

**LA VILLA INDEPENDENT
SCHOOL DISTRICT**



**Annual Financial Report
For the year ended
June 30, 2023**

Raul Hernandez & Company, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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LA VILLA INDEPENDENT SCHOOL DISTRICT
ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED
JUNE 30, 2023

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CERTIFICATE OF BOARD

La Villa Independent School District
Name of School District

Hidalgo
County

108914
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 25th of October, 2023.


Signature of Board Secretary - Asst.


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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Raul Hernandez & Company, P.C.
Certified Public Accountants
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INDEPENDENT AUDITORS' REPORT

La Villa Independent School District
500 East 9th Street
La Villa, Texas 78562

Report on the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the La villa 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 opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and budgetary comparison information on pages 53, 74, and 75 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 GASB, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying combining statements and individual nonmajor fund financial statements and Schedule of Expenditures of Federal Awards, as required by 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*, 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 account and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 25, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 District's internal control over financial reporting and compliance.

Raul Hernandez + Company, P.C.

Corpus Christi, Texas

October 25, 2023

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MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

In this section of the Annual Financial and Compliance Report, we, the managers of La Villa Independent School District, discuss and analyze the District's financial performance during the year ended June 30, 2023. Please read it in conjunction with the independent auditors' report on page 1, and the District's Basic Financial Statements, which begin on page 13.

FINANCIAL HIGHLIGHTS

- The District's net position was \$3,817,216, which is a \$124,644 increase compared to last year's balance of \$3,692,572. The increase is due, in part, to the effect of an increase in assets and an increase in revenue.
- During the year, the District had tax revenues of \$1,817,048 which included \$1,273,663 and \$543,385 for property taxes, levied for general purposes and debt service, respectively.
- The General Fund ended the year with a fund balance of \$2,975,926 which is a net decrease of (\$275,097) from the prior year. The Debt Service Fund ended the year with a fund balance of \$655,208, which represents an increase from the prior year of \$8,674. Capital Projects funds had a zero fund balance, which has no change from the prior year.
- Revenues from governmental activities were \$13,163,234, which represents a \$380,084 increase from the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts—*management's discussion and analysis* (this section), the *basic financial statements*, and *required supplementary information*. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the District's overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the government, reporting the District's operations in more detail than the government-wide statements.
- *The governmental funds* statements tell how *general government* services were financed in the *short term* as well as what remains for future spending.
- *Proprietary fund* statements offer *short-* and *long-term* financial information about the activities the government operates *like businesses*. The District maintains one type of proprietary fund, an internal service fund. The Internal service fund is used to report activities of the District's self-insurance program. Because these services predominately benefit governmental rather than business-type functions, the Internal Service Fund is reported with *governmental activities* in the government-wide financial statements. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The Internal Service Fund is presented as a single, aggregated presentation in the proprietary fund financial statements.

- *Fiduciary fund* statements provide information about the financial relationships in which the District acts solely as a *trustee or agent* for the benefit of others, to whom the resources in question belong.
- *Notes to the financial statements.* The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.
- *Other information.* In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the district's progress in funding its obligation to provide pension benefits to its employees. Immediately following the required supplementary information on pensions are the two budgetary schedules on the general fund and major special revenue fund. The combining statements in connection to nonmajor governmental funds and fiduciary funds are then presented.

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

Figure A-1 summarizes the major features of the District's financial statements, including the portion of the District government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Figure A-1 Major Features of the District's Government-wide and Fund Financial Statements

<u>Type of Statements</u>	<u>Government-wide</u>	<u>Governmental Funds</u>	<u>Proprietary Funds</u>	<u>Fiduciary Funds</u>
<u>Scope</u>	Entire district Government (except Fiduciary funds) and the district's component units	The activities of the district that are not proprietary or fiduciary	Activities of District similar to private business; self insurance	Instances in which the district is the trustee or agent for someone else's resources
<u>Required Financial Statements</u>	<i>Statement of Net position</i> <i>Statement of Activities</i>	<i>Balance Sheet</i> <i>Statement of revenues, expenditures & changes in fund balances</i> <i>Statement of cash flows</i>	<i>Statement of net position</i> <i>Statement of rev, exp, & changes in net position</i> <i>Statement of flows</i>	<i>Statement of fiduciary net position</i> <i>Statement of in fiduciary net position</i>
<u>Accounting basis and measurement focus</u>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial	Accrual accounting and economic focus	Accrual accounting economic resources focus

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The government-wide financial statements include the Statement of Net position and the Statement of Activities (on pages 13 and 14). These provide information about the activities of the District as a whole and present a longer-term view of the District's property and debt obligations and other financial matters. They reflect the flow of total economic resources in a manner similar to the financial reports of a business enterprise.

Fund financial statements (starting on page 15) report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds. For governmental activities, these statements tell how services were financed in the short term as well as what resources remain for future spending. They reflect the flow of current financial resources, and supply the basis for tax levies and the appropriations budget. For proprietary activities, fund financial statements tell how goods or services of the District were sold to departments within the District or to external customers and how the sales revenues covered the expenses of the goods or services. The remaining statements, fiduciary statements, provide financial information about activities for which the District acts solely as a trustee or agent for the benefit of those outside of the district.

The notes to the financial statements (starting on page 23) provide narrative explanations or additional data needed for full disclosure in the government-wide statements or the fund financial statements.

The combining statements for nonmajor funds contain even more information about the District's individual funds. These are not required by TEA. The section labeled Other Schedules contain data used by monitoring or regulatory agencies for assurance that the District is using funds supplied in compliance with the terms of grants.

Reporting the District as a Whole

The Statement of Net position and the Statement of Activities

The analysis of the District's overall financial condition and operations begins on page 13. Its primary purpose 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 and liabilities at the end of the year while the Statement of Activities includes all the revenues and expenses generated by the District's operations during the year. These apply the accrual basis of accounting which is the basis used by private sector companies.

All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. The District's revenues are divided into those provided by outside parties who share the costs of some programs, such as tuition received from students from outside the district and grants provided by the U.S. Department of Education to assist children with disabilities or from disadvantaged backgrounds (program revenues), and revenues provided by the taxpayers or by TEA in equalization funding processes (general revenues). All the District's assets are reported whether they serve the current year or future years. Liabilities are considered regardless of whether they must be paid in the current or future years.

These two statements report the District's net position and changes in them. The District's net position (the difference between assets 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 the Statement of Activities, we present the District's one kind of activity:

- Governmental activities—Most of the District's basic services are reported here, including the 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.

Reporting the District's Most Significant Funds

Fund Financial Statements

The fund financial statements begin on page 15 and provide detailed information about the most significant funds—not the District as a whole. Laws and contracts require the District to establish some funds, such as grants received under the Every Student Succeeds Act from the U.S. Department of Education. The District's administration establishes many other funds to help it control and manage money for particular purposes (like campus activities). The District's governmental funds use the following accounting approach:

Governmental funds—Most of the District's basic services are reported in governmental funds. These use modified accrual accounting (a method that measures the receipt and disbursement of cash and all other financial assets that can be readily converted to cash) and report balances that are available for future spending. The governmental fund statements provide a detailed short-term view of the District's general operations and the basic services it provides. We describe the differences between governmental activities (reported in the Statement of Net position and the Statement of Activities) and governmental funds in reconciliation schedules following each of the fund financial statements.

The District as Trustee

Reporting the District's Fiduciary Responsibilities

- The District is the trustee, or fiduciary, for money raised by student activities and alumnae scholarship programs. All of the District's fiduciary activities are reported in separate Statements of Fiduciary Net position on page 21. We exclude these resources from the District's other financial statements because the District cannot use these assets to finance its operations. The District is only responsible for ensuring that the assets reported in these funds are used for their intended purposes.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The District implemented GASB Statement #34 in 2001. Our analysis focuses on the net position (Table I) and changes in net position (Table II) of the District's governmental-type activities between current and prior year.

Net position of the District's governmental activities increased from \$3,692,572 to \$3,817,216. The increase is partly due to an increase in assets and increase in revenues. Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – was (\$2,317,712,) at June 30, 2023 which represents a \$171,394 increase from prior year. The District's revenues exceeded expenditures by \$419,212. The District paid bonds and other long-term debt in the amount of \$627,262. Furthermore, acquired capital assets, including completed capital projects, amounted to a net after disposals, before depreciation, of \$533,918. The District recorded depreciation in the amount of \$715,934. In addition, accumulated depreciation was \$9,508,862 as of June 30, 2023. (See note D on page 33)

Total Revenue increased by \$380,084 during the year ended June 30, 2023. Operating Grants and Contributions, accounted for a majority of the increase. Total Expenditures increased by \$1,286,930 during the year. Significant increases included Instruction Leadership and Instruction expenditures.

The District has no business-type activities.

Table 1
LA VILLA INDEPENDENT
SCHOOL DISTRICT

ASSETS	Governmental Activities		Change
	2023	2022	
Cash and Cash Equivalents	\$ 3,593,686	\$ 2,907,861	\$ 685,825
Property Taxes Receivable (Delinquent)	249,363	238,113	11,250
Allowance for Uncollectible Taxes	(23,810)	(23,810)	-
Due from Other Governments	1,786,724	1,797,068	(10,344)
Due from Fiduciary Funds	-	1,856	(1,856)
Total Current Assets:	<u>5,605,963</u>	<u>4,921,088</u>	684,875
Capital Assets:			
Land	147,793	147,793	-
Buildings, Net	15,405,919	15,849,999	(444,080)
Furniture and Equipment, Net	580,232	440,600	139,632
Right-to-Use Leased Assets, Net	122,431	-	122,431
Total Noncurrent Assets	<u>16,256,375</u>	<u>16,438,392</u>	(182,017)
Total Assets	<u>\$ 21,862,338</u>	<u>\$ 21,359,480</u>	<u>\$ 502,858</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Charge for Refunding	52,950	61,916	(8,966)
Deferred Outflow Related to TRS Pension	1,561,851	876,516	685,335
Deferred Outflow Related to TRS OPEB	1,149,410	783,157	366,253
Total Deferred Outflows of Resources	<u>2,764,211</u>	<u>1,721,589</u>	1,042,622
LIABILITIES			
Accounts Payable	44,055	63,963	(19,908)
Interest Payable	129,407	137,315	(7,908)
Accrued Wages Payable	552,726	283,845	268,881
Due to Fiduciary Funds	-	105,874	(105,874)
Due to Other Governments	1,096,594	291,570	805,024
Due to Student Groups	2,321	4,112	(1,791)
Accrued Expenses	-	7,676	(7,676)
Noncurrent Liabilities			
Due Within One Year	637,205	659,698	(22,493)
Due in More Than One Year	10,245,980	10,638,527	(392,547)
Net Pension Liability (District's Share)	3,149,334	1,217,921	1,931,413
Net OPEB Liability (District's Share)	1,671,420	2,381,441	(710,021)
Total Liabilities	<u>17,529,042</u>	<u>15,791,942</u>	1,737,100
DEFERRED INFLOW OF RESOURCES			
Deferred Inflow Related to TRS Pension	321,617	1,462,294	(1,140,677)
Deferred Inflow Related to TRS OPEB	2,958,674	2,134,261	824,413
Total Deferred Inflows of Resources	<u>3,280,291</u>	<u>3,596,555</u>	(316,264)
NET POSITION			
Net Investment in Capital Assets and Right-to-Use Lease Assets	5,426,140	5,140,167	285,973
Restricted for Federal and State Programs	53,580	52,189	1,391
Restricted for Debt Service	655,208	646,534	8,674
Unrestricted	(2,317,712)	(2,146,318)	(171,394)
Total Net Position	<u>\$ 3,817,216</u>	<u>\$ 3,692,572</u>	<u>\$ 124,644</u>

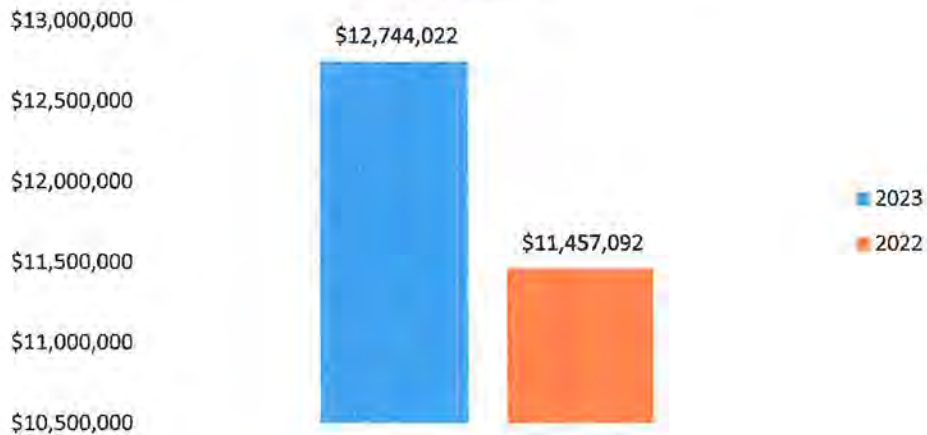
Table II
LA VILLA INDEPENDENT
SCHOOL DISTRICT

REVENUES	Governmental Activities 2023	Governmental Activities 2022	Change
Program Revenues:			
Charges for Services	\$ 101,918	\$ 171,447	\$ (69,529)
Operating Grants and Contributions	4,715,515	3,544,146	1,171,369
General Revenues:			
Property Taxes, Levied for General Purposes	1,273,663	1,268,652	5,011
Property Taxes, Levied for Debt Service	543,385	521,571	21,814
Grants and Contributions not Restricted	6,477,044	7,066,968	(589,924)
Investment Earnings	26,916	-	26,916
Miscellaneous Local and Intermediate Revenues	24,793	210,366	(185,573)
Total Revenue	<u>13,163,234</u>	<u>12,783,150</u>	<u>380,084</u>
Expenses:			
Instruction	5,521,598	5,286,943	234,655
Instructional Resources and Media Services	171,444	93,231	78,213
Curriculum and Instructional Staff Development	523,124	421,475	101,649
Instructional Leadership	747,505	236,682	510,823
School Leadership	528,629	346,338	182,291
Guidance, Counseling, and Evaluation Services	207,205	280,641	(73,436)
Health Services	136,017	110,718	25,299
Student (Pupil) Transportation	278,019	90,596	187,423
Food Services	644,776	590,835	53,941
Extracurricular Activities	581,422	500,597	80,825
General Administration	839,656	1,001,312	(161,656)
Facilities Maintenance and Operations	1,542,583	1,489,908	52,675
Security and Monitoring Services	157,421	159,365	(1,944)
Data Processing Services	291,061	294,892	(3,831)
Community Services	10,371	15,886	(5,515)
Debt Service - Interest on Long Term Debt	348,191	366,535	(18,344)
Debt Service - Bond Issuance Cost and Fees	30,967	-	30,967
Payments related to Shared Services Arrangements	165,328	157,226	8,102
Other Intergovernmental Charges	18,705	13,912	4,793
Total Expenses	<u>12,744,022</u>	<u>11,457,092</u>	<u>1,286,930</u>
Change in Net Position	419,212	1,326,058	(906,846)
Net Position - Beginning of Year	3,692,572	2,297,587	1,394,985
Prior Period Adjustment	(294,568)	68,927	(363,495)
Net Position - End of Year	<u>\$ 3,817,216</u>	<u>\$ 3,692,572</u>	<u>\$ 124,644</u>

Figure 1
Governmental Activities - Revenues by Source
 (in dollars)



Figure 2
Governmental Activities - Expenses by Source
 (in dollars)



THE DISTRICT'S FUNDS

As the District completed the year, its governmental funds (as presented in the balance sheet on page 15) reported a combined fund balance of \$3,684,714, which represents a net decrease of (\$265,032) over last year's total of \$3,949,746.

The District's General Fund balance of \$2,975,926 reported on page 53, differs from the General Fund's budgetary fund balance of \$2,969,651 reported in the budgetary comparison schedule, which is a difference of \$6,275.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At year end June 30, 2023, the District had about \$25 million invested in a broad range of capital assets, including land, construction in progress, buildings, and furniture & equipment.

This year's major additions included:

	<u>2023</u>	<u>2022</u>
Land	\$ 147,793	\$ 147,793
Buildings and Improvements	22,953,007	22,927,207
Furniture and Equipment	2,441,833	2,156,319
Right to Use Assets	222,604	-
Totals at Historical Costs	<u>25,765,237</u>	<u>25,231,319</u>
Accumulated Depreciation	<u>(9,508,862)</u>	<u>(8,792,928)</u>
Total Capital Assets (Net)	<u>\$ 16,256,375</u>	<u>\$ 16,438,391</u>

More detailed information about the District's capital assets is presented in Note D (page 33) to the financial statements.

Debt

At year end June 30, 2023, the District had \$10,769,157 in bonds and other long-term debt outstanding, which had a net decrease from the prior year balance of \$11,298,224.

More detailed information about the District's long-term liabilities is presented in Note G (page 35) to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Budget

Property Values were estimated as HB3 86th legislature amended Section 48.256, Education Code, for using the current, rather than preceding taxable value of property in calculating a district's local share of the FSP. This change applies to all FSP local share calculations including those for the Instructional Facilities Allotment (IFA) and Existing Debt Allotment (EDA) under Chapter 46, Education Code. Plans were made to adjust the property value based on TEAs interpretation of HB3 and County Certified Tax Appraisal values. The preliminary adjusted freeze taxable value used for the 2022-2023 budget increased .857% to \$122,740,352 from \$121,697,032 in the previous year. Student enrollment and ADA were budgeted to remain flat at 600 and 555, respectively, due to COVID19 unpredictability. The following indicators were taken into consideration in developing the general operating fund budget for FY 2022-2023: • District staff totaled 138 employees in 2022-2023, of which 52 are teachers and 86 are teacher aides, secretaries and clerks. • For the 2022-2023 the Board of Trustees approved the following stipends: \$1,000 for directors and \$1,500 for paraprofessionals and remainder employees. • The district maintains three (3) campuses for student instruction. • State Aide will remain as approved by HB3; • Chapter 313 Agreement with Tera-Gen, LLC is ongoing: a line-item was added to reflect revenue OF \$57K for FY 2022-2023.

Taxes

• The tax rate for Maintenance and Operations (M&O) for FY 2022-2023 is \$1.0187 and \$.4290 for Interest and Sinking for a total tax rate of \$1.4477. • The preliminary adjusted freeze taxable value used for the 2022-2023 budget increased .857% to \$122,740,352 from \$121,697,032 in the previous year. The Hidalgo County Appraisal District reviews and assesses property values based on the local real estate market within the district's geographical taxing jurisdiction.

COVID-19

The full extent of the operational and financial impact the COVID-19 pandemic may have on the District is dependent on its duration and spread as well as any related operational restrictions and the overall economy. Other than adjusting for enrollment and taxable value growth, there were no attempts made to estimate financial impacts or assumptions of legislative funding cuts

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's business office, at La Villa Independent School District, P O Box 10, La Villa, Texas, 78588.

BASIC FINANCIAL STATEMENTS

LA VILLA INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2023

EXHIBIT A-1

Data Control Codes	Primary Government Governmental Activities
ASSETS	
1110 Cash and Cash Equivalents	\$ 3,593,686
1220 Property Taxes - Delinquent	249,363
1230 Allowance for Uncollectible Taxes	(23,810)
1240 Due from Other Governments	1,786,724
Capital Assets:	
1510 Land	147,793
1520 Buildings, Net	15,405,919
1530 Furniture and Equipment, Net	580,232
1550 Right-to-Use Leased Assets, Net	122,431
1000 Total Assets	21,862,338
DEFERRED OUTFLOWS OF RESOURCES	
1701 Deferred Charge for Refunding	52,950
1705 Deferred Outflow Related to TRS Pension	1,561,851
1706 Deferred Outflow Related to TRS OPEB	1,149,410
1700 Total Deferred Outflows of Resources	2,764,211
LIABILITIES	
2110 Accounts Payable	44,055
2140 Interest Payable	129,407
2160 Accrued Wages Payable	552,726
2180 Due to Other Governments	1,096,594
2190 Due to Student Groups	2,321
Noncurrent Liabilities:	
2501 Due Within One Year: Loans, Note, Leases, etc.	637,205
Due in More than One Year:	
2502 Bonds, Notes, Loans, Leases, etc.	10,245,980
2540 Net Pension Liability (District's Share)	3,149,334
2545 Net OPEB Liability (District's Share)	1,671,420
2000 Total Liabilities	17,529,042
DEFERRED INFLOWS OF RESOURCES	
2605 Deferred Inflow Related to TRS Pension	321,617
2606 Deferred Inflow Related to TRS OPEB	2,958,674
2600 Total Deferred Inflows of Resources	3,280,291
NET POSITION	
3200 Net Investment in Capital Assets and Right-to-Use Lease Assets	5,426,140
Restricted:	
3820 Restricted for Federal and State Programs	53,580
3850 Restricted for Debt Service	655,208
3900 Unrestricted	(2,317,712)
3000 Total Net Position	\$ 3,817,216

The notes to the financial statements are an integral part of this statement.

LA VILLA INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

EXHIBIT B-1

Data Control Codes	1	Program Revenues		6
		Expenses	3 Charges for Services	4 Operating Grants and Contributions
Primary Government:				
GOVERNMENTAL ACTIVITIES:				
11	\$ 5,521,598	\$ 64,413	\$ 1,842,229	\$ (3,614,956)
12	171,444	-	10,748	(160,696)
13	523,124	-	334,553	(188,571)
21	747,505	-	759,560	12,055
23	528,629	-	29,250	(499,379)
31	207,205	-	73,096	(134,109)
33	136,017	-	31,503	(104,514)
34	278,019	-	19,537	(258,482)
35	644,776	1,938	709,664	66,826
36	581,422	35,567	-	(545,855)
41	839,656	-	222,623	(617,033)
51	1,542,583	-	546,644	(995,939)
52	157,421	-	43,345	(114,076)
53	291,061	-	91,766	(199,295)
61	10,371	-	997	(9,374)
72	348,191	-	-	(348,191)
73	30,967	-	-	(30,967)
93	165,328	-	-	(165,328)
99	18,705	-	-	(18,705)
[TP] TOTAL PRIMARY GOVERNMENT:	<u>\$ 12,744,022</u>	<u>\$ 101,918</u>	<u>\$ 4,715,515</u>	<u>(7,926,589)</u>
General Revenues:				
Taxes:				
MT	Property Taxes, Levied for General Purposes			1,273,663
DT	Property Taxes, Levied for Debt Service			543,385
GC	Grants and Contributions not Restricted			6,477,044
IE	Investment Earnings			26,916
MI	Miscellaneous Local and Intermediate Revenue			24,793
TR	Total General Revenues			<u>8,345,801</u>
CN	Change in Net Position			419,212
NB	Net Position - Beginning			3,692,572
PA	Prior Period Adjustment			(294,568)
NE	Net Position - Ending			<u>\$ 3,817,216</u>

The notes to the financial statements are an integral part of this statement.

LA VILLA INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

Data Control Codes	10 General Fund	COVID-19 ESSER III School Relief	50 Debt Service Fund
ASSETS			
1110 Cash and Cash Equivalents	\$ 3,844,587	\$ (362,754)	\$ 753,551
1220 Property Taxes - Delinquent	193,736	-	55,627
1230 Allowance for Uncollectible Taxes	(18,770)	-	(5,040)
1240 Due from Other Governments	709,407	362,754	-
1260 Due from Other Funds	102,707	-	-
1000 Total Assets	<u>\$ 4,831,667</u>	<u>\$ -</u>	<u>\$ 804,138</u>
LIABILITIES			
2110 Accounts Payable	\$ 44,055	\$ -	\$ -
2160 Accrued Wages Payable	552,726	-	-
2170 Due to Other Funds	110,870	-	98,343
2180 Due to Other Governments	973,124	-	-
2190 Due to Student Groups	-	-	-
2000 Total Liabilities	<u>1,680,775</u>	<u>-</u>	<u>98,343</u>
DEFERRED INFLOWS OF RESOURCES			
2601 Unavailable Revenue - Property Taxes	174,966	-	50,587
2600 Total Deferred Inflows of Resources	<u>174,966</u>	<u>-</u>	<u>50,587</u>
FUND BALANCES			
Restricted Fund Balance:			
3450 Federal or State Funds Grant Restriction	-	-	-
3480 Retirement of Long-Term Debt	-	-	655,208
3600 Unassigned Fund Balance	2,975,926	-	-
3000 Total Fund Balances	<u>2,975,926</u>	<u>-</u>	<u>655,208</u>
4000 Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 4,831,667</u>	<u>\$ -</u>	<u>\$ 804,138</u>

The notes to the financial statements are an integral part of this statement.

Other Funds	Total Governmental Funds
\$ (641,698)	\$ 3,593,686
-	249,363
-	(23,810)
714,466	1,786,627
-	102,707
<u>\$ 72,768</u>	<u>\$ 5,708,573</u>
\$ -	\$ 44,055
-	552,726
4,267	213,480
12,600	985,724
2,321	2,321
<u>19,188</u>	<u>1,798,306</u>
-	225,553
<u>-</u>	<u>225,553</u>
53,580	53,580
-	655,208
-	2,975,926
<u>53,580</u>	<u>3,684,714</u>
<u>\$ 72,768</u>	<u>\$ 5,708,573</u>

LA VILLA INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
JUNE 30, 2023

EXHIBIT C-2

Total Fund Balances - Governmental Funds	\$	3,684,714
1 The District uses internal service funds to charge the costs of certain activities, such as self-insurance and printing, to appropriate functions in other funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. The net effect of this consolidation is to increase net position.		-
2 Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. At the beginning of the year, the cost of these assets was \$25,083,527 and the accumulated depreciation was (\$8,792,928). In addition, long-term liabilities, including bonds payable, are not due and payable in the current period, and, therefore are not reported as liabilities in the funds. The net effect of including the beginning balances for capital assets (net of depreciation) and long-term debt in the governmental activities is to decrease net position. Note: Beginning Balances related to TRS are NOT included in this amount.		5,064,768
3 Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of including the 2023 capital outlays and debt principal payments is to decrease net position.		(69,797)
4 Included in the items related to debt is the recognition of the District's proportionate share of the net position liability required by GASB 68. The net position related to TRS included a deferred resource outflow in the amount of \$1,561,851, a deferred resource inflow in the amount of \$321,617, and a net pension liability in the amount of \$3,149,334. This resulted in an increase (decrease) in net position.		(1,909,100)
5 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 \$1,149,410, a deferred resource inflow in the amount of \$2,958,674, and a net OPEB liability in the amount of \$1,671,420. This resulted in an increase (decrease) in net position.		(3,480,684)
6 The 2023 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position.		(660,284)
7 Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unavailable revenue from property taxes as revenue, reclassifying the proceeds of bond sales as an increase in bonds payable, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase net position.		1,187,597
19 Net Position of Governmental Activities	\$	3,817,216

The notes to the financial statements are an integral part of this statement.

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LA VILLA 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 General Fund	COVID-19 ESSER III School Relief	50 Debt Service Fund
REVENUES:			
5700 Total Local and Intermediate Sources	\$ 1,406,884	\$ -	\$ 552,539
5800 State Program Revenues	6,622,661	-	224,160
5900 Federal Program Revenues	682,507	1,562,902	-
5020 Total Revenues	<u>8,712,052</u>	<u>1,562,902</u>	<u>776,699</u>
EXPENDITURES:			
Current:			
0011 Instruction	3,807,735	863,650	-
0012 Instructional Resources and Media Services	158,559	10,748	-
0013 Curriculum and Instructional Staff Development	208,979	81,911	-
0021 Instructional Leadership	6,277	151,668	-
0023 School Leadership	507,985	5,950	-
0031 Guidance, Counseling, and Evaluation Services	134,623	73,096	-
0033 Health Services	107,338	31,503	-
0034 Student (Pupil) Transportation	237,161	19,537	-
0035 Food Services	601,327	5,868	-
0036 Extracurricular Activities	569,243	-	-
0041 General Administration	595,651	7,244	-
0051 Facilities Maintenance and Operations	1,261,608	196,163	-
0052 Security and Monitoring Services	121,769	23,798	-
0053 Data Processing Services	211,455	91,766	-
0061 Community Services	9,374	-	-
Debt Service:			
0071 Principal on Long-Term Liabilities	222,766	-	445,000
0072 Interest on Long-Term Liabilities	56,543	-	323,025
0073 Bond Issuance Cost and Fees	30,967	-	-
Intergovernmental:			
0093 Payments to Fiscal Agent/Member Districts of SSA	165,328	-	-
0099 Other Intergovernmental Charges	18,705	-	-
6030 Total Expenditures	<u>9,033,393</u>	<u>1,562,902</u>	<u>768,025</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(321,341)</u>	<u>-</u>	<u>8,674</u>
OTHER FINANCING SOURCES (USES):			
7913 Proceeds of Right-to-Use Lease	222,604	-	-
7914 Non-Current Loans	130,629	-	-
7080 Total Other Financing Sources (Uses)	<u>353,233</u>	<u>-</u>	<u>-</u>
1200 Net Change in Fund Balances	31,892	-	8,674
0100 Fund Balance - July 1 (Beginning)	3,251,023	-	646,534
1300 Increase (Decrease) in Fund Balance	(306,989)	-	-
3000 Fund Balance - June 30 (Ending)	<u>\$ 2,975,926</u>	<u>\$ -</u>	<u>\$ 655,208</u>

The notes to the financial statements are an integral part of this statement.

Other Funds	Total Governmental Funds
\$ -	\$ 1,959,423
831,594	7,678,415
1,620,664	3,866,073
2,452,258	13,503,911
977,189	5,648,574
-	169,307
252,642	543,532
607,892	765,837
23,300	537,235
-	207,719
-	138,841
-	256,698
3,441	610,636
-	569,243
215,379	818,274
350,480	1,808,251
19,547	165,114
-	303,221
997	10,371
-	667,766
-	379,568
-	30,967
-	165,328
-	18,705
2,450,867	13,815,187
1,391	(311,276)
-	222,604
-	130,629
-	353,233
1,391	41,957
52,189	3,949,746
-	(306,989)
\$ 53,580	\$ 3,684,714

LA VILLA INDEPENDENT SCHOOL DISTRICT
 RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2023

EXHIBIT C-4

Total Net Change in Fund Balances - Governmental Funds	\$	41,957
<p>The District uses internal service funds to charge the costs of certain activities, such as self-insurance and printing, to appropriate functions in other funds. The net income (loss) of internal service funds are reported with governmental activities. The net effect of this consolidation is to increase net position.</p>		
		-
<p>Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of removing the 2023 capital outlays and debt principal payments is to decrease net position.</p>		
		82,218
<p>Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net position.</p>		
		(660,284)
<p>Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unavailable revenue from property taxes as revenue, adjusting current year revenue to show the revenue earned from the current year's tax levy, reclassifying the proceeds of bond sales, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to decrease net position.</p>		
		808,861
<p>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 \$271,904. Contributions made before the measurement date and during the previous fiscal year were also expended and recorded as a reduction in net pension liability. This caused a decrease in net position totaling \$198,650. Finally, the proportionate share of the TRS pension expense on the plan as a whole had to be recorded. The net pension expense (increased) decreased the change in net position by \$183,655. The net result in an increase (decrease) in the change in net position.</p>		
		(105,401)
<p>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 \$59,727. Contributions made before the measurement date and during the previous fiscal year were also expended and recorded as a reduction in net OPEB liability. This caused a decrease in net position totaling \$27,868. Finally, the proportionate share of the TRS OPEB expense on the plan as a whole had to be recorded. The net OPEB expense (increased) decreased the change in net position by (\$220,002). The net result is an increase (decrease) in the change in net position.</p>		
		251,861
Change in Net Position of Governmental Activities	\$	419,212

The notes to the financial statements are an integral part of this statement.

LA VILLA INDEPENDENT SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2023

	Total Custodial Funds
ASSETS	
Cash and Cash Equivalents	\$ 61,057
Due from Other Funds	111,076
Total Assets	<u>172,133</u>
LIABILITIES	
Payroll Deductions and Withholdings Payable	17,428
Due to Other Funds	303
Due to Student Groups	90,524
Total Liabilities	<u>108,255</u>
NET POSITION	
Restricted for Other Purposes	<u>63,878</u>
Total Net Position	<u>\$ 63,878</u>

The notes to the financial statements are an integral part of this statement.

LA VILLA INDEPENDENT SCHOOL DISTRICT
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2023

	Total Custodial Funds
ADDITIONS:	
Received from Student Groups	\$ 111,861
Total Additions	111,861
DEDUCTIONS:	
Payments to Student Groups	136,584
Total Deductions	136,584
Change in Fiduciary Net Position	(24,723)
Total Net Position - July 1 (Beginning)	88,601
Total Net Position - June 30 (Ending)	\$ 63,878

The notes to the financial statements are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

LA VILLA INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements

For the Year Ended June 30, 2023

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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.

The District applied Governmental Accounting Standards Board (GASB) Statement No. 72, Fair Value Measurement and Application. GASB Statement No. 72 provides guidance for determining a fair value measurement for reporting purposes and applying fair value to certain investments and disclosures related to all fair value measurements.

1. REPORTING ENTITY

The Board of School Trustees ("Board"), a seven-member group, has governance responsibilities over all activities related to public elementary and secondary education within the jurisdiction of the District. The Board is elected by the public and has the exclusive power and duty to govern and oversee the management of the public schools of the District. All powers and duties not specifically delegated by statute to the Texas Education Agency ("TEA") or to the State Board of Education are reserved for the Board, and the TEA may not substitute its judgment for the lawful exercise of those powers and duties by the Board. The District receives funding from local, state and federal government sources and must comply with the requirements of those funding entities. However, the District is not included in any other governmental "reporting entity" as defined by the GASB in its Statement No. 14, "The Financial Reporting Entity" and there are no component units included within the reporting entity.

LA VILLA INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements
For the Year Ended June 30, 2023

2. BASIS OF PRESENTATION, BASIS OF ACCOUNTING

a. Basis of Presentation

Government-wide Financial Statements: The statement of net assets and the statement of activities include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

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

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

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

The District reports the following major governmental funds:

General Fund: This is the District's primary operating fund. It accounts for all financial resources of the District except those required to be accounted for in another fund.

Debt Service Funds: The District accounts for resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds in a debt service fund.

LA VILLA INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements

For the Year Ended June 30, 2023

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

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

Other Special Revenue Funds: The District accounts for resources restricted to, or designated for, specific purposes by the District or a grantor in a special revenue fund. Most Federal and some State financial assistance is accounted for in a Special Revenue Fund, and sometimes unused balances must be returned to the grantor at the close of specified project periods.

Internal Service Funds: These are used to account for revenues and expenses related to services provided to parties inside the District. These funds facilitate distribution of support costs to the users of support services on a cost-reimbursement basis. Because the principal users of the internal services are the District's governmental activities, this fund type is included in the "Governmental Activities" column of the government-wide financial statements.

Fiduciary Funds:

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

Custodial Funds: The District accounts for resources held for others in a custodial capacity in custodial funds. These funds are used to account for assets held by the District as a custodian for student and other organizations. These funds were previously reported in an agency fund.

This change resulted in reporting the detail of additions to and deductions from custodial funds causing a change in the fund net position whereas these details were not reported for agency funds. This change is a result of the implementation of GASB 84. The District's Custodial Funds are the Tax Office Fund, Payroll Clearing Fund, and the Student Activity Funds.

b. Measurement Focus, Basis of Accounting

Government-wide, Proprietary, and Fiduciary Fund Financial Statements: These financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District does not consider revenues collected after its year-end to be available in the current period. Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured.

LA VILLA INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements
For the Year Ended June 30, 2023

General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

When the District incurs an expenditure or expense for which both restricted and unrestricted resources may be used, it is the District's policy to use unrestricted resources first, then restricted resources.

Under GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary funds and Other Governmental Entities That Use Proprietary Fund Accounting," all proprietary funds will continue to follow Financial Accounting Standards Board ("FASB") standards issued on or before November 30, 1989. However, from that date forward, proprietary funds will have the option of either 1) choosing not to apply future FASB standards (including amendments of earlier pronouncements), or 2) continue to follow new FASB pronouncements unless they conflict with GASB guidance. The District has chosen to apply future FASB standards.

3. FINANCIAL STATEMENT AMOUNTS

a. Cash and Cash Equivalents

For purpose of the statement of cash flows for proprietary and similar fund-types, the District considers highly liquid investments to be cash equivalents if they have a maturity of three months or less when purchased.

b. Property Taxes

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available when they become due or past due and receivable within the current period.

	General Fund	Debt Service Fund	Total
Delinquent Taxes	\$ 193,737	\$ 55,627	\$ 249,363
Allowance for Uncollectible Taxes	(18,770)	(5,040)	(23,810)
Net Taxes	<u>\$ 174,967</u>	<u>\$ 50,587</u>	<u>\$ 225,553</u>

Allowances for uncollectible tax receivables within the General and Debt Service Funds are based upon historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

LA VILLA INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements
For the Year Ended June 30, 2023

c. Inventories and Prepaid Items

The District records purchases of supplies as expenditures, utilizing the purchase method of accounting for inventory in accordance with the Resource Guide. Certain Payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

d. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. A capitalization threshold of \$5,000 is used.

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

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings	20-40
Building Improvements	20-40
Vehicles	8-10
Office Equipment	5-15
Computer Equipment	5-10

e. Receivable and Payable Balances

The District believes that sufficient detail of receivable and payable balances is provided in the financial statements to avoid the obscuring of significant components by aggregation. Therefore, no disclosure is provided which disaggregates those balances.

There are no significant receivables which are not scheduled for collection within one year of year end.

f. Interfund Activity

Interfund activity results from loans, service 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 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 assets.

g. Use of Estimates

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

LA VILLA INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements

For the Year Ended June 30, 2023

h. 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 insure accuracy in building a statewide database for policy development and funding plans.

i. Fund Balances

Fund balances of the governmental funds are classified as follows:

Nonspendable Fund Balance – represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid insurance) or legally required to remain intact (such as notes receivable or principal of a permanent fund).

Restricted Fund Balance – represents amounts that are constrained by external parties, constitutional provisions or enabling legislation.

Committed Fund Balance – represents amounts that can only be used for a specific purpose because of a formal action by the District's governing board. Committed amounts cannot be used for any other purpose unless the governing board removes those constraints by taking the same type of formal action. Committed fund balance amounts may be used for other purposes with appropriate due process by the governing board. Commitments are typically done through adoption and amendment of the budget.

Committed fund balance amounts differ from restricted balances in that the constraints of their use do not come from outside parties, constitutional provisions, or enabling legislation.

Assigned Fund Balance – represents amounts which the District intends to use for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent may be stipulated by the governing board or by an official or body to which the governing board delegates the authority. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service or permanent fund are assigned for purposes in accordance with the nature of their fund type or the fund's primary purpose. Assignments within the general fund conveys that the intended use of those amounts is for a specific purpose, that is narrower than the general purposes of the District itself.

Unassigned Fund Balance – represents amounts which are unconstrained in that they may be spent for any purpose. Only the general fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification because of overspending for specific purposes for which amounts had been restricted, committed or assigned.

When an expenditure is incurred for a purpose for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

LA VILLA INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements
For the Year Ended June 30, 2023

j. Pensions

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

B. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

1. Finance-Related Legal and Contractual Provisions

In accordance with GASB Statement No, 38, “Certain Financial Statement Note Disclosures,” violation of finance-related legal and contractual provisions, if any, are reported below, along with actions taken to address such violations:

<u>Violation</u>	<u>Action Taken</u>
None reported	Not applicable

2. Deficit Fund Balance or Fund net Assets of Individual Funds

Following are funds having deficit fund balances or fund net assets at year end, if any, along with remarks which address such deficits:

<u>Fund Name</u>	<u>Deficit Amount</u>	<u>Remarks</u>
N/A	N/A	N/A

3. Budgetary Data

The Board of Trustees adopts an "appropriated budget" for the General Fund, Debt Service Fund, and the Food Service Fund which is included in the Special Revenue Funds. The District is required to present the adopted and final amended budgeted revenues and expenditures for each of these funds. The District compares the final amended budget to actual revenues and expenditures. The General Fund Budget report appears in Exhibit G-1 and the other two reports are in Exhibit J2 and J3.

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

1. Prior to June 20 the District prepares a budget for the next succeeding fiscal year beginning July 1. The operating 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 public notice of the meeting must be given.

LA VILLA INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements

For the Year Ended June 30, 2023

B. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

3. Prior to September 1, the budget is legally enacted through passage of a resolution by the Board. Once a budget is approved, it can only be amended at the function and fund level by approval of a majority of the members of the Board. Amendments are presented to the Board at its regular meetings. Each amendment must have Board approval. As required by law, such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year end. Because the District has a policy of careful budgetary control, several amendments were necessary during the year.

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. A reconciliation of fund balances for both appropriated budget and nonappropriated budget special revenue funds is as follows:

	<u>June 30, 2023</u>
	<u>Fund Balance</u>
Appropriated Budget Funds - Food Service Special Revenue Fund	\$ 510,286
Nonappropriated Budget Funds	<u>5,564,205</u>
 All Special Revenue Funds	 <u>\$ 6,074,491</u>

5. Excess of expenditure over appropriations

The following is a list of the excess of expenditures over appropriations, at the legal control by an individual fund.

<u>Fund</u>	<u>Function</u>	<u>Amount of Excess</u>
General Fund	11 - Instruction	(174,651)
General Fund	12 - Instructional Resources and Media Services	(12,520)
General Fund	21 - Instructional Leadership	(4,712)
General Fund	23 - School Leadership	(29,475)
General Fund	33 - Health Services	(5,358)
General Fund	35 - Food Services	(87,311)
General Fund	36 - Extracurricular Activities	(134,357)
General Fund	52 - Security and Monitoring Services	(11,823)
General Fund	71 - Principal on Long-Term Liabilities	(47,227)
General Fund	99 - Other Intergovernmental Charge	(3,590)
Child Nutrition	35 - Food Services	(90,348)

LA VILLA INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements
For the Year Ended June 30, 2023

C. DEPOSITS AND INVESTMENTS

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

1. Cash Deposits:

At June 30, 2023, the carrying amount of the District's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$2,901,189 and the bank balance was \$3,879,231. The District's cash deposits for the year ended June 30, 2023 and during the year ended June 30, 2022, were entirely covered by the FDIC insurance or by pledged collateral held by the District's agent bank in the District's name.

2. Investments:

The District is required by Government Code Chapter 2256, The Public Funds Investment Act, to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit.

The Public Funds Investment Act ("Act") requires an annual audit of investment practices. Audit procedures in this area conducted as a part of the audit of the basic financial statements disclosed that in the areas of investment practice, management reports and establishment of appropriate policies, the District adhered to the requirements of the Act. Additionally, investment practices of the District were in accordance with local policies.

The Act determines the types of investments which are allowable for the District. These include, with certain restrictions, 1) obligations of the U.S. Treasury, U.S. agencies, and the State of Texas, 2) certificates of deposit, 3) certain municipal securities, 4) securities lending program, 5) repurchase agreements, 6) bankers acceptances, 7) mutual funds, 8) investment pools, 9) guaranteed investment contracts, and 10) commercial paper.

The District had no investments as of ended June 30, 2023.

3. Analysis of Specific Deposit and Investment Risks

GASB Statement no. 40 requires a determination as to whether the District was exposed to the following specific investment risks at year end and if so, the reporting of certain related disclosures:

LA VILLA INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements
For the Year Ended June 30, 2023

C. DEPOSITS AND INVESTMENTS (continued)

a. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. At year end the District was not significantly exposed to credit risk.

b. Custodial Credit Risk

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institutions, or collateralized with securities held by the pledging financial institution's trust department or agent, but not in the District's name.

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the District's name. As of June 30, 2023 the District was not exposed to custodial credit risk.

c. Concentration of Credit Risk

This is the risk that in interest rates will adversely affect the fair value of an investment. As of June 30, 2023 the District was not exposed to concentration of credit risk.

d. Interest Rate Risk

This is the risk that changes in interest rates will adversely affect the fair value of an investment. As of June 30, 2023 the District was not exposed to interest rate risk.

e. Foreign Currency Risk

This is the risk that exchange rates will adversely affect the fair value of an investment. As of June 30, 2023, the District was not exposed to foreign currency risk.

Investment Accounting Policy

The District's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investment's value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

LA VILLA INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements

For the Year Ended June 30, 2023

C. DEPOSITS AND INVESTMENTS (continued)

Public Funds Investment Pools

Public funds investment pools in Texas (“Pools”) are established under the authority of the Interlocal Cooperation Act, Chapter 79 of the Texas Government Code. In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires Pools to: 1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; 2) maintain a continuous rating of no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating service; and 3) maintain the market value of its underlying investment portfolio within one half of one percent of the value of its shares.

The District’s investments in Pools are reported at an amount determined by the fair value per share of the pool’s underlying portfolio, unless the pool is 2a7-like, in which case they are reported at share value. A 2a7-like pool is one which is not registered with the Securities and Exchange Commission (“SEC”) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC’s Rule 2a7 of the Investment Company Act of 1940.

D. CAPITAL ASSETS

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

	Beginning Balances 7/1/2022	Increases	Decreases	Ending Balances 6/30/2023
Governmental activities:				
Capital assets not being depreciated				
Land	\$ 147,793	\$ -	\$ -	\$ 147,793
Total capital assets not being depreciated	147,793	-	-	147,793
Capital assets being depreciated:				
Buildings and Improvements	22,927,207	25,800	-	22,953,007
Furniture and Equipment	2,156,319	285,514	-	2,441,833
Right to Use Assets	-	222,604	-	222,604
Totals capital assets being depreciated	25,083,526	533,918	-	25,617,444
Less Accumulated Depreciated for:				
Buildings and Improvements	(7,077,208)	(469,880)	-	(7,547,088)
Furniture & Equipment	(1,715,720)	(145,882)	-	(1,861,602)
Right to Use Assets	-	(100,172)	-	(100,172)
Total Accumulated Depreciation	(8,792,928)	(715,934)	-	(9,508,862)
Total capital assets being depreciated, net	16,290,598	(182,016)	-	16,108,582
Governmental Activities capital assets, net	\$ 16,438,391	\$ (182,016)	\$ -	\$ 16,256,375
Depreciation was charged to functions as follows:				
Instruction	\$ 431,285			
Instructional Resources and Media Services	11,812			
School Leadership	23,625			
Guidance, Counseling, & Evaluating Services	11,812			
Health Services	5,871			
Student (Pupil) Transportation	25,845			
Food Services	41,379			
Cocurricular/Extracurricular Activities	29,567			
General Administration	51,905			
Plant Maintenance and Operation	82,833			
Total Depreciation Expense	\$ 715,934			

LA VILLA INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements
For the Year Ended June 30, 2023

E. INTERFUND BALANCES AND ACTIVITIES

1. Transfers To and From Other Funds/Due to and From Other Funds

Transfers to and from other funds and due to and from other funds for the year ended June 30, 2023, consisted of the following:

<u>Due To Fund</u>	<u>Due From Fund</u>	<u>Amount</u>	<u>Purpose</u>
Custodial Fund	General Fund	\$ 111,076	Short-term loans
General Fund	Custodial Fund	303	Short-term loans
General Fund	Special Revenue Funds	4,061	Short-term loans
General Fund	Debt Service	98,343	Short-term loans
	Total	<u>\$ 213,783</u>	

F. FUND BALANCES

The District has nonspendable, restricted, committed, and unassigned fund balance as follows.

Restricted Fund Balances:		
Federal or State Funds Grant Restriction	\$ 53,580	
Retirement of Long-Term Debt	<u>655,208</u>	
Unassigned:	<u>2,975,926</u>	
Total Fund Balance	<u>\$ 3,684,714</u>	

G. LONG-TERM OBLIGATIONS

The District has entered into a continuing disclosure undertaking to provide Annual Reports and Material Event Notices to the State Information Depository of Texas, which is the Municipal Advisory Council. This information is required under SEC Rule 15c2-12 to enable investors to analyze the financial condition and operations of the District.

1. Long-Term Obligations Activity

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

LA VILLA INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements
For the Year Ended June 30, 2023

G. LONG-TERM OBLIGATIONS (continued)

Description	Maturity Date	Interest Rate Payable	Amounts Original Issue	Interest Current Year	Outstanding 07/01/22	Increases	Decreases	Ending Balance 6/30/2023	Due within one year
2016 Unlimited Tax Refunding Bonds	8/15/2037	2-3.00%	2,160,000	69,675	\$ 1,800,000	-	90,000	1,710,000	\$ 85,000
2018 Unlimited Tax Refunding Bonds	8/15/2037	2-4.00%	7,175,000	252,000	5,950,000	-	355,000	5,595,000	265,000
2019 Maintenance Tax Notes	8/31/2034	3-4.00%	1,725,000	55,750	1,550,000	-	95,000	1,455,000	100,000
State Energy Conservation Office - (SECO) Loan-No collateral	8/31/2035	2.0%	1,440,230	27,278	1,305,150	-	87,262	1,217,888	89,021
Net Premium/Discount					693,074	-	32,434	660,640	32,436
Capital Lease	10/5/2027	4.174%	130,629	-	-	130,629	-	130,629	24,033
Total Long-Term Debt				\$ 404,703	\$ 11,298,224	\$ 130,629	\$ 659,696	\$ 10,769,157	\$ 595,490
Net Pension Liability					1,217,921	2,178,952	247,539	3,149,334	-
Net OPEB Liability					2,381,441	(652,687)	57,334	1,671,420	-
Total Other Long-Term Debt					-	3,599,362	1,526,265	4,820,754	-
Total Governmental Activities				\$ 404,703	\$ 14,897,586	\$ 1,656,894	\$ 964,569	\$ 15,589,911	\$ 595,490

2. Debt Service Requirements

Debt service requirements on long-term debt during the year ended June 30, 2023, are as follows:

Governmental Activities		
Principal	Interest	Total
\$ 563,055	360,323	\$ 923,378
580,852	340,101	920,953
608,727	319,051	927,778
626,682	296,670	923,352
654,721	272,932	927,653
7,074,480	1,476,022	8,550,502
\$ 10,108,517	\$ 3,065,099	\$ 13,173,616

3. Advance Refunding of Debt

On December 8, 2016 the District issued Series 2016 bonds totaling \$2,160,000 with interest rates ranging from 2.00% to 3.00% to advance refund \$2,170,000 of Series 2007 Bonds with an interest rate of 4.00% to 4.50%. The net proceeds were used to purchase U.S. Government securities, which were deposited in an irrevocable trust with an escrow agent to provide for future debt service payments on the refunded bonds. As a result, \$2,170,000 of Series 2007 bonds are considered to be defeased and the liability for those bonds was removed from long-term debt. As a result of the refunding, the cash flows required to service the old debt amounted to \$6,807,681 and the cash flow to service the new debt will amount to \$6,548,521. The refunding resulted in a savings of \$259,160 and a net present value savings of \$10,000 (or 0.463% of the principal amount of the Refunded Bonds) which were used to refund the Series 2007 bonds and to pay costs of issuance.

LA VILLA INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements
For the Year Ended June 30, 2023

G. LONG-TERM OBLIGATIONS (continued)

On February 15, 2019 the District issued Series 2019 bonds totaling \$7,175,000 with interest rates ranging from 2.00% to 4.00% to advance refund \$2,385,000 of Series 2008 Bonds with an interest rate of 4.00% to 4.52%. The net proceeds were used to purchase U.S. Government securities, which were deposited in an irrevocable trust with an escrow agent to provide for future debt service payments on the refunded bonds. As a result, \$2,385,000 of Series 2008 bonds are considered to be defeased and the liability for those bonds was removed from long-term debt. As a result of the refunding, the cash flows required to service the old debt amounted to \$13,579,123 and the cash flow to service the new debt will amount to \$13,374,667. The refunding resulted in a savings of \$204,456 and a net present value loss of \$4,790,000 (or 0.667% of the principal amount of the Refunded Bonds) which were used to refund the Series 2008 bonds and to pay costs of issuance.

4. Deferred Charge on Refunding

At the government-wide financial statements (Exhibit A-1), the District reports cumulative charges on refunding as net deferred outflows in the amount of \$52,950.

H. RIGHT-TO-USE LEASE LIABILITIES PAYABLE

The District leases photocopy machines with an agreement having a 5-year term. Average payments of \$3,907 are made monthly which consist of principal and imputed annual interest of 2.95%. No assets were pledged as collateral for these leases. A summary of Right-To-Use Lease arrangements for the year ended June 30, 2023, is as follows:

	Interest Rate Payable	Original Lease Liability	Current Year Interest	Beginning Balance	Increases	Adjustments/ Decreases	Ending Balance	Amounts Due Within One Year
Delage Copier Lease October 2020	4.25%	\$ 222,603	\$ 4,014	\$ -	\$ 222,603	\$ 108,575	\$ 114,028	\$ 41,714
Total			<u>\$ 4,014</u>	<u>\$ -</u>	<u>\$ 222,603</u>	<u>\$ 108,575</u>	<u>\$ 114,028</u>	<u>\$ 41,714</u>

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

Year Ending August 31,	Governmental Activities		
	Principal	Interest	Total
2024	\$ 41,714	\$ 2,803	\$ 44,517
2025	42,874	1,643	44,517
2026	29,440	407	29,847
Totals	<u>\$ 114,028</u>	<u>\$ 4,853</u>	<u>\$ 118,881</u>

I. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. During fiscal year 2023, the District purchased commercial insurance to cover general liabilities. There were no significant reduction in coverage in the past year and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

LA VILLA INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements
For the Year Ended June 30, 2023

J. PENSION PLAN OBLIGATIONS

A. Plan Description

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

B. Pension Plan Fiduciary Net Position

Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately-issued Annual Comprehensive Annual Financial Report (ACFR) that includes financial statements and required supplementary information. That report may be obtained on the Internet at <http://www.trs.state.tx.us/about/documents/cafr.pdf#CAFR>; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

C. Benefits Provided

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

LA VILLA INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements
For the Year Ended June 30, 2023

J. PENSION PLAN OBLIGATIONS (Continued)

D. Contributions

Contribution requirements are established or amended pursuant to Article 16, section 67 of the Texas Constitution which requires the Texas legislature to establish a member contribution rate of not less than 6% of the member’s annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to members of the system during the 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%
La Villa ISD 2023 Employer Contributions		\$ 314,617
La Villa ISD 2023 Member Contributions		\$ 541,553
La Villa ISD 2022 NECE On-behalf Contributions		\$ 285,227

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.

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.

LA VILLA INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements

For the Year Ended June 30, 2023

J. PENSION PLAN OBLIGATIONS (Continued)

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

E. Actuarial Assumptions

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

Valuation Date	August 31, 2021 rolled forward to August 31, 2022
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Fair Value
Single Discount Rate	7.00%
Long-term Expected Rate	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 tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index."
Last year ending August 31 in Projection Period	
100 Years	2121
Inflation	2.30%
Salary Income 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.

F. Discount Rate

A single discount rate of 7.00 percent was used to measure the total pension liability. The single discount rate was based on the expected rate of return on pension plan investments of 7.00 percent. The projection of cash flows used to determine the 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.

LA VILLA INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements
For the Year Ended June 30, 2023

J. PENSION PLAN OBLIGATIONS (Continued)

The long-term rate of return on pension plan investments is 7.00%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2022 are summarized below:

Asset Class*	Target Allocation % *	Long-term Expected Geometric Real Rate of Return***	Expected Contribution to Long- Term Portfolio Returns
Global Equity			
USA	18.0%	4.6%	1.12%
Non-U.S. Developed	13.0	4.9	0.90
Emerging Markets	9.0	5.4	0.75
Private Equity	14.0	7.7	1.55
Stable Value			
Government Bonds	16.0%	1.0%	0.22%
Absolute Return	0.0	3.7	0.00
Stable Value Hedge	5.0	3.4	0.18
Real Return			
Real Estate	15.0%	4.1%	0.94%
Energy, Natural Resources & Infrastructure	6.0	5.1	0.37
Commodities	0.0	3.6	0.00
Risk Parity	8.0%	4.6%	0.43%
Asset Allocation Leverage			
Cash	2.0%	3.0%	0.01%
Asset Allocation Leverage	-6.0	3.6	-0.05
Inflation Expectation			2.70%
Volatility Drag****			-0.91%
Total	100.0%		8.19%

* Absolute Return includes Credit Sensitive Investments.

**Target allocations are based on the FY2022 policy model

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

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

G. Discount Rate Sensitivity Analysis

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

	1% Decrease in Discount Rate (6.00%)	Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
La Villa's proportionate share of the net pension liability:	\$ 4,899,170	\$ 3,149,334	\$ 1,731,010

LA VILLA INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements
For the Year Ended June 30, 2023

J. PENSION PLAN OBLIGATIONS (Continued)

H. 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 \$3,149,334 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's Proportionate share of the collective net pension liability	\$ 3,149,334
State's proportionate share that is associated with the District	<u>3,628,836</u>
Total	<u>\$ 6,778,170</u>

The net pension liability was measured as of 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 .0053048187%, which was an increase (decrease) of .0005223663% 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 7.025 percent to 7.00 percent.

For the year ended June 30, 2023, the District recognized pension expense of \$724,181 and revenue of \$346,876 for support provided by the State.

LA VILLA INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements
For the Year Ended June 30, 2023

J. PENSION PLAN OBLIGATIONS (Continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 45,665	\$ 68,661
Changes in actuarial assumptions	586,824	146,253
Difference between projected and actual investment earnings	311,144	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	346,314	106,703
Total as August 31, 2022 measurement date	1,289,947	321,617
Contributions paid to TRS subsequent to the measurement date	271,904	-
Total as of fiscal year ended	\$ 1,561,851	\$ 321,617

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

Year ended June 30,	Pension Expense Amount
2024	\$ 243,225
2025	153,602
2026	81,565
2027	411,644
2028	78,293
Thereafter	1

K. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS

A. Plan Description

The La Villa 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 that has a special funding situation. The TRS-Care program was established in 1986 by the Texas Legislature.

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

LA VILLA INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements
For the Year Ended June 30, 2023

K. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS (Continued)

B. OPEB Plan Fiduciary Net Position

Detail information about the TRS-Care’s fiduciary net position is available in the separately-issued TRS Annual Comprehensive Annual 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.

C. Benefits Provided

TRS-Care provides a basic health insurance coverage (TRS-Care 1), at no cost to all retirees from public schools, charter schools, regional education service centers and other educational districts who are members of the TRS pension plan. Optional dependent coverage is available for an additional fee.

Eligible non-Medicare retirees and their dependents may enroll in TRS-Care Standard, a high deductible health plan. Eligible Medicare retirees and their dependents may enroll in the TRS-Care Medicare Advantage medical plan and the TRS-Care Medicare Rx prescription drug plan. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in the TRS pension system. There are no automatic post-employment benefit changes; including automatic COLAs.

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

TRS-Care Monthly 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

D. 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.

LA VILLA INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements
For the Year Ended June 30, 2023

K. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS (Continued)

Texas Insurance Code, section 1575.202 establishes the state’s contribution rate which is 1.25 percent of the employee’s salary. Section 1575.203 establishes the active employee’s rate which is .65 percent of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25 percent or not more than 0.75 percent of the salary of each active employee of the public. 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.

Contribution 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%
La Villa ISD 2023 Employer Contributions		\$ 70,047
La Villa ISD 2023 Member Contributions		\$ 43,996
La Villa ISD 2022 NECE On-Behalf Contributions		\$ 69,938

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

TRS-Care received supplemental appropriations from the State of Texas as the Non-Employer Contributing Entity in the amount of \$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.

E. Actuarial Assumptions

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

The actuarial valuation 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:

LA VILLA INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements

For the Year Ended June 30, 2023

K. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS (Continued)

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, with full generational mortality using Scale BB. The post-retirement mortality rates for healthy lives were based on the 2018 TRS of Texas Healthy Pensioner Mortality Tables, with full generational projection using the ultimate improvement rates from the mortality projection scale MP-2018.

Additional Actuarial Methods and Assumptions:

Valuation Date	August 31, 2021 rolled forward to August 31, 2022
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Single Discount Rate	3.91% as of August 31, 2021
Aging Factors	Based on plan specific experience
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
Salary Increases Including Inflation	3.05% to 9.05% including inflation
Ad hoc post-employment benefit changes	None

LA VILLA INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements
For the Year Ended June 30, 2023

K. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS (Continued)

F. 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 contribution entity are made at the statutory 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 benefits 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 municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds.

G. Discount Rate Sensitivity Analysis

The following schedule shows the impact of the Net OPEB Liability if the discount rate used was 1 percentage point lower than and 1 percentage point higher than the discount rate that was used in measuring the Net OPEB Liability.

	1% Decrease in Discount Rate (2.91%)	Current Single Discount Rate (3.91%)	1% Increase in Discount Rate (4.91%)
La Villa's proportionate share of the Net OPEB liability:	\$ 1,970,737	\$ 1,670,420	\$ 1,428,935

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

At June 30, 2023, the District reported a liability of \$1,671,420 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	\$ 1,671,420
State's proportionate share that is associated with the District	2,038,870
Total	<u>\$ 3,710,290</u>

LA VILLA INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements
For the Year Ended June 30, 2023

K. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS (Continued)

The Net OPEB liability was measured as of 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 .0069805370%, which was an increase (decrease) of .0008069161% from its proportion measured as of August 31, 2021.

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 Healthcare Cost Trend Rate	1% Increase in Healthcare Trend Rate
La Villa's proportionate share of the Net OPEB liability:	\$ 1,377,258	\$ 1,671,420	\$ 2,052,764

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 was changed from 1.95 percent as of August 31, 2021 to 3.91 percent as of August 31, 2022. This change increased the Total OPEB Liability.

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

For the ended June 30, 2023, the District recognized OPEB expense of (\$481,466) and revenue of (\$289,332) 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 post-employment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 92,925	\$ 1,392,443
Changes in actuarial assumptions	254,590	1,161,203
Difference between projected and actual investment earnings	4,979	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	737,189	405,028
	2 1,089,683	2,958,674
Contributions paid to TRS subsequent to the measurement date	59,727	-
Total as of fiscal year-end	\$ 1,149,410	\$ 2,958,674

LA VILLA INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements
For the Year Ended June 30, 2023

K. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS (Continued)

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

Year ended August 31:	Pension Expense Amount
2024	\$ (353,077)
2025	(353,061)
2026	(282,180)
2027	(186,222)
2028	(289,733)
Thereafter	(404,718)

L. RETIREE HEALTH CARE PLAN

Plan Description. The La Villa Independent School District contributes to the Texas Public School Retired Employees Group Insurance Program (TRS-Care), a cost-sharing multiple-employer defined benefit postemployment health care plan administered by the Teacher Retirement System of Texas. TRS-Care provides health care coverage for certain persons (and their dependents) who retired under the Teacher Retirement System of Texas. The statutory authority for the program is Texas Insurance Code, Chapter 1575. Section 1575.052 grants the TRS Board of Trustees the authority to establish and amend basic and optional group insurance coverage for participants. The Teacher Retirement System of Texas issues a publicly available financial report that includes financial statements and required supplementary information for TRS-Care. That report may be obtained by visiting the TRS Web site at www.trs.state.tx.us under the TRS Publications heading, by writing to the Communications Department of the Teacher Retirement System of Texas at 1000 Red River Street, Austin, Texas 78701, or by calling the TRS Communications Department at 1-800-223-8778.

M. MEDICARE PART D-ON BEHALF PAYMENTS

Medicare on Behalf Payments. The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, which was effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. These on-behalf payments must be recognized as equal revenues and expenditures/expenses by each reporting entity. The on behalf payments for La Villa Independent School District for 2023, 2022 and 2021 were \$34,523, \$24,670, and \$23,675 respectively.

LA VILLA INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements

For the Year Ended June 30, 2023

N. DEFERRED REVENUE

Deferred revenue at year end consisted of the following:

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
Net Tax Revenue	\$ 174,986	\$ -	\$ 50,587	\$ 225,573
Total Deferred Revenue	<u>\$ 174,986</u>	<u>\$ -</u>	<u>\$ 50,587</u>	<u>\$ 225,573</u>

O. DUE FROM & DUE TO STATE AGENCIES

The District participates in a variety of federal and state programs from which it receives grants to partially or fully finance certain activities. In addition, the District receives entitlements from the State through the School Foundation and Per Capita Programs. Amounts due from federal and state governments as of June 30, 2023, are summarized below. All federal grants shown below are passed through the TEA and are reported on the combined financial statements as Due from State Agencies.

	<u>STATE ENTITLEMENTS</u>	<u>FEDERAL GRANTS</u>	<u>TOTAL</u>
<u>DUE FROM FUND</u> General	\$ 887,192	\$ -	\$ 887,192
Special Revenue	-	865,022	865,022
Total	<u>887,192</u>	<u>865,022</u>	<u>1,752,214</u>

<u>DUE TO FUND</u> General	973,124	-	973,124
Special Revenue	-	12,600	12,600
	<u>\$ 973,124</u>	<u>\$ 12,600</u>	<u>\$ 985,724</u>

LA VILLA INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements

For the Year Ended June 30, 2023

P. REVENUE FROM LOCAL AND INTERMEDIATE SOURCES

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

	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Revenue</u> <u>Fund</u>	<u>Debt</u> <u>Service</u> <u>Fund</u>	<u>Capital</u> <u>Projects</u> <u>Fund</u>	<u>Total</u>
Property Taxes	\$ 1,262,411	\$ -	\$ 543,384	\$ -	\$ 1,805,795
Penalties, Interest and Other					
Tax-related Income	23,903	-	8,104	-	32,007
Investment Income	18,651	-	8,265	-	26,916
Food Sales	-	27,005	-	-	27,005
Co-curricular Student Activities	67,381	-	-	-	67,381
Other	7,533	-	-	-	7,533
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$ 1,379,879</u>	<u>\$ 27,005</u>	<u>\$ 559,753</u>	<u>\$ -</u>	<u>\$ 1,966,637</u>

Q. HEALTH CARE COVERAGE

During the year ended June 30, 2023, employees of the District were covered by health insurance plan (the Plan). The District paid premiums of \$429 per month per employee to the Plan. Employees, at their option, authorized payroll withholdings to pay premiums for dependents. All premiums were paid to a licensed insurer. The Plan was authorized by Article 3.51-2, Texas Insurance Code and was documented by contractual agreement. The contract between the District and the licensed insurer is renewable October 1, and terms of coverage and premium costs are included in the contractual provisions.

R. COMMITMENTS AND CONTINGENCIES

1. Contingencies

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

S. EVALUATION OF SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through October 25, 2023 the date which the financial statements were available to be issued.

LA VILLA INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements
For the Year Ended June 30, 2023

T. MAINTENANCE OF EFFORT-HEALTH CARE

For fully insured districts/entities/risk pools, enter the total amount paid by the district for employee health care premiums as reported to TEA per Note K.

a) Total District Premium paid for health care 2022-2023		<u>\$ 540,403</u>
b) Subtract any non-medical expenditures		
Life Insurance	\$ -	
Long-Term Disability	-	
c) 2022-2023 Maintenance of Effort		<u>\$ 540,403</u>

U. GASB 63

GASB 63 – Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources are the consumption of net assets by the government that is applicable to a future reporting period and deferred inflows of resources are the acquisition of net assets by the government that is applicable to a future reporting period. Deferred outflows of resources and deferred inflows of resources are incorporated into the definitions of the required components of the residual measure and that measure is renamed as net position, rather than net assets.

V. GASB 68

GASB 68 – establishes standards for accounting and financial reporting, but not funding or budgetary standards, for defined benefit pensions and defined contribution pensions provided to the employees of state and local government employers through pension plans that are administered through trusts or equivalent arrangements criteria as described in GASB 67. This statement replaces the requirements of GASB Statement 27, Accounting for Pensions by State and Local Governmental Employers. Statement No. 71 amends Statement No. 68 to require that, at transition, a government recognize a beginning outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning pension liability

W. GASB 87

The District implemented GASB 87 for reporting leases during the reporting period. A right-to-use lease is defined as a contract that conveys control of another entity’s nonfinancial asset as specified in the contract for a period of time in an exchange or exchange-like transaction. To be accounted for as a lease, the lease must meet the definition of a “longterm” lease provided in GASB 87 and must meet the capitalization level set by the Board. The right-to-use lease liability is reported in the government-wide statements. The lease liability is calculated as the present value of the reasonably certain expected payments to be made over the term of the lease and the interest included in the lease payment is recorded as an expense.

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

LA VILLA INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements

For the Year Ended June 30, 2023

W. GASB 87 (continued)

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

X. PRIOR PERIOD ADJUSTMENT

The prior period adjustment in the amount of (\$306,989) was to adjust the beginning fund balance of Fund 199 and clear out liabilities within the fund. The effect of the adjustment will decrease ending fund balance for the year ended June 30, 2023.

A prior period adjustment of (\$294,569) was made to the beginning net position which increased ending net position and fund balance. This change is a result of the implementation of GASB 87.

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REQUIRED SUPPLEMENTARY INFORMATION

LA VILLA INDEPENDENT SCHOOL DISTRICT
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 (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 1,479,587	\$ 1,485,247	\$ 1,406,884	\$ (78,363)
5800 State Program Revenues	6,168,979	6,203,054	6,622,661	419,607
5900 Federal Program Revenues	737,155	826,331	682,507	(143,824)
5020 Total Revenues	8,385,721	8,514,632	8,712,052	197,420
EXPENDITURES:				
Current:				
0011 Instruction	3,626,244	3,633,084	3,807,735	(174,651)
0012 Instructional Resources and Media Services	90,285	146,039	158,559	(12,520)
0013 Curriculum and Instructional Staff Development	149,411	214,772	208,979	5,793
0021 Instructional Leadership	3,000	1,565	6,277	(4,712)
0023 School Leadership	468,275	478,510	507,985	(29,475)
0031 Guidance, Counseling, and Evaluation Services	207,208	206,208	134,623	71,585
0033 Health Services	101,980	101,980	107,338	(5,358)
0034 Student (Pupil) Transportation	231,028	237,175	237,161	14
0035 Food Services	491,534	514,016	601,327	(87,311)
0036 Extracurricular Activities	442,821	434,886	569,243	(134,357)
0041 General Administration	818,296	671,800	595,651	76,149
0051 Facilities Maintenance and Operations	1,163,400	1,262,582	1,261,608	974
0052 Security and Monitoring Services	129,493	109,946	121,769	(11,823)
0053 Data Processing Services	255,140	245,140	211,455	33,685
0061 Community Services	33,466	16,646	9,374	7,272
Debt Service:				
0071 Principal on Long-Term Liabilities	175,538	175,539	222,766	(47,227)
0072 Interest on Long-Term Liabilities	83,028	83,028	56,543	26,485
0073 Bond Issuance Cost and Fees	-	64,700	30,967	33,733
Intergovernmental:				
0093 Payments to Fiscal Agent/Member Districts of SSA	165,000	165,328	165,328	-
0099 Other Intergovernmental Charges	14,000	15,115	18,705	(3,590)
6030 Total Expenditures	8,649,147	8,778,059	9,033,393	(255,334)
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	(263,426)	(263,427)	(321,341)	(57,914)
OTHER FINANCING SOURCES (USES):				
7913 Proceeds of Right-to-Use Lease	-	-	222,604	222,604
7914 Non-Current Loans	-	-	130,629	130,629
8911 Transfers Out (Use)	(17,945)	(17,945)	-	17,945
7080 Total Other Financing Sources (Uses)	(17,945)	(17,945)	353,233	371,178
1200 Net Change in Fund Balances	(281,371)	(281,372)	31,892	313,264
0100 Fund Balance - July 1 (Beginning)	3,251,023	3,251,023	3,251,023	-
1300 Increase (Decrease) in Fund Balance	-	-	(306,989)	(306,989)
3000 Fund Balance - June 30 (Ending)	\$ 2,969,652	\$ 2,969,651	\$ 2,975,926	\$ 6,275

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LA VILLA 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

	FY 2023 Plan Year 2022	FY 2022 Plan Year 2021	FY 2021 Plan Year 2020
District's Proportion of the Net Pension Liability (Asset)	0.005304819%	0.004782452%	0.004682058%
District's Proportionate Share of Net Pension Liability (Asset)	\$ 3,149,334	\$ 1,217,921	\$ 2,507,615
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	3,628,836	1,522,854	3,521,345
Total	<u>\$ 6,778,170</u>	<u>\$ 2,740,775</u>	<u>\$ 6,028,960</u>
District's Covered Payroll	\$ 4,966,266	\$ 5,106,454	\$ 5,336,334
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	63.41%	23.85%	46.99%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.62%	88.79%	75.54%

Note: GASB Codification, Vol. 2, P20.183 requires that the information on this schedule be data from the period corresponding with the periods covered as of the measurement dates of August 31, 2022 for year 2023, August 31, 2021 for year 2022, August 31, 2020 for year 2021, August 31, 2019 for year 2020, August 31, 2018 for year 2019, August 31, 2017 for year 2018, August 31, 2016 for year 2017, August 31, 2015 for year 2016 and August 31, 2014 for year 2015.

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

<u>FY 2020</u> <u>Plan Year 2019</u>	<u>FY 2019</u> <u>Plan Year 2018</u>	<u>FY 2018</u> <u>Plan Year 2017</u>	<u>FY 2017</u> <u>Plan Year 2016</u>	<u>FY 2016</u> <u>Plan Year 2015</u>	<u>FY 2015</u> <u>Plan Year 2014</u>
0.004379449%	0.005015069%	0.004352636%	0.004796722%	0.0042264%	0.0028692%
\$ 2,276,575	\$ 2,760,416	\$ 1,391,738	\$ 1,812,610	\$ 1,493,976	\$ 766,403
3,522,360	3,671,699	2,265,158	2,692,256	2,654,898	2,172,430
<u>\$ 5,798,935</u>	<u>\$ 6,432,115</u>	<u>\$ 3,656,896</u>	<u>\$ 4,504,866</u>	<u>\$ 4,148,874</u>	<u>\$ 2,938,833</u>
\$ 6,054,441	\$ 4,280,955	\$ 4,549,451	\$ 4,549,407	\$ 4,237,190	\$ 2,938,833
37.60%	64.48%	30.59%	39.84%	35.26%	26.08%
75.24%	73.74%	82.17%	78.00%	78.43%	83.25%

LA VILLA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR PENSIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR FISCAL YEAR 2023

	2023	2022	2021
Contractually Required Contribution	\$ 314,617	\$ 233,709	\$ 196,054
Contribution in Relation to the Contractually Required Contribution	(314,617)	(233,709)	(196,054)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 6,768,627	\$ 4,751,652	\$ 5,073,753
Contributions as a Percentage of Covered Payroll	4.65%	4.92%	3.86%

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

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

	2020	2019	2018	2017	2016	2015
\$	172,632	\$ 196,724	\$ 147,082	\$ 141,252	\$ 151,669	\$ 127,544
	(172,632)	(196,724)	(147,082)	(141,252)	(151,669)	(127,544)
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -
\$	5,348,426	\$ 6,054,441	\$ 4,676,802	\$ 4,595,307	\$ 4,540,067	\$ 4,237,190
	3.23%	3.25%	3.14%	3.07%	3.34%	3.01%

LA VILLA 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

	FY 2023 Plan Year 2022	FY 2022 Plan Year 2021	FY 2021 Plan Year 2020
District's Proportion of the Net Liability (Asset) for Other Postemployment Benefits	0.006980537%	0.006173621%	0.006435724%
District's Proportionate Share of Net OPEB Liability (Asset)	\$ 1,671,420	\$ 2,381,441	\$ 2,446,509
State's Proportionate Share of the Net OPEB Liability (Asset) Associated with the District	2,038,870	3,190,601	3,287,522
Total	<u>\$ 3,710,290</u>	<u>\$ 5,572,042</u>	<u>\$ 5,734,031</u>
District's Covered Payroll	\$ 4,966,266	\$ 5,106,454	\$ 5,336,334
District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	33.66%	46.64%	45.85%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	11.52%	6.18%	4.99%

Note: GASB Codification, Vol. 2, P50.238 states that the information on this schedule should be determined as of the measurement date. The amounts for FY 2023 are for the measurement date of August 31, 2022. The amounts reported for FY 2022 are for measurement date August 31, 2021. The amounts reported for FY 2021 are for the measurement date of August 31, 2020. The amounts for FY 2020 are for the measurement date August 31, 2019. The amounts for FY 2019 are for the measurement date August 31, 2018. The amounts for FY 2018 are based on the August 31, 2017 measurement date.

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

<u>FY 2020</u>	<u>FY 2019</u>	<u>FY 2018</u>
<u>Plan Year 2019</u>	<u>Plan Year 2018</u>	<u>Plan Year 2017</u>
0.006448289%	0.007237441%	0.006113278%
\$ 3,049,473	\$ 3,613,721	\$ 2,658,435
4,052,070	3,766,206	3,367,635
<u>\$ 7,101,543</u>	<u>\$ 7,379,927</u>	<u>\$ 6,026,070</u>
\$ 6,054,714	\$ 4,280,955	\$ 4,549,451
50.37%	84.41%	58.43%
2.66%	1.57%	0.91%

LA VILLA INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR OTHER POSTEMPLOYMENT BENEFITS (OPEB)
 TEACHER RETIREMENT SYSTEM OF TEXAS
 FOR FISCAL YEAR 2023

	2023	2022	2021
Contractually Required Contribution	\$ 70,047	\$ 35,502	\$ 98,620
Contribution in Relation to the Contractually Required Contribution	(70,047)	(35,502)	(98,620)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 6,768,627	\$ 4,751,652	\$ 5,073,753
Contributions as a Percentage of Covered Payroll	1.03%	0.75%	1.94%

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

Information in this schedule should be provided only for the years where data is available. Eventually 10 years of data should be presented.

	2020	2019	2018
\$	46,774	\$ 46,345	\$ 48,135
	(46,774)	(46,345)	(48,135)
\$	-	\$ -	\$ -
\$	5,348,426	\$ 6,054,714	\$ 4,676,802
	0.87%	0.77%	1.03%

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COMBINING AND OTHER STATEMENTS

LA VILLA INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2023

Data Control Codes	210 Title I School Improv Grant	211 ESEA I, A Improving Basic Program	212 ESEA Title I Part C Migrant	244 Career and Technical - Basic Grant
ASSETS				
1110 Cash and Cash Equivalents	\$ (463)	\$ (28,462)	\$ (15,835)	\$ (10,862)
1240 Due from Other Governments	463	28,462	15,835	10,862
1000 Total Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES				
2170 Due to Other Funds	\$ -	\$ -	\$ -	\$ -
2180 Due to Other Governments	-	-	-	-
2190 Due to Student Groups	-	-	-	-
2000 Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Restricted Fund Balance:				
3450 Federal or State Funds Grant Restriction	-	-	-	-
3000 Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000 Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

255 ESEA II,A Training and Recruiting	263 Title III, A English Lang. Acquisition	265 Title IV, B Community Learning	270 ESEA V, B,2 Rural & Low Income	274 GEAR UP	279 ESSER III TCLAS ARP Act	280 ESSER III Homeless Children	281 ESSER II CRRSA Act Supplemental
\$ (5,947)	\$ (2,158)	\$ (15,693)	-	\$ (16,562)	\$ (374,432)	\$ (8,540)	\$ (3,191)
5,947	2,158	15,693	-	16,562	374,432	8,540	3,191
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

LA VILLA INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2023

Data Control Codes	288 Federal Funded SRF	289 Other Federal Special Revenue Funds	410 State Instructional Materials	426 2022-2023 Summer Career Tech YR3
ASSETS				
1110 Cash and Cash Equivalents	\$ -	\$ -	\$ 38,159	\$ (5,522)
1240 Due from Other Governments	-	-	-	5,522
1000 Total Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,159</u>	<u>\$ -</u>
LIABILITIES				
2170 Due to Other Funds	\$ -	\$ -	\$ -	\$ -
2180 Due to Other Governments	-	-	-	-
2190 Due to Student Groups	-	-	-	-
2000 Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Restricted Fund Balance:				
3450 Federal or State Funds Grant Restriction	-	-	38,159	-
3000 Total Fund Balances	<u>-</u>	<u>-</u>	<u>38,159</u>	<u>-</u>
4000 Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,159</u>	<u>\$ -</u>

427 State Funded SR Funds	428 School Safety Standards	429 Other State Special Revenue Funds	461 Campus Activity Funds	Total Nonmajor Special Revenue Funds	602 Capital Projects Fund	Total Nonmajor Governmental Funds
\$ (23,430)	\$ -	\$ (174,834)	\$ 3,829	\$ (643,943)	\$ 2,245	\$ (641,698)
23,430	-	202,855	514	714,466	-	714,466
\$ -	\$ -	\$ 28,021	\$ 4,343	\$ 70,523	\$ 2,245	\$ 72,768
\$ -	\$ -	\$ -	\$ 2,022	\$ 2,022	\$ 2,245	\$ 4,267
-	-	12,600	-	12,600	-	12,600
-	-	-	2,321	2,321	-	2,321
-	-	12,600	4,343	16,943	2,245	19,188
-	-	15,421	-	53,580	-	53,580
-	-	15,421	-	53,580	-	53,580
\$ -	\$ -	\$ 28,021	\$ 4,343	\$ 70,523	\$ 2,245	\$ 72,768

LA VILLA INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2023

Data Control Codes	210 Title I School Improv Grant	211 ESEA I, A Improving Basic Program	212 ESEA Title I Part C Migrant	244 Career and Technical - Basic Grant
REVENUES:				
5800 State Program Revenues	\$ -	\$ -	\$ -	\$ -
5900 Federal Program Revenues	34,465	330,414	126,733	27,808
5020 Total Revenues	34,465	330,414	126,733	27,808
EXPENDITURES:				
Current:				
0011 Instruction	30,708	159,326	101,198	27,808
0013 Curriculum and Instructional Staff Development	3,757	126,720	-	-
0021 Instructional Leadership	-	-	-	-
0023 School Leadership	-	23,300	-	-
0035 Food Services	-	-	-	-
0041 General Administration	-	20,071	25,535	-
0051 Facilities Maintenance and Operations	-	-	-	-
0052 Security and Monitoring Services	-	-	-	-
0061 Community Services	-	997	-	-
6030 Total Expenditures	34,465	330,414	126,733	27,808
1200 Net Change in Fund Balance	-	-	-	-
0100 Fund Balance - July 1 (Beginning)	-	-	-	-
3000 Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ -	\$ -

255 ESEA ILA Training and Recruiting	263 Title III, A English Lang. Acquisition	265 Title IV, B Community Learning	270 ESEA V, B,2 Rural & Low Income	274 GEAR UP	279 ESSER III TCLAS ARP Act	280 ESSER III Homeless Children	281 ESSER II CRRSA Act Supplemental
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
52,623	7,811	119,806	16,986	58,186	450,041	8,540	317,961
52,623	7,811	119,806	16,986	58,186	450,041	8,540	317,961
-	5,653	57,361	16,986	10,840	192,526	8,540	-
52,623	2,158	-	-	-	-	-	-
-	-	62,445	-	47,346	254,074	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	3,441	-	-
-	-	-	-	-	-	-	169,773
-	-	-	-	-	-	-	148,188
-	-	-	-	-	-	-	-
52,623	7,811	119,806	16,986	58,186	450,041	8,540	317,961
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

LA VILLA INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2023

Data Control Codes	288 Federal Funded SRF	289 Other Federal Special Revenue Funds	410 State Instructional Materials	426 2022-2023 Summer Career Tech YR3
REVENUES:				
5800 State Program Revenues	\$ -	\$ -	\$ 24,660	\$ 5,522
5900 Federal Program Revenues	22,562	46,728	-	-
5020 Total Revenues	22,562	46,728	24,660	5,522
EXPENDITURES:				
Current:				
0011 Instruction	-	46,728	23,269	5,522
0013 Curriculum and Instructional Staff Development	-	-	-	-
0021 Instructional Leadership	-	-	-	-
0023 School Leadership	-	-	-	-
0035 Food Services	-	-	-	-
0041 General Administration	-	-	-	-
0051 Facilities Maintenance and Operations	22,562	-	-	-
0052 Security and Monitoring Services	-	-	-	-
0061 Community Services	-	-	-	-
6030 Total Expenditures	22,562	46,728	23,269	5,522
1200 Net Change in Fund Balance	-	-	1,391	-
0100 Fund Balance - July 1 (Beginning)	-	-	36,768	-
3000 Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ 38,159	\$ -

427 State Funded SR Funds	428 School Safety Standards	429 Other State Special Revenue Funds	461 Campus Activity Funds	Total Nonmajor Special Revenue Funds	602 Capital Projects Fund	Total Nonmajor Governmental Funds
\$ 90,200	\$ 199,277	\$ 511,935	-	\$ 831,594	-	\$ 831,594
-	-	-	-	1,620,664	-	1,620,664
90,200	199,277	511,935	-	2,452,258	-	2,452,258
90,200	-	200,524	-	977,189	-	977,189
-	-	67,384	-	252,642	-	252,642
-	-	244,027	-	607,892	-	607,892
-	-	-	-	23,300	-	23,300
-	-	-	-	3,441	-	3,441
-	-	-	-	215,379	-	215,379
-	179,730	-	-	350,480	-	350,480
-	19,547	-	-	19,547	-	19,547
-	-	-	-	997	-	997
90,200	199,277	511,935	-	2,450,867	-	2,450,867
-	-	-	-	1,391	-	1,391
-	-	15,421	-	52,189	-	52,189
\$ -	\$ -	\$ 15,421	-	\$ 53,580	-	\$ 53,580

LA VILLA INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 CUSTODIAL FUNDS
 JUNE 30, 2023

	863 Payroll Clearing Fund	865 Custodial Fund Student Activity Acct	Total Custodial Funds
ASSETS			
Cash and Cash Equivalents	\$ (2,821)	\$ 63,878	\$ 61,057
Due from Other Funds	111,076	-	111,076
Total Assets	<u>108,255</u>	<u>63,878</u>	<u>172,133</u>
LIABILITIES			
Payroll Deductions and Withholdings Payable	17,428	-	17,428
Due to Other Funds	-	303	303
Due to Student Groups	26,948	63,576	90,524
Total Liabilities	<u>44,376</u>	<u>63,879</u>	<u>108,255</u>
NET POSITION			
Restricted for Other Purposes	-	63,878	63,878
Total Net Position	<u>\$ -</u>	<u>\$ 63,878</u>	<u>\$ 63,878</u>

LA VILLA INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 CUSTODIAL FUNDS
 FOR FISCAL YEAR 2023

	863 Payroll Clearing Fund	865 Custodial Fund Student Activity Acct	Total Custodial Funds
ADDITIONS:			
Received from Student Groups	\$ -	\$ 111,861	\$ 111,861
Total Additions	<u>-</u>	<u>111,861</u>	<u>111,861</u>
DEDUCTIONS:			
Payments to Student Groups	-	136,584	136,584
Total Deductions	<u>-</u>	<u>136,584</u>	<u>136,584</u>
Change in Net Position	-	(24,723)	(24,723)
Net Position - July 1 (Beginning)	<u>-</u>	<u>88,601</u>	<u>88,601</u>
Net Position - June 30 (Ending)	<u>\$ -</u>	<u>\$ 63,878</u>	<u>\$ 63,878</u>

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T.E.A. REQUIRED SCHEDULES

LA VILLA INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF DELINQUENT TAXES RECEIVABLE
 FISCAL YEAR ENDED JUNE 30, 2023

Last 10 Years	(1)	(2)	(3)
	Tax Rates		Assessed/Appraised Value for School Tax Purposes
	Maintenance	Debt Service	
2014 and prior years	Various	Various	\$ 511,980,238
2015	1.170000	0.133800	102,306,675
2016	1.170000	0.133800	72,821,190
2017	1.170000	0.133800	93,848,955
2018	1.170000	0.133800	99,628,786
2019	1.170000	0.313800	102,753,711
2020	1.068400	0.415400	108,669,780
2021	1.054800	0.313800	110,353,989
2022	1.018700	0.429000	126,457,296
2023 (School year under audit)	1.018700	0.429000	126,453,247
1000	TOTALS		

(10) Beginning Balance 7/1/2022	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 6/30/2023
\$ 80,114	\$ -	\$ 1,486	\$ 351	\$ (1,415)	\$ 76,862
5,781	-	183	21	-	5,577
4,669	-	143	16	-	4,510
6,443	-	1,544	177	-	4,722
9,886	-	3,474	397	(178)	5,837
18,007	-	3,692	990	-	13,325
20,604	-	4,180	1,625	-	14,799
29,496	-	4,451	1,810	(2,457)	20,778
63,113	-	22,428	9,445	(4,126)	27,114
-	1,808,783	1,220,830	514,123	2,009	75,839
<u>\$ 238,113</u>	<u>\$ 1,808,783</u>	<u>\$ 1,262,411</u>	<u>\$ 528,955</u>	<u>\$ (6,167)</u>	<u>\$ 249,363</u>

LA VILLA INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - CHILD NUTRITION PROGRAM
 FOR THE YEAR ENDED JUNE 30, 2023

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
	REVENUES:			
5700 Total Local and Intermediate Sources	\$ 12,000	\$ 12,000	\$ 27,005	\$ 15,005
5800 State Program Revenues	2,500	2,500	27,125	24,625
5900 Federal Program Revenues	580,155	607,622	673,230	65,608
5020 Total Revenues	594,655	622,122	727,360	105,238
EXPENDITURES:				
Current:				
0035 Food Services	482,819	505,286	595,634	(90,348)
Debt Service:				
0073 Bond Issuance Cost and Fees	-	5,000	-	5,000
6030 Total Expenditures	482,819	510,286	595,634	(85,348)
1200 Net Change in Fund Balances	111,836	111,836	131,726	19,890
0100 Fund Balance - July 1 (Beginning)	96,921	96,921	96,921	-
3000 Fund Balance - June 30 (Ending)	\$ 208,757	\$ 208,757	\$ 228,647	\$ 19,890

LA VILLA INDEPENDENT SCHOOL DISTRICT
 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 (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 543,500	\$ 543,500	\$ 552,539	\$ 9,039
5800 State Program Revenues	182,420	182,420	224,160	41,740
5020 Total Revenues	725,920	725,920	776,699	50,779
EXPENDITURES:				
Debt Service:				
0071 Principal on Long-Term Liabilities	445,000	445,000	445,000	-
0072 Interest on Long-Term Liabilities	339,877	339,877	323,025	16,852
6030 Total Expenditures	784,877	784,877	768,025	16,852
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	(58,957)	(58,957)	8,674	67,631
OTHER FINANCING SOURCES (USES):				
7915 Transfers In	59,000	59,000	-	(59,000)
1200 Net Change in Fund Balances	43	43	8,674	8,631
0100 Fund Balance - July 1 (Beginning)	646,534	646,534	646,534	-
3000 Fund Balance - June 30 (Ending)	\$ 646,577	\$ 646,577	\$ 655,208	\$ 8,631

LA VILLA INDEPENDENT SCHOOL DISTRICT
 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?	No
AP3	List the total state allotment funds received for state compensatory education programs during the district's fiscal year.	\$ 872,564
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal year.	\$ 530,137

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?	No
AP7	List the total state allotment funds received for bilingual education programs during the LEA's fiscal year.	\$ 53,081
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year.	\$ 23,483

**REPORTS ON
INTERNAL CONTROLS, COMPLIANCE
AND
FEDERAL AWARDS**

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Raul Hernandez & Company, P.C.
Certified Public Accountants
5402 Holly Rd., Suite 102
Corpus Christi, Texas 78411
Office (361)980-0482 Fax (361)980-1002

**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***

Independent Auditors' Report

La Villa Independent School District
500 East 9th Street
La Villa, Texas 78562

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 La Villa Independent School District, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise La Villa Independent School District's basic financial statements, and have issued our report thereon dated October 25, 2023.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether La Villa 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Raul Hernandez & Company, P.C.

Corpus Christi, Texas

October 25, 2023

Raul Hernandez & Company, P.C.

Certified Public Accountants

5402 Holly Rd. Suite 102

Corpus Christi, Texas 78411

Office (361)980-0482 Fax (361)980-1002

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

La Villa Independent School District
500 East 9th Street
La Villa, Texas 78562

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited La Villa 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 La Villa Independent School District's major federal programs for the year ended June 30, 2023. La Villa 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, La Villa Independent School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended 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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of La Villa 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 La Villa 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 La Villa Independent School District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding La Villa 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 La Villa 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 La Villa 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.

Raul Hernandez & Company, P.C.
Corpus Christi, TX
October 25, 2023

**LA VILLA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023**

A. Summary of Auditor's Results

1. Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

One or more material weaknesses identified? Yes X No

One or more significant deficiencies identified that are not considered to be material weaknesses? Yes X None Reported

Noncompliance material to financial statements noted? Yes X No

2. Federal Awards

Internal control over major programs:

One or more material weaknesses identified? Yes X No

One or more significant deficiencies identified that are not considered to be material weaknesses? Yes X None Reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200? Yes X No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.425	Education Stabilization Fund

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

Auditee qualified as low-risk auditee? X Yes No

B. Financial Statement Findings
NONE

C. Federal Award Findings and Questioned Costs
NONE

LA VILLA INDEPENDENT SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2023

N/A

LA VILLA INDEPENDENT SCHOOL DISTRICT
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2023

N/A

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LA VILLA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

(1)	(2)	(3)	(4)
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	Federal Assistance Listing No.	Pass-Through Entity Identifying Number	Federal Expenditures
ENTER NAME OF DEPARTMENT			
<u>Direct Programs</u>			
Unidentified Fund from Trial Balance	84.010A	23 - 610141108914	\$ 34,465
Federal Funded SRF - Locally Defined	93.323	23 - 393503108914	22,562
Other Federally Funded Special Revenue Funds	84.424A	22 - 696001108914	22,991
Other Federally Funded Special Revenue Funds	84.424A	23 - 696001108914	23,737
Total Assistance Listing Number 84.424			46,728
Total Direct Programs			103,755
TOTAL ENTER NAME OF DEPARTMENT			103,755
U.S. DEPARTMENT OF EDUCATION			
<u>Passed Through Texas Education Agency</u>			
ESEA, Title I, Part A - Improving Basic Programs	84.010A	22 - 610101108914	14,123
ESEA, Title I, Part A - Improving Basic Programs	84.010A	23 - 610101108914	316,291
Total Assistance Listing Number 84.010			330,414
ESEA, Title I, Part C - Migratory Children	84.011	22 - 615001108914	47,129
ESEA, Title I, Part C - Migratory Children	84.011	23 - 615001108914	79,604
Total Assistance Listing Number 84.011			126,733
Career and Technical - Basic Grant	84.048	22 - 3933027110004	27,808
Title IV, Pt B-21st Cent. Community Learning Cent.	84.287	Fund 265	119,806
GEAR UP	84.334B	23 - 615001108914	58,186
ESEA, Title V, Part B,2 - Rural & Low Income Prog.	84.358A	23 - 696001108914	16,986
Title III, Part A - English Language Acquisition	84.365A	22 - 671001108914	3,088
Title III, Part A - English Language Acquisition	84.365A	23 - 671001108914	4,723
Total Assistance Listing Number 84.365			7,811
ESEA, Title II, Part A, Teacher Principal Training	84.367A	22 - 694501108914	15,223
ESEA, Title II, Part A, Teacher Principal Training	84.367A	23 - 694501108914	37,400
Total Assistance Listing Number 84.367			52,623
COVID 19 - ESSER II - School Emergency Relief	84.425D	21 - 528001108914	317,961
COVID 19 - ESSER III - School Emergency Relief	84.425D	21 - 528001108914	1,288,409
COVID 19 - ESSER III - School Emergency Relief	84.425D	22 - 528001108914	274,492
COVID 19 - Learning Supports - (TCLAS) ESSER III	84.425U	21 - 528042108914	450,041
COVID 19 - ARP Education for Homeless Children	84.425W	22 - 533002108914	8,540
Total Assistance Listing Number 84.425			2,339,443
Total Passed Through Texas Education Agency			3,079,810
TOTAL U.S. DEPARTMENT OF EDUCATION			3,079,810
U.S. DEPARTMENT OF AGRICULTURE			
<u>Passed Through the Texas Department of Agriculture</u>			
*School Breakfast Program	10.553		211,643
*National School Lunch Program - Cash Assistance	10.555		407,156
*National School Lunch Prog. - Non-Cash Assistance	10.555		54,431
Total Assistance Listing Number 10.555			461,587

See Accompanying Notes to the Schedule of Expenditures of Federal Awards

LA VILLA INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2023

(1)	(2)	(3)	(4)
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	Federal Assistance Listing No.	Pass-Through Entity Identifying Number	Federal Expenditures
Total Child Nutrition Cluster			673,230
Total Passed Through the Texas Department of Agriculture			673,230
TOTAL U.S. DEPARTMENT OF AGRICULTURE			673,230
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 3,856,795

*Clustered Programs

**LA VILLA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE SCHEDULE EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Basis of Presentation:

The accompanying schedule of expenditures of federal awards includes the federal grant activity of La Villa Independent School District. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

Summary of Significant Accounting Policies:

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and OMB Compliance Supplement, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Sub-recipients:

During the fiscal year ended June 30, 2023, the District had no sub-recipients.

Federal Loans and Loan Guarantees:

During the fiscal year ended June 30, 2023, the District had no outstanding federal loans payable or loan guarantees.

Federally Funded Insurance:

During the fiscal year ended June 30, 2023, the District had no federally funded insurance.

Noncash awards:

During the fiscal year ended June 30, 2023, the District did not receive noncash-assistance under the National School Lunch Program.

Indirect Cost Rate:

The Uniform Guidance allows an organization to elect a 10% de minimis indirect cost rate. For the fiscal year ended June 30, 2023, the District did not elect to use this rate.

Reconciliation from the Schedule of Expenditures of Federal Awards to Exhibit C-3:

Total Federal Award Expended	\$ 3,856,795
TEA	9,278
Exhibit C-3	<u>\$ 3,866,073</u>

SCHOOLS FIRST QUESTIONNAIRE

La Villa Independent School District

Fiscal Year 2023

SF1	Was there an unmodified opinion in the Annual Financial Report on the financial statements as a whole?	Yes
SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement?	No
SF3	Did the school district make timely payments to the Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies? (If there was a warrant hold not cleared in 30 days, then not timely.)	Yes
SF4	Was the school district issued a warrant hold? (Yes even if cleared within 30 days.)	No
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state or federal funds?	No
SF6	Was there any disclosure in the Annual Financial Report of material noncompliance for grants, contracts, and laws related to local, state, or federal funds?	No
SF7	Did the school district post the required financial information on its website in accordance with Government Code, Local Government Code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules in effect at the fiscal year end?	Yes
SF8	Did the school board members discuss the school district's property values at a board meeting within 120 days before the school district adopted its budget?	Yes
SF9	Total accumulated accretion on CABs included in government-wide financial statements at fiscal year end.	0