

ANSON INDEPENDENT SCHOOL DISTRICT

ANNUAL FINANCIAL AND COMPLIANCE REPORT

**FOR THE YEAR ENDED
AUGUST 31, 2023**

ANSON INDEPENDENT SCHOOL DISTRICT
ANNUAL FINANCIAL REPORT FOR
THE YEAR ENDED AUGUST 31, 2023
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INTRODUCTORY SECTION

CERTIFICATE OF BOARD

Anson Independent School District
Name of School District

Jones
County

127-901
Co.-Dist. Number

We, the undersigned, certify that the attached annual financial reports of the above named school district were reviewed and (check one) X approved _____ disapproved for the year ended August 31, 2023, at a meeting of the board of trustees of such school district on the 16th day of October, 2023.



Signature of Board Secretary



Signature of Board President

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

FINANCIAL SECTION

Merritt, McLane & Hamby, P.C.

500 Chestnut Street, Suite 1645
Abilene, TX 79602

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Anson Independent School District

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Anson Independent School District, as of and for the year ended August 31, 2023, and the related notes to the financial statements, which collectively comprise Anson Independent School 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 Anson Independent School District, as of August 31, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 Anson Independent School District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, 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 Anson Independent School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Anson Independent School District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and TRS schedules on pages 5 through 10 and 47 through 51 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Anson Independent School District's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

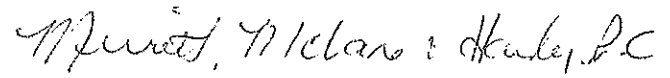
Management is responsible for the other information included in the annual report. The other information comprises the introductory and required TEA schedules but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 4, 2023, on our consideration of Anson Independent School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the

results of that testing, and not to provide an opinion on the effectiveness of Anson Independent School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Anson Independent School District's internal control over financial reporting and compliance.



MERRITT, MCLANE & HAMBY, P.C.

Abilene, Texas
October 4, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS



Anson Independent School District



"PROVIDING A WORLD CLASS EDUCATION"

JAY BACCUS, SUPERINTENDENT OF SCHOOLS
1431 S. COMMERCIAL, ANSON, TEXAS 79501
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MANAGEMENT'S DISCUSSION AND ANALYSIS

In this section of the Annual Financial Report, we, the managers of Anson Independent School District (the "District"), discuss and analyze the District's financial performance for the twelve months ended August 31, 2023. Please read it in conjunction with the independent auditor's report and the District's Basic Financial Statements.

FINANCIAL HIGHLIGHTS

- The District's total combined net position was \$9,306,307 at August 31, 2023 which was an increase of 22.5% from the previous year.
- The District's expenses were \$11,677,414 versus revenue at \$13,386,789 for a net gain of \$1,709,375.
- The total cost of the District's programs increased \$712,285 from last year.
- The general fund reported a fund balance this year of \$7,515,233.

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. These statements provide information about the activities of the District as a whole and present a long-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 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 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 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 the Texas Education Agency (TEA). The sections labeled TEA Required Schedules and Federal Awards Section 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 with the Statement of Net Position (Exhibit A-1) and the Statement of Activities (Exhibit B-1). Its primary purpose is to show whether the District is in a better or worse position as a result of the year's activities. The Statement of Net Position includes all the District's assets, liabilities, and

deferred inflows and outflows of resources 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 children 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.

The District's net position (the difference between assets and deferred outflows, and liabilities and deferred inflows) 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 non-financial 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 have presented the District as one kind of activity (governmental activities).

Governmental activities – All of the District's basic services are reported here, including instruction, counseling, co-curricular activities, food services, transportation, maintenance, community services, and general administration. Property taxes, fees, state funding, and federal grants finance most of these activities.

Reporting the District's Most Significant Funds

Fund Financial Statements

The fund financial statements begin with the Governmental Funds Balance Sheet (Exhibit C-1) 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 federal grants received 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 two kinds of funds (governmental and proprietary) use different accounting approaches.

- Governmental funds – Most of the District's basic services are reported in governmental funds. These funds 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 a reconciliation schedule following each of the fund financial statements.
- Proprietary fund – The District reports the activities for which it charges users (whether outside customers or other units of the District) in proprietary funds using the same accounting methods employed in the Statement of Net Position and the Statement of Activities. In fact, the District's enterprise funds (one category of proprietary funds which the District does not have at present) are the business-type activities reported in the government-wide statements but contain more detail and additional information, such as cash flows. The internal service funds (the other category of proprietary funds in Exhibits D-1, D-2, and D-3) report activities that provide supplies and services for the District's other programs and activities – such as the District's self-insurance programs.

The District as Trustee

Reporting the District's Fiduciary Responsibilities

The District is the trustee, or fiduciary, for money raised by student activities and prior student scholarship programs. All of the District's fiduciary activities are reported in a separate Statement of Fiduciary Net Position (Exhibit E-1). The current year activity is recorded in the Statement of Changes in Fiduciary Fund Net Position (Exhibit E-2). 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 analysis below presents both current and prior year data and discusses significant changes in the accounts. Our analysis focuses on the net position (Table A-1) and changes in net position (Table A-2) of the District's governmental activities.

Net position of the District's governmental activities increased from \$7,596,932 to \$9,306,307 in the current year. 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 \$2,896,272 at August 31, 2023.

Table A-1
Anson Independent School District's Net Position

	Governmental Activities		Percentage Change
	2023	2022	
Current and Other Assets	\$ 8,930,992	\$ 9,042,030	-1.23%
Capital and Non-Current Assets	9,808,608	8,895,318	10.27%
Total Assets	18,739,600	17,937,348	4.47%
Deferred Outflows of Resources	2,097,886	1,516,997	38.29%
Current Liabilities	574,590	919,654	-37.52%
Long Term Liabilities	8,044,541	7,839,892	2.61%
Total Liabilities	8,619,131	8,759,546	-1.60%
Deferred Inflows of Resources	2,912,048	3,097,867	-6.00%
Net Position			
Net Investment in Capital Assets	5,799,325	4,488,419	29.21%
Restricted	610,710	665,774	-8.27%
Unrestricted	2,896,272	2,442,739	18.57%
Total Net Position	\$ 9,306,307	\$ 7,596,932	22.50%

At the end of the 2022-2023 school year, the enrollment for the District was 752, an increase of 12 from the prior year. The average daily attendance was (ADA) was 681.52 which was an increase of less than 1.0% over the prior year.

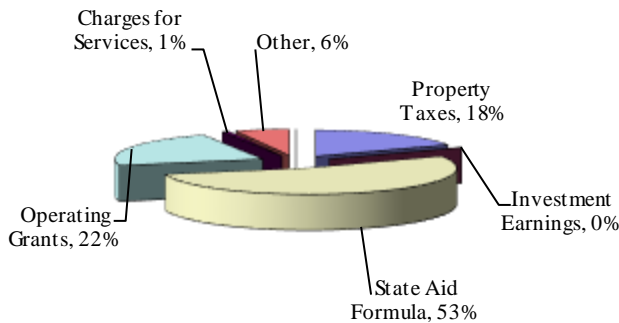
The District's Maintenance & Operations (M&O) tax rate decreased to \$0.9429 per \$100 of valuation and the Debt Service (I&S) tax rate decreased to \$0.125.

The cost of all governmental activities for the current fiscal year was \$11,677,414. However, as shown in the Statement of Activities, the amount that our taxpayers ultimately financed for these activities through District taxes was \$2,370,944, which is \$73,472 more than last year's total of \$2,297,472. The District's total revenues were \$13,386,789. A significant portion, 18%, of the District's revenue comes from taxes. (See Figure A-3.) \$7,151,591 (53%) comes from state aid – formula, while 22% comes from operating grants, and 1% relates to charges for services.

Table A-2
Changes in Anson Independent School District's Net Position

	Governmental Activities		Total % Change
	2023	2022	
Revenues			
<u>Program Revenues</u>			
Charges for Services	\$ 70,559	69,364	1.72%
Operating Grants and Contributions	3,001,533	1,224,196	145.18%
<u>General Revenues</u>			
Property Taxes	2,370,944	2,297,472	3.20%
State aid - formula	7,151,591	7,208,481	-0.79%
Investment earnings	3,317	1,322	150.91%
Other	788,845	4,164,694	-81.06%
Total Revenues	<u>13,386,789</u>	<u>14,965,529</u>	
Expenses			
Instruction and instructional related	5,605,442	5,281,794	6.13%
Instructional and school leadership	853,580	786,348	8.55%
Guidance, social work, health, transportation	625,046	578,053	8.13%
Food Services	746,817	711,077	5.03%
Extracurricular activities	999,560	1,063,365	-6.00%
General administration	565,730	540,503	4.67%
Facilities maintenance and operations	1,427,252	1,229,789	16.06%
Security and monitoring, data processing service	386,863	318,809	21.35%
Debt service - interest on long term debt	122,090	128,575	-5.04%
Debt service - bond issuance costs and fees	500	400	25.00%
Pmts to fiscal agent/member districts - shared services	344,534	326,416	5.55%
Total Expenses	<u>11,677,414</u>	<u>10,965,129</u>	
Change in Net Position	1,709,375	4,000,400	
Beginning Net Position	<u>7,596,932</u>	<u>3,596,532</u>	
Ending Net Position	<u>\$ 9,306,307</u>	<u>\$ 7,596,932</u>	

Figure A-3
District Sources of Revenue for Fiscal Year 2023



THE DISTRICT'S FUNDS

Revenues from governmental fund types totaled \$13,627,412 a decrease of 12.2% from the preceding year. Local revenue decreased \$3,127,620 as a result of funds received in the previous year from the solar farms. The state aid revenue decreased 1.3% due to increased property tax revenue. The increase in federal revenues of \$1,336,479 represents a 78.5% increase from the prior year.

General Fund Budgetary Highlights

Over the course of the year, the Board of Trustees revised the District's budget several times. These budget amendments fall into three categories. The first category includes amendments and supplemental appropriations that were approved shortly after the beginning of the year and reflect the actual beginning balances (versus the amounts we estimated in August 31, 2022). The second category includes changes that the Trustees made during the year to take into account the changes in operations. The third category involved amendments moving funds from programs that did not need all the resources originally appropriated to them to programs with resource needs. With these adjustments, actual expenditures in the General Fund were \$584,149 under final budget amounts. The budget was amended and increased 1.8% for increases in instruction, instructional resources and media services, curriculum and instructional staff development, school leadership, guidance, counseling, and evaluation services, student (pupil) transportation, extracurricular activities, general administration, data processing services, principal and interest on long-term liabilities, facilities acquisition and construction and other intergovernmental charges. The budget decreased in the following functions: instructional leadership, health services, facilities maintenance and operations, security and monitoring services, and payments to fiscal agent/member districts of SSA. Resources were \$508,047 under the final budget amount.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2023, the District had invested \$9,808,608 in a broad range of capital assets, including land, equipment, buildings, and vehicles, net of accumulated depreciation. (See Table A-4) This amount represents a net increase (including additions, deletions and depreciation expense) of 10.3% over last year.

The District plans to spend approximately \$250,000 for a bus and \$2,400,000 for renovating the ag shop for the year ending August 31, 2023.

Table A-4
District's Capital Assets

	Governmental Activities		Total % Change
	2023	2022	
Land	\$ 140,991	\$ 140,991	
Buildings and improvements	22,330,131	20,873,973	6.98%
Furniture and equipment	2,297,228	1,963,495	17.00%
Right of use assets	132,273	88,818	48.93%
Total at historical cost	24,900,623	23,067,277	7.95%
Total accumulated depreciation	15,092,015	14,171,959	6.49%
Net capital assets	\$ 9,808,608	\$ 8,895,318	10.27%

Debt

At year-end, the District had \$3,958,770 in bonds and premium associated with the bonds and \$101,904 in right-to use leases. See Table A-5.

Table A-5
District's Long Term Debt

	<u>2023</u>	<u>2022</u>
Unlimited Tax		
Refunding Bonds, Series 2015	\$ 3,630,000	\$ 4,005,000
Total Bonds	<u>3,630,000</u>	<u>4,005,000</u>
Premium on Series 2015	328,770	375,738
Right to Use Lease	<u>101,904</u>	<u>84,894</u>
Total Long Term Debt	<u>\$ 4,060,674</u>	<u>\$ 4,465,632</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- Appraised value used for the 2023-2024 budget preparation increased approximately \$3,800,000 or 107% from the previous year. The District expects property tax revenue to increase because of the increase in property values.
- General operating fund spending per student is expected to increase in the 2024 budget to \$19,690, a \$5,343 per student increase.

The district's 2024 refined average daily attendance is expected to be 675.

These indicators were taken into account when adopting the general fund budget for 2024. Property taxes will increase as stated above. State revenue will decrease slightly due to increasing property revenue.

Expenditures are budgeted at \$13,290,483, which is an increase of 35.9% compared to prior year expenditures.

If these estimates are realized, the District's budgetary general fund fund balance is expected to decrease by \$3,247,657 by the close of 2024.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate 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 Anson Independent School District, 1431 Commercial Ave, Anson, Texas 79501, or by calling (325) 823-3671.

BASIC FINANCIAL STATEMENTS

ANSON INDEPENDENT SCHOOL DISTRICT

EXHIBIT A-1

STATEMENT OF NET POSITION

AUGUST 31, 2023

<u>Data Control Codes</u>		<u>Governmental Activities</u>
ASSETS		
1110	Cash and cash equivalents	\$ 6,227,732
1120	Investments - current	700,000
1220	Property taxes receivable (delinquent)	260,779
1230	Allowance for uncollectible taxes	(90,397)
1240	Due from other governments	1,332,544
1410	Prepayments	(2,370)
1800	Restricted assets	502,704
	Capital assets:	
1510	Land	140,991
1520	Buildings, net	8,929,903
1530	Furniture and equipment, net	635,692
1550	Right-to-use leased assets, net	102,022
1000	Total Assets	<u>18,739,600</u>
DEFERRED OUTFLOWS OF RESOURCES		
1701	Deferred charge for refunding	51,391
1705	Deferred outflows related to TRS Pension	1,114,571
1706	Deferred outflows related to TRS OPEB	931,924
1700	Total Deferred Outflows of Resources	<u>2,097,886</u>
LIABILITIES		
2110	Accounts payable	87,357
2140	Interest payable	6,050
2150	Payroll deductions & withholdings	(744)
2160	Accrued wages payable	414,390
2180	Due to other governments	1,039
2200	Accrued expenditures	66,498
	Noncurrent liabilities:	
2501	Due within one year	420,410
2502	Due in more than one year	3,640,264
2540	Net pension liability (District share)	2,392,791
2545	Net OPEB liability (District share)	1,591,076
2000	Total Liabilities	<u>8,619,131</u>
DEFERRED INFLOWS OF RESOURCES		
2505	Deferred inflows related to TRS Retirement	171,430
2606	Deferred inflows related to TRS OPEB	2,740,618
2600	Total Deferred Inflows of Resources	<u>2,912,048</u>
NET POSITION		
3200	Net investment in capital assets	5,799,325
3820	Restricted for federal or state programs	112,598
3850	Restricted for debt service	498,112
3900	Unrestricted	2,896,272
3000	Total Net Position	<u>\$ 9,306,307</u>

The accompanying notes are an integral part of this statement.

ANSON INDEPENDENT SCHOOL DISTRICT

EXHIBIT B-1

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2023

Data Control Codes	Functions/Programs	1	3	4	6
		Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
			Charges for Services	Operating Grants and Contributions	
	Government Activities:				
11	Instruction	\$ 5,477,179	\$	\$ 778,991	\$ (4,698,188)
12	Instruction Resources and Media Services	87,423		(3,162)	(90,585)
13	Curriculum and Staff Development	40,840		4,368	(36,472)
21	Instructional Leadership	375,385		176,337	(199,048)
23	School Leadership	478,195		(785)	(478,980)
31	Guidance, Counseling, & Evaluation Services	215,787		(4,723)	(220,510)
33	Health Services	93,634		65,845	(27,789)
34	Student (Pupil) Transportation	315,625		(608)	(316,233)
35	Food Service	746,817	38,533	602,056	(106,228)
36	Extracurricular Activities	999,560	32,026	(13,071)	(980,605)
41	General Administration	565,730		(8,331)	(574,061)
51	Facilities Maintenance & Operations	1,427,252		1,231,807	(195,445)
52	Security and monitoring services	105,201		171,410	66,209
53	Data Processing Services	281,662		1,399	(280,263)
72	Interest on Long-term Debt	122,090			(122,090)
73	Bond issuance cost and fees	500			(500)
93	Payments to Fiscal Agent/Member Districts of SSA	261,421			(261,421)
99	Other Intergovernmental Charges	83,113			(83,113)
TP	Total Primary Government	\$ <u>11,677,414</u>	\$ <u>70,559</u>	\$ <u>3,001,533</u>	<u>(8,605,322)</u>
	General Revenues:				
	MT	Property Taxes, Levied for General Purposes			1,928,006
	DT	Property Taxes, Levied for Debt Service			442,938
	SF	State Aid-formula Grants			7,151,591
	GC	Grants & Contributions Not Restricted			436,391
	IE	Investment Earnings			3,317
	MI	Miscellaneous Local & Intermediate Revenue			<u>352,454</u>
	TR	Total General Revenues			<u>10,314,697</u>
	CN	Change in Net Position			1,709,375
	NB	Net Position - Beginning			<u>7,596,932</u>
	NE	Net Position - Ending			<u>\$ 9,306,307</u>

The accompanying notes are an integral part of this statement.

GOVERNMENTAL FUND FINANCIAL STATEMENTS

ANSON INDEPENDENT SCHOOL DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS

AUGUST 31, 2023

10

<u>Data Control Codes</u>		<u>General Fund</u>	<u>ESSER II CRRSA Act Supplemental</u>	<u>ESSER III ARP Act</u>
	ASSETS:			
1110	Cash and cash equivalents	\$ 5,958,684	\$	
1120	Investments - current	700,000		
1220	Taxes receivable (delinquent)	222,180		
1230	Allowance for uncollectible taxes	(77,017)		
1240	Due from other governments	744,573	414,335	51,602
1260	Due from other funds	636,667		
1410	Prepayments	(2,370)		
1800	Restricted assets			
1000	Total Assets	<u>\$ 8,182,717</u>	<u>\$ 414,335</u>	<u>\$ 51,602</u>
	LIABILITIES			
2110	Accounts payable	\$ 80,863	\$	
2150	Payroll deductions and withholdings payable	(744)		
2160	Accrued wages payable	379,045		
2170	Due to other funds	54,219	414,335	51,602
2180	Due to other governments	751		
2200	Accrued expenditures	8,187		
2000	Total Liabilities	<u>522,321</u>	<u>414,335</u>	<u>51,602</u>
	DEFERRED INFLOWS OF RESOURCES			
2601	Unavailable revenue - property taxes	<u>145,163</u>		
2600	Total Deferred Inflows of Resources	<u>145,163</u>		
	FUND BALANCES			
	Restricted for:			
3450	Federal of State funds grant restriction			
3480	Retirement of long-term debt			
	Assigned:			
3590	Other assigned fund balance			
3600	Unassigned fund balance	<u>7,515,233</u>		
3000	Total Fund Balance	<u>7,515,233</u>		
4000	Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 8,182,717</u>	<u>\$ 414,335</u>	<u>\$ 51,602</u>

The accompanying notes are an integral part of this statement.

Nonmajor Governmental Funds	Total Governmental Funds
\$ 269,048	\$ 6,227,732
	700,000
38,599	260,779
(13,380)	(90,397)
122,034	1,332,544
	636,667
	(2,370)
502,704	502,704
<u>\$ 919,005</u>	<u>\$ 9,567,659</u>
\$ 6,494	\$ 87,357
	(744)
35,345	414,390
170,730	690,886
288	1,039
4,092	12,279
<u>216,949</u>	<u>1,205,207</u>
<u>25,219</u>	<u>170,382</u>
<u>25,219</u>	<u>170,382</u>
112,598	112,598
504,162	504,162
60,077	60,077
	7,515,233
<u>676,837</u>	<u>8,192,070</u>
<u>\$ 919,005</u>	<u>\$ 9,567,659</u>

ANSON INDEPENDENT SCHOOL DISTRICT

EXHIBIT C-2

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

AUGUST 31, 2023

Total fund balances - governmental funds balance sheet (from C-1)	\$ 8,192,070
Amounts reported for governmental activities in the statement of net position (SNP) are different because:	
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 were \$23,067,277 and the accumulated depreciation was \$14,171,959.	8,895,318
Current year capital outlays are expenditures in the fund financial statements, but are shown as increases to capital assets in SNP.	1,864,503
Depreciation expense decreases net position in SNP.	(951,213)
Long-term liabilities, including a beginning bonds payable balance of \$4,005,000, are not due and payable in the current period and therefore, are not reported as liabilities in the funds.	(4,380,738)
Long-term debt principal payments are expenditures in the fund financial statements but they are shown as reductions in long-term debt in the government-wide financial statements.	375,000
The premium on bonds are amortized over the life of the bond and recorded in the statement of net position.	46,968
Right to use leases are shown as liabilities in the government wide statements	(84,894)
Right-to-use lease proceeds are shown as financing sources in the fund statements but as increases to liabilities in SNP	(43,455)
Long-term right to use principal payments are expenditures in the fund financial statements but are shown as reductions in long term debt in the government wide statements.	26,445
Included in the items related to debt is the recognition of the District's proportionate share of the net Pension liability required by GASB 68. The net position related to TRS included a deferred resource outflow in the amount of \$1,114,571, a deferred resource inflow in the amount of \$171,430, and a net pension liability in the amount of \$2,392,791. This resulted in a decrease in net position.	(1,449,650)
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 OPEB included a deferred resource outflow in the amount of \$931,924, a deferred resource inflow in the amount of \$2,740,618, and a net OPEB liability in the amount of \$1,591,076. This resulted in a decrease in net position.	(3,399,770)
Interest payable is recorded in the SNP but not included in the fund financial statements.	(6,050)
The difference of the amount of bonds refunded and the amount sent to the escrow agent results in a deferred charge for refunding and is amortized over the life of the bond.	51,391
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to the accrual basis of accounting. These include recognizing deferred revenue as revenue, eliminating interfund transactions, 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.	170,382
Net position of governmental activities - statement of net position (see A-1)	\$ <u><u>9,306,307</u></u>

The accompanying notes are an integral part of this statement.

ANSON INDEPENDENT SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2023

Data Control Codes		10		
		General	ESSER II	ESSER III
		Fund	CRRSA Act	ARP Act
		<u> </u>	<u>Supplemental</u>	<u> </u>
	REVENUES			
5700	Local and intermediate sources	\$ 2,217,098	\$	\$
5800	State program revenues	7,617,790		
5900	Federal program revenues	181,144	422,343	1,365,271
5020	Total Revenues	<u>10,016,032</u>	<u>422,343</u>	<u>1,365,271</u>
	EXPENDITURES			
	Current:			
0011	Instruction	4,813,343	127,827	153,560
0012	Instructional resources & media	86,368		
0013	Curriculum development	36,520		
0021	Instructional leadership	205,446		191,157
0023	School leadership	495,390	14,203	
0031	Guidance, counseling, & evaluation	223,580	4,058	
0033	Health services	28,958	3,607	65,160
0034	Student (pupil) transportation	416,315		1,004
0035	Food service			2,000
0036	Extracurricular activities	685,309		
0041	General administration	559,530	4,058	
0051	Plant maintenance and operations	1,247,680	260,582	952,390
0052	Security & monitoring services	92,242		
0053	Data processing services	335,300	8,008	
0071	Debt service - principal on long term debt	26,445		
0072	Debt service - interest on long term debt	9,641		
0073	Bond issuance cost and fees			
0081	Facilities maintenance and operations	170,621		
0093	Payments to fiscal agent/member districts of SSA	261,421		
0099	Other intergovernmental charges	83,113		
6030	Total Expenditures	<u>9,777,222</u>	<u>422,343</u>	<u>1,365,271</u>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>238,810</u>		
	OTHER FINANCING SOURCES AND (USES)			
7913	Right-to-use leases	43,455		
7915	Operating transfers in			
8911	Operating transfers out	<u>(6,468)</u>		
7080	Total Other Financing Sources and (Uses)	<u>36,987</u>		
1200	Net Change in Fund Balances	275,797		
0100	Fund Balance - Beginning	<u>7,239,436</u>		
3000	Fund Balance - Ending	<u>\$ 7,515,233</u>	\$	\$

The accompanying notes are an integral part of this statement.

Nonmajor Governmental Funds	98 Total Governmental Funds
\$ 560,654	\$ 2,777,752
192,805	7,810,595
<u>1,070,307</u>	<u>3,039,065</u>
<u>1,823,766</u>	<u>13,627,412</u>
448,433	5,543,163
4,533	86,368
	41,053
	396,603
	509,593
	227,638
	97,725
4,113	421,432
630,777	632,777
70,119	755,428
	563,588
34,567	2,495,219
171,410	263,652
	343,308
375,000	401,445
152,700	162,341
500	500
	170,621
	261,421
	<u>83,113</u>
<u>1,892,152</u>	<u>13,456,988</u>
<u>(68,386)</u>	<u>170,424</u>
	43,455
6,468	6,468
	<u>(6,468)</u>
<u>6,468</u>	<u>43,455</u>
(61,918)	213,879
<u>738,755</u>	<u>7,978,191</u>
<u>\$ 676,837</u>	<u>\$ 8,192,070</u>

ANSON INDEPENDENT SCHOOL DISTRICT

EXHIBIT C-4

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2023**

Total change in fund balances - total governmental funds (from C-3)	\$ 213,879
Amounts reported for governmental activities in the statement of activities (SOA) are different because:	
The depreciation of capital assets used in governmental activities is not reported in the funds.	(951,213)
Capital outlay are expenditures in the fund financial statements, but are shown as increases in capital assets.	1,864,503
Long-term debt principal payments are expenditures in the fund financial statements but are shown as reductions in long-term debt in the government-wide financial statements.	375,000
Interest payable is recorded in the SNP but not included in the fund financial statements.	625
The difference of the amount of bonds refunded and the amount sent to the escrow agent results in a deferred charge for refunding.	(7,342)
Bond premium must be amortized over the life of the bond.	46,968
Right to use leases are shown as liabilities in the government wide statements	(43,455)
Long-term right to use principal payments are expenditures in the fund financial statements but are shown as reductions in long term debt in the government wide statements.	26,445
GASB 68 required that certain expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of the plan caused the change in the ending net position to increase by 218,098. 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 \$188,074. The proportionate share of the TRS pension expense on the plan as a whole had to be recorded. The net pension expense decreased the change in net position by \$139,177. The net result is a decrease in the change in net position.	(109,153)
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 \$72,343. 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 \$54,578. The proportionate share of the TRS OPEB expense on the plan as a whole had to be recorded. The net OPEB expense increased the change in net position by \$255,831. The net result is an increase in the change in net position.	273,596
Various other reclassifications and eliminations including recognizing unavailable revenue as revenue and adjusting current year revenue to show the revenue earned from the current year's tax levy.	<u>19,522</u>
Change in net position of governmental activities - statement of activities	\$ <u><u>1,709,375</u></u>

The accompanying notes are an integral part of this statement.

PROPRIETARY FUND FINANCIAL STATEMENTS

ANSON INDEPENDENT SCHOOL DISTRICT

EXHIBIT D-1

STATEMENT OF NET POSITION - PROPRIETARY FUND

AUGUST 31, 2023

Governmental
Activities -
Internal Service
Fund

ASSETS

Due from other funds
Total Assets

\$ 54,219
54,219

LIABILITIES

Accrued expenses
Total Liabilities

54,219
54,219

NET POSITION

Unrestricted
Total Net Position

\$

The accompanying notes are an integral part of this statement.

ANSON INDEPENDENT SCHOOL DISTRICT

EXHIBIT D-2

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION -
PROPRIETARY FUND
 FOR THE YEAR ENDED AUGUST 31, 2023

	Governmental Activities - Internal Service Fund
	<u> </u>
Operating revenues	
Local and Intermediate Sources	\$ <u> 4,325</u>
Total operating revenues	<u> 4,325</u>
 Operating expenses	
Professional and Contracted Services	<u> 4,325</u>
Total operating expenses	<u> 4,325</u>
 Net income	
 Net Position - Beginning of Year	<u> </u>
 Net Position - End of Year	\$ <u><u> </u></u>

The accompanying notes are an integral part of this statement.

ANSON INDEPENDENT SCHOOL DISTRICT

EXHIBIT D-3

STATEMENT OF CASH FLOWS - PROPRIETARY FUND
FOR THE YEAR ENDED AUGUST 31, 2023

	Governmental Activities - Internal Service Fund
Cash flows from operating activities:	
Cash receipts from other funds	\$ 4,325
Cash payments for insurance claims	<u>(4,325)</u>
Net cash used by operating activities	<u> </u>
Net increase in cash	
Cash at Beginning of Year	<u> </u>
Cash at Ending of Year	\$ <u> </u>

The accompanying notes are an integral part of this statement.

FIDUCIARY FUND FINANCIAL STATEMENTS

ANSON INDEPENDENT SCHOOL DISTRICT

EXHIBIT E-1

STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS

AUGUST 31, 2023

	<u>Private Purpose Trust Fund</u>	<u>Custodial Fund</u>
ASSETS		
Cash and cash equivalents	\$	\$ 48,124
Restricted assets	18,330	
Total Assets	<u>18,330</u>	<u>48,124</u>
 NET POSITION		
Restricted for scholarships	18,330	
Unrestricted net position	\$	48,124
Total Net Position	<u>18,330</u>	<u>48,124</u>

The accompanying notes are an integral part of this statement.

ANSON INDEPENDENT SCHOOL DISTRICT

EXHIBIT E-2

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2023

	<u>Private Purpose Trust Fund</u>	<u>Custodial Fund</u>
ADDITIONS:		
Enterprising Services Revenue	\$	\$ 124,924
Miscellaneous Additions	<u>(1,303)</u>	<u>124,924</u>
Total Additions	<u>(1,303)</u>	<u>124,924</u>
DEDUCTIONS:		
Supplies and Materials	<u>500</u>	<u>132,863</u>
Total Deductions	<u>500</u>	<u>132,863</u>
Change in Net Position	(1,803)	(7,939)
Total Net Position - Beginning	<u>20,133</u>	<u>56,063</u>
Total Net Position - Ending	<u>\$ 18,330</u>	<u>\$ 48,124</u>

The accompanying notes are an integral part of this statement.

ANSON INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Anson Independent School District (the "District") is a public educational agency operating under the applicable laws and regulations of the State of Texas. It is governed by a seven-member Board of Trustees (the "Board") elected by registered voters of the District. The District prepares its basic financial statements in accordance with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board and other authoritative sources identified in *Statement on Auditing Standards No. 69* of the American Institute of Certified Public Accountants; and it complies with the requirements of the appropriate version of Texas Education Agency's *Financial Accountability System Resource Guide* (the "FASRG") and the requirements of contracts and grants of agencies from which it receives funds.

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

Other 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 resource measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefit, 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.

Reporting Entity

The Board of School Trustees 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 executive 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 in Section 2100, Codification of Governmental Accounting and Financial Reporting Standards.

The District's basic financial statements include the accounts of all District operations. The criteria for including organizations as component units within the District's reporting entity, as set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards. Based on the criteria, Anson Independent School District has no component units.

Basis of Presentation

The statement of net position and the statement of activities are government-wide financial statements and report information on all of the nonfiduciary activities of the District. The effect of interfund activity within the governmental activities columns has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given program and 2) operating or capital 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.

ANSON INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Fund Financial Statements

The District segregates transactions related to certain functions or activities in separate, self-balancing funds in order to aid financial management and to demonstrate legal compliance. These statements present each major fund as a separate column on the fund financial statements; all non-major funds are aggregated and presented in a single column. Governmental funds are those funds through which most governmental functions typically are financed. The District has presented the following major governmental funds:

The *General Fund* 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.

In addition, the District reports the following fund types:

Special Revenue Funds account 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.

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

Internal Service Fund, a proprietary fund type, accounts for its workers' compensation self-insurance plan in a public entity risk pool. The General Fund is contingently liable for liabilities of these funds. Sub-fund accounting is employed to maintain the integrity of the self-insurance activities of the District.

Custodial Funds, a fiduciary fund type, accounts for resources held for others in a custodial capacity.

Private Purpose Trust Fund accounts for donations for which the donor has stipulated that both principal and the income may be used for purposes that benefit parties outside the District.

Measurement Focus, Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide financial statements use the economic resources measurement focus and the accrual basis of accounting, as do internal service fund financial statements and fiduciary fund financial statements. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net position and the statement of activities presents increases (revenues) and decreases (expenses) in net total position. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized at the time the liability is incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e., when they become both measurable and available. Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to be used to pay liabilities in the current period. The property taxes received after the end of the year are recorded as deferred inflow of resources. A one-year availability period is used for recognition of all other governmental fund revenue. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures are recorded only when payment is due.

The revenues susceptible to accrual are property taxes, charges for services, interest income and intergovernmental revenues.

ANSON INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Revenues from state and federal grants are recognized as earned when the related program expenditures are incurred. Funds received but unearned are reflected as unearned revenues, expenditures incurred but not yet reimbursed are shown as receivables. Funds received before time requirements are met but after all other eligibility requirements have been met will be reported as a deferred inflow of resources.

Operating income reported in proprietary fund financial statements include transfers from the general fund to pay worker's compensation claims. Operating expenses are the costs of worker's compensation claims and administrative costs.

In accordance with the Financial Accountability System Resource Guide (FASRG), the District has adopted and installed an accounting system which exceeds the minimum requirements prescribed by the State Board of Education and approved by the State Auditor. Specifically, the District's accounting system uses codes and the code structure presented in the Accounting Code Section of the FASRG.

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 restricted resources first, then unrestricted.

Budgetary Control

Formal budgetary accounting is employed for all required Governmental Fund Types, as outlined in TEA's FASRG module, and is presented on the modified accrual basis of accounting consistent with generally accepted accounting principles. The budget is prepared and controlled at the function level within each organization to which responsibility for controlling operations is assigned.

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

1. Prior to August 20th the District prepares a budget for the next succeeding fiscal year beginning September 1st. 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.
3. Prior to September 1st, 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.

The District had no negative budget variances.

Cash and cash equivalent

For purposes of the Statement of Cash Flows, the District considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Investments

Investments are recorded at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Inventory

The costs of inventory are recorded as expenditures when purchased (purchase method).

ANSON INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Interfund Receivables and Payables

Short-term amounts owed between funds are classified as “Due to/from other funds”.

Capital Assets

Capital assets, which include land, buildings and, furniture and equipment, are reported in the governmental activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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 and improvements	10-40
Furniture and equipment	7-10

Deferred Outflows/Inflows of Resources

Deferred outflows of resources refer to the consumption of net assets that are applicable to a future reporting period. Deferred outflows of resources have a positive effect on net position, similar to assets. The District has no amounts recorded as deferred outflows of resources in the governmental fund financial statements and \$2,046,495 of deferred outflows related to TRS and \$51,391 of deferred outflows related to the refunding of the Series 2007 bonds recognized in the government-wide financial statements.

Deferred inflows of resources refer to the acquisition of net assets that are applicable to a future reporting period. Deferred inflows of resources have a negative effect on net position, similar to liabilities. Specifically for the current period, the difference in delinquent taxes receivable and the associated allowance for uncollectible taxes of \$170,382 is considered a deferred inflow of resources in the governmental financial statements while \$2,912,048 of deferred inflows related to TRS is considered deferred inflow of resources in the government-wide financial statements.

Fund Balance Classification

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

Nonspendable – This classification includes amounts that cannot be spent because they are either a) not in spendable form or b) are legally or contractually required to be maintained intact. The District has no funds classified as nonspendable at August 31, 2023.

Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or b) imposed by law through constitutional provisions or enabling legislation. The District has \$504,162 classified as restricted for debt service and \$112,598 restricted for federal and state programs at August 31, 2023.

ANSON INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the School Board. These amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been officially committed for use in satisfying those contractual requirements. The District has no funds classified as committed at August 31, 2023.

Assigned – This classification includes amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the School Board or through the Board delegating this responsibility to the Superintendent through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund. The District had \$60,077 assigned for campus funds at August 31, 2023.

Unassigned – This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

The District would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

Long-term Obligations

In the government-wide financial statements, long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the current period.

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

Data Control Codes

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

Estimates

The preparation of financial statements in accordance with GAAP required the use of management's estimates. Accordingly, actual results could differ from those estimates.

Receivables and Payables

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.

ANSON INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2: 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 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.

Cash Deposits

At August 31, 2023, the carrying amount of the District's deposits (cash and interest-bearing accounts) was \$7,496,890 and the bank balance was \$7,609,702. The District's cash deposits at August 31, 2023 and during the year ended August 31, 2023, were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name.

Investments

The District 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, (9) and bid solicitation preferences for certificates of deposit.

Statutes authorize the entity to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas; (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, (10) and common trust funds. The Act also requires the entity to have independent auditors perform procedures related to investment practices as provided by the Act.

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 practices, 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.

Fair Value

Generally accepted accounting principles require the use of valuation techniques that are consistent with the market approach, the income approach and/or the cost approach. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets and liabilities. The income approach uses valuation to convert future amounts, such as cash flows or earnings, to a single present amount on a discounted basis. The cost approach is based on the amount that currently would be required to replace the service capacity of an asset (replacement cost). Valuation techniques should be consistently applied. Inputs to valuation techniques refer to the assumptions that market participants would use in pricing the asset or liability. Inputs may be observable, meaning those that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from independent sources, or unobservable, meaning those that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

A fair value hierarchy exists for valuation inputs that give the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The fair value hierarchy is as follows:

ANSON INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2: DEPOSITS AND INVESTMENTS - continued

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability (for example: interest rates, volatilities, prepayment speeds, loss severities, credit risks and default rates) or inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Significant unobservable inputs that reflect an entity’s own assumptions that market participants would use in pricing the assets or liabilities.

A description of the valuation methodologies used for assets and liabilities measured at fair value, as well as the general classification of such instruments pursuant to the valuation hierarchy, is set forth below:

In general, fair value is based upon quoted market prices, where available. If such quoted market prices are not available, fair value is based upon internally developed models that primarily use, as inputs, observable market-based parameters. Valuation adjustments may be made to ensure that financial instruments are recorded at fair value.

While management believes the District’s valuation methodologies are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

For all assets and liabilities other than investments carrying value approximates fair value.

Investments are reported at fair value utilizing Level 2 inputs for the CDs at First National Bank of Anson and Level I for mutual funds at Edward Jones.

As of August 31, 2023, Anson Independent School District has the following investments:

	<u>Cost</u>	<u>Book Value</u>	<u>Weighted Average Maturity</u>
Governmental Funds			
Investments			
Certificates of deposit maturities < 1 year	\$ 700,000	\$ 700,000	232 Days
Total Governmental Funds	\$ <u>700,000</u>	\$ <u>700,000</u>	
Fiduciary Funds			
Investments			
Certificates of deposit maturities < 1 year	7,335	7,335	227 Days
Mutual Funds	10,995	10,995	
Total Fiduciary Funds	\$ <u>18,330</u>	\$ <u>18,330</u>	

Analysis of Specific Deposit and Investment Risks

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 institution, or collateralized with securities held by the pledging financial institution’s trust department or agent but not in the District’s name.

ANSON INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2: DEPOSITS AND INVESTMENTS - continued

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.

At year end, the District was not exposed to custodial credit risk.

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.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District's investment policy limits its investment portfolio to maturities of one year or less as a means of limiting its exposure to fair value losses arising from fluctuating interest rates.

Foreign Currency Risk

Foreign currency risk is the risk that exchange rates will adversely affect fair value of an investment. At August 31, 2023, the District was not exposed to foreign currency risk.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer (i.e., lack of diversification). The District's investment policy is to reduce the risk of loss resulting from over concentration of assets in a specific class of investments; however, the District's policy places no specific limit on the amount which the District may invest in any one issuer.

NOTE 3: CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Governmental activities:</u>				
Capital assets not being depreciated:				
Land	\$ 140,991	\$	\$	\$ 140,991
Total capital assets not being depreciated	140,991			140,991
Capital assets being depreciated				
Buildings and improvements	20,873,973	1,456,158		22,330,131
Furniture and equipment	1,963,495	364,890	31,157	2,297,228
Right to use assets	88,818	43,455		132,273
Total capital assets being depreciated	22,926,286	1,864,503	31,157	24,759,632
Less accumulated depreciation for:				
Buildings and improvements	(12,616,624)	(783,604)		(13,400,228)
Furniture and equipment	(1,551,634)	(141,059)	(31,157)	(1,661,536)
Right to use assets	(3,701)	(26,550)		(30,251)
Total accumulated depreciation	(14,171,959)	(951,213)	(31,157)	(15,092,015)
Total capital assets being depreciated, net	8,754,327	913,290		9,667,617
Governmental activities capital assets, net	\$ 8,895,318	\$ 913,290	\$	\$ 9,808,608

ANSON INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

NOTE 3: CAPITAL ASSETS – continued

Depreciation was charged to functions as follows:

Instruction	\$	199,173
Instructional Resources and Media Services		5,060
Student (Pupil) Transportation		76,560
Food Service		117,936
Cocurricular/Extracurricular activities		306,032
General Administration		21,375
Plant Maintenance and Operations		200,464
Security and Monitoring		12,959
Data Processing Services		11,654
Total depreciation expense - governmental activities	\$	<u>951,213</u>

There were no significant construction commitments at August 31, 2023.

NOTE 4: LONG-TERM DEBT

On July 7, 2015, \$5,710,000 in Unlimited Tax Refunding Bonds, Series 2015 were issued, with an average interest rate ranging from 3.0% to 4.0% to advance refund \$5,925,000 of the Unlimited Tax School Building Bonds, Series 2007, with an average interest rate ranging from 4.05% to 4.2%. The net proceeds of \$5,925,000 (after paying \$147,561 in underwriting fees, insurance, and other issuance costs) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the bonds. As a result, the bonds are considered to be defeased and the liability for those bonds has been removed from the financial statements. This refunding decreases total debt service payments over 16 years by approximately \$35,000 per year, resulting in an economic gain of \$556,841. The bonds will mature on February 15, 2031.

Right-to-Use Lease

On September 1, 2021, the District entered into an agreement with SendPro for the use of a copy machine. The terms of this agreement include a fixed monthly payment of \$80 for 60 months. There were no options provided for in the lease agreement. The District used the net present value of the future payment to calculate the value, using 7.5% interest rate.

On June 15, 2022, the District entered into an agreement with Canon for the use of multiple copy machines. The terms of this agreement include a fixed monthly payment of \$2,134 for 48 months. There were no options provided for in the lease agreement. The District used the net present value of the future payment to calculate the value, using 7.5% interest rate.

On November 9, 2022, the District entered into an agreement with Spectrum for the use of telephone equipment. The terms of this agreement include a fixed monthly payment of \$871 for 60 months. There were no options provided for in the lease agreement. The District used the net present value of the future payment to calculate the value, using 7.5% interest rate.

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

ANSON INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

NOTE 4: LONG-TERM DEBT - continued

Description	Balance September 1, 2022	Issued	Retired	Balance August 31, 2023	Due Within One Year
Unlimited Tax					
Refunding Bonds, Series 2015	\$ 4,005,000	\$	\$ 375,000	\$ 3,630,000	\$ 390,000
Total Bonds	4,005,000		375,000	3,630,000	390,000
Premium on Series 2015	375,738		46,968	328,770	
Right-to-Use Lease	84,894	43,455	26,445	101,904	30,410
Total Long Term Debt	\$ 4,465,632	\$ 43,455	\$ 448,413	\$ 4,060,674	\$ 420,410
Net Pension Liability	\$ 978,450	\$ 1,602,415	\$ 188,074	\$ 2,392,791	
Net OPEB Liability	2,395,810	(750,156)	54,578	1,591,076	
	\$ 3,374,260	\$ 852,259	\$ 242,652	\$ 3,983,867	

Debt service requirements for long term debt are as follows:

Bond Debt Service Requirements	Principal	Interest	Total
2024	\$ 390,000	\$ 137,400	\$ 527,400
2025	410,000	121,400	531,400
2026	425,000	104,700	529,700
2027	445,000	87,300	532,300
2028	460,000	69,200	529,200
2029-2031	1,500,000	91,600	1,591,600
Total	\$ 3,630,000	\$ 611,600	\$ 4,241,600
Right to Use Lease			
2024	\$ 30,410	\$ 6,612	\$ 37,022
2025	32,771	4,251	37,022
2026	26,292	1,792	28,084
2027	9,851	598	10,449
2028	2,580	32	2,612
	\$ 101,904	\$ 13,285	\$ 115,189

NOTE 5: PROPERTY TAXES

Property taxes are levied on October 1st on the assessed value listed as of the prior January 1st for all real and business personal property located in the District in conformity with Subtitle E, Texas Property Tax Code. Taxes are due upon receipt of the tax bill and are delinquent if not paid by January 31st of the year in which imposed. On February 1st of each year, a tax lien attaches to the property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available when they become due or past due and receivable within the current period. Allowances for uncollectible tax receivables within the General Fund and Debt Service Fund are based on historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

The tax rates assessed for the fiscal year ended August 31, 2023, to finance General Fund operations and the payment of principal and interest on general obligation long-term debt were \$0.9429 and \$0.125 per \$100 valuation, respectively, for a total of \$1.0679 per \$100 valuation.

ANSON INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6: INTERFUND BALANCES AND ACTIVITIES

Balances due to and from other funds on August 31, 2023, consisted of the following:

<u>Due From Fund</u>	<u>Due to Fund</u>	<u>Amount</u>
Head Start	General Fund	\$ 18,163
Title 1 Part A	General Fund	20,149
National Breakfast & Lunch Program	General Fund	18,858
Training & Recruiting	General Fund	2,293
Rural & Low Incme	General Fund	4,044
ESSER II CRRSA Act Supplemental	General Fund	414,335
ESSER III ARP	General Fund	51,602
State Textbook Fund	General Fund	107,223
General Fund	Internal Service Fund	54,219
		<u>\$ 690,886</u>

All amounts due are scheduled to be repaid within one year and are to eliminate deficit cash balances.

Interfund transfers consist of a transfer from the General Fund to the Food Service Fund in the amount of \$6,468. The transfers were needed to supplement the Food Service program.

NOTE 7: 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 reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage for each of the past three years.

Unemployment Compensation Pool

During the year ended August 31, 2023, Anson Independent School District provided unemployment compensation coverage to its employees through participation in the TASB Risk Management Fund (the Fund). The Fund was created and is operated under the provisions of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. The Fund's Unemployment Compensation Program is authorized by Section 22.005 of the Texas Education Code and Chapter 172 of the Texas Local Government Code. All members participating in the Fund execute Interlocal Agreements that define the responsibilities of the parties.

The Fund meets its quarterly obligations to the Texas Workforce Commission. Expenses are accrued monthly until the quarterly payment has been made. Expenses can be reasonably estimated; therefore, there is no need for specific or aggregate stop loss coverage for Unemployment Compensation Pool. For the year ended August 31, 2023, the Fund anticipates that Anson Independent School District has no additional liability beyond the contractual obligation for payment of contribution.

The Fund engages the services of an independent auditor to conduct a financial audit after the close of each plan year on August 31. The audit is accepted by the Fund's Board of Trustees in February of the following year. The Fund's audited financial statements as of August 31, 2022, are available at the TASB Risk Management Fund website and have been filed with the Texas Department of Insurance in Austin.

Workers' Compensation Coverage

The District has entered into a contract and interlocal agreement with the Claims Administrative Services, Inc. for their Self-Funded Workers' Compensation program (the Program) for the purpose of providing the statutory benefits prescribed by Article 8309h of the Texas Workers' Compensation Act for employees of the District. The Program is administered by a Board of Trustees. The District's participation in the Program is on a nonassessable basis, and the District has no joint and several liability other than the maximum annual contribution required to be paid into the Program. The District made contributions to the Program based upon its payroll. The standard contribution rate is based upon the State Board of Insurance workers' compensation

ANSON INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

NOTE 7: RISK MANAGEMENT - continued

rates and is modified by the District's experience rating factor. Contributions are adjusted annually based upon the District's experience rating factor.

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

Unpaid Claims September 1, 2022	\$ 43,866
Incurred Claims (not including IBNR)	14,678
Claim Payments	<u>4,325</u>
Total Unpaid Claims August 31, 2023	<u>\$ 54,219</u>

NOTE 8: DEFINED BENEFIT PENSION PLAN

Plan Description

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

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

Pension Plan Fiduciary Net Position

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

Benefits Provided

TRS 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.

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.

ANSON INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8: DEFINED BENEFIT PENSION PLAN - continued

Contributions

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

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

	Contribution Rates	
	2022	2023
Member	8.00%	8.00%
Non-Employer Contributing Entity (State)	7.75%	8.00%
Employers	7.75%	8.00%
Current fiscal year employer contributions	\$	218,098
Current fiscal year member contributions	\$	481,034
2022 measurement year NECE on-behalf contributions	\$	403,755

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

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

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

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

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

Actuarial Assumptions

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

ANSON INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8: DEFINED BENEFIT PENSION PLAN - continued

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%. Source of the rate is the Fixed Income Market Data/Yield Curve/Data Municipal Bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index."
Last year ending August 31 in Projection Period (100 years)	2121
Inflation	2.30%
Salary Increases	2.95% to 8.95%, including inflation
Ad Hoc Post-Employment Benefit Changes	None

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

Discount Rate

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

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

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

ANSON INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8: DEFINED BENEFIT PENSION PLAN - continued

Asset Class	Target Allocation Percentage**	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 Funds	5.0%	3.4%	0.18%
Real Returns			
Real Assets	15.0%	4.1%	0.94%
Energy, Natural Resources and 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%
Expected Return	100%		8.21%

*Absolute Return includes Credit Sensitive Investments

**Target allocations are based on the FY 2022 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

Discount Rate Sensitivity Analysis

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

	1% Decrease in Discount Rate (6.00%)	Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
Proportionate share of the net pension liability	\$ 3,722,275	\$ 2,392,791	\$ 1,315,181

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

At August 31, 2023, Anson Independent School District reported a liability of \$2,392,791 for its proportionate share of the TRS' net pension liability. This liability reflects a reduction for State pension support provided to Anson Independent School District. The amount recognized by Anson Independent School 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 Anson Independent School District were as follows:

ANSON INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8: DEFINED BENEFIT PENSION PLAN - continued

District's Proportionate share of the collective net pension liability	\$	2,392,791
State's proportionate share that is associated with the District		<u>5,136,810</u>
Total	\$	<u><u>7,529,601</u></u>

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

At August 31, 2022, the employer's proportion of the collective net pension liability was 0.0040304772% which was an increase of 0.0001883660% from its proportion measured as of August 31, 2021.

Changes Since the Prior Actuarial Valuation

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

For the year ended August 31, 2023, Anson Independent School District recognized pension expense of \$818,272 and revenue of \$491,021 for support provided by the State.

At August 31, 2023, Anson Independent School District reported its proportionate share of the TRS 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	\$ 34,695	\$ 52,167
Changes in actuarial assumptions	445,855	111,119
Difference between projected and actual investment earnings	236,400	
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	<u>179,523</u>	<u>8,144</u>
Total as of August 31, 2022 measurement date	896,473	171,430
Contributions paid to TRS subsequent to the measurement date	<u>218,098</u>	
Total as of fiscal year-end	\$ <u><u>1,114,571</u></u>	\$ <u><u>171,430</u></u>

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

	Pension Expense Amount
Year ended August 31:	
2024	\$ 198,103
2025	120,214
2026	65,384
2027	294,957
2028	46,385

ANSON INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

NOTE 9: DEFINED OTHER POST-EMPLOYMENT BENEFITS PLANS

Plan Description

Anson Independent School District participates in the Texas Public School Retired Employee 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.

OPEB Plan Fiduciary Net Position

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

Benefits Provided

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

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

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

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

Contributions

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

Texas Insurance Code, section 1575.202 establishes the state's contribution rate which is 1.25% of the employee's salary. Section 1575.203 establishes the active employee's rate which is 0.65% of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25 percent or not more than 0.75 percent of the salary of each active employee of the public or charter school. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act. The following table shows contributions to the TRS-Care plan by type of contributor.

ANSON INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

NOTE 9: DEFINED OTHER POST-EMPLOYMENT BENEFITS PLANS - continued

	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%
Current fiscal year employer contributions	\$	72,343
Current fiscal year member contributions	\$	39,083
2022 measurement year NECE on-behalf contributions	\$	66,577

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 the fiscal year 2022 from the Federal Rescue Plan Act (ARPA) to help defray Covid-19-related health care costs during fiscal year 2022.

Actuarial Assumptions

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

The actuarial valuation of the OPEB plan offered through TRS-Care is similar to the actuarial valuation performed for the pension plan, except that the OPEB valuation is more complex. The demographic assumptions were developed in the experience study performed for TRS for the period ending August 31, 2017. The following assumptions and other inputs used for the members of TRS-Care are based on an established pattern of practice and are identical to the assumptions used in the August 31, 2021 TRS pension actuarial valuation that was rolled forward to August 31, 2022:

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

The active mortality rates were based on 90 percent of the RP-2014 Employee Mortality Tables for males and females. The post-retirement mortality rates for healthy lives were based on the 2018 TRS of Texas Healthy Pensioner Mortality Tables, with full generational projection using the ultimate improvement rates from the 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, 2022
Aging Factors	Based on plan specific experience
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
Salary Increase	3.05% to 9.05%, including inflation
Ad Hoc Post-Employment Benefit Changes	None

ANSON INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

NOTE 9: DEFINED OTHER POST-EMPLOYMENT BENEFITS PLANS - continued

Discount Rate

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

The source of the municipal bond rate is the Fidelity “20-year Municipal GO AA Index” as of August 31, 2021, rolled forward to August 31, 2022, using the Fixed Income Market Data/Yield Curve/Data Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds.

Discount Rate Sensitivity Analysis

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

	<u>1% Decrease in Discount Rate Rate (2.91%)</u>	<u>Discount Rate Rate (3.91%)</u>	<u>1% Increase in Discount Rate Rate (4.91%)</u>
District's Proportionate Share of the Net OPEB Liability	\$ 1,876,005	\$ 1,591,076	\$ 1,360,247

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

At August 31, 2023, Anson Independent School District reported a liability of \$1,591,076 for its proportionate share of the TRS’ Net OPEB Liability. This liability reflects a reduction for State OPEB support provided to Anson Independent School District. The amount recognized by Anson Independent School 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 Anson Independent School District were as follows:

District's Proportionate share of the collective net OPEB liability	\$ 1,591,076
State's proportionate share that is associated with the District	<u>1,940,863</u>
Total	<u><u>\$ 3,531,939</u></u>

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

At August 31, 2022, the employer’s proportion of the collective net OPEB liability was 0.0066449881% which was an increase of 0.0004341182% from its proportion measured as of August 31, 2021.

Healthcare Cost Trend Rates Sensitivity Analysis

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

	<u>1% Decrease</u>	<u>Current Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
District's Proportionate Share of the Net OPEB Liability	\$ 1,311,054	\$ 1,591,076	\$ 1,954,089

ANSON INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

NOTE 9: DEFINED OTHER POST-EMPLOYMENT BENEFITS PLANS - continued

Changes Since the Prior Actuarial Valuation

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

- The discount rate changed from 1.95% as of August 31, 2021 to 3.91% as of August 31, 2022. This change decreased the Total OPEB Liability.

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

For the year ended August 31, 2023, the District recognized OPEB expense of \$(476,677) and revenue of \$(275,424) for support provided by the State.

At August 31, 2023 the Anson Independent School District reported its proportionate share of the TRS' deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual economic experiences	88,458	1,325,509
Changes in actuarial assumptions	242,352	1,105,385
Difference between projected and actual investment earnings	4,740	
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	<u>524,031</u>	<u>309,724</u>
Total as of August 31, 2022 measurement date	859,581	2,740,618
Contributions paid to TRS subsequent to the measurement date	72,343	
Total as of fiscal year-end	<u>\$ 931,924</u>	<u>\$ 2,740,618</u>

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

	<u>Pension Expense Amount</u>
Year ended August 31:	
2024	\$ (382,509)
2025	(382,493)
2026	(315,021)
2027	(223,675)
2028	(203,194)
Thereafter	(374,145)

NOTE 10: MEDICARE PART D ON BEHALF PAYMENTS

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, which was effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. Anson Independent School District paid state contributions for the years ended August 31, 2023, 2022, and 2021 in the amount of \$31,493, \$25,812, and \$25,796, respectively.

ANSON INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

NOTE 11: ON-BEHALF PAYMENTS

The District records on-behalf payments from the State of Texas to be used for Teacher Retirement in the amount of \$436,391 for the year ended August 31, 2023.

NOTE 12: COMMITMENTS AND CONTINGENCIES

Contingencies

The District participates in grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and 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.

Litigation

No reportable litigation was pending against the District at August 31, 2023.

NOTE 13: DUE FROM OTHER GOVERNMENTS

The District participates in a variety of federal and state programs from which it receives grants to partially or fully finance certain activities. In addition, the District receives entitlements from the State through the School Foundation and Per Capita Programs. Amounts due from federal and state governments as of August 31, 2023 are summarized below.

<u>Fund</u>	<u>State Grants/ Entitlements</u>	<u>Federal Grant</u>	<u>Total</u>
General Fund	\$ 744,573	\$	\$ 744,573
Head Start		42,005	42,005
Title 1, Part A		35,565	35,565
National Breakfast and Lunch Program		39,779	39,779
Training and Recruiting		(180)	(180)
Rural and Low Income		2,563	2,563
ESSER II CRRSA Act		414,335	414,335
ESSER III ARP Act		51,602	51,602
State Instructional Materials		844	844
Debt Service Fund	1,458		1,458
Total	<u>\$ 746,031</u>	<u>\$ 586,513</u>	<u>\$ 1,332,544</u>

ANSON INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

NOTE 14: REVENUES FROM LOCAL AND INTERMEDIATE SOURCES

For the year ended August 31, 2023, revenues from local and intermediate sources for governmental fund types consisted of the following:

	General Fund	Child Nutrition	Debt Service Fund	Other Non-major Funds	Total
Property taxes	\$ 1,895,531		\$ 439,673		\$ 2,335,204
Food service sales		38,599			38,599
Penalties, interest & other tax revenues	39,428		18,492		57,920
Investment earnings	3,317				3,317
Miscellaneous	246,796			63,890	310,686
Athletic activities	32,026				32,026
	<u>\$ 2,217,098</u>	<u>\$ 38,599</u>	<u>\$ 458,165</u>	<u>\$ 63,890</u>	<u>\$ 2,777,752</u>

NOTE 15: JOINT VENTURE – SHARED SERVICES ARRANGEMENT

The District participates in eleven services arrangements with Region XIV and one service arrangement with Sweetwater Independent School District. The District does not account for revenues or expenditures in these programs and does not disclose them in these financial statements. The District neither has a joint ownership interest in fixed assets purchased by the fiscal agents, Region XIV and Sweetwater Independent School District, nor does the District have a net equity interest in the fiscal agents. The fiscal agents are neither accumulating significant financial resources nor fiscal exigencies that would give rise to a future additional benefit or burden to Anson Independent School District. The fiscal agent managers are responsible for all financial activities of the shared services arrangement.

Presented below are the revenues and expenditures attributable to the District's participation:

Region 14	Title III Part A	Title II Part A	Title IV Part A	Distance Learning	ARP Homeless Education
Revenue	\$ <u>3,884</u>	\$ <u>8,531</u>	\$ <u>2,481</u>	\$ <u>640</u>	\$ <u>6,349</u>
Expenditures					
Contracted Services	3,652	7,203	1,893		3,840
Supplies	120	593	455	640	2,241
Other Costs	112	735	133		268
Total Expenditures	\$ <u>3,884</u>	\$ <u>8,531</u>	\$ <u>2,481</u>	\$ <u>640</u>	\$ <u>6,349</u>
% Attributable	1.81%	2.69%	3.11%	4.96%	4.43%

ANSON INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

NOTE 15: JOINT VENTURE – SHARED SERVICES ARRANGEMENT

	Title I Part C Migrant	Head Start	21st Century	COVID 19 COVID 19	COVID 19 ARP	TX Ed Homeless Children
Revenue	\$ 3,074	\$ 44,738	\$ 6,532	\$ 2,673	\$ 5,746	\$ 8,289
Expenditures						
Contracted Services	1,515	30,826	2,776	1,953	2,970	7,188
Supplies	102	4,617	3,045	598	749	751
Other Costs	1,457	3,537	711	122	2,027	350
Capital expenditure		5,758				
Total Expenditures	\$ 3,074	\$ 44,738	\$ 6,532	\$ 2,673	\$ 5,746	\$ 8,289
% Attributable PEP SSA	5.13%	3.05%	3.73%	2.32%	2.32%	4.73%
	State <u>Compensatory</u>					
Revenue	\$ 4,970					
Expenditures						
Payroll	5,423					
Contracted Services	2,427					
Supplies	52					
Other Costs	1,622					
Total Expenditures	\$ 9,524					
% Attributable	13.43%					

NOTE 16: TAX ABATEMENT

On December 10, 2018, the Anson Independent School District Board of Trustees approved agreements with Anson Solar Center, LLC, Anson Solar Center 2, LLC, and Anson Solar Center 3, LLC for limitation on appraised value of property for school district maintenance and operations taxes pursuant to Chapter 313 of the Texas Tax Code. On July 13, 2020 the Anson Independent School District Board of Trustees approved agreements with Jones City Solar and Jones City Solar II for a limitation on appraised value of property for school district maintenance and operations taxes pursuant to Chapter 313 of the Texas Tax Code. Value limitation agreements are a part of a state program, originally created in 2001 which allows school districts to limit the taxable value of an approved project for Maintenance and Operations (M&O) for a period of years specified in statute. The projects must be consistent with the state’s goal to “encourage large scale capital investments in this state.” Chapter 313 grants eligibility to companies engaged in manufacturing, research and development, renewable electric energy production, clean coal projects, nuclear power generation and Texas Priority projects. The above qualified for tax limitation agreements under Texas Tax Code Section 313.024(b)(5), as a renewable energy electric generation projects.

The application, the agreement and state reporting requirement documentation can be viewed at the Texas Comptroller’s website: <http://www.comptroller.texas.gov/economy/local/ch313agreement-docs.php>. The agreement and all supporting documentation were assigned Texas Comptroller Application Nos. 1256, 1257, 1258, 1459, and 1458, respectively.

ANSON INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

NOTE 16: TAX ABATEMENT - continued

Each applicant has been required to meet a series of capital investment, job creation, and wage requirements specified by state law. At the time of the application’s approval, it was determined by both the District’s Board of Trustees and the Texas Comptroller’s Office that the projects would meet these standards. After approval, the applicant company must maintain a viable presence in the district for the entire period of the value limitation plus a period of years thereafter. In addition, there are specific reporting requirements, which are monitored on an annual and biennial basis to ensure relevant job, wage, and operational requirement are being met.

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

Below includes the net benefit to the District but does not include any I&S impact:

	(A)	(B)	(C)	(D)	(E)	(F)	(G)
	Project Value	Project's Value Limitation Amount	Amount of Applicant's M&O Taxes Paid	Amount of Applicant's M&O Taxes Reduced	Company Revenue Loss Payment to School District	Company Supplemental Payment to School District	Net Benefit (Loss) to the School District
	2021	2021	2022	2022	2022	2022	2022
Anson Solar Center, LLC							
Application # 1256	\$ 165,062,000	\$ 20,000,000	\$ 188,580	\$ 1,367,790	\$ -	\$ 69,400	\$ 69,400
Anson Solar Center 3, LLC							
Application # 1258	\$ -	\$ 20,000,000	\$ -	\$ -	\$ -	\$ 68,800	\$ 68,800
Anson City Solar							
Application # 1459	\$ -	\$ 20,000,000	\$ -	\$ -	\$ -	\$ 68,800	\$ 68,800
Anson City Solar II							
Application # 1458	\$ -	\$ 20,000,000	\$ -	\$ -	\$ -	\$ 68,800	\$ 68,800
Anson Solar 2							
Application # 1666	\$ 162,500	\$ 20,000,000	\$ 1,532	\$ -	\$ -	\$ -	\$ -

NOTE 17: NEW ACCOUNTING PRONOUNCEMENTS

In March 2020, the GASB issued Statement No. 93 *Replacement of Interbank Offered Rates*. The objective of the Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. The requirements of this Statement are effective for reporting periods ending after December 31, 2021. Implementation of this standard has been extended until the reporting periods beginning after December 15, 2022. GASB 95 postponed the implementation by one year. The District has not determined the impact, if any, upon its financial position, results of operations or cash flows upon adoption.

In March 2020, the GASB issued Statement No. 94 *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession

ANSON INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

NOTE 17: NEW ACCOUNTING PRONOUNCEMENTS - continued

arrangement (SCA), which the Board defines in this statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The District determined there was no impact upon its financial position, results of operations or cash flows upon adoption.

In May 2020, the GASB issued Statement No. 96 *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset- an intangible asset – and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this Statement are effective for years beginning after June 15, 2022. The District determined there was no impact upon its financial position, results of operations or cash flows upon adoption.

In April 2022, the GASB issued Statement No. 99 *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements of this Statement are effective as follows: related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges are effective upon issuance; related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022; and related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement No. 53 are effective for fiscal years beginning after June 15, 2023. The District has not determined the impact, if any, upon its financial position, results of operations or cash flows upon adoption.

In June 2022, the GASB issued Statement No. 100 *Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023. The District has not determined the impact, if any, upon its financial position, results of operations or cash flows upon adoption.

In June 2022, the GASB issued Statement No. 101 *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023. The District has not determined the impact, if any, upon its financial position, results of operations or cash flows upon adoption.

REQUIRED SUPPLEMENTARY INFORMATION

ANSON INDEPENDENT SCHOOL DISTRICT

EXHIBIT G-1

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
 FOR THE YEAR ENDED AUGUST 31, 2023

Data Control Codes		Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
		Original	Final		
REVENUES:					
5700	Local and intermediate sources	\$ 2,690,791	\$ 2,851,431	\$ 2,217,098	\$ (634,333)
5800	State program revenue	7,422,648	7,422,648	7,617,790	195,142
5900	Federal program revenue	250,000	250,000	181,144	(68,856)
5020	Total Revenues	<u>10,363,439</u>	<u>10,524,079</u>	<u>10,016,032</u>	<u>(508,047)</u>
EXPENDITURES:					
	Current				
0011	Instruction	4,735,227	4,858,787	4,813,343	45,444
0012	Instructional resources & media services	86,351	94,851	86,368	8,483
0013	Curriculum & instructional staff development	64,404	65,704	36,520	29,184
0021	Instructional leadership	353,074	223,074	205,446	17,628
0023	School leadership	464,108	501,508	495,390	6,118
0031	Guidance, counseling & evaluation services	209,693	229,193	223,580	5,613
0033	Health services	113,612	106,717	28,958	77,759
0034	Student (pupil) transportation	487,606	502,606	416,315	86,291
0036	Extracurricular activities	702,349	738,049	685,309	52,740
0041	General administration	473,841	608,841	559,530	49,311
0051	Facilities maintenance & operations	1,508,854	1,383,454	1,247,680	135,774
0052	Security and monitoring services	108,700	107,300	92,242	15,058
0053	Data processing services	323,047	380,777	335,300	45,477
	Debt Service				
0071	Principal on Long-Term Debt	34,400	26,459	26,445	14
0072	Interest on Long-Term Debt		9,641	9,641	
	Capital Outlay				
0081	Facilities acquisition and construction	145,000	176,000	170,621	5,379
	Intergovernmental				
0093	Payments to fiscal agent/member district of SSA	291,000	265,200	261,421	3,779
0099	Other intergovernmental charges	77,010	83,210	83,113	97
6030	Total Expenditures	<u>10,178,276</u>	<u>10,361,371</u>	<u>9,777,222</u>	<u>584,149</u>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>185,163</u>	<u>162,708</u>	<u>238,810</u>	<u>76,102</u>
OTHER FINANCING SOURCES (USES):					
7913	Capital Leases		43,455	43,455	
8911	Transfers out	(195,322)	(195,322)	(6,468)	188,854
7080	Total Other Financing Sources (Uses)	<u>(195,322)</u>	<u>(151,867)</u>	<u>36,987</u>	<u>188,854</u>
1200	Net Change in Fund Balance	(10,159)	10,841	275,797	264,956
0100	Fund Balance - Beginning	7,239,436	7,239,436	7,239,436	
3000	Fund Balance - Ending	<u>\$ 7,229,277</u>	<u>\$ 7,250,277</u>	<u>\$ 7,515,233</u>	<u>\$ 264,956</u>

ANSON INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
 FOR THE YEAR ENDED AUGUST 31, 2023

	<u>FY 2023</u> <u>Plan Yr 2022</u>	<u>FY 2022</u> <u>Plan Yr 2021</u>	<u>FY 2021</u> <u>Plan Yr 2020</u>
District's Proportion of the Net Pension Liability (Asset)	0.00403048%	0.00384211%	0.00384857%
District's Proportionate Share of Net Pension Liability (Asset)	\$ 2,392,791	\$ 978,450	\$ 2,061,215
State's Proportionate Share of the Net Pension Liability (Asset)	<u>5,136,810</u>	<u>2,220,820</u>	<u>4,662,878</u>
Total	<u>\$ 7,529,601</u>	<u>\$ 3,199,270</u>	<u>\$ 6,724,093</u>
District's Covered Payroll	\$ 6,347,562	\$ 5,903,904	\$ 5,773,022
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	37.70%	16.57%	35.70%
Plan Fiduciary Net position as a Percentage of the Total Pension Liability	75.62%	88.79%	75.24%

NOTE: GASB 68, Paragraph 81 requires that the information on this schedule be data from the period corresponding with the periods covered as of the measurements 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.

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

<u>FY 2020</u> <u>Plan Yr 2019</u>	<u>FY 2019</u> <u>Plan Yr 2018</u>	<u>FY 2018</u> <u>Plan Yr 2017</u>	<u>FY 2017</u> <u>Plan Yr 2016</u>	<u>FY 2016</u> <u>Plan Yr 2015</u>	<u>FY 2015</u> <u>Plan Yr 2014</u>
0.00341357%	0.00337526%	0.00344439%	0.0032634%	0.0034803%	0.0015367%
\$ 1,774,479	\$ 1,857,826	\$ 1,101,330	\$ 1,233,197	\$ 1,230,240	\$ 410,474
<u>4,205,312</u>	<u>4,630,570</u>	<u>2,824,448</u>	<u>3,465,101</u>	<u>3,214,092</u>	<u>2,846,859</u>
<u>\$ 5,979,791</u>	<u>\$ 6,488,396</u>	<u>\$ 3,925,778</u>	<u>\$ 4,698,298</u>	<u>\$ 4,444,332</u>	<u>\$ 3,257,333</u>
\$ 4,950,018	\$ 4,914,123	\$ 4,796,123	\$ 4,738,342	\$ 4,508,731	\$ 3,257,333
35.85%	37.81%	22.96%	26.03%	27.29%	12.60%
75.24%	73.74%	82.17%	78.00%	78.43%	83.25%

ANSON INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF DISTRICT CONTRIBUTIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
 FOR THE YEAR ENDED AUGUST 31, 2023

	Fiscal Year			
	2023	2022	2021	2020
Contractually Required Contribution	\$ 218,098	\$ 188,074	\$ 163,646	\$ 158,793
Contribution in Relation to the Contractually Required Contribution	<u>(218,098)</u>	<u>(188,074)</u>	<u>(163,646)</u>	<u>(158,793)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 6,012,919	\$ 6,347,562	\$ 5,903,904	\$ 5,773,022
Contributions as a Percentage of Covered Payroll	3.63%	2.96%	2.77%	2.75%

NOTE: GASB 68, Paragraph 81 requires that the data in this schedule be presented as of the District's respective fiscal year as opposed to the time periods covered by the measurement dates ending August 31 for the respective fiscal years.

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$	119,165	\$ 113,704	\$ 111,427	\$ 103,687	\$ 102,229
	<u>(119,165)</u>	<u>(113,704)</u>	<u>(111,427)</u>	<u>(103,687)</u>	<u>(102,229)</u>
\$	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$	4,950,018	\$ 4,914,123	\$ 4,796,123	\$ 4,738,342	\$ 4,508,731
	2.41%	2.31%	2.32%	2.19%	2.27%

ANSON INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
 FOR THE YEAR ENDED AUGUST 31, 2023

	<u>FY 2023</u>	<u>FY 2022</u>	<u>FY 2021</u>	<u>FY 2020</u>
	<u>Plan Year 2022</u>	<u>Plan Year 2021</u>	<u>Plan Year 2020</u>	<u>Plan Year 2019</u>
District's Proportion of the Net Liability for Other Post Employment Benefits	0.006644988%	0.006210870%	0.006289422%	0.005591053%
District's Proportionate Share of Net Post Employment Benefit Liability	\$ 1,591,076	\$ 2,395,810	\$ 2,390,893	\$ 2,644,079
State's Proportionate Share of the Net Post Employment Benefit Liability associated with the District	<u>1,940,863</u>	<u>3,209,852</u>	<u>3,212,787</u>	<u>3,513,388</u>
Total	<u>\$ 3,531,939</u>	<u>\$ 5,605,662</u>	<u>\$ 5,603,680</u>	<u>\$ 6,157,467</u>
District's Covered Payroll	\$ 6,347,562	\$ 5,900,240	\$ 5,773,022	\$ 4,945,733
District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	25.07%	40.61%	41.41%	53.46%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	11.52%	6.18%	4.99%	2.66%

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

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

<u>FY 2019</u> <u>Plan Year 2018</u>	<u>FY 2018</u> <u>Plan Year 2017</u>
0.005783662%	0.006527972%
\$ 2,887,835	\$ 2,838,770
<u>4,233,900</u>	<u>3,761,445</u>
<u>\$ 7,121,735</u>	<u>\$ 6,600,215</u>
\$ 4,914,123	\$ 4,796,123
58.77%	59.19%
1.57%	0.91%

ANSON INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF DISTRICT CONTRIBUTIONS FOR OTHER POST EMPLOYMENT BENEFITS
TEACHER RETIREMENT SYSTEM OF TEXAS
 FOR THE YEAR ENDED AUGUST 31, 2023

	Fiscal Year			
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually Required Contribution	\$ 72,343	\$ 54,578	\$ 48,448	\$ 47,804
Contribution in Relation to the Contractually Required Contribution	<u>(72,343)</u>	<u>(54,578)</u>	<u>(48,448)</u>	<u>(47,804)</u>
Contribution Deficiency (Excess)	<u> -</u>	<u> -</u>	<u> -</u>	<u> -</u>
District's Covered Payroll	\$ 6,012,919	\$ 6,347,562	\$ 5,900,240	\$ 5,773,022
Contributions as a Percentage of Covered Payroll	1.20%	0.86%	0.82%	0.83%

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.

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

	<u>2019</u>	<u>2018</u>
\$	39,624	\$ 39,899
	<u>(39,624)</u>	<u>(39,899)</u>
	<u>-</u>	<u>-</u>
\$	4,945,733	\$ 4,914,123
	0.80%	0.81%

OTHER SUPPLEMENTARY INFORMATION

ANSON INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
 AUGUST 31, 2023

Data Control Codes		205	206	211	224
		Head	ESSA, IX, A	ESEA 1, A	IDEA
		Start	Homeless Children Ed.	Improving Basic Program	Part B Formula
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
	ASSETS				
1110	Cash and cash equivalents	\$ (10,748)	\$	\$ 374	\$ 4,014
1220	Property taxes - delinquent				
1230	Allowance for uncollectible taxes				
1240	Due from other governments	42,005		35,565	
1800	Restricted assets				
1000	Total Assets	\$ <u>31,257</u>	\$ <u> </u>	\$ <u>35,939</u>	\$ <u>4,014</u>
	LIABILITIES				
	Current Liabilities				
2110	Accounts payable	\$	\$	\$ 2,600	\$
2160	Accrued wages payable	11,727		11,810	3,594
2170	Due to other funds	18,163		20,149	
2180	Due to other governments				
2200	Accrued expenditures	<u>1,367</u>		<u>1,380</u>	<u>420</u>
2000	Total Liabilities	<u>31,257</u>		<u>35,939</u>	<u>4,014</u>
	DEFERRED INFLOWS OF RESOURCES				
2601	Unavailable revenue - property taxes				
2600	Total Deferred Inflows of Resources				
	FUND BALANCES				
	Restricted Fund Balance				
3450	Federal of State funds grant restriction				
3480	Retirement of long-term debt				
	Assigned Fund Balance				
3590	Other assigned fund balance				
3000	Total Fund Balance				
4000	Total Liabilities and Fund Balances	\$ <u>31,257</u>	\$ <u> </u>	\$ <u>35,939</u>	\$ <u>4,014</u>

225	240	255	270	288	289	410
IDEA Part B Preschool	National Breakfast and Lunch Program	ESEA II, A Training and Recruiting	ESEA V, B, 2 Rural & Low Income	ELC Reopening Schools	Title IV Part A	State Instructional Materials
\$ 2,849	\$ 97,967	\$ 2,473	\$ 3,495	\$	\$	\$ 106,667
	39,779	(180)	2,563			844
<u>\$ 2,849</u>	<u>\$ 137,746</u>	<u>\$ 2,293</u>	<u>\$ 6,058</u>	<u>\$</u>	<u>\$</u>	<u>\$ 107,511</u>
\$ 2,551	\$ 5,663	\$	\$ 2,014	\$	\$	\$
	18,858	2,293	4,044			107,223
						288
<u>298</u>	<u>627</u>	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>
<u>2,849</u>	<u>25,148</u>	<u>2,293</u>	<u>6,058</u>	<u></u>	<u></u>	<u>107,511</u>
	112,598					
	<u>112,598</u>					
<u>\$ 2,849</u>	<u>\$ 137,746</u>	<u>\$ 2,293</u>	<u>\$ 6,058</u>	<u>\$</u>	<u>\$</u>	<u>\$ 107,511</u>

ANSON INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
 AUGUST 31, 2023

<u>Data Control Codes</u>	428	429	461	Total Nonmajor Special Revenue Funds
	<u>School Safety Standards</u>	<u>Tri-County VAC Program</u>	<u>Campus Activity Funds</u>	<u>Funds</u>
ASSETS				
1110	Cash and cash equivalents	\$	\$	\$ 61,957 \$ 269,048
1220	Property taxes - delinquent			
1230	Allowance for uncollectible taxes			
1240	Due from other governments			120,576
1800	Restricted assets			
1000	Total Assets	\$	\$	\$ 61,957 \$ 389,624
LIABILITIES				
Current Liabilities				
2110	Accounts payable	\$	\$	\$ 1,880 \$ 6,494
2160	Accrued wages payable			35,345
2170	Due to other funds			170,730
2180	Due to other governments			288
2200	Accrued expenditures			4,092
2000	Total Liabilities			1,880 216,949
DEFERRED INFLOWS OF RESOURCES				
2601	Unavailable revenue - property taxes			
2600	Total Deferred Inflows of Resources			
FUND BALANCES				
Restricted Fund Balance				
3450	Federal of State funds grant restriction			112,598
3480	Retirement of long-term debt			
Assigned Fund Balance				
3590	Other assigned fund balance			60,077 60,077
3000	Total Fund Balance			60,077 172,675
4000	Total Liabilities and Fund Balances	\$	\$	\$ 61,957 \$ 389,624

599	Total
Debt Service Fund	Nonmajor Governmental Funds
<u> </u>	<u> </u>
\$	\$
	269,048
38,599	38,599
(13,380)	(13,380)
1,458	122,034
502,704	502,704
<u>\$ 529,381</u>	<u>\$ 919,005</u>
\$	\$
	6,494
	35,345
	170,730
	288
	<u>4,092</u>
<u> </u>	<u>216,949</u>
<u>25,219</u>	<u>25,219</u>
<u>25,219</u>	<u>25,219</u>
	112,598
504,162	504,162
	<u>60,077</u>
<u>504,162</u>	<u>676,837</u>
<u>\$ 529,381</u>	<u>\$ 919,005</u>

ANSON INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2023

Data Control <u>Codes</u>	205 Head Start	206 ESSA, IX, A Homeless Children Ed.	211 ESEA I, A Improving Basic Program	224 IDEA Part B Formula
REVENUES				
5700 Local and intermediate sources	\$	\$	\$	\$
5800 State program revenues				
5900 Federal program revenues	<u>161,113</u>	<u>4,113</u>	<u>195,087</u>	<u>35,160</u>
5020 Total Revenues	<u>161,113</u>	<u>4,113</u>	<u>195,087</u>	<u>35,160</u>
EXPENDITURES				
Current:				
0011 Instruction	161,113		195,087	35,160
0013 Curriculum & instructional staff development				
0034 Student (pupil) transportation		4,113		
0035 Food service				
0036 Extracurricular activities				
0051 Facilities maintenance & operations				
0052 Security & monitoring services				
Debt Service				
0071 Principal on long term debt				
0072 Interest on long term debt				
0073 Bond issuance cost and fees				
6030 Total Expenditures	<u>161,113</u>	<u>4,113</u>	<u>195,087</u>	<u>35,160</u>
1100 Excess (Deficiency) of Revenues over (Under) Expenditures	<u> </u>	<u> </u>	<u> </u>	<u> </u>
OTHER FINANCING SOURCES (USES)				
7915 Transfers In	<u> </u>	<u> </u>	<u> </u>	<u> </u>
7080 Total Other Financing Sources (Uses)	<u> </u>	<u> </u>	<u> </u>	<u> </u>
1200 Net Change in Fund Balance				
0100 Fund Balance - Beginning	<u> </u>	<u> </u>	<u> </u>	<u> </u>
3000 Fund Balance - Ending	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>

225	240	255	270	288	289	410
IDEA Part B Preschool	National Breakfast and Lunch Program	ESEA II, A Training and Recruiting	ESEA V, B, 2 Rural & Low Income	ELC Reopening Schools	Title IV Part A	State Instructional Materials
\$	\$ 38,599	\$	\$	\$	\$	\$
	1,902					12,234
<u>18,373</u>	<u>598,154</u>	<u>4,533</u>	<u>21,933</u>	<u>27,308</u>	<u>4,533</u>	<u>12,234</u>
<u>18,373</u>	<u>638,655</u>	<u>4,533</u>	<u>21,933</u>	<u>27,308</u>	<u>4,533</u>	<u>12,234</u>
18,373		4,533	21,933		4,533	12,234
	630,777					
				27,308		
<u>18,373</u>	<u>630,777</u>	<u>4,533</u>	<u>21,933</u>	<u>27,308</u>	<u>4,533</u>	<u>12,234</u>
	<u>7,878</u>					
	<u>6,468</u>					
	<u>6,468</u>					
	14,346					
	98,252					
\$ <u><u>18,373</u></u>	\$ <u><u>112,598</u></u>	\$ <u><u>4,533</u></u>	\$ <u><u>21,933</u></u>	\$ <u><u>27,308</u></u>	\$ <u><u>4,533</u></u>	\$ <u><u>12,234</u></u>

ANSON INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2023

Data Control Codes	428	429	461	Total Nonmajor Special Revenue Funds
	School Safety Standard	Tri-County VAC Program	Campus Activity Funds	
REVENUES				
5700	Local and intermediate sources	\$	\$	\$ 63,890 \$ 102,489
5800	State program revenues	171,410	7,259	192,805
5900	Federal program revenues			1,070,307
5020	Total Revenues	<u>171,410</u>	<u>7,259</u>	<u>1,365,601</u>
EXPENDITURES				
Current:				
0011	Instruction			448,433
0013	Curriculum & instructional staff development			4,533
0034	Student (pupil) transportation			4,113
0035	Food service			630,777
0036	Extracurricular activities		70,119	70,119
0051	Facilities maintenance & operations		7,259	34,567
0052	Security & monitoring services	171,410		171,410
Debt Service				
0071	Principal on long term debt			
0072	Interest on long term debt			
0073	Bond issuance cost and fees			
6030	Total Expenditures	<u>171,410</u>	<u>7,259</u>	<u>70,119</u> 1,363,952
1100	Excess (Deficiency) of Revenues over (Under) Expenditures			(6,229) 1,649
OTHER FINANCING SOURCES (USES)				
7915	Transfers In			6,468
7080	Total Other Financing Sources (Uses)			6,468
1200	Net Change in Fund Balance		(6,229)	8,117
0100	Fund Balance - Beginning		66,306	164,558
3000	Fund Balance - Ending	\$	\$	\$ 60,077 \$ 172,675

599	Total
Debt Service Fund	Nonmajor Governmental Funds
\$ 458,165	\$ 560,654
	192,805
	<u>1,070,307</u>
<u>458,165</u>	<u>1,823,766</u>
	448,433
	4,533
	4,113
	630,777
	70,119
	34,567
	171,410
375,000	375,000
152,700	152,700
500	500
<u>528,200</u>	<u>1,892,152</u>
<u>(70,035)</u>	<u>(68,386)</u>
	<u>6,468</u>
	<u>6,468</u>
(70,035)	(61,918)
<u>574,197</u>	<u>738,755</u>
\$ <u><u>504,162</u></u>	\$ <u><u>676,837</u></u>

REQUIRED TEA SCHEDULES

ANSON INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF DELINQUENT TAXES RECEIVABLE
FOR THE YEAR ENDED AUGUST 31, 2023

Last Ten Years Ended August 31	Tax Rates		3 Assessed/ Appraised Value For School Tax Purposes
	1 Maintenance	2 Debt Service	
2014 (and prior years)	Various	Various	Various
2015	1.1701	0.2465	137,816,308
2016	1.1700	0.2457	128,458,077
2017	1.1700	0.2436	123,182,725
2018	1.1700	0.2239	130,386,541
2019	1.1700	0.2144	131,443,586
2020	1.0684	0.2187	136,514,024
2021	1.0183	0.2124	148,749,005
2022	0.9603	0.1550	207,782,121
2023 (School Year Under Audit)	0.9429	0.1250	221,300,403
Total			

8000 Total Taxes Refunded Under Section 26.115, Tax Code

	10	20	31	32	40	50
	Beginning Balance 9/1/2022	Current Year's Total Levy	Maintenance Collections	Debt Service Collections	Entire Year's Adjustments	Ending Balance 8/31/2023
\$	30,936	\$	244	\$ 54	\$ (1,603)	\$ 29,035
	20,172		71	15		20,086
	11,976		70	15		11,891
	8,512		219	46		8,247
	13,691		591	113	1	12,988
	17,307		1,485	272		15,550
	26,422		4,407	903	(862)	20,250
	36,940		4,626	968	(1,634)	29,712
	62,752		15,391	2,254	(3,122)	41,985
		<u>2,363,267</u>	<u>1,868,427</u>	<u>435,033</u>	<u>11,228</u>	<u>71,035</u>
\$	<u>228,708</u>	\$ <u>2,363,267</u>	\$ <u>1,895,531</u>	\$ <u>439,673</u>	\$ <u>4,008</u>	\$ <u>260,779</u>
\$	\$	\$ <u>18,293</u>	\$ <u>(15,984)</u>	\$ <u>(2,309)</u>	\$	\$

ANSON INDEPENDENT SCHOOL DISTRICT

EXHIBIT J-2

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - CHILD NUTRITION PROGRAM
 FOR THE YEAR ENDED AUGUST 31, 2023

Data Control Codes		<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
		<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
REVENUES:					
5700	Local and intermediate sources	\$ 27,703	\$ 27,703	\$ 38,599	\$ 10,896
5800	State program revenues	2,300	2,300	1,902	(398)
5900	Federal program revenues	<u>507,335</u>	<u>539,684</u>	<u>598,154</u>	<u>58,470</u>
5020	Total Revenues	<u>537,338</u>	<u>569,687</u>	<u>638,655</u>	<u>68,968</u>
EXPENDITURES:					
	Current				
0035	Food services	<u>733,804</u>	<u>766,153</u>	<u>630,777</u>	<u>135,376</u>
6030	Total Expenditures	<u>733,804</u>	<u>766,153</u>	<u>630,777</u>	<u>135,376</u>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	(196,466)	(196,466)	7,878	204,344
OTHER FINANCING SOURCES (USES):					
7915	Transfers in	<u>195,322</u>	<u>195,322</u>	<u>6,468</u>	<u>(188,854)</u>
	Total Other Financing Sources (Uses)	<u>195,322</u>	<u>195,322</u>	<u>6,468</u>	<u>(188,854)</u>
1200	Net Change in Fund Balance	(1,144)	(1,144)	14,346	15,490
0100	Fund Balance - Beginning	<u>98,252</u>	<u>98,252</u>	<u>98,252</u>	
3000	Fund Balance - Ending	<u>\$ 97,108</u>	<u>\$ 97,108</u>	<u>\$ 112,598</u>	<u>\$ 15,490</u>

ANSON INDEPENDENT SCHOOL DISTRICT

EXHIBIT J-3

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - DEBT SERVICE FUND
 FOR THE YEAR ENDED AUGUST 31, 2023

Data Control Codes		Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
		Original	Final		
REVENUES:					
5700	Local and intermediate sources	\$ 427,639	\$ 427,639	\$ 458,165	\$ 30,526
5020	Total Revenues	427,639	427,639	458,165	30,526
EXPENDITURES:					
	Current				
0071	Debt service - principal on long term debt	375,000	375,000	375,000	
0072	Debt service - interest on long term debt	152,700	152,700	152,700	
0073	Debt service - bond issuance cost and fees	500	500	500	
6030	Total Expenditures	528,200	528,200	528,200	
1200	Net Change in Fund Balance	(100,561)	(100,561)	(70,035)	30,526
0100	Fund Balance - Beginning	574,197	574,197	574,197	
3000	Fund Balance - Ending	\$ 473,636	\$ 473,636	\$ 504,162	\$ 30,526

STATE COMPENSATORY EDUCATION AND BILINGUAL EDUCATION PROGRAM EXPENDITURES

AUGUST 31, 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 programs?	No
AP3	List the total state allotment funds received for state compensatory education programs during the district's fiscal year.	\$ 706,189
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal year.	\$ 422,446

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?	\$ 10,938
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year (PICs 25, 35)	\$ 21,484

FEDERAL AWARDS SECTION

Merritt, McLane & Hamby, P.C.

500 Chestnut Street, Suite 1645
Abilene, TX 79602

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

To the Board of Trustees
Anson Independent School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Anson Independent School District as of and for the year ended August 31, 2023, and the related notes to the financial statements, which collectively comprise Anson Independent School District's basic financial statements and have issued our report thereon dated October 4, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Anson 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 Anson Independent School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Anson 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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Anson Independent School District's financial statements are free of 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 statements 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.

Merritt, McLane & Hamby, P.C.

MERRITT, MCLANE & HAMBY, P.C.

Abilene, Texas
October 4, 2023

Merritt, McLane & Hamby, P.C.

500 Chestnut Street, Suite 1645
Abilene, TX 79602

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

To the Board of Trustees
Anson Independent School District

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Anson 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 Anson Independent School District's major federal programs for the year ended August 31, 2023. Anson 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, Anson 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 August 31, 2023.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of Anson 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 Anson 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 Anson 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 Anson 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 from 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 Anson 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 Anson 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 Anson 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 Anson 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.

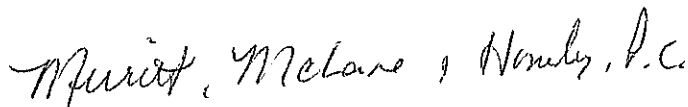
Report on Internal Control over Compliance

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 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.



MERRITT, MCLANE & HAMBY, P.C.

Abilene, Texas
October 4, 2023

ANSON INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED AUGUST 31, 2023

I. Summary of Auditor's Report

Type of report on financial statements	Unmodified Opinion
Significant Deficiencies	None
Material weaknesses involving control deficiencies	None
Noncompliance material to the financial statements	None
Type of report on compliance with major programs	Unmodified Opinion
Findings and questioned costs for federal awards as Defined in the Uniform Guidance.	None
Dollar threshold considered between Type A and Type B federal programs	\$750,000
Low risk auditee statements	The District was classified as a low-risk auditee in the context of the Uniform Guidance.
Major Federal Programs include:	
84.425	Education Stabilization Fund (ESF)

II Findings Required to be Reported in Accordance with *Government Auditing Standards*

None

III. Findings and Questioned Costs – Major Federal Awards Program Audit

None

ANSON INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED AUGUST 31, 2023

Prior Year Findings:

None

Contact Person Responsible: Mr. Jay Baccus, Superintendent
1431 S. Commercial
Anson, TX 79501
(325) 823-3671

ANSON INDEPENDENT SCHOOL DISTRICT

EXHIBIT K-1

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR YEAR ENDED AUGUST 31, 2023

<u>FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM OR CLUSTER TITLE</u>	<u>Federal Assistance Listing No.</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
U.S. DEPARTMENT OF EDUCATION			
<u>Passed through Texas Education Agency</u>			
ESEA Title I, Part A - Improving Basic Programs	84.010A	23610101127901	\$ 195,087
ESEA Title VI, Part B - Rural & Low Income Program	84.358B	23696001127901	21,933
COVID 19 - ESSER II - School Emergency Relief	84.425D	21521001127901	422,343
COVID 19 - ESSER III - School Emergency Relief	84.425D	21528001127901	<u>1,365,271</u>
Total Passed Through Texas Education Agency			<u>2,004,634</u>
<u>Passed through Region XIV</u>			
ESEA Title IX, Part A Homeless Children Education	84.196	234600057110089	4,113
Title IV, Part A	84.424A	23615001221950	4,533
ESEA Title II, Part A, Teacher/Principal Training	84.367A	23694501221950	4,533
Total Passed Through Region XIV			<u>13,179</u>
<u>Passed through Tri-County</u>			
* IDEA - Part B, Formula	84.027	236600011279066000	35,160
* IDEA - Part B, Preschool	84.173	236610011279066000	18,373
Total Passed Through Tri-County			<u>53,533</u>
TOTAL DEPARTMENT OF EDUCATION			<u>2,071,346</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<u>Passed through Region IX Education Service Center</u>			
Head Start	93.600	06CH011543-02	119,108
Head Start	93.600	06CH012174-02	42,005
Total FALN 93.600			<u>161,113</u>
Total Passed Through Region IX Education Service Center			<u>161,113</u>
<u>Passed through Texas Education Agency</u>			
ELC Reopening Schools	93.323	39352201	27,308
Total Passed Through Texas Education Agency			<u>27,308</u>
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>188,421</u>
U.S. DEPARTMENT OF AGRICULTURE			
<u>Passed through Texas Education Agency</u>			
* School Breakfast Program	10.553	71402301	201,868
* National School Lunch Program	10.555	71302301	316,123
Total Passed Through Texas Education Agency			<u>517,991</u>
<u>Passed through Texas Department of Agriculture</u>			
* Supply Chain Assistance Grant	10.555		32,349
Pandemic EBT Food Benefit (P-EBT)	10.542		628
Emergency Food Assistance Program (Food Commodities)	10.560		1,181
Total Passed Through Texas Department of Agriculture			<u>34,158</u>
<u>Direct Program</u>			
Commodity Supplemental Food Program	10.565		46,005
Total Direct Program			<u>46,005</u>
TOTAL DEPARTMENT OF AGRICULTURE			<u>598,154</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ <u>2,857,921</u>

*Clustered Programs

ANSON INDEPENDENT SCHOOL DISTRICT

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE 1: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Anson Independent School District under programs of the federal government for the year ended August 31, 2023. 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). Because the Schedule presents only a selected portion of the operations of Anson Independent School District, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Anson Independent School District.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3: INDIRECT COST RATE

Anson Independent School District has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 4: RECONCILIATION OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Schedule of Expenditures of Federal Awards	\$ 2,857,921
SHARS	<u>181,144</u>
	\$ <u>3,039,065</u>

ANSON INDEPENDENT SCHOOL DISTRICT

EXHIBIT L-1

SCHOOLS FIRST QUESTIONNAIRE
FOR THE YEAR ENDED AUGUST 31, 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?	Yes
SF4	Was the school district issued a warrant hold?	No
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds?	No
SF 6	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 capital appreciation bonds included in government-wide financial statements at fiscal year end.	