	Other Financing Sources (Uses)				
7913	Proceeds from right-to-use assets	-	170,600	167,829	(2,771)
7080	Total Other Financing Sources	-	170,600	167,829	(2,771)
1200	Net Change in Fund Balance	-	(564,592)	(228,379)	336,213
0100	Beginning fund balance	8,769,765	8,769,765	8,769,765	-
3000	Ending Fund Balance	\$ 8,769,765	\$ 8,205,173	\$ 8,541,386	\$ 336,213

Notes to Required Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principals (GAAP).

EDNA
INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS (TRS)- EXHIBIT G-2
For the Year Ended August 31, 2022

	Measurement Year*			
	2021	2020	2019	2018
District's proportion of the net pension liability (asset)	0.0081755%	0.0077965%	0.0080884%	0.0082675%
District's proportionate share of the net pension liability (asset)	\$ 2,082,019	\$ 4,175,663	\$ 4,202,513	\$ 4,550,630
State's proportionate share of the net pension liability (asset) associated with the District	3,555,750	7,834,946	7,030,752	8,044,667
Total	\$ 5,637,769	\$ 12,010,609	\$ 11,233,265	\$ 12,595,297
District's covered payroll**	\$ 10,183,817	\$ 10,169,649	\$ 9,327,770	\$ 9,468,960
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	20.44%	41.06%	45.05%	48.06%
Plan fiduciary net position as a percentage of the total pension liability	88.79%	75.54%	75.24%	73.74%

*Only eight years' worth of information is currently available.

**As of the measurement date

Notes to Required Supplementary Information:

- Changes in Assumptions:* There were no changes of assumptions that affected measurement of the total pension liability (TPL) the measurement period.
- Changes in Benefits:* There were no changes of benefit terms that affected measurement of the TPL during the *measurement period*.

Measurement Year*			
2017	2016	2015	2014
0.0078912%	0.0082601%	0.0088022%	0.0044939%
\$ 2,523,186	\$ 3,121,377	\$ 3,111,461	\$ 1,200,382
4,770,460	5,727,712	5,376,004	4,481,720
<u>\$ 7,293,646</u>	<u>\$ 8,849,089</u>	<u>\$ 8,487,465</u>	<u>\$ 5,682,102</u>
\$ 9,140,879	\$ 9,035,394	\$ 8,697,318	\$ 7,687,454
26.65%	34.55%	35.77%	15.61%
82.17%	78.00%	78.43%	83.25%

EDNA
INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
TEACHER RETIREMENT SYSTEM OF TEXAS (TRS) - EXHIBIT G-3
For the Year Ended August 31, 2022

	Fiscal Year*			
	2022	2021	2020	2019
Contractually required contribution	\$ 347,029	\$ 347,585	\$ 333,731	\$ 277,826
Contributions in relation to the contractually required contribution	347,029	347,585	333,731	277,826
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 10,628,889	\$ 10,183,817	\$ 10,169,649	\$ 9,327,770
Contributions as a percentage of covered payroll	3.26%	3.41%	3.28%	2.98%

* Only nine years' worth of information is currently available.

Fiscal Year*				
2018	2017	2016	2015	2014
\$ 269,681	\$ 258,133	\$ 263,859	\$ 143,176	\$ 115,373
269,681	258,133	263,859	143,176	115,373
\$ -	\$ -	\$ -	\$ -	\$ -
\$ 9,468,960	\$ 9,140,879	\$ 9,035,394	\$ 8,697,318	\$ 7,687,454
2.85%	2.82%	2.92%	1.65%	1.50%

EDNA
INDEPENDENT SCHOOL DISTRICT
*SCHEDULE OF THE DISTRICT'S PROPORTIONATE
 SHARE OF THE NET OPEB LIABILITY*
TEXAS PUBLIC SCHOOL RETIRED EMPLOYEES
GROUP INSURANCE PROGRAM ("TRS-CARE") - EXHIBIT G-4
For the Year Ended August 31, 2022

	Measurement Year*			
	2021	2020	2019	2018
District's proportion of the collective net OPEB liability (asset)	0.0140812%	0.0134749%	0.0126508%	0.0126834%
District's proportionate share of the collective net OPEB liability (asset) associated with the District	\$ 5,431,741	\$ 5,122,435	\$ 5,982,740	\$ 6,332,914
State's proportionate share of the collective net OPEB liability (asset)	7,277,322	6,883,325	7,949,724	8,079,898
Total	\$ 12,709,063	\$ 12,005,760	\$ 13,932,464	\$ 14,412,812
District's covered payroll**	\$ 10,183,817	\$ 10,169,649	\$ 9,327,770	\$ 9,468,960
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	53.34%	50.37%	64.14%	66.88%
Plan fiduciary net position as a percentage of the total OPEB liability	6.18%	4.99%	2.66%	1.57%

* Only five years' worth of information is currently available.

** As of measurement date

Notes to Required Supplementary Information:

1. *Changes in Assumptions:* There were changes in assumptions that affected measurement of the total OPEB liability since the prior measurement period.

The discount rate was changed from 2.33% as of August 31, 2020 to 1.95% as of August 31, 2021. This change increased the total OPEB liability.

2. *Changes in Benefits:* There were no changes in benefits terms since the prior measurement period.

Measurement
Year*
2017

0.0118121%

\$ 5,136,619

7,172,692

\$ 12,309,311

\$ 9,140,879

56.19%

0.91%

EDNA
INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF CONTRIBUTIONS
TEXAS PUBLIC SCHOOL RETIRED EMPLOYEES
GROUP INSURANCE PROGRAM ("TRS-CARE") - EXHIBIT G-5
For the Year Ended August 31, 2022

	Fiscal Year*			
	2022	2021	2020	2019
Statutorily required contributions	\$ 120,588	\$ 110,037	\$ 103,087	\$ 81,259
Contributions in relations to the statutorily required contributions	120,588	110,037	103,087	81,259
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 10,628,889	\$ 10,183,817	\$ 10,169,649	\$ 9,327,770
Contributions as a percentage of covered payroll	1.13%	1.08%	1.01%	0.87%

* Only six years' worth of information is currently available.

Fiscal Year *	
2018	2017
\$ 81,114	\$ 61,411
81,114	61,411
\$ -	\$ -
\$ 9,468,960	\$ 9,140,879
0.86%	0.67%

***OTHER SUPPLEMENTARY
INFORMATION***

EDNA
INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - EXHIBIT H-1 (Page 1 of 3)
August 31, 2022

Data Control Codes		211	224	240	244
		ESEA Title I Improving Basic Programs	IDEA-B Formula	National School Breakfast/ Lunch	Career & Technical - Basic Grant
	<u>Assets</u>				
1110	Cash and cash equivalents	\$ -	\$ -	\$ 489,549	\$ -
1120	Investments	-	-	-	-
1240	Due from other governments	82,723	12,536	66,461	-
1000	Total Assets	<u>\$ 82,723</u>	<u>\$ 12,536</u>	<u>\$ 556,010</u>	<u>\$ -</u>
	<u>Liabilities</u>				
2110	Accounts payable	\$ -	\$ -	\$ 85,771	\$ -
2160	Accrued wages payable	45,252	11,250	-	-
2170	Due to other funds	32,782	-	-	-
2200	Accrued expenditures	4,689	1,286	-	-
2000	Total Liabilities	<u>82,723</u>	<u>12,536</u>	<u>85,771</u>	<u>-</u>
	<u>Fund Balances</u>				
	Restricted:				
3450	Federal/state grant funds	-	-	470,239	-
3490	Other restrictions	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>470,239</u>	<u>-</u>
4000	Total Liabilities and Fund Balances	<u>\$ 82,723</u>	<u>\$ 12,536</u>	<u>\$ 556,010</u>	<u>\$ -</u>

255	263	270	279	280	281
Teacher & Principal Training	English Language Acquisition & Enhancement	ESEA Title VI Part B Subpart 2 - Rural	Texas COVID Learning Acceleration ESSER III	American Rescue Program Homeless II	ESSER II
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
3,828	36	-	828	4,775	30,193
<u>\$ 3,828</u>	<u>\$ 36</u>	<u>\$ -</u>	<u>\$ 828</u>	<u>\$ 4,775</u>	<u>\$ 30,193</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
3,828	36	-	828	4,775	30,193
-	-	-	-	-	-
<u>3,828</u>	<u>36</u>	<u>-</u>	<u>828</u>	<u>4,775</u>	<u>30,193</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 3,828</u>	<u>\$ 36</u>	<u>\$ -</u>	<u>\$</u>	<u>\$ 4,775</u>	<u>\$ 30,193</u>

EDNA
INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - EXHIBIT H-1 (Page 2 of 3)
August 31, 2022

		282	289	313	314
Data Control Codes		ESSER III	Misc. Federal Programs	IDEA-B Formula	IDEA-B Preschool
<u>Assets</u>					
1110	Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
1120	Investments	-	-	-	-
1240	Due from other governments	138,904	2,733	56,558	3,065
1000	Total Assets	<u>138,904</u>	<u>\$ 2,733</u>	<u>\$ 56,558</u>	<u>\$ 3,065</u>
<u>Liabilities</u>					
2110	Accounts payable	\$ -	\$ -	\$ -	\$ -
2160	Accrued wages payable	33,877	-	30,097	2,751
2170	Due to other funds	101,750	2,733	23,857	-
2200	Accrued expenditures	3,277	-	2,604	314
2000	Total Liabilities	<u>138,904</u>	<u>2,733</u>	<u>56,558</u>	<u>3,065</u>
<u>Fund Balances</u>					
Restricted:					
3450	Federal/state grant fund	-	-	-	-
3490	Other restrictions	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities and Fund Balances	<u>138,904</u>	<u>\$ 2,733</u>	<u>\$ 56,558</u>	<u>\$ 3,065</u>

315	364	365	385	397	429
IDEA-B Residential	IDEA-B American Rescue Program	IDEA B Preschool ARP	Supplementary Visually Impaired	Advanced Placement Incentives	Misc. State Programs
\$ -	\$ -	\$ -	\$ -	\$ 122	\$ -
-	71,908	4,049	-	-	75,638
<u>\$ -</u>	<u>\$ 71,908</u>	<u>\$ 4,049</u>	<u>\$ -</u>	<u>\$ 122</u>	<u>\$ 75,638</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	1,621
-	71,908	4,049	-	-	74,017
-	-	-	-	-	-
<u>-</u>	<u>71,908</u>	<u>4,049</u>	<u>-</u>	<u>-</u>	<u>75,638</u>
-	-	-	-	122	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>122</u>	<u>-</u>
<u>\$ -</u>	<u>\$ 71,908</u>	<u>\$ 4,049</u>	<u>\$ -</u>	<u>\$ 122</u>	<u>\$ 75,638</u>

EDNA
INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - EXHIBIT H-1 (Page 3 of 3)
August 31, 2022

		437	461	495	496
Data Control Codes		Student Success Initiative	Campus Activity	District UIL 28AAA	Building Bridge Discretionary
	<u>Assets</u>				
1110	Cash and cash equivalents	\$ 123,258	\$ 79,788	\$ -	\$ 42,161
1120	Investments	-	40	-	-
1240	Due from other governments	-	-	-	-
1000	Total Assets	\$ 123,258	\$ 79,828	\$ -	\$ 42,161
	<u>Liabilities</u>				
2110	Accounts payable	\$ 2,256	\$ -	\$ -	\$ -
2160	Accrued wages payable	75,529	-	-	-
2170	Due to other funds	-	-	-	-
2200	Accrued expenditures	1,552	-	-	-
2000	Total Liabilities	79,337	-	-	-
	<u>Fund Balances</u>				
	Restricted:				
3450	Federal/state grant fund	-	-	-	-
3490	Other restrictions	43,921	79,828	-	42,161
3000	Total Fund Balances	43,921	79,828	-	42,161
4000	Total Liabilities and Fund Balances	\$ 123,258	\$ 79,828	\$ -	\$ 42,161

498

Formosa Grant		Total Nonmajor Governmental Funds
\$	-	\$ 734,878
	-	40
	-	554,235
\$	-	\$ 1,289,153
\$	-	\$ 88,027
	-	200,377
	-	350,756
	-	13,722
	-	652,882
	-	470,361
	-	165,910
	-	636,271
\$	-	\$ 1,289,153

EDNA
INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - EXHIBIT H-2 (Page 1 of 3)
For the Year Ended August 31, 2022

Data Control Codes		211 ESEA Title I Improving Basic Programs	224 IDEA-B Formula	240 National School Breakfast/ Lunch	244 Career & Technical - Basic Grant
	<u>Revenues</u>				
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ 146,257	\$ -
5800	State program revenues	-	-	21,920	-
5900	Federal program revenues	433,416	87,939	1,036,300	20,610
5020	Total Revenues	<u>433,416</u>	<u>87,939</u>	<u>1,204,477</u>	<u>20,610</u>
	<u>Expenditures</u>				
0011	Instruction	433,416	87,939	-	20,610
0012	Instructional resources/media services	-	-	-	-
0013	Curriculum and staff development	-	-	-	-
0021	Instructional leadership	-	-	-	-
0023	School leadership	-	-	-	-
0031	Guidance, counseling, and				
0031	evaluation services	-	-	-	-
0033	Health services	-	-	-	-
0035	Food service	-	-	930,353	-
0036	Extracurricular activities	-	-	-	-
0041	General administration	-	-	-	-
0051	Plant maintenance and operations	-	-	32,767	-
	Debt service:				
0071	Principal	-	-	-	-
0072	Interest	-	-	-	-
	Capital outlay:				
0081	Facilities acquisition and construction	-	-	-	-
	Intergovernmental:				
0093	Shared services arrangements	-	-	-	-
6030	Total Expenditures	<u>433,416</u>	<u>87,939</u>	<u>963,120</u>	<u>20,610</u>
	Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>241,357</u>	<u>-</u>
	<u>Other Financing Sources (Uses)</u>				
7913	Proceeds from right-to-use assets	-	-	-	-
7080	Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1200	Net Change in Fund Balances	-	-	241,357	-
0100	Beginning fund balances	-	-	228,882	-
3000	Ending Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 470,239</u>	<u>\$ -</u>

255	263	270	279	280	281
Teacher & Principal Training	English Language Acquisition & Enhancement	ESEA Title VI Part B Subpart 2 - Rural	Texas COVID Learning Acceleration ESSER III	American Rescue Program Homeless II	ESSER II
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
56,543	12,037	23,500	48,037	4,775	703,873
56,543	12,037	23,500	48,037	4,775	703,873
56,543	12,037	23,500	38,844	4,775	620,273
-	-	-	-	-	-
-	-	-	5,260	-	-
-	-	-	3,933	-	7,648
-	-	-	-	-	15,290
-	-	-	-	-	22,938
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	10,698
-	-	-	-	-	27,026
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
56,543	12,037	23,500	48,037	4,775	703,873
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

EDNA
INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - EXHIBIT H-2 (Page 2 of 3)
For the Year Ended August 31, 2022

		282	289	313	314
Data Control Codes		ESSER III	Misc. Federal Programs	IDEA-B Formula	IDEA-B Preschool
<u>Revenues</u>					
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-	-
5900	Federal program revenues	560,846	30,101	737,518	24,439
5020	Total Revenues	<u>560,846</u>	<u>30,101</u>	<u>737,518</u>	<u>24,439</u>
<u>Expenditures</u>					
0011	Instruction	560,846	30,101	138,200	24,439
0012	Instructional resources/media services	-	-	-	-
0013	Curriculum and staff development	-	-	-	-
0021	Instructional leadership	-	-	32,022	-
0023	School leadership	-	-	-	-
0031	Guidance, counseling, and				
0031	evaluation services	-	-	367,320	-
0033	Health services	-	-	-	-
0035	Food service	-	-	-	-
0036	Extracurricular activities	-	-	-	-
0041	General administration	-	-	-	-
0051	Plant maintenance and operations	-	-	-	-
Debt service:					
0071	Principal	-	-	-	-
0072	Interest	-	-	-	-
Capital outlay:					
0081	Facilities acquisition and construction	-	-	-	-
Intergovernmental:					
0093	Shared services arrangements	-	-	199,976	-
6030	Total Expenditures	<u>560,846</u>	<u>30,101</u>	<u>737,518</u>	<u>24,439</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures					
1100		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Other Financing Sources (Uses)</u>					
7913	Proceeds from right-to-use assets	-	-	-	-
7080	Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances					
1200		-	-	-	-
0100	Beginning fund balances	-	-	-	-
3000	Ending Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

315	364	365	385	397	429
IDEA-B Residential	IDEA-B American Rescue Program	IDEA B Preschool ARP	Supplementary Visually Impaired	Advanced Placement Incentives	Misc. State Programs
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	3,725	103	376,967
61,321	107,559	4,049	-	-	-
<u>61,321</u>	<u>107,559</u>	<u>4,049</u>	<u>3,725</u>	<u>103</u>	<u>376,967</u>
61,321	65,935	4,049	3,725	-	214,392
-	-	-	-	-	-
-	-	-	-	-	5,777
-	-	-	-	-	25,083
					97,759
-	41,624	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	9,956
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	24,000
-	-	-	-	-	-
<u>61,321</u>	<u>107,559</u>	<u>4,049</u>	<u>3,725</u>	<u>-</u>	<u>376,967</u>
-	-	-	-	103	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	103	-
-	-	-	-	19	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 122</u>	<u>\$ -</u>

EDNA
INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - EXHIBIT H-2 (Page 3 of 3)
For the Year Ended August 31, 2021

Data Control Codes		437	461	495	496
		Student Success Initiative	Campus Activity	District UIL 28AAA	Building Bridge Discretionary
	Revenues				
5700	Local, intermediate, and out-of-state	\$ 1,080,058	\$ 96,204	\$ 57,384	\$ 46,100
5800	State program revenues	-	-	-	-
5900	Federal program revenues	-	-	-	-
5020	Total Revenues	<u>1,080,058</u>	<u>96,204</u>	<u>57,384</u>	<u>46,100</u>
	Expenditures				
0011	Instruction	877,278	21,005	-	30,365
0012	Instructional resources/media services	-	3,526	-	-
0013	Curriculum and staff development	1,548	-	-	-
0021	Instructional leadership	109,081	-	-	-
0023	School leadership	-	-	-	-
0031	Guidance, counseling, and				
0031	evaluation services	30,243	-	-	-
0033	Health services	28,496	-	-	-
0035	Food service	-	-	-	-
0036	Extracurricular activities	-	61,694	57,384	-
0041	General administration	40,000	-	-	-
0051	Plant maintenance and operations	-	-	-	-
	Debt service:				
0071	Principal	1,806	-	-	-
0072	Interest	108	-	-	-
	Capital outlay:				
0081	Facilities acquisition and construction	-	-	-	-
	Intergovernmental:				
0093	Shared services arrangements	-	-	-	-
6030	Total Expenditures	<u>1,088,560</u>	<u>86,225</u>	<u>57,384</u>	<u>30,365</u>
	Excess (Deficiency) of Revenues				
1100	Over (Under) Expenditures	<u>(8,502)</u>	<u>9,979</u>	<u>-</u>	<u>15,735</u>
	Other Financing Sources (Uses)				
7913	Proceeds from right to use assets	5,080	-	-	-
7080	Total Other Financing Sources	<u>5,080</u>	<u>-</u>	<u>-</u>	<u>-</u>
1200	Net Change in Fund Balances	<u>(3,422)</u>	<u>9,979</u>	<u>-</u>	<u>15,735</u>
0100	Beginning fund balances	47,343	69,849	-	26,426
3000	Ending Fund Balances	<u>\$ 43,921</u>	<u>\$ 79,828</u>	<u>\$ -</u>	<u>\$ 42,161</u>

498			
Formosa Grant		Total Nonmajor Governmental Funds	
\$	114,000	\$	1,540,003
	-		402,715
	-		3,952,863
	114,000		5,895,581
	37,082		3,366,675
	-		3,526
	-		12,585
	-		177,767
	-		113,049
	-		462,125
	-		28,496
	-		930,353
	-		119,078
	894		61,548
	-		59,793
	-		1,806
	-		108
	76,024		100,024
	-		199,976
	114,000		5,636,909
	-		258,672
	-		5,080
	-		5,080
	-		263,752
	-		372,519
\$	-	\$	636,271

EDNA
INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE - EXHIBIT J-1
For the Year Ended August 31, 2022

	1	2	3
	Tax Rates		Net Assessed/ Appraised Value For School Tax Purposes
<u>Last Ten Years</u>	<u>Maintenance</u>	<u>Debt Service</u>	
2013 and prior	Various	Various	Various
2014	\$ 1.0400	\$ 0.3706	\$ 498,057,498
2015	\$ 1.0400	\$ 0.2696	\$ 596,078,305
2016	\$ 1.0400	\$ 0.2677	\$ 567,882,667
2017	\$ 1.0400	\$ 0.2567	\$ 565,834,667
2018	\$ 1.0400	\$ 0.2400	\$ 608,955,282
2019	\$ 1.0600	\$ 0.2200	\$ 590,958,068
2020	\$ 0.9700	\$ 0.2350	\$ 644,227,107
2021	\$ 0.9314	\$ 0.2175	\$ 672,994,745
2022	\$ 0.8720	\$ 0.1986	\$ 726,828,528
Totals			

10	20	31	32	40	50
Beginning Balance 9/1/21	Current Year's Total Levy	Maintenance Total Collected	Debt Service Total Collected	Entire Year's Adjustments	Ending Balance 8/31/22
\$ 169,375	\$ -	\$ 2,303	\$ 453	\$ (6,168)	\$ 160,451
22,326	-	100	25	(783)	21,418
28,580	-	708	179	(691)	27,002
38,897	-	911	212	(546)	37,228
62,441	-	1,072	261	(528)	60,580
70,343	-	4,282	988	(501)	64,572
89,810	-	6,808	1,413	(488)	81,101
84,985	-	9,775	2,361	(698)	72,151
141,415	-	46,875	10,916	(7,103)	76,521
-	7,781,426	5,790,001	1,401,222	(418,517)	171,686
<u>\$ 708,172</u>	<u>\$ 7,781,426</u>	<u>\$ 5,862,835</u>	<u>\$ 1,418,030</u>	<u>\$ (436,023)</u>	<u>\$ 772,710</u>

EDNA
INDEPENDENT SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
NATIONAL SCHOOL BREAKFAST AND LUNCH PROGRAM - EXHIBIT J-2
For the Year Ended August 31, 2022

Data Control Codes		1	2	3	Variance with Final Budget
		Budgeted Amounts		Actual	Positive (Negative)
		Original	Final		
	<u>Revenues</u>				
5700	Local, intermediate, and out-of-state	\$ 255,280	\$ 255,280	\$ 146,257	\$ (109,023)
5800	State program revenues	4,000	4,000	21,920	17,920
5900	Federal program revenues	673,559	853,059	1,036,300	183,241
5020	Total Revenues	<u>932,839</u>	<u>1,112,339</u>	<u>1,204,477</u>	<u>92,138</u>
	<u>Expenditures</u>				
0035	Food service	932,839	1,040,339	930,353	109,986
0051	Plant maintenance and operations	-	72,000	32,767	39,233
6030	Total Expenditures	<u>932,839</u>	<u>1,112,339</u>	<u>963,120</u>	<u>149,219</u>
1200	Net Change in Fund Balance	-	-	241,357	241,357
0100	Beginning fund balance	<u>228,882</u>	<u>228,882</u>	<u>228,882</u>	-
3000	Ending Fund Balance	<u><u>\$ 228,882</u></u>	<u><u>\$ 228,882</u></u>	<u><u>\$ 470,239</u></u>	<u><u>\$ 241,357</u></u>

EDNA

INDEPENDENT SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

DEBT SERVICE FUND - EXHIBIT J-3

For the Year Ended August 31, 2022

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts		Actual	
		Original	Final		
	Revenues				
5700	Local, intermediate, and out-of-state	\$ 1,339,636	\$ 1,339,636	\$ 1,437,387	\$ 97,751
5800	State program revenues	32,252	32,252	29,377	(2,875)
5020	Total Revenues	<u>1,371,888</u>	<u>1,371,888</u>	<u>1,466,764</u>	<u>94,876</u>
	Expenditures				
	Debt service:				
0071	Principal	1,000,000	1,000,000	1,000,000	-
0072	Interest	427,038	427,038	426,088	950
6030	Total Expenditures	<u>1,427,038</u>	<u>1,427,038</u>	<u>1,426,088</u>	<u>950</u>
1200	Net Change in Fund Balance	(55,150)	(55,150)	40,676	95,826
0100	Beginning fund balance	859,548	859,548	859,548	56,944
3000	Ending Fund Balance	<u>\$ 804,398</u>	<u>\$ 804,398</u>	<u>\$ 900,224</u>	<u>\$ 152,770</u>

EDNA
INDEPENDENT SCHOOL DISTRICT
USE OF FUNDS REPORT
SELECT STATE ALLOTMENT PROGRAMS - EXHIBIT J-4
For the Year Ended August 31, 2022

<u>Data Control Codes</u>		<u>Responses</u>
<u>Section A: Compensatory Education Programs</u>		
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.	\$ 1,428,504
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)	\$ 1,193,662
<u>Section B: Bilingual Education Programs</u>		
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.	\$ 83,347
AP8	List the actual direct program expenditures for bilingual education programs during the District's fiscal year. (PICs 25, 35)	\$ 55,049

***FEDERAL AWARDS AND
OTHER COMPLIANCE SECTION***



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

To the Board of Trustees of
Edna Independent School District:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Edna Independent School District (the "District"), as of and for the year ended August 31, 2022, 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 7, 2022.

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 the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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.



Belt Harris Pechacek, LLP
Certified Public Accountants
Houston, Texas
December 7, 2022



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

To the Board of Trustees of
Edna Independent School District:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Edna 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, 2022. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2022.

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 Auditors' Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditors' 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 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 Auditors' 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 have not been identified.

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

BELT HARRIS PECHACEK, LLP

Belt Harris Pechacek, LLP
Certified Public Accountants
Houston, Texas
December 7, 2022

EDNA
INDEPENDENT SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
For the Year Ended August 31, 2022

A. SUMMARY OF PRIOR YEAR AUDIT FINDINGS

None to report.

EDNA

INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended August 31, 2022

I. SUMMARY OF AUDIT RESULTS

Financial Statements

What were the results of the auditors' determination of whether the financial statements were prepared in accordance with generally accepted accounting principles?	Unmodified
Is a 'going concern' emphasis-of-matter paragraph included in the auditors' report?	No
Is a significant deficiency in internal control disclosed?	No
Is a material weakness in internal control disclosed?	No
Is a material noncompliance disclosed?	No

Federal Programs

Does the auditors' report include a statement that the financial statements include departments, agencies, or other organizational units expending federal awards which are not included in this audit?	No
What is the dollar threshold used to distinguish between Type A and Type B programs?	\$750,000
Did the auditee qualified as low-risk auditee?	Yes

Major Program Information and Audit Findings

Identification of major programs:

<u>Assistance Listing (AL) Numbers</u>	<u>Name of Federal Program or Cluster</u>	<u>Number of Audit Findings</u>
84.425D, 84.425U, and 84.425W	Elementary and Secondary School Emergency Relief	0

Type of audit report issued on compliance for major program?	Unmodified
--	------------

II. FINANCIAL STATEMENT FINDINGS

None identified.

III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None identified.

EDNA
INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - EXHIBIT K-1 (Page 1 of 2)
For the Year Ended August 31, 2022

Federal Grantor/Pass-Through Grantor/ Program Title	Federal AL Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF EDUCATION			
<i>Passed Through Texas Education Agency:</i>			
Title I, Part A - Improving Basic Programs	84.010A	22610101120901	\$ 343,236
Title I, Part A - Focused Support Grant	84.010A	226101577110054	90,180
Total AL 84.010A			433,416
Title II, Part A - Teacher/Principal Training	84.367A	22694501120901	55,762
Title II, Part A - Educator Assessments	84.367A	69452171	781
Total AL 84.367A			56,543
Title III, Part A - English Language Acquisition	84.365A	22671001120901	12,037
Title IV, Part A, Subpart 1	84.424A	22680101120901	30,101
Title V, Part B Rural Low Income	84.358B	22696001120901	23,500
Perkins V, Strengthening CTE for 21st Century	84.048A	22420006120901	20,610
COVID-19 CRRSA ESSER II	84.425D	21521001120901	703,873
COVID-19 ARP ESSER III	84.425U	21528001120901	560,846
COVID-19 TCLAS ESSER III	84.425U	21528042120901	48,037
COVID-19 ARP ESSER Homeless II	84.425W	21533002120901	4,775
Total AL 84.425			1,317,531
Special Education Cluster:			
IDEA-B Preschool*	84.173A	226610011209016000	21,374
IDEA-B Preschool*	84.173A	236610011209016000	3,065
COVID-19 IDEA-B Preschool-ARP*	84.173X	225360011209015000	4,049
Total AL 84.173			28,488
IDEA-B Formula*	84.027A	226600011209016000	737,518
IDEA-B Disc - Residential*	84.027A	66002212	61,321
COVID-19 IDEA-B Formula-ARP*	84.027X	225350011209015000X	80,252
COVID-19 IDEA-B Formula-ARP*	84.027A	225350011209015000A	27,307
Total AL 84.027			906,398
Total U.S. Department of Education			2,828,624

EDNA
INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - EXHIBIT K-1 (Page 2 of 2)
For the Year Ended August 31, 2022

Federal Grantor/Pass-Through Grantor/ Program Title	Federal AL Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
Passed Through Texas Education Agency:			
Child Nutrition Cluster:			
School Breakfast Program*	10.553	806780706	\$ 191,651
National School Lunch Program*	10.555	806780706	779,835
USDA Commodity	10.565	806780706	64,814
Total U.S. Department of Agriculture			1,036,300
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 3,864,924
Reconciliation of Federal Revenue:			
	SHARS reimbursement		\$ 174,305
	Passed through SSA IDEA-B Formula		87,939
Total Federal Revenue per Exhibit C-2			\$ 4,127,168

* Indicates clustered program under OMB Compliance Supplement

The accompanying notes are an integral part of this schedule.

EDNA
INDEPENDENT SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended August 31, 2022

NOTE 1: BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards (SEFA) includes the federal grant activity of the District, and is presented on the accrual basis of accounting. The information in the SEFA is presented in accordance with the 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). Therefore, some amounts presented in the SEFA may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3: SUBRECIPIENTS

The District is the fiscal agent for a shared services arrangement. The District provided federal awards to subrecipients as follows:

<u>Program Title</u>	<u>AL Number</u>	<u>Amount</u>
		<u>Provided to</u>
IDEA - B	84.027	<u>\$ 199,976</u>

NOTE 4: INDIRECT COST RATE

The District has elected not to use the 10% de minimus indirect cost rate allowed under the Uniform Guidance.

NOTE 5: DONATED PERSONAL PROTECTIVE EQUIPMENT (UNAUDITED)

During the emergency period of COVID-19, federal agencies and recipients of federal assistance funds donated personal protective equipment (PPE) to nonfederal entities. In connection with that donation, the recipient must disclose the estimated value of the donated PPE, but such amounts are not included in the SEFA. The District did not receive any PPE donations funded by federal assistance funds during the reporting year.

EDNA
INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REQUIRED RESPONSES TO
SELECTED SCHOOL FIRST INDICATORS - EXHIBIT L-1
For the Year Ended August 31, 2022

Data Control Codes		Responses
SF1	Was there an unmodified opinion in the annual financial report on the financial statements as a whole?	Yes
SF2	Were there any disclosures in the annual financial report and/or other sources of information concerning nonpayment of any terms of any debt agreement at fiscal year end?	No
SF3	Did the District make timely payments to the Teacher Retirement System, Texas Workforce Commission, Internal Revenue Service, and other governmental agencies?	Yes
SF4	Was the District 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 District post the required financial information on its website in accordance with Governmental Code, Local Government Code, Texas Education Code, Texas Administrative Code, and other statutes, laws, and rules that were in effect at the District's fiscal year end?	Yes
SF8	Did the Board members discuss the District's property values at a Board meeting within 120 days before the District adopted its budget?	Yes
SF9	Total accumulated accretion on capital appreciation bonds included in government-wide financial statements at fiscal year end	\$ <u> - </u>

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