

Hays Consolidated

Independent School District

Kyle, Texas



Annual Comprehensive Financial Report

For the fiscal year ended
June 30, 2023

Hays Consolidated Independent School District
Kyle, Texas

Annual Comprehensive Financial Report
For the Fiscal Year Ended
June 30, 2023



Prepared by

Hays CISD Business & Finance Division
Randall Rau, CPA

HAYS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

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

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INTRODUCTORY SECTION



21003 N IH 35, Kyle, Texas 78640
Phone (512) 268-2141
Fax (512) 268-2147

November 13, 2023

Will McManus, President
Board of Trustees
Hays Consolidated Independent School District
21003 N IH 35
Kyle, TX 78640

Dear Mr. McManus and Members of the Board:

The Texas Education Code requires that all school districts file a set of financial statements with the Texas Education Agency (TEA) within 150 days of the close of each fiscal year. The financial statements must be presented in conformity with generally accepted accounting principles (GAAP) and audited by a firm of licensed certified public accountants in accordance with generally accepted auditing standards (GAAS). Pursuant to the requirement, we hereby issue the Annual Comprehensive Financial Report (ACFR) of the Hays Consolidated Independent School District (the District or Hays CISD) for the twelve-month period ended June 30, 2023. The District's Business & Finance Department prepares the report. The District has been awarded the Certificate of Achievement for Excellence in Financial Reporting, awarded to government entities by the Government Finance Officers Association (GFOA) for the 2021-2022 Annual Comprehensive Financial Report. The District feels the current Annual Comprehensive Financial Report continues to meet the requirements for this award, and we will again submit the report for review. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

The Annual Comprehensive Financial Report is presented in four sections: Introductory, Financial, Statistical and Federal Awards. The Introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The management's discussion and analysis in the Financial section provides an overview of the financial position and results of operations for the year. The Financial section also includes the auditors' report, the basic financial statements, including the Government Wide Financial Statements and the Governmental Fund Financial Statements, the combining schedules and required supplementary information. The Statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The Federal Awards section includes the schedule of federal awards, auditors' reports and the schedule of findings for both current and prior years.

This report consists of management's representations concerning the finances of the District. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. In order to provide a reasonable basis for making these representations, management of the District has established a comprehensive internal control framework that is designed to protect the District's assets from loss, theft or misuse. Additionally, the internal control framework is designed to compile sufficient reliable information for the preparation of the District's financial statements in conformity with GAAP. Because the costs of internal controls should not outweigh their benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable assurance rather than absolute assurance that the financial statements will be free from material misstatement. To the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The financial statements of the District have been audited by Pattillo, Brown & Hill, LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the District are free of material misstatement. The independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion and that the financial statements are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements is part of a broader, federally mandated "Single Audit" designed to meet the special need of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the Federal Awards section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditors.

The District and Its Services

Hays Consolidated Independent School District was formed on May 6, 1967, through the consolidation of Kyle Independent School District, Buda County-Line Independent School District and Wimberley Rural High School District. The Wimberley School District withdrew from the consolidation in September 1986 and created Wimberley Independent School District. The District comprises 212 square miles of land, or approximately half of the total area of Hays County, with small portions extending into Travis and Caldwell Counties. The District includes the cities of Kyle and Buda, both of which are located within Hays County on Interstate Highway 35 between Austin and San Marcos. The District also includes the cities of Hays, Uhland, Niederwald and Driftwood.

The District is governed by a seven member Board of Trustees (the Board). The Trustees serve three-year staggered terms with elections being held every year. Monthly meetings of the Board are posted and advertised as prescribed under state law so that the Board may fulfill its charge to the students, parents, staff, and taxpayers of the District. Special meetings or study sessions are scheduled as needed. The Board has final control over all school matters except as limited by state law.

The Board meets annually to set goals for the District. The goals are both long-term and short-term in an effort to focus resources and efforts on specific areas, as well as set high standards for the students and staff of the District. They are reviewed and revised by the Board periodically.

Mission Statement (adopted 08/28/2023) - The mission of Hays CISD is to educate, value, and nurture students through innovative and personalized educational experiences while celebrating our diversity.

Vision Statement (adopted 08/28/2023) - All Hays CISD learners will be:

- highly sought-after for college, career, or military
- prepared for life and responsible citizenship
- effective communicators and collaborators
- resourceful and creative problem solvers

Beliefs (adopted 08/28/2023) - We believe:

- Decision making is student-focused
- All students have the capacity to learn and be successful
- A safe and secure environment is essential
- Success is a shared investment that includes learners, educators, families and the community
- In being an unrivaled employee-friendly organization
- The allocation of resources will support high quality learning
- High expectations for all lead to high achievement
- Open communication, transparency, and accountability build trust
- Success is dependent upon a commitment to lifelong learning
- Diverse and differentiated opportunities further learning
- Student success includes a well-rounded education that goes beyond standardized testing

Board and Superintendent Goals for 2023-2024 (adopted September 25, 2023)

Student Achievement Goal —Through attention to individual students' needs, each campus will demonstrate continuous improvement by showing academic growth and student engagement, including intervention and enrichment. The District will evaluate and address the individual needs of each student. Student performance will be evaluated in academics; college, career, and military readiness; and character and power skills education.

School Safety & Security Goal — A safe environment must include secure facilities, staff and student training, and our adopted standard response protocol. The district will partner with local, state, and federal entities to assure preparedness related to School Safety and Security.

Community Relations Goal—The District will foster a welcoming culture of positive engagement and public service. Our District is committed to customer service with timely and effective communication.

Finance Goal – The District will work to reduce the fiscal year 2024 deficit, working towards a balanced budget for fiscal year 2025.

The District provides a well-rounded program of public education for children from pre-kindergarten through grade twelve. In addition to basic instructional programs, the District offers special education, gifted and talented, Bilingual/ESL, intervention, college preparatory, and career and technical programs. The District is fully accredited by the Texas Education Agency (TEA).

Hays CISD operates fifteen elementary schools, six middle schools, three comprehensive high schools, one alternative education program high school, and one disciplinary alternative education program campus. The District's 2023-24 enrollment for budget purposes was 23,443. Actual enrollment for 2023-2024 was 23,326 at PEIMS snapshot (October 31, 2023).

Economic Information

Hays County, created in 1848, is located in south central Texas. Hays is a populous suburban county in the Austin metropolitan area with a 2020 census population of 241,061 people and an estimated growth rate of approximately 3.15%, making it one of the fastest growing counties in United States. The major cities in the County are Buda, Kyle and San Marcos (county seat). The County is traversed by Interstate Highway 35, U.S. Highway 290, State Highways 21, 123, and State Highway 130, a commuter roadway on the outskirts of the County to relieve congestion on IH 35 extending from north of Georgetown, east of metropolitan Austin, to I-10 near Seguin.

The Hays Consolidated Independent School District (Hays CISD) covers land in Hays County once used primarily for ranching and recreation. Hays CISD is located in and around the cities of Buda & Kyle which is located within what has become known as the Austin/San Antonio Corridor along Interstate Highway 35. Austin and San Antonio are two anchors of a region which includes several million people. The County is diversified by tourism, education, agriculture, retail, healthcare including two major hospitals, and manufacturing. Residents in Hays CISD have easy access to higher education including the University of Texas, Texas State University, St. Edward's University and Austin Community College.

The District's population has grown to an estimated 129,030 in 2022-23, up from the 2020 census number of 105,442, making it one of the fastest growing school districts in Texas. Residential and retail development has steadily increased in the last five years. Recent home sales continue to rise in the area as new home construction

continues to take place with an estimated 3,225 single-family “annual starts” and 2,753 single-family “annual closings”. Future projected occupancies for housing in the District are estimated at 58,005 by October 2023.

Report Information

The Annual Comprehensive Financial Report is prepared in accordance with generally accepted accounting principles (GAAP) and in conformance with standards of financial reporting established by the Governmental Accounting Standards Board (GASB) using guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA). All funds of the District are covered by this report. The District’s financial policies address accounting and fiscal operations of the district, with an emphasis on asset, procurement, and budget management.

The District maintains budgetary controls, and the objective is to ensure compliance with legal provisions embodied in the annual budget approved by the District’s Board. The annual expenditure budget serves as the foundation for the District’s financial planning and control. Every school district in Texas is required, by law, to prepare and file a budget with the Texas Education Agency (TEA). The board legally adopts a budget for the General Fund, Debt Service Fund, and Child Nutrition Fund. Budgets for Special Revenue Funds (other than Child Nutrition) and Capital Projects Funds are prepared on a project basis, based on grant regulations or applicable bond ordinances.

Budgetary control (the level at which expenditures cannot legally exceed appropriations) is mandated at the functional category level within each fund. These functional categories are defined by TEA and identify the purpose of transactions. The District also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts lapse at year end unless specifically identified for rollover into the next fiscal year.

Long-Term Financial Planning

The District is operating under the fifth year of House Bill 3 (HB 3) for the 2023-24 school year. HB3 was a historic school finance bill passed by the 86th Texas Legislature in 2019. The intent of the bill was to provide more money for Texas classrooms, increase teacher compensation, reduce recapture and cut local property taxes for Texas taxpayers. The bill made major revisions to the school finance formulas; added and repealed several chapters of the Education Code; and revised, removed and created multiple allotments or programs.

Since the Texas Legislature meets every two years to approve education funding, school districts are unable to accurately predict what mandates or funding changes will be implemented over the long-term. The District has accumulated unassigned fund balance to prepare for uncertainties in future student enrollment growth, property values, and funding reductions.

The District’s total 2023-24 original adopted budget is \$338,339,983, representing a \$27,879,725 (or an 8.98%) increase over the 2022-23 revised budget.

The 2023-2024 original adopted budget included funding for:

- additional teachers/staff to accommodate growth and program enhancements.
- compensation increases of 3% for teachers/counselors; 2% for administration/business professionals; and 4% for paraprofessionals, auxiliary, and bus drivers.
- increased teacher starting salary to \$53,000.
- Increased master’s stipend to \$2,000 and doctorate stipend to \$4,500
- moved the starting salary of all paraprofessional and auxiliary staff to \$16/hour; instructional paraprofessional staff to \$18/hour; and special education paraprofessional staff to \$20/hour.
- maintained a no cost increase employee health insurance contribution.
- campus, curriculum and departmental needs district-wide.

Acknowledgements

The preparation of this report could not have been accomplished without the efficient and dedicated efforts of the entire staff of the Business & Finance Department. We would like to express our sincere appreciation to all members of the departments and surrounding entities who assisted and contributed to the preparation of this report. We would also like to express appreciation to the Board of Trustees for their interest and support in the financial operations of the District. Finally, we would like to thank the residents of the District for their support of, and belief in, our public schools, and principals and teachers who provide the quality education for which the District has become known.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "E. Wright", with a stylized flourish at the end.

Dr. Eric Wright – Superintendent of Schools

A handwritten signature in blue ink, appearing to read "Randall Rau", with a stylized flourish at the end.

Randall Rau, CPA – Chief Financial Officer



Government Finance Officers Association

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

Presented to

**Hays Consolidated Independent School District
Texas**

For its Annual Comprehensive
Financial Report
for the Fiscal Year Ended

June 30, 2022

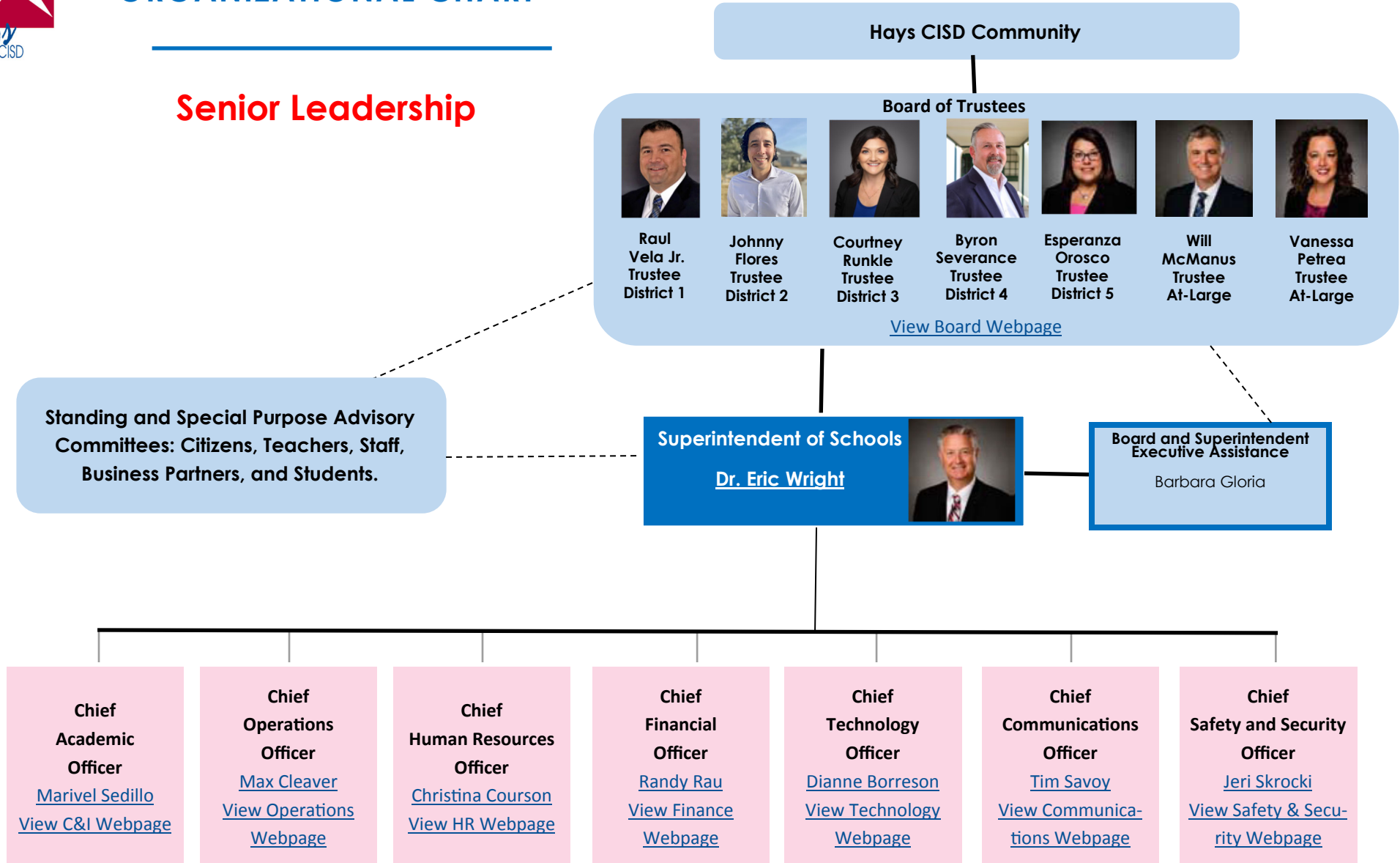
Christopher P. Morill

Executive Director/CEO



ORGANIZATIONAL CHART

Senior Leadership



Hays Consolidated Independent School District

School Board and Administrators

Board of Trustees

Will McManus	President, Trustee at Large
Raul Vela, Jr.	Vice President, District 1
Courtney Runkle	Secretary, District 3
Johnny Flores	Trustee, District 2
Byron Severance	Trustee, District 4
Esperanza Orosco	Trustee, District 5
Vanessa Petrea	Trustee at Large

Administration

Eric Wright, Ed. D.	Superintendent of Schools
Tim Savoy, B.J.	Chief Communication Officer
Dianne Borreson, M. Ed.	Chief Technology Officer
Max Cleaver, M.S.	Chief Operations Officer
Randall Rau, CPA	Chief Financial Officer
Christina Courson, M.S.	Chief Human Resources Officer
Marivel Sedillo, M. Ed.	Chief Academic Officer



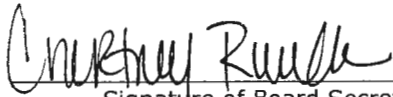
CERTIFICATE OF BOARD

Hays Consolidated Independent School District
Name of School District

Hays
County

105906
Co.-Dist.Number

We, the undersigned, certify that the attached annual financial reports of the above-named school district were reviewed and (check one) ✓ approved _____ disapproved for the year ended June 30, 2023, at a meeting of the Board of Trustees of such school district on the 13th day of November 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

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Hays Consolidated Independent School District
Kyle, Texas

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Emphasis of Matter - Change of Accounting Principle

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

Responsibilities of Management for the Financial Statements

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

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

OFFICE LOCATIONS

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Hays Consolidated 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 Hays Consolidated Independent School District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

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

Other Information included in the Annual Comprehensive Financial Report

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2023 on our consideration of Hays Consolidated 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 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 Hays Consolidated Independent School District's internal control over financial reporting and compliance.

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

Waco, Texas
November 13, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

As Management of the Hays Consolidated Independent School District (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with the District's financial statements, which follow this section.

Financial Highlights

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$30,496,432 (net position).
- The District's net position increased by \$26,664,997 during the current fiscal year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$25,916,379, which represents 11.2% of total fiscal year 2023 General Fund expenditures. Including the \$17,279,506 of fund balance assigned for the 2023 budget, the total percentage is 18.6%.

The District has been a fast-growth district for over thirteen years. The District anticipates adding 9,478 students over the next five years.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components:

- Government-wide financial statements,
- Fund financial statements, and
- Notes to the financial statements.

This report also contains other required supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the District's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. The statement of activities presents information showing how the District's net position changed during the year ended June 30, 2023. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g. uncollected taxes).

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (*governmental activities*). The governmental activities of the District are designed to educate and benefit the children of the community. Functional codes for Texas school districts are uniform throughout the state. They include instruction and instructional-related services, instructional and school leadership, support services for students, administrative support services, non-student based support services, ancillary services, debt service and capital outlay for facilities and construction.

Fund financial statements – A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The fund financial statements provide more detailed information about the District's most significant funds and not the District as a whole.

- Some funds are required by State law and/or bond covenants.
- Other funds may be established by the Board to control and manage money for particular purposes or to show that it is properly using certain taxes or grants.

All of the funds of the District can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of expendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental* activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The District maintains individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Debt Service Fund, and Capital Projects Fund, as they are considered to be major funds. Data from the other individual governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

Proprietary Funds. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. There are two proprietary fund types. Enterprise Funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The District uses an Enterprise Fund for childcare operations.

The second type of proprietary fund is the *Internal Service Fund*. Internal Service Funds are an accounting device used to accumulate and allocate costs internally among the various functions. The District uses Internal Service Funds for printing services and a self-insurance fund.

Fiduciary Funds. *Fiduciary funds* are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The District is the trustee, or fiduciary, for these funds and is responsible for ensuring that the assets reported in these funds are used for their intended purpose. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and statement of changes in fiduciary net position

These activities are excluded from the District's government-wide financial statements because the District cannot use these assets to finance its operations.

Notes to the Financial Statements. The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements.

Other Information – In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the District's pension and OPEB plans.

Government-wide Overall Financial Analysis

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources by \$30,496,432 for the year ended June 30, 2023. The District's total net position increased \$26,664,997 from the prior year. The District's financial position has improved with an increase in capital assets. The overall financial status of the District is stable, however, the financial outlook for all Texas school districts is uncertain beyond the current biennium.

TABLE 1
NET POSITION

	Governmental Activities		Business-type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 297,371,268	\$ 196,363,522	\$ 693,407	\$ 749,841	\$ 298,064,675	\$ 197,113,363
Capital assets	577,332,769	529,640,791	-	-	577,332,769	529,640,791
Total assets	874,704,037	726,004,313	693,407	749,841	875,397,444	726,754,154
Total deferred outflows of resources	69,881,157	56,192,283	-	-	69,881,157	56,192,283
Long-term liabilities	805,371,353	655,974,120	-	-	805,371,353	655,974,120
Other liabilities	43,821,996	51,096,152	-	-	43,821,996	51,096,152
Total liabilities	849,193,349	707,070,272	-	-	849,193,349	707,070,272
Total deferred inflows of resources	65,588,820	72,044,730	-	-	65,588,820	72,044,730
Net position:						
Net investment in capital assets	66,860,491	31,158,126	-	-	66,860,491	31,158,126
Restricted	37,598,502	32,662,842	-	-	37,598,502	32,662,842
Unrestricted	(74,655,968)	(60,739,374)	693,407	749,841	(73,962,561)	(59,989,533)
Total net position	\$ 29,803,025	\$ 3,081,594	\$ 693,407	\$ 749,841	\$ 30,496,432	\$ 3,831,435

A portion of the District's net position reflects its investment in capital assets (e.g. land, buildings, furniture, and equipment) less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the District's net position represents resources that are subject to external restrictions on how they may be used (e.g. debt service). This surplus is not an indication that the District has significant resources available to meet financial obligations next year, but rather the result of having long-term commitments that are less than currently available resources.

Governmental activities. Program and general revenues for the current fiscal year totaled \$316,831,040 a 14.1% increase from the prior year. Expenses for the current fiscal year totaled \$290,109,609 which is a decrease of 16.0% from the prior year. The increase in governmental net position is primarily due to strong tax collections, state funding, and a significant decline in the District's net pension liability.

Key elements of the increase or decrease are shown in the following table:

**TABLE 2
CHANGES IN NET POSITION**

	Governmental Activities		Business-type Activities		Totals	
	2023	2022	2023	2022	2023	2022
REVENUES						
Program revenues:						
Charges for services	\$ 5,788,117	\$ 2,957,928	\$ 1,738,244	\$ 1,708,691	\$ 7,526,361	\$ 4,666,619
Operating grants and contributions	36,037,006	33,883,627	31,971	-	36,068,977	33,883,627
General revenues:						
Maintenance and operations taxes	131,002,666	100,308,486	-	-	131,002,666	100,308,486
Debt service taxes	74,737,781	56,035,401	-	-	74,737,781	56,035,401
Grants and contributions not restricted	57,496,718	81,277,805	-	-	57,496,718	81,277,805
Investment earnings	11,618,190	459,754	-	-	11,618,190	459,754
Miscellaneous	150,562	2,671,945	-	-	150,562	2,671,945
Total revenues	<u>316,831,040</u>	<u>277,594,946</u>	<u>1,770,215</u>	<u>1,708,691</u>	<u>318,601,255</u>	<u>279,303,637</u>
EXPENSES						
Instruction	152,082,052	131,600,322	-	-	152,082,052	131,600,322
Instructional resources and media services	3,350,787	2,813,273	-	-	3,350,787	2,813,273
Curriculum and instructional staff development	6,522,089	3,092,137	-	-	6,522,089	3,092,137
Instructional leadership	6,130,056	5,200,515	-	-	6,130,056	5,200,515
School leadership	14,306,373	12,163,079	-	-	14,306,373	12,163,079
Guidance, counseling and evaluation services	7,986,909	6,784,246	-	-	7,986,909	6,784,246
Social work services	1,368,780	305,493	-	-	1,368,780	305,493
Health services	2,644,240	2,483,542	-	-	2,644,240	2,483,542
Student (pupil) transportation	13,242,768	11,917,433	-	-	13,242,768	11,917,433
Food services	10,735,375	10,605,565	-	-	10,735,375	10,605,565
Co-curricular/extra curricular activities	7,878,268	6,749,921	-	-	7,878,268	6,749,921
General administration	6,382,138	5,038,716	-	-	6,382,138	5,038,716
Plant maintenance and operations	24,354,768	26,147,270	-	-	24,354,768	26,147,270
Security and monitoring services	3,339,373	2,626,833	-	-	3,339,373	2,626,833
Data processing services	6,645,576	5,173,524	-	-	6,645,576	5,173,524
Community services	392,157	339,972	-	-	392,157	339,972
Debt service - interest on long-term debt	19,343,233	14,576,706	-	-	19,343,233	14,576,706
Debt service - bond issuance costs	1,433,756	952,341	-	-	1,433,756	952,341
Payments related to shared services arrangements	687,858	516,753	-	-	687,858	516,753
Other intergovernmental changes	1,283,053	1,046,588	-	-	1,283,053	1,046,588
District-Wide Child Care	-	-	1,826,649	1,578,311	1,826,649	1,578,311
Total expenses	<u>290,109,609</u>	<u>250,134,229</u>	<u>1,826,649</u>	<u>1,578,311</u>	<u>291,936,258</u>	<u>251,712,540</u>
CHANGE IN NET POSITION	<u>26,721,431</u>	<u>27,460,717</u>	<u>(56,434)</u>	<u>130,380</u>	<u>26,664,997</u>	<u>27,591,097</u>
NET POSITION, BEGINNING	<u>3,081,594</u>	<u>(24,379,123)</u>	<u>749,841</u>	<u>619,461</u>	<u>3,831,435</u>	<u>(23,759,662)</u>
NET POSITION, ENDING	<u>\$ 29,803,025</u>	<u>\$ 3,081,594</u>	<u>\$ 693,407</u>	<u>\$ 749,841</u>	<u>\$ 30,496,432</u>	<u>\$ 3,831,435</u>

Property taxes, including penalties and interest, increased 31.6% and accounted for 64.9% of total 2023 revenues. This revenue increase was the result of additional property values related to new businesses and residential construction, and a corresponding reduction in state funding due to property tax increases. The District reduced its tax rate for operations from \$0.872 to \$0.8546 for 2023. The tax rate for debt service was maintained \$0.4877.

Business-type Activities. Revenues of the District's business-type activities represent \$1,770,215 from childcare operations at District campuses.

Financial Analysis of Governmental Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$262,959,300. A complete listing of fund balances at June 30, 2023, is shown in the following table:

<u>Fund Balances</u>	<u>At June 30, 2023</u>
General Fund, Assigned	\$ 17,279,506
General Fund, Non-spendable	4,562,463
General Fund, Unassigned	25,916,379
Food Service, Restricted & Non-spendable	6,909,165
Capital Projects, Restricted	170,445,101
Debt Service, Restricted	<u>37,846,686</u>
Total Fund Balances	<u>\$ 262,959,300</u>

The General Fund decreased its total fund balance by \$17,058,850. The total fund balance of \$47,758,348 at June 30, 2023 represents a 26.3% decrease over the prior year. Expenditures were less than anticipated in all areas, especially in instruction and facilities maintenance and operations, which contributed to the overall increase in total fund balance. A portion of the remaining budget was due to purchases on order with \$759,435 of fund balance rolled over to 2024.

The Debt Service Fund has a total fund balance of \$37,846,686, all of which is restricted for the payment of debt service. The increase in fund balance is a result of a growing property tax base, offset by a reduced debt service tax rate.

The Capital Projects Fund has a total fund balance of \$170,445,101, which represents funds remaining from current and prior year bond sales. These funds are restricted for the construction and renovation of school buildings and purchase of equipment and land. Fund balance in this fund increased by \$121,293,921 as a result of the issuance of Unlimited Tax School Building Bonds, Series 2022 in the amount of \$170,990,000, offset by significant capital expenditures.

General Fund Budgetary Highlights

The District's budgets have continually included budget reductions and revenue enhancements in an effort to maximize the use of existing resources and meet the needs of a fast-growth district. The ability to provide additional teachers and staff, maintain student-to-teacher ratios, support core operations, expand technology systems and maintain competitive salaries continues to be a challenge.

In recent years, the District has consistently moved toward the adoption of a balanced budget while maintaining its current maintenance and operations tax rate of \$1.04. In 2013-2014 and 2014-2015 the District adopted general fund deficit budgets of (\$1,933,100) and (\$466,444) respectively. The District adopted a balanced budget in 2015-2016, due in large part to the funding efforts of the 84th Legislature, strong property value growth, and additional budget cuts and revenue enhancements. Reduction of state funding due to the elimination of ASATR and property value growth saw the District's return to deficit operating budgets in 2016-2017, 2017-2018, 2018-2019, and 2019-2020. The 2016-2017 budgeted deficit was (\$1,828,618), the 2017-2018 original budget reflected a deficit of (\$3,417,041), the 2018-2019 adopted budget reflected a deficit of (\$5,987,344), the 2019-2020 adopted budget reflected a deficit of (\$1,908,173), the 2020-2021 adopted budget reflected a deficit of (\$2,529,396), the 2021-2022 adopted budget reflected a deficit of (\$4,720,822), and the 2022-2023 adopted budget reflected a deficit of (\$11,135,498) which is reflective of the funding challenges faced by school districts with the return to formula funding. These budgets enabled the district to maintain competitive wages, address student enrollment growth and staffing needs, and expand programs.

Over the course of the current fiscal year, actual expenditures were less than final budget amounts for the General Fund. Positive variances were widespread, primarily in the functional categories of instruction, maintenance, and facilities acquisition and construction.

Capital Assets and Debt Administration

Capital Assets. At the end of 2023, The District had invested \$577,332,769 in a broad range of capital assets, including land, construction in progress, buildings and improvements, furniture and equipment, and right to use assets. This amount represents a net increase (including depreciation, additions and deductions) of \$47,691,978 from last year. Total depreciation expense for the current fiscal year was \$18,004,325 charged proportionately to the various functions/programs of the District. Additional information on the District's capital assets can be found in Note II. F of this report.

Long-term Debt. At year-end, the District had \$693,885,695 in bonds payable outstanding. Additional information about the District's debt is presented in Note II. G of this report.

The District maintains a "Aaa" rating from Moody's and "AAA" by Fitch for general obligation debt by virtue of the guarantee of the Permanent School Fund from the State of Texas. Prior to the sale of bonds in September 2022, the District received a bond rating from Fitch Ratings of "AA" and Moody's of "Aa2".

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- The District's 2023-24 enrollment for budget purposes was 23,443, an increase of 1,050 students or 4.67% from 2022-2023 end of year enrollment of 22,393. This equates to a refined average daily attendance (ADA) of 21,273 (93% student attendance rate). Actual enrollment for 2023-24 was 23,326 at the PEIMS snapshot date (October 31, 2023).
- Net taxable value used for the 2024 budget is estimated at \$17,254,897,973, based on the Hays, Caldwell, and Travis County Appraisal District's (CADs) 2023 certified estimate of property values released in April 2023. This is an increase of \$2,864,389,816 (19.90%) over CADs certified values for 2022.
- Compensation increases of 3% for teachers/counselors; 2% for administration/business professionals; and 4% for paraprofessionals, auxiliary, and bus drivers.
- Increased teacher starting salary to \$53,000.
- Increased master's stipend to \$2,000 and doctorate stipend to \$4,500
- Moved the starting salary of all paraprofessional and auxiliary staff to \$16/hour; instructional paraprofessional staff to \$18/hour; and special education paraprofessional staff to \$20/hour.
- Total monthly contribution of \$395 (\$4,740 annually) for the District's health insurance plan allowing the District to continue offering a medical plan that is \$0 cost for employee only coverage.
- Additional teachers/staff to accommodate growth and program enhancements.
- Campus and department budgets were budgeted based on the anticipated needs for the upcoming year.
- The District's 2023-24 total tax rate is \$1.1569 per \$100/valuation, with a Maintenance and Operations tax of \$.6692 and Interest and Sinking of \$0.4877. This represents a \$.01854 decrease from the 2022-23 tax rate and a total decrease of \$.3808 over the past five years.

The general operating budget increased \$27.9 million for 2023-24, an 8.98% increase in projected expenditures over the prior year revised budget. The largest increases in the budget were for compensations increases to keep up with market and additional teachers/staff to accommodate growth and program enhancements. If budget estimates are realized, the District's General Fund balance is expected to decrease \$16.5 million by the close of 2023-24 before any one-time uses of fund balance. Additional information regarding the District's budget can be found at www.hayscisd.net.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to 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 Financial Services Department at (512) 268-2141, or log on to www.hayscisd.net.

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BASIC FINANCIAL STATEMENTS

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HAYS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2023

EXHIBIT A-1

Data Control Codes		Governmental Activities	Business-type Activities	Total
ASSETS				
Current assets:				
1110	Cash and cash equivalents	\$ 7,397,145	\$ 696,645	\$ 8,093,790
1120	Current investments	274,090,673	-	274,090,673
1220	Property taxes receivable (delinquent)	5,311,744	-	5,311,744
1230	Allowance for uncollectible taxes	(1,208,964)	-	(1,208,964)
1240	Due from other governments	11,433,650	-	11,433,650
1260	Internal balances	3,238	(3,238)	-
1290	Other receivables	128,274	-	128,274
1300	Inventories	152,545	-	152,545
1410	Prepaid items	62,963	-	62,963
	Total current assets	<u>297,371,268</u>	<u>693,407</u>	<u>298,064,675</u>
Noncurrent assets:				
Capital assets:				
1510	Land	19,446,077	-	19,446,077
1520	Buildings and improvements, net	387,748,333	-	387,748,333
1530	Furniture and equipment, net	19,547,887	-	19,547,887
1550	Right to use, net	6,547,378	-	6,547,378
1580	Construction in progress	144,043,094	-	144,043,094
	Total noncurrent assets	<u>577,332,769</u>	<u>-</u>	<u>577,332,769</u>
1000	Total assets	<u>874,704,037</u>	<u>693,407</u>	<u>875,397,444</u>
DEFERRED OUTFLOWS OF RESOURCES				
1701	Deferred loss on bond refunding	17,466,452	-	17,466,452
1705	Pension related	32,194,524	-	32,194,524
1706	OPEB related	20,220,181	-	20,220,181
1700	Total deferred outflows of resources	<u>69,881,157</u>	<u>-</u>	<u>69,881,157</u>
LIABILITIES				
Current liabilities:				
2110	Accounts payable	12,087,109	-	12,087,109
2140	Interest payable	9,602,930	-	9,602,930
2150	Payroll deductions and withholdings	1,398,725	-	1,398,725
2160	Accrued wages payable	18,651,672	-	18,651,672
2180	Due to other governments	718,335	-	718,335
2190	Due to student groups	48,606	-	48,606
2300	Unearned revenue	1,314,619	-	1,314,619
	Total current liabilities	<u>43,821,996</u>	<u>-</u>	<u>43,821,996</u>
Noncurrent liabilities:				
2501	Due within one year			
	Long-term debt	37,836,339	-	37,836,339
2502	Due in more than one year			
	Long-term debt	659,470,708	-	659,470,708
2545	Net pension liability	69,273,739	-	69,273,739
	Net OPEB liability	38,790,567	-	38,790,567
	Total noncurrent liabilities	<u>805,371,353</u>	<u>-</u>	<u>805,371,353</u>
2000	Total liabilities	<u>849,193,349</u>	<u>-</u>	<u>849,193,349</u>
DEFERRED INFLOWS OF RESOURCES				
2605	Pension related	6,323,417	-	6,323,417
2606	OPEB related	59,265,403	-	59,265,403
2600	Total deferred inflows of resources	<u>65,588,820</u>	<u>-</u>	<u>65,588,820</u>
NET POSITION				
3200	Net investment in capital assets	66,860,491	-	66,860,491
Restricted for:				
3820	Federal and state programs	6,795,276	-	6,795,276
3850	Debt service	30,803,226	-	30,803,226
3900	Unrestricted	(74,655,968)	693,407	(73,962,561)
3000	Total net position	<u>\$ 29,803,025</u>	<u>\$ 693,407</u>	<u>\$ 30,496,432</u>

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

HAYS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2023

Data Control Codes	Functions/Programs	1 Expenses	Program Revenues	Program Revenues
			3 Charges for Services	4 Operating Grants and Contributions
Primary government:				
Governmental activities:				
11	Instruction	\$ 152,082,052	\$ 1,791,930	\$ 17,081,984
12	Instructional resources and media services	3,350,787	-	63,550
13	Curriculum and staff development	6,522,089	17,944	4,741,717
21	Instructional leadership	6,130,056	1,857	628,034
23	School leadership	14,306,373	-	333,611
31	Guidance, counseling, and evaluation services	7,986,909	1,150	1,086,079
32	Social work services	1,368,780	-	1,093,811
33	Health services	2,644,240	-	134,226
34	Student transportation	13,242,768	13,059	348,515
35	Food service	10,735,375	3,370,868	8,005,264
36	Extracurricular activities	7,878,268	404,008	88,421
41	General administration	6,382,138	812	123,583
51	Facilities maintenance and operations	24,354,768	168,603	172,445
52	Security and monitoring services	3,339,373	-	105,886
53	Data processing services	6,645,576	3,094	65,976
61	Community services	392,157	14,792	162,510
72	Interest on long-term debt	19,343,233	-	1,184,557
73	Bond issuance costs and fees	1,433,756	-	-
93	Payments for shared services arrangements	687,858	-	616,837
99	Other intergovernmental changes	1,283,053	-	-
	Total governmental activities	290,109,609	5,788,117	36,037,006
Business-type activities:				
01	District-Wide Child Care	1,826,649	1,738,244	31,971
TB	Total business-type activities	1,826,649	1,738,244	31,971
	[TP] Total primary government	\$ 291,936,258	\$ 7,526,361	\$ 36,068,977
General revenues:				
Taxes:				
MT	Property taxes, levied for general purposes			
DT	Property taxes, levied for debt service			
GC	Grants and contributions not restricted to specific programs			
IE	Investment earnings			
MI	Miscellaneous			
TR	Total general revenues and other			
CN	Change in net position			
NB	Net position, beginning			
NE	Net position, ending			

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

Net (Expenses) Revenue and Changes in Net Position		
6	7	8
Primary Gov.		
Governmental Activities	Business-type Activities	Total
\$ (133,208,138)	\$ -	\$ (133,208,138)
(3,287,237)	-	(3,287,237)
(1,762,428)	-	(1,762,428)
(5,500,165)	-	(5,500,165)
(13,972,762)	-	(13,972,762)
(6,899,680)	-	(6,899,680)
(274,969)	-	(274,969)
(2,510,014)	-	(2,510,014)
(12,881,194)	-	(12,881,194)
640,757	-	640,757
(7,385,839)	-	(7,385,839)
(6,257,743)	-	(6,257,743)
(24,013,720)	-	(24,013,720)
(3,233,487)	-	(3,233,487)
(6,576,506)	-	(6,576,506)
(214,855)	-	(214,855)
(18,158,676)	-	(18,158,676)
(1,433,756)	-	(1,433,756)
(71,021)	-	(71,021)
<u>(1,283,053)</u>	<u>-</u>	<u>(1,283,053)</u>
<u>(248,284,486)</u>	<u>-</u>	<u>(248,284,486)</u>
<u>-</u>	<u>(56,434)</u>	<u>(56,434)</u>
<u>-</u>	<u>(56,434)</u>	<u>(56,434)</u>
<u>(248,284,486)</u>	<u>(56,434)</u>	<u>(248,340,920)</u>
131,002,666	-	131,002,666
74,737,781	-	74,737,781
57,496,718	-	57,496,718
11,618,190	-	11,618,190
150,562	-	150,562
<u>275,005,917</u>	<u>-</u>	<u>275,005,917</u>
<u>26,721,431</u>	<u>(56,434)</u>	<u>26,664,997</u>
<u>3,081,594</u>	<u>749,841</u>	<u>3,831,435</u>
<u>\$ 29,803,025</u>	<u>\$ 693,407</u>	<u>\$ 30,496,432</u>

HAYS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

BALANCE SHEET GOVERNMENTAL FUNDS

JUNE 30, 2023

Data Control Codes	10 General Fund	50 Debt Service Fund	60 Capital Projects
ASSETS			
1110 Cash and cash equivalents	\$ 5,454,898	\$ -	\$ -
1120 Investments - current	47,720,113	38,383,473	180,857,280
1220 Property taxes - delinquent	3,470,089	1,841,655	-
1230 Allowance for uncollectible taxes (credit)	(819,737)	(389,227)	-
1240 Receivables from other governments	6,437,456	83,672	-
1260 Due from other funds	5,474,057	-	-
1290 Other receivables	127,689	-	-
1300 Inventories	-	-	-
1410 Prepaid items	4,562,463	-	-
1000 Total assets	<u>72,427,028</u>	<u>39,919,573</u>	<u>180,857,280</u>
LIABILITIES			
2110 Accounts payable	1,503,593	400	10,412,087
2150 Payroll deductions and withholdings payable	1,398,725	-	-
2160 Accrued wages payable	18,200,403	-	-
2170 Due to other funds	67,452	-	92
2180 Due to other governments	47,608	670,727	-
2190 Due to student groups	48,606	-	-
2300 Unearned revenues	842,823	-	-
2000 Total liabilities	<u>22,109,210</u>	<u>671,127</u>	<u>10,412,179</u>
DEFERRED INFLOWS OF RESOURCES			
2601 Unavailable revenue	2,559,470	1,401,760	-
2600 Total deferred inflows of resources	<u>2,559,470</u>	<u>1,401,760</u>	<u>-</u>
FUND BALANCES			
Nonspendable:			
3410 Inventories	-	-	-
3430 Prepaid items	4,562,463	-	-
Restricted:			
3450 Federal or state grant restrictions	-	-	-
3470 Capital acquisition and contractual obligations	-	-	170,445,101
3480 Debt service	-	37,846,686	-
Assigned:			
3590 Subsequent year's budget	16,520,071	-	-
3590 Purchases on order	759,435	-	-
3600 Unassigned	25,916,379	-	-
3000 Total fund balances	<u>47,758,348</u>	<u>37,846,686</u>	<u>170,445,101</u>
4000 Total liabilities, deferred inflows and fund balances	<u>\$ 72,427,028</u>	<u>\$ 39,919,573</u>	<u>\$ 180,857,280</u>

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

Nonmajor Governmental Funds	Total Governmental Funds
\$ 1,083,586	\$ 6,538,484
7,129,807	274,090,673
-	5,311,744
-	(1,208,964)
4,912,522	11,433,650
67,237	5,541,294
585	128,274
113,389	113,389
500	4,562,963
<u>13,307,626</u>	<u>306,511,507</u>
131,511	12,047,591
-	1,398,725
451,269	18,651,672
5,343,885	5,411,429
-	718,335
-	48,606
<u>471,796</u>	<u>1,314,619</u>
<u>6,398,461</u>	<u>39,590,977</u>
-	3,961,230
<u>-</u>	<u>3,961,230</u>
113,389	113,389
500	4,562,963
6,795,276	6,795,276
-	170,445,101
-	37,846,686
-	16,520,071
-	759,435
<u>-</u>	<u>25,916,379</u>
<u>6,909,165</u>	<u>262,959,300</u>
<u>\$ 13,307,626</u>	<u>\$ 306,511,507</u>

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

JUNE 30, 2023

Total fund balances - governmental funds	\$ 262,959,300
Amounts reported for for governmental activities in the statement of net position are different because:	
1 Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	572,712,223
2 Some receivables are reported as deferred inflows of resources in the governmental funds balance sheet, but are recognized as a revenue in the statement of activities.	
Property taxes	3,961,230
3 Net position of the internal service fund is shown as part of the proprietary funds, but is reported as part of governmental activities on the statement of net position.	741,786
4 The following long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
General and certificates of obligation	(633,980,000)
Unamortized premium	(59,905,695)
Deferred loss on refunding	17,466,452
Leases	(1,616,419)
SBITAs	(335,075)
Compensated absences	(1,359,426)
5 Interest payable is not due and payable in the current period and, therefore, is not reported as a liability in the governmental funds.	(9,602,930)
6 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.	
Net pension liability	(69,273,739)
Deferred outflows related to pensions	32,194,524
Deferred inflows related to pensions	(6,323,417)
7 Included in the items related to debt is the recognition of the District's proportionate share of the net other post-employment benefit (OPEB) liability required by GASB 75.	
Net OPEB liability	(38,790,567)
Deferred outflows related to OPEB	20,220,181
Deferred inflows related to OPEB	<u>(59,265,403)</u>
Net position of governmental activities	<u>\$ 29,803,025</u>

HAYS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

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

FOR THE YEAR ENDED JUNE 30, 2023

Data Control Codes	10 General Fund	50 Debt Service Fund	60 Capital Projects
REVENUES			
5700 Local and intermediate sources	\$ 134,825,896	\$ 75,447,594	\$ 7,491,075
5800 State program	67,622,803	1,184,557	-
5900 Federal program	5,955,692	-	-
5020 Total revenues	<u>208,404,391</u>	<u>76,632,151</u>	<u>7,491,075</u>
EXPENDITURES			
Current:			
0011 Instruction	130,411,524	-	298,491
0012 Instructional resources and media services	2,908,408	-	195,376
0013 Curriculum and instructional staff development	2,005,996	-	-
0021 Instructional leadership	6,137,630	-	-
0023 School leadership	13,871,554	-	-
0031 Guidance, counseling and evaluation services	7,383,186	-	-
0032 Social work services	324,636	-	-
0033 Health services	2,476,941	-	-
0034 Student (pupil) transportation	12,456,708	-	-
0035 Food services	-	-	-
0036 Extracurricular activities	7,607,325	-	-
0041 General administration	6,624,622	-	-
0051 Facilities maintenance and operations	23,227,794	-	201,028
0052 Security and monitoring services	3,128,882	-	-
0053 Data processing services	6,380,411	-	57,870
0061 Community services	333,489	-	-
Debt service:			
0071 Principal on long term debt	752,471	47,820,000	-
0072 Interest on long term debt	15,611	23,058,319	-
0073 Bond issuance costs and fees	-	23,610	1,410,146
Capital Outlay:			
0081 Facilities acquisition and construction	-	-	67,679,281
Intergovernmental:			
0093 Payments for SSA	87,559	-	-
0099 Other intergovernmental charges	1,283,053	-	-
6030 Total expenditures	<u>227,417,800</u>	<u>70,901,929</u>	<u>69,842,192</u>
1100 Excess (deficiency) of revenues over (under) expenditures	(19,013,409)	5,730,222	(62,351,117)
OTHER FINANCING SOURCES (USES)			
7911 Capital-related debt issued - issuance of bonds	-	-	170,990,000
7912 Sale of real & personal property	391,688	-	-
7913 Issuance of leases	1,233,304	-	-
7916 Premium on issuance of bonds	-	-	12,655,038
7940 Issuance of SBITA	329,567	-	-
7080 Total other financing sources (uses)	<u>1,954,559</u>	<u>-</u>	<u>183,645,038</u>
1200 Net change in fund balances	<u>(17,058,850)</u>	<u>5,730,222</u>	<u>121,293,921</u>
0100 Fund balance - July 1 (beginning)	<u>64,817,198</u>	<u>32,116,464</u>	<u>49,151,180</u>
3000 Fund balance - June 30 (ending)	<u>\$ 47,758,348</u>	<u>\$ 37,846,686</u>	<u>\$ 170,445,101</u>

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

Nonmajor Governmental Funds	Total Governmental Funds
\$ 3,920,087	\$ 221,684,652
3,355,179	72,162,539
23,766,114	29,721,806
<u>31,041,380</u>	<u>323,568,997</u>
11,141,153	141,851,168
30,325	3,134,109
4,716,531	6,722,527
311,302	6,448,932
161,317	14,032,871
579,979	7,963,165
1,087,660	1,412,296
104,850	2,581,791
216,778	12,673,486
11,313,710	11,313,710
31,591	7,638,916
2,638	6,627,260
24,352	23,453,174
88,562	3,217,444
3,094	6,441,375
151,116	484,605
-	48,572,471
-	23,073,930
-	1,433,756
-	67,679,281
600,299	687,858
-	1,283,053
<u>30,565,257</u>	<u>398,727,178</u>
476,123	(75,158,181)
-	170,990,000
2,000	393,688
-	1,233,304
-	12,655,038
-	329,567
<u>2,000</u>	<u>185,601,597</u>
<u>478,123</u>	<u>110,443,416</u>
<u>6,431,042</u>	<u>152,515,884</u>
<u>\$ 6,909,165</u>	<u>\$ 262,959,300</u>

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HAYS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT**EXHIBIT C-4****RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES**

FOR THE YEAR ENDED JUNE 30, 2023

Net change in fund balances - total governmental funds	\$ 110,443,416
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.	
Additions to capital assets	66,307,534
Depreciation on capital assets	(18,727,897)
Some receivables are not considered available revenues and are reported as deferred inflows in the governmental funds.	
Property taxes	1,231,969
The District uses an internal service fund to charge the cost of self-insurance and printing to the appropriate functions in other funds. The net income of the internal service fund is reported as a part of governmental activities which increases net position.	(1,447,414)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
Principal repayment	48,572,471
Issuance of leases and SBITAs	(1,562,871)
Proceeds from bond issuance	(170,990,000)
Premium on bond issuance	(12,655,038)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	
Amortization of premium and deferred loss on refunding of bonds payable	5,843,524
Accrued interest payable	(2,112,827)
Change in compensated absences	673,590
GASB 68 required that certain plan expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of the plan caused the change in ending net position to increase by \$5,269,985. Contributions made before the measurement date and during the previous fiscal year were expended and recorded as a reduction in net pension liability. This caused a decrease in net position totaling \$4,516,605. Finally, the proportionate share of pension expense on the plans as a whole had to be recorded. The net pension expense increased the change in net position by \$4,362,393. The net result is a decrease in the change in net position.	(3,609,013)
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 \$1,218,028. Contributions made before the measurement date and during the previous fiscal year were expended and recorded as a reduction in net OPEB liability. This caused a decrease in net position totaling \$1,107,145. Finally, the proportionate share of the TRS OPEB expense on the plans as a whole had to be recorded. The net OPEB expense increased the change in net position by \$4,643,104. The net result is an increase in the change in net position.	4,753,987
Change in net position of governmental activities	<u>\$ 26,721,431</u>

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

HAYS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

EXHIBIT D-1

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS**

JUNE 30, 2023

	Business-type Activities District-Wide Child Care	Governmental Activities Internal Service Funds
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 696,645	\$ 858,661
Due from other funds	-	289
Inventory	-	39,156
Total current assets	<u>696,645</u>	<u>898,106</u>
Noncurrent assets:		
Furniture and equipment	-	76,178
Right to use - equipment	-	220,287
Less accumulated depreciation	-	(175,919)
Total noncurrent assets	<u>-</u>	<u>120,546</u>
Total assets	<u>696,645</u>	<u>1,018,652</u>
LIABILITIES		
Current liabilities:		
Accounts payable	-	39,518
Due to other funds	3,238	126,916
Lease liability	-	55,137
Total current liabilities	<u>3,238</u>	<u>221,571</u>
Noncurrent liabilities:		
Lease liability	-	55,295
Total noncurrent liabilities	<u>-</u>	<u>55,295</u>
Total liabilities	<u>3,238</u>	<u>276,866</u>
NET POSITION		
Net investment in capital assets	-	10,114
Unrestricted	<u>693,407</u>	<u>731,672</u>
Total net position	<u>\$ 693,407</u>	<u>\$ 741,786</u>

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

HAYS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT**EXHIBIT D-2**

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

FOR THE YEAR ENDED JUNE 30, 2023

	Business-type Activities	Governmental Activities
	District-Wide Child Care	Internal Service Funds
OPERATING REVENUES		
Local and intermediate sources	\$ 1,738,244	\$ 2,458,108
Total operating revenues	<u>1,738,244</u>	<u>2,458,108</u>
OPERATING EXPENSES		
Payroll costs	1,775,952	197,681
Professional and contracted services	-	616,366
Supplies and materials	32,714	214,716
Other operating costs	17,983	2,821,287
Amortization expense	-	55,072
Total operating expenses	<u>1,826,649</u>	<u>3,905,122</u>
OPERATING INCOME (LOSS)	(88,405)	(1,447,014)
NONOPERATING REVENUES (EXPENSES)		
State program revenue	31,971	-
Total nonoperating revenues (expenses)	<u>31,971</u>	<u>-</u>
NONOPERATING EXPENSES		
Interest expense	-	(400)
Total nonoperating expenses	<u>-</u>	<u>(400)</u>
CHANGE IN NET POSITION	(56,434)	(1,447,414)
NET POSITION, BEGINNING	<u>749,841</u>	<u>2,189,200</u>
NET POSITION, ENDING	<u>\$ 693,407</u>	<u>\$ 741,786</u>

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

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STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2023

	Business-type Activities District-Wide Child Care	Governmental Activities Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from user charges	\$ 1,738,244	\$ 2,597,561
Payments for insurance claims	-	(2,821,287)
Payments to suppliers	(29,476)	(815,908)
Payments to employees	(1,775,952)	(197,681)
Other payments	(17,983)	-
Net cash provided (used) by operating activities	(85,167)	(1,237,315)
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES		
Grant receipts	31,971	-
Principal paid on leases	-	(54,980)
Interest paid on leases	-	(400)
Net cash provided (used) by capital and related financing activities	31,971	(55,380)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(53,196)	(1,292,695)
CASH AND CASH EQUIVALENTS, BEGINNING	749,841	2,151,356
CASH AND CASH EQUIVALENTS, ENDING	696,645	858,661
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income (loss)	(88,405)	(1,447,014)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	-	55,072
(Increase) decrease in due from other funds	-	139,453
(Increase) in inventory	-	(14,221)
Increase (decrease) in due to other funds	3,238	260
Increase (decrease) in accounts payable	-	29,135
Net cash provided (used) by operating activities	\$ (85,167)	\$ (1,237,315)

HAYS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT**EXHIBIT E-1****STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS**

JUNE 30, 2023

	Private Purpose Trust	Custodial Fund
ASSETS		
Cash and cash equivalents	\$ 87,654	\$ 2,894,190
Other receivables	-	1,466
Total assets	<u>87,654</u>	<u>2,895,656</u>
LIABILITIES		
Accounts payable	775	40,647
Unearned revenue	<u>4,817</u>	<u>-</u>
Total assets	<u>5,592</u>	<u>40,647</u>
NET POSITION		
Restricted for student groups	-	2,855,009
Held in trust for private purposes	<u>82,062</u>	<u>-</u>
Total net position	<u>\$ 82,062</u>	<u>\$ 2,855,009</u>

HAYS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT**EXHIBIT E-2**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2023

	Private Purpose Trust	Custodial Fund
ADDITIONS		
Collections from student groups	\$ 116,282	\$ -
Enterprising services	-	4,718,087
Total additions	<u>116,282</u>	<u>4,718,087</u>
DEDUCTIONS		
Payroll costs	2,612	-
Professional and contracted services	41,607	-
Supplies and materials	1,184	-
Other operating costs	<u>57,135</u>	<u>4,620,871</u>
Total deductions	<u>102,538</u>	<u>4,620,871</u>
NET CHANGE IN FIDUCIARY NET POSITION	13,744	97,216
NET POSITION, BEGINNING	<u>68,318</u>	<u>2,757,793</u>
NET POSITION, ENDING	<u>\$ 82,062</u>	<u>\$ 2,855,009</u>

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HAYS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

This report includes those activities, organizations and functions related to the Hays Consolidated Independent School District (the "District"), which are controlled by or dependent upon the District's governing body, the Board of Trustees (the "Board"). The Board, a seven-member group, is the level of government having governance responsibilities over all activities related to public elementary and secondary school education within the jurisdiction of the District. Since the District receives funding from local, state and federal government sources, it must comply with the requirements of the entities providing those funds. However, the Board is not included in any other governmental "reporting entity" as defined by the Governmental Accounting Standards Board ("GASB"), since Board members are elected by the public and have decision making authority. There are no component units included within the reporting entity.

The accounting policies of the District comply with the rules prescribed by the Texas Education Agency's ("TEA") Financial Accountability System Resource Guide. These accounting policies conform to generally accepted accounting principles applicable to state and local governments.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. The effect of interfund activity has been removed from these statements. Governmental activities, which are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, and 2) operating grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Major revenue sources considered susceptible to accrual include state and federal program revenues, interest income, and property taxes. Delinquent property taxes at year end that are not collected within sixty days of year end are reported as deferred inflows of resources.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

The District reports the following major governmental funds:

The **General Fund** includes financial resources used for general operations. It is a budgeted fund, and any unassigned fund balance is considered resources available for current operations.

The **Debt Service Fund** includes debt service taxes and other revenues collected to retire bond principal and to pay interest due. It is a budgeted fund.

The **Capital Projects Fund** includes the proceeds from the sale of bonds and other revenues to be used for authorized construction and other capital asset acquisitions.

The District has no major Enterprise funds.

Additionally, the District reports the following fund types:

Special Revenue Funds are governmental funds which include resources restricted, committed, or assigned for specific purposes by a grantor or the Board. Federally financed programs where unused balances are returned to the grantor at the close of specified project periods are accounted for in these funds. The District uses project accounting to maintain integrity for the various sources of funds.

Enterprise Funds are proprietary funds and are used to account for District activities for which outside users are charged a fee roughly equal to the cost of providing the goods or services of those activities. The District's Enterprise Fund consists of the District-Wide Child Care Fund.

Internal Service Funds are proprietary funds and are used to account for the District's workers compensation insurance and the print shop.

The **Private Purpose Trust Fund** is a fiduciary trust fund and is used to account for the principal and income that benefit individuals in the form of scholarships and a training seminar for music instruction.

Custodial Funds are unbudgeted funds and are used to account for activities of student groups.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's internal service fund are interfund charges for workers compensation insurance and the print shop. Operating expenses include administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, Net Position/Fund Balance, Revenues and Expenditures/Expenses

Deposits and Investments

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

Investments throughout the fiscal year consisted of investments in external local government investment pools. Local government securities are recognized at fair value and the external local government pools are recognized at amortized cost as permitted by relevant accounting standards. The District is entitled to invest any and all of its funds in certificates of deposit, direct debt securities of the United States of America or the State of Texas, certain Federal agency securities and other types of municipal bonds, fully collateralized repurchase agreements, commercial paper and local government investment pools. The District's investment policies and types of investments are governed by Section 2256 of the Texas Government Code ("Public Funds Investment Act"). The District's management believes that it complied with the requirements of the Public Funds Investment Act and the District's investment policy. The District accrues interest on temporary investments based on the terms and effective interest rates of the specific investments.

Fair Value Measurements

The District complies with relevant accounting standards, which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction. Fair value accounting requires characterization of the inputs used to measure fair value into a three-level fair value hierarchy as follows:

- Level 1 inputs are based on unadjusted quoted market prices for identical assets or liabilities in an active market the entity has the ability to access.
- Level 2 inputs are observable inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent from the entity.
- Level 3 inputs are unobservable inputs that reflect the entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available.

There are three general valuation techniques that may be used to measure fair value:

- Market approach - uses prices generated by market transactions involving identical or comparable assets or liabilities
- Cost approach - uses the amount that currently would be required to replace the service capacity of an asset (replacement cost)
- Income approach - uses valuation techniques to convert future amounts to present amounts based on current market expectations.

Ad Valorem Property Taxes

Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. Allowances for uncollectibles within the General and Debt Service Funds are based upon historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

Inventories

Inventories consist of expendable supplies held for consumption. Inventories are charged to expenditures when consumed. Supply inventory is recorded at cost using the FIFO method.

Federal food commodities inventory is stated at fair value and at year end is recorded as unearned revenue. Revenue is recognized at fair value when commodities are distributed to the schools.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. Prepaid items are charged to expenditures when consumed.

Capital Assets

Capital assets, which include land, construction in progress, buildings and improvements, and furniture and equipment, are reported in the governmental activities column in the government-wide financial statements. The District has no infrastructure assets. Capital assets are defined by the District as assets with an initial, individual cost of \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost if purchased or at acquisition value at the date of donation if donated. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets' lives are not capitalized. Capital assets (other than land and construction in progress) are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	20-39
Vehicles	10
Furniture and equipment	5-15
Right to use - equipment	3-5
Right to use - buildings	30
Right to use - subscriptions	2-5

Leases and Subscription-Based Information Technology Arrangements

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

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

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

- The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate.
- The agreement term includes the noncancellable period of the lease or SBITA.
- The agreed upon payments included in the measurement of the liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.

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

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

Accumulated Sick Leave Liability

The State of Texas (the "State") has created a minimum sick leave program consisting of five days of sick leave per year with no limit on accumulation and transferability among districts for every person regularly employed in Texas public schools. Each district's local board is required to establish a sick leave plan. Local school districts may provide additional sick leave beyond the State minimum. It is the District's policy to permit some employees to accumulate earned but unused vacation and sick pay benefits. Such benefits are accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Insurance

As of September 1, 2004, the District is no longer self-insured for its workers' compensation insurance. All outstanding claims prior to the switch are handled by the District and are accounted for in the Workers' Compensation Internal Service Fund.

The District also provides health care benefits to its employees under a health care insurance plan. The insurance is provided by a licensed insurer.

Defined-Benefit Pension Plan

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

Other Post-Employment Benefits

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

Deferred Outflows/Inflow of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has a deferred resource outflow for TRS. The item related to TRS represents the District's share of the unrecognized plan deferred outflow of resources which TRS uses in calculating the ending net pension liability and net OPEB liability. The District also has a deferred charge on bond refunding, which results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one type of inflow, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. The governmental funds report unavailable revenues from one source: property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The District also recognizes their share of the unrecognized TRS plan deferred inflows of resources with TRS uses in calculating the ending net pension liability and net OPEB liability.

Net Position

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

Net Position Flow Assumption

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

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

Fund Balance Flow Assumption

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

Statement of Cash Flows

For purposes of the statement of cash flows for proprietary fund types, the District considers all liquid investments with original maturities of 90 days or less to be cash equivalents.

Use of Estimates

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

Data Control Codes

The data control codes refer to the account code structure prescribed by the Texas Education Agency (the "Agency") in the *Financial Accountability System Resource Guide*. The 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.

Change in Accounting Principle

GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs), was adopted effective July 1, 2022. The statement addresses accounting and financial reporting for SBITA contracts. Statement No. 96 establishes standards for recognizing and measuring assets, liabilities, deferred outflows of resources, deferred inflows of resources, and revenues and expenses related to SBITA in the basic financial statements, in addition to requiring more extensive note disclosures. The adoption of this standard did not result in a restatement of beginning fund balance or net position, but assets and liabilities were recognized, and more extensive note disclosures were required.

II. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

A. Deposits and Investments

The Public Funds Investment Act authorizes the District to invest in funds under a written investment policy, which is approved annually by the Board. The primary objectives of the District's investment strategy, in order of priority, are preservation and safety of principal, liquidity and yield

The District is authorized to invest in the following investment instruments provided that they meet the guidelines established in the investment policy:

- Obligations of, or guaranteed by, governmental entities
- Certificates of deposit and share certificates
- Fully collateralized repurchase agreements
- Banker's acceptance
- Commercial paper
- Money market funds and no-load mutual funds
- Public funds investment pools

The District's funds are required to be deposited and invested under the terms of a depository contract pursuant to the School Depository Act. The depository bank deposits for safekeeping and trust with the District's agent approved pledged securities in an amount sufficient to protect District funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance. Therefore, the District is not exposed to custodial credit risk.

Under the depository contract, the District, at its own discretion, may invest funds in time deposits and certificates of deposit provided by the depository bank at interest rates approximating United States Treasury Bill rates.

The District's deposits with financial institutions at June 30, 2023 were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name. The deposits were collateralized in accordance with Texas law and TEA maintains copies of all safekeeping receipts in the name of the District.

The following are investments held by the District at year-end:

Type	Fair Value	Percentage of Investments	Weighted Average Maturity (Days)	Rating
TexPool	\$ 50,764,535	18.5%	26	AAAm
Texas Range	21,469,036	7.8%	28	AAAmf
Lone Star	201,857,102	73.6%	23	AAA
	<u>\$ 274,090,673</u>	<u>100.0%</u>		

Portfolio weighted average

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The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the District to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of returns, (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 District to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas and its agencies; (2) guaranteed or secured certificates of deposits issued by state and national banks domiciled in Texas; (3) obligations of states, agencies, counties, cities and other political subdivision of any state having been rated as to investment quality no less than an "A"; (4) No load money market funds with a weighted average maturity of 90 days or less; (5) fully collateralized repurchase agreements; (6) commercial paper having a stated maturity of 270 days or less from the date of issuance and is not rated less than A-1 or P-1 by two nationally recognized credit rating agencies or on nationally recognized credit agency and is fully secured by an irrevocable letter of credit; (7) secured corporate bonds rated not lower than "AA-" or the equivalent; (8) public funds investment pools; and (9) guaranteed investment contracts for bond proceeds investment only, with a defined termination date and secured by U.S. Government direct or agency obligations approved by the Texas Public Funds Investment Act in an amount equal to the bond proceeds. The Act also requires the District to have independent auditors perform test procedures related to investment practices as provided by the Act. The District is in substantial compliance with the requirements of the Act and with local policies.

Additional policies and contractual provision governing investments for the District are specified below:

Credit Risk: At June 30, 2023, investments were included in external local government investment pools in compliance with the District's investment policy.

Custodial Credit Risk – Investments: 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. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the District, and are held by either the counterparty or the counterparty's trust department or agent not in the District's name. At June 30, 2023, the District was not exposed to custodial credit risk.

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investments in a single issuer. Information regarding investments in any one issuer that represents five percent or more of the District's total investments must be disclosed, excluding investments issued or explicitly guaranteed by the U.S. Government. At June 30, 2023, the District was not exposed to concentration of credit risk.

Interest Rate Risk: As a means of minimizing risk of loss due to interest rate fluctuations, the investment policy requires that maturities for internally created pool fund groups will not exceed the dollar weighted average maturity limits. Maturities of any other individual investment owned by the District should not exceed three years from the time of purchase. The Board may specifically authorize a longer maturity for a given investment, within legal limits. The District considers the holdings in the external local government investment pools to have a one day weighted average maturity due to the fact that the share position can usually be redeemed each day at the discretion of the shareholders, unless there has been a significant change in value. At June 30, 2023, the District was not exposed to significant interest rate risk.

B. Property Taxes

The Texas Legislature in 1979 adopted a comprehensive Property Tax Code (the "Code") which established a county-wide appraisal district and an appraisal review board in each county in the State. The Hays Central Appraisal District (the "Appraisal District") is responsible for the recording and appraisal of all property in the District. Under the Code, the District's Board sets the tax rates on property and the Appraisal District's tax department provides tax collection services. The Appraisal District is required under the Code to assess property at 100% of its appraised value. Further, real property must be reappraised at least every four years. Under certain circumstances, taxpayers and taxing units, including the District, may challenge orders of the Appraisal Review Board through various appeals and, if necessary, legal action.

Property taxes are levied as of October 1 in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, and penalties and interest that are ultimately imposed. Property tax revenues are considered available when they become due or past due and receivable within the current period, including those property taxes expected to be collected during a 60-day period after the end of the District's fiscal year. The assessed value at January 1, 2022, upon which the October 2022 levy was based, was \$15,357,451,985. The District levied taxes based on a combined tax rate of \$1.3423 per \$100 of assessed valuation for local maintenance (general governmental services) and debt service.

C. Due from Other Governments

The District participates in a variety of federal and state programs from which it receives grants to partially or fully fund certain activities. The District also receives entitlements from the State through the School Foundation and Per Capita Programs. In addition, the District has entered into interlocal agreements with local governments in which the District is to be reimbursed for certain costs. These amounts are reported in the basic financial statements as Due from Other Governments and are summarized below as of June 30, 2023.

	General Fund	Debt Service Fund	Nonmajor Governmental Funds	Total
State entitlements	\$ 6,437,456	\$ 83,672	\$ -	\$ 6,521,128
Federal and state grants	-	-	4,912,522	4,912,522
Totals	<u>\$ 6,437,456</u>	<u>\$ 83,672</u>	<u>\$ 4,912,522</u>	<u>\$ 11,433,650</u>

D. Interfund Receivables, Payables and Transfers

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds." The balances below resulted from the lag between the dates that 1) interfund goods and services are provided on reimbursable expenditures occur, and 2) transactions that are recorded in the accounting system, and 3) payments between funds are made.

The composition of interfund balances as of June 30, 2023 is as follows:

Receivable Fund	Payable Fund	Amount
General fund	Nonmajor governmental	\$ 5,343,811
General fund	Capital projects	92
Nonmajor governmental	General fund	67,237
General fund	Internal service funds	126,916
Internal service funds	General fund	215
Internal service funds	Nonmajor governmental	74
General fund	District-Wide Child Care	3,238
Total		<u>\$ 5,541,583</u>

E. Unearned Revenue

At June 30, 2023, unearned revenue in governmental funds consisted of the following:

	General Fund	Nonmajor Governmental Funds	Total
Federal and state grants	\$ 319,503	\$ 247,026	\$ 566,529
Prepaid food service accounts	-	224,770	224,770
Other	523,320	-	523,320
Totals	<u>\$ 842,823</u>	<u>\$ 471,796</u>	<u>\$ 1,314,619</u>

F. Capital Assets

Changes in the District's capital assets for the year ended June 30, 2023 are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 19,426,577	\$ 19,500	\$ -	\$ 19,446,077
Construction in progress	83,700,534	60,342,560	-	144,043,094
Total capital assets, not being depreciated	<u>103,127,111</u>	<u>60,362,060</u>	<u>-</u>	<u>163,489,171</u>
Capital assets, being depreciated:				
Buildings and improvements	588,997,907	-	-	588,997,907
Furniture and equipment	48,390,083	4,382,604	-	52,772,687
Right to use - buildings	5,000,000	-	-	5,000,000
Right to use - equipment	1,301,454	1,233,304	-	2,534,758
Right to use - subscriptions	334,079	329,566	-	663,645
Total capital assets, being depreciated	<u>644,023,523</u>	<u>5,945,474</u>	<u>-</u>	<u>649,968,997</u>
Less accumulated depreciation and amortization for:				
Buildings and improvements	(186,582,327)	(14,667,247)	-	(201,249,574)
Furniture and equipment	(29,926,183)	(3,298,617)	-	(33,224,800)
Right to use - buildings	(333,334)	(166,666)	-	(500,000)
Right to use - equipment	(333,920)	(539,139)	-	(873,059)
Right to use - subscriptions	-	(277,966)	-	(277,966)
Total accumulated depreciation and amortization	<u>(217,175,764)</u>	<u>(18,949,635)</u>	<u>-</u>	<u>(236,125,399)</u>
Total governmental activities capital assets, net	<u>\$529,974,870</u>	<u>\$ 47,357,899</u>	<u>\$ -</u>	<u>\$577,332,769</u>

Depreciation expense was charged to functions/programs of the District as follows:

Governmental activities:	
Instruction	\$ 11,872,383
Instruction resources & media services	355,732
Curriculum development & instructional staff development	42,011
Instructional leadership	16,063
School leadership	938,240
Guidance, counseling and evaluation services	394,298
Health services	173,132
Student (pupil) transportation	1,477,100
Food services	318,706
Extracurricular activities	934,317
General administration	213,221
Plant maintenance & operations	1,326,606
Security & monitoring services	225,296
Data processing services	662,530
Total depreciation expense	<u>\$ 18,949,635</u>

G. Changes in Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended June 30, 2023:

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
<u>Governmental activities</u>					
Long-term debt:					
General obligation					
bonds	\$ 510,810,000	\$ 170,990,000	\$ (47,820,000)	\$ 633,980,000	\$ 36,675,000
Premium on bonds	56,103,240	12,655,038	(8,852,583)	59,905,695	-
Compensated					
absences	2,033,016	623,100	(1,296,690)	1,359,426	339,856
Leases	972,427	1,233,304	(478,880)	1,726,851	648,665
SBITA	334,079	329,567	(328,571)	335,075	172,818
Total long-term debt	<u>570,252,762</u>	<u>185,831,009</u>	<u>(58,776,724)</u>	<u>697,307,047</u>	<u>37,836,339</u>
Other:					
Net pension liability	27,512,170	47,206,503	5,444,934	69,273,739	-
Net OPEB liability	<u>58,543,267</u>	<u>(18,422,084)</u>	<u>1,330,616</u>	<u>38,790,567</u>	<u>-</u>
Total pension and OPEB	<u>86,055,437</u>	<u>28,784,419</u>	<u>6,775,550</u>	<u>108,064,306</u>	<u>-</u>
Total long-term liabilities:	<u>\$ 656,308,199</u>	<u>\$ 214,615,428</u>	<u>\$ (52,001,174)</u>	<u>\$ 805,371,353</u>	<u>\$ 37,836,339</u>

H. Bonds Payable

Bonded debt consists of the following at June 30, 2023:

Series	Date of Issue	Original Amount	Matures Through	Interest Rate	Outstanding at 6/30/2023	Due Within One Year
2012 Refunding	03/29/2012	\$ 8,310,000	2024	3.50% - 3.75%	\$ 2,425,000	\$ 2,425,000
2012A Refunding	11/15/2012	91,070,000	2024	2.37% - 5.00%	9,015,000	9,015,000
2013	05/16/2013	54,475,000	2024	2.00% - 5.00%	2,630,000	2,630,000
2014	08/27/2014	51,655,000	2025	2.00% - 5.00%	3,325,000	1,620,000
2015 Refunding	12/08/2015	8,505,000	2033	4.00%	8,505,000	-
2016 Refunding	06/22/2016	55,465,000	2038	4.00% - 5.00%	54,810,000	-
2017	08/09/2017	160,340,000	2042	2.00% - 5.00%	147,460,000	100,000
2017 Refunding	12/28/2017	25,460,000	2038	2.00% - 5.00%	19,200,000	-
2018A	09/13/2018	42,020,000	2042	3.00% - 5.00%	30,535,000	345,000
2020A	10/29/2020	28,640,000	2026	2.00% - 3.00%	28,445,000	8,835,000
2020B	10/29/2020	70,035,000	2039	1.70% - 5.00%	68,960,000	5,335,000
2021	8/17/2021	115,210,000	2046	2.25% - 5.00%	92,475,000	2,565,000
2022	8/22/2022	<u>170,990,000</u>	2047	4.00% - 5.00%	<u>166,195,000</u>	<u>3,805,000</u>
Total		<u>\$ 882,175,000</u>			<u>\$ 633,980,000</u>	<u>\$ 36,675,000</u>

For the general obligation bonds, the District has pledged as collateral the proceeds of a continuing, direct annual tax levied against taxable property within the District without limitation as to rate. The Texas Education Code generally prohibits issuance of additional ad valorem tax bonds if the tax rate needed to pay aggregate principal and interest amounts of the District's tax bond indebtedness exceeds \$0.50 per \$100 of assessed valuation of taxable property within the District. The District's debt service rate for 2022 is \$0.4877.

The annual principal installments for each of the outstanding issues vary each year. As of June 30, 2023, the debt service requirements to maturity are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2024	\$ 36,675,000	\$ 25,535,200	\$ 62,210,200
2025	25,805,000	24,403,444	50,208,444
2026	25,135,000	23,296,994	48,431,994
2027	27,635,000	22,276,294	49,911,294
2028	26,155,000	20,899,969	47,054,969
2029-2033	138,730,000	85,212,092	223,942,092
2034-2038	170,480,000	54,474,734	224,954,734
2039-2043	126,360,000	23,081,077	149,441,077
2044-2046	<u>57,005,000</u>	<u>4,896,200</u>	<u>61,901,200</u>
Totals	<u>\$ 633,980,000</u>	<u>\$ 284,076,004</u>	<u>\$ 918,056,004</u>

In the current and prior years, the District defeased certain outstanding general obligations bonds by placing the proceeds of the new bonds and additional payments from the District in an irrevocable trust to provide for the future debt service payments on the old bonds. Accordingly, the trust account assets and defeased bonds are not included in the District's financial statements. As of June 30, 2023, outstanding bonds of \$107,380,000 are considered defeased.

During fiscal year 2023, the District issued Unlimited Tax School Building Bonds, Series 2022, in the amount of \$170,990,000. The bonds carry interest rates of 4-5% and mature in 2047. The proceeds will be used for the design, construction, acquisition, and improvement of school buildings in the district.

The Series 2018B Bonds are variable interest bonds and will bear interest at a per annum rate of 2.70% through August 14, 2023. Thereafter, the bonds will bear interest at a rate or rates determined by the remarketing agent as provided in the bond order.

I. Compensated Absences

The District pays employees who have been employed in the District for a minimum of five years, for the number of unused local days equal to the number of unused State days accumulated, up to sixty days, upon resignation. Accumulated vacation days are not paid upon employees' separation from the District, but the District does have grandfathered balances of "old vacation" which are paid upon separation from the District at the daily rate in place at the time of termination. A summary of changes in the accumulated sick leave and vacation leave liability follows:

	<u>Sick Leave</u>	<u>Vacation Leave</u>	<u>Total</u>
Balance, June 30, 2022	\$ 1,704,294	\$ 328,722	\$ 2,033,016
Additions - new entrants and salary increments	623,102	-	623,102
Deductions - payments to participants	(662,508)	(79,371)	(741,879)
Adjustments - inactive/terminated employees/policy change	<u>(643,316)</u>	<u>88,503</u>	<u>(554,813)</u>
Balance, June 30, 2023	<u>\$ 1,021,572</u>	<u>\$ 337,854</u>	<u>\$ 1,359,426</u>

J. Lease Payable

The District entered into 30-month to 48-month lease agreements as lessee for the right to use vehicles. The District is required to make monthly principal and interest payments of \$2,234 to \$55,380. The leases have interest rates of 0.2850% to 1.9290%.

The District entered into 48-month leases as Lessee for the right to use copiers. The District is required to make monthly principal and interest payments of \$883 to \$18,153. The leases have interest rates of 0.2850% to 0.4170%.

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

Purpose of Lease	Interest Rate	Initial Year of Lease	Amount of Initial Lease Liability	Interest Current Year	Amounts Outstanding 06/30/2023	Amounts Due Within One Year
Right to Use:						
Vehicles	0.2850 - 1.9290%	2019	\$ 541,001	\$ 13,331	\$ 1,345,301	\$ 458,251
Copiers	0.2850 - 0.4170%	2020	760,453	1,835	381,550	190,414
Totals				<u>\$ 15,166</u>	<u>\$ 1,726,851</u>	<u>\$ 648,665</u>

Debt service requirements are as follows:

Year Ending June 30,	Lease Payable		Total Requirements
	Principal	Interest	
2024	\$ 648,665	\$ 28,847	\$ 9,516
2025	557,105	19,254	7,767
2026	340,394	9,983	2,520
2027	180,687	1,934	1,260
Total	<u>\$ 1,726,851</u>	<u>\$ 60,018</u>	<u>\$ 21,063</u>

K. **Subscriptions Payable**

The District entered into various subscriptions (12-months to 37-months) for right to use software. The District is required to make annual fixed payments between \$450 and \$48,945 and have interest rates between 1.5803% to 3.1067%.

Debt service requirements are as follows:

Year Ending June 30,	Subscriptions Payable		Total Requirements
	Principal	Interest	
2024	\$ 172,818	\$ 7,135	\$ 9,516
2025	138,463	3,396	7,767
2026	23,794	307	2,520
Total	<u>\$ 335,075</u>	<u>\$ 10,838</u>	<u>\$ 19,803</u>

L. **Defined Benefit Pension Plan**

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

All employees of public, state-supported educational institutions in Texas who are employed for one-half or more of the standard 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 www.trs.texas.gov, by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698, or by calling (512) 542-6592.

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

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

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%	7.75%
Current fiscal year employer contributions		\$ 6,261,840
Current fiscal year member contributions		14,079,989
2022 measurement year NECE on-behalf contributions		8,879,498

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, and or local funds.

- When the employing district is a public junior college or junior college district, the employer shall contribute to the retirement system an amount equal to 50% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.

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

- All public schools, charter schools, and regional educational service centers must contribute 1.6 percent of the member's salary beginning in fiscal year 2021, gradually increasing to 2 percent in fiscal year 2025.
- When employing a retiree of the Teacher Retirement System, the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.

Actuarial Assumptions - The total pension liability in the August 31, 2021 actuarial valuation was rolled forward to August 31, 2022 and was determined using the following actuarial assumptions:

Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Fair Value
Single Discount Rate	7.00%
Long-Term Expected Investment Rate of Return	7.00%
Inflation	2.30%
Salary Increases Including Inflation	2.95% to 8.95%
Payroll Growth Rate	3.00%
Ad hoc Post Employment Benefit Changes	None

The actuarial methods and assumptions are used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2021. For a full description of these assumptions please see the actuarial valuation report dated November 9, 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 the legislature during the 2019 legislative 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 percent. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of August 31, 2022 (see page 53 of the TRS ACFR) are summarized below:

Asset Class ¹	Target Allocation ²	Long-Term Expected Geometric Real Rate of Return ³	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
U.S.	18.00%	4.60%	1.12%
Non-U.S. Developed	13.00%	4.90%	0.90%
Emerging Markets	9.00%	5.40%	0.75%
Private Equity	14.00%	7.70%	1.55%
Stable Value			
Government Bonds	16.00%	1.00%	0.22%
Absolute Return	0.00%	3.70%	0.00%
Stable Value Hedge Funds	5.00%	3.40%	0.18%
Real Return			
Real Estate	15.00%	4.10%	0.94%
Energy, Natural Resources and Infrastructure	6.00%	5.10%	0.37%
Commodities	0.00%	3.60%	0.00%
Risk Parity			
Risk Parity	8.00%	4.60%	0.43%
Leverage			
Cash	2.00%	3.00%	0.01%
Asset Allocation Leverage	-6.00%	3.60%	-0.05%
Inflation Expectation			2.70%
Volatility Drag ⁴			-0.91%
Expected Return	100.00%		8.21%

¹ Absolute Return includes Credit Sensitive Investments.

² Target allocations are based on the FY2022 policy model.

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

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

Discount Rate Sensitivity Analysis - The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (7.00%) in measuring the 2022 Net Pension Liability.

	1% Decrease in Discount Rate (6.00%)	Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
District's proportionate share of net pension liability	\$ 107,763,673	\$ 69,273,739	\$ 38,075,842

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2023, the District reported a liability of \$69,273,739 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	\$ 69,273,739
State's proportionate share that is associated with the District	<u>112,970,335</u>
Total	<u>\$ 182,244,074</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 0.1166864413% which was an increase of 0.0086534898% from its proportion measured as of August 31, 2021.

For the year ended June 30, 2023, the District's pension expense was \$19,677,681 and revenue of \$10,798,683 for support provided by the State.

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 1,004,464	\$ 1,510,299
Changes in actuarial assumptions	12,907,952	3,217,022
Difference between projected and actual investment earnings	6,844,023	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	6,168,100	1,596,096
Contributions paid to TRS subsequent to the measurement date	-	-
	5,269,985	-
Total as of fiscal year-end	<u>\$ 32,194,524</u>	<u>\$ 6,323,417</u>

The contributions made subsequent to the measurement date will be recognized as a reduction of the net pension liability in the next fiscal year. The other net amounts of the employer's balances of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ended June 30,	Pension Expense
2024	\$ 5,781,623
2025	3,207,583
2026	1,214,423
2027	8,764,110
2028	1,633,383

M. Defined Other Post-Employment Benefit Plan

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

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

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

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

Eligible non-Medicare retirees and their dependents may enroll in TRS-Care Standard, a high-deductible health plan. Eligible Medicare retirees and their dependents may enroll in the TRS-Care Medicare Advantage medical plan and the TRS-Care Medicare Rx prescription drug plan. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in the TRS pension system. There are no automatic 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*	\$ 135	\$ 200
Retiree and Spouse	529	689
Retiree* and Children	468	408
Retiree and Family	1,020	999
* or surviving spouse		

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

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

	Contribution Rates	
	2022	2023
Active employee	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		\$1,454,330
Current fiscal year member contributions		1,143,982
2022 measurement year NECE on-behalf contributions		1,623,142

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.

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

The actuarial valuation of the OPEB plan offered through TRS-Care is similar to the actuarial valuation performed for the pension plan, except that the OPEB valuation is more complex. All the demographic assumptions, including rates of retirement, termination, and disability, and most of the economic assumptions, including general inflation and salary increases, used in the OPEB valuation were identical to those used in the respective TRS pension valuation. The demographic assumptions were developed in the experience study performed for TRS for the period ending August 31, 2017.

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%
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.
Payroll Growth Rate	3.00%
Projected Salary Increases	3.05% to 9.05%
Healthcare Trend Rates	4.25% to 9.00%
Election Rates	Normal Retirement: 62% participation prior to age 65 and 25% participation after age 65. 30% of pre-65 retirees are assumed to discontinue coverage
Ad hoc post-employment benefit changes	None

Discount Rate. A single discount rate of 3.91% was used to measure the total OPEB liability. There was a decrease of 1.96% increase 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 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, 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% less than and 1% greater than the discount rate that was used (3.91%) in measuring the Net OPEB Liability.

	1% Decrease in Discount Rate (2.91%)	Discount Rate (3.91%)	1% Increase in Discount Rate (4.91%)
Proportionate share of net OPEB liability	\$ 45,737,155	\$ 38,790,567	\$ 33,162,940

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 assumed rate used.

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Proportionate share of net OPEB liability	\$ 31,963,602	\$ 38,790,567	\$ 47,640,849

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs. At June 30, 2023, the District reported a liability of \$38,790,567 for its proportionate share of the TRS’s Net OPEB Liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the collective net OPEB liability	\$ 38,790,567
State's proportionate share that is associated with the District	47,318,398
Total	<u>\$ 86,108,965</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 0.1620053403%, which was an increase of 0.0102384624% from its proportion measured as of August 31, 2021.

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

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

For the year ended June 30, 2023, the District recognized OPEB expense of \$10,250,822 and revenue of \$6,714,863 for support provided by the State.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual actuarial experiences	\$ 2,156,618	\$ 32,316,024
Changes in actuarial assumptions	5,908,572	26,949,379
Differences between projected and actual investment earnings	115,546	-
Changes in proportion and differences between the employer's contributions and the proportionate share of contributions	10,821,417	-
Contributions paid to OPEB subsequent to the measurement date	1,218,028	-
Total as of fiscal year-end	<u>\$ 20,220,181</u>	<u>\$ 59,265,403</u>

The contributions made subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the next fiscal year. The other net amounts of the employer's balances of deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

For the Year Ended June 30,	OPEB Expense
2024	\$ (7,731,532)
2025	(7,731,113)
2026	(6,086,134)
2027	(3,859,126)
2028	(5,080,727)
Thereafter	(9,774,618)

N. Medicare Part D – On-behalf Payments

The Medicare Prescription Drug, Improvement and Modernization Act of 2003, which was effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of those provisions of Medicare Part D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive retiree drug expenditures for eligible TRS-Care participants. These on-behalf payments of \$964,810, \$663,877, and \$646,042 were recognized for the years ended June 30, 2023, 2022, and 2021, respectively, as equal revenues and expenditures.

The District recognizes as revenues and expenditures retiree drug subsidy reimbursements under the provisions of Medicare Part D made by the federal government to TRS on behalf of the District. For the year ended June 30, 2023, reimbursements of \$964,810 were received by TRS and allocated to the District.

O. Health Care Coverage

During the year ended June 30, 2023, employees of the District were covered by a health insurance plan (the "Plan"). The District paid premiums of \$400 per month per employee to the Plan. Employees, at their option, authorized payroll withholdings to pay for any amount above the District contribution. All premiums were paid to TRS acting on behalf of the licensed insurer. The Plan was authorized by Article 3.51-2, Texas Insurance Code and was documented by contractual agreement.

P. Risk Management

The District's risk management program includes coverages through third party insurance providers for property, automobile liability, school professional liability, crime, workers compensation and other miscellaneous bonds. During the year ended June 30, 2023, there were no significant reductions in insurance coverage from coverage in the prior year. Losses in excess of the various deductible levels are covered through traditional indemnity coverage for buildings and contents, and vehicle liability with various insurance firms. Settled claims have not exceeded insurance limits for the past three years.

Q. Commitments and Contingencies

The District participates in a number of federal financial assistance programs. Although the District's grant programs have been audited in accordance with the provisions of the Uniform Guidance for the year ended June 30, 2023, these programs are subject to financial and compliance audits. The amounts, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the District expects such amounts, if any, to be immaterial. In September 2017, the District entered into a joint access and use agreement with the YMCA of Austin ("YMCA") whereas the District is entitled to use of a natatorium for thirty years in return for a \$5 million contribution that was used by the YMCA towards construction of said natatorium. Construction was completed in fiscal year 2020. The construction contribution will be expensed over the thirty years the District has access to the natatorium. As of June 30, 2023, \$4,500,000 is recorded as a prepaid item on the balance sheet.

As of June 30, 2023, the District is also committed under construction contracts with a remaining balance of \$124,003,640.

R. Subsequent Events

In August 2023, the District issued \$296,230,000 in Unlimited Tax School Building Bonds, Series 2023. These bonds have interest rates ranging from 4.00% to 5.00% and will mature in February 2048. The bonds will be used to fund the construction and rehabilitation of school buildings in the District as well as the purchase and upgrade of technology systems.

S. New Accounting Standards

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

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

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

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

REQUIRED SUPPLEMENTARY INFORMATION

HAYS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

EXHIBIT G-1

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

FOR THE YEAR ENDED JUNE 30, 2023

Data Control Codes		Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive or (Negative)
		Original	Final		
REVENUES					
5700	Local and intermediate sources	\$ 128,672,959	\$ 128,687,763	\$ 134,825,896	\$ 6,138,133
5800	State program	79,803,990	84,240,684	67,622,803	(16,617,881)
5900	Federal program	<u>3,550,000</u>	<u>3,746,233</u>	<u>5,955,692</u>	<u>2,209,459</u>
5020	Total revenues	<u>212,026,949</u>	<u>216,674,680</u>	<u>208,404,391</u>	<u>(8,270,289)</u>
EXPENDITURES					
Current:					
0011	Instruction	129,612,271	132,905,560	130,411,524	2,494,036
0012	Instructional resources and media services	2,949,781	2,975,698	2,908,408	67,290
0013	Curriculum and instructional staff development	2,951,273	2,127,749	2,005,996	121,753
0021	Instructional leadership	5,620,602	6,251,537	6,137,630	113,907
0023	School leadership	13,205,996	14,039,644	13,871,554	168,090
0031	Guidance, counseling and evaluation services	6,856,165	7,457,423	7,383,186	74,237
0032	Social work services	295,072	371,049	324,636	46,413
0033	Health services	2,476,372	2,511,057	2,476,941	34,116
0034	Student (pupil) transportation	13,187,557	12,800,265	12,456,708	343,557
0036	Extracurricular activities	6,844,359	7,972,612	7,607,325	365,287
0041	General administration	6,421,193	6,681,146	6,624,622	56,524
0051	Facilities maintenance and operations	22,842,526	23,591,899	23,227,794	364,105
0052	Security and monitoring services	3,426,730	3,230,850	3,128,882	101,968
0053	Data processing services	6,184,321	6,412,395	6,380,411	31,984
0061	Community services	263,229	381,873	333,489	48,384
Debt service:					
0071	Principal on long term debt	-	752,471	752,471	-
0072	Interest on long term debt	-	15,611	15,611	-
Capital Outlay:					
0081	Facilities acquisition and construction	-	60	-	60
Intergovernmental:					
0093	Payments for SSA	350,000	347,000	87,559	259,441
0099	Other intergovernmental charges	<u>1,175,000</u>	<u>1,290,000</u>	<u>1,283,053</u>	<u>6,947</u>
6030	Total expenditures	<u>224,662,447</u>	<u>232,115,899</u>	<u>227,417,800</u>	<u>4,698,099</u>
OTHER FINANCING SOURCES (USES)					
7912	Sale of real & personal property	-	69,860	391,688	321,828
7913	Issuance of leases	-	1,233,304	1,233,304	-
7915	Transfers in	1,500,000	1,500,000	-	(1,500,000)
7940	Issuance of SBITA	<u>-</u>	<u>329,567</u>	<u>329,567</u>	<u>-</u>
7080	Total other financing sources (uses)	<u>1,500,000</u>	<u>3,132,731</u>	<u>1,954,559</u>	<u>(1,178,172)</u>
1200	Net change in fund balances	<u>(11,135,498)</u>	<u>(12,308,488)</u>	<u>(17,058,850)</u>	<u>(4,750,362)</u>
0100	Fund balance - July 1 (beginning)	<u>64,817,198</u>	<u>64,817,198</u>	<u>64,817,198</u>	<u>-</u>
3000	Fund balance - June 30 (ending)	<u>\$ 53,681,700</u>	<u>\$ 52,508,710</u>	<u>\$ 47,758,348</u>	<u>\$ (4,750,362)</u>

HAYS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

NOTES TO REQUIRED BUDGETARY SCHEDULE

JUNE 30, 2023

Budgetary Information

The Board of Trustees adopts an "appropriated budget" for the General Fund, Debt Service Fund and the National School Breakfast and Lunch Program Fund, which is included in the Special Revenue Funds.

The District is required to present the adopted and final amended budgeted revenue and expenditures for each of these funds. The District compares the final amended budget to actual revenue and expenditures. The General Fund Budget is presented at Exhibit G-1 and the National Breakfast and Lunch Program and Debt Service Funds are presented at Exhibit J-5 and J-6, respectively.

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

1. Prior to June 20, the District prepares a budget for the next succeeding fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Board is then called for the purpose of adopting the proposed budget. At least 10 days' public notice of the meeting must be given.
3. Prior to July 1, the budget is legally enacted through passage of a resolution by the Board. The legal level of control for budgeted expenditures is the function level within the budgeted funds. Amendments to the budget are required prior to expending amounts greater than the budgeted amounts at the function level. Budgets are controlled at the departmental or campus level, the same level at which responsibility for operations is assigned. The budget was amended by the Board as needed throughout the year.
5. Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under Texas law, appropriations lapse at June 30, and encumbrances outstanding at that time are to be either canceled or appropriately provided for in the subsequent year's budget. At June 30, 2023, there was \$759,435 in encumbrances that were provided for in the subsequent year's budget.

HAYS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT**SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
TEACHER RETIREMENT SYSTEM**

FOR THE YEAR ENDED JUNE 30, 2023

	Measurement Year Ended August 31,		
	2022	2021	2020
District's proportion of the net pension liability (asset)	0.1167000%	0.1080000%	0.1030000%
District's proportionate share of net pension liability (asset)	\$ 69,273,739	\$ 27,512,170	\$ 55,182,532
State's proportionate share of the net pension liability (asset) associated with the District	<u>112,970,335</u>	<u>49,297,411</u>	<u>104,260,968</u>
Total	<u>\$ 182,244,074</u>	<u>\$ 76,809,581</u>	<u>\$ 159,443,500</u>
District's covered payroll	\$ 157,867,596	\$ 145,261,654	\$ 140,253,376
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	43.88%	18.94%	39.34%
Plan fiduciary net position as a percentage of the total pension liability	75.62%	88.79%	75.54%

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

Measurement Year Ended August 31,					
2019	2018	2017	2016	2015	2014
0.1100000%	0.1066000%	0.0994000%	0.0902000%	0.0878000%	0.0510000%
\$ 57,197,381	\$ 58,693,359	\$ 31,770,629	\$ 34,098,555	\$ 31,049,988	\$ 13,613,723
<u>91,906,282</u>	<u>98,173,836</u>	<u>58,074,567</u>	<u>65,644,031</u>	<u>60,887,151</u>	<u>52,171,690</u>
<u>\$ 149,103,663</u>	<u>\$ 156,867,195</u>	<u>\$ 89,845,196</u>	<u>\$ 99,742,586</u>	<u>\$ 91,937,139</u>	<u>\$ 65,785,413</u>
\$ 127,063,211	\$ 120,101,227	\$ 113,979,417	\$ 102,945,706	\$ 95,029,809	\$ 90,650,174
45.01%	48.87%	27.87%	33.12%	32.67%	15.02%
75.24%	73.74%	82.17%	78.00%	78.43%	83.25%

HAYS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT**SCHEDULE OF THE DISTRICT'S PENSION CONTRIBUTIONS
TEACHER RETIREMENT SYSTEM**

FOR THE YEAR ENDED JUNE 30, 2023

	Fiscal Year Ended June 30,		
	2023	2022	2021
Contractually required contribution	\$ 6,261,840	\$ 5,274,018	\$ 4,475,960
Contribution in relation to the contractually required contribution	<u>(6,261,840)</u>	<u>(5,274,018)</u>	<u>(4,475,960)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 175,997,165	\$ 155,294,181	\$ 143,635,276
Contributions as a percentage of covered payroll	3.56%	3.40%	3.12%

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

⁽¹⁾The contribution amounts presented for 2019 represent ten months as the District changed its fiscal year end from August 31 to June 30.

Fiscal Year Ended June 30,					
2020	2019 ⁽¹⁾	2018	2017	2016	2015
\$ 4,153,412	\$ 3,225,071	\$ 3,652,161	\$ 3,255,042	\$ 2,867,002	\$ 2,561,538
<u>(4,153,412)</u>	<u>(3,225,071)</u>	<u>(3,652,161)</u>	<u>(3,255,042)</u>	<u>(2,867,002)</u>	<u>(2,561,538)</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 138,572,069	\$ 105,424,103	\$ 120,101,227	\$ 113,979,417	\$ 102,945,706	\$ 95,029,809
3.00%	3.06%	3.04%	2.86%	2.78%	2.70%

HAYS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT**SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET OPEB LIABILITY
TEACHER RETIREMENT SYSTEM**

FOR THE YEAR ENDED JUNE 30, 2023

	Measurement Year Ended August 31,		
	2022	2021	2020
District's proportion of the net OPEB liability (asset)	0.1620000%	0.1517600%	0.1500000%
District's proportionate share of net OPEB liability (asset)	\$ 38,790,567	\$ 58,543,267	\$ 57,023,834
States proportionate share of the net OPEB liability (asset) associated with the District	<u>47,318,398</u>	<u>78,434,931</u>	<u>76,626,364</u>
Total	<u>\$ 86,108,965</u>	<u>\$ 136,978,198</u>	<u>\$ 133,650,198</u>
District's covered payroll	\$ 157,867,596	\$ 145,261,654	\$ 140,253,376
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	24.57%	40.30%	40.66%
Plan fiduciary net position as a percentage of the total OPEB liability	11.52%	6.18%	4.99%

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

Measurement Year Ended August 31,		
<u>2019</u>	<u>2018</u>	<u>2017</u>
0.1479000%	0.1438000%	0.1357000%
\$ 69,927,624	\$ 71,781,008	\$ 58,998,894
<u>92,918,170</u>	<u>104,509,858</u>	<u>90,560,410</u>
<u>\$ 162,845,794</u>	<u>\$ 176,290,866</u>	<u>\$ 149,559,304</u>
\$ 127,063,211	\$ 120,101,227	\$ 113,979,417
55.03%	59.77%	51.76%
2.66%	1.57%	0.91%

HAYS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT**SCHEDULE OF THE DISTRICT'S OPEB CONTRIBUTIONS
TEACHER RETIREMENT SYSTEM**

FOR THE YEAR ENDED JUNE 30, 2023

	Fiscal Year Ended June 30,		
	2023	2022	2021
Contractually required contribution	\$ 1,454,330	\$ 1,308,147	\$ 1,158,387
Contribution in relation to the contractually required contribution	<u>(1,454,330)</u>	<u>(1,308,147)</u>	<u>(1,158,387)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered employee payroll	\$ 175,997,165	\$ 155,294,181	\$ 143,635,276
Contributions as a percentage of covered employee payroll	0.83%	0.84%	0.81%

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

⁽¹⁾The contribution amounts presented for 2019 represent ten months as the District changed its fiscal year end from August 31 to June 30.

Fiscal Year Ended June 30,					
2020	2019 ⁽¹⁾	2018	2017	2016	2015
\$ 1,130,521	\$ 872,115	\$ 994,811	\$ 705,696	\$ 626,960	\$ 577,134
<u>(1,130,521)</u>	<u>(872,115)</u>	<u>(994,811)</u>	<u>(705,696)</u>	<u>(626,960)</u>	<u>(577,134)</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 138,572,069	\$ 105,424,103	\$ 120,101,227	\$ 102,945,706	\$ 95,029,809	\$ 95,029,809
0.82%	0.83%	0.83%	0.69%	0.66%	0.61%

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COMBINING STATEMENTS

HAYS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2023

Data Control Codes	206	211	224	225	226
	Education for Homeless Children & Youth	Title I Grants to Local Educational Agencies	Special Education Grants to States	Special Education Preschool Grants	Special Education Discretionary Grants
ASSETS					
1110 Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
1120 Investments - current	-	-	-	-	-
1240 Receivables from other governments	26,319	547,318	769,422	-	221,832
1260 Due from other funds	-	-	5	-	-
1290 Other receivables	-	-	-	-	-
1300 Inventories	-	-	-	-	-
1410 Prepaid items	-	-	-	-	-
1000 Total assets	<u>26,319</u>	<u>547,318</u>	<u>769,427</u>	<u>-</u>	<u>221,832</u>
LIABILITIES					
2110 Accounts payable	-	1,527	-	-	-
2160 Accrued wages payable	-	-	-	-	-
2170 Due to other funds	26,319	545,791	769,427	-	221,832
2300 Unearned revenues	-	-	-	-	-
2000 Total liabilities	<u>26,319</u>	<u>547,318</u>	<u>769,427</u>	<u>-</u>	<u>221,832</u>
FUND BALANCES					
Nonspendable:					
3410 Inventories	-	-	-	-	-
3430 Prepaid items	-	-	-	-	-
Restricted:					
3450 Federal or state grant restriction	-	-	-	-	-
3000 Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000 Total liabilities and fund balances	<u>\$ 26,319</u>	<u>\$ 547,318</u>	<u>\$ 769,427</u>	<u>\$ -</u>	<u>\$ 221,832</u>

EXHIBIT H-1

240 National School Breakfast and Lunch Program	244 Career and Technical Education - Basic Grants to States	255 Supporting Effective Instruction State Grants	263 English Language Acquisition State Grants	278 Homeless Children & Youth ESSER	280 Homeless II ESSER	282 Emergency Relief Fund - ESSER III	284 IDEA - Part B, Formula - ARPA
\$ 844,398	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7,129,807	-	-	-	-	-	-	-
31,473	15,614	49,665	122,522	1,098	13,482	894,217	592,442
67,232	-	-	-	-	-	-	-
60	-	-	-	-	-	-	-
113,389	-	-	-	-	-	-	-
500	-	-	-	-	-	-	-
<u>8,186,859</u>	<u>15,614</u>	<u>49,665</u>	<u>122,522</u>	<u>1,098</u>	<u>13,482</u>	<u>894,217</u>	<u>592,442</u>
7,135	-	-	-	-	-	900	14,572
451,269	-	-	-	-	-	-	-
594,520	15,614	49,665	122,522	1,098	13,482	893,317	577,870
224,770	-	-	-	-	-	-	-
<u>1,277,694</u>	<u>15,614</u>	<u>49,665</u>	<u>122,522</u>	<u>1,098</u>	<u>13,482</u>	<u>894,217</u>	<u>592,442</u>
113,389	-	-	-	-	-	-	-
500	-	-	-	-	-	-	-
<u>6,795,276</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>6,909,165</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 8,186,859</u>	<u>\$ 15,614</u>	<u>\$ 49,665</u>	<u>\$ 122,522</u>	<u>\$ 1,098</u>	<u>\$ 13,482</u>	<u>\$ 894,217</u>	<u>\$ 592,442</u>

HAYS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2023

Data Control Codes	285	289	338	385	386
	IDEA - Part B, Preschool - ARPA	Student Support and Academic Enrichment Program	Shared Services Arrangements- Career and Technical Education	Visually Impaired	Regional Day School for the Deaf
ASSETS					
1110 Cash and cash equivalents	\$ -	\$ -	\$ 2,282	\$ -	\$ -
1120 Investments - current	-	-	-	-	-
1240 Receivables from other governments	32,074	27,597	540	9,690	1,266,715
1260 Due from other funds	-	-	-	-	-
1290 Other receivables	-	-	-	-	-
1300 Inventories	-	-	-	-	-
1410 Prepaid items	-	-	-	-	-
1000 Total assets	<u>32,074</u>	<u>27,597</u>	<u>2,822</u>	<u>9,690</u>	<u>1,266,715</u>
LIABILITIES					
2110 Accounts payable	-	1,200	-	-	536
2160 Accrued wages payable	-	-	-	-	-
2170 Due to other funds	32,074	13,013	-	9,690	1,266,179
2300 Unearned revenues	-	13,384	2,822	-	-
2000 Total liabilities	<u>32,074</u>	<u>27,597</u>	<u>2,822</u>	<u>9,690</u>	<u>1,266,715</u>
FUND BALANCES					
Nonspendable:					
3410 Inventories	-	-	-	-	-
3430 Prepaid items	-	-	-	-	-
Restricted:					
3450 Federal or state grant restriction	-	-	-	-	-
3000 Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000 Total liabilities and fund balances	<u>\$ 32,074</u>	<u>\$ 27,597</u>	<u>\$ 2,822</u>	<u>\$ 9,690</u>	<u>\$1,266,715</u>

EXHIBIT H-1

397	410	427	429	459	469	481	489
Advanced Placement Incentives	Instructional Materials Allotment	Deaf or Hard Hard of Hearing	Other State Grants	Students with Autism Grant	Local Programs - Departmental Activity	Education Foundation	San Marcos Civic Foundation Grant
\$ 12,067	\$ 2,891	\$ -	\$ -	\$ -	\$ 78,257	\$ 57,276	\$ 9,113
-	-	-	-	-	-	-	-
-	-	25,211	85,193	180,098	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>12,067</u>	<u>2,891</u>	<u>25,211</u>	<u>85,193</u>	<u>180,098</u>	<u>78,257</u>	<u>57,276</u>	<u>9,113</u>
-	-	-	-	98,976	-	6,665	-
-	-	-	-	-	-	-	-
-	-	25,211	85,100	81,122	-	17	-
<u>12,067</u>	<u>2,891</u>	<u>-</u>	<u>93</u>	<u>-</u>	<u>78,257</u>	<u>50,594</u>	<u>9,113</u>
<u>12,067</u>	<u>2,891</u>	<u>25,211</u>	<u>85,193</u>	<u>180,098</u>	<u>78,257</u>	<u>57,276</u>	<u>9,113</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 12,067</u>	<u>\$ 2,891</u>	<u>\$ 25,211</u>	<u>\$ 85,193</u>	<u>\$ 180,098</u>	<u>\$ 78,257</u>	<u>\$ 57,276</u>	<u>\$ 9,113</u>

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HAYS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

EXHIBIT H-1

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2023

		499	Total
Data Control Codes		Other Local	Nonmajor Governmental Funds
ASSETS			
1110	Cash and cash equivalents	\$ 77,302	\$ 1,083,586
1120	Investments - current	-	7,129,807
1240	Receivables from other governments	-	4,912,522
1260	Due from other funds	-	67,237
1290	Other receivables	525	585
1300	Inventories	-	113,389
1410	Prepaid items	-	500
1000	Total assets	<u>77,827</u>	<u>13,307,626</u>
LIABILITIES			
2110	Accounts payable	-	131,511
2160	Accrued wages payable	-	451,269
2170	Due to other funds	22	5,343,885
2300	Unearned revenues	<u>77,805</u>	<u>471,796</u>
2000	Total liabilities	<u>77,827</u>	<u>6,398,461</u>
FUND BALANCES			
Nonspendable:			
3410	Inventories	-	113,389
3430	Prepaid items	-	500
Restricted:			
3450	Federal or state grant restriction	<u>-</u>	<u>6,795,276</u>
3000	Total fund balances	<u>-</u>	<u>6,909,165</u>
4000	Total liabilities and fund balances	<u>\$ 77,827</u>	<u>\$ 13,307,626</u>

HAYS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

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

FOR THE YEAR ENDED JUNE 30, 2023

Data Control Codes		206	211	224	225	226
		Education for Homeless Children & Youth	Title I Grants to Local Educational Agencies	Special Education Grants to States	Special Education Preschool Grants	Special Education Discretionary Grants
	REVENUES					
5700	Local and intermediate sources	\$ -	\$ -	\$ -	\$ -	\$ -
5800	State program	-	-	-	-	-
5900	Federal program	45,048	2,118,703	3,239,694	25,202	221,832
5020	Total revenues	<u>45,048</u>	<u>2,118,703</u>	<u>3,239,694</u>	<u>25,202</u>	<u>221,832</u>
	EXPENDITURES					
	Current:					
0011	Instruction	24,328	1,011,044	2,778,602	-	-
0012	Instructional resources and media services	-	12,352	-	-	-
0013	Curriculum and instructional staff development	-	704,001	-	-	-
0021	Instructional leadership	-	108	65,242	25,202	-
0023	School leadership	-	-	63,967	-	-
0031	Guidance, counseling and evaluation services	-	-	331,883	-	-
0032	Social work services	-	361,182	-	-	-
0033	Health services	-	-	-	-	-
0034	Student (pupil) transportation	-	-	-	-	-
0035	Food services	-	-	-	-	-
0036	Extracurricular activities	-	12,062	-	-	-
0041	General administration	-	1,676	-	-	-
0051	Facilities maintenance and operations	-	-	-	-	-
0052	Security and Monitoring Services	-	-	-	-	-
0053	Data processing	-	-	-	-	-
0061	Community services	20,720	16,278	-	-	-
	Intergovernmental:					
0093	Payments for SSA	-	-	-	-	221,832
6030	Total expenditures	<u>45,048</u>	<u>2,118,703</u>	<u>3,239,694</u>	<u>25,202</u>	<u>221,832</u>
1100	Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	OTHER FINANCING SOURCES (USES)					
7912	Sale of real & personal property	-	-	-	-	-
7080	Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1200	Net change in fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
0100	Fund balance - July 1 (beginning)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
3000	Fund balance - June 30 (ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

EXHIBIT H-2

240 National School Breakfast and Lunch Program	244 Career and Technical Education - Basic Grants to States	255 Supporting Effective Instruction State Grants	263 English Language Acquisition State Grants	278 Homeless Children & Youth ESSER	280 Homeless II ESSER	282 Emergency Relief Fund - ESSER III	284 IDEA - Part B, Formula - ARPA
\$ 3,784,569	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
265,380	-	-	-	-	-	-	-
7,739,884	198,968	301,303	498,713	3,234	29,405	8,445,251	684,112
<u>11,789,833</u>	<u>198,968</u>	<u>301,303</u>	<u>498,713</u>	<u>3,234</u>	<u>29,405</u>	<u>8,445,251</u>	<u>684,112</u>
-	90,508	-	486,543	-	80	4,014,432	491,155
-	-	-	-	-	-	17,973	-
-	-	273,246	-	-	-	3,308,563	14,238
-	89,577	10,057	-	-	-	1,994	34,289
-	-	18,000	-	-	-	79,350	-
-	-	-	-	1,836	-	95,187	16,418
-	-	-	-	-	29,325	697,153	-
-	-	-	-	-	-	14,380	90,470
-	-	-	-	-	-	203,719	-
11,313,710	-	-	-	-	-	-	-
-	18,883	-	-	-	-	-	-
-	-	-	-	150	-	-	-
-	-	-	-	-	-	12,500	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	12,170	1,248	-	-	-
-	-	-	-	-	-	-	37,542
<u>11,313,710</u>	<u>198,968</u>	<u>301,303</u>	<u>498,713</u>	<u>3,234</u>	<u>29,405</u>	<u>8,445,251</u>	<u>684,112</u>
476,123	-	-	-	-	-	-	-
2,000	-	-	-	-	-	-	-
2,000	-	-	-	-	-	-	-
478,123	-	-	-	-	-	-	-
6,431,042	-	-	-	-	-	-	-
<u>\$ 6,909,165</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

HAYS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

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

FOR THE YEAR ENDED JUNE 30, 2023

Data Control Codes	285	289	338	385	386
	IDEA - Part B, Preschool - ARPA	Student Support and Academic Enrichment Program	Shared Services- Arrangements- Career and Technical Education	Visually Impaired	Regional Day School for the Deaf
REVENUES					
5700 Local and intermediate sources	\$ -	\$ -	\$ -	\$ -	\$ -
5800 State program	-	-	-	9,690	1,505,025
5900 Federal program	<u>32,074</u>	<u>168,401</u>	<u>14,290</u>	<u>-</u>	<u>-</u>
5020 Total revenues	<u>32,074</u>	<u>168,401</u>	<u>14,290</u>	<u>9,690</u>	<u>1,505,025</u>
EXPENDITURES					
Current:					
0011 Instruction	32,074	21,528	-	8,640	1,298,961
0012 Instructional resources and media services	-	-	-	-	-
0013 Curriculum and instructional staff development	-	8,000	14,290	-	82,879
0021 Instructional leadership	-	-	-	-	82,976
0023 School leadership	-	-	-	-	-
0031 Guidance, counseling and evaluation services	-	129,310	-	1,050	3,145
0032 Social work services	-	-	-	-	-
0033 Health services	-	-	-	-	-
0034 Student (pupil) transportation	-	-	-	-	-
0035 Food services	-	-	-	-	-
0036 Extracurricular activities	-	-	-	-	-
0041 General administration	-	-	-	-	-
0051 Facilities maintenance and operations	-	-	-	-	-
0052 Security and Monitoring Services	-	9,563	-	-	-
0053 Data processing	-	-	-	-	-
0061 Community services	-	-	-	-	37,064
Intergovernmental:					
0093 Payments for SSA	-	-	-	-	-
6030 Total expenditures	<u>32,074</u>	<u>168,401</u>	<u>14,290</u>	<u>9,690</u>	<u>1,505,025</u>
1100 Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)					
7912 Sale of real & personal property	-	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
7080 (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1200 Net change in fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
0100 Fund balance - July 1 (beginning)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
3000 Fund balance - June 30 (ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

EXHIBIT H-2

397	410	427	429	459	469	481	489
Advanced Placement Incentives	Instructional Materials Allotment	Deaf or Hard of Hearing	Other State Grants	Students with Autism Grant	Local Programs - Departmental Activity	Education Foundation	San Marcos Civic Foundation Grant
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,248	\$ 63,826	\$ 10,852
7,850	631,293	27,603	213,704	694,634	-	-	-
-	-	-	-	-	-	-	-
<u>7,850</u>	<u>631,293</u>	<u>27,603</u>	<u>213,704</u>	<u>694,634</u>	<u>21,248</u>	<u>63,826</u>	<u>10,852</u>
-	631,293	27,603	6,962	135,838	3,035	41,871	-
-	-	-	-	-	-	-	-
7,850	-	-	15,130	270,390	-	8,884	8,995
-	-	-	-	-	-	-	1,857
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	13,059	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	646	-	-
-	-	-	-	-	812	-	-
-	-	-	11,250	-	602	-	-
-	-	-	78,999	-	-	-	-
-	-	-	-	-	3,094	-	-
-	-	-	48,844	-	-	13,071	-
-	-	-	52,519	288,406	-	-	-
<u>7,850</u>	<u>631,293</u>	<u>27,603</u>	<u>213,704</u>	<u>694,634</u>	<u>21,248</u>	<u>63,826</u>	<u>10,852</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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HAYS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

EXHIBIT H-2

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

FOR THE YEAR ENDED JUNE 30, 2023

		499	Total
Data Control Codes		Other Local	Nonmajor Governmental Funds
REVENUES			
5700	Local and intermediate sources	\$ 39,592	\$ 3,920,087
5800	State program	-	3,355,179
5900	Federal program	-	23,766,114
5020	Total revenues	39,592	31,041,380
EXPENDITURES			
Current:			
0011	Instruction	36,656	11,141,153
0012	Instructional resources and media services	-	30,325
0013	Curriculum and instructional staff development	65	4,716,531
0021	Instructional leadership	-	311,302
0023	School leadership	-	161,317
0031	Guidance, counseling and evaluation services	1,150	579,979
0032	Social work services	-	1,087,660
0033	Health services	-	104,850
0034	Student (pupil) transportation	-	216,778
0035	Food services	-	11,313,710
0036	Extracurricular activities	-	31,591
0041	General administration	-	2,638
0051	Facilities maintenance and operations	-	24,352
0052	Security and Monitoring Services	-	88,562
0053	Data processing	-	3,094
0061	Community services	1,721	151,116
Intergovernmental:			
0093	Payments for SSA	-	600,299
6030	Total expenditures	39,592	30,565,257
1100	Excess (deficiency) of revenues over (under) expenditures	-	476,123
OTHER FINANCING SOURCES (USES)			
7912	Sale of real & personal property	-	2,000
7080	Total other financing sources (uses)	-	2,000
1200	Net change in fund balances	-	478,123
0100	Fund balance - July 1 (beginning)	-	6,431,042
3000	Fund balance - June 30 (ending)	\$ -	\$ 6,909,165

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS

JUNE 30, 2023

	752 Print Shop	753 Insurance	Total Internal Service Funds
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 849,398	\$ 9,263	\$ 858,661
Due from other funds	74	215	289
Inventory	<u>39,156</u>	<u>-</u>	<u>39,156</u>
Total current assets	<u>888,628</u>	<u>9,478</u>	<u>898,106</u>
Noncurrent assets:			
Furniture and equipment	76,178	-	76,178
Right to use - equipment	220,287	-	220,287
Less accumulated depreciation	<u>(175,919)</u>	<u>-</u>	<u>(175,919)</u>
Total noncurrent assets	<u>120,546</u>	<u>-</u>	<u>120,546</u>
Total assets	<u>1,009,174</u>	<u>9,478</u>	<u>1,018,652</u>
LIABILITIES			
Current liabilities:			
Accounts payable	39,518	-	39,518
Due to other funds	260	126,656	126,916
Right to use - equipment	<u>55,137</u>	<u>-</u>	<u>55,137</u>
Total current liabilities	<u>94,915</u>	<u>126,656</u>	<u>221,571</u>
Noncurrent liabilities:			
Right to use - equipment	<u>55,295</u>	<u>-</u>	<u>55,295</u>
Total noncurrent liabilities	<u>55,295</u>	<u>-</u>	<u>55,295</u>
Total liabilities	<u>150,210</u>	<u>126,656</u>	<u>276,866</u>
NET POSITION			
Net investment in capital assets	10,114	-	10,114
Unrestricted	<u>848,850</u>	<u>(117,178)</u>	<u>731,672</u>
Total net position	<u>\$ 858,964</u>	<u>\$ (117,178)</u>	<u>\$ 741,786</u>

HAYS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT**EXHIBIT H-4**

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED JUNE 30, 2023

	752 Print Shop	753 Insurance	Total Internal Service Funds
OPERATING REVENUES			
Local and intermediate sources	\$ 559,037	\$ 1,899,071	\$ 2,458,108
Total operating revenues	<u>559,037</u>	<u>1,899,071</u>	<u>2,458,108</u>
OPERATING EXPENSES			
Payroll costs	197,681	-	197,681
Professional and contracted services	107,214	509,152	616,366
Supplies and materials	214,716	-	214,716
Other operating costs	-	2,821,287	2,821,287
Amortization expense	<u>55,072</u>	<u>-</u>	<u>55,072</u>
Total operating expenses	<u>574,683</u>	<u>3,330,439</u>	<u>3,905,122</u>
OPERATING INCOME (LOSS)	(15,646)	(1,431,368)	(1,447,014)
NONOPERATING EXPENSES			
Interest expense	<u>(400)</u>	<u>-</u>	<u>(400)</u>
Total nonoperating expenses	<u>(400)</u>	<u>-</u>	<u>(400)</u>
CHANGE IN NET POSITION	(16,046)	(1,431,368)	(1,447,414)
NET POSITION, BEGINNING	<u>875,010</u>	<u>1,314,190</u>	<u>2,189,200</u>
NET POSITION, ENDING	<u>\$ 858,964</u>	<u>\$ (117,178)</u>	<u>\$ 741,786</u>

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HAYS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
EXHIBIT H-5
**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS**
FOR THE YEAR ENDED JUNE 30, 2023

	752 Print Shop	753 Insurance	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from user charges	\$ 570,552	\$ 2,027,009	\$ 2,597,561
Payments for insurance claims	-	(2,821,287)	(2,821,287)
Payments to suppliers	(306,756)	(509,152)	(815,908)
Payments to employees	(197,681)	-	(197,681)
Net cash provided (used) by operating activities	<u>66,115</u>	<u>(1,303,430)</u>	<u>(1,237,315)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Principal paid on leases	(54,980)	-	(54,980)
Interest paid on leases	(400)	-	(400)
Net cash provided (used) by capital and related financing activities	<u>(55,380)</u>	<u>-</u>	<u>(55,380)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	10,735	(1,303,430)	(1,292,695)
CASH AND CASH EQUIVALENTS, BEGINNING	<u>838,663</u>	<u>1,312,693</u>	<u>2,151,356</u>
CASH AND CASH EQUIVALENTS, ENDING	<u>849,398</u>	<u>9,263</u>	<u>858,661</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	(15,646)	(1,431,368)	(1,447,014)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation and amortization	55,072	-	55,072
(Increase) in due from other funds	11,515	127,938	139,453
(Increase) in inventory	(14,221)	-	(14,221)
Increase (decrease) in due to other funds	260	-	260
Increase (decrease) in accounts payable	29,135	-	29,135
Net cash provided (used) by operating activities	<u>\$ 66,115</u>	<u>\$ (1,303,430)</u>	<u>\$ (1,237,315)</u>

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REQUIRED TEA SCHEDULES

HAYS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT**SCHEDULE OF DELINQUENT TAXES RECEIVABLE****FOR THE YEAR ENDED JUNE 30, 2023**

For The Year Ended June 30, 2022	1	2	3	10
	Tax Rates		Net Assessed/ Appraised Value for School Tax Purpose	Beginning Balance 7/1/2022
	Maintenance	Debt Service		
2014 and prior years	1.040000	0.421300	\$ 3,977,355,300	\$ 686,501
2015	1.040000	0.497700	4,196,546,345	72,826
2016	1.040000	0.497700	4,560,295,636	81,776
2017	1.040000	0.497700	5,987,582,233	95,932
2018	1.040000	0.497700	6,825,171,269	133,375
2019	1.040000	0.497700	7,696,607,759	191,412
2020	0.970000	0.497700	8,815,735,614	283,567
2021	0.906000	0.497700	9,818,256,253	(364,733)
2022	0.872000	0.487700	11,212,072,369	3,510,720
2023	0.854600	0.487700	15,357,451,985	-
1000 Totals				<u>\$ 4,691,376</u>

8000 - Taxes refunded in accordance with Texas Tax Code 26.1115

20	31	32	40	50
Current Year's Total Levy	Maintenance Total Collections	Debt Service Total Collections	Entire Year's Adjustments	Ending Balance 6/30/2023
\$ -	\$ 22,925	\$ 9,320	\$ (5,674)	\$ 648,582
-	2,589	1,239	64	69,062
-	5,022	2,404	1,106	75,456
-	6,036	2,889	(67)	86,940
-	8,425	4,032	801	121,719
-	14,710	7,015	(6,602)	163,085
-	7,085	3,634	(64,345)	208,503
-	(132,387)	(72,881)	(330,568)	(490,033)
-	560,352	296,521	(1,164,003)	1,489,844
<u>206,143,078</u>	<u>129,119,496</u>	<u>73,673,119</u>	<u>(411,877)</u>	<u>2,938,586</u>
<u>\$ 206,143,078</u>	<u>\$ 129,614,253</u>	<u>\$ 73,927,292</u>	<u>\$ (1,981,165)</u>	<u>\$ 5,311,744</u>
	<u>\$ 48,316</u>			

USE OF FUNDS REPORT - SELECT STATE ALLOTMENT PROGRAMS**FOR THE YEAR ENDED JUNE 30, 2023****Section A: Compensatory Education Programs**

AP1	Did your LEA expend any state compensatory education program state allotment funds during the district's fiscal year?	Yes
AP2	Does the LEA have written policies and procedures for its state compensatory education program?	Yes
AP3	List the total state allotment funds received for state compensatory education programs during the district's fiscal year.	\$ 15,834,565
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal year. (PICs 24, 26, 28, 29, 30, 34)	\$ 7,493,011

Section B: Bilingual Education Programs

AP5	Did your LEA expend any bilingual education program state allotment funds during the LEA's fiscal year?	Yes
AP6	Does the LEA have written policies and procedures for its bilingual education program?	Yes
AP7	List the total state allotment funds received for bilingual education programs during the LEA's fiscal year.	\$ 2,543,779
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PICs 25, 35)	\$ 3,398,741

HAYS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

EXHIBIT J-5

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
NATIONAL SCHOOL BREAKFAST AND LUNCH PROGRAM FUND**

FOR THE YEAR ENDED JUNE 30, 2023

Data Control Codes		Budgeted Amounts		Actual Amounts	Variance with Final Budget
		Original	Final		Positive (Negative)
REVENUES					
5700	Local and intermediate sources	\$ 3,884,722	\$ 3,884,722	\$ 3,784,569	\$ (100,153)
5800	State program	48,000	258,000	265,380	7,380
5900	Federal program	6,513,119	7,248,119	7,739,884	491,765
5020	Total revenues	10,445,841	11,390,841	11,789,833	398,992
EXPENDITURES					
Current:					
0035	Food service	10,445,841	11,390,841	11,313,710	77,131
6030	Total expenditures	10,445,841	11,390,841	11,313,710	77,131
1100	Excess (deficiency) of revenues over (under) expenditures	-	-	476,123	476,123
OTHER FINANCING SOURCES (USES)					
7912	Sale of real & personal property	-	-	2,000	2,000
7080	Total other financing sources (uses)	-	-	2,000	2,000
1200	Net change in fund balances	-	-	478,123	478,123
0100	Fund balance, beginning	6,431,042	6,431,042	6,431,042	-
3000	Fund balance, ending	\$ 6,431,042	\$ 6,431,042	\$ 6,909,165	\$ 478,123

HAYS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

EXHIBIT J-6

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

FOR THE YEAR ENDED JUNE 30, 2023

Data Control Codes		Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
		Original	Final		
	REVENUES				
5700	Local and intermediate sources	\$ 71,467,486	\$ 71,467,486	\$ 75,447,594	\$ 3,980,108
5800	State program	-	-	1,184,557	1,184,557
5020	Total revenues	<u>71,467,486</u>	<u>71,467,486</u>	<u>76,632,151</u>	<u>5,164,665</u>
	EXPENDITURES				
	Debt service:				
0071	Principal on long-term debt	52,264,413	48,374,167	47,820,000	554,167
0072	Interest on long-term debt	19,168,073	23,058,319	23,058,319	-
0073	Bond issuance costs and fees	<u>35,000</u>	<u>35,000</u>	<u>23,610</u>	<u>11,390</u>
6030	Total expenditures	<u>71,467,486</u>	<u>71,467,486</u>	<u>70,901,929</u>	<u>565,557</u>
1200	Net change in fund balances	<u>-</u>	<u>-</u>	<u>5,730,222</u>	<u>5,730,222</u>
0100	Fund balance, beginning	<u>32,116,464</u>	<u>32,116,464</u>	<u>32,116,464</u>	<u>-</u>
3000	Fund balance, ending	<u>\$ 32,116,464</u>	<u>\$ 32,116,464</u>	<u>\$ 37,846,686</u>	<u>\$ 5,730,222</u>

STATISTICAL SECTION

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STATISTICAL SECTION

This part of the District's annual comprehensive financial report presents detailed information as a context for understanding the information in the financial statements, note disclosures, and required supplementary information. The statistical section includes 19 schedules that fall within the following categories:

<u>Contents</u>	<u>Page</u>
Financial Trend Data These schedules contain trend information on how the District's financial performance and well-being have changed over time.	74 – 83
Revenue Capacity Data These schedules contain information on the District's most significant local revenue source, the property tax.	84 – 88
Debt Capacity Data These schedules present information to help assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	89 – 92
Demographic and Economic Information These schedules offer demographic and economic indicators to help understand the environment within which the District's financial activities take place.	93 – 94
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the service the District provides and the activities it performs.	95 – 100

HAYS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	Fiscal Year			
	2014	2015	2016	2017
Governmental activities				
Net investment in capital assets	\$ (19,508,868)	\$ (22,175,722)	\$ (23,499,187)	\$ (8,409,938)
Restricted	2,722,912	3,128,450	3,258,348	2,772,186
Unrestricted	34,876,127	30,362,863	38,552,594	27,685,486
Total governmental activities net position	<u>18,090,171</u>	<u>11,315,591</u>	<u>18,311,755</u>	<u>22,047,734</u>
Business-type activities				
Unrestricted	<u>747,846</u>	<u>686,040</u>	<u>658,490</u>	<u>566,140</u>
Total business-type activities net position	<u>747,846</u>	<u>686,040</u>	<u>658,490</u>	<u>566,140</u>
Governmental activities				
Net investment in capital assets	(19,508,868)	(22,175,722)	(23,499,187)	(8,409,938)
Restricted	2,722,912	3,128,450	3,258,348	2,772,186
Unrestricted	35,623,973	31,048,903	39,211,084	28,251,626
Total primary government net position	<u>\$ 18,838,017</u>	<u>\$ 12,001,631</u>	<u>\$ 18,970,245</u>	<u>\$ 22,613,874</u>

⁽¹⁾ Prior to 2019, fiscal year-end was August 31.

Source of Information: Hays Consolidated Independent School District Financial Statements

TABLE 1

Fiscal Year					
2018	2019 ⁽¹⁾	2020	2021	2022	2023
\$ (8,523,207)	\$ (14,182,958)	\$ (12,306,211)	\$ 7,679,973	\$ 10,682,615	\$ 66,860,491
4,147,547	19,691,640	29,392,990	26,558,452	32,662,842	37,598,502
<u>(53,379,575)</u>	<u>(47,978,066)</u>	<u>(55,821,696)</u>	<u>(58,617,548)</u>	<u>(40,263,863)</u>	<u>(74,655,968)</u>
<u>(57,755,235)</u>	<u>(42,469,384)</u>	<u>(38,734,917)</u>	<u>(24,379,123)</u>	<u>3,081,594</u>	<u>29,803,025</u>
<u>(256,908)</u>	<u>(243,407)</u>	<u>(365,689)</u>	<u>619,461</u>	<u>749,841</u>	<u>693,407</u>
<u>(256,908)</u>	<u>(243,407)</u>	<u>(365,689)</u>	<u>619,461</u>	<u>749,841</u>	<u>693,407</u>
(8,523,207)	(14,182,958)	(12,306,211)	7,679,973	10,682,615	66,860,491
4,147,547	19,691,640	29,392,990	26,558,452	32,662,842	37,598,502
<u>(53,636,483)</u>	<u>(48,221,473)</u>	<u>(56,187,385)</u>	<u>(57,998,087)</u>	<u>(39,514,022)</u>	<u>(73,962,561)</u>
<u>\$ (58,012,143)</u>	<u>\$ (42,712,791)</u>	<u>\$ (39,100,606)</u>	<u>\$ (23,759,662)</u>	<u>\$ 3,831,435</u>	<u>\$ 30,496,432</u>

HAYS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

EXPENSES, PROGRAM REVENUES AND NET (EXPENSE) REVENUE

LAST TEN FISCAL YEARS (Accrual Basis of Accounting)

	Fiscal Year			
	2014	2015	2016	2017
Expenses				
Governmental activities:				
Instruction	\$ 85,352,568	\$ 92,184,631	\$ 104,811,892	\$ 108,247,784
Instructional resources and media services	2,193,184	2,182,374	2,291,674	2,340,974
Curriculum and staff development	1,721,020	2,411,741	3,325,715	3,663,644
Instructional leadership	1,919,744	2,462,739	3,106,845	3,311,840
School leadership	7,437,559	7,885,113	9,451,371	10,058,400
Guidance, counseling, and evaluation services	4,386,199	4,468,675	5,305,875	5,044,509
Social work services	146,646	168,984	242,288	535,162
Health services	1,750,795	1,830,198	1,880,450	1,929,862
Student transportation	9,457,529	9,153,845	9,912,603	10,475,450
Food services	7,690,558	8,009,110	9,167,980	8,548,077
Extracurricular activities	3,107,728	3,492,631	4,514,217	4,383,613
General administration	3,196,789	3,531,789	4,046,355	4,835,276
Facilities maintenance and operations	14,933,251	14,653,482	14,668,826	18,160,410
Security and monitoring services	1,183,355	1,161,956	1,225,486	1,501,888
Data processing services	2,627,362	3,760,478	4,661,911	4,832,224
Community services	251,532	283,275	385,802	342,092
Interest on long-term debt	12,266,520	14,049,166	11,746,371	12,260,504
Bond issuance costs and fees	356,508	11,154	614,954	1,120,642
Facilities acquisition and construction	-	-	-	-
Payments related to shared services arrangements	68,503	238,923	268,872	388,879
Other intergovernmental charges	544,826	607,143	619,561	674,577
Total governmental activities expense	<u>160,592,176</u>	<u>172,547,407</u>	<u>192,249,048</u>	<u>202,655,807</u>
Business-type activities:				
District-Wide Child Care	1,093,532	1,158,911	1,373,936	1,370,324
Other Enterprise Funds	45,599	20,312	44,852	84,983
Total business-type activities expense	<u>1,139,131</u>	<u>1,179,223</u>	<u>1,418,788</u>	<u>1,455,307</u>
Total primary government expenses	<u>161,731,307</u>	<u>173,726,630</u>	<u>193,667,836</u>	<u>204,111,114</u>
Program Revenues				
Governmental activities:				
Charges for services				
Instruction	434,144	471,626	466,365	555,058
Curriculum and staff development	-	-	-	-
Instructional leadership	-	-	-	-
Guidance, counseling, and evaluation services	-	-	-	-
Student transportation	-	-	-	-
Food services	2,796,458	2,848,084	2,986,824	2,978,148
Extracurricular activities	302,485	326,483	294,487	349,947
General administration	-	-	-	-
Facilities maintenance and operations	286,678	395,230	365,658	383,259
Data processing services	-	-	-	-
Community services	-	-	-	-
Operating grants and contributions	25,326,379	27,125,007	29,252,411	29,436,444
Total primary government program revenues	<u>29,146,144</u>	<u>31,166,430</u>	<u>33,365,745</u>	<u>33,702,856</u>
Business-type activities:				
District-Wide Child Care	1,295,167	1,242,848	1,345,536	1,332,703
School-based Health Clinic	53,260	11,094	45,702	30,254
Total business-type activities revenues	<u>1,348,427</u>	<u>1,253,942</u>	<u>1,391,238</u>	<u>1,362,957</u>
Total primary government revenues	<u>\$ 30,494,571</u>	<u>\$ 32,420,372</u>	<u>\$ 34,756,983</u>	<u>\$ 35,065,813</u>

⁽¹⁾ Prior to 2019, fiscal year-end was August 31.

Source of Information: Hays Consolidated Independent School District Financial Statements

TABLE 2

Fiscal Year					
2018	2019 ⁽¹⁾	2020	2021	2022	2023
\$ 114,814,051	\$ 109,548,648	\$ 137,456,087	\$ 140,143,525	\$ 131,600,322	\$ 152,082,052
2,883,062	3,600,426	3,669,508	3,163,537	2,813,273	3,350,787
2,868,662	2,143,610	2,504,046	2,150,436	3,092,137	6,522,089
3,498,890	3,064,944	4,836,333	5,377,485	5,200,515	6,130,056
11,133,136	11,143,904	13,778,291	13,627,153	12,163,079	14,306,373
6,025,876	6,038,703	7,711,396	7,573,322	6,784,246	7,986,909
329,784	379,618	265,824	274,529	305,493	1,368,780
2,053,262	2,011,596	2,445,998	2,561,082	2,483,542	2,644,240
10,928,526	10,526,351	13,281,818	11,465,368	11,917,433	13,242,768
8,543,174	8,160,367	9,250,030	7,565,576	10,605,565	10,735,375
4,788,104	4,070,199	5,517,340	6,267,691	6,749,921	7,878,268
4,485,798	4,130,173	5,049,263	5,181,293	5,038,716	6,382,138
20,170,693	17,210,442	21,173,841	22,382,830	26,147,270	24,354,768
1,721,178	1,810,633	1,961,404	2,401,413	2,626,833	3,339,373
5,387,084	4,441,789	5,563,587	5,705,460	5,173,524	6,645,576
301,028	350,869	388,932	366,375	339,972	392,157
14,907,519	15,230,566	17,786,038	13,065,865	14,576,706	19,343,233
282,390	634,293	19,490	782,927	952,341	1,433,756
5,504,580	8,236,643	3,429,518	1,059,159	-	-
300,988	294,484	211,762	587,331	516,753	687,858
709,013	772,909	896,922	953,842	1,046,588	1,283,053
<u>221,636,798</u>	<u>213,801,167</u>	<u>257,197,428</u>	<u>252,656,199</u>	<u>250,134,229</u>	<u>290,109,609</u>
1,250,463	1,298,680	1,731,347	1,579,142	1,578,311	1,826,649
35,554	-	-	-	-	-
<u>1,286,017</u>	<u>1,298,680</u>	<u>1,731,347</u>	<u>1,579,142</u>	<u>1,578,311</u>	<u>1,826,649</u>
<u>222,922,815</u>	<u>215,099,847</u>	<u>258,928,775</u>	<u>254,235,341</u>	<u>251,712,540</u>	<u>291,936,258</u>
1,165,042	628,376	1,542,679	450,146	996,603	1,791,930
-	-	-	-	6,859	17,944
-	-	-	-	-	1,857
-	-	-	-	-	1,150
-	-	-	-	99,900	13,059
3,350,262	3,278,676	2,636,047	474,026	1,217,660	3,370,868
372,999	340,734	261,401	446,636	399,423	404,008
-	-	-	-	-	812
496,326	437,126	301,293	146,424	219,725	168,603
-	-	-	-	17,758	3,094
-	-	-	-	-	14,792
<u>51,630,194</u>	<u>29,774,364</u>	<u>39,873,798</u>	<u>42,416,544</u>	<u>33,883,627</u>	<u>36,037,006</u>
<u>57,014,823</u>	<u>34,459,276</u>	<u>44,615,218</u>	<u>43,933,776</u>	<u>36,841,555</u>	<u>41,825,123</u>
1,395,607	1,312,181	1,609,065	2,573,644	1,708,691	1,770,215
29,483	-	-	-	-	-
<u>1,425,090</u>	<u>1,312,181</u>	<u>1,609,065</u>	<u>2,573,644</u>	<u>1,708,691</u>	<u>1,770,215</u>
<u>\$ 58,439,913</u>	<u>\$ 35,771,457</u>	<u>\$ 46,224,283</u>	<u>\$ 46,507,420</u>	<u>\$ 38,550,246</u>	<u>\$ 43,595,338</u>

HAYS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

CHANGE IN NET POSITION

LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	Fiscal Year			
	2014	2015	2016	2017
Net (Expense)/Revenue				
Governmental activities	\$ (131,446,032)	\$ (141,380,977)	\$ (158,883,303)	\$ (168,768,951)
Business-type activities	<u>209,296</u>	<u>74,719</u>	<u>(27,550)</u>	<u>(92,350)</u>
Total primary government net expense	<u>(131,236,736)</u>	<u>(141,306,258)</u>	<u>(158,910,853)</u>	<u>(168,861,301)</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property taxes levied for general purposes	44,123,473	48,011,760	54,407,063	62,826,641
Property taxes levied for debt service	17,865,332	22,993,340	26,096,066	30,061,633
State aid-formula grants	73,523,774	78,696,858	84,932,606	78,950,276
Investment earnings	69,273	146,896	387,648	657,291
Miscellaneous	186,303	45,423	56,084	9,089
Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total government activities	<u>135,768,155</u>	<u>149,894,277</u>	<u>165,879,467</u>	<u>172,504,930</u>
Business-type activities:				
Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total business-type activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government	<u>135,768,155</u>	<u>149,894,277</u>	<u>165,879,467</u>	<u>172,504,930</u>
Change in Net Position				
Governmental activities	4,322,123	8,513,300	6,996,164	3,735,979
Business-type activities	<u>209,296</u>	<u>74,719</u>	<u>(27,550)</u>	<u>(92,350)</u>
Total primary government	<u>\$ 4,531,419</u>	<u>\$ 8,588,019</u>	<u>\$ 6,968,614</u>	<u>\$ 3,643,629</u>

⁽¹⁾ Prior to 2019, fiscal year-end was August 31.

Source of Information: Hays Consolidated Independent School District Financial Statements

TABLE 3

Fiscal Year					
2018	2019 ⁽¹⁾	2020	2021	2022	2023
\$ (164,621,975) 139,073	\$ (179,341,891) 13,501	\$ (212,582,210) (122,282)	\$ (208,722,423) 994,502	\$ (213,292,674) 130,380	\$ (248,284,486) (56,434)
<u>(164,482,902)</u>	<u>(179,328,390)</u>	<u>(212,704,492)</u>	<u>(207,727,921)</u>	<u>(213,162,294)</u>	<u>(248,340,920)</u>
70,597,077	78,569,804	83,911,312	88,128,431	100,308,486	131,002,666
33,793,448	37,581,262	43,030,316	48,377,199	56,035,401	74,737,781
79,327,796	75,017,644	87,219,968	84,600,303	81,277,805	57,496,718
2,669,340	3,303,183	1,935,782	195,111	459,754	11,618,190
923,095	155,849	219,299	1,767,821	2,671,945	150,562
<u>-</u>	<u>-</u>	<u>-</u>	<u>9,352</u>	<u>-</u>	<u>-</u>
<u>187,310,756</u>	<u>194,627,742</u>	<u>216,316,677</u>	<u>223,078,217</u>	<u>240,753,391</u>	<u>275,005,917</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,352)</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,352)</u>	<u>-</u>	<u>-</u>
<u>187,310,756</u>	<u>194,627,742</u>	<u>216,316,677</u>	<u>223,068,865</u>	<u>240,753,391</u>	<u>275,005,917</u>
22,688,781	15,285,851	3,734,467	14,355,794	27,460,717	26,721,431
<u>139,073</u>	<u>13,501</u>	<u>(122,282)</u>	<u>985,150</u>	<u>130,380</u>	<u>(56,434)</u>
<u>\$ 22,827,854</u>	<u>\$ 15,299,352</u>	<u>\$ 3,612,185</u>	<u>\$ 15,340,944</u>	<u>\$ 27,591,097</u>	<u>\$ 26,664,997</u>

HAYS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	Fiscal Year			
	2014	2015	2016	2017
General Fund				
Nonspendable	\$ 60,927	\$ 25,430	\$ 63,306	\$ 32,862
Assigned	655,581	372,518	3,450,273	4,162,549
Committeed	2,280,000	5,375,000	4,931,000	8,725,000
Unassigned	<u>37,146,051</u>	<u>40,552,771</u>	<u>44,488,749</u>	<u>37,885,773</u>
Total general fund	<u>40,142,559</u>	<u>46,325,719</u>	<u>52,933,328</u>	<u>50,806,184</u>
All Other Governmental Funds				
Nonspendable	-	-	841	512
Restricted:				
Debt service funds	1,340,834	1,633,963	1,444,389	1,142,137
Authorized construction	59,566,975	40,047,724	10,245,619	163,748,921
Grant funds	1,219,161	1,283,148	1,264,422	1,540,113
Assigned:				
Construction	476,993	452,876	284,000	55,749
Purchases on order	<u>-</u>	<u>39,562</u>	<u>26,413</u>	<u>20,959</u>
Total all other governmental funds	<u>62,603,963</u>	<u>43,457,273</u>	<u>13,265,684</u>	<u>166,508,391</u>
Total Governmental Funds	<u>\$102,746,522</u>	<u>\$ 89,782,992</u>	<u>\$ 66,199,012</u>	<u>\$ 217,314,575</u>

⁽¹⁾ Prior to 2019, fiscal year-end was August 31.

Source of Information: Hays Consolidated Independent School District Financial Statements

TABLE 4

Fiscal Year					
2018	2019 ⁽¹⁾	2020	2021	2022	2023
\$ 1,300	\$ 2,370	\$ 5,378,352	\$ 5,059,267	\$ 5,490,008	\$ 4,562,463
11,461,783	7,455,497	3,529,302	8,182,398	12,124,185	17,279,506
3,509,200	1,736,899	-	-	-	-
<u>34,613,866</u>	<u>54,934,187</u>	<u>58,590,958</u>	<u>58,513,212</u>	<u>47,203,005</u>	<u>25,916,379</u>
<u>49,586,149</u>	<u>64,128,953</u>	<u>67,498,612</u>	<u>71,754,877</u>	<u>64,817,198</u>	<u>47,758,348</u>
500	500	500	500	186,701	113,889
2,006,431	23,349,912	32,276,540	29,506,217	32,116,464	37,846,686
38,504,693	35,965,570	18,920,149	12,593,338	49,151,180	170,445,101
2,315,065	3,310,410	3,570,317	2,869,554	6,244,341	6,795,276
51,085	52,144	52,822	-	-	-
-	-	-	-	-	-
<u>42,877,774</u>	<u>62,678,536</u>	<u>54,820,328</u>	<u>44,969,609</u>	<u>87,698,686</u>	<u>215,200,952</u>
<u>\$ 92,463,923</u>	<u>\$126,807,489</u>	<u>\$122,318,940</u>	<u>\$116,724,486</u>	<u>\$ 152,515,884</u>	<u>\$ 262,959,300</u>

HAYS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS (Modified Accrual Basis of Accounting)

	Fiscal Year			
	2014	2015	2016	2017
Local and intermediate sources	\$ 66,325,038	\$ 75,258,464	\$ 84,863,053	\$ 98,435,018
State programs revenues	86,061,519	92,966,538	99,367,340	93,784,115
Federal programs revenues	12,542,845	11,045,109	13,111,617	13,541,311
Total Revenues	<u>164,929,402</u>	<u>179,270,111</u>	<u>197,342,010</u>	<u>205,760,444</u>
Expenditures by Function				
Instruction	\$ 78,831,772	\$ 86,600,733	\$ 91,009,858	\$ 97,332,263
Instructional resources and media services	1,996,531	1,996,950	2,023,272	2,079,957
Curriculum and staff development	1,678,011	2,379,021	3,184,042	3,582,413
Instructional leadership	1,918,819	2,485,211	2,949,233	3,241,944
School leadership	6,915,883	7,418,698	8,512,099	9,292,350
Guidance, counseling, and evaluation services	4,178,543	4,297,038	4,838,321	4,686,444
Social work services	146,646	169,560	233,512	351,607
Health services	1,634,800	1,725,070	1,687,372	1,752,367
Student transportation	8,621,617	9,177,755	10,056,405	10,362,395
Food services	7,955,063	7,923,593	8,467,554	8,177,530
Extracurricular activities	2,973,678	3,469,851	3,710,759	4,066,622
General administration	3,167,448	3,531,979	3,928,900	4,792,565
Facilities maintenance and operations	14,065,597	13,943,176	15,148,240	18,397,915
Security and monitoring services	1,135,717	1,118,623	1,171,521	1,453,104
Data processing services	2,329,813	3,753,419	4,669,491	4,446,394
Community services	251,532	282,388	309,814	336,296
Debt service - principal on long-term debt	12,209,061	14,350,000	18,370,000	21,615,000
Debt service - interest on long-term debt	12,146,515	14,378,185	12,459,775	13,227,640
Debt service - bond issuance costs and fees	356,508	11,154	614,954	1,214,650
Facilities acquisition and construction	1,083,747	12,375,171	25,832,053	19,373,683
Payments related to shared services arrangements	68,503	238,923	268,872	388,879
Other intergovernmental charges	544,826	607,143	619,561	674,577
Total Expenditures by Function	<u>164,210,630</u>	<u>192,233,641</u>	<u>220,065,608</u>	<u>230,846,595</u>
Other Financing Sources (Uses)				
Bonds, leases and SBITAs issued	51,655,000	-	-	160,340,000
Refunding bonds issued	-	-	63,970,000	-
Sale of assets	-	-	44,300	-
Premium/discount on issuance of bond	7,803,889	-	12,944,809	15,861,714
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Payment to bond refunding escrow agent	-	-	77,819,491	-
Total Other Financing Sources (Uses)	<u>59,458,889</u>	<u>-</u>	<u>154,778,600</u>	<u>176,201,714</u>
Net change in fund balances	<u>\$ 60,177,661</u>	<u>\$ (12,963,530)</u>	<u>\$ 132,055,002</u>	<u>\$ 151,115,563</u>
Debt Service as a Percentage of Noncapital Expenditures	15.00%	16.15%	14.99%	16.10%

⁽¹⁾ Prior to 2019, fiscal year-end was August 31.

This table includes all governmental fund types of the Hays Consolidated Independent School District.

Revenue classifications are in accordance with those prescribed by the Texas Education Agency.

Source of Information: Hays Consolidated Independent School District Financial Statements

TABLE 5

Fiscal Year					
2018	2019 ⁽¹⁾	2020	2021	2022	2023
\$ 113,607,423	\$ 124,315,788	\$ 133,333,660	\$ 140,284,464	\$ 161,726,365	\$ 221,684,652
90,039,709	84,790,190	103,161,882	98,685,577	95,754,712	72,162,539
13,846,370	13,004,528	16,396,007	26,151,629	34,476,318	29,721,806
<u>217,493,502</u>	<u>222,110,506</u>	<u>252,891,549</u>	<u>265,121,670</u>	<u>291,957,395</u>	<u>323,568,997</u>
\$ 101,676,054	\$ 96,335,343	\$ 118,016,735	\$ 123,395,917	\$ 134,298,854	\$ 141,851,168
2,519,951	3,482,941	3,186,125	2,682,953	2,722,985	3,134,109
2,761,806	1,973,299	2,340,289	2,029,275	3,369,048	6,722,527
3,319,517	2,714,209	4,263,969	5,079,378	5,812,209	6,448,932
9,978,796	9,433,122	11,565,750	11,915,579	12,561,547	14,032,871
5,481,817	5,332,461	6,701,183	6,826,804	7,164,272	7,963,165
311,703	338,755	247,399	263,035	342,773	1,412,296
1,816,096	1,754,277	2,105,072	2,273,252	2,547,328	2,581,791
10,348,650	10,753,218	12,096,316	9,895,038	14,057,820	12,673,486
8,335,277	8,089,916	9,171,921	7,316,720	10,701,552	11,313,710
4,374,590	3,763,401	5,010,967	5,722,282	7,656,020	7,638,916
4,417,563	3,930,886	4,760,888	4,871,389	5,480,843	6,627,260
19,462,584	15,984,059	19,387,247	21,205,586	26,895,984	23,453,174
1,673,785	1,769,822	1,811,236	2,496,644	2,695,080	3,217,444
5,044,612	3,980,786	4,827,561	5,167,138	5,135,996	6,441,375
292,218	308,664	355,170	346,877	502,431	484,605
17,755,000	7,445,000	15,225,000	34,325,000	35,149,152	48,572,471
17,629,077	9,940,675	19,846,853	18,660,349	18,945,142	23,073,930
282,390	634,293	19,490	782,927	952,341	1,433,756
124,132,190	74,365,544	15,332,243	4,708,730	83,719,029	67,679,281
300,988	294,484	211,762	587,331	516,753	687,858
709,013	772,909	896,922	953,842	1,046,588	1,283,053
<u>342,623,677</u>	<u>263,398,064</u>	<u>257,380,098</u>	<u>271,506,046</u>	<u>382,273,747</u>	<u>398,727,178</u>
-	71,945,000	-	-	-	172,552,871
25,460,000	-	-	98,675,000	115,210,000	-
-	-	-	12,096	175,878	393,688
3,062,193	3,686,124	-	13,204,278	10,721,872	12,655,038
-	-	-	1,144,027	-	-
-	-	-	(1,134,399)	-	-
(28,242,670)	-	-	(111,111,080)	-	-
<u>279,523</u>	<u>75,631,124</u>	<u>-</u>	<u>789,922</u>	<u>126,107,750</u>	<u>185,601,597</u>
<u>\$(124,850,652)</u>	<u>\$ 34,343,566</u>	<u>\$ (4,488,549)</u>	<u>\$ (5,594,454)</u>	<u>\$ 35,791,398</u>	<u>\$ 110,443,416</u>
15.91%	9.26%	14.38%	19.88%	18.33%	21.55%

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

Fiscal Year	Total Assessed Value	Total Exemptions and Freeze	Net Taxable Value	Maintenance and Operations Rate	Interest and Sinking Rate	Total Direct Rate
2014	\$4,236,806,475	\$ 327,245,090	\$ 3,909,561,385	1.0400	0.4213	1.4613
2015	4,596,630,106	372,920,957	4,223,709,149	1.0400	0.4977	1.5377
2016	5,188,876,490	434,955,806	4,753,920,684	1.0400	0.4977	1.5377
2017	6,060,543,294	542,394,429	5,518,148,865	1.0400	0.4977	1.5377
2018	6,825,443,446	674,922,912	6,150,520,534	1.0400	0.4977	1.5377
2019	7,700,928,093	813,360,123	6,887,567,970	1.0400	0.4977	1.5377
2020	8,816,679,378	955,419,806	7,861,259,572	0.9700	0.4977	1.4677
2021	9,818,256,253	1,094,585,758	8,723,670,495	0.9060	0.4977	1.4037
2022	11,212,072,369	1,293,144,343	9,918,928,026	0.8720	0.4877	1.3597
2023	16,794,353,038	1,436,901,053	15,357,451,985	0.8546	0.4877	1.3423

Notes:

Assessed Valuation for 2022 represents 5.09% personal property and 94.91% real/other property, before exemptions.

The major components of real property for 2022 are \$595,822,190 of land and \$11,109,918,289 of improvements before any exemptions.

Source of Information: Hays, Caldwell, and Travis Central Appraisal Districts July 25th Certified Valuation Reports.

HAYS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

PROPERTY TAX RATES * - DIRECT AND MAJOR OVERLAPPING GOVERNMENTS LAST TEN FISCAL YEARS

Fiscal Year	Hays Cons. Independent School District M/O	Hays Cons. Independent School District I & S	Hays Cons. Independent School District Total	City of Buda	City of Kyle	City of Hays	City of Mountain City	City of Niederwald
2014	1.0400	0.4977	1.53770	0.29780	0.53830	0.11640	0.12300	0.28800
2015	1.0400	0.4977	1.53770	0.29780	0.53830	0.11640	0.12300	0.28800
2016	1.0400	0.4977	1.53770	0.37040	0.57480	0.14000	0.12300	0.27880
2017	1.0400	0.4977	1.53770	0.36730	0.54160	0.14000	0.12300	0.26210
2018	1.0400	0.4977	1.53770	0.37100	0.54160	0.14000	0.12300	0.21660
2019	1.0400	0.4977	1.53770	0.34960	0.54160	0.13600	0.12300	0.16320
2020	0.9700	0.4977	1.46770	0.34230	0.52010	0.10960	0.11900	0.12260
2021	0.9060	0.4977	1.40370	0.34230	0.50820	0.10420	0.11030	0.11090
2022	0.8720	0.4877	1.35970	0.34230	0.50820	0.09530	0.09590	0.08340
2023	0.6692	0.4877	1.15690	0.33790	0.50820	0.08960	0.08440	0.07410

* - Per \$100 of assessed valuation.

A maintenance and operations tax rate may be set above \$1.04 through tax ratification election.

N/A = not available

Source of Information: Hays County Tax Office, Caldwell County Tax Office and Travis County Tax Office

TABLE 7

City of San Marcos	City of Uhland	Caldwell County	Hays County	Travis County	Austin Community College	Greenhawe WICD #2	North Hays County MUD #1	South Buda WICD #1	Sunfield MUD #1
0.53020	0.20600	0.69050	0.42520	0.45630	0.09420	0.85000	0.90000	0.90000	0.90000
0.53020	0.20600	0.69050	0.42520	0.45630	0.09420	0.85000	0.90000	0.90000	0.90000
0.53020	0.19490	0.77520	0.41620	0.38380	0.10200	0.60000	0.90000	0.90000	0.90000
0.61390	0.18000	0.77530	0.40120	0.36900	0.10080	0.45000	0.90000	0.90000	0.90000
0.61390	0.17510	0.77530	0.43370	0.35420	0.10480	0.35000	0.88000	0.90000	0.90000
0.61390	0.17510	0.74300	0.38990	0.35420	0.10490	0.31800	0.88000	0.90000	0.90000
0.59300	0.17510	0.70530	0.39240	0.37436	0.10580	0.25000	0.87000	0.90000	0.90000
0.60300	0.17510	0.67180	0.36290	0.35737	0.10480	0.23000	0.85750	0.89000	0.90000
0.60300	0.11420	0.55310	0.29500	0.31824	0.09870	0.18200	0.70850	0.75000	0.90000
0.60300	0.09310	0.55320	0.28750	0.30466	0.09860	0.15920	0.50000	0.66250	0.90000

HAYS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

TABLE 8

**PRINCIPAL PROPERTY TAXPAYERS
FISCAL YEAR 2023**

# Principal Taxpayers	Type of Property	2023	
		Taxable Assessed Valuation	Percentage of Total Taxable Assessed Valuation
1 Continental Homes of Texas LP	Real Estate	\$ 83,795,197	13.33%
2 Yarrington Logistics Owner LP	Corporation	74,253,669	11.81%
3 Texas Lehigh Cement Co	Cement/ Construction	67,265,133	10.70%
4 USEF Whisper LLC	Corporation	67,239,930	10.69%
5 Amazon.com Services Inc	Retail	67,121,452	10.67%
6 Simwon NA, Corp	Corporation	57,932,053	9.21%
7 Plum Creek Apartments LLC	Apartment Complex	56,344,705	8.96%
8 IVT Kyle Marketplace 1031 LLC	Commercial	52,594,184	8.36%
9 Buda Acquisition LLC	Corporation	52,380,996	8.33%
10 WW Carrington Oaks LLC	Commercial	49,874,257	7.93%
Total		<u>\$ 628,801,576</u>	99.99%
Total Net Taxable Value		<u>\$ 628,801,576</u>	100.00%

Notes:

The principal property taxpayers from ten (10) years prior is not available.

Source of Information: Hays Central Appraisal District

HAYS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT**TABLE 9****PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year	Tax Levy	Levy Year Tax Collections	Percent of Levy Collected in Levy Year	Tax Collections in Subsequent Years	Total Tax Collections to Date 2023	Total Collections to Date as Percent of Levy
2014	\$ 61,318,121	\$ 60,434,565	98.56%	\$ 797,648	\$ 61,232,213	99.86%
2015	70,123,666	69,288,233	98.81%	718,595	70,006,828	99.83%
2016	79,501,082	78,333,091	98.53%	1,008,203	79,341,294	99.80%
2017	92,071,052	91,429,152	99.30%	375,779	91,804,931	99.71%
2018	103,765,765	103,011,683	99.27%	585,326	103,597,009	99.84%
2019	115,663,918	114,627,071	99.10%	482,324	115,109,395	99.52%
2020	125,669,952	125,050,192	99.51%	524,432	125,574,624	99.92%
2021	135,621,686	133,293,405	98.28%	1,665,163	134,958,568	99.51%
2022	152,450,548	153,287,803	100.55%	748,932	154,036,735	101.04%
2023	206,143,078	202,792,615	98.37%	-	202,792,615	98.37%

Note: Adjustments to tax levy are not reflected on the schedule and may cause total collections to exceed 100%.

Source of Information: Hays Consolidated Independent School District; Hays County Tax Office

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**OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Fiscal Year	Governmental Activities			Total Primary Government	Percentage of Personal Income	Estimated Population	Per Capita
	Bonds Payable	SBITAs	Leases				
2014	\$ 366,355,034	-	\$ -	\$ 366,355,034	10.31%	83,703 *	4,377
2015	350,475,081	-	-	350,475,081	9.73%	86,084 *	4,071
2016	335,009,740	-	-	335,009,740	8.63%	89,844 *	3,729
2017	486,987,078	-	-	486,987,078	12.16%	91,816 *	5,304
2018	466,814,842	-	-	466,814,842	7.18%	106,193 +	4,396
2019	532,120,790	-	-	532,120,790	6.47%	113,439 +	4,691
2020	513,433,592	-	-	513,433,592	5.81%	113,553 +	4,522
2021	493,634,607	-	-	493,634,607	4.94%	126,198 +	3,912
2022	566,913,240	334,079	972,427	568,219,746	4.58%	127,606	4,453
2023	693,885,695	335,075	1,726,851	695,947,621	4.57%	129,030	4,917

Source of Information: Hays Consolidated Independent School District and
Municipal Advisory Council of Texas

* Estimated Population from Municipal Advisory Council of Texas

+ Templeton Demographics

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

<u>Fiscal Year</u>	<u>Taxable Assessed Value</u>	<u>Assessment Ratio</u>	<u>Gross Bonded Debt Outstanding at Year-end</u>	<u>Reserve for Retirement of Bonded Debt</u>
2014	\$ 3,910,777,705	100%	\$ 366,355,034	\$ 1,340,834
2015	4,223,693,653	100%	350,475,081	1,633,963
2016	4,765,260,525	100%	335,009,740	1,444,389
2017	5,518,026,709	100%	486,987,078	1,142,137
2018	6,150,271,472	100%	466,814,842	2,006,431
2019	6,887,567,970	100%	532,120,790	23,349,912
2020	7,861,259,572	100%	513,433,592	32,276,540
2021	8,723,670,495	100%	493,634,607	23,688,398
2022	11,212,072,369	100%	566,913,240	26,418,501
2023	15,357,451,985	100%	693,885,695	30,803,226

Source of Information: Hays Central Appraisal District and District Debt Schedules

* Estimated Population from Municipal Advisory Council of Texas

TABLE 11

	Net Bonded Debt Outstanding at Year-end	Ratio Net Bonded Debt to Taxable Assessed Valuation	Estimated Population	Net Bonded Debt per Capita	Taxable Assessed Valuation per Capita
\$	365,014,200	9.33%	83,703	\$ 4,361	\$ 46,722
	348,841,118	8.26%	86,084	4,052	49,065
	333,565,351	7.00%	89,844	3,713	53,039
	485,844,941	8.80%	91,816	5,292	60,099
	464,808,411	7.56%	106,193	4,377	57,916
	508,770,878	7.39%	113,439 ⁺	4,485	60,716
	481,157,052	6.12%	113,553 ⁺	4,237	69,230
	469,946,209	5.39%	126,198	3,724	69,127
	540,494,739	4.82%	127,606	4,236	87,865
	663,082,469	4.32%	129,030	5,139	119,022

HAYS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT**TABLE 12****ESTIMATED GENERAL OBLIGATION OVERLAPPING DEBT STATEMENT
FISCAL YEAR 2023**

<u>Taxing Body</u>	<u>Gross Dollar Amount</u>	<u>Percent Overlapping</u>	<u>Dollar Overlap</u>
Anthem MUD	\$ 9,595,000	100.00%	\$ 9,595,000
Austin Community College District	414,210,000	4.80%	19,882,080
Austin, City of	1,659,755,000	0.12%	1,991,706
Buda, City of	143,330,000	100.00%	143,330,000
Caldwell County	15,270,000	1.84%	280,968
Crosswinds MUD	19,560,000	100.00%	19,560,000
Greenhawe WCID #2	7,170,000	16.73%	1,199,541
Hays County	500,607,455	41.31%	206,800,940
Kyle, City of	161,715,000	100.00%	161,715,000
Mountain City, City of	265,000	100.00%	265,000
North Hays Co MUD #1	42,510,000	100.00%	42,510,000
San Marcos, City of	408,620,000	11.44%	46,746,128
South Buda WCID #1	34,960,000	100.00%	34,960,000
Sunfield MUD #1	52,104,540	100.00%	52,104,540
Sunfield MUD #3	92,524,550	100.00%	92,524,550
Sunfield MUD #4	870,910	100.00%	870,910
Travis County	900,550,000	0.03%	270,165
Travis County Healthcare District	73,795,000	0.03%	22,139
	Subtotal, overlapping debt		<u>834,628,667</u>
	Hays Consolidated Independent School District direct debt		<u>695,612,546</u>
	Total direct and overlapping debt		<u>\$ 1,530,241,213</u>

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

Source: Municipal Advisory Council of Texas

DEMOGRAPHIC AND ECONOMIC STATISTICS

Fiscal Year	Population		Personal Income	Per Capita Mean Wage	Unemployment Rate
2014	83,703	* \$	3,553,945,677	\$ 42,459	3.90%
2015	86,084	*	3,600,291,132	41,823	3.30%
2016	89,844	*	3,883,327,212	43,223	3.30%
2017	91,816	*	4,003,636,680	43,605	3.40%
2018	106,193	+	6,505,489,373	61,261	3.20%
2019	113,439	+	8,225,802,207	72,513	2.90%
2020	113,553	+	8,831,243,916	77,772	7.90%
2021	126,198	+	9,988,571,700	79,150	5.00%
2022	127,606		12,402,537,564	97,194	3.10%
2023	129,030		13,871,112,090	107,503	3.50%

Notes:

Personal income is the product of district population and mean wage.

Mean wage is for Rural Capital counties as defined by Texas Workforce Commission and includes Hays County.

Unemployment rate is from U.S. Bureau of Labor Statistics.

Source: Municipal Advisory Council of Texas and Texas Workforce Commission

* Estimated Population from Templeton Demographics

+ Templeton Demographics

MAJOR EMPLOYERS
CURRENT YEAR

Employer	2023	
	Estimated Range of Employees	Percentage of Total
Amazon	600	7.00%
Cabela's	200	2.00%
Capital Excavation	300	3.00%
CFAN	650	7.00%
City Of Kyle	350	4.00%
Costco	200	2.00%
FedEX	500	6.00%
H E B Foods	450	5.00%
Hays CISD	3,400	39.00%
Hays Community YMCA	150	2.00%
Plastikon	200	2.00%
Lowes Distribution	400	5.00%
Seton Hays (Ascension)	800	9.00%
Texas-Lehigh Cement Co.	150	2.00%
Wal-Mart Super Center	450	5.00%
	<u>8,800</u>	<u>100.00%</u>

Notes:

Employers represent zip codes 78610 and 78640.

Principal employer information from ten (10) years prior is not available.

Source: Greater San Marcos Partnership Economic Development, Buda Economic Development Corp.,
and Kyle Economic Development

HAYS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT**TABLE 15****FULL-TIME-EQUIVALENT DISTRICT EMPLOYEES BY TYPE**

<u>Fiscal Year</u>	<u>Teachers</u>	<u>Professional Support</u>	<u>Campus Administration</u>	<u>Central Administration</u>	<u>Educational Aides</u>	<u>Auxiliary Staff</u>	<u>Total FTEs</u>
2014	1,070.3	208.0	53.3	22.8	140.8	734.9	2,230.1
2015	1,075.1	221.6	54.3	23.7	146.4	708.3	2,229.4
2016	1,119.2	241.0	55.7	24.3	159.3	716.3	2,315.8
2017	1,198.4	256.8	64.1	25.0	182.4	737.1	2,463.8
2018	1,228.7	260.5	66.0	24.9	197.7	724.2	2,502.0
2019	1,253.9	291.0	70.8	29.1	208.3	746.5	2,599.6
2020	1,329.7	315.9	75.0	26.3	258.8	779.0	2,784.7
2021	1,382.8	313.8	73.3	28.3	252.7	788.5	2,839.4
2022	1,454.4	312.0	76.0	31.9	257.9	784.8	2,916.9
2023	1,498.7	358.8	82.2	33.5	267.8	822.6	3,063.7

Source: TSDS PEIMS Staff Summary published by the Texas Education Agency

HAYS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

TEACHER DATA

	Fiscal Year				
	2014	2015	2016	2017	2018
Total Number of Teachers	1,070.3	1,075.1	1,119.2	1,198.4	1,228.7
Teachers by Highest Degree Held					
No Degree	3.0	5.8	5.0	5.0	7.0
Bachelors	763.8	770.2	802.7	857.4	874.7
Masters	295.4	292.0	303.5	325.9	339.0
Doctorate	8.0	7.0	8.0	10.1	8.0
Teachers by Years of Experience					
Beginning Teachers	82.5	69.5	59.0	49.9	80.1
1-5 Years Experience	298.4	303.8	318.7	364.6	360.3
6-10 Years Experiences	295.8	287.8	307.8	306.4	290.7
11-20 Years Experience	268.8	296.2	314.0	355.7	357.4
Over 20 Years Experience	124.7	117.7	119.7	121.9	140.2
Average Salary by Years Experience					
Beginning Teachers	41,763	39,366	43,404	44,914	46,165
1-5 Years Experience	42,693	43,962	45,813	46,865	48,040
6-10 Years Experiences	44,981	46,435	48,159	49,359	50,390
11-20 Years Experience	49,214	49,944	51,868	52,924	53,623
Over 20 Years Experience	56,630	55,617	57,715	58,869	59,555
Overall Average Years with District	6.0	5.9	5.7	5.7	5.7
Overall Average Years Experience	10.0	9.9	10.0	10.1	10.2
Overall Average Teacher Salary	46,515	47,249	49,302	50,440	51,412
Turnover Rate for Teachers	16.1%	17.2%	16.1%	15.0%	17.4%

Source: TSDS PEIMS Staff Summary published by the Texas Education Agency

TABLE 16

Fiscal Year				
2019	2020	2021	2022	2023
1,253.9	1,329.7	1,382.8	1,454.4	1,498.7
6.0	8.6	10.3	10.0	11.7
903.3	947.0	979.0	1,038.0	1,054.9
334.5	363.4	379.6	393.6	415.3
10.2	10.8	13.9	12.9	16.9
67.6	79.0	72.6	79.4	101.1
376.0	388.2	395.9	415.0	398.8
277.6	274.0	301.4	314.8	343.7
392.9	438.1	455.6	454.4	453.9
139.9	150.3	157.3	190.7	201.3
42,426	47,031	43,586	44,931	51,308
48,316	50,807	51,933	53,690	57,392
51,621	54,301	55,681	57,321	61,202
55,237	58,028	59,614	61,554	65,793
61,411	64,462	66,219	67,708	71,697
5.6	5.5	5.7	5.6	5.6
10.2	10.3	10.3	10.4	10.5
52,362	55,226	56,467	58,289	62,323
11.6%	16.0%	12.3%	7.3%	6.1%

HAYS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT**TABLE 17****EXPENDITURES, ENROLLMENT AND PER PUPIL COST**

Fiscal Year	Enrollment	Operating Expenditures	Cost per Pupil	Governmental Funds Expenditures	Cost per Pupil	Teaching Staff	Pupil-Teacher Ratio	Students Receiving Free/Reduced Lunch
2014	17,255	\$ 123,125,959	\$ 7,136	\$ 164,210,630	\$ 9,517	1,070	16.1	50.7%
2015	17,948	129,076,875	7,192	192,233,641	10,711	1,075	16.7	49.7%
2016	18,654	143,493,087	7,692	220,065,608	11,797	1,119	16.7	49.2%
2017	19,215	156,056,254	8,122	224,846,595	11,702	1,198	16.0	47.6%
2018	19,866	163,368,180	8,224	342,623,677	17,247	1,229	16.1	47.5%
2019	19,929	150,496,858	7,552	262,671,501	13,180	1,254	15.9	51.4%
2020	20,793	181,787,776	8,743	255,101,390	12,269	1,336	15.6	49.0%
2021	20,322	183,761,409	9,042	271,506,046	13,360	1,382	14.7	46.4%
2022	21,405	208,964,143	9,762	382,273,747	17,859	1,454	14.7	41.6%
2023	22,297	227,417,800	10,199	398,727,178	17,883	1,499	14.9	48.0%

Operating expenditures include only the General Fund Budget

HAYS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT**TABLE 18****TOTAL EXPENSES OF GOVERNMENTAL ACTIVITIES,
ENROLLMENT AND PER PUPIL COST
LAST TEN YEARS**

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Government-Wide Expenses</u>	<u>Cost Per Pupil</u>
2014	17,255	\$ 160,592,176	\$ 9,307
2015	17,948	172,060,511	9,587
2016	18,654	192,249,048	10,306
2017	19,215	202,471,807	10,537
2018	19,866	221,636,798	11,157
2019	19,929	213,801,167	10,728
2020	20,793	257,192,283	12,369
2021	20,322	252,656,199	12,433
2022	21,405	250,134,229	11,686
2023	22,297	290,109,609	13,011

SCHOOL BUILDING INFORMATION
CURRENT YEAR

	Year Built	Grades Served	Enrollment Capacity	Enrollment	Percent of Capacity Used
HIGH SCHOOLS					
Hays High School	1967	9-12	2,250	1,999	88.8%
Johnson High School	2019	9-12	2,250	2,637	117.2%
Lehman High School	2004	9-12	2,250	2,071	92.0%
Live Oak Academy	1973	9-12	175	110	62.9%
MIDDLE SCHOOLS					
Barton Middle School	1993	6-8	1,167	807	69.2%
Chapa Middle School	2006	6-8	1,057	683	64.6%
Dahlstrom Middle School	1985	6-8	1,243	901	72.5%
McCormick Middle School	2016	6-8	1,236	1,075	87.0%
Simon Middle School	2009	6-8	1,074	760	70.8%
Wallace Middle School	1987	6-8	1,042	778	74.7%
ELEMENTARY SCHOOLS					
Blanco Vista Elementary School	2008	K-5	800	723	90.4%
Buda Elementary School	2019	EE-5	900	610	67.8%
Camino Real Elementary School	2008	K-5	800	806	100.8%
Carpenter Hill Elementary School	2010	K-5	800	640	80.0%
Elm Grove Elementary School	2000	K-5	982	702	71.5%
Fuentes Elementary School	2000	EE-5	720	688	95.6%
Green Elementary School	1985	PK-5	714	578	81.0%
Hemphill Elementary School	2000	EE-5	720	617	85.7%
Kyle Elementary School	1950	EE-5	770	616	80.0%
Negley Elementary School	2006	EE-5	967	1,034	106.9%
Pfluger Elementary School	2010	K-5	800	753	94.1%
Science Hall Elementary School	2006	K-5	720	613	85.1%
Tobias Elementary School	2003	K-5	720	703	97.6%
Uhland Elementary School	2018	K-5	900	801	89.0%
Sunfield Elementary School	2022	K-5	900	587	65.2%
OTHER PROGRAMS					
Impact Center (DAEP)	1998	6-12	50	99	198.0%

Notes:

Enrollment as accepted by ESC May 26, 2022.

Building capacity does not include portable buildings.

Source of Information: Hays Consolidated Independent School District

COMPLIANCE SECTION

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

Board of Trustees
Hays Consolidated Independent School District
Kyle, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Hays Consolidated Independent School District as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Hays Consolidated Independent School District's basic financial statements, and have issued our report thereon dated November 13, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

OFFICE LOCATIONS

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

Purpose of This Report

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

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

Waco, Texas
November 13, 2023

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

Board of Trustees
Hays Consolidated Independent School District
Kyle, Texas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Hays Consolidated 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 Hays Consolidated Independent School District's major federal programs for the year ended June 30, 2023. Hays Consolidated 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, Hays Consolidated Independent School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of Hays Consolidated 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 Hays Consolidated 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 Hays Consolidated Independent School District's federal programs.

OFFICE LOCATIONS

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Hays Consolidated 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 Hays Consolidated 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 Hays Consolidated Independent School District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

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

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

Waco, Texas
November 13, 2023

HAYS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

EXHIBIT K-1

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor/ Pass-through Grantor/ Grantor/Program Title	(1) Assistance Listing Number	(2A) Pass-through Entity Identifying Number	(3) Federal Expenditures
<u>U. S. DEPARTMENT OF AGRICULTURE</u>			
Passed through the Texas Education Agency:			
School Breakfast Program (SBP)	10.553	71402201	\$ 281,838
School Breakfast Program (SBP)	10.553	71402301	<u>1,290,554</u>
Total Assistance Listing Number 10.553			<u>1,572,392</u>
 National School Lunch Program (NSLP)	 10.555	 71302201	 1,020,432
National School Lunch Program (NSLP)	10.555	71302301	<u>4,736,792</u>
 Total Passed through the Texas Education Agency			 <u>7,329,616</u>
Passed through the Texas Department of Agriculture:			
Commodities - Non-cash assistance	10.555	NT4XL1YGLGC5	731,104
COVID-19 - Commodity Storage Delivery Reimbursement	10.555	NT4XL1YGLGC5	6,876
COVID-19 - Supply Chain Assistance	10.555	NT4XL1YGLGC5	<u>5,000</u>
 Total Assistance Listing Number 10.555			 <u>6,500,204</u>
 Total Child Nutrition Cluster			 <u>8,072,596</u>
COVID-19 - Pandemic-EBT Food Benefits Program	10.649	NT4XL1YGLGC5	5,950
Child and Adult Care Food Program	10.558	NT4XL1YGLGC5	<u>224,708</u>
 Total Passed through the Texas Department of Agriculture			 <u>973,638</u>
 TOTAL U. S. DEPARTMENT OF AGRICULTURE			 <u>8,303,254</u>
<u>U. S. DEPARTMENT OF DEFENSE</u>			
Direct program:			
NJROTC & MJROTC	12.357	N3357617MJRTC	<u>198,771</u>
Total Direct Programs			<u>198,771</u>
 TOTAL U. S. DEPARTMENT OF DEFENSE			 <u>198,771</u>
<u>U. S. DEPARTMENT OF EDUCATION</u>			
Passed through the Texas Education Agency:			
Title I, Part A - Grants to Local Education Agencies	84.010A	22610101105906	351,821
Title I, Part A - Grants to Local Education Agencies	84.010A	23610101105906	<u>1,920,661</u>
Total Assistance Listing Number 84.010A			<u>2,272,482</u>
 IDEA B Formula - Special Education Grants to States	84.027A	226600011059066000	459,516
IDEA B Formula - Special Education Grants to States	84.027A	236600011059066000	2,855,178
IDEA B Discretionary - Special Education Grants to States	84.027A	225350011059065000	221,832
COVID-19 - IDEA B Formula - American Rescue Plan	84.027A	225350011059065000	<u>684,112</u>
Total Assistance Listing Number 84.027A			<u>4,220,638</u>
 IDEA Preschool - Special Education Preschool Grants	84.173A	216610011059066000	8,118
IDEA Preschool - Special Education Preschool Grants	84.173A	226610011059066000	18,721
COVID-19 - IDEA B Formula - American Rescue Plan 2021	84.173X	225350021059065000	<u>32,074</u>
Total Assistance Listing Number 84.173A			<u>58,913</u>
 Total Special Education (IDEA) Cluster			 <u>4,279,551</u>
Perkins IV - Career and Technical Education	84.048A	22420006105906	41,520
Perkins IV - Career and Technical Education	84.048A	23420006105906	158,198
Perkins IV - Reserve	84.048A	224200287110001	<u>14,290</u>
Total Assistance Listing Number 84.048A			<u>214,008</u>
 Education for Homeless Children and Youth	84.196A	224600057110073	1,004
Education for Homeless Children and Youth	84.196A	234600057110037	<u>44,044</u>
Total Assistance Listing Number 84.196A			<u>45,048</u>

HAYS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

EXHIBIT K-1

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor/ Pass-through Grantor/ Grantor/Program Title	(1) Assistance Listing Number	(2A) Pass-through Entity Identifying Number	(3) Federal Expenditures
<u>U. S. DEPARTMENT OF EDUCATION (Continued)</u>			
Passed through the Texas Education Agency (Continued):			
Title III, Part A - English Language Acquisition	84.365A	22671001105906	\$ 171,032
Title III, Part A - English Language Acquisition	84.365A	23671001105906	<u>360,987</u>
Total Assistance Listing Number 84.365A			<u>532,019</u>
 Title II, Part A - Supporting Effective Instruction State Grants	 84.367A	 20694501105906	 64,932
Title II, Part A - Supporting Effective Instruction State Grants	84.367A	22694501105906	145,613
Title II, Part A - Supporting Effective Instruction State Grants	84.367A	23694501105906	<u>111,368</u>
Total Assistance Listing Number 84.367A			<u>321,913</u>
 Title IV, Part A - Student Support Academic Enrichment Grants	 84.424A	 22680101105906	 17,235
Title IV, Part A - Student Support Academic Enrichment Grants	84.424A	23680101105906	<u>141,741</u>
Total Assistance Listing Number 84.424A			<u>158,976</u>
 COVID-19 - Elementary and Secondary School Emergency Relief Fund	 84.425U	 2152800105906	 8,445,251
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425W	215330017110037	3,234
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425W	21533002105906	<u>32,817</u>
Total Assistance Listing Number 84.425			<u>8,481,302</u>
 LEP Summer School	 84.369A	 69552202	 7,292
LEP Summer School	84.369A	69552102	<u>12,950</u>
Total Assistance Listing Number 84.369A			<u>20,242</u>
 Total Passed through the Texas Education Agency			<u>16,325,541</u>
 TOTAL U. S. DEPARTMENT OF EDUCATION			<u>16,325,541</u>
<u>U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Passed through Texas Health and Human Services Commission:			
Medicaid Administrative Claiming Program - MAC (Medicaid Cluster)	93.778	529-07-0157-00031	<u>90,377</u>
Total Passed through Texas Health and Human Services Commission			<u>90,377</u>
 TOTAL U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>90,377</u>
 TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 24,917,943</u>

HAYS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

JUNE 30, 2023

1. GENERAL

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Hays Consolidated Independent School District (the "District") under programs of the federal government for the year ended June 30, 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 the District, it is not intended to and does not present the financial position, change in net position, or cash flows of the District.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The expenditures reported on the Schedule are reported using the modified accrual basis of accounting, with the exception of the National School Lunch Program, the School Breakfast Program, the Food Distribution Program, and the Child and Adult Care Food Program. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become available and measurable, and expenditures in the accounting period in which the fund liability is incurred, if measurable. Expenditures in the National School Lunch Program, the School Breakfast Program, the Food Distribution Program, and the Child and Adult Care Food Program are not specifically attributable to this revenue source and are shown on the Schedule in an amount equal to revenue for balancing purposes only. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited to reimbursement.

3. PASS-THROUGH EXPENDITURES

None of the federal programs expended by the District were provided to subrecipients.

4. INDIRECT COSTS

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

5. RECONCILIATION OF FEDERAL REVENUES AND THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The following is the reconciliation of federal revenues and the Schedule of Expenditures of Federal Awards for the fiscal year:

Federal revenues on the Statement of Revenues, Expenditures and Changes in Fund Balance Governmental Funds (Exhibit C-3)	\$ 29,721,806
School health and related services revenue	(4,658,637)
E-Rate	<u>(145,226)</u>
Federal expenditures on the Schedule of Expenditures of Federal Awards (Exhibit K-1)	<u>\$ 24,917,943</u>

HAYS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2023

Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued	Unmodified
Internal control over financial reporting: Material weakness(es) identified?	No
Significant deficiency(ies) identified, that were not considered a material weakness	None reported
Material noncompliance to the financial statements noted?	None

Federal Awards:

Internal control over major programs: Material weakness(es) identified?	No
Significant deficiency(ies) identified, that were not considered a material weakness	None reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	None
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Identification of major programs:

Assistance Listing Numbers: 10.553, 10.555 84.425D & 84.425U	Name of Federal Program or Cluster: Child Nutrition Cluster COVID-19 - Elementary and Secondary School Emergency Relief Fund
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Dollar threshold used to distinguish between type A and type B programs	\$750,000
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Auditee qualified as low-risk auditee?	Yes
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Findings Relating to the Financial Statements Which are Required to be Reported in Accordance With Generally Accepted Government Auditing Standards

None

Findings and Questioned Costs for Federal Awards

None



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HAYS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

FOR THE YEAR ENDED AUGUST 31, 2023

NONE