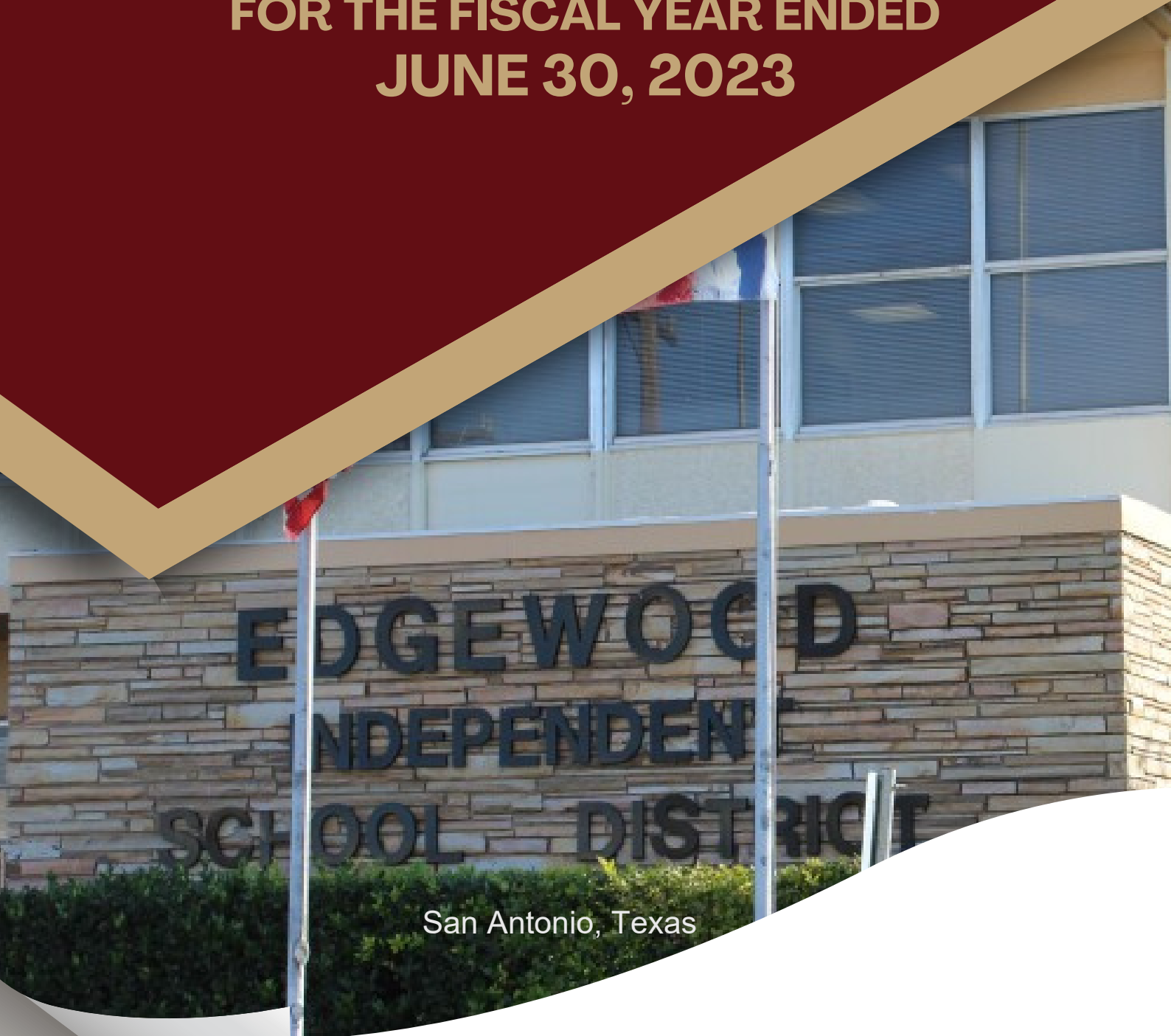


EDGEWOOD INDEPENDENT SCHOOL DISTRICT

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2023**



San Antonio, Texas

**PREPARED BY:
THE BUSINESS AND FINANCE DEPARTMENT**

EDGEWOOD INDEPENDENT SCHOOL DISTRICT
SAN ANTONIO, TEXAS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED
JUNE 30, 2023

Prepared by:

Edgewood ISD Department of Business & Finance

Myrna Martinez
Assistant Superintendent of Business Operations

Jose Keubke
Executive Director of Business & Finance

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EDGEWOOD INDEPENDENT SCHOOL DISTRICT

ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2023

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Dr. Eduardo Hernandez
Superintendent of Schools

- ★ Focus on Student Success
- ★ Focus on Students, Families and Community
- ★ Focus on Operational Excellence
- ★ Focus on Employees & Organizational Improvement
- ★ Focus on Financial Stewardship

November 14, 2023

Ms. Martha Castilla, President
Members of the Board of Trustees
Edgewood Independent School District
San Antonio, Texas

Dear Board Members and Citizens:

The Texas Education Code requires that all school districts file and publish a complete set of financial statements with the Texas Education Agency ("TEA") within 150 days of the close of each fiscal year. The financial statements must be presented in conformity with accounting principles generally accepted in the United States of America. The financial statements must be audited by a firm of licensed certified public accountants 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. Pursuant to these requirements, we hereby issue the Annual Comprehensive Financial Report (ACFR) of the Edgewood Independent School District ("District" or "Edgewood") for the year ended June 30, 2023.

This report consists of management's representations concerning the financial condition and operations of the District. Accordingly, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the District has established a comprehensive internal control framework that is designed both to help protect the District's assets from loss, theft, or misuse and to compile sufficient reliable information for the presentation of the District's financial statements in conformity with accounting principles generally accepted in the United States of America. Because the cost of internal controls should not outweigh their benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. Pattillo, Brown, and Hill, L.L.P., a firm of licensed certified public accountants, has audited the financial statements of the District. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2023, are free of material misstatement.

The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall basic financial statement presentation. The independent auditor concluded, based upon the audit, that there was reasonable basis for rendering an unmodified opinion that the District's basic financial statements for the fiscal year ended June 30, 2023, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditors' report is presented as the first component of the financial section of this report. The independent audit of the basic financial statements of the District was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the

independent auditor to report not only on the fair presentation of the basic financial statements, but also on the audited government's internal controls and compliance with legal requirements, with emphasis on the administration of federal awards. These reports are presented as part of the ACFR's Federal Awards Section. Findings associated with the Single Audit can be found in the Schedule of Findings and Questioned Costs along with a Corrective Action Plan from District Management.

The Governmental Accounting Standards Board (GASB) requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of the Management's Discussion and Analysis ("MD&A"). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the Independent Auditor's Report.

PROFILE OF THE DISTRICT

Edgewood Independent School District is located on the West side of San Antonio, Texas. Even though the present Edgewood I.S.D. became "independent" in January 1950, its formation can be traced back to 1905. The District is comprised of 16 square miles within the City of San Antonio, Texas which is 504.64 square miles and is the seat of Bexar County. The West side of San Antonio area is predominantly Hispanic and working class. It includes the diverse neighborhoods of Edgewood, Las Palmas, Prospect Hill, Loma Park, Loma Vista, Memorial Heights, Greater Gardendale, and Westlawn.

In 2022-23, 20 schools and special programs educated about 8,177 students in Edgewood I.S.D. The student demographics for 2020-2021 school year were Hispanic 96.33%, Black 1.43%, Asian 1.15%, White 0.83%, two or more races 0.21%, and Native Hawaiian 0.05%. About 94.12% of students are considered economically disadvantaged and 79.17% of the student population is considered at-risk.

Residents of the District elect members of the Board of Trustees to four-year terms at-large to serve in the seven member places. The elections are held during the November general election date and are conducted biennially. As of the November 3, 2020, elections, all Board members have been elected by the residents of the District.

The District provides a full range of educational services for grade levels Pre-K through 12. In addition, there are education programs that begin as early as age 6 weeks old for some children and extend through age 22 for others. These programs include regular and enriched academic education, special education for students with disabilities, occupational and vocational education, bilingual instruction for students with limited English proficiency, dual language programs, and specialized instruction for economically disadvantaged students.

Students may seek challenges in, pre-Advanced Placement, Advanced Placement, and dual credit courses in English, Mathematics, Social Studies, Science and other subjects in grades 6-12. In addition, students may study sign language or foreign languages of their choice based on interest. The District provides programs for gifted students in a variety of settings in grades K-12 that focus on the development of higher-level and cognitive thinking skills.

DISTRICT'S NUMBER ONE OUTCOME:

Graduate ALL scholars College, Career, or Military ready per their expected date of graduation!

DISTRICT'S MISSION

Edgewood I.S.D. provides an exceptional learning experience that engages, empowers, and prepares students to compete and reach their highest potential in an ever-changing World.

DISTRICT'S VISION

For every child, success in life, Edgewood Proud!

ACADEMIC ACCOMPLISHMENTS AND INITIATIVES

- Edgewood ISD is committed to preparing students to be college, career, or military ready.
- Five years ago, input from our students, staff, and the community led us to the creation of five innovation zones that were designed to provide choice for students and staff, equity and access to resources, that then lead to quality learning. To achieve this vision, we started on a journey to rethink and redesign our schools.
- As a designated School of Innovation and by leveraging 1882 partnership opportunities approved by the Texas Education Agency under House Bill 3, the District has developed these zones that offer students the opportunity to choose from programs that best fit their individual interests.
- Edgewood I.S.D. is an open enrollment school district; all students from Bexar County can apply to an Edgewood School of Innovation. Along with the zones, the District has been provided with the incentives of Senate Bill 1882 that was signed into effect by the Texas Legislature in 2017. SB 1882 gives the District the capability to partner with open-enrollment charter schools, institutions of higher education, non-profits, or government entities to improve student outcomes. The five innovation zones include Early Childhood Zone, STEAM Zone, Leadership Zone, Public Service Zone, and Performing Arts Zone.
- Our District offers TSI, PSAT and SAT testing, at no cost to students as early as middle school in preparation for their post-secondary opportunities.
- Edgewood ISD is committed to ensuring high-levels of teaching and learning by focusing on the implementation of Professional Learning Communities district-wide.
- The Innovation Zones start with our Headstart Early Childhood Centers that help form the foundation for our scholars as young as 6 weeks old up to age 4.
- The STEAM Zone, rich with programs that include Science, Technology, Engineering, Art and Mathematics includes Gardendale Early Learning Program powered by PK4SA for PK – 2nd grade students, Winston Intermediate School of Excellence powered by Texas A&M University San Antonio, Perales Elementary that serves K-5, Brentwood Middle School operated by Friends of P-Tech for grades 6 – 8th and Kennedy HS for grades 9 – 12.

- Our Public Service Zone for students who enjoy serving their community through culinary arts, education, health or protection includes the Roosevelt Dual Language Academy grades K – 5, Henry B. Gonzalez PK – 5, LB Johnson Elementary Pk – 5, Loma Park Elementary PK - , then 6 – 8th grade students can attend Gus Garcia University School powered by Texas A&M University San Antonio with pathways to Memorial HS that serves grades 9 – 12.
- The Leadership Zone that will help produce successful leaders with a focus on International Baccalaureate curriculum launched with the programs at Las Palmas Leadership School for Girls and Roy Cisneros Leadership School for boys each serving grades K – 8 with pathways to Fine Arts Academy, Kennedy H.S. or Memorial H.S.
- The Performing Arts Zone where students learn and appreciate programs like ceramics, theatre, music, painting and dancing recently launched at the Stafford Visual and Performing Arts Elementary operated by Friends of P-Tech, where students matriculate to Wrenn Middle School, then to the Fine Arts Academy where our students already excel on stage.
- Edgewood I.S.D. had 4 B+ rated campuses based on the 2023 ratings received (based on 2021-22 data) and we want to ensure every student has access to these places of excellence and the resources that made it possible.
- Edgewood I.S.D.’s ultimate North Star Goal is that by 2027-2028 our 16 STAAR accountable campuses will be rated “A” or “B.”
- To support this work, we’ve elevated and created programs in order to meet staffing challenges, like our aspiring administrators’ academy, and other grow-your-own teaching programs to create pipelines of talent.
- We’ve optimized teams by implementing a recruitment and retention plan that has increased teacher salaries, increased substitute pay, increased hourly minimum wage, created sign-on bonuses and opened a health clinic.
- The District continues to focus on how we can best optimize our facilities and develop new approaches to better resource our staff and students to ensure we can graduate all Scholars College, Career or Military Ready per their expected graduation date.

COMMUNITY SUPPORT

Pláticas:

Purpose

The Edgewood Independent School District Prides itself on its community relationships and holds frequent grassroots forums hosted at community members' homes. This platform gives the Superintendent, along with district and campus leaders the opportunity to communicate recent or upcoming events. Through this platform, the Superintendent is:

- Building powerful relationships among students and between students and adults.
- Creating a positive community environment where parents have a voice.
- Discussing the District's mission and vision.
- Discussing the evolution of the five-year innovation plan and the specific impact these initiatives have had on student performance.

Teen Board:

Purpose

The Edgewood Independent School District Teen Board serves a unique and significant role in Edgewood Independent School District as an internal organization that provides a platform for high school leaders to advocate for their peers at the school and district level. We enhance the performance of our schools by:

- Promoting student voice and leadership.
- Building powerful relationships among students and between students and adults.
- Creating a positive school environment.
- Fostering our school and district goals.

Guidelines

- Teen Board is comprised of seven student representatives from multiple campuses.
- Members will regularly engage with school district representatives, including the Superintendent and SLT, during these meetings.
- The Teen Board will collaborate with the Board of Trustees and make presentations or recommendations as appropriate.

Women with Vision:

Purpose

The purpose of Edgewood I.S.D.'s "Women in Vision" is to provide a platform for our district's most involved, collaborative, and committed female, scholar family members to engage in critical discussions on district initiatives, programs, and opportunities. E.I.S.D. recognizes that the work of educating our scholars should not be done in a vacuum and that we must rely on our families to not only create, and discourse, over our district goals, but to also continue the work we begin in the classrooms, in their own homes when their scholars leave our campuses each day. When we work as a team to rally around our scholars, we will see successes in all that we do.

Guidelines



Edgewood ISD provides an exceptional learning experience that engages, empowers, and prepares students to compete and reach their highest potential in an ever-changing World.

- Members must have a scholar enrolled on an E.I.S.D. campus.
- Recommended by the campus principal.
- Expected to share contact information with the Superintendent designee, for maintaining regular communication.
- Should be willing to participate in difficult discussions where differences of opinion will be considered and respected.

School Health Advisory Council:

Purpose

The board shall establish a local school health advisory council (SHAC) to assist the district in ensuring that local community values are reflected in the district's health education instruction. Education Code 28.004(a) [See EHAA regarding duties of the SHAC.]

Guidelines

The board also may appoint one or more persons from each of the following groups or a representative from a group other than those specified:

- Classroom teachers employed by the district.
- School counselors certified under Education Code Chapter 21, Subchapter B, employed by the district.
- School administrators employed by the district.
- District students.
- Health-care professionals licensed or certified to practice in this state, including medical or mental health professionals.
- The business community.
- Law enforcement.
- Senior citizens.
- The clergy.
- Nonprofit health organizations; and
- Local domestic violence programs.

Faith Based Community:

Purpose

FBC is a model for how effective partnerships can be created between school districts and faith-based and community organizations. This council serves as a means to communicate with the faith based community about the programs and initiatives available in the school district and how they can get involved.

Guidelines

- Be part of the faith-based community.
- Be a parent or community member.
- Be a community partner.

ECONOMIC CONDITIONS

The information presented in the financial statements is best understood when it is considered from the broader perspective of the specific environment within which the District operates.

Edgewood I.S.D. is a residential and commercial area located within the western corporate limits of the City of San Antonio. The population of the City of San Antonio based on the 2010 census is 1,714,773. This represents an increase of approximately 23.10% from the 2000 census. The District has long narrow strips along major highways for retail and wholesale businesses and is traversed by U.S. Highway 90, which provides easy access to all major freeways. The industry base is tourism, military bases, medical/biomedical research & services, government, and education centers. The agricultural base is nursery crops, hay, grain sorghum, corn, and beef cattle.

The District's top taxpayers are:

1. Southern Glazers Wine & Spirits of Texas, LLC
2. G.E. Co.
3. Standard Aero
4. Glazer Investments Inc.
5. Silver Eagle Distributors LP
6. TCP Las Palms Partners Ltd.
7. Bay Valley Foods, LLC
8. Glazers Beer and Beverage of Texas, LLC
9. Silver Eagle Beverages
10. Indo-Mim, Inc.

The diversity of the businesses includes industrial manufacturers, retailers, wholesale suppliers, strip malls, and distributors. Other major contributors to the District economy are Our Lady of the Lake University, Kelly Field Annex, Kelly Air Force Base, San Antonio Food Bank, Levi Strauss Evacuee Center, and Van De Walle Farms.

REPORTING ENTITY

Edgewood Independent School District is an independent reporting entity as established in §2100 of the Governmental Accounting Standards Board codification.

Internal and Budgetary Controls

The development and evaluation of the District's accounting system considers the adequacy of the internal control structure. The internal control structure provides reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition, and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets.

The concept of reasonable assurance recognizes that (1) the cost of controls should not exceed the benefits it derives and expected, and (2) the evaluation of costs and benefits requires estimates and judgments by management.

We believe that the District's accounting controls provide reasonable assurance that errors or irregularities that could be material to the financial statements are preventive or would be detected within a timely period by employees in the normal course of performing their assigned functions.

Budgetary controls established the regulations of the Texas Education Agency and the District's School Board policies for all administrators. TEA regulations set the level of budgetary control at the major functional expenditure level. Administrators have the responsibility to develop and manage their own program budgets once approved. Revisions within the categories are accepted upon request, but additions in amount or revisions between functions require recommendation of the Superintendent and approval by the Board of Trustees.

General Educational Functions

Principally, local taxes and state entitlements support general educational activities. Direct federal aid is nominal in the General Fund; however, the Special Revenue Fund receives funding from Federal grants, the majority of which are distributed through the Texas Education Agency. The General and Special Revenue Funds account for the General Educational Activities. State and federal grants or entitlements primarily support the Special Revenue Fund. Traditionally, these funds include support for the economically and academically disadvantaged, federal support for special and vocational education, and a variety of other projects as described in the Combining Statements. Over the last two years, under the CARES Act, Edgewood I.S.D. has received Elementary and Secondary School Emergency Relief (ESSER) Funds to assist with the COVID recovery efforts to create healthy learning environments, return students to classrooms, and address local needs including learning loss and funding deficits.

Cash Management

The District manages its cash position daily and invests all idle cash in accordance with the District's investment policy. The District invests primarily in local government investment pools. Total investments on June 30, 2023, were \$78,569,641 and the average yield to maturity at the end of the respective quarter was 5.00% with the average yield for a 1-year treasury bill at 4.95%. Yields on investments have increased due to federal government rate increases to stabilize the recent economic recession developments.

The District's investment policy is to protect principal and minimize credit and market risks while maintaining a competitive yield on its portfolio. Accordingly, deposits were either insured by federal depository insurance or collateralized. All collateral pledged to the District was held in the District's name by the Federal Reserve in Boston, Massachusetts. Wells Fargo Securities holds investments owned by the District.

Risk Management

The purpose of Risk Management is to plan for the negative consequences of any decision, process, or action by using whatever means feasible to control the chance of economic loss. Effective risk management is a critical component of any sound organization. Every dollar spent on property damage, on-the-job injuries, liability claims, and insurance premiums is a dollar not spent for school district services.

The objectives of risk management are to:

1. Ensure that District assets are protected and managed appropriately.
2. Identify situations that may create liability and a financial burden upon the District.
3. Implement effective procedures to minimize and/or avoid loss exposures.
4. Serve as the resource and service center for all District employees.

The District manages an insurance policy for property and casualty exposures and coverage, safety training and an inspection program.

Worker's Compensation Program

The District provides all employees with worker's compensation coverage for injuries that occur in the course and scope of employment. With Texas Association of School Boards (TASB) acting as a third-party administrator, the District was self-insured for this exposure through December 31, 2019, and funds remain in reserve to cover pending claims for that time period. Effective January 1, 2020, the District converted the self-insured plan to an Aggregate Deductible plan in order to limit the District's liability. In addition, the District continues to use the services of TASB to act as a third-party administrator to discharge the claims function of this program.

Property and Casualty Coverage

The District contributed about \$799,570 in 2022-2023 for property, school liability, privacy & information security, and automobile & ancillary coverages. The coverage included the risk of direct physical loss to buildings, personal property, and other structures. The District's insurance is provided by TASB.

Safety Program

The District provides regular training to various campus personnel and employee groups throughout the District. Specific or targeted training is provided on the basis of need and at periodic intervals throughout the year. In addition, the use of inspections has allowed the District to identify unsafe acts or conditions, make necessary changes and prevent loss situations from occurring to others.

Employee Benefits

The District makes an array of benefits available through a Section 125 Cafeteria Plan to all qualified employees. Participation in the Cafeteria Plan allows for pre-tax benefits under IRS regulations. Some of the eligible benefits are health insurance, dental and vision insurance.

Health Insurance Program

Group health insurance coverage is available to all qualified employees. The Board determines the District's contribution to employee insurance premiums annually. The insurance plan year is from January 1st to December 31st of each year. New employees must enroll within 30 days from the date of hire. The effective date of coverage begins on the first of the following month of employment. Employees who do not elect health insurance are provided with a supplemental life insurance policy at no cost.

Supplemental Employee Benefits

Other benefits offered are voluntary and supplemental in nature. The participant pays the total cost of these options. The supplemental benefits include 1) Dental Insurance, 2) Vision Insurance 3) Employee, Spouse and Child Term Life Insurance, 4) Disability/Income Replacement, 5) Medical and Dependent Care Spending Accounts, 6) Cancer Insurance, 7) Critical Illness Insurance, and 8) Health Spending Accounts.

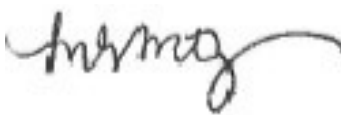
Awards and Acknowledgments

Senate Bill 218 of the 77th Texas Legislature (2001) authorized the implementation of the Financial Integrity Rating System of Texas, officially known as Schools FIRST. This law requires each school district to prepare and distribute an annual financial management report and provide the public with an opportunity to comment on the report at a public meeting. The primary goal of Schools FIRST is to improve the management of a school district's financial resources. For seventeen years in a row, the District has earned the highest possible rating of "Superior Achievement." Beginning in 2014-15, TEA modified the ratings to a 100-point system and "Superior" rating for earning equal or greater than 90 points. In the latest FIRST report presented to the public on October 2023, based on 2021-2022 expenses, the District earned an "A=Superior" rating with a score of 96 points.

The preparation of this Annual Comprehensive Financial Report could not have been accomplished without the efforts of the entire Business & Finance Department staff. We want to thank the members of the Board of Trustees for their interest in planning and conducting the financial operations of the School District in a responsible and progressive manner with the recommendations of the Superintendent. Your dedication, support, and encouragement to explore the opportunity to prepare this report has been invaluable. We would like to thank our external auditors Pattillo, Brown & Hill, L.L.P. for their role in providing professional guidance and assistance in the preparation of this report.

X 

Dr. Eduardo Hernandez
Superintendent of Schools

X 

Myrna G. Martinez
Asst. Superintendent of Business Operations

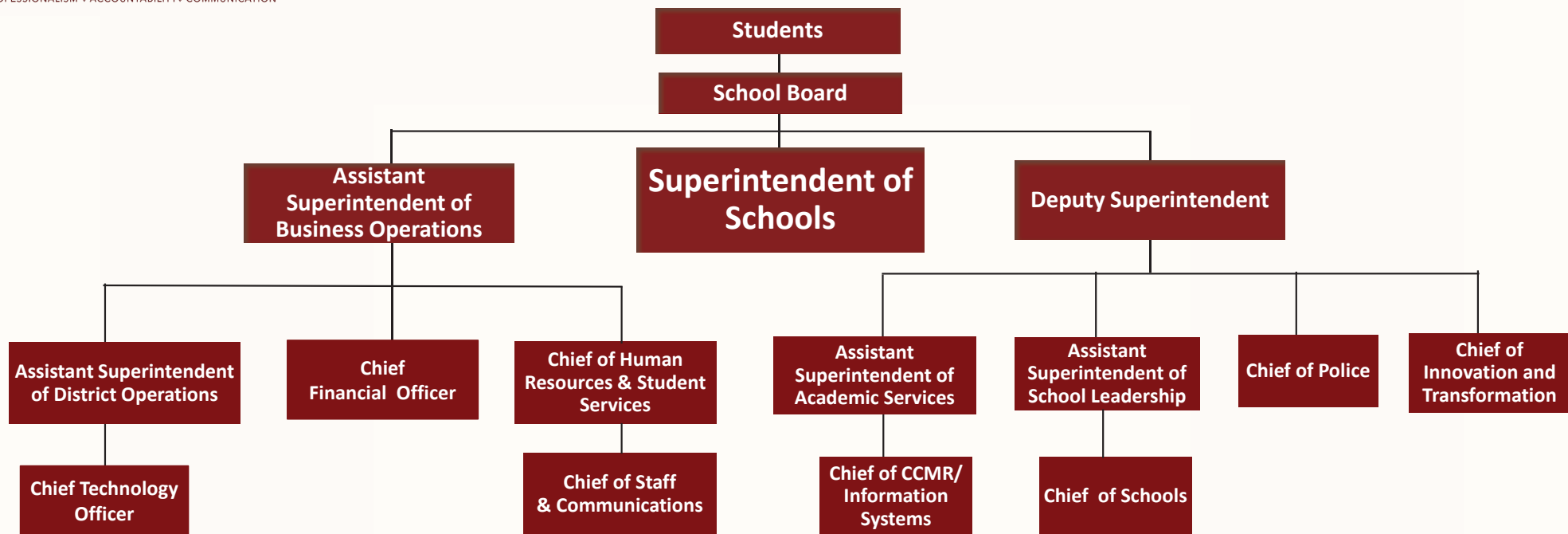
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Jose Keubke
Executive Director of Business and Finance

★ **EDGEWOOD ISD Mission Statement** ★

Edgewood ISD provides an exceptional learning experience that engages, empowers, and prepares students to compete and reach their highest potential in an ever-changing World.

2022-2023 ORGANIZATIONAL CHART



EDGEWOOD INDEPENDENT SCHOOL DISTRICT

ELECTED OFFICIALS AND SENIOR LEADERSHIP TEAM

AS OF JUNE 30, 2023

Elected Officials:

Board President	Martha Castilla
Board Vice President	James Hernández
Board Secretary	Joseph M. Guerra
Board Member	Richard Santoyo
Board Member	Luis Gómez
Board Member	Frank Espinosa
Board Member	Michael Valdez

Senior Leadership Team:

Superintendent	Dr. Eduardo Hernández
Deputy Superintendent	Phillip R. Chavez
Assistant Superintendent of Business Operations	Myrna G. Martínez
Assistant Superintendent of School Leadership	Dr. Kimberly Gilmore-Madkins
Assistant Superintendent of Academics	Dr. Roberto Basurto
Assistant Superintendent of Operations	Elvis Williams
Chief of Human Resources	Cynthia Treviño
Chief Financial Officer	Pamela Bendele
Chief of Schools	Travis McKelvain
Chief Innovation Officer	Theresa Salinas
Chief of Technology	Todd Gratehouse
Chief of CCMR and Information Systems	Chriselda Bazaldua
Chief of Staff and Communications	Olga Moucoulis
Chief of EISD Police	Jesse Quiroga



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Edgewood Independent School District
Texas**

For its Annual Comprehensive
Financial Report
for the Fiscal Year Ended

June 30, 2022

Christopher P. Morrell

Executive Director/CEO

CERTIFICATE OF BOARD

Edgewood Independent School District
Name of School District

Bexar
County

015-905
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 June 30, 2023, at a meeting of the Board of Trustees of such school district on the 14th of November 2023.



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

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Edgewood Independent School District
San Antonio, Texas

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Edgewood Independent School District, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Edgewood Independent School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter - Change of Accounting Principle

As described in the notes to the financial statements, in fiscal year 2023 Edgewood Independent School District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based IT Arrangements*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

OFFICE LOCATIONS

TEXAS | Waco | Temple | Hillsboro | Houston
NEW MEXICO | Albuquerque

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Edgewood Independent School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Edgewood Independent School 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, and pension and OPEB information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Edgewood Independent School District's basic financial statements. The combining statements, required TEA schedules, and the Schedule of Expenditures of Federal Awards, as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements, required TEA 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 included in the Annual Comprehensive Financial Report

Management is responsible for the other information included in the annual comprehensive financial report (ACFR). The other information comprises the introductory section and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

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

Pattillo, Brown & Hill, L.L.P.

Waco, Texas
November 14, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

As Management of Edgewood Independent School District, we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2023. This information is not intended to be a complete statement of the District's financial condition. We recommend and encourage readers to consider the information presented here in conjunction with the accompanying basic financial statements.

FINANCIAL HIGHLIGHTS

- The assets plus deferred outflows of resources of the District exceeded its liabilities plus deferred inflows of resources at the close of the fiscal year ended June 30, 2023 by \$87,416,293 (net position).
- The General Fund balance at June 30, 2023 decreased by (\$1,954,438)) to \$61,715,036 primarily due to an increase in staffing. The General Fund consists of the financial transactions associated with the Food Service program, SB 1882 partnerships, after school programs, and the general maintenance and operations of the District.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements

The analysis of the District's overall financial condition and operations begins with the statement of net position and statement of activities. Their primary objective is to show whether the District is better off or worse off as a result of the year's activities. The Statement of Net Position includes all the District's assets, deferred outflows (inflows) of resources and liabilities while the Statement of Activities includes all the revenue and expenses generated by the District's operations during the year. These apply the accrual basis of accounting, which is the same method used by most private sector companies. All of the current year's revenue and expenses are taken into account regardless of when cash is received or paid.

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

In the statement of net position and statement of activities, the District has one kind of activity. Governmental activities reports all the District's basic services here, including instruction, counseling, co-curricular activities, food services, transportation, maintenance, community services, and general administration. Property taxes, tuition, fees, and state and federal grants finance most of these activities.

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the District's most significant funds – not the District as a whole. Funds are 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 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 reports the following types 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.

Proprietary Funds – Proprietary fund statements offer short-term and long-term financial information about the activities the government operates like businesses. The District uses *internal service funds* to report activities that provide supplies and services for the District’s other programs and activities — such as the District’s self-insured Workers’ Compensation Fund.

Fiduciary Funds – Fiduciary fund statements provide information about the financial relationships in which the District acts solely as a trustee for the benefit of others, to whom the resources in question belong. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District’s fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the District’s government-wide financial statements because the District cannot use these assets to finance its governmental operations.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The District’s net position was \$87,416,293 at June 30, 2023. Table 1 focuses on the net position while Table 2 shows the revenues and expenses that changed the net position balance during the year ended June 30, 2023.

TABLE 1
EDGEWOOD INDEPENDENT
SCHOOL DISTRICT
NET POSITION

	Governmental Activities			Percentage
	2023	2022	Change	Change
Current and other assets	\$ 97,931,621	\$ 94,823,631	\$ 3,107,990	3.28%
Capital assets	149,770,432	146,694,596	3,075,836	2.10%
Total assets	247,702,053	241,518,227	6,183,826	2.56%
Total deferred outflows	29,590,507	10,906,857	18,683,650	171.30%
Other liabilities	20,748,446	17,647,953	3,100,493	17.57%
Long-term liabilities	117,556,058	106,511,840	11,044,218	10.37%
Total liabilities	138,304,504	124,159,793	14,144,711	11.39%
Total deferred inflows	51,571,763	26,968,939	24,602,824	91.23%
Net position:				
Net investment in capital assets	97,240,751	90,208,357	7,032,394	7.80%
Restricted	6,944,184	7,196,171	(251,987)	(3.50%)
Unrestricted	(16,768,642)	3,891,824	(20,660,466)	(530.87%)
Total net position	\$ 87,416,293	\$ 101,296,352	\$ (13,880,059)	(13.70%)

TABLE 2
EDGEWOOD INDEPENDENT
SCHOOL DISTRICT
CHANGES IN NET POSITION

	Governmental Activities			Percentage
	2022	2021	Change	Change
REVENUES				
Program revenues:				
Charges for services	\$ 2,025,554	\$ 1,265,650	\$ 759,904	60.04%
Operating grants and contributions	64,027,144	41,426,493	22,600,651	54.56%
General revenues:				
Property taxes	25,434,574	22,648,796	2,785,778	12.30%
Grants and contributions not restricted	56,854,831	63,716,724	(6,861,893)	(10.77%)
Investment earnings	2,469,005	191,772	2,277,233	1,187.47%
Other revenues	23,704	124,986	(101,282)	(81.03%)
Total revenues and extraordinary item	150,834,812	129,374,421	21,460,391	16.59%
EXPENSES				
Instruction	81,482,531	40,782,317	40,700,214	99.80%
Instructional resources and media services	1,261,624	856,729	404,895	47.26%
Curriculum and staff development	7,779,887	3,885,815	3,894,072	100.21%
Instructional leadership	5,321,107	2,032,968	3,288,139	161.74%
School leadership	11,864,649	5,927,769	5,936,880	100.15%
Guidance and counseling	5,540,095	2,475,195	3,064,900	123.82%
Social work services	1,157,663	612,269	545,394	89.08%
Health services	2,000,716	1,104,696	896,020	81.11%
Student transportation	2,815,389	1,474,984	1,340,405	90.88%
Food services	8,614,357	5,993,824	2,620,533	43.72%
Extracurricular activities	4,409,009	2,829,675	1,579,334	55.81%
General administration	5,472,524	3,350,574	2,121,950	63.33%
Plant maintenance and operations	17,068,597	11,857,227	5,211,370	43.95%
Security and monitoring services	2,812,972	1,359,032	1,453,940	106.98%
Data processing services	5,610,866	4,601,313	1,009,553	21.94%
Community services	653,020	277,189	375,831	135.59%
Interest, issuance costs and fees on debt	1,066,905	1,187,742	(120,837)	(10.17%)
Payments to fiscal agent/member districts of SSA	73,436	113,023	(39,587)	(35.03%)
Payments to JJAE	8,423			
Other governmental charges	150,295	137,445	12,850	9.35%
Total expenses	165,164,065	90,859,786	74,304,279	81.78%
CHANGE IN NET POSITION	(14,329,253)	38,514,635	(52,843,888)	137.20%
NET POSITION, BEGINNING	101,296,352	62,781,717	38,514,635	61.35%
PRIOR PERIOD ADJUSTMENT	449,194	-	449,194	- %
NET POSITION, ENDING	\$ 87,416,293	\$ 101,296,352	\$ (13,880,059)	(13.70%)

Governmental Activities

The District's total revenues and extraordinary items were \$150,834,812, an increase of \$21,460,391 from prior year. 16.86% of the District's revenues are received from property taxes, 37.69% are State Allocations from state aid, 42.45% from operating grants and contributions, and the remaining 3% comes from investment earnings, charges for services and other miscellaneous revenues. The total cost of all programs and services was \$165,164,065, an increase of \$74,304,279 or approximately 81.78% from the prior year. The District's overall financial position has remained stable over the prior year.

Significant factors affecting the change in net position included:

- The property tax rate decreased from \$1.1755 to \$1.158592. Total tax revenue increased by 12.30%.
- Expenses increased \$74,304,279 from the prior period. The most significant functional change was the increase in instructional costs of \$40,700,214. A significant driver of this change was the increase of the pension liabilities and the associated effect on expenses.

- The District was required to report a liability for its proportionate share of TRS's net pension liability at year end in the amount of \$42,701,886 and net other post-employment benefit liability of \$21,646,690. The increase in the pension liability and decrease in the OPEB liability and their related deferred inflows and outflows of resources contributed to a decrease in net position of \$21,653,074.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

At the close of the reporting period, June 30, 2023, the District's combined governmental funds (as presented in the balance sheet on Exhibit C-1) reported a combined fund balance of \$64,901,933. This compares to a combined fund balance of \$66,956,838 at June 30, 2022. The General Fund is the major operating fund of the District set up to accomplish its educational goals and objectives, including all its support elements: Administration, Food Service, Maintenance, Security, and Transportation. The General Fund decreased its fund balance a total of (\$1,954,438)). Local revenues increased approximately \$5.1 million due to an increase in property taxes. Expenditures increased approximately \$20.4 million due to increases in COVID-19 grant related expenditures. Of the total ending fund balance, \$4,004,051 is restricted for federal food service programs.

The ESSER III fund's expenditures and revenues were \$20,043,651 as the District continues to spend the funding available to it to react to the COVID-19 pandemic.

The Debt Service Fund decreased its fund balance a total of \$104,308. This was a result of debt service expenditures exceeding property tax collections for the current year.

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 Child Nutrition Sub Fund, and for the Debt Service Fund. Other Special Revenue Fund budgets are not legally adopted but are approved by the funding agency and are amended throughout the year as required.

During the period ended June 30, 2023, the District prepared and amended its budget as required by state law prudent operating procedures. The budget amendments can be characterized into three categories: Category 1 reflects adjustments for carryover appropriations because of commitments made against the budget for goods and services not received or incomplete as of June 30, 2023, Category 2 included an increase in estimated revenues and similar increases in the appropriations and Category 3 included all adjustment authorized by the Board of Trustees throughout the year. The revenue budget was amended up by approximately \$9.5 million during the year. The expenditure budget was amended up by approximately \$4.4 million.

The District's Board of Trustees is required by state law to formally adopt budgets for the General Fund, the Debt Service Fund and the Child Nutrition Sub Fund, and to amend those budgets as needed to avoid over expending any functional expenditure category. The District was in compliance with this requirement and, at the close of the fiscal year, all functional expenditure categories had positive budgetary variances. The General Fund had an overall positive budget variance of \$2,918,309, the Child Nutrition Sub Fund had a positive variance of \$1,771,824, and the Debt Service Fund had a positive variance of \$3,327,428.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Capital assets are generally defined as those items that have useful lives in excess of five years and have an initial cost or value (if donated) of \$5,000, an amount determined by the Board. The cost or acquisition value, less accumulated depreciation, of the District's capital assets is recorded and displayed in the government-wide financial statements but not in the fund financial statements. Depreciation is calculated using the straight-line method with estimated useful lives as recommended by the Comptroller of Public Accounts of the State of Texas.

At June 30, 2023, the District had a total of \$149,770,432 invested in capital assets (land, buildings, vehicles and equipment). Of this amount, the District invested a total of \$1,690,437 in the year ended June 30, 2023. Significant additions to capital assets during the current fiscal year included \$7,265,894 in buildings and improvements and \$1,420,155 of construction in progress.

Table 3 summarizes the District's capital assets at June 30, 2023. More detailed information regarding the District's capital assets is presented in Note C in the Notes to the Financial Statements.

TABLE 3
EDGEWOOD INDEPENDENT
SCHOOL DISTRICT'S
CAPITAL ASSETS AND DEPRECIATION AT YEAR-END

	Governmental Activities		Change	Percentage Change
	2023	2022		
Land and land improvements	\$ 4,953,642	\$ 3,540,237	\$ 1,413,405	39.92%
Buildings and improvements	289,037,198	281,771,304	7,265,894	2.58%
Furniture and equipment	27,812,135	27,246,570	565,565	2.08%
Right to use assets	789,466	-	789,466	-
SBITAs	1,385,399	1,385,399	-	- %
Construction in progress	2,024,631	604,476	1,420,155	234.94%
Accumulated depreciation	<u>(176,232,039)</u>	<u>(166,467,991)</u>	<u>(9,764,048)</u>	<u>5.87%</u>
Total capital assets	<u>\$ 149,770,432</u>	<u>\$ 148,079,995</u>	<u>\$ 1,690,437</u>	<u>285.38%</u>

Long-term Liabilities

At June 30, 2023, the District had bond issues outstanding of which the unpaid principal totaled \$36,560,000. Table 4 summarizes the District's outstanding debt at June 30, 2023, as well as other long-term liabilities. More detailed information regarding the District's long-term liabilities is presented in Note F in the notes to the financial statements.

TABLE 4
EDGEWOOD INDEPENDENT
SCHOOL DISTRICT'S
ANALYSIS OF LONG-TERM LIABILITIES AT YEAR-END

Description of Debt Outstanding	Governmental Activities		Changes	Percentage Change
	2023	2022		
Bonds payable	\$ 36,560,000	\$ 40,265,000	\$ (3,705,000)	(9.20%)
Unamortized premium	4,517,628	5,681,239	(1,163,611)	(20.48%)
Notes payable	9,580,000	10,540,000	(960,000)	(9.11%)
Financing arrangements	488,017	619,290	(131,273)	(21.20%)
Leases	680,431	-	680,431	-
SBITAs	703,605	1,050,039	(346,434)	(32.99%)
Net pension liability	42,701,886	16,554,885	26,147,001	157.94%
Net OPEB liability	21,646,690	32,059,791	(10,413,101)	(32.48%)
Claims payable	<u>677,801</u>	<u>1,410,925</u>	<u>(733,124)</u>	<u>(51.96%)</u>
Total long-term debt	<u>\$ 117,556,058</u>	<u>\$ 108,181,169</u>	<u>\$ 9,374,889</u>	<u>8.67%</u>

The "Claims Payable" amount is a result of the District's outstanding claims from the self-funded workers' compensation fund.

ECONOMIC FACTORS AND THE NEXT YEAR'S BUDGETS

A major factor continuing to affect the District is the decline in student enrollment. This is key because the state's funding formulas are currently set to fund District's based not only on enrollment but on attendance. Declining enrollment translates to a decrease in much needed funding for the District. The tax rate adopted for 2022-2023 decreased to \$1.158592, with the maintenance and operations tax rate decreasing to \$.0942950 and the debt service rate remaining the same at \$.215642. The decrease in the tax rate is attributed to State and Local Compression requirements and calculation. The Board adopted a deficit budget for the 2022-2023 fiscal year. The deficit budget is mainly for construction and major maintenance projects. The District has adopted strategies to reduce the overall expenditures and increase student attendance (and revenue) to address these challenges without disrupting the services that we provide to our students. As we planned for the 2022-2023 fiscal year, we will continue to monitor the needs of the students and the District. As part of the process to reduce expenditures, we continue to practice the following strategies:

- Robust processes for the approval of large item purchases.
- Review of current contracted services.
- Refinement of staffing ratios and continued monitoring of positions.

The federal government has provided financial support to districts and schools through the Elementary and Secondary Schools Emergency Relief (ESSER) fund and the American Rescue Plan (ARP) funds (also referred to as ESSER III). The purpose of the federal funds is to combat the learning loss caused by the disruption in instruction over the COVID 19 pandemic time frame. Additional allowable expenditures included are social emotional learning programs, personal protective equipment, instructional materials and equipment, overtime salaries, and other goods and services needed by the students, employees, and community members of the district.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the funds it receives. If anyone has any questions about this report please contact the Office of the Chief Financial Officer, in the Edgewood Independent School District Administrative Office.

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BASIC FINANCIAL STATEMENTS

EDGEWOOD INDEPENDENT SCHOOL DISTRICT

EXHIBIT A-1

STATEMENT OF NET POSITION

JUNE 30, 2023

Data Control Codes		Governmental Activities
ASSETS		
1110	Cash and cash equivalents	\$ 76,723,595
1220	Property taxes - delinquent	5,065,057
1230	Allowance for uncollectible taxes	(1,772,590)
1240	Due from other governments	16,662,206
1267	Due from fiduciary funds	666,001
1290	Other receivables (net)	527,250
1300	Inventories	60,102
	Capital assets:	
1510	Land	4,953,642
1520	Buildings and improvements, net	137,552,452
1550	Furniture and equipment, net	3,707,408
1553	Right to use, net	584,395
1530	SBITA assets	947,904
1580	Construction in progress	2,024,631
1000	Total assets	<u>247,702,053</u>
DEFERRED OUTFLOWS OF RESOURCES		
1705	Deferred outflow related to net pension liability	19,660,443
1706	Deferred outflow related to other postemployment liability	9,930,064
1700	Total deferred outflows of resources	<u>29,590,507</u>
LIABILITIES		
2110	Accounts payable	2,411,457
2140	Interest payable	114,642
2150	Payroll deductions and withholdings	812,582
2160	Accrued wages payable	5,700,341
2180	Due to other governments	11,343,206
2300	Unearned revenue	366,218
	Noncurrent liabilities:	
	Due within one year	
2501	Long-term debt	4,879,434
2501	Claims payable	32,696
	Due in more than one year	
2502	Long-term debt	47,650,247
2502	Claims payable	645,105
2540	Net pension liability	42,701,886
2545	Net OPEB liability	21,646,690
2000	Total liabilities	<u>138,304,504</u>
DEFERRED INFLOWS OF RESOURCES		
2605	Deferred inflow related to net pension liability	8,290,882
2606	Deferred inflow related to other postemployment liability	43,280,881
2600	Total deferred inflows of resources	<u>51,571,763</u>
NET POSITION		
3200	Net investment in capital assets	97,240,751
	Restricted for:	
3820	Federal and state programs	4,009,647
3850	Debt service	2,764,097
3890	Other purposes	170,440
3900	Unrestricted	(16,768,642)
3000	Total net position	<u>\$ 87,416,293</u>

The accompanying notes are an integral part of this financial statement.

EDGEWOOD INDEPENDENT SCHOOL DISTRICT

EXHIBIT B-1

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2023

			Program Revenues		Net (Expenses)
					Revenue
					Changes in
					Net Position
		1	3	4	6
					Primary
					Government
Data					
Control					
Codes	Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
Primary government:					
	Governmental activities:				
11	Instruction	\$ 81,482,531	\$ 1,277,986	\$ 40,071,479	\$ (40,133,066)
12	Instructional resources and media services	1,261,624	-	410,654	(850,970)
13	Curriculum and staff development	7,779,887	-	6,667,933	(1,111,954)
21	Instructional leadership	5,321,107	-	1,781,849	(3,539,258)
23	School leadership	11,864,649	-	1,800,044	(10,064,605)
31	Guidance, counseling, and evaluation services	5,540,095	-	551,246	(4,988,849)
32	Social work services	1,157,663	-	92,886	(1,064,777)
33	Health services	2,000,716	-	404,917	(1,595,799)
34	Student transportation	2,815,389	-	285,900	(2,529,489)
35	Food service	8,614,357	176,116	8,252,273	(185,968)
36	Extracurricular activities	4,409,009	290,985	153,178	(3,964,846)
41	General administration	5,472,524	-	57,512	(5,415,012)
51	Facilities maintenance and operations	17,068,597	168,029	2,144,621	(14,755,947)
52	Security and monitoring services	2,812,972	-	(32,110)	(2,845,082)
53	Data processing services	5,610,866	-	258,099	(5,352,767)
61	Community services	653,020	112,438	509,352	(31,230)
72	Interest on long-term debt	1,052,935	-	543,875	(509,060)
73	Bond issuance costs and fees	13,970	-	-	(13,970)
93	Payments related to shared services arrangements	73,436	-	73,436	-
95	Payments to JJAE	8,423	-	-	(8,423)
99	Other governmental charges	150,295	-	-	(150,295)
TG	Total governmental activities	<u>\$ 165,164,065</u>	<u>\$ 2,025,554</u>	<u>\$ 64,027,144</u>	<u>\$ (99,111,367)</u>
General revenues:					
Taxes:					
MT	Property taxes, levied for general purposes				\$ 20,742,985
DT	Property taxes, levied for debt service				4,691,589
GC	Grants and contributions not restricted to specific programs				56,854,831
IE	Investment earnings				2,469,005
MI	Miscellaneous				<u>23,704</u>
TR	Total general revenues				<u>84,782,114</u>
CN	Change in net position				(14,329,253)
NB	Net position, beginning				<u>101,296,352</u>
PA	Prior period adjustment				<u>449,194</u>
NB	Net position, beginning, restated				<u>101,745,546</u>
NE	Net position, ending				<u>\$ 87,416,293</u>

The accompanying notes are an integral part of this financial statement.

EDGEWOOD INDEPENDENT SCHOOL DISTRICT

BALANCE SHEET
GOVERNMENTAL FUNDS

JUNE 30, 2023

Data Control Codes		10		50
		General	ESSER III	Debt Service
ASSETS				
1110	Cash and cash equivalents	\$ 63,179,016	\$ -	\$ 2,856,191
1220	Property taxes - delinquent	4,188,434	-	876,623
1230	Allowance for uncollectible taxes	(1,465,772)	-	(306,818)
1240	Due from other governments	5,997,609	3,516,245	-
1260	Due from other funds	7,165,042	-	803,606
1290	Other receivables	522,043	-	-
1300	Inventories	60,102	-	-
1000	Total assets	79,646,474	3,516,245	4,229,602
LIABILITIES				
2110	Accounts payable	1,270,683	28,448	-
2150	Payroll deductions and withholdings	812,582	-	-
2160	Accrued wages	1,815,115	2,356,414	-
2170	Due to other funds	803,606	1,131,383	-
2180	Due to other governments	10,475,882	-	867,324
2300	Unearned revenue	-	-	-
2000	Total liabilities	15,177,868	3,516,245	867,324
DEFERRED INFLOWS OF RESOURCES				
2600	Unavailable revenue - property taxes	2,320,946	-	483,539
2601	Unavailable revenue - notes receivable	432,624	-	-
	Total deferred inflows of resources	2,753,570	-	483,539
FUND BALANCES				
	Nonspendable:			
3410	Inventories	60,102	-	-
	Restricted for:			
3450	Federal and state programs	4,004,051	-	-
3480	Retirement of long-term debt	-	-	2,878,739
3490	Other restricted fund balance	-	-	-
	Committed:			
3545	Campus activities	-	-	-
	Assigned:			
3590	Subsequent years budget	8,194,466	-	-
3600	Unassigned	49,456,417	-	-
	Total fund balance	61,715,036	-	2,878,739
4000	Total liabilities, deferred inflows of resources and fund balances	\$ 79,646,474	\$ 3,516,245	\$ 4,229,602

Other Governmental	98 Total Governmental Funds
\$ 1,190,556	\$ 67,225,763
-	5,065,057
-	(1,772,590)
7,148,352	16,662,206
-	7,968,648
5,207	527,250
-	60,102
<u>8,344,115</u>	<u>95,736,436</u>
1,107,026	2,406,157
-	812,582
1,520,251	5,691,780
5,042,462	6,977,451
-	11,343,206
<u>366,218</u>	<u>366,218</u>
<u>8,035,957</u>	<u>27,597,394</u>
-	2,804,485
-	<u>432,624</u>
-	<u>3,237,109</u>
-	60,102
5,596	4,009,647
-	2,878,739
170,440	170,440
132,731	132,731
-	8,194,466
<u>(609)</u>	<u>49,455,808</u>
<u>308,158</u>	<u>64,901,933</u>
<u>\$ 8,344,115</u>	<u>\$ 95,736,436</u>

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EDGEWOOD INDEPENDENT SCHOOL DISTRICT**EXHIBIT C-2****RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION**

JUNE 30, 2023

Total fund balances - governmental funds	\$ 64,901,933
Amounts reported for governmental activities in the statement of net position	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	148,385,033
Uncollected property taxes and long-term receivables are reported as unavailable resources in the governmental funds balance sheet, but are recognized as a revenue in the statement of activities.	3,237,109
Long-term liabilities, including bonds and loans payable, are not due and payable in the current period and therefore are not reported in the funds. Also, the loss on refunding of bonds and the premium on issuance of bonds payable are not reported in the funds.	(51,144,282)
Interest payable is not due and payable in the current period and, therefore, is not reported as a liability in the governmental funds.	(114,642)
Included in the items related to debt is the recognition of the District's proportionate share of the net pension liability required by GASB 68. The net position related to TRS included a deferred resource outflow in the amount of \$19,660,443, a deferred resource inflow in the amount of \$8,290,882, and a net pension liability in the amount of \$42,701,886. This resulted in a decrease in net position.	(31,332,325)
Included in the items related to debt is the recognition of the District's proportionate share of the net OPEB liability required by GASB 75. The net position related to TRS included a deferred resource outflow in the amount of \$9,930,064, a deferred resource inflow in the amount of \$43,280,881, and a net OPEB liability in the amount of \$21,646,690. This resulted in a decrease in net position.	(54,997,507)
Internal Service Funds are used by management to charge the costs of certain activities, such as workers' compensation and medical insurance to individual funds. The net revenue (expense) of the Internal Service Funds is reported with governmental activities.	<u>8,480,974</u>
Net position of governmental activities	<u>\$ 87,416,293</u>

EDGEWOOD INDEPENDENT SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2023

Data Control Codes		10	50	
		General	ESSER III	Debt Service
	REVENUES			
5700	Local and intermediate sources	\$ 24,199,514	\$ -	\$ 4,631,059
5800	State programs	58,603,042	-	543,875
5900	Federal programs	12,429,396	20,043,651	-
5020	Total revenues	<u>95,231,952</u>	<u>20,043,651</u>	<u>5,174,934</u>
	EXPENDITURES			
	Current:			
0011	Instruction	31,263,772	19,430,442	-
0012	Instructional resources and media services	625,014	-	-
0013	Curriculum and staff development	904,917	193,592	-
0021	Instructional leadership	3,519,223	75,493	-
0023	School leadership	6,959,177	4,273	-
0031	Guidance, counseling, and evaluation services	4,060,777	25,248	-
0032	Social work services	978,409	-	-
0033	Health services	1,406,186	42,772	-
0034	Student transportation	1,964,955	-	-
0035	Food service	7,719,955	-	-
0036	Extracurricular activities	2,854,331	-	-
0041	General administration	5,114,873	6,628	-
0051	Facilities maintenance and operations	12,938,441	265,072	-
0052	Security and monitoring services	2,585,883	-	-
0053	Data processing services	4,519,810	-	-
0061	Community services	175,893	131	-
	Debt service:			
0071	Principal on long-term debt	1,546,742	-	3,705,000
0072	Interest on long-term debt	667,231	-	1,560,272
0073	Other debt service fees	-	-	13,970
0081	Capital outlay	8,035,253	-	-
	Intergovernmental:			
0093	Payments to fiscal agent/ member districts of SSA	-	-	-
0095	Payments to JJAIE	8,423	-	-
0099	Other intergovernmental charges	150,295	-	-
6030	Total expenditures	<u>97,999,560</u>	<u>20,043,651</u>	<u>5,279,242</u>
1100	EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(2,767,608)</u>	<u>-</u>	<u>(104,308)</u>
	OTHER FINANCING SOURCES (USES)			
7912	Sale of real or personal property	23,704	-	-
7913	Proceeds from right to use leased assets	789,466	-	-
7080	Total other financing sources (uses)	<u>813,170</u>	<u>-</u>	<u>-</u>
1200	NET CHANGE IN FUND BALANCES	(1,954,438)	-	(104,308)
0100	FUND BALANCES, BEGINNING	<u>63,669,474</u>	<u>-</u>	<u>2,983,047</u>
3000	FUND BALANCES, ENDING	<u>\$ 61,715,036</u>	<u>\$ -</u>	<u>\$ 2,878,739</u>

The accompanying notes are an integral part of this financial statement.

Other Governmental	98 Total Governmental Funds
\$ 346,828	\$ 29,177,401
900,600	60,047,517
<u>31,410,142</u>	<u>63,883,189</u>
<u>32,657,570</u>	<u>153,108,107</u>
16,814,828	67,509,042
278,439	903,453
6,531,464	7,629,973
689,492	4,284,208
2,725,424	9,688,874
359,012	4,445,037
85,930	1,064,339
170,303	1,619,261
218,197	2,183,152
83,900	7,803,855
144,647	2,998,978
24,597	5,146,098
1,904,773	15,108,286
43,823	2,629,706
246,399	4,766,209
512,925	688,949
-	5,251,742
-	2,227,503
-	13,970
1,746,140	9,781,393
73,436	73,436
-	8,423
-	150,295
<u>32,653,729</u>	<u>155,976,182</u>
<u>3,841</u>	<u>(2,868,075)</u>
-	23,704
-	789,466
-	813,170
3,841	(2,054,905)
<u>304,317</u>	<u>66,956,838</u>
<u>\$ 308,158</u>	<u>\$ 64,901,933</u>

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EDGEWOOD INDEPENDENT SCHOOL DISTRICT**EXHIBIT C-4**

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

FOR THE YEAR ENDED JUNE 30, 2023

Net change in fund balances - total governmental funds \$ (2,054,905)

Amounts reported for governmental activities in the statement of activities are

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Additions to capital assets	11,454,485
Depreciation on capital assets	(9,764,048)

Property tax revenues and notes receivable in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	1,216,621
--	-----------

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount by which proceeds exceeded repayments.

Principal repayments - bonds	5,251,742
Principal repayments - leases	-
Amortization of premiums on bonds	1,163,611

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Interest expense	10,957
------------------	--------

GASB 68 Required that certain plan expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of the plan caused the change in ending net position to increase by \$3,782,768. Contributions made before the measurement date and during the previous fiscal year were expended and recorded as a reduction in net pension liability. This caused a decrease in net position totaling \$2,752,878. Finally, the proportionate share of the TRS pension expense on the plan as a whole had to be recorded. The net pension expense decreased the change in net position by \$682,175. The net result is an increase in the change in net position.

347,715

GASB 75 required that certain plan expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of the plan caused the change in ending net position to increase by \$787,769. Contributions made before the measurement date and during the previous fiscal year were expended and recorded as a reduction in net OPEB liability. This caused a decrease in net position totaling \$609,129. Finally, the proportionate share of TRS OPEB expense on the plans as a whole had to be recorded. The net OPEB expense increased the change in net position by \$22,179,429. The net result is an increase in the change in net position.

(22,000,789)

Internal Service Funds are used by management to charge the costs of certain activities, such as workers' compensation and medical insurance to individual funds. The net revenue (expense) of the Internal Service Funds is reported with governmental activities.

834,824

Change in net position of governmental activities	<u>\$ (14,329,253)</u>
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EDGEWOOD INDEPENDENT SCHOOL DISTRICT**EXHIBIT D-1**STATEMENT OF NET POSITION
PROPRIETARY FUNDS

JUNE 30, 2023

	Governmental Activities
	<u>Internal Service Funds</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 9,497,832
Total current assets	<u>9,497,832</u>
 Total assets	 <u>9,497,832</u>
LIABILITIES	
Current liabilities:	
Accounts payable	5,300
Claims payable	32,696
Accrued wages payable	8,561
Due to other funds	<u>325,196</u>
Total current liabilities	<u>371,753</u>
 Noncurrent liabilities:	
Claims payable	<u>645,105</u>
Total noncurrent liabilities	<u>645,105</u>
 Total liabilities	 <u>1,016,858</u>
NET POSITION	
Unrestricted	<u>8,480,974</u>
Total net position	<u>\$ 8,480,974</u>

EDGEWOOD INDEPENDENT SCHOOL DISTRICT**EXHIBIT D-2****STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS**

FOR THE YEAR ENDED JUNE 30, 2023

	Governmental Activities
	<u>Internal Service Funds</u>
OPERATING REVENUES	
Local and intermediate sources	\$ 1,448,711
Total operating revenues	<u>1,448,711</u>
OPERATING EXPENSES	
Payroll costs	59,761
Professional and contracted services	463,036
Other operating costs	<u>91,090</u>
Total operating expenses	<u>613,887</u>
CHANGE IN NET POSITION	834,824
NET POSITION, BEGINNING	<u>6,913,026</u>
PRIOR PERIOD ADJUSTMENT	<u>733,124</u>
NET POSITION, ENDING	<u>\$ 8,480,974</u>

EDGEWOOD INDEPENDENT SCHOOL DISTRICT

EXHIBIT D-3

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2023

	Governmental Activities
	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from user charges	\$ 104,931
Cash received from assessments - other funds	2,097,588
Cash received from other operating activities	200,000
Cash payments to employees for services	(59,761)
Cash payments for suppliers	(412,494)
Net cash provided (used) by operating activities	<u>1,930,264</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	1,930,264
CASH AND CASH EQUIVALENTS, BEGINNING	<u>7,567,568</u>
CASH AND CASH EQUIVALENTS, ENDING	<u>9,497,832</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH USED BY OPERATING ACTIVITIES	
Operating income (loss)	<u>834,824</u>
Effects of increases and decreases in assets and liabilities:	
(Increase) decrease in:	
Due from other funds	953,808
Receivables	252
Increase (decrease) in:	
Accounts payable	(35,015)
Accrued wages	1,021
Due to other funds	<u>175,374</u>
Net cash provided (used) by operating activities	<u>\$ 1,930,264</u>

EDGEWOOD INDEPENDENT SCHOOL DISTRICT**EXHIBIT E-1**

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUNDS

JUNE 30, 2023

	896 Private Purpose Trust Fund	865 Custodial Fund
ASSETS		
Cash and cash equivalents	\$ 335,988	\$ -
Investments	<u>20,697</u>	<u>992,689</u>
Total assets	<u>356,685</u>	<u>992,689</u>
LIABILITIES		
Accounts payable	-	28,305
Due to other funds	14,134	651,867
Due to other governments	<u>-</u>	<u>115,894</u>
Total liabilities	<u>14,134</u>	<u>796,066</u>
NET POSITION		
Unrestricted net position	<u>342,551</u>	<u>196,623</u>
Total net position	<u>\$ 342,551</u>	<u>\$ 196,623</u>

EDGEWOOD INDEPENDENT SCHOOL DISTRICT**EXHIBIT E-2**STATEMENT OF CHANGES IN FIDUCIARY
NET POSITION

FIDUCIARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2023

	896 Private Purpose Trust Fund	865 Custodial Fund
ADDITIONS		
Local and intermediate sources	\$ 60,000	\$ 123,275
Total additions	60,000	123,275
DEDUCTIONS		
Other operating costs	37,259	140,988
Total deductions	37,259	140,988
CHANGE IN NET POSITION	22,741	(17,713)
NET POSITION, BEGINNING	319,810	214,336
NET POSITION, ENDING	\$ 342,551	\$ 196,623

EDGEWOOD INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The Edgewood Independent School District (the "District") is a public educational agency operating under the applicable laws and regulations of the State of Texas. It is governed by a seven-member School Board of Trustees (the "Board of Trustees") elected by the public. The District prepares its basic financial statements in conformity with Generally Accepted Accounting Principles (GAAP) promulgated by the Governmental Accounting Standards Board (GASB) and other authoritative sources. The District complies with the requirements of the appropriate version of Texas Education Agency's Financial Accountability System Resource Guide (the "Resource Guide"), and the requirements of contracts and grants of agencies from which it receives funds. The Board has the authority to make decisions, appoint administrators and managers, significantly influence operations; and, has primary accountability for fiscal matters. As such, the District is a financial reporting entity as defined by the Governmental Accounting Standards Board and there are no component units included within the reporting entity.

A. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. All fiduciary activities are reported only in the fund financial statements. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities* are supported by taxes, state foundation funds and intergovernmental revenue.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue includes 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 that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenue are reported instead as general revenue.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All other revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

The District reports the following major governmental funds:

The **General Fund** is the District's primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund. Any fund balances are considered resources available for current operations. Major revenue sources include local property taxes, State funding under the Foundation School Program, the National School Lunch and Breakfast Programs and investment earnings. Expenditures include all costs associated with the daily operations of the District except for specific programs funded by the Federal or State government, debt service, and capital projects.

The **ESSER III** fund accounts for resources used to react and respond to the COVID-19 pandemic.

The **Debt Service Fund** accounts for resources accumulated and payments made for principal and interest in long-term general obligation debt of governmental funds.

In addition, the District reports the following fund types:

Governmental Funds:

Special Revenue Funds account for the resources entitled to, or designated for, specific purposes by the District or a grantor. Most Federal and some State financial assistance are accounted for in Special Revenue Funds, and sometimes unused balances must be returned to the grantor at the close of specified project periods.

Capital Projects Funds account for the proceeds from long-term debt financing to be used for authorized expenditures related to major capital acquisitions or construction activities.

Proprietary Funds:

Internal Service Funds are used to account for the District's Self-Funded Health Claims Program, the Self-Funded Workers' Compensation Program, and the Print Shop. Financing is provided by charges to and contributions from the District's General and Special Revenue Funds.

Fiduciary Funds:

The **Private-Purpose Trust Fund** accounts for scholarship resources held in trust for others where the principal and interest benefit the District or its students and former students.

Custodial Funds account for resources held for others in a custodial capacity by the District and consists of student activity funds that are the property of the various student clubs and associations.

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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, proprietary fund and fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenue is 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 revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be *available* when it is collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenue to be available if it is collectible 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 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 is reported as other financing sources.

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

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

Cash and investments

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.

Investments for the District are reported at fair value, except for the position in investment pools. The District's investments in Pools are reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method.

Property Taxes

Property taxes are levied by October 1st on the assessed value listed as of the prior January 1st for all real and business personal property located in the District in conformity with Subtitle E, Texas Property Tax Code. Taxes are due upon receipt of the tax bill and are delinquent if not paid before February 1st of each year following the year in which imposed. On January 31st of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. The Board set maintenance and debt service tax rates of \$0.942950 and \$0.215642, respectively, per \$100 of assessed valuation. The Bexar County Tax Assessor's Office bills and collects the taxes for the District. The assessed values are established by the Bexar County Appraisal District.

Property taxes are measurable when levied and are considered available to be recorded as revenue if collectible within the current period or soon enough thereafter (within 60 days). The delinquent taxes collected in July and August after yearend net of refunds have been accrued consistent with the modified accrual basis of accounting. Property taxes receivable less the provision for uncollectible taxes are recorded as deferred inflows of resources unavailable revenue – property taxes.

Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. Since the District is prohibited from writing off real property taxes receivable without specific statutory authority from the Texas Legislature, the District makes no provision for uncollectible real property taxes. The allowance for uncollectible taxes represents an estimate by the District of those personal property taxes receivable which will be written off as uncollectible in the future.

Inventories

Inventories of supplies on the balance sheet are stated at weighted average cost, while inventories of food commodities are recorded at acquisition values supplied by the Texas Department of Human Services. Inventory items are recorded as expenditures when they are consumed. Supplies are used for almost all functions of activity, while food commodities are used only in the food service program. Although commodities are received at no cost, their acquisition value is supplied by the Texas Department of Human Services and recorded as inventory and unearned revenue when received. When requisitioned, inventory and unearned revenue are relieved, expenditures are charged, and revenue is recognized for an equal amount. Inventories also include plant maintenance and operation supplies as well as instructional supplies.

Prepayments

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepayments in both the government-wide and fund financial statements. The prepayment is relieved using the consumption method.

Capital Assets

Capital assets, which include land, construction in progress, buildings and improvements, equipment, right to use assets, and SBITA assets are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of five years. Such assets, except for E-Rate acquisitions, are recorded at historical cost or estimated historical cost if purchased or constructed. E-Rate acquisitions are recorded at discounted cost. Donated assets are valued at acquisition cost, which is the price that would have been paid to acquire an asset with equivalent service potential on the date of acquisition.

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

Capital assets (other than land and construction in progress) are depreciated/amortized using the straight line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings	40
Building improvements	20-30
Furniture & equipment	5-20
Right to use assets	3-6
SBITA assets	3

Interfund Activity

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

Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

Leases and Subscription-Based Information Technology Arrangements

The District is a lessee for noncancellable leases of equipment and subscription-based IT arrangements (SBITAs). The District recognizes a liability and an intangible right-to-use asset or SBITA asset in the government-wide financial statements.

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

Key estimates and judgments related to leases and SBITAs include how the District determines (1) the discount rate it uses to discount the expected payments to present value, (2) agreement term, and (3) agreed upon 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.
- The agreement term includes the noncancellable period of the lease or SBITA.
- The agreed upon payments included in the measurement of the liability are composed of fixed payments and 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 or SBITA and will remeasure the asset and liability if certain changes occur that are expected to significantly affect the amount of the liability.

These right to use assets and SBITA assets are reported with other capital assets and liabilities are reported with long- term debt on the statement of net position.

Deferred outflows/inflows of resources

Deferred outflows and inflows of resources are reported in the financial statements as described below:

A deferred outflow of resources is a consumption of a government's net assets (a decrease in assets in excess of any related decrease in liabilities or an increase in liabilities in excess of any related increase in assets) by the government that is applicable to a future reporting period. The District had the following deferred outflows of resources:

- Deferred outflows of resources for pension – Reported in the government-wide financial statement of net position, this deferred outflow results from pension plan contributions made after the measurement date of the net pension liability, the results of differences between expected and actual experience, changes in actuarial assumptions, differences between projected and actual investment earnings, and the changes in proportion and difference between the employer's contributions and the proportionate share of contributions. The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the next fiscal year.

- Deferred outflows of resources for OPEB – Reported in the government-wide financial statement of net position, this deferred outflow results from OPEB plan contributions made after the measurement date of the net OPEB liability, the differences between expected and actual actuarial experience, changes in actuarial assumptions, the differences between projected and actual investment earnings, and changes in proportion and difference between the employer's contributions and the proportionate share of contributions. The deferred outflows related to OPEB resulting to District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the next fiscal year.

A deferred inflow of resources is an acquisition of a government's net assets (an increase in assets in excess of any related increase in liabilities or a decrease in liabilities in excess of any related decrease in assets) by the government that is applicable to a future reporting period. The District had two items that qualify for reporting in this category:

- Deferred inflow of resources for unavailable revenues – Reported only in the governmental funds balance sheet, for unavailable revenues from property taxes and long-term receivables arise under the modified accrual basis of accounting. These amounts are deferred and recognized as an inflow of revenues in the period that the amounts become available. During the current year, the District recorded deferred inflow of resources as unavailable revenues – property taxes and unavailable revenues – notes receivable.
- Deferred inflow of resources for pensions – Reported in the government-wide financial statement of net position, these deferred inflows result from differences between expected and actual economic experience, changes in actuarial assumptions, and changes in proportion and difference between the employer's contributions and the proportionate share of contributions.
- Deferred inflow of resources for OPEB – Reported in the government-wide financial statement of net position, these deferred inflows result from differences between expected and actual economic experience, changes in actuarial assumptions, and changes in proportion and difference between the employer's contributions and the proportionate share of contributions.

Defined Benefit Pension Plan

The District participates in a cost-sharing multiple-employer defined benefit pension that has a special funding situation. The Teacher Retirement System of Texas (TRS) administers the plan. 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.

Other Post-Employment Benefits

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

Net Position

Net position represents the difference between assets, deferred outflows (inflows) of resources and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Net Position Flow Assumption

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond and 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 applied. It is the District's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund Balance

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- **Nonspendable:** This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. Nonspendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- **Restricted:** This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- **Committed:** This classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The Board of Trustees is the highest level of decision-making authority for the government that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.
- **Assigned:** This classification includes amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. It is the District's policy for the Board of Trustees to approve all assignments by formal action. Unlike commitments, assignments generally only exist temporarily. An additional action does not normally have to be taken for the removal of an assignment.
- **Unassigned:** This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

All commitments are to be approved by formal action by the Board prior to fiscal year-end, even though the amount may be determined subsequent to fiscal year-end. A commitment can only be modified or removed by the same formal action. When it is appropriate for fund balance to be assigned, the Board delegates the responsibility to assign funds to the Superintendent. Assignments may occur subsequent to fiscal year-end.

Other restricted fund balance amounts are restricted primarily for instruction and community services.

Fund Balance Flow Assumption

Sometimes the District will fund outlays for a particular purpose from both restricted (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.

Program Revenue

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 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.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

The amount of state foundation revenue a school district earns for a year can and does vary until the time when final values for each of the factors in the formula become available. Availability can be as late as midway into the next fiscal year. It is at least reasonably possible that the foundation revenue estimates as of August 31, 2023 will change.

Data Control Codes

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

Encumbrances

Encumbrance for goods or purchased services are documented by purchase orders or contracts. Appropriations lapse at fiscal year end and encumbrances outstanding at that time are to be either canceled or appropriately provided for in the subsequent year's budget.

Change in Accounting Principle

GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs), was adopted effective July 1, 2022. The statement addresses accounting and financial reporting for SBITA contracts. Statement No. 96 establishes standards for recognizing and measuring assets, liabilities, deferred outflows of resources, deferred inflows of resources, and revenues and expenses related to SBITA in the basic financial statements, in addition to requiring more extensive note disclosures. The adoption of this standard resulted in a restatement of beginning net position, assets and liabilities were recognized, and more extensive note disclosures were required.

II. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

A. Deposits and Investments

Deposits

The funds of the District must be deposited and invested under the terms of a contract, contents of which are set out in the Depository Contract Law. The depository bank places approved pledged securities for safekeeping and trust with the District's agent bank in an amount sufficient to protect District funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

The District's cash deposits at June 30, 2023 and during the year then ended were entirely covered by FDIC insurance or by pledge collateral held by the District's agent bank in the District's name.

Investments

The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the District to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) Mutual Funds (8) Investment pools, (9) guaranteed investment contracts (10) and common trust funds. The Act also requires the District to have independent auditors perform test procedures related to investment practices as provided by the Act. The District is in substantial compliance with the requirements of the Act and with local policies.

Public funds investment pools in Texas ("Pools") are established under the authority of the Interlocal Cooperation Act, Chapter 79 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment Act (the "Act"), Chapter 2256 of the Texas Government Code.

In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires Pools to: 1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; 2) maintain a continuous rating of no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating service; and 3) maintain the market value of its underlying investment portfolio within one-half of one percent of the value of its shares. The Act authorizes the District to invest in obligations of the U.S. Treasury, U.S. agencies, fully collateralized repurchase agreements, public fund investment pools, SEC-registered no-load money market mutual funds, municipal securities of any state rated A or better, certificates of deposit (fully collateralized, insured, and standby letters of credit backed), and commercial paper rated not less than A-1 or P-1 with a stated maturity of no more than 270 days. The District's investment policy may further restrict those investment options.

The District utilizes a pooled investment concept for some of its funds to maximize its investment program. Investment income from this internal pooling is allocated to the respective funds based upon the sources of funds invested.

The following are investments the District held as of year-end:

<u>Investment Type</u>	<u>Reported Value</u>	<u>Weighted Average Maturity (Days)</u>	<u>Rating</u>	<u>Rating Agency</u>
Lone Star	\$ 57,128,060	23	AAA	S & P
Texas CLASS	<u>19,393,214</u>	45	AAAm	S & P
Total	<u>\$ 76,521,274</u>			
Portfolio weighted average maturity		29		

Interest Rate Risk — This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. In accordance with the District's policy, one of the ways the District manages its exposure to interest rate risk is by investing in investment pools which have no stated maturity date; therefore, the funds are always available to meet operational needs.

Credit Risk — This is the risk that a security issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required (where applicable) by the District's investment policy and the Act and the actual rating as of June 30, 2023 for each investment.

Custodial Credit Risk — Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Act, the District's investment policy, and Government Code Chapter 2257, *Collateral for Public Funds*, contain legal or policy requirements that would limit the exposure to custodial risk for deposits or investments. To be eligible to receive funds from and invest funds on behalf of an entity under this Chapter, a public funds investment pool created to function as a money market mutual fund must mark its portfolio to market daily and, to the extent reasonably possible, stabilize at a \$1 net asset value. If the ratio of the market value of the portfolio divided by the book value of the portfolio is less than 0.995 or greater than 1.005, portfolio holdings shall be sold as necessary to maintain the ratio between 0.995 and 1.005.

Accounting standards require that governments disclose information about fair value measurements, the level of fair value hierarchy, and valuation techniques for investments held by the government. These standards establish a hierarchy of inputs to valuation techniques used to measure fair value. That hierarchy has three levels. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are inputs—other than quoted prices—included within Level 1 that are observable for the asset or liability, either directly or indirectly. Finally, Level 3 inputs are unobservable inputs.

Because the District's investments are restricted by policy and State law to active secondary markets, the market approach is used for valuation. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets, liabilities, or a group of assets and liabilities.

The District's local government investment pools have a redemption notice period of one day and may redeem daily. The investment pools' authority may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium or national state of emergency that affects the pools' liquidity.

B. Due To and From Other Governments

The District participates in a variety of local, state, and federal programs from which it receives grants to partially or fully finance certain activities. In addition, the District receives entitlements from the State through the School Foundation Program, the Per Capita Program, the Instructional Facilities Allotment (IFA), and the Existing Debt Allotment (EDA) Program. Amounts due from state and federal governments as of June 30, 2023 are summarized below.

	General Fund	ESSER III	Other Funds	Total
State entitlements & grants	\$ 5,437,922	\$ -	\$ -	\$ 5,437,922
Other	89,409	-	5,207	94,616
Notes receivable	432,634	-	-	432,634
Federal grants	559,687	3,516,245	7,148,352	11,224,284
Total	<u>\$ 6,519,652</u>	<u>\$ 3,516,245</u>	<u>\$ 7,153,559</u>	<u>\$ 17,189,456</u>

In fiscal year 2023, the District issued a promissory note to Ridgeline Education Corporation for the overpayment of quarterly partnership contributions. The District recognized a notes receivable and unavailable revenue – notes receivable in the governmental funds, and expects to receive quarterly payments in the amount of \$24,035 through August 2027.

In addition to the receivables noted above, the District has been overpaid Foundation Allotment revenue and Existing Debt Allotment in the amounts of \$10,055,589 and \$867,234, respectively. Those amounts are reported as due to other governments.

C. Capital Assets

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

	Beginning Balance 6/30/22	Increases	Decreases and Reclassifications	Ending Balance 6/30/23
Governmental activities:				
Capital assets, not being depreciated:				
Land and land improvements	\$ 3,540,237	\$ 1,413,405	\$ -	\$ 4,953,642
Construction in progress	604,476	2,024,631	(604,476)	2,024,631
Total capital assets, not being depreciated	4,144,713	3,438,036	(604,476)	6,978,273
Capital assets, being depreciated:				
Buildings and improvements	281,771,304	6,661,418	604,476	289,037,198
Furniture and equipment	27,246,570	565,565	-	27,812,135
Right to use vehicles	-	789,466	-	789,466
SBITA assets	1,385,399	-	-	1,385,399
Total capital assets, being depreciated	310,403,273	8,016,449	604,476	319,024,198
Less accumulated depreciation for:				
Buildings and improvements	(143,316,105)	(8,168,641)	-	(151,484,746)
Furniture and equipment	(23,151,886)	(952,841)	-	(24,104,727)
Right to use vehicles	-	(205,071)	-	(205,071)
SBITA assets	-	(437,495)	-	(437,495)
Total accumulated depreciati	(166,467,991)	(9,764,048)	-	(176,232,039)
Total capital assets, being depreciated, net	143,935,282	(1,747,599)	604,476	142,792,159
Governmental activities capital assets, net	<u>\$ 148,079,995</u>	<u>\$ 1,690,437</u>	<u>\$ -</u>	<u>\$ 149,770,432</u>

Depreciation was charged to functions as follows:

Instruction	\$ 6,057,562
Instructional resources and media services	243,453
Curriculum and staff development	3,432
Instructional leadership	8,850
School leadership	97,317
Guidance, counseling and evaluation services	7,932
Health services	91,461
Student transportation	577,071
Food service	108,475
Co-curricular/extracurricular activities	955,415
General administration	4,705
Plant maintenance and operations	999,147
Security and monitoring services	23,328
Data processing	581,023
Community service	4,877
Total depreciation expense - governmental activities	<u>\$ 9,764,048</u>

D. Interfund Balances

Due to and from Other Funds

Balances due to and due from other funds at June 30, 2023 consisted of the following:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
Debt service fund	General fund	\$ 803,606
General fund	ESSER III	1,131,383
General fund	Fiduciary funds	666,001
General fund	Internal service funds	325,196
General fund	Nonmajor governmental	5,042,462
Total		<u>\$ 7,968,648</u>

The receivables recorded in the General Fund represent loans to other funds to cover expenditures, which have not yet been reimbursed by various local, state, and federal grants, and to cover other expenditures for the Internal Service and Student Activity Funds. The receivable balances of the Debt Service Fund represent borrowing between funds expected to be liquidated through normal operations.

E. Unearned Revenue

Unearned revenues as of June 30, 2023 consisted of the following:

	<u>Other Funds</u>
Grant funds received but not expended	<u>\$ 366,218</u>

Governmental funds defer revenue recognition in connection with revenues that have been received, but not yet earned.

F. Long-term Obligations

Long-term Obligation Activity

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the period ended June 30, 2023, are as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental activities:					
Bonds payable	\$ 40,265,000	\$ -	\$ 3,705,000	\$ 36,560,000	\$ 3,280,000
Unamortized premiums	5,681,239	-	1,163,611	4,517,628	-
Notes payable	10,540,000	-	960,000	9,580,000	960,000
Financing arrangements	619,290	-	131,273	488,017	137,986
Leases payable	-	789,466	109,035	680,431	165,785
SBITAs payable	<u>1,050,039</u>	<u>-</u>	<u>346,434</u>	<u>703,605</u>	<u>335,663</u>
Total long-term debt	<u>58,155,568</u>	<u>789,466</u>	<u>6,415,353</u>	<u>52,529,681</u>	<u>4,879,434</u>
Net pension liability	16,554,885	29,503,381	3,356,380	42,701,886	-
Net OPEB liability	32,059,791	(9,670,564)	742,537	21,646,690	-
Worker's compensation	<u>1,410,925</u>	<u>-</u>	<u>733,124</u>	<u>677,801</u>	<u>32,696</u>
Total other long-term liabilities	<u>50,025,601</u>	<u>19,832,817</u>	<u>4,832,041</u>	<u>65,026,377</u>	<u>32,696</u>
Total governmental activities	<u>\$108,181,169</u>	<u>\$20,622,283</u>	<u>\$11,247,394</u>	<u>\$ 117,556,058</u>	<u>\$ 4,912,130</u>

General Obligation Bonds

The District issues general obligation bonds for the governmental activities to provide funds for the acquisition, construction and equipping of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the District. Current principal and interest requirements are payable from future revenues of the Debt Service Fund which consists principally of property taxes collected by the District, interest earnings, and State funds.

The State of Texas enacted in 1997 and in 1999 the Instructional Facilities Allotment (IFA) and the Existing Debt Allotment (EDA) Programs, whereby the District received State funds of \$3,975,931 in the current year for the annual debt service requirements of its general obligation debt. Although future funding is subject to future State legislative appropriations, the State guarantees IFA state aid for the life of the District's eligible debt as well as for the EDA programs which will become part of the baseline budget for TEA. However, in the event that the legislature does not appropriate adequate funds for the IFA and EDA programs, the statute directs the Texas Commissioner of Education to make a transfer from the School Foundation Program (SFP) in an amount sufficient to cover the required payments of the State. This transfer is required by statute and is not subject to the discretion of the Texas Commissioner of Education. This transfer would have the effect of slightly reducing the SFP distribution to all school districts in the state during the fiscal year in which the transfer takes place.

Refunding Bonds

In previous years, the District issued refunding bonds to legally defease certain outstanding general obligation bonds. The net proceeds were deposited in an irrevocable trust account to provide future debt service payments on the refunded obligations. The refunded obligations represent a legal defeasance and are no longer a liability of the District; therefore, they are not included in the District's financial statements.

The District has not defaulted on any principal or interest payments. There are a number of limitations and restrictions contained in the general obligation bond indentures. Management has indicated that the District is in compliance with all significant limitations and restrictions on June 30, 2023. A summary of bonds that are outstanding at year-end are as follows:

Description	Amounts Original Issue	Interest Rate Payable	Final Maturity	Beginning Balance	Additions	Refunded/ Payments	Balance Outstanding at Year-End	Amounts Due in One Year
Bonds:								
Unlimited Tax School								
Building Bonds								
Series 2009	\$ 1,035,000	4.95%	2024	\$ 185,000	\$ -	\$ 90,000	\$ 95,000	\$ 95,000
Unlimited Tax								
Refunding Bonds		2.0% to						
Series 2013	39,845,000	5.0%	2034	1,595,000	-	1,595,000	-	-
Unlimited Tax								
Refunding Bonds		2.0% to						
Series 2014	6,695,000	5.0%	2023	315,000	-	315,000	-	-
Unlimited Tax								
Refunding Bonds								
Series 2021A	17,430,000	5.0%	2032	17,430,000	-	1,630,000	15,800,000	1,435,000
Unlimited Tax								
Refunding Bonds								
Series 2021B	20,860,000	4.0%	2033	<u>20,740,000</u>	<u>-</u>	<u>75,000</u>	<u>20,665,000</u>	<u>1,750,000</u>
Totals				<u>\$ 40,265,000</u>	<u>\$ -</u>	<u>\$ 3,705,000</u>	<u>\$ 36,560,000</u>	<u>\$ 3,280,000</u>

All payments on the long-term liabilities are made by the General Fund, except for the bonds payable, which are being repaid directly from the Debt Service Fund. Claims liability will be liquidated through the District's Self-Insurance Internal Service Fund. The Self-Insurance Fund will finance the payment of those claims by charging the other funds based on management's assessment of the relative insurance risk that should be assumed by individual funds.

The annual debt service requirements for the bonds are as follows:

Year Ending June 30,	Governmental Activities - Bonds		
	Principal	Interest	Total
2024	\$ 3,280,000	\$ 1,386,992	\$ 4,666,992
2025	3,320,000	1,238,914	4,558,914
2026	3,480,000	1,088,989	4,568,989
2027	3,635,000	932,064	4,567,064
2028	3,790,000	768,064	4,558,064
2029-2033	<u>19,055,000</u>	<u>1,484,650</u>	<u>20,539,650</u>
Totals	<u>\$ 36,560,000</u>	<u>\$ 6,899,673</u>	<u>\$ 43,459,673</u>

Financing arrangements

In fiscal year 2022, the District entered into an agreement to finance the purchase of copiers. A summary of changes in governmental long-term financing arrangements for the year ended June 30, 2023 is as follows:

Financing Arrangements	Interest Rate	Initial Year of Lease	Amount of Initial Lease Liability	Interest Current Year	Amounts Outstanding 6/30/2023	Amounts Due in One Year
Governmental activities:						
Copiers	6.36%-9.00%	2022	\$ 619,290	\$ 27,968	<u>\$ 488,017</u>	<u>\$ 137,986</u>
Total Financing Arrangements					<u>\$ 488,017</u>	<u>\$ 137,986</u>

Principal and interest requirements to maturity are as follows:

Year Ending June 30,	Governmental Activities		
	Principal	Interest	Total
2024	\$ 137,986	\$ 21,255	\$ 159,241
2025	145,041	14,200	159,241
2026	152,458	6,783	159,241
2027	<u>52,532</u>	<u>548</u>	<u>53,080</u>
Totals	<u>\$ 488,017</u>	<u>\$ 42,786</u>	<u>\$ 530,803</u>

Leases payable

A summary of changes in governmental long-term leases payable for the year ended June 30, 2023 is as follows:

Purpose of Lease	Interest Rate	Initial Year of Lease	Amount of Initial Lease Liability	Interest Current Year	Amounts Outstanding 6/30/2023	Amounts Due in One Year
Right to use:						
Enterprise Fleet vehicles	6.36%-9.00%	2023	\$ 789,466	\$ 42,991	<u>\$ 680,431</u>	<u>\$ 220,241</u>
Total Leases Payable					<u>\$ 680,431</u>	<u>\$ 220,241</u>

Principal and interest requirements to maturity are as follows:

Year Ending June 30,	Governmental Activities		
	Principal	Interest	Total
2024	\$ 165,785	\$ 43,766	\$ 209,551
2025	312,326	20,268	332,594
2026	138,614	9,686	148,300
2027	43,944	2,388	46,332
2028	<u>19,762</u>	<u>611</u>	<u>20,373</u>
Totals	<u>\$ 680,431</u>	<u>\$ 76,719</u>	<u>\$ 757,150</u>

SBITAs payable

The District entered into a 38 month subscription for the use of Frontline Education Software. The District is required to make annual fixed payments of \$350,000. The subscription has an interest rate of 2.0377%.

A summary of changes in governmental long-term SBITAs payable for the year ended June 30, 2023 is as follows:

Purpose of Subscription	Interest Rate	Initial Year of Subscription	Amount of Initial SBITA Liability	Interest Current Year	Amounts Outstanding 6/30/2023	Amounts Due in One Year
Governmental activities:						
Frontline Education Software	2.04%	2022	1,050,039	3,566	<u>703,605</u>	<u>335,663</u>
Total SBITAs Payable					<u>\$ 703,605</u>	<u>\$ 335,663</u>

Principal and interest requirements to maturity are as follows:

Year Ending June 30,	Governmental Activities		
	Principal	Interest	Total
2024	\$ 335,663	\$ 14,337	\$ 350,000
2025	<u>367,942</u>	<u>7,497</u>	<u>375,439</u>
Totals	<u>\$ 703,605</u>	<u>\$ 21,834</u>	<u>\$ 725,439</u>

Maintenance Tax Notes

On November 28, 2017, the District issued \$11,500,000 Limited Maintenance Tax Qualified Energy Conservation Notes, Taxable Series 2017 (the Notes). The Notes were issued pursuant to the Constitution and general laws of the State of Texas, particularly Section 45.108 of the Texas Education Code, as amended, and the resolution adopted by the School Board of the District on, the date of sale of the Notes. The Notes are considered direct obligations of the District, payable from available funds of the District, including but not limited to the ad valorem taxes levied by the District for maintenance purposes, within the limitations of the District's maintenance tax authority.

The Notes have been designated as "qualified energy conservation bonds" (QECB) pursuant to Section 54D(a)(3) of the Internal Revenue Code of 1986, as amended. The Notes will be "qualified tax credit bonds" under Section 54A of the Code. The District has made an irrevocable election to treat the Notes as "specified tax credit bonds" pursuant to Section 6431(f)(3)(B) of the Code; as a result the District is eligible to receive a direct subsidy from the United States Department of the Treasury in an amount equal to the lesser of (1) 100% of the interest payable on the interest payment date or (2) 70% of the amount of interest which would have been payable under such Note if interest were determined at the applicable interest rate posted by the United States Department of the Treasury, Bureau of the Fiscal Service effective for the date of sale of the Notes. The applicable interest rate under (2) is posted at the Treasury Direct internet site <https://www.treasurydirect.gov/GA-SL/SLGS/selectQTCDDate.htm>. The subsidy is subject to reduction due to sequestration. The Subsidy Payments will be deposited directly on the District's behalf to the "Debt Subsidy Subaccount" and used to pay debt service. As a result of the District's designations and elections entitling it to the receipt of the Subsidy Payments, no owner of the Notes will be entitled to a tax credit as a result of its ownership of a Note.

The proceeds from the sale of the Notes will be used for the purpose of paying lawful maintenance expenses of the District, including the repair, rehabilitation, renovation, replacement, equipping and construction of various existing school facilities, including but not limited to, heating and air conditioning system improvements, and to pay costs of issuance.

A summary of maintenance tax notes that are outstanding at year-end are as follows:

Description	Interest Rate Payable	Amounts Original Issue	Amount Outstanding 7/1/2022	Additions	Retired	Amount Outstanding 6/30/2023	Amounts Due in One Year
Limited Maintenance Tax Qualified Energy QECN, Series 2017	3.762%	\$ 11,500,000	\$ 10,540,000	\$ -	\$ 960,000	\$ 9,580,000	\$ 960,000

The District makes annual payments to the escrow agent into a cumulative sinking fund until maturity. The required deposits/interest payments for the maintenance tax notes are as follows:

Year Ending June 30,	Governmental Activities		
	Principal	Interest	Total
2024	\$ 960,000	\$ 432,630	\$ 1,392,630
2025	960,000	432,630	1,392,630
2026	960,000	432,630	1,392,630
2027	960,000	432,630	1,392,630
2028	960,000	432,630	1,392,630
2029-2033	4,780,000	1,946,835	6,726,835
Totals	\$ 9,580,000	\$ 4,109,985	\$ 13,689,985

The escrow agent will make the principal payment of \$11,500,000 when due on August 15, 2032 (fiscal year 2033).

G. 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 of which the District carries commercial insurance. The District established a limited risk management program for workers' compensation in 1989. "Premiums" are paid into the Internal Service Fund by General and Other funds based on actuarial estimates which consider the available net resources. The "Premiums" and available net resources are used to pay claims, administrative costs of the program and to establish claim reserves.

During fiscal year 2023, a total of \$597,745 was incurred in maximum aggregate benefits and operating costs. An excess coverage insurance policy covers individual claims in excess of \$450,000 up to a maximum limit of \$1,000,000 for any one event.

The District holds aggregate excess insurance as follows:

Aggregate retention rate:	259.35%
Estimated Manual Premium:	\$ 83,180
Minimum Aggregate retention:	\$ 597,745

Claims payable reported in the maximum aggregate amount of \$677,801 was determined based on the requirements of GASB Statement No. 10 as amended by GASB Statement No. 30 which requires that a liability for claims be reported if information prior to the issuance of the financial statements and the amount if the loss can be reasonably estimated. The liability includes provisions for the following:

- Reserves on open claims on an individual case basis
- The expected ultimate value of future development on reported claims
- The expected ultimate value of claims yet to be reported
- The expected ultimate value of reopened claims
- The allocated loss adjustment expenses; and
- Net of projected recoveries from excess insurance, salvage, and subrogation.

The carrying amount of the liability is presented at an undiscounted rate.

There were no settlements in excess of insurance coverage in any of the prior three years.

A reconciliation of changes in the aggregate liabilities for worker's compensation claims for the two prior and the current year are presented below:

Fiscal Year	Beginning of Fiscal Year Liability	Current Year Claims and Change in Estimates	Claim Payments	Ending of Fiscal Year Liability
2021	\$ 1,204,071	\$ 311,864	\$ (311,864)	\$ 1,204,071
2022	1,204,071	648,224	(441,370)	1,410,925
2023	1,410,925	514,565	(1,247,689)	677,801

H. **Defined Benefit Pension Plan**

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

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

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

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

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

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

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

	Contribution Rates	
	2022	2023
Member	8.00%	8.00%
Non-employer contributing entity (State)	7.75%	8.00%
Employers	7.75%	8.00%
Current fiscal year employer contributions		\$ 4,384,915
Current fiscal year member contributions		6,187,252
2022 measurement year NECE on-behalf contributions		2,960,401

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

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

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

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

- All public schools, charter schools, and regional educational service centers must contribute 1.7 percent of the member's salary beginning in fiscal year 2022, gradually increasing to 2 percent in fiscal year 2025.
- When employing a retiree of the Teacher Retirement System the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.

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

Valuation Date	August 31, 2021 rolled forward to August 31, 2022
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Single Discount Rate	7.00%
Long-term expected Investment Rate of Return	7.00%
Municipal Bond Rate as of August 2022	3.91% - The source for the rate is the Fixed Income Market Data/Yield Curve/Data Municipal bonds with 20 years to maturity that include only federally taxexempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index"
Inflation	2.30%
Salary increases including inflation	2.95% to 8.95%
Ad hoc post-employment benefit changes	None

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

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

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

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

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

Asset Class ¹	Target Allocation ²	Long-Term Expected Geometric Real Rate of Return ³	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
USA	18.0%	4.6%	1.12%
Non-U.S. Developed	13.0%	4.9%	0.90%
Emerging Markets	9.0%	5.4%	0.75%
Private Equity	14.0%	7.7%	1.55%
Stable Value			
Government Bonds	16.0%	1.0%	0.22%
Absolute Return (Including Credit Sensitive Investments)	0.0%	3.7%	0.00%
Stable Value Hedge Funds	5.0%	3.4%	0.18%
Real Return			
Real Estate	15.0%	4.1%	0.94%
Energy and Natural Resources and Infrastructure	6.0%	5.1%	0.37%
Commodities	0.0%	3.6%	0.00%
Risk Parity			
Risk Parity	8.0%	4.6%	0.43%
Asset Allocation Leverage			
Cash	2.0%	3.0%	0.01%
Asset Allocation Leverage	-6.0%	3.6%	-0.05%
Inflation Expectation			2.70%
Volatility Drag ⁴			-0.91%
Expected Return	100.0%		8.21%

¹ Absolute Return includes Credit Sensitive Investments

² Target allocations are based on the FY 2022 policy model.

³ Capital Market Assumptions come from Aon Hewitt (as of 8/31/2022)

⁴ The volatility drag results from the conversion between arithmetic and geometric mean return

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

	1% Decrease in Discount Rate (6.00%)	Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
District's proportionate share of the net pension liability	\$ 66,427,944	\$ 42,701,886	\$ 23,470,802

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2023, the District reported a liability of \$42,701,886 for its proportionate share of the TRS net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	\$ 42,701,886
State's proportionate share that is associated with the District	37,664,006
Total	<u>\$ 80,365,892</u>

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

At August 31, 2022 the employer's proportion of the collective net pension liability was 0.0719281382% which was an increase of 0.0069215190% from its proportion measured as of August 31, 2021.

Changes Since the Prior Actuarial Valuation.

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

For the year ended June 30, 2023, the District recognized pension expense of \$7,035,305 and revenue of \$3,600,252 for support provided by the State.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 619,174	\$ 930,982
Changes in actuarial assumptions	7,956,751	1,983,045
Difference between projected and actual investment earnings	4,218,810	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	3,082,940	5,376,855
Contributions paid to TRS subsequent to the measurement date	<u>3,782,768</u>	<u>-</u>
Total	<u>\$ 19,660,443</u>	<u>\$ 8,290,882</u>

Contributions paid to TRS subsequent to the measurement date will be recognized as pension expense in the subsequent year. The other net amounts of the employer's balances of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Pension Expense Amount
2024	\$ 1,825,625
2025	568,469
2026	(355,021)
2027	4,667,000
2028	880,720

I. **Defined Other Post-Employment Benefit Plans**

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

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

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

Benefits Provided. TRS-Care provides health insurance coverage to retirees from public and charter schools, regional education services centers and other educational districts who are members of the TRS pension plan. Optional dependent coverage is available for an additional fee. Eligible non-Medicare retirees and their dependents may enroll in TRS-Care Standard, a high-deductible health plan. Eligible Medicare retirees and their dependents may enroll in the TRS-Care Medicare Advantage medical plan and the TRS-Care Medicare Rx prescription drug plan. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in the TRS pension system. There are no automatic post-employment benefit changes; including automatic COLAs.

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

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

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

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

	Contributions Rates	
	2022	2023
Member	0.65%	0.65%
Non-Employer Contributing Entity (State)	1.25%	1.25%
Employers	0.75%	0.75%
Federal/Private Funding Remitted by Employers	1.25%	1.25%
Current fiscal year employer contributions		\$ 921,297
Current fiscal year member contributions		502,714
2022 measurement year NECE on-behalf contributions		905,778

In addition to the employer contributions listed above, there is an additional surcharge all TRS employers are subject to (*regardless of whether they participate in the TRS Care OPEB program*). When employers hire a TRS retiree, they are required to pay TRS Care a monthly surcharge of \$535 per retiree.

TRS-Care received supplemental appropriations from the State of Texas as the non-employer contributing entity in the amount of \$83 million in fiscal year 2022 from the Federal Rescue Plan Act (ARPA) to help defray Covid-19-related health care costs during fiscal year 2022.

Actuarial Assumptions. The actuarial valuation was performed as of August 31, 2021. Update procedures were used to roll forward the Total OPEB Liability to August 31, 2022.

The actuarial valuation of the OPEB plan offered through TRS-Care is similar to the actuarial valuation performed for the pension plan, except that the OPEB valuation is more complex. The demographic assumptions were developed in the experience study performed for TRS for the period ending August 31, 2017.

The following assumptions and other inputs used for members of TRS-Care are based on an established pattern of practice and are identical to the assumptions used in the August 31, 2021 TRS pension actuarial valuation that was rolled forward to August 31, 2022:

Rates of Mortality	Rates of Disability
Rates of Retirement	General Inflation
Rates of Termination	Wage Inflation

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

Additional Actuarial Methods and Assumptions

Valuation Date	August 31, 2021 rolled forward to August 31, 2022
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Discount Rate	3.91% as of August 31, 2022
Aging Factors	Based on plan specific experience.
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claim costs.
Payroll Growth Rate	3.00%
Projected Salary Increases	3.05% to 9.05%, including inflation
Healthcare Trend Rates	4.30% to 8.25%
Election Rates	Normal Retirement: 65% participation prior to age 65 and 50% participation after age 65. 25% of pre-65 retirees are assumed to discontinue coverage at age 65.
Ad Hoc Post-Employment Benefit Changes	None

Discount Rate. A single discount rate of 3.91% was used to measure the total OPEB liability. There was an increase of 1.96 percent in the discount rate since the previous year. Because the plan is essentially a "pay-as-you-go" plan, the single discount rate is equal to the prevailing municipal bond rate. The projection of cash flows used to determine the discount rate assumed that contributions from active members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, the municipal bond rate was used for the long-term rate of return and was applied to all periods of projected benefit payments to determine the total OPEB liability.

The source of the municipal bond rate is the Fidelity "20-year Municipal GO AA Index" as of August 31, 2021 using the Fixed Income Market Data/Yield Curve/ Data Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds.

Discount Rate Sensitivity Analysis. The following schedule shows the impact of the net OPEB liability if the discount rate used was 1% lower than and 1% higher than the discount rate that was used (3.91%) in measuring the net OPEB liability.

	1% Decrease in Discount Rate (2.91%)	Discount Rate (3.91%)	1% Increase in Discount Rate (4.91%)
Proportionate share of net OPEB liability	\$ 25,523,164	\$ 21,646,690	\$ 18,506,248

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs. At June 30, 2023, the District reported a liability of \$21,646,690 for its proportionate share of the TRS's net OPEB Liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the collective net OPEB liability	\$ 21,646,690
State's proportionate share that is associated with the District	<u>26,405,560</u>
Total	<u><u>\$ 48,052,250</u></u>

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

At August 31, 2022 the employer's proportion of the collective Net OPEB Liability was 0.0904054659% which was an increase of 0.0072940392% from its proportion measured as of August 31, 2021.

Healthcare Cost Trend Sensitivity Analysis. The following schedule shows the impact of the Net OPEB Liability if a healthcare trend rate that is 1% less than and 1% greater than the health trend rates assumed.

	1% Decrease in Healthcare Trend Rate	Current Single Healthcare Trend Rate	1% Increase in Healthcare Trend Rate
Proportionate share of net OPEB liability	\$ 17,836,970	\$ 21,646,690	\$ 26,585,501

Changes Since the Prior Actuarial Valuation. The following were changes to the actuarial assumptions or other inputs that affected measurement of the Total OPEB Liability since the prior measurement period:

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

Change of Benefit Terms Since the Prior Measurement Date – There were no changes in benefit terms since the prior measurement date.

For the year ended June 30, 2023, the District recognized OPEB expense of \$19,041,396 and revenue of \$(3,747,162) for support provided by the State.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 1,203,479	\$ 18,033,635
Changes in actuarial assumptions	3,297,220	15,038,832
Differences between projected and actual investment earnings	64,479	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	4,577,117	10,208,414
Contributions paid to TRS subsequent to the measurement date	787,769	-
Total as of fiscal year-end	<u>\$ 9,930,064</u>	<u>\$ 43,280,881</u>

Contributions paid to TRS subsequent to the measurement date will be recognized as OPEB expense in the subsequent year. The other net amounts of the employer's balances of deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

For the Year Ended June 30,	OPEB Expense
2024	\$ (6,347,537)
2025	(6,347,303)
2026	(5,429,349)
2027	(4,186,588)
2028	(4,282,376)
Thereafter	(7,545,433)

J. Health Care Coverage

As of January 1, 2017, the District implemented a fully insured employee health and life insurance care plan. Under the fully insured health care plan during the year ended June 30, 2023, the District contributed \$400 per month for each employee to the plan in addition to \$1.35 for life insurance. Employees, at their option, authorize payroll deductions to pay for health insurance premiums for dependents. Total District contributions towards premiums for health care coverage for the fully insured plan during the year were \$3,785,971.

During the 2020-2021 fiscal year, the District partnered with University Health System to provide an Employee Health Clinic. District staff and family currently under the EISD insurance plan can receive healthcare services such as physical exams, immunizations, prescription medications, and more with \$0 copay. Total District cost for this Health Services was \$96,140 for fiscal year 2023.

K. Medicare Part D – On-behalf Payments

Federal legislation enacted in January 2006 established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One provision of the law allows TRS-Care to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible participants. These payments totaled \$406,098, \$292,268, and \$306,866 for fiscal years 2023, 2022, and 2021 respectively. Revenue and expenditures equal to the amount paid by the federal government were recognized during the fiscal year.

L. Commitments and Contingencies

Litigation

The District is the defendant in a number of lawsuits arising principally in the normal course of operations. In the opinion of management, the outcome of these lawsuits will not have a material adverse effect on the accompanying combined financial statements and accordingly, no provision for losses has been recorded.

Grant Programs

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and collectability of any related receivable at June 30, 2023, may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

M. Prior Period Adjustment

As a result of the implementation of GASB Statement 96 relating to the implementation of SBITA's, the District adjusted the beginning net position by \$335,360 to account for the difference between SBITA assets and SBITA liabilities as of the beginning of the fiscal year.

The District also recorded a \$733,124 adjustment to increase net position in the internal service funds due to a decrease in the claims liability based on the results of an actuarial study.

Additionally, the District adjusted beginning net position to record long-term financing arrangements that were entered into in a prior year. This resulted in a \$619,290 decrease in beginning net position.

N. Subsequent Events

Edgewood Independent School District entered into a 120 month subscription agreement for the use of Docuware Cloud 40 Deployment software. The subscription has an interest rate of 2.6573%. The District will record the initial liability of \$387,225 and related SBITA asset of \$443,974 upon implementation of the software use in FY 2024.

O. New Accounting Standards

Significant new accounting standards issued by the Governmental Accounting Standards Board (GASB) not yet implemented by the District include the following:

GASB Statement No. 99, *Omnibus 2022* – The objective of this Statement is to correct practice issues identified during implementation and application of certain GASB Statements and financial reporting for financial guarantees. There are various effective dates 1.) upon issuance 2.) fiscal years beginning after June 15, 2022 and 3.) fiscal years beginning after June 15, 2023.

GASB Statement No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62* – The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This Statement will become effective for reporting periods beginning after June 15, 2023, and the impact has not yet been determined.

GASB Statement No. 101, *Compensated Absences* – The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement will become effective for reporting periods beginning after December 15, 2023, and the impact has not yet been determined.

REQUIRED SUPPLEMENTARY INFORMATION

EDGEWOOD INDEPENDENT SCHOOL DISTRICT

EXHIBIT G-1

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL - GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2023

Data Control Codes	Budgeted Amounts			Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			
REVENUES					
5700	Local and intermediate sources	\$ 19,252,496	\$ 21,252,496	\$ 24,199,514	\$ 2,947,018
5800	State programs	62,003,818	72,605,458	58,603,042	(14,002,416)
5900	Federal programs	12,320,300	9,303,300	12,429,396	3,126,096
5020	Total revenues	93,576,614	103,161,254	95,231,952	(7,929,302)
EXPENDITURES					
Current:					
0011	Instruction	34,845,438	35,475,054	31,263,772	4,211,282
0012	Instructional resources and media sources	567,067	631,367	625,014	6,353
0013	Curriculum and staff development	1,081,880	1,053,385	904,917	148,468
0021	Instructional leadership	3,458,599	3,595,802	3,519,223	76,579
0023	School leadership	6,641,214	7,035,001	6,959,177	75,824
0031	Guidance, counseling, and evaluation services	3,899,153	4,142,775	4,060,777	81,998
0032	Social work services	806,356	1,031,356	978,409	52,947
0033	Health services	1,416,672	1,467,442	1,406,186	61,256
0034	Student transportation	2,032,942	2,283,981	1,964,955	319,026
0035	Food service	7,163,300	8,989,305	7,719,955	1,269,350
0036	Extracurricular activities	3,130,820	3,072,753	2,854,331	218,422
0041	General administration	6,309,342	6,005,319	5,114,873	890,446
0051	Facilities maintenance and operations	13,345,903	12,941,026	12,938,441	2,585
0052	Security and monitoring services	2,333,821	2,588,679	2,585,883	2,796
0053	Data processing services	4,628,719	4,615,267	4,519,810	95,457
0061	Community services	213,483	218,483	175,893	42,590
Debt service:					
0071	Principal on long-term debt	1,551,905	1,546,775	1,546,742	33
0072	Interest on long-term debt	-	667,231	667,231	-
0081	Capital outlay	10,000,000	10,500,000	8,035,253	2,464,747
Intergovernmental:					
0095	Payments to Juvenile Justice Alternative	10,000	20,000	8,423	11,577
0099	Other governmental charges	140,000	153,000	150,295	2,705
6030	Total expenditures	103,576,614	108,034,001	97,999,560	10,034,441
1100	EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(10,000,000)	(4,872,747)	(2,767,608)	2,105,139
OTHER FINANCING SOURCES (USES)					
7912	Sale of real or personal property	-	-	23,704	23,704
7913	Proceeds from right to use leased assets	-	-	789,466	789,466
7080	Total other financing sources (uses)	-	-	813,170	813,170
1200	NET CHANGE IN FUND BALANCES	(10,000,000)	(4,872,747)	(1,954,438)	2,918,309
0100	FUND BALANCES, BEGINNING	63,669,474	63,669,474	63,669,474	-
3000	FUND BALANCES, ENDING	\$ 53,669,474	\$ 58,796,727	\$ 61,715,036	\$ 2,918,309

EDGEWOOD INDEPENDENT SCHOOL DISTRICT

NOTES TO BUDGETARY INFORMATION

Budgetary Information

The Board of Trustees adopts an "appropriated budget" for the General Fund, the National School Breakfast and Lunch Program Fund, and the Debt Service Fund. The District is required to present the adopted and final amended budgeted revenues and expenditures for each of these funds. The District compares the final amended budget to actual revenues and expenditures. The District presented the General Fund comparison schedule as required supplementary information. The Debt Service Fund and National School Breakfast and Lunch Program Fund budgetary comparison schedules are presented as required TEA schedules.

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

1. Prior to June 20 the District prepares a budget for the next succeeding fiscal year beginning July 1. The opening budget includes proposed expenditures and the means of financing them.
2. A meeting of the Board is then called for the purpose of adopting the proposed budget. At least ten days but not more than thirty days public notice of the meeting must be given.
3. Prior to July 1, the budget is legally enacted by a motion to adopt by the Board. Once a budget is approved, it can only be amended at the function and fund level by approval of a majority of the members of the Board. Amendments are presented to the Board at its regular meetings. Each amendment must have Board approval. As required by law, such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year end. Because the District has a policy of careful budgetary control, several amendments were necessary during the year. Amendments were made throughout the year for transfers to and from other funds and for transfers to and from other functions.
4. Each budget is controlled by the budget coordinator at the revenue and expenditure function/object level. Budgeted amounts are as amended by the Board. All budget appropriations lapse at year end.

EDGEWOOD INDEPENDENT SCHOOL DISTRICT**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY****TEACHER RETIREMENT SYSTEM OF TEXAS****FOR THE YEAR ENDED JUNE 30, 2023**

Measurement period August 31,	<u>2022</u>	<u>2021</u>	<u>2020</u>
District's proportion of the net pension liability (asset)	0.0719281382%	0.6500662%	0.0711875%
District's proportionate share of the net pension liability (asset)	\$ 42,701,886	\$ 16,554,885	\$38,126,551
State's proportionate share of the net pension liability (asset) associated with the District	<u>37,664,006</u>	<u>19,626,415</u>	<u>46,470,232</u>
Total	<u>\$ 80,365,892</u>	<u>\$ 36,181,300</u>	<u>\$84,596,783</u>
District's covered payroll	\$ 70,030,060	\$ 69,443,030	\$75,344,453
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	60.98%	23.84%	50.60%
Plan fiduciary net position as a percentage of the total pension liability	75.62%	88.79%	75.54%

Note: This schedule is required to have 10 years of information but the information prior to 2014 is not available.

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
0.0837704%	0.0801076%	0.0862172%	0.0841233%	0.0883554%	0.0665579%
\$43,546,473	\$44,093,145	\$27,567,629	\$31,788,942	\$ 31,232,458	\$ 17,778,536
<u>43,775,600</u>	<u>54,587,763</u>	<u>33,093,082</u>	<u>41,099,516</u>	<u>39,562,339</u>	<u>33,597,581</u>
<u>\$87,322,073</u>	<u>\$98,680,908</u>	<u>\$60,660,711</u>	<u>\$72,888,458</u>	<u>\$ 70,794,797</u>	<u>\$ 51,376,117</u>
\$74,896,335	\$76,562,335	\$77,589,381	\$77,565,307	\$ 73,234,062	\$ 70,939,043
58.14%	57.59%	35.53%	40.98%	42.65%	25.06%
75.24%	73.74%	82.17%	78.00%	78.43%	83.25%

EDGEWOOD INDEPENDENT SCHOOL DISTRICT**SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR PENSIONS
TEACHER RETIREMENT SYSTEM OF TEXAS****FOR THE YEAR ENDED JUNE 30, 2023**

Fiscal year ended June 30,	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contractually required contribution	\$ 4,384,915	\$ 3,210,909	\$ 2,767,309
Contributions in relation to the contractually required contribution	<u>(4,384,915)</u>	<u>(3,210,909)</u>	<u>(2,767,309)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 77,340,644	\$ 69,583,780	\$70,231,685
Contribution as a percentage of covered-employee payroll	5.67%	4.61%	3.94%

Note: This schedule is required to have 10 years of information but the information prior to 2015 is not available.

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 2,935,968	\$ 2,353,711	\$ 2,858,550	\$ 2,809,709	\$ 2,650,371	\$ 2,595,027
<u>(2,935,968)</u>	<u>(2,480,149)</u>	<u>(2,699,328)</u>	<u>(2,809,709)</u>	<u>(2,650,371)</u>	<u>(2,595,027)</u>
\$ -	\$ (126,438)	\$ 159,222	\$ -	\$ -	\$ -
\$75,678,907	\$62,152,722	\$ 76,562,335	\$77,589,381	\$75,565,307	\$73,234,062
3.88%	3.79%	3.73%	3.62%	3.51%	3.54%

EDGEWOOD INDEPENDENT SCHOOL DISTRICT**SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET OPEB LIABILITY****TEACHER RETIREMENT SYSTEM OF TEXAS****FOR THE YEAR ENDED JUNE 30, 2023**

Measurement period August 31,	<u>2022</u>	<u>2021</u>	<u>2020</u>
District's proportion of the net OPEB liability (asset)	0.0904054659%	0.0831114267%	0.0926316156%
District's proportionate share of the net OPEB liability (asset)	\$ 21,646,690	\$ 32,059,791	\$ 35,213,460
State's proportionate share of the net OPEB liability (asset) associated with the District	<u>26,405,560</u>	<u>42,952,975</u>	<u>47,318,450</u>
Total	<u>\$ 48,052,250</u>	<u>\$ 75,012,766</u>	<u>\$ 82,531,910</u>
District's covered-employee payroll	\$ 57,962,597	\$ 69,443,030	\$ 75,344,453
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	37.35%	46.17%	46.76%
Plan fiduciary net position as a percentage of the total	11.52%	6.18%	4.99%

Note: This schedule is required to have 10 years of information but the information prior to 2017 is not available.

<u>2019</u>	<u>2018</u>	<u>2017</u>
0.1031075227%	0.1010502080%	0.1054691000%
\$ 48,760,809	\$ 50,455,294	\$ 45,864,553
<u>64,792,210</u>	<u>61,111,866</u>	<u>54,963,792</u>
<u>\$ 113,553,019</u>	<u>\$ 111,567,160</u>	<u>\$ 100,828,345</u>
\$ 74,896,335	\$ 76,562,335	\$ 77,589,381
65.10%	65.90%	59.11%
2.66%	1.57%	0.91%

EDGEWOOD INDEPENDENT SCHOOL DISTRICT**SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR OTHER
POSTEMPLOYMENT BENEFITS (OPEB)****TEACHER RETIREMENT SYSTEM OF TEXAS****FOR THE YEAR ENDED JUNE 30, 2023**

Fiscal year ended June 30,	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contractually required contribution	\$ 921,297	\$ 716,076	\$ 653,708
Contributions in relation to the contractually required contribution	<u>(921,297)</u>	<u>(716,076)</u>	<u>(653,708)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 65,273,181	\$ 69,583,780	\$ 70,231,685
Contribution as a percentage of covered-employee payroll	1.41%	1.03%	0.93%

Note: This schedule is required to have 10 years of information but the information prior to 2018 is not available.

<u>2020</u>	<u>2019</u>	<u>2018</u>
\$ 709,121	\$ 591,043	\$ 748,742
<u>(709,121)</u>	<u>(591,043)</u>	<u>(748,742)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 75,678,907	\$ 62,152,722	\$ 76,562,335
0.94%	0.95%	0.97%

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COMBINING STATEMENTS

NONMAJOR GOVERNMENTAL FUNDS

Head Start – Support children’s growth from birth to age 5 through services that support early learning and development, health, and family well-being.

TX Education for Homeless – Provide educational opportunities and liaisons for homeless students.

ESEA, Title I, Part A – Improving Basic Programs – Provide opportunities for children served to acquire the knowledge and skills to meet the challenging State performance standards developed for all children.

IDEA – Part B, Formula – Operate educational programs for children with disabilities.

IDEA – Part B, Preschool – Support programs for preschool children with disabilities.

IDEA – Part B, Discretionary – Support programs for children with disabilities.

Summer Feeding Program – Support programs using federal reimbursement revenues from the United States Department of Agriculture (USDA) during the summer months.

Carl D. Perkins Basic Formula Grant – Provide an increased focus on the academic achievement of career and technical education students and emphasizes alignment with state-level and local needs.

ESEA II, A, Supporting Effective Instruction – Provide programs for improvement for school principals and recruiting teachers.

Public Charter Schools – Support tuition-free, open-enrollment public schools that have the flexibility to adapt to the educational needs of individual students, while held to strict state academic and financial accountability standards.

Title III, Part A – English Language Acquisition – Improve the education of children with limited English proficiency, by assisting the children to learn English.

GEARUP-to School Districts – Increase the number of low-income students who are prepared to enter and succeed in postsecondary education.

ARP Homeless I -TEHCY Supplemental – Increase capacity to identify, enroll, and provide wraparound services to address the unique needs of homeless children and youth due to the impact of COVID-19 pandemic.

Texas COVID Learning Acceleration Supports (TCLAS) ESSER III – Provide funding and targeted supports to school districts to accelerate student learning in the wake of COVID-19.

ARPA Homeless II- to address the unique needs of homeless children and youth due to the impact of COVID-19 pandemic.

Elementary and Secondary School Emergency Relief (ESSER) II – Provides emergency relief to school districts responding to the COVID-19 pandemic.

Other Federal Special Revenue – This fund classification is to be used to account, on a project basis, for federally funded special revenue funds that have not been specified above. Any locally defined codes that are used at the local option are to be converted to Fund 289 for PEIMS reporting.

State Supplemental Visually Impaired – Provide educational resources for students who are blind or visually impaired.

Advanced Placement Incentives – This fund classification is to be used to account, on a project basis, for funds awarded to school districts under the Texas Advanced Placement Award Incentive Program, Chapter 28, Subchapter C, TEC.

Student Success Initiative – To ensure that all students receive the instruction and support they need to be academically successful in mathematics and reading.

State Instructional Materials Allotment – This fund is used to account for the purchase of instructional materials, technological equipment, and technology-related services purchased through the Texas Education Agency online requisition system.

Other State Special Revenue Funds – This fund classification is used to account for various state special revenue funds. Included are funds awarded to recognize and reward those students, teachers and schools that demonstrate success in achieving the state's advanced academic standards.

Campus Activity Funds - This fund classification is to be used to account for transactions related to a principal's activity fund if the monies generated are not subject to recall by the school district's board of trustees into the General Fund.

Donations Local Vendors – This fund is used to account for the donations from local vendors for students.

Special Ed 18+ – To provide special education funding for students above the age of 18.

Locally Defined Special Revenue Funds (499) – This fund classification is used to account for various local special revenue funds.

EDGEWOOD INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2023

	Special Revenue Funds			
	205	206	211	224
	Head Start	TX Education for Homeless (TECHY)	ESEA Title I, Part A	IDEA - Part B Formula
ASSETS				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Due from other governments	1,103,261	-	1,063,619	285,253
Due from other funds	-	-	-	-
Other receivables	-	-	2,563	373
Total assets	<u>1,103,261</u>	<u>-</u>	<u>1,066,182</u>	<u>285,626</u>
LIABILITIES				
Accounts payable	30,373	-	646,920	31,649
Accrued wages payable	99,776	-	205,134	197,127
Due to other funds	973,112	-	214,128	56,850
Unearned revenue	-	-	-	-
Total liabilities	<u>1,103,261</u>	<u>-</u>	<u>1,066,182</u>	<u>285,626</u>
FUND BALANCES				
Restricted:				
Federal and state programs	-	-	-	-
Other restricted fund balance	-	-	-	-
Committed:				
Campus activity	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 1,103,261</u>	<u>\$ -</u>	<u>\$ 1,066,182</u>	<u>\$ 285,626</u>

Special Revenue Funds						
225	226	242	244	255	258	263
IDEA - Part B Preschool	IDEA - Part B Discretionary	Summer Feeding Program	Carl D. Perkins Basic Formula Grant	Title II, A Supporting Eff. Inst.	Public Charter Schools	Title III, A English Lang. Acquisition
\$ -	\$ 133,603	\$ 5,596	\$ -	\$ -	\$ -	\$ -
1,861	-	-	29,972	88,313	463,929	52,290
-	-	-	-	-	-	-
-	-	-	953	-	635	64
<u>1,861</u>	<u>133,603</u>	<u>5,596</u>	<u>30,925</u>	<u>88,313</u>	<u>464,564</u>	<u>52,354</u>
-	-	-	15,595	-	71,930	19,820
-	-	-	8,500	26,074	-	26,890
1,861	-	-	6,830	62,239	392,634	5,644
-	<u>133,603</u>	-	-	-	-	-
<u>1,861</u>	<u>133,603</u>	-	<u>30,925</u>	<u>88,313</u>	<u>464,564</u>	<u>52,354</u>
-	-	5,596	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>5,596</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 1,861</u>	<u>\$ 133,603</u>	<u>\$ 5,596</u>	<u>\$ 30,925</u>	<u>\$ 88,313</u>	<u>\$ 464,564</u>	<u>\$ 52,354</u>

EDGEWOOD INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2023

	Special Revenue Funds			
	274 GEARUP- to School Districts	278 ARP Homeless I-TEHCY Supplemental	279 TCLAS ESSER III	280 ARPA, Homeless II
ASSETS				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Due from other governments	120,910	6,331	579,823	-
Due from other funds	-	-	-	-
Other receivables	<u>413</u>	<u>-</u>	<u>22</u>	<u>-</u>
Total assets	<u>121,323</u>	<u>6,331</u>	<u>579,845</u>	<u>-</u>
LIABILITIES				
Accounts payable	2,981	-	77,608	-
Accrued wages payable	27,836	6,036	425,532	-
Due to other funds	90,506	295	76,705	-
Unearned revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>121,323</u>	<u>6,331</u>	<u>579,845</u>	<u>-</u>
FUND BALANCES				
Restricted:				
Federal and state programs	-	-	-	-
Other restricted fund balance	-	-	-	-
Committed:				
Campus activity	-	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 121,323</u>	<u>\$ 6,331</u>	<u>\$ 579,845</u>	<u>\$ -</u>

Special Revenue Funds						
281	289	385	397	404	410	429
ESSER II	Other Federal Special Revenue Funds	State Supplemental Visually Impaired	Advanced Placement Incentives	Student Success Initiative	State Instructional Materials	Other State Special Awards
\$ -	\$ 37,735	\$ -	\$ 9,270	\$ -	\$ 16,966	\$ -
2,253,686	447,813	-	-	-	588,436	62,855
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>2,253,686</u>	<u>485,548</u>	<u>-</u>	<u>9,270</u>	<u>-</u>	<u>605,402</u>	<u>62,855</u>
127,735	243	-	-	-	46,916	17,910
437,947	30,087	-	-	-	-	23,912
1,688,004	417,483	-	-	-	558,486	21,033
-	37,735	-	9,270	-	-	-
<u>2,253,686</u>	<u>485,548</u>	<u>-</u>	<u>9,270</u>	<u>-</u>	<u>605,402</u>	<u>62,855</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 2,253,686</u>	<u>\$ 485,548</u>	<u>\$ -</u>	<u>\$ 9,270</u>	<u>\$ -</u>	<u>\$ 605,402</u>	<u>\$ 62,855</u>

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COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2023

	Special Revenue Funds				
	461	497	498	499	Total
	Campus	Donations	Special Ed	Other Local	Nonmajor
	Activity	Local	18+	Special	Governmental
	Funds	Vendors		Revenue Funds	
ASSETS					
Cash and cash equivalents	\$ 414,976	\$ 5,000	\$ 52,602	\$ 514,808	\$ 1,190,556
Due from other governments	-	-	-	-	7,148,352
Due from other funds	-	-	-	-	-
Other receivables	-	-	-	184	5,207
Total assets	<u>414,976</u>	<u>5,000</u>	<u>52,602</u>	<u>514,992</u>	<u>8,344,115</u>
LIABILITIES					
Accounts payable	11,552	-	-	5,794	1,107,026
Accrued wages payable	-	-	-	5,400	1,520,251
Due to other funds	270,693	-	31,101	174,858	5,042,462
Unearned revenue	-	-	22,110	163,500	366,218
Total liabilities	<u>282,245</u>	<u>-</u>	<u>53,211</u>	<u>349,552</u>	<u>8,035,957</u>
FUND BALANCES					
Restricted:					
Federal and state programs	-	-	-	-	5,596
Other restricted fund balance	-	5,000	-	165,440	170,440
Committed:					
Campus activity	132,731	-	-	-	132,731
Unassigned	-	-	(609)	-	(609)
Total fund balances	<u>132,731</u>	<u>5,000</u>	<u>(609)</u>	<u>165,440</u>	<u>308,158</u>
Total liabilities and fund balances	<u>\$ 414,976</u>	<u>\$ 5,000</u>	<u>\$ 52,602</u>	<u>\$ 514,992</u>	<u>\$ 8,344,115</u>

EDGEWOOD INDEPENDENT SCHOOL DISTRICT

**COMBINING STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES**

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2023

	Special Revenue Funds			
	205	206	211	224
	Head Start	TX Education for Homeless (TECHY)	ESEA Title I, Part A	IDEA - Part B Formula
REVENUES				
Local and intermediate sources	\$ -	\$ -	\$ -	\$ -
State programs	-	-	-	-
Federal programs	7,605,841	6,198	7,790,029	2,065,612
Total revenues	<u>7,605,841</u>	<u>6,198</u>	<u>7,790,029</u>	<u>2,065,612</u>
EXPENDITURES				
Current:				
Instruction	4,801,730	6,198	3,097,746	1,496,540
Instructional resources and media services	-	-	7,267	-
Curriculum and staff development	144,546	-	2,761,864	395,902
Instructional leadership	360	-	363,898	2,831
School Leadership	898,937	-	883,227	-
Guidance, counseling and evaluation services	-	-	169,334	-
Social work services	-	-	75,493	-
Health services	57,404	-	-	-
Student transportation	206,429	-	-	-
Food service	34,494	-	-	-
Extracurricular Activities	-	-	-	-
General Administration	-	-	-	-
Facilities maintenance and operations	1,344,887	-	9,250	-
Security and Monitoring Services	-	-	-	-
Data processing services	-	-	-	-
Community services	17,398	-	348,514	93,927
Capital Outlay	99,656	-	-	76,412
Intergovernmental:				
Payments to fiscal agent/ member districts of SSA	-	-	73,436	-
Total expenditures	<u>7,605,841</u>	<u>6,198</u>	<u>7,790,029</u>	<u>2,065,612</u>
NET CHANGE IN FUND BALANCES	-	-	-	-
FUND BALANCES, BEGINNING	-	-	-	-
FUND BALANCES, ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Special Revenue Funds						
225	226	242	244	255	258	263
IDEA - Part B Preschool	IDEA - Part B Discretionary	Summer Feeding Program	Carl D. Perkins Basic Formula Grant	Title II, A Supporting Eff. Inst.	Public Charter Schools	Title III, A English Lang. Acquisition
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
25,494	-	-	286,981	623,304	2,438,116	335,778
25,494	-	-	286,981	623,304	2,438,116	335,778
25,494	-	-	248,235	-	1,419,509	163,306
-	-	-	-	-	107,117	-
-	-	-	12,839	597,562	157,834	150,871
-	-	-	25,059	1,251	-	18,213
-	-	-	848	24,115	546,607	2,348
-	-	-	-	235	-	-
-	-	-	-	-	-	-
-	-	-	-	141	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	182,708	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	1,040
-	-	-	-	-	24,341	-
-	-	-	-	-	-	-
25,494	-	-	286,981	623,304	2,438,116	335,778
-	-	-	-	-	-	-
-	-	5,596	-	-	-	-
\$ -	\$ -	\$ 5,596	\$ -	\$ -	\$ -	\$ -

EDGEWOOD INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2023

	Special Revenue Funds			
	274	278	279	280
	GEARUP- to School Districts	ARP Homeless I-TEHCY Supplemental	TCLAS ESSER III	ARPA, Homeless II
REVENUES				
Local and intermediate sources	\$ -	\$ -	\$ -	\$ -
State programs	-	-	-	-
Federal programs	<u>280,925</u>	<u>49,846</u>	<u>1,782,534</u>	<u>10,888</u>
Total revenues	<u>280,925</u>	<u>49,846</u>	<u>1,782,534</u>	<u>10,888</u>
EXPENDITURES				
Current:				
Instruction	28,901	11,006	1,407,874	10,400
Instructional resources and media services	-	-	-	-
Curriculum and staff development	251,061	-	247,517	-
Instructional leadership	-	37,168	85,937	488
School Leadership	-	-	37,718	-
Guidance, counseling and evaluation services	514	-	3,488	-
Social work services	-	-	-	-
Health services	-	-	-	-
Student transportation	-	-	-	-
Food service	-	-	-	-
Extracurricular Activities	-	-	-	-
General Administration	-	-	-	-
Facilities maintenance and operations	-	-	-	-
Security and Monitoring Services	-	-	-	-
Data processing services	-	-	-	-
Community services	449	1,672	-	-
Capital Outlay	-	-	-	-
Intergovernmental:				
Payments to fiscal agent/ member districts of SSA	-	-	-	-
Total expenditures	<u>280,925</u>	<u>49,846</u>	<u>1,782,534</u>	<u>10,888</u>
NET CHANGE IN FUND BALANCES	-	-	-	-
FUND BALANCES, BEGINNING	-	-	-	-
FUND BALANCES, ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Special Revenue Funds						
281	289	385	397	404	410	429
ESSER II	Other Federal Special Revenue Funds	State Supplemental Visually Impaired	Advanced Placement Incentives	Student Success Initiative	State Instructional Materials	Other State Special Awards
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	6,120	-	64,267	583,135	245,462
<u>7,255,354</u>	<u>885,507</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>7,255,354</u>	<u>885,507</u>	<u>6,120</u>	<u>-</u>	<u>64,267</u>	<u>583,135</u>	<u>245,462</u>
3,107,027	358,168	6,120	-	7,606	392,505	40,027
148,737	-	-	-	-	-	-
1,269,230	195,371	-	-	-	190,630	154,573
125,305	1,895	-	-	13,205	-	12,738
215,332	38,559	-	-	-	-	-
156,695	4,550	-	-	16,621	-	-
8,158	2,279	-	-	-	-	-
112,758	-	-	-	-	-	-
11,768	-	-	-	-	-	-
49,406	-	-	-	-	-	-
142,860	-	-	-	-	-	-
24,597	-	-	-	-	-	-
81,206	281,673	-	-	-	-	5,049
7,812	2,820	-	-	-	-	33,075
246,399	-	-	-	-	-	-
2,333	192	-	-	26,835	-	-
1,545,731	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>7,255,354</u>	<u>885,507</u>	<u>6,120</u>	<u>-</u>	<u>64,267</u>	<u>583,135</u>	<u>245,462</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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EDGEWOOD INDEPENDENT SCHOOL DISTRICT

EXHIBIT H-2

COMBINING STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2023

	Special Revenue Funds				Total Nonmajor Governmental Funds
	461 Campus Activity Funds	497 Donations Local Vendors	498 Special Ed 18+	499 Other Local Special Revenue Funds	
REVENUES					
Local and intermediate sources	\$ 188,476	\$ 5,000	\$ 8,449	\$ 112,638	\$ 314,563
State programs	-	-	-	1,616	900,600
Federal programs	-	-	-	-	31,442,407
Total revenues	<u>188,476</u>	<u>5,000</u>	<u>8,449</u>	<u>114,254</u>	<u>32,657,570</u>
EXPENDITURES					
Current:					
Instruction	106,392	-	10,884	69,160	16,814,828
Instructional resources and media services	15,135	-	-	183	278,439
Curriculum and staff development	-	-	-	1,664	6,531,464
Instructional leadership	-	-	-	1,144	689,492
School Leadership	60,630	-	-	17,103	2,725,424
Guidance, counseling and evaluation services	-	-	-	7,575	359,012
Social work services	-	-	-	-	85,930
Health services	-	-	-	-	170,303
Student transportation	-	-	-	-	218,197
Food service	-	-	-	-	83,900
Extracurricular Activities	231	-	-	1,556	144,647
General Administration	-	-	-	-	24,597
Facilities maintenance and operations	-	-	-	-	1,904,773
Security and Monitoring Services	-	-	-	116	43,823
Data processing services	-	-	-	-	246,399
Community services	476	-	-	20,089	512,925
Capital Outlay	-	-	-	-	1,746,140
Intergovernmental:					
Payments to fiscal agent/ member districts of SSA	-	-	-	-	73,436
Total expenditures	<u>182,864</u>	<u>-</u>	<u>10,884</u>	<u>118,590</u>	<u>32,653,729</u>
NET CHANGE IN FUND BALANCES	5,612	5,000	(2,435)	(4,336)	3,841
FUND BALANCES, BEGINNING	<u>127,119</u>	<u>-</u>	<u>1,826</u>	<u>169,776</u>	<u>304,317</u>
FUND BALANCES, ENDING	<u>\$ 132,731</u>	<u>\$ 5,000</u>	<u>\$ (609)</u>	<u>\$ 165,440</u>	<u>\$ 308,158</u>

EDGEWOOD INDEPENDENT SCHOOL DISTRICT**EXHIBIT H-3**

COMBINING STATEMENT OF NET POSITION

INTERNAL SERVICES FUNDS

JUNE 30, 2023

	750	752	753	Total Internal Service Funds
	Health Claims	Print Shop	Workers Compensation	
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 1,260,118	\$ 9,303	\$ 8,228,411	\$ 9,497,832
Total current assets	<u>1,260,118</u>	<u>9,303</u>	<u>8,228,411</u>	<u>9,497,832</u>
Total assets	<u>1,260,118</u>	<u>9,303</u>	<u>8,228,411</u>	<u>9,497,832</u>
LIABILITIES				
Current liabilities:				
Accounts Payable	-	5,300	-	5,300
Claims payable	-	-	32,696	32,696
Accrued wages payable	-	-	8,561	8,561
Due to other funds	<u>216,871</u>	<u>4,003</u>	<u>104,322</u>	<u>325,196</u>
Total current liabilities	<u>216,871</u>	<u>9,303</u>	<u>145,579</u>	<u>371,753</u>
Noncurrent liabilities:				
Claims payable	<u>-</u>	<u>-</u>	<u>645,105</u>	<u>645,105</u>
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>645,105</u>	<u>645,105</u>
Total liabilities	<u>216,871</u>	<u>9,303</u>	<u>790,684</u>	<u>1,016,858</u>
NET POSITION				
Unrestricted net position	<u>1,043,247</u>	<u>-</u>	<u>7,437,727</u>	<u>8,480,974</u>
Total net position	<u>\$ 1,043,247</u>	<u>\$ -</u>	<u>\$ 7,437,727</u>	<u>\$ 8,480,974</u>

EDGEWOOD INDEPENDENT SCHOOL DISTRICT**EXHIBIT H-4**

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED JUNE 30, 2023

	750	752	753	Total Internal Service Funds
	Health Claims	Print Shop	Workers Compensation	
OPERATING REVENUES				
Local and intermediate sources	\$ 200,000	\$ 52,425	\$ 1,196,286	\$ 1,448,711
Total operating revenues	<u>200,000</u>	<u>52,425</u>	<u>1,196,286</u>	<u>1,448,711</u>
OPERATING EXPENSES				
Payroll costs	-	-	59,761	59,761
Professional and contracted services	14,896	63,601	384,539	463,036
Other operating costs	<u>91,090</u>	<u>-</u>	<u>-</u>	<u>91,090</u>
Total operating expenses	<u>105,986</u>	<u>63,601</u>	<u>444,300</u>	<u>613,887</u>
Operating income (loss)	<u>94,014</u>	<u>(11,176)</u>	<u>751,986</u>	<u>834,824</u>
NET POSITION, BEGINNING	<u>949,233</u>	<u>11,176</u>	<u>5,952,617</u>	<u>6,913,026</u>
PRIOR PERIOD ADJUSTMENT	<u>-</u>	<u>-</u>	<u>733,124</u>	<u>733,124</u>
NET POSITION, ENDING	<u>\$ 1,043,247</u>	<u>\$ -</u>	<u>\$ 7,437,727</u>	<u>\$ 8,480,974</u>

EDGEWOOD INDEPENDENT SCHOOL DISTRICT

EXHIBIT H-5

COMBINING STATEMENT OF CASH FLOWS

INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED JUNE 30, 2023

	750	752	753	Total Internal Service Funds
	Health Claims	Print Shop	Workers Compensation	
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from user charges	\$ -	\$ 104,931	\$ -	\$ 104,931
Cash received from assessments - other funds	-	-	2,097,588	2,097,588
Cash received for other operating activities	200,000	-	-	200,000
Cash payments to employees for services	-	-	(59,761)	(59,761)
Cash payments for suppliers	-	(95,628)	(316,866)	(412,494)
Net cash provided (used) by operating activities	<u>200,000</u>	<u>9,303</u>	<u>1,720,961</u>	<u>1,930,264</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	200,000	9,303	1,720,961	1,930,264
CASH AND CASH EQUIVALENTS, BEGINNING	<u>1,060,118</u>	<u>-</u>	<u>6,507,450</u>	<u>7,567,568</u>
CASH AND CASH EQUIVALENTS, ENDING	<u>1,260,118</u>	<u>9,303</u>	<u>8,228,411</u>	<u>9,497,832</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH USED BY OPERATING ACTIVITIES				
Operating income (Loss):	<u>94,014</u>	<u>(11,176)</u>	<u>751,986</u>	<u>834,824</u>
Effects of increases and decreases in assets and liabilities:				
(Increase) decrease in:				
Due from other funds	-	52,506	901,302	953,808
Receivables	-	1	251	252
Increase (decrease) in:				
Accounts payable	(8,515)	(26,500)	-	(35,015)
Accrued wages	-	-	1,021	1,021
Claims payable	-	-	-	-
Due to other funds	<u>114,501</u>	<u>(5,528)</u>	<u>66,401</u>	<u>175,374</u>
Net cash used by operating activities	<u>\$ 200,000</u>	<u>\$ 9,303</u>	<u>\$ 1,720,961</u>	<u>\$ 1,930,264</u>

REQUIRED TEA SCHEDULES

EDGEWOOD INDEPENDENT SCHOOL DISTRICT**SCHEDULE OF DELINQUENT TAX RECEIVABLE**

FOR THE YEAR ENDED JUNE 30, 2023

Last Ten Years Ended June 30,	1	2	3	10
	Tax Rates		Net Assessed/ Appraised Value for School Tax Purpose	Beginning Balance 07/01/22
	Maintenance	Debt Service		
2014	Various	Various	Various	\$ 853,372
2015	1.170000	0.192700	1,009,283,222	117,124
2016	1.170000	0.185900	1,089,862,746	108,621
2017	1.170000	0.185900	1,212,655,598	131,805
2018	1.170000	0.215178	1,334,459,018	177,493
2019	1.170000	0.207242	1,481,995,319	251,632
2020	1.068350	0.229920	1,523,197,101	348,722
2021	1.031400	0.229910	1,677,445,592	646,312
2022	0.975100	0.200400	1,897,806,635	1,763,683
2023 (School year under audit)	0.942950	0.215642	2,103,856,319	-
1000 Totals				<u>\$ 4,398,764</u>

20	31	32	40	50
Current Year's Total Levy	Maintenance Total Collections	Debt Service Total Collections	Entire Year's Adjustments	Ending Balance 06/30/23
\$ -	\$ 54,480	\$ 9,899	\$ (29,696)	\$ 759,297
-	12,355	2,035	2,894	105,628
-	11,273	1,791	(1,712)	93,845
-	13,321	2,117	(1,374)	114,993
-	23,792	4,376	152	149,477
-	42,269	7,487	3,399	205,275
-	68,343	14,708	(20,268)	245,403
-	201,947	45,016	(31,776)	367,573
-	827,326	170,030	(61,177)	705,150
<u>24,375,111</u>	<u>18,388,174</u>	<u>4,205,167</u>	<u>536,646</u>	<u>2,318,416</u>
<u>\$ 24,375,111</u>	<u>\$ 19,643,280</u>	<u>\$ 4,462,626</u>	<u>\$ 397,088</u>	<u>\$ 5,065,057</u>

USE OF FUNDS REPORT - SELECT STATE ALLOTMENT PROGRAMS

FOR THE YEAR ENDED JUNE 30, 2023

Section A: Compensatory Education Programs

AP1	Did your LEA expend any state compensatory education program state allotment funds during the district's fiscal year?	Yes
AP2	Does the LEA have written policies and procedures for its state compensatory education program?	Yes
AP3	List the total state allotment funds received for state compensatory education programs during the district's fiscal year.	\$ 12,669,477
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal year. (PICs 24, 26, 28, 29, 30, 34)	\$ 2,307,910

Section B: Bilingual Education Programs

AP5	Did your LEA expend any bilingual education program state allotment funds during the LEA's fiscal year?	Yes
AP6	Does the LEA have written policies and procedures for its bilingual education program?	Yes
AP7	List the total state allotment funds received for bilingual education programs during the LEA's fiscal year.	\$ 1,113,627
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PICs 25, 35)	\$ 375,351

EDGEWOOD INDEPENDENT SCHOOL DISTRICT

EXHIBIT J-5

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE**

**BUDGET AND ACTUAL - CHILD NUTRITION PROGRAM
GENERAL FUND SUB-FUND
FOR THE YEAR ENDED JUNE 30, 2023**

Data Control Codes		Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
		Original	Final		
REVENUES					
5700	Local and intermediate sources	\$ 190,000	\$ 190,000	\$ 176,116	\$ (13,884)
5800	State programs	23,000	23,000	26,960	3,960
5900	Federal programs	7,300,300	7,582,081	8,141,413	559,332
5020	Total revenues	7,513,300	7,795,081	8,344,489	549,408
EXPENDITURES					
Current:					
0035	Food service	7,163,300	8,918,871	7,719,955	1,198,916
0051	Facilities maintenance and operations	350,000	451,815	428,315	23,500
6030	Total expenditures	7,513,300	9,370,686	8,148,270	1,222,416
1200	NET CHANGE IN FUND BALANCES	-	(1,575,605)	196,219	1,771,824
0100	FUND BALANCES, BEGINNING	3,832,533	3,832,533	3,832,533	-
3000	FUND BALANCES, ENDING	\$ 3,832,533	\$ 2,256,928	\$ 4,028,752	\$ 1,771,824

EDGEWOOD INDEPENDENT SCHOOL DISTRICT

EXHIBIT J-6

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE**

BUDGET AND ACTUAL - DEBT SERVICE FUND

FOR THE YEAR ENDED JUNE 30, 2023

Data Control Codes		Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
		Original	Final		
	REVENUES				
5700	Local and intermediate sources	\$ 4,861,393	\$ 4,861,393	\$ 4,631,059	\$ (230,334)
5800	State programs	<u>862,738</u>	<u>862,738</u>	<u>543,875</u>	<u>(318,863)</u>
5020	Total revenues	<u>5,724,131</u>	<u>5,724,131</u>	<u>5,174,934</u>	<u>(549,197)</u>
	EXPENDITURES				
	Debt service:				
0071	Principal on long-term debt	3,705,000	6,860,000	3,705,000	3,155,000
0072	Interest on long-term debt	1,674,562	1,582,306	1,560,272	22,034
0073	Other debt service fees	<u>-</u>	<u>713,561</u>	<u>13,970</u>	<u>699,591</u>
6030	Total expenditures	<u>5,379,562</u>	<u>9,155,867</u>	<u>5,279,242</u>	<u>3,876,625</u>
1200	NET CHANGE IN FUND BALANCES	344,569	(3,431,736)	(104,308)	3,327,428
0100	FUND BALANCES, BEGINNING	<u>2,983,047</u>	<u>2,983,047</u>	<u>2,983,047</u>	<u>-</u>
3000	FUND BALANCES, ENDING	<u>\$ 3,327,616</u>	<u>\$ (448,689)</u>	<u>\$ 2,878,739</u>	<u>\$ 3,327,428</u>

STATISTICAL SECTION (UNAUDITED)

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STATISTICAL SECTION

This part of the District's annual comprehensive financial report presents detailed information as a context for understanding the information in the financial statements, note disclosures, and required supplementary information. The statistical section includes a number of schedules that fall within the following categories:

<u>Contents</u>	<u>Page</u>
Financial Trend Data These schedules contain trend information on how the District's financial performance and well-being have changed over time.	78 - 89
Revenue Capacity Data These schedules contain information on the District's most significant local revenue source, the property tax.	90 - 95
Debt Capacity Data These schedules present information to help assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	96 - 101
Demographic and Economic Information These schedules offer demographic and economic indicators to help understand the environment within which the District's financial activities take place.	102 - 104
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the service the District provides and the activities it performs.	105 - 109

EDGEWOOD INDEPENDENT SCHOOL DISTRICT

NET POSITION

LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Primary Government				
Governmental Activities				
Net investment in capital assets	\$ 83,409,856	\$ 91,338,139	\$ 94,842,076	\$ 92,343,921
Restricted	5,771,737	5,834,311	5,463,801	4,797,071
Unrestricted	<u>44,005,256</u>	<u>19,494,863</u>	<u>14,000,469</u>	<u>17,242,121</u>
Total Primary Government				
Net Position	<u>\$ 133,186,849</u>	<u>\$ 116,667,313</u>	<u>\$ 114,306,346</u>	<u>\$ 114,383,113</u>

* In 2018, the District implemented Governmental Accounting Standards Board Statement No. 75, causing unrestricted net position to become a deficit.

TABLE 1

<u>2018*</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 88,157,324	\$ 85,186,923	\$ 83,415,593	\$ 85,188,999	\$ 90,208,357	\$ 97,240,751
2,421,332	7,824,695	17,725,793	8,742,334	7,196,171	6,944,184
<u>(43,798,635)</u>	<u>(36,810,288)</u>	<u>(52,377,852)</u>	<u>(31,149,616)</u>	<u>3,891,824</u>	<u>(16,768,642)</u>
<u>\$ 46,780,021</u>	<u>\$ 56,201,330</u>	<u>\$ 48,763,534</u>	<u>\$ 62,781,717</u>	<u>\$ 101,296,352</u>	<u>\$ 87,416,293</u>

EDGEWOOD INDEPENDENT SCHOOL DISTRICT

CHANGE IN NET POSITION

LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	2014	2015
Expenses - Governmental Activities:		
Instruction	\$ 64,633,287	\$ 67,585,398
Instructional Resources and Media Services	1,688,632	1,467,602
Curriculum and Staff Development	4,167,184	3,795,319
Instructional Leadership	2,427,221	2,605,782
School Leadership	6,593,616	6,764,713
Guidance, Counseling, and Evaluation Services	3,699,509	3,624,395
Social Work Services	1,199,864	1,106,938
Health Services	1,308,595	1,384,366
Student Transportation	2,371,680	2,497,581
Food Service	8,727,715	8,918,724
Extracurricular Activities	3,945,982	4,198,947
General Administration	4,193,589	5,095,577
Facilities Maintenance and Operations	14,846,770	12,347,688
Security and Monitoring Services	2,049,996	2,397,952
Data Processing Services	5,775,760	4,307,154
Community Services	627,976	650,474
Interest on Long-term Debt	2,136,495	2,966,770
Bond Issuance Costs and Fees	402,207	133,005
Payments Related to Shared Services Arrangements	65,012	70,850
Juvenile Justice Alternative Ed. Prg.	42,385	10,868
Other Intergovernmental Charges	102,737	106,501
Total Governmental Activities	<u>131,006,212</u>	<u>132,036,604</u>
Program Revenues - Governmental Activities:		
Charges for Services:		
Instruction	8,347	2,676
Guidance, Counseling, and Evaluation Services	-	-
Student Transportation	-	-
Food Service	435,846	373,977
Extracurricular Activities	111,980	101,205
General Administration	-	-
Facilities Maintenance and Operations	263,811	251,198
Community Services	1,033,788	803,308
Operating Grants and Contributions	<u>31,674,659</u>	<u>33,560,894</u>
Total Governmental Activities Program Revenues	<u>33,528,431</u>	<u>35,093,258</u>
Net (Expense)Revenue		
Governmental Activities	<u>(97,477,781)</u>	<u>(96,943,346)</u>
General Revenue - Governmental Activities:		
Property Taxes, Levied for General Purposes	10,969,267	11,609,527
Property Taxes, Levied for Debt Service	1,993,219	1,912,102
Grants and Contributions Not Restricted to Specific Programs	83,544,673	86,814,466
Investment Earnings	115,814	30,742
Miscellaneous	295,705	200,127
Extraordinary Items	-	-
Total Governmental Activities General Revenues	<u>96,918,678</u>	<u>100,566,964</u>
Change in Net Position	\$ <u>(559,103)</u>	\$ <u>3,623,618</u>

Source: District Financial Statements

TABLE 2

2016	2017
\$ 72,876,429	\$ 65,282,173
1,760,072	1,676,128
3,957,263	4,499,863
2,732,139	2,816,406
7,387,303	7,158,692
4,159,358	3,880,698
1,174,039	1,322,629
1,632,720	1,448,748
2,113,915	2,164,852
9,555,824	9,320,128
4,479,772	4,375,821
4,136,464	3,778,094
12,594,793	12,447,288
2,477,029	2,575,935
4,729,337	3,941,707
606,652	783,784
2,895,238	2,789,768
801	800
83,109	83,109
19,019	13,313
105,458	109,817
<u>139,476,734</u>	<u>130,469,753</u>
60,377	296,572
-	9,445
301,797	273,899
324,400	323,475
107,586	163,671
30	-
280,330	527,326
671,741	207,785
<u>31,957,432</u>	<u>30,624,560</u>
<u>33,703,693</u>	<u>32,426,733</u>
<u>(105,773,041)</u>	<u>(98,043,020)</u>
11,472,255	13,654,526
1,822,816	2,169,552
89,447,922	78,987,754
192,469	490,256
476,612	258,216
-	2,559,483
<u>103,412,074</u>	<u>98,119,787</u>
<u>\$ (2,360,967)</u>	<u>\$ 76,767</u>

EDGEWOOD INDEPENDENT SCHOOL DISTRICT

CHANGE IN NET POSITION

LAST TEN FISCAL YEARS (ACCRUAL BASIS OF ACCOUNTING)

	2018	2019*
Expenses - Governmental Activities:		
Instruction	\$ 43,287,823	\$ 59,443,683
Instructional Resources and Media Services	1,122,231	1,284,743
Curriculum and Staff Development	5,466,388	6,896,529
Instructional Leadership	2,110,442	2,727,944
School Leadership	4,770,735	7,295,499
Guidance, Counseling, and Evaluation Services	2,698,812	3,937,339
Social Work Services	875,582	1,097,142
Health Services	1,002,997	1,197,186
Student Transportation	1,688,805	2,167,757
Food Service	8,644,269	6,872,495
Extracurricular Activities	3,514,922	3,890,246
General Administration	2,946,582	3,640,915
Facilities Maintenance and Operations	10,475,483	10,586,384
Security and Monitoring Services	1,502,754	1,863,376
Data Processing Services	3,473,845	2,337,040
Community Services	518,665	852,737
Interest on Long-term Debt	2,947,992	2,268,579
Bond Issuance Costs and Fees	213,566	1,970
Payments Related to Shared Services Arrangements	94,709	32,845
Payments to Juvenile Justice Alternative Education Program	-	-
Other Intergovernmental Charges	122,619	101,748
Total Governmental Activities Expenses	<u>97,479,221</u>	<u>118,496,157</u>
Program Revenues - Governmental Activities:		
Charges for Services:		
Instruction	354,769	411,666
Instructional Resources and Media Services	166,929	-
Student Transportation	-	222,522
Food Service	280,910	286,958
Extracurricular Activities	134,274	97,120
Facilities Maintenance and Operations	727,578	467,343
Community Services	20,866	200,270
Operating Grants and Contributions	11,834,777	34,375,345
Total Governmental Activities Program Revenues	<u>13,520,103</u>	<u>36,061,224</u>
Net (Expense)Revenue		
Governmental Activities	<u>(83,959,118)</u>	<u>(82,434,933)</u>
General Revenue - Governmental Activities:		
Property Taxes, Levied for General Purposes	14,510,428	15,821,827
Property Taxes, Levied for Debt Service	2,668,656	2,802,519
Grants and Contributions Not Restricted to Specific Programs	77,925,584	71,032,038
Investment Earnings	1,065,918	1,281,296
Gain on sale of assets	-	-
Miscellaneous	608,656	918,561
Extraordinary Items	-	-
Total Governmental Activities General Revenues	<u>96,779,242</u>	<u>91,856,241</u>
Change in Net Position	<u>\$ 12,820,124</u>	<u>\$ 9,421,308</u>

Source: District Financial Statements

* In fiscal year 2019 the District switched to a June 30th year-end.

TABLE 2

2020	2021	2022	2023
\$ 73,643,853	\$ 61,119,672	\$ 40,782,317	\$ 81,482,531
1,379,081	880,870	856,729	1,261,624
7,751,086	6,883,410	3,885,815	7,779,887
3,809,609	4,056,559	2,032,968	5,321,107
8,176,913	7,240,872	5,927,769	11,864,649
4,644,446	3,954,560	2,475,195	5,540,095
1,211,509	838,078	612,269	1,157,663
1,408,435	1,308,404	1,104,696	2,000,716
2,441,110	2,071,651	1,474,984	2,815,389
8,679,829	6,628,153	5,993,824	8,614,357
4,207,393	3,290,907	2,829,675	4,409,009
3,924,922	3,757,519	3,350,574	5,472,524
13,356,082	14,232,905	11,857,227	17,068,597
2,274,664	1,685,978	1,359,032	2,812,972
3,105,430	4,897,322	4,601,313	5,610,866
805,821	774,316	277,189	653,020
2,965,344	2,885,855	473,481	1,052,935
1,563	1,600	714,261	13,970
77,749	48,280	113,023	73,436
9,917	-	-	8,423
126,785	126,736	137,445	150,295
144,001,541	126,683,647	90,859,786	165,164,065
1,035,439	892,806	641,741	1,277,986
-	-	-	-
-	-	-	-
184,481	144,570	149,549	176,116
115,494	151,226	235,493	290,985
177,720	101,958	150,153	168,029
105,835	72,082	88,714	112,438
39,225,045	42,585,694	41,426,493	64,027,144
40,844,014	43,948,336	42,692,143	66,052,698
(103,157,527)	(82,735,311)	(48,167,643)	(99,111,367)
16,127,282	18,173,150	18,776,261	20,742,985
2,299,239	4,019,871	3,872,535	4,691,589
73,977,371	72,586,331	63,716,724	56,854,831
1,084,140	99,081	191,772	2,469,005
-	1,004,909	-	-
130,253	68,631	124,986	23,704
586,205	892,521	-	-
94,204,490	96,844,494	86,682,278	84,782,114
\$ (8,953,037)	\$ 14,109,183	\$ 38,514,635	\$ (14,329,253)

EDGEWOOD INDEPENDENT SCHOOL DISTRICT**FUND BALANCES OF GOVERNMENTAL FUNDS**

LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General Fund				
Nonspendable	\$ 487,077	\$ 464,539	\$ 407,528	\$ 120,604
Restricted:				
Federal and state programs	2,601,825	3,339,533	3,110,904	2,541,228
Committed	3,654,757	-	-	-
Assigned	-	-	-	2,559,483
Unassigned	<u>37,905,752</u>	<u>35,811,740</u>	<u>32,563,771</u>	<u>32,368,189</u>
Total General Fund	<u>\$ 44,649,411</u>	<u>\$ 39,615,812</u>	<u>\$ 36,082,203</u>	<u>\$ 37,589,504</u>
All Other Governmental Funds				
Restricted:				
Federal and state programs	\$ 16,885	\$ 16,885	\$ 16,885	\$ 16,885
Capital acquisition and contractual obligations	6,341	6,491	7,025	8,155
Retirement of long-term debt	3,246,600	2,601,217	2,461,555	2,341,568
Other restricted fund balance	-	-	-	22,122
Committed	-	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total All Other Governmental Funds	<u>\$ 3,269,826</u>	<u>\$ 2,624,593</u>	<u>\$ 2,485,465</u>	<u>\$ 2,388,730</u>

Source: District Financial Statements

TABLE 3

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 62,846	\$ 126,411	\$ 63,945	\$ 36,618	\$ 605,183	\$ 60,102
2,160,852	2,903,671	2,935,734	2,352,003	3,832,533	4,004,051
-	-	-	-	-	-
2,559,483	2,559,483	8,577,834	-	10,000,000	8,194,466
<u>35,469,622</u>	<u>44,474,232</u>	<u>38,315,247</u>	<u>58,535,637</u>	<u>49,231,758</u>	<u>49,456,417</u>
<u>\$ 40,252,803</u>	<u>\$ 50,063,797</u>	<u>\$ 49,892,760</u>	<u>\$ 60,924,258</u>	<u>\$ 63,669,474</u>	<u>\$ 61,715,036</u>
\$ 5,596	\$ -	\$ 5,596	\$ 99,557	\$ 7,422	\$ 5,596
-	-	-	-	-	-
2,374,210	5,826,521	6,991,630	7,073,686	2,983,047	2,878,739
47,122	-	47,122	131,616	169,776	170,440
-	-	-	-	127,119	132,731
-	-	-	-	-	(609)
<u>\$ 2,426,928</u>	<u>\$ 5,826,521</u>	<u>\$ 7,044,348</u>	<u>\$ 7,304,859</u>	<u>\$ 3,287,364</u>	<u>\$ 3,186,897</u>

EDGEWOOD INDEPENDENT SCHOOL DISTRICT

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2014	2015
Revenues		
Local and Intermediate Revenues	\$ 15,371,573	\$ 15,132,794
State Program Revenues	88,265,330	94,055,590
Federal Program Revenues	<u>26,954,002</u>	<u>26,319,770</u>
Total Revenues	<u>130,590,905</u>	<u>135,508,154</u>
Expenditures		
Current:		
Instruction	59,693,294	62,550,524
Instructional Resources and Media Services	1,435,860	1,211,881
Curriculum and Staff Development	4,046,906	3,719,934
Instructional Leadership	2,369,321	2,554,904
School Leadership	6,273,250	6,457,452
Guidance, Counseling, and Evaluation Services	3,545,678	3,483,241
Social Work Services	1,175,543	1,085,918
Health Services	1,257,738	1,348,284
Student Transportation	3,277,966	2,633,881
Food Services	7,917,353	8,101,992
Extracurricular Activities	2,921,871	3,083,078
General Administration	3,904,582	4,779,322
Facilities Maintenance and Operations	11,373,387	11,433,186
Security and Monitoring Services	1,897,002	2,281,274
Data Processing Services	5,460,704	4,081,281
Community Services	569,488	597,410
Debt Service:		
Principal on Long-term Debt	4,717,977	4,381,295
Interest on Long-term Debt	3,049,528	3,155,770
Bond Issuance Costs and Fees	402,207	883,005
Capital Outlay:		
Facilities Acquisition and Construction	5,941,920	9,814,414
Intergovernmental:		
Payments to Shared Services Arrangements	65,012	70,850
Payments to Juvenile Justice Alternative Education Program	42,385	10,868
Other Intergovernmental Charges	<u>102,737</u>	<u>106,501</u>
Total Expenditures	<u>131,441,709</u>	<u>137,826,265</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(850,804)</u>	<u>(2,318,111)</u>
Other Financing Sources (Uses)		
Transfers In	-	(3,500,000)
Transfers Out	-	-
Bonds Issued	39,845,000	6,695,000
Premium or Discount on Issuance of Bonds	3,841,567	398,388
Other uses	(43,494,183)	(6,954,109)
Sale of Real and Personal Property	-	-
Issuance of leases	-	-
Total Other Financing Sources (Uses)	<u>192,384</u>	<u>(3,360,721)</u>
Extraordinary Item	-	-
Net Change in Fund Balances	<u>\$ (658,420)</u>	<u>\$ (5,678,832)</u>
Debt Service as a Percentage of Noncapital Expenditures	6.48%	6.63%

Note: Debt service as a percentage of noncapital expenditures is determined by dividing debt service expenditures by total expenditures less facilities acquisition/construction expenditures and other capital assets (unit price over \$5,000).

TABLE 4

2016	2017
\$ 15,981,844	\$ 18,319,974
91,984,704	84,288,227
<u>27,098,644</u>	<u>25,681,665</u>
<u>135,065,192</u>	<u>128,289,866</u>
64,133,042	60,953,164
1,408,524	1,388,803
3,731,168	4,375,445
2,538,960	2,758,396
6,634,592	6,838,352
3,730,547	3,807,398
1,131,984	1,312,294
1,482,460	1,405,072
1,792,714	1,778,694
8,522,169	8,544,743
3,228,756	3,217,215
3,659,853	3,756,622
11,257,723	11,864,699
2,238,435	2,514,743
4,226,452	3,723,202
537,353	715,129
4,411,913	4,435,607
3,068,214	2,959,373
801	800
6,794,683	2,031,699
83,109	83,109
	-
19,019	13,313
<u>105,458</u>	<u>109,817</u>
<u>134,737,929</u>	<u>128,587,689</u>
<u>327,263</u>	<u>(297,823)</u>
-	22,122
(4,000,000)	(2,270,828)
-	-
-	-
-	-
-	1,130,938
-	<u>266,674</u>
(4,000,000)	(851,094)
-	<u>2,559,483</u>
<u>\$ (3,672,737)</u>	<u>\$ 1,410,566</u>
5.87%	5.87%

EDGEWOOD INDEPENDENT SCHOOL DISTRICT

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2018	2019*
Revenues		
Local and Intermediate Revenues	\$ 20,917,887	\$ 22,320,887
State Program Revenues	83,238,879	74,665,365
Federal Program Revenues	26,235,770	26,186,633
Total Revenues	<u>130,392,536</u>	<u>123,172,885</u>
Expenditures		
Current:		
Instruction	60,040,884	51,585,845
Instructional Resources and Media Services	1,226,366	996,852
Curriculum and Instructional Staff Development	8,082,887	6,351,043
Instructional Leadership	3,031,883	2,521,150
School Leadership	7,118,778	6,546,297
Guidance, Counseling, and Evaluation Services	4,169,285	3,597,208
Social Work Services	1,376,026	1,018,309
Health Services	1,518,860	1,084,118
Student Transportation	1,940,562	2,006,881
Food Services	8,402,347	6,135,161
Extracurricular Activities	2,916,256	2,640,950
General Administration	4,135,216	3,404,163
Facilities Maintenance and Operations	12,316,139	9,811,863
Security and Monitoring Services	2,331,042	1,717,884
Data Processing Services	3,933,623	2,009,681
Community Services	692,788	756,073
Debt Service:		
Principal on Long-term Debt	4,528,971	2,780,839
Interest on Long-term Debt	3,123,066	1,597,430
Bond Issuance Costs and Fees	213,566	1,970
Capital Outlay:		
Facilities Acquisition and Construction	8,161,274	4,640,818
Intergovernmental:		
Payments to fiscal agent/ member districts of SSA	94,709	32,845
Payments to Juvenile Justice Alternative Education Program	-	-
Other Intergovernmental Charges	122,619	101,748
Total Expenditures	<u>139,477,147</u>	<u>111,339,128</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(9,084,611)</u>	<u>11,833,757</u>
Other Financing Sources (Uses)		
Issuance of Refunding Bonds	-	-
Premium or Discount on Issuance of Bonds	-	-
Payments to Refunded Bonds Escrow Agent	-	-
Sale of Real and Personal Property	-	26,102
Issuance of leases	286,108	1,403,446
Non-currant loans	11,500,000	-
Total Other Financing Sources (Uses)	<u>11,786,108</u>	<u>1,429,548</u>
Extraordinary Items	-	-
Net Change in Fund Balances	<u>\$ 2,701,497</u>	<u>\$ 13,263,305</u>
Debt Service as a Percentage of Noncapital Expenditures	6.01%	4.13%

* In fiscal year 2019 the District switched to a June 30th year-end.

TABLE 4

2020	2021	2022	2023
\$ 22,396,969	\$ 23,531,327	\$ 23,968,234	\$ 29,177,401
83,203,905	80,280,166	67,402,170	60,047,517
<u>25,970,042</u>	<u>33,791,575</u>	<u>43,046,322</u>	<u>63,883,189</u>
<u>131,570,916</u>	<u>137,603,068</u>	<u>134,416,726</u>	<u>153,108,107</u>
62,743,560	56,068,019	59,777,933	67,509,042
1,005,605	657,555	815,885	903,453
6,967,695	6,830,747	6,879,138	7,629,973
3,481,506	4,016,507	3,323,816	4,284,208
7,168,952	6,937,493	9,030,848	9,688,874
4,158,672	3,844,305	3,932,163	4,445,037
1,111,945	821,740	850,522	1,064,339
1,255,189	1,493,355	1,502,887	1,619,261
1,993,758	1,731,784	1,531,413	2,183,152
7,502,850	6,002,991	6,620,750	7,803,855
2,493,541	2,139,604	2,838,935	2,998,978
4,453,151	4,936,332	4,975,430	5,146,098
11,643,785	13,294,056	13,100,076	15,108,286
2,071,728	1,641,083	1,904,502	2,629,706
2,847,197	5,638,962	4,580,312	4,766,209
686,371	733,993	654,101	688,949
4,553,885	4,718,452	7,630,000	5,251,742
3,086,415	2,917,749	1,995,680	2,227,503
1,563	1,600	714,261	13,970
2,649,220	3,607,146	2,632,695	9,781,393
77,749	48,280	113,023	73,436
9,917	-	-	8,423
<u>126,785</u>	<u>126,736</u>	<u>137,445</u>	<u>150,295</u>
<u>132,091,039</u>	<u>128,208,489</u>	<u>135,541,815</u>	<u>155,976,182</u>
<u>(520,123)</u>	<u>9,394,579</u>	<u>(1,125,089)</u>	<u>(2,868,075)</u>
-	-	38,290,000	23,704
-	-	5,580,814	-
-	-	(44,109,415)	-
23,150	1,004,909	91,711	789,466
-	-	-	-
-	-	-	-
<u>23,150</u>	<u>1,004,909</u>	<u>(146,890)</u>	<u>813,170</u>
<u>586,205</u>	<u>892,521</u>	<u>-</u>	<u>-</u>
<u>\$ 89,232</u>	<u>\$ 11,292,009</u>	<u>\$ (1,271,979)</u>	<u>\$ (2,054,905)</u>
6.14%	6.10%	6.91%	5.18%

EDGEWOOD INDEPENDENT SCHOOL DISTRICT

GOVERNMENTAL FUNDS REVENUES BY SOURCE

LAST TEN FISCAL YEARS

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Local Sources:				
Property tax	\$ 13,402,476	\$ 13,569,688	\$ 14,043,115	\$ 16,027,545
Other	1,969,097	1,563,106	1,938,729	2,292,429
State sources	88,265,330	94,055,590	91,984,704	84,288,227
Federal sources	<u>26,954,002</u>	<u>26,319,770</u>	<u>27,098,644</u>	<u>25,681,665</u>
Total	<u>\$ 130,590,905</u>	<u>\$ 135,508,154</u>	<u>\$ 135,065,192</u>	<u>\$ 128,289,866</u>

Source: District Financial Statements and Notes to the Basic Financial Statements

TABLE 5

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 17,961,748 2,956,139	\$ 19,127,933 3,192,954	\$ 19,628,566 2,768,403	\$ 22,000,973 1,530,354	\$ 22,500,713 1,467,521	\$ 24,650,577 4,526,824
83,238,879	74,665,365	83,203,905	80,280,166	67,402,170	60,047,517
<u>26,235,770</u>	<u>26,186,633</u>	<u>25,970,042</u>	<u>33,791,575</u>	<u>43,046,322</u>	<u>63,883,189</u>
<u>\$ 130,392,536</u>	<u>\$ 123,172,885</u>	<u>\$ 131,570,916</u>	<u>\$ 137,603,068</u>	<u>\$ 134,416,726</u>	<u>\$ 153,108,107</u>

EDGEWOOD INDEPENDENT SCHOOL DISTRICT**TABLE 6****TOTAL ASSESSED AND NET TAXABLE VALUE OF TAXABLE PROPERTY****LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Total Assessed Value</u>	<u>Total Exemptions and Freeze</u>	<u>Net* Taxable Value</u>	<u>Maintenance** and Operations Rate</u>	<u>Interest and Sinking Rate</u>	<u>Total Direct Rate</u>
2014	\$ 1,311,147,770	\$ 462,609,125	\$ 848,538,645	1.1700	0.21260	1.38260
2015	1,380,767,414	483,233,281	897,534,133	1.1700	0.19270	1.36270
2016	1,420,225,462	432,730,187	987,495,275	1.1700	0.18590	1.35590
2017	1,573,726,295	493,788,967	1,079,937,328	1.1700	0.18590	1.35590
2018	1,701,138,917	540,330,027	1,160,808,890	1.1700	0.21518	1.38518
2019	1,925,156,924	602,911,174	1,322,245,750	1.1700	0.20724	1.37724
2020	1,991,132,713	582,820,106	1,408,312,607	1.0684	0.22992	1.29827
2021	2,431,193,403	866,643,953	1,564,549,450	1.0314	0.22990	1.26130
2022	2,804,069,102	936,333,980	1,867,735,122	0.9751	0.20040	1.17550
2023	3,054,451,476	905,026,002	2,149,425,474	0.94295	0.215642	1.158592

Notes:

*Net Taxable Values are adjusted by the appraisal district regularly.

**In 2019, Texas Legislature passed new regulations on the calculation of M&O tax rates under House Bill 3.

Source of Information: Certified Appraisal Rolls provided by Bexar Appraisal District

EDGEWOOD INDEPENDENT SCHOOL DISTRICT**TABLE 7****PROPERTY TAX RATES - DIRECT AND MAJOR OVERLAPPING GOVERNMENTS****LAST TEN FISCAL YEARS**

Fiscal Year	Edgewood Independent School District M/O	Edgewood Independent School District I & S	Edgewood Independent School District Total	Alamo Community Colleges	Bexar County	University Health System	City of San Antonio
2014	1.1700	0.2126	1.3826	0.14915	0.276235	0.27624	0.56569
2015	1.1700	0.1927	1.3627	0.14915	0.276235	0.27624	0.56569
2016	1.1700	0.1859	1.3559	0.14915	0.297500	0.27624	0.55827
2017	1.1700	0.1859	1.3559	0.14915	0.293250	0.27624	0.55827
2018	1.1700	0.2152	1.3852	0.14915	0.291229	0.27624	0.55827
2019	1.1700	0.2072	1.3772	0.14915	0.277429	0.27624	0.55827
2020	1.0684	0.2299	1.2983	0.14915	0.277429	0.27624	0.55827
2021	1.0314	0.2299	1.2613	0.14915	0.277429	0.27624	0.55827
2022	0.9751	0.20040	1.1755	0.14915	0.276331	0.27624	0.55827
2023	0.94295	0.215642	1.158592	0.14915	0.276331	0.27624	0.54161

Source: Bexar Appraisal District, Bexar County Tax Assessor

EDGEWOOD INDEPENDENT SCHOOL DISTRICT

TABLE 8

PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR

# Principal Taxpayers	Type of Property	2023	
		Taxable Value	Percentage of Total Net Taxable Value
1 Southern Glazers Wine & Spirits of TX	Alcohol Distribution	\$ 78,025,350	3.63%
2 G.E. Co.	Industrial Manufacturing	71,847,512	3.34%
3 Standard Aero	Industrial Manufacturing	45,585,374	2.12%
4 Glazer Investments Inc.	Alcohol Distribution	37,000,000	1.72%
5 Silver Eagle Beverages	Alcohol Distribution	32,500,000	1.51%
6 TCP Las Palmas Partners Ltd.	Strip Mall/Plaza	30,213,850	1.41%
7 Bay Valley Foods LLC	Wholesale Supplier/Distribution Center	28,966,190	1.35%
8 Glazers Beer and Beverage of Texas LLC	Alcohol Distribution	26,274,410	1.22%
9 Silver Eagle Distributors LP	Alcohol Distribution	25,221,580	1.17%
10 INDO-MIM INC		<u>23,929,370</u>	<u>1.11%</u>
Total		<u>399,563,636</u>	<u>18.58%</u>
Total Net Taxable Value		<u>\$2,149,425,474</u>	<u>100.00%</u>

Note: The information from nine years ago is not available.

EDGEWOOD INDEPENDENT SCHOOL DISTRICT**TABLE 9**

PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN FISCAL YEARS

Fiscal Year	Tax Levy	Levy Year Tax Collections	Percent of Levy Collected in Levy Year	Tax Collections in Subsequent Years	Total Tax Collections to Date 2023	Total Collections to Date as Percent of Levy
2014	\$ 12,940,476	\$ 12,225,468	94.47%	\$ 719,102	\$ 12,944,570	100.03%
2015	13,533,771	12,767,466	94.34%	449,894	13,217,360	97.66%
2016	14,470,917	13,555,794	93.68%	487,332	14,043,126	97.04%
2017	15,998,332	15,123,890	94.53%	520,441	15,644,331	97.79%
2018	17,830,190	16,620,410	93.21%	526,484	17,146,894	96.17%
2019 *	19,471,865	18,161,720	93.27%	706,555	18,868,275	96.90%
2020	19,775,211	18,616,284	94.14%	598,221	19,214,505	97.16%
2021	21,157,789	20,124,280	95.12%	1,010,972	21,135,252	99.89%
2022	22,291,579	20,498,396	91.96%	1,435,396	21,933,792	98.39%
2023	24,375,111	22,593,341	92.69%	-	22,593,341	92.69%

Notes:

* Collections represent 10 months due to change of Fiscal Year.

Source of Information: Audit Reports

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EDGEWOOD INDEPENDENT SCHOOL DISTRICT

TABLE 10

RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities					Total Primary Government	Percentage of Personal Income	Estimated Population	Per Capita
	Bonds Payable & Premiums	Notes Payable	Financing Arrangements	Leases Payable	SBITAs Payable				
2014	\$ 78,885,000	\$ -	\$ 623,208	\$ -	\$ -	\$ 79,508,208	12.22%	60,900	1,306
2015	74,000,000	-	301,913	-	-	74,301,913	10.55%	60,818	1,222
2016	69,890,000	-	-	-	-	69,890,000	10.09%	56,894	1,228
2017	65,515,000	-	206,067	-	-	65,721,067	76.61%	54,273	1,211
2018	61,040,000	11,500,000	438,204	-	-	72,978,204	79.78%	51,262	1,424
2019	58,875,000	11,500,000	1,225,811	-	-	71,600,811	74.72%	50,546	1,417
2020	54,915,000	11,500,000	631,926	-	-	67,046,926	68.11%	68,600	977
2021	50,820,000	11,500,000	8,474	-	-	62,328,474	0.00%	70,297	887
2022	40,265,000	10,540,000	796,207	-	-	51,601,207	0.00%	61,906	834
2023	41,077,628	9,580,000	488,017	680,431	703,605	52,529,681	0.00%	56,949	922

Notes

* Estimated Population represents Edgewood ISD boundaries

Source of Information: Texas Municipal Reports (MAC of Texas)

EDGEWOOD INDEPENDENT SCHOOL DISTRICT**RATIO OF NET GENERAL BONDED DEBT TO TAXABLE ASSESSED VALUATION
AND NET BONDED DEBT PER CAPITA****LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Taxable Assessed Value</u>	<u>Assessment Ratio</u>	<u>Gross Bonded Debt Outstanding at Year-end</u>	<u>Reserve for Retirement of Bonded Debt</u>
2014	\$ 1,311,147,770	100%	\$ 79,508,208	\$ 3,122,100
2015	1,380,767,414	100%	74,301,913	2,454,495
2016	1,420,225,462	100%	69,890,000	2,714,090
2017	1,573,726,295	100%	65,721,067	2,119,687
2018	1,701,138,917	100%	72,978,204	2,255,444
2019	1,925,156,924	100%	71,600,811	2,286,824
2020	1,991,132,713	100%	67,046,926	2,577,292
2021	2,431,193,403	100%	62,328,474	7,073,686
2022	2,804,069,102	100%	51,601,207	2,983,047
2023	3,054,451,476	100%	52,529,681	2,764,097

* Estimated Population represents Edgewood ISD boundaries

Source of Information: Texas Municipal Reports (MAC of Texas)

TABLE 11

<u>Net Bonded Debt Outstanding at Year-end</u>	<u>Ratio Net Bonded Debt to Taxable Assessed Valuation</u>	<u>Estimated Population</u> *	<u>Net Bonded Debt per Capita</u>	<u>Taxable Assessed Valuation per Capita</u>
\$ 76,386,108	5.83%	\$ 60,900	\$ 1,254	\$ 21,530
71,847,418	5.20%	60,818	1,181	22,703
67,175,910	4.73%	56,894	1,181	24,963
63,601,380	4.04%	54,273	1,172	28,996
70,722,760	4.16%	51,262	1,380	33,185
69,313,987	3.60%	50,546	1,371	38,087
64,469,634	3.24%	68,600	940	29,025
55,254,788	2.27%	70,297	786	34,585
48,618,160	1.73%	61,906	785	45,296
49,765,584	1.63%	56,949	874	53,635

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EDGEWOOD INDEPENDENT SCHOOL DISTRICT**TABLE 12****DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**

AS OF JUNE 30, 2023

<u>Taxing Body</u>	<u>Gross Dollar Amount</u>	<u>Percent Overlapping</u>	<u>Dollar Overlap</u>
Alamo Community College District	\$ 790,890,000	1.28%	\$ 10,123,392
Bexar County	2,149,170,000	1.28%	27,509,376
Bexar County Hospital District	1,132,465,000	1.28%	14,495,552
San Antonio, City of	2,229,995,000	1.85%	<u>41,254,908</u>
Subtotal, overlapping debt			<u>93,383,228</u>
Edgewood Independent School District direct debt			<u>52,529,681</u>
Total direct and overlapping debt			<u>\$ 145,912,909</u>

Overlapping governments are those that coincide at least in part, with geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the property taxpayers of Edgewood Independent School District. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the property taxpayers should be taken into the account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping entity.

Source: Municipal Advisory Council of Texas

EDGEWOOD INDEPENDENT SCHOOL DISTRICT

LEGAL DEBT LIMIT INFORMATION

LAST TEN FISCAL YEARS

Fiscal Year	Taxable Assessed Value	Debt Service Tax Rate	Debt Service Tax Levy	Statutory Maximum Debt Service Tax Rate
2014	\$ 1,311,147,770	0.212600	\$ 2,787,500	0.500000
2015	1,380,767,414	0.192700	2,660,739	0.500000
2016	1,420,225,462	0.185900	2,640,199	0.500000
2017	1,573,726,295	0.185900	2,925,557	0.500000
2018	1,701,138,917	0.215180	3,660,511	0.500000
2019	1,925,156,924	0.207240	3,989,695	0.500000
2020	1,991,132,713	0.229920	4,578,012	0.500000
2021	2,431,193,403	0.229900	5,589,314	0.500000
2022	2,804,069,102	0.200400	5,619,354	0.500000
2023	3,054,451,476	0.215642	6,586,680	0.500000

(1) The State of Texas does not impose a legal limit on the amount of long-term debt outstanding for school districts. However, Texas school districts are limited by statute to a debt service tax rate of \$.50 per \$100 of assessed valuation. Therefore, the District considers it most useful to compare the amount of property tax revenue collected for debt service to debt service expenditures in a given year.

Source: Edgewood Independent School District and Bexar County Appraisal District

TABLE 13

Maximum Possible Debt Service Revenue	Debt Service Revenue Margin	Debt Service Expenditures
\$ 6,555,739	\$ 3,768,239	\$ 8,169,712
6,903,837	4,243,098	8,420,070
7,101,127	4,460,928	7,480,928
7,868,631	4,943,074	7,395,780
8,505,695	4,845,184	7,865,603
9,625,785	5,636,089	4,380,239
9,955,664	5,377,651	7,641,863
12,155,967	6,566,653	7,637,801
14,020,346	8,400,991	10,339,941
15,272,257	8,685,577	7,493,215

EDGEWOOD INDEPENDENT SCHOOL DISTRICT**TABLE 14**

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Estimated Population</u>	<u>Median Household Income</u>	<u>Median Family Income</u>	<u>Unemployment Rate</u>
2014	1,855,866	\$ 75,825,317	\$ 40,857	4.80%
2015	1,897,753	81,038,194	42,702	3.70%
2016	1,928,680	84,122,309	43,617	4.00%
2017	1,958,578	85,782,196	43,798	3.20%
2018	1,986,049	91,473,170	46,058	3.30%
2019	1,986,049	95,829,678	47,830	3.00%
2020	2,003,554	98,440,756	48,569	8.00%
2021	2,009,324	105,022,781	52,268	4.60%
2022 *	2,028,236	-	-	3.60%
2023 *	-	-	-	0.00%

Source: Bexar County Audit Report

* Information not available at the time of the report

EDGEWOOD INDEPENDENT SCHOOL DISTRICT**TABLE 15**

MAJOR EMPLOYERS

CURRENT YEAR

Employer	2023	
	Number of Employees	Percentage of Total
Joint Base San Antonio (Three Military Bases)	74,289	39.39%
H.E.B.	29,140	15.45%
USAA	19,000	10.08%
Northside Independent School District	12,605	6.68%
City of San Antonio	12,334	6.54%
Methodist Healthcare System	9,761	5.18%
University Health System	9,682	5.13%
Northeast Independent School District	8,152	4.32%
San Antonio Independent School District	7,315	3.88%
Rackspace	6,300	3.34%
Total	188,578	100%

Source: Bexar County Auditor's audit report - Fiscal Year Ending September 2022

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EDGEWOOD INDEPENDENT SCHOOL DISTRICT**TABLE 16****FULL-TIME-EQUIVALENT DISTRICT EMPLOYEES BY TYPE****LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Teachers</u>	<u>Professional Support</u>	<u>Campus Administration</u>	<u>Central Administration</u>	<u>Educational Aides</u>	<u>Auxiliary Staff</u>	<u>Total FTEs</u>
2014	711.69	224.55	34.71	5.00	124.49	445.62	1,546.06
2015	743.00	223.25	36.05	11.00	148.37	482.98	1,644.65
2016	664.27	267.15	45.75	5.50	143.75	482.49	1,608.91
2017	688.64	245.38	39.46	17.00	169.15	484.67	1,644.30
2018	654.89	243.08	47.00	16.45	160.51	457.51	1,579.44
2019	636.10	228.75	48.06	18.00	163.20	421.44	1,515.55
2020	603.33	222.55	46.71	19.95	159.05	421.87	1,473.46
2021	534.67	206.56	41.87	20.59	137.97	399.18	1,340.84
2022	528.22	158.43	43.00	21.00	133.91	423.07	1,307.63
2023	551.29	157.00	47.00	22.00	122.00	414.00	1,313.29

Source: PEIMS Standard Reports - Staff FTE Counts and Salary Report published by the Texas Education Agency

EDGEWOOD INDEPENDENT SCHOOL DISTRICT**TEACHER DATA****LAST TEN FISCAL YEARS**

	Fiscal Year			
	2014	2015	2016	2017
Total Number of Teachers	711.70	743.00	664.30	688.60
Teachers by Highest Degree Held				
No Degree	5.00	4.00	3.00	3.00
Bachelors	499.70	526.20	486.50	502.80
Masters	205.00	211.80	174.10	180.70
Doctorate	2.00	1.00	0.60	2.10
Teachers by Years of Experience				
Beginning Teachers	59.90	92.40	51.50	51.60
1-5 Years Experience	219.80	227.60	236.00	254.50
6-10 Years Experiences	166.50	155.60	151.60	143.60
11-20 Years Experience	175.40	177.50	144.20	149.20
Over 20 Years Experience	90.20	89.80	81.00	89.70
Average Salary by Years Experience				
Beginning Teachers	\$ 47,907	\$ 48,585	\$ 50,065	\$ 50,048
1-5 Years Experience	48,476	49,361	51,421	52,006
6-10 Years Experiences	50,146	51,258	52,738	53,514
11-20 Years Experience	52,700	52,981	54,975	56,101
Over 20 Years Experience	59,167	59,742	61,675	61,894
Average Years Experience of Teachers	11.20	9.90	9.20	9.50
Average Year Experience of Teachers with District	7.60	7.20	6.60	6.70
Average Teacher Salary	\$ 51,679	\$ 52,385	\$ 54,175	\$ 54,713
Turnover Rate for Teachers	19.30%	22.90%	26.90%	19.70%

* Information not available at the time of the report

Source: Texas Academic Performance Reports as published by the Texas Education Agency
Accountability Rating System - TxSchools.gov

TABLE 17

Fiscal Year					
2018	2019	2020	2021	2022	2023*
654.90	636.10	603.30	534.70	528.22	557.30
2.30	4.10	5.00	4.00	109.20	18.50
464.70	425.60	398.40	355.80	252.60	349.90
184.10	202.60	195.90	169.90	163.40	186.90
3.70	3.90	4.00	5.00	3.00	2.00
44.80	50.10	34.10	33.80	88.70	156.50
243.80	207.30	199.00	148.60	122.10	135.90
122.30	132.80	127.80	129.20	101.90	75.70
154.00	158.70	149.90	140.60	127.70	109.30
89.90	87.20	92.60	82.50	87.80	79.90
\$ 50,666	\$ 51,993	\$ 53,698	\$ 54,335	\$ 56,347	\$ 55,182
53,048	53,273	54,694	54,906	55,047	58,251
54,700	54,973	56,874	56,856	57,853	59,611
56,330	57,185	58,822	59,068	60,341	62,155
62,041	62,901	63,945	66,011	67,411	66,694
9.80	9.70	10.40	10.7	10.20	8.60
6.80	6.60	6.80	7.3	7.50	6.50
\$ 55,357	\$ 56,065	\$ 57,607	\$ 57,884	\$ 58,698	\$ 59,551
22.50%	22.30%	20.90%	25.30%	23.70%	27.58%

EDGEWOOD INDEPENDENT SCHOOL DISTRICT**TABLE 18****EXPENDITURES, ENROLLMENT AND PER PUPIL COST****LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>General Fund Operating Expenditures</u>	<u>*</u>	<u>Cost per Pupil</u>	<u>All Funds Operating Expenditures</u>	<u>Cost per Pupil</u>	<u>Teaching Staff</u>	<u>Pupil-Teacher Ratio</u>
2014	12,059	\$ 98,410,257		\$ 8,161	\$ 114,698,735	\$ 9,511	712	16.9
2015	11,726	100,177,349		8,543	118,331,154	10,091	743	15.8
2016	11,279	104,924,397		9,303	119,877,722	10,628	664	17.0
2017	10,878	104,738,737		9,628	118,458,581	10,890	689	15.8
2018	10,412	107,988,708		10,372	122,863,425	11,800	655	15.9
2019	10,166	93,925,833		9,239	105,292,909	10,357	636	16.0
2020	9,883	109,243,724		11,054	132,091,039	13,365	603	16.4
2021	9,152	94,685,342		10,346	126,683,647	13,842	535	17.1
2022	8,393	95,599,018		11,390	135,542,115	16,149	528	15.9
2023	7,771	97,999,560		12,611	155,976,182	20,072	551	14.1

Notes: Operating Expenditures represent 12 months of data

Source: TEA PEIMS Standard Reports

EDGEWOOD INDEPENDENT SCHOOL DISTRICT**TABLE 19****TOTAL EXPENSES OF GOVERNMENTAL ACTIVITIES,
ENROLLMENT AND PER PUPIL COST****LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Government- Wide Expenses</u>	<u>Cost Per Pupil</u>
2014	12,059	\$ 131,274,041	\$ 10,886
2015	11,726	137,653,883	11,739
2016	11,279	134,549,430	11,929
2017	10,878	128,394,825	11,803
2018	10,412	139,262,731	13,375
2019	10,166	119,055,873	11,711
2020	9,883	132,091,039	13,365
2021	9,152	126,683,647	13,842
2022	8,393	90,859,786	10,826
2023	7,771	165,164,065	21,254

Source: Edgewood Independent School District and Texas Education Agency

EDGEWOOD INDEPENDENT SCHOOL DISTRICT

TABLE 20

SCHOOL BUILDING INFORMATION

FISCAL YEAR 2023

	Year Built	Grades Served	Building Sq. Ft.	Building Capacity	Enrollment	Percent of Capacity Used
HIGH SCHOOLS						
Kennedy High School	1955	9-12	162,271	1775	1,042	58.7%
Memorial High School	1975	9-12	154,888	2275	872	38.3%
Edgewood Fine Arts Academy	1998	9-12	90,497	750	259	34.5%
MIDDLE SCHOOLS						
E.T. Wrenn Middle School	1960	6-8	85,342	675	496	73.5%
ELEMENTARY SCHOOLS						
Alonso S. Perales Elementary School	1963	K-5	72,542	601	353	58.7%
H.B. Gonzalez Elementary School	1990	K-5	65,623	664	382	57.5%
L.B. Johnson Elementary School	1975	K-5	63,168	572	348	60.8%
Las Palmas Elementary School	2005	5	89,442	597	50	8.4%
Loma Park Elementary School	1963	PK-5	74,176	953	586	61.5%
Roosevelt Elementary School	2005	K-5	76,171	689	305	44.3%
Stafford Elementary School	2008	K-5	74,019	660	266	40.3%
Winston Elementary School	1975	K-5	65,283	704	-	0.0%
Cardenas Center	1965	EE-PreK	40,428	500	180	36.0%
Stafford Center	1931	EE-PreK	32,711	800	294	36.8%
PARTNERSHIPS SCHOOLS						
Pre-K 4 San Antonio	2009	PreK-K	73,212	594	51	8.6%
Las Palmas Leadership School for Girls	2005	5	89,442	597	229	38.4%
Winston Int. of Excellence	1975	3-4	65,283	704	209	29.7%
Cisneros Elementary School	2009	EE-6	73,212	594	177	29.8%
Gardendale Elementary School	1960	PreK - 2	58,912	574	280	48.8%
Brentwood Middle School	1990	6-8	83,632	875	600	68.6%
Gus Garcia Middle School	1960	6-8	121,942	900	505	56.1%
Learn4Life	2021	9-12	*	*	114	*
Roosevelt Dual Language School	2022	K-1	*	*	149	*
Burleson Center - High School	1978	12	66,551	1400	24	1.7%
Total Enrollment					<u>7,771</u>	

* Building is shared with other grades and programs

Source: Edgewood ISD PEIMS Data, Historical Records

COMPLIANCE SECTION

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

Board of Trustees
Edgewood Independent School District
San Antonio, Texas

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

Report on Internal Control Over Financial Reporting

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

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

Report on Compliance and Other Matters

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

OFFICE LOCATIONS

TEXAS | Waco | Temple | Hillsboro | Houston
NEW MEXICO | Albuquerque

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

Pattillo, Brown & Hill, L.L.P.

Waco, Texas
November 14, 2023

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE

Board of Trustees
Edgewood Independent School District
San Antonio, Texas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Edgewood Independent School District's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Edgewood Independent School District's major federal programs for the year ended June 30, 2023. Edgewood Independent School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

OFFICE LOCATIONS

TEXAS | Waco | Temple | Hillsboro | Houston
NEW MEXICO | Albuquerque

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

Pattillo, Brown & Hill, L.L.P.

Waco, Texas
November 14, 2023

EDGEWOOD INDEPENDENT SCHOOL DISTRICT

EXHIBIT K-1

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor/ Pass-through Grantor/ Grantor/Program Title	(1) Assistance Listing Number	(2A) Pass-through Entity Identifying Number	(3) Federal Expenditures
<u>U. S. DEPARTMENT OF AGRICULTURE</u>			
Passed through the Texas Education Agency:			
School Breakfast Program	10.553	71402201	\$ 349,858
School Breakfast Program	10.553	71402301	1,207,475
National School Lunch Program - Cash Assistance	10.555	71302201	1,079,261
National School Lunch Program - Cash Assistance	10.555	71302301	3,623,550
Total passed through Texas Education Agency			6,260,144
Supply Chain Assistance	10.555	00080	278,175
COVID-19 Commodity Storage Delivery Reimbursement	10.555	00080	1,836
National School Lunch Program - Non-Cash Assistance	10.555	71302001	540,868
COVID-19 Pandemic P-EBT Food Benefits Program	10.649	NT4XL1YGLGC5	5,950
Child and Adult Care Food Program	10.558	71301901	1,050,059
Total passed through the Texas Department of Agriculture			1,876,888
Total Child Nutrition Cluster			7,081,023
TOTAL U. S. DEPARTMENT OF AGRICULTURE			8,137,032
<u>U. S. DEPARTMENT OF DEFENSE</u>			
Direct Program:			
Air Force Junior ROTC	12.000	N/A	91,790
Total Direct Program			91,790
TOTAL U. S. DEPARTMENT OF DEFENSE			91,790
<u>U. S. FEDERAL COMMUNICATIONS COMMISSION</u>			
Direct program:			
COVID-19 - Emergency Connectivity Fund	32.009	N/A	642,012
Total Direct Programs			642,012
TOTAL U. S. FEDERAL COMMUNICATIONS COMMISSION			642,012
<u>U. S. DEPARTMENT OF EDUCATION</u>			
Passed through The University of Texas at Austin:			
GEAR UP - Grants to School Districts	84.334S	195110017110001	280,925
Total passed through The University of Texas at Austin			280,925
Passed through the Texas Education Agency:			
Title I, Part A - Improving Basic Programs	84.010A	22610141015905	722,583
Title I, Part A - Improving Basic Programs	84.010A	23610141015905	5,175,269
Title I, 1003 School Improvement	84.010A	22610141015905	16,666
Title I, 1003 School Improvement	84.010A	23610141015905	97,327
Teacher Leadership Grant	84.010A	216101467110002	2,428
Title I, 1003 ESF Focus	84.010A	226101577110023	172,177
School Action Fund Continuation	84.010A	216101477110009	11,785
School Action Fund Continuation	84.010A	226101517110017	375,674
School Action Fund Continuation	84.010A	226101517110015	445,092
School Action Fund Continuation	84.010A	236101627110006	457,009
School Action Fund Continuation	84.010A	236101627110005	404,119
School Action Fund - Planning	84.010A	216101627110013	70,964
School Action Fund - Planning	84.010A	216101627110014	96,138
Total Assistance Listing Number 84.010A			8,047,231
IDEA - Part B, Formula	84.027A	226600010159056000	439,275
IDEA - Part B, Formula	84.027A	236600010159056000	1,736,125
Total Assistance Listing Number 84.027A			2,175,400

EDGEWOOD INDEPENDENT SCHOOL DISTRICT

EXHIBIT K-1

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor/ Pass-through Grantor/ Grantor/Program Title	(1) Assistance Listing Number	(2A) Pass-through Entity Identifying Number	(3) Federal Expenditures
U. S. DEPARTMENT OF EDUCATION (cont'd)			
Passed through the Texas Education Agency (cont'd):			
IDEA - Part B, Preschool	84.173A	226610010159056000	653
IDEA - Part B, Preschool	84.173A	236610010159056000	25,848
Total Assistance Listing Number 84.173A			<u>26,501</u>
Total Special Education Cluster (IDEA)			<u>2,201,901</u>
Carl D. Perkins Basic Formula Grant	84.048A	22420006015905	99,765
Carl D. Perkins Basic Formula Grant	84.048A	23420006015905	193,229
Total Assistance Listing Number 84.048A			<u>292,994</u>
TX Education for Homeless (TECHY)	84.196A	234600057110025	6,435
Total Assistance Listing Number 84.196A			<u>6,435</u>
Public Charter School Program Start-up	84.282A	205900127110006	232,454
Public Charter School Program Start-up	84.282A	215901027110002	413,747
Public Charter School Program Start-up	84.282A	215901027110003	145,661
Public Charter School Program Start-up	84.282A	215901027110004	818,768
Public Charter School Program Start-up	84.282A	225901027110010	11,392
Public Charter School Program Start-up	84.282A	215901027110005	816,094
Total Assistance Listing Number 84.282A			<u>2,438,116</u>
Title III, Part A - English Language Acquisition	84.365A	22671001015905	66,012
Title III, Part A - English Language Acquisition	84.365A	23671001015905	280,634
Total Assistance Listing Number 84.365A			<u>346,646</u>
Title II, Part A, Supporting Effective Instruction	84.367A	22694501015905	50,206
Title II, Part A, Supporting Effective Instruction	84.367A	23694501015905	596,110
Total Assistance Listing Number 84.367A			<u>646,316</u>
LEP Summer School	84.369A	69552102	1,439
LEP Summer School	84.369A	69552202	5,917
Total Assistance Listing Number 84.369A			<u>7,356</u>
School Action Fund - Planning	84.377A	226101637110004	280,817
Total Assistance Listing Number 84.377A			<u>280,817</u>
Title IV, Part A, Student Support & Academic Enrichment	84.424A	22680101015905	289,597
Title IV, Part A, Student Support & Academic Enrichment	84.424A	23680101015905	285,397
Total Assistance Listing Number 84.424A			<u>574,994</u>
COVID-19 - ESSER I	84.425D	20521001015905	162,249
COVID-19 - ESSER II	84.425D	21521001015905	7,823,977
COVID-19 - ESSER III	84.425U	215280587110049	19,693,359
COVID-19 - TCLAS High Quality After School	84.425U	215280587110049	350,292
COVID-19 - ESSER III (TCLAS)	84.425U	21528042015905	1,835,332
COVID-19 - ARP HOMELESS I-TEHCY SUPPLEMENT	84.425W	215330017110025	56,111
COVID-19 - ARP HOMELESS II	84.425W	21533002015905	12,401
Total Assistance Listing Number 84.425			<u>29,933,721</u>
Total passed through the Texas Education Agency			<u>44,776,527</u>
TOTAL U. S. DEPARTMENT OF EDUCATION			<u>45,057,452</u>

EDGEWOOD INDEPENDENT SCHOOL DISTRICT

EXHIBIT K-1

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor/ Pass-through Grantor/ Grantor/Program Title	(1) Assistance Listing Number	(2A) Pass-through Entity Identifying Number	(3) Federal Expenditures
<u>U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Passed through City of San Antonio:			
Head Start (Head Start Cluster)	93.600	4600017111	<u>7,605,841</u>
Total Assistance Listing Number 93.600			<u>7,605,841</u>
Total passed through City of San Antonio			<u>7,605,841</u>
Passed through TX Health & Human Svcs Commission			
Medicaid Administrative Claiming Program (Medicaid Cluster)	93.778	HHS000537900249	<u>175,372</u>
Total passed through TX Health & Human Svcs Commission			<u>175,372</u>
TOTAL U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>7,781,213</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 61,709,499</u>

EDGEWOOD INDEPENDENT SCHOOL DISTRICT

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

JUNE 30, 2023

1. The District utilizes the fund types specified in Texas Education Agency's Financial Accountability System Resource Guide.

General Fund – is used to account for resources related to the United States Department of Defense ROTC program, the Child Nutrition programs, the E-rate program, Impact Aid, the Medicaid Administrative Claiming program, interest subsidy, Cares Relief Act and ESSER funding and indirect cost revenues of various federal grants.

Special Revenue Funds are used to account for resources restricted or designated for specific purposes by a grantor. Federal and state financial assistance generally is accounted for in a Special Revenue Fund. Funds that are not expended are generally returned to the grantor at the close of specified grant periods.

The accompanying Schedule of Expenditures of Federal Awards (SEFA), Exhibit K-1, includes the federal award activity of the District under programs of the federal government for the year ended June 30, 2023. The information 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).

2. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental fund types are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets, deferred outflows of resources, current liabilities, deferred inflows of resources, and the fund balance are included on the balance sheet. Operating statements of these funds present increases and decreases in net current position.

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

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

3. The period of performance for Federal grant funds for the purpose of liquidation of outstanding obligations made on or before the ending date of the Federal project period is no later than 90 days after the Federal project period ending date as specified in the terms and conditions of the Federal award, unless an extension is authorized by the Federal awarding agency or pass-through entity, in accordance with the Uniform Guidance.
4. Expenditures for the National School Lunch and Breakfast Program are not specifically attributable to the Federal revenue source and are shown on the schedule in an amount equal to Federal revenue. Included in the National School Lunch Program are USDA Donated Commodities which represent non-cash assistance. Expenditures are recognized for the issuance of the commodities to the District's campuses.
5. The District has not elected to use the 10% de minimis indirect cost rate as allowed in the Uniform Guidance.
6. None of the federal or state programs expended by the District were passed through to subrecipients.

7. The expenditures shown on the SEFA does not include School Health and Related Services (SHARS), E-Rate program, and Qualified Energy Conservation Bonds (QECB) interest subsidy, recorded in the General Fund, since the revenue for those programs are not considered federal financial assistance as defined by the Uniform Guidance. A reconciliation of the expenditures reported in the SEFA to reported federal revenues shown on Exhibit C-3 is as follows:

Federal revenues per the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds (Exhibit C-3)	\$ 63,883,189
Less items not subject to single audit:	
School health and related services revenue	1,958,731
E-Rate	58,529
QECN	<u>156,430</u>
Federal expenditures per the Schedule of Expenditures of Federal Awards (Exhibit K-1)	<u>\$ 61,709,499</u>

EDGEWOOD INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2023

Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	None

Federal Awards:

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported

Type of auditor's report issued on compliance for major programs	Unmodified
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Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	None
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Identification of major programs:

Assistance Listing Number(s):	Name of Federal Program or Cluster:
84.027A, 84.173A	Special Education Cluster (IDEA)
84.010A	Title I, Part A-Improving Basic Programs
84.425D, 84.425U, 84.425W	COVID-19 - Elementary and Secondary School Emergency Relief (ESSER) II & III

Dollar threshold used to distinguish between type A and type B programs	\$1,851,285
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Auditee qualified as low-risk auditee?	Yes
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Findings Relating to the Financial Statements Which are Required to be Reported in Accordance With Generally Accepted Government Auditing Standards

None

Findings and Questioned Costs for Federal Awards

None

EDGEWOOD INDEPENDENT SCHOOL DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FOR THE YEAR ENDED JUNE 30, 2023

None