



# Agenda of Regular Meeting October 16, 2023 5:30 PM Public Hearing / 7:00 PM Open Session

A Regular Meeting of the Board of Trustees of Georgetown ISD is October 16, 2023, beginning at 5:30 PM in the GISD Hammerlun Center for Leadership & Learning Building at 507 E University Avenue. Immediately after opening, a Public Hearing will be held. Following the Hearing, the Board of Trustees will convene in Closed Session and will return to Open Session following the completion of Closed Session. The Board will not reconvene in Open Session before 7:00 p.m.

The subjects to be discussed or considered or upon which any formal action may be taken are listed below. Items do not have to be taken in the same order as shown on this meeting notice. Unless removed from the consent agenda, items identified within the consent agenda will be acted on at one time.

If, during the course of the meeting, discussion of any item on the agenda should be held in a closed meeting, the Board will conduct a closed meeting in accordance with the Texas Open Meetings Act, Texas Government Code, Chapter 551, Subchapters D and E or Texas Government Code section 418.183(f). Before any closed meeting is convened, the presiding officer will publicly identify the section or sections of the Act authorizing the closed meeting. All final votes, actions, or decisions will be taken in open meeting. (See TASB Policy BEC Legal).

Prior to consideration of agenda subjects, the Board will hear public comments from any member of the public who has complied with District procedures for signing up to speak.

- I. Determination of Quorum, Call to Order, and Pledges of Allegiance
- II. **5:30 pm** - Public Hearing to Present the 2023 Financial Integrity Rating System of Texas (FIRST) Report **3**  
Jennifer Hanna
- III. Closed Session (authorized by TX Gov't Code Section 551.071, 551.072, 551.074, 551.082, 551.0821)
  - A. Personnel: Consider Appointment, Employment, Evaluation, or Duties of Professional Employees
  - B. Discussion of the Purchase, Exchange, Lease, or Value of Real Property
- IV. Recognitions  
Melinda Brasher
  - A. Jack Frost Citizens
    - 1. EVHS 34

2. GHS	36
B. Perfect SAT Score - Nathan Aaker - Junior at GHS	38
V. Presentations	
A. Demographics Report Presentation for 2Q 2023 Kirby Campbell	39
B. Intruder Detection Audit Finding Heather Stoner	40
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A. District Updates	
B. Events & Activities	
VIII. Hearing of Citizens Who Desire to Come Before the Board	
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E. Fees for Final Plat Documents for the Future ES and MS Site	66
F. Fees for Design Services of a Regional Lift for the Future ES and MS Site	68
G. Recommendation for the Construction Manager at Risk for a Future Middle School	70
H. Temporary Classroom Placement Fall 2023	72
I. Land Purchase – Approximately 64.82 acres in SE Quadrant of GISD	74
X. Action Items	
A. Consideration and Action on the Georgetown ISD Annual Audit Report for the Year Ending June 30, 2023 Jennifer Hanna	75
B. Consideration and Action on Amendment to District of Innovation Plan Wes Vanicek	181
XI. Closed Session (authorized by TX Gov't Code Section 551.071, 551.072, 551.129, 551.074)	
A. Personnel: Consider Appointment, Employment, Evaluation, or Duties of Professional Employees	
B. Discussion of the Purchase, Exchange, Lease, or Value of Real Property	
XII. Adjourn	



## BOARD AGENDA ITEM

**Board Meeting Date: 10/16/2023**

**Submitted Date:** 10/12/2023 12:42:50

- Consent Agenda**
- Action Needed**
- Information Only**
- Recognition**
- Presentation**

**Presentation**

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**Name of Person Responsible:**

Jennifer Hanna, CFO

**Department or Campus:**

Business Services

**Title of Agenda Item:**

Public Hearing to present the 2023 Financial Integrity Rating System of Texas (FIRST) report

**Background Information:**

The School Financial Integrity Rating System of Texas (FIRST) is the State's financial accountability rating system for public school systems. Texas school districts are required to conduct a public hearing on the 2023 School FIRST report. The hearing must be conducted within two months of receiving the official FIRST Rating from the TEA. The information is based on audited 2021-2022 financial data.

Georgetown ISD has accomplished a Superior Achievement rating for 2023. The School FIRST annual financial management report will be presented during the public hearing. In accordance with the requirements of Title 19 Texas Administrative Code Chapter 109.1001(q), public notice of the hearing was published on October 4, 2023. The financial management report will be available upon request and will be posted on the district's website.



## BOARD AGENDA ITEM

The public is invited to comment on the district's report and rating.

**Attachments:**

**Superintendent's Recommendations:**

No action required



**GEORGETOWN**  
INDEPENDENT SCHOOL DISTRICT

# School FIRST 2023 Report Public Hearing October 16, 2023

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Rating based on 2021-22 data

# Financial Integrity Rating System of Texas

- ❖ **FIRST** is an accountability rating system developed by TEA in 1999 that holds school districts accountable for the quality of their financial management practices and actual improved performance.
- ❖ Ratings based on 20 indicators established by the Commissioner of Education.

6



# Types of Ratings

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- ❖ **A for Superior Achievement** is the highest possible score and recognizes the districts with the highest financial integrity.
- ❖ **B for Above Standard Achievement** indicates that the district has performed significantly above the minimum passing score.
- ❖ **C for Standard Achievement** is the minimum passing score and indicates that the district meets the minimum passing standard for financial integrity.
- ❖ **F for Substandard Achievement** indicates the school district did not pass FIRST for the applicable rating year

# FIRST Indicator Categories

## ❖ Critical Indicators

Indicators 1 – 4 Yes/No, Failure to meet requirements of any of these results in an overall F Substandard rating.

\*Indicator 5 is not being scored

## ❖ Solvency Indicators

Indicators 6 – 20, points range from 0 – 10

\*Indicators 10, 14, 15 are not being scored

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# Georgetown ISD 2022 Rating

**A = Superior Achievement**

**With a score of 98 out of 100**

**Ceiling Indicators**

Ceiling Points for indicator 4	100
Ceiling Points for indicator 5	100
Ceiling Points for indicator 6	100
Ceiling Points for indicator 16	100
Ceiling Points for indicator 17	100
Ceiling Points for indicator 20	100
Total Points	98
Were all critical indicators passed?	Yes

# Indicator 1: Filing the Annual Financial Report and Electronic Data Feed

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Was the complete annual financial report (AFR) and data submitted to the TEA within 30 days of the November 27 or January 28 deadline depending on the school district's fiscal year end date of June 30 or August 31, respectively?

10

**Yes, the AFR was submitted 11/07/22**

## Indicator 2: Review the Annual Financial Report

2. Was there an unmodified opinion in the AFR on the financial statements as a whole?

11

**Yes, received a “clean audit”**

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## Indicator 3: Default on Debt

*Was the school district in compliance with the payment terms of all debt agreements at fiscal year end?*

**Yes**

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## Indicator 4: Timely Payment

*Did the school district make timely payments to the Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies?*<sup>13</sup>

**Yes**

## Indicator 5: Unrestricted Net Asset Balance

Was the total unrestricted net asset balance (Net of the accretion of interest for capital appreciation bonds) in the governmental activities column in the Statement of Net Assets greater than zero?

14

**This indicator is not being evaluated.**

## Indicator 6: Average Change in Fund Balance

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Was the average change in (assigned and unassigned) fund balances over 3 years less than a 25 percent decrease or did the current year's assigned and unassigned fund balances exceed 75 days of operational expenditures?

15

(If the school district fails indicator 6, the maximum points and highest rating that the school district may receive is 89 points, B = Above Standard Achievement.)

Yes

0.0115 >= -0.25

## Indicator 7: Cash on Hand and Current Investments

Was the number of days of cash on hand and current investments in the general fund for the school district sufficient to cover operating expenditures (excluding facilities acquisition<sup>16</sup> and construction)?

Cash Equivalent & Investments	65,100,797	*	365	=	162.0096
Total Expenditures (excluding Facilities & Construction)	146,669,801				

# Indicator 8: Current Assets to Current Liabilities

Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt?

17

**$\geq 3.00$**

**Score: 10 Points**

Current Assets	309,564,559	=	<b>4.2776</b>
Current Liabilities	72,368,471		

## Indicator 9: Cash on Hand

Did the school district's general fund revenues equal or exceed expenditures (excluding facilities acquisition and construction)? If not, was the school district's number of days of cash on hand greater than or equal to 60 days?

18

**162.0096 >= 60**

**Score: 10 Points**

Cash Equivalent & Investments	65,100,797	*	365	=	162.0096
Total Expenditures (excluding Facilities & Construction)	146,669,801				

# Indicator 10: Budgeted Revenues to Actual Revenues

*Did the school district average less than a 10 percent variance (90% to 110%) when comparing budgeted revenues to actual revenues for the last 3 fiscal years?*

19

**This indicator is not being evaluated.**

**Score: 10 Points**

# Indicator 11: Long-Term Liability to Total Assets Ratio

Was the ratio of long-term liabilities to total assets for the school district sufficient to support long-term solvency? (If the school district's increase of students in membership over 5 years was 7 percent or more, then the school district passes this indicator.)

20

**0.0919 >= 0.070**

**Score: 10 Points**

2022 Enrollment	12,566
2018 Enrollment	11,508

# Indicator 11: Long-Term Liability to Total Assets Ratio

Was the ratio of long-term liabilities to total assets for the school district sufficient to support long-term solvency? (If the school district's increase of students in membership over 5 years was 7 percent or more, then the school district passes this indicator.)

21

**0.0919 >= 0.70**  
**Score: 10 Points**

2022 Enrollment	12,566
2018 Enrollment	11,508

# Indicator 12: Debt Per \$100 of Assessed Property Value

Was the debt per \$100 of assessed property value ratio sufficient to support future debt repayments?

22

> 4 <= 7  
= 4.3377

$$\left( \left( \frac{\text{Total Local \& Intermediate Sources}}{45,810,641} \div \frac{\text{Total Revenue}}{46,094,975} \right) \times \frac{\text{Long Term Liabilities}}{609,797,149} \times 100 \right) \div \text{Assessed Property Value } 13,971,211,999$$

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## Indicator 13: Administrative Cost Ratio

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Was the school district's administrative cost ratio equal to or less than the threshold ratio for ADA size 10,000 and above?

**$\leq 0.0855$**

**Score: 10 Points**

23

District Administrative Cost Ratio	<b>0.0745</b>
Average Daily Attendance	11,247.143

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## Indicator 14: Student to Staff Ratio

Did the school district **not** have a 15 percent decline in the students to staff ratio over 3 years (total enrollment to total staff)? (If the student enrollment did not decrease, the school district will automatically pass this indicator.)<sup>24</sup>

**This indicator is not being evaluated.**

**Score: 10 Points**

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## Indicator 15: PEIMS Data Quality

Was the school district's ADA within the allotted range of the district's biennial pupil projection(s) submitted to TEA? If the district did not submit pupil projections to TEA, did it certify TEA's projections?

25

**This indicator is not being evaluated.**

**Score: 5 Points**

## Indicator 17: Material Weaknesses Noted On Annual Financial Report (AFR)

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Did the external independent auditor report that the AFR was free of any instance(s) of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds? (The AICPA defines material weakness.) (If the school district fails indicator 17, the maximum points and highest rating that the school district may receive is 79 points, C = Meets Standard Achievement.)

26

**Passed**

## Indicator 18: Material Noncompliance Noted On Annual Financial Report (AFR)

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*Did the external independent auditor indicate the AFR was free of any instance(s) of material noncompliance for grants, contracts, and laws related to local, state, or federal funds? (The AICPA defines material noncompliance.)*

27

**Passed**

**Score: 10 Points**

## Indicator 19: Financial Information Website Posting

Did the school district post the required financial information on its website in accordance with Government Code, Local Government Code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules that were in effect at the school district's fiscal year end?<sup>28</sup>

**Yes**

**Score: 5 Points**

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## Indicator 20: Impact to Funding Discussion

Did the school district's administration and school board members discuss any changes and/or impact to local, state, and federal funding at a board meeting within 120 days before the district adopted its budget?

29

**Passed**



# Required Disclosures

## Board Member and Superintendent Disclosures

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### Superintendent's Employment Contract

A copy of the superintendent's current employment contract at the time of the School FIRST hearing is to be provided. In lieu of publication in the annual School FIRST financial management report, the school district may chose to publish the superintendent's employment contract on the school district's Internet site. If published on the Internet, the contract is to remain accessible for twelve months. <sup>30</sup>

*The Superintendent's Employment Contract is available on the District's webpage found at the following link:*

<https://www.georgetownisd.org/Domain/79>

# Reimbursements Received by the Superintendent and Board Members for Fiscal Year 2022

Description of Reimbursements	Fred Brent	Stephen Benold	Stephanie Blanck	Melanie Dunham/ Conner	Cody Hirt	Jen Mauldin	Elizabeth McFarland	James Scherer	Scott Stribling	Andy Webb
<b>Meals</b>	\$435.14	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Lodging</b>	\$2,559.91	\$596.04	\$596.04	\$0.00	\$0.00	\$0.00	\$565.62	\$0.00	\$0.00	\$1,000.65
<b>Transportation</b>	\$948.96	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$272.05	\$0.00	\$0.00	\$0.00 <sup>31</sup>
<b>Motor Fuel</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Other (includes membership dues)</b>	\$13,252.85	\$1,295.00	\$1,670.00	\$460.00	\$0.00	\$1,235.00	\$435.00	\$0.00	\$0.00	\$0.00
<b>Total</b>	<b>\$17,196.86</b>	<b>\$1,891.04</b>	<b>\$2,266.04</b>	<b>\$460.00</b>	<b>\$0.00</b>	<b>\$1,235.00</b>	<b>\$1,272.67</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$1,000.65</b>

**Meals** – Meals consumed off of the school district’s premises, and in-district meals at area restaurants.

**Lodging** - Hotel charges.

**Transportation** - Airfare, car rental (can include fuel on rental), taxis, mileage reimbursements, leased cars, parking and tolls.

**Motor fuel** – Gasoline.

**Other** - Registration fees, telephone/cell phone, internet service, fax machine, and other reimbursements (or on-behalf of) to the superintendent and board member not defined above.

# Board Member and Superintendent Disclosures

- Outside Compensation and/or Fees Received by the Superintendent for Professional Consulting and/or Other Personal Services in Fiscal Year 2022

*None*

32

## Gifts Received by the Executive Officer(s) and Board Members

For the Twelve-Month Period Ended									
June 30, 2022									
	<b>Fred Brent</b>	<b>Stephanie Blanck</b>	<b>Melanie Dunham/Conner</b>	<b>Cody Hirt</b>	<b>Jen Mauldin</b>	<b>Elizabeth McFarland</b>	<b>James Scherer</b>	<b>Scott Stribling</b>	<b>Andy Webb</b>
<b>Summary Amounts</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

# Board Member and Superintendent Disclosures, cont.

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- Business Transactions Between School District and Board Members for Fiscal Year 2022

<b>For the Twelve-Month Period Ended</b>									33
<b>June 30, 2021</b>									
	<b>Fred Brent</b>	<b>Stephanie Blanck</b>	<b>Melanie Dunham/Conner</b>	<b>Cody Hirt</b>	<b>Jen Mauldin</b>	<b>Elizabeth McFarland</b>	<b>James Scherer</b>	<b>Scott Stribling</b>	<b>Andy Webb</b>
<b>Summary Amounts</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00



## BOARD AGENDA ITEM

**Board Meeting Date:10/16/2023**

**Submitted Date:** 10/5/2023 14:46:28

- Consent Agenda**
- Action Needed**
- Information Only**
- Recognition**
- Presentation**

**Recognition**

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**Name of Person Responsible:**

Frances Porter

**Department or Campus:**

Social Studies- EVHS

**Title of Agenda Item:**

Jack Frost Citizen of the Month

**Background Information:**

September Jack Frost Citizen of the Month

**Attachments:**

**Superintendent's Recommendations:**

Patrick Reyes and Shejla Cruz



## BOARD AGENDA ITEM

**Board Meeting Date: 10/16/2023**

**Submitted Date:** 10/5/2023 14:48:10

- Consent Agenda
- Action Needed
- Information Only
- Recognition
- Presentation

**Recognition**

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**Name of Person Responsible:**

Frances Porter

**Department or Campus:**

Social Studies- EVHS

**Title of Agenda Item:**

Jack Frost Citizen of the Month

**Background Information:**

October Jack Frost Citizen of the Month

**Attachments:**

**Superintendent's Recommendations:**

Keilah Armstrong and Tariq Diaz



## BOARD AGENDA ITEM

**Board Meeting Date:**10/16/2023

**Submitted Date:** 10/3/2023 10:48:06

- Consent Agenda
- Action Needed
- Information Only
- Recognition
- Presentation

**Recognition**

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**Name of Person Responsible:**

Jenny Gebhardt (Jack Frost)

**Department or Campus:**

Georgetown High School

**Title of Agenda Item:**

GHS Jack Frost September Winners

**Background Information:**

Winner 1: Cooper Ashby    Winner 2: Ashlyn Clawson    Monthly recognition for citizen of the month

**Attachments:**

**Superintendent's Recommendations:**

recommended for recognition



## BOARD AGENDA ITEM

**Board Meeting Date:**10/16/2023

**Submitted Date:** 10/3/2023 10:50:07

- Consent Agenda
- Action Needed
- Information Only
- Recognition
- Presentation

**Recognition**

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**Name of Person Responsible:**

Jenny Gebhardt (Jack Frost)

**Department or Campus:**

Georgetown High School

**Title of Agenda Item:**

GHS Jack Frost October Winners

**Background Information:**

Winner 1: Dennie Decker  
citizens of the month

Winner 2: Lorali Wood

Monthly recognition for

**Attachments:**

**Superintendent's Recommendations:**

recommended for recognition



## BOARD AGENDA ITEM

**Board Meeting Date:**10/16/2023

**Submitted Date:** 9/29/2023 8:43:26

- Consent Agenda
- Action Needed
- Information Only
- Recognition
- Presentation

**Recognition**

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**Name of Person Responsible:**

Melinda Brasher

**Department or Campus:**

Communications & Community Engagement

**Title of Agenda Item:**

Perfect SAT Score - Nathan Aaker, junior at GHS

**Background Information:**

Nathan scored a perfect 1600 on his SAT this summer. 1.9 million students took the SAT in 2023. Less than .07% receive a perfect score.

**Attachments:**

**Superintendent's Recommendations:**

Recommend for recognition



## BOARD AGENDA ITEM

**Board Meeting Date:**10/16/2023

**Submitted Date:** 10/12/2023 8:18:52

- Consent Agenda
- Action Needed
- Information Only
- Recognition
- Presentation

**Presentation**

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**Name of Person Responsible:**

Jimmy Jones

**Department or Campus:**

Construction and Development

**Title of Agenda Item:**

Demographics Report Presentation for 2Q 2023

**Background Information:**

District demographic reports are provided quarterly. This enables district leadership and staff to identify trends in housing developments and district enrollments by campus. These reports also assist staff with planning locations for future district facilities and staffing at campuses as growth continues.

**Attachments:**

**Superintendent's Recommendations:**

Review data as presented.



## BOARD AGENDA ITEM

**Board Meeting Date:**10/16/2023

**Submitted Date:** 10/10/2023 13:12:57

- Consent Agenda
- Action Needed
- Information Only
- Recognition
- Presentation

**Presentation**

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**Name of Person Responsible:**

Heather Stoner

**Department or Campus:**

Student and Campus Services

**Title of Agenda Item:**

Presentation of Intruder Detection Audit Finding

**Background Information:**

The Texas School Safety Center is continuing to conduct regular Intruder Detection Audits at every public school in Texas this school year. These audits assess whether a campus is accessible to an unauthorized individual and ensure that all exterior doors are locked and functioning properly.

Due to a finding during an audit of one of our campuses, the school board of trustees is expected to provide the public, at the next regularly scheduled board meeting, with notice that an Intruder Detection Audit was conducted by the TxSSC and corrective action was put into place due to findings, while not releasing any sensitive details regarding the audit in open session. This presentation will meet this requirement. The plan and timeline on how these findings will be corrected will also be addressed during this presentation.



## BOARD AGENDA ITEM

**Attachments:**

**Superintendent's Recommendations:**

No action needed.

# SUPERINTENDENT REPORT



**Vision:** Home of the most inspired students, served by the most empowered leaders.

**Mission:** Inspiring and empowering every learner to lead, grow, and serve.

WE BELIEVE PUBLIC EDUCATION IS THE FOUNDATION OF OUR COMMUNITY.

OUR ACTIONS SHOULD BE STUDENT-CENTERED. [relationships]

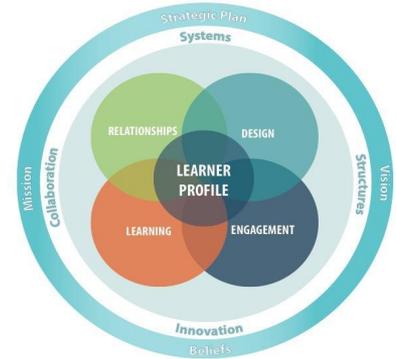
IT IS OUR RESPONSIBILITY TO PREPARE STUDENTS FOR THEIR FUTURE. [innovation]

DEVELOPING LEADERS IS VITAL TO OUR SUCCESS. [system + structure]

INSTRUCTION SHOULD BE DESIGNED BASED ON THE NEEDS OF THE LEARNERS. [learning]

COMMUNITY ENGAGEMENT ENHANCES EDUCATIONAL EXPERIENCES. [collaboration + engagement]

## STRATEGIC FRAMEWORK



# GISD Strategic Direction

[Adopted March 2023]

## 4 Strategic Priority Areas:

### **Student Learning, Growth, and Progress**

Student and Staff Well-Being

Staff Recruitment and Retention

Community and Connectivity

*Access more information about our Strategic Direction at  
[www.georgetownisd.org/strategicdirection](http://www.georgetownisd.org/strategicdirection)*

# Inside GISD

## A few recent highlights

October 4 - Walk, Bike & Roll to School Day promotes safety in school zones and engages families, school staff and law enforcement in this effort.



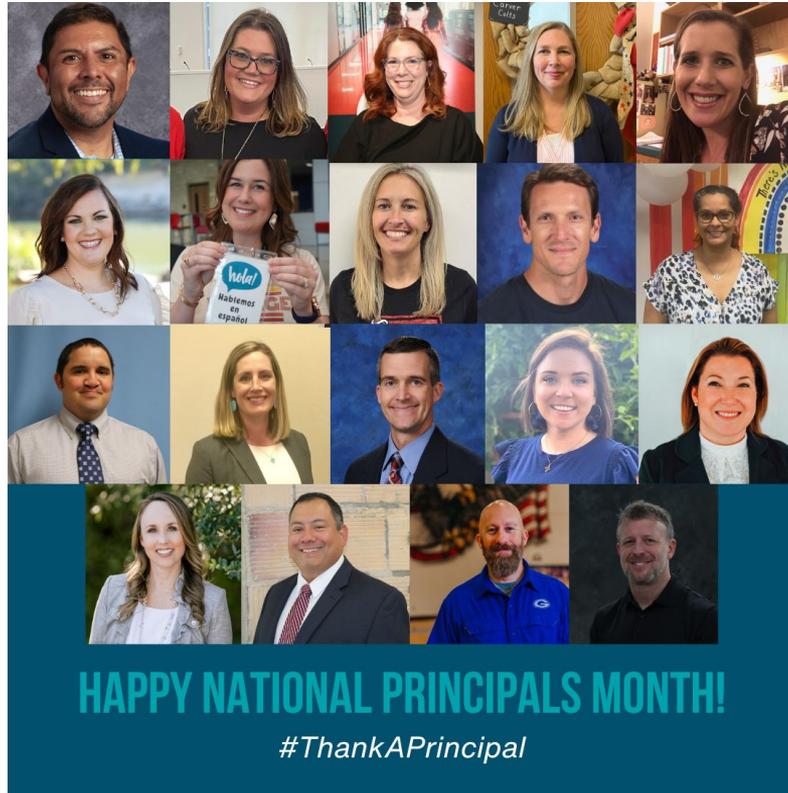
Keynote on October 10 for the Chamber Cornerstone Lunch on Education



Students visited various manufacturers on October 5 during Manufacturer's Day including TASUS, Cell Link, Schunk XyCarb, Texas Speed and Performance.



First graders at Frost Elementary school took a tour of space thanks to virtual reality.



October  
#ThankAPrincipal



October 2  
*Custodians Day*

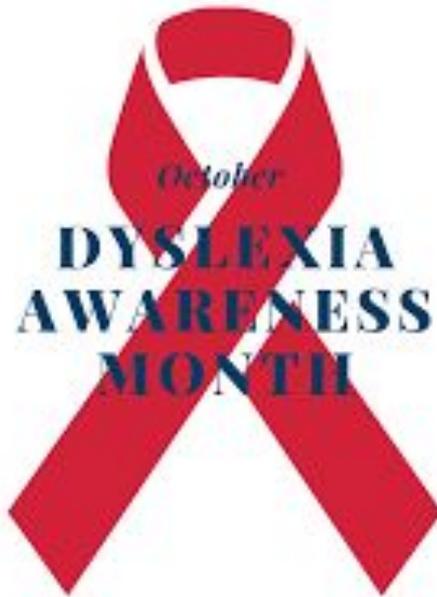


# NATIONAL COACHES DAY

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**+ INSTRUCTIONAL COACHES DAY**

October 6, 2023



October  
[#DyslexiaAwarenessMonth](#)



# Recognizing Teachers of the Month September 2023



## Elementary

Carver ES - Amber Sladeczek  
Cooper ES - Esme Bruesewitz  
Ford ES - Rachel Esquivel  
Frost ES - Valerie Esquivel  
McCoy ES - Deb Thomas  
Mitchell ES - Valarie Swayze  
Purl ES - David Insall  
Village ES - Samantha Miller  
Williams ES - Shelbie Vasut  
Wolf Ranch ES - Rebecca Nolen

## Secondary

Benold MS - Jessica Bailey  
Forbes MS - Clint Fleming  
Tippit MS - Caitlin Gonsalves  
Wagner MS - Jonathan Cruz  
EVHS - Jessica Oberg  
GHS - Jenny Richardson  
RHS - Brady McBride

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## Recognizing Team Members of the Month September 2023



Purl - Vickie Hoskins  
RHS - Don Barr  
STEP - Kendra Garland  
Tippit - Emiliano Garcia  
Village - Maria James  
Wagner - Nicole Rivera  
Williams - Kerri Gibson  
Wolf Ranch - Alma Bustillos  
SpEd - Ali Holt  
Technology - Laura Gillispie  
Teaching & Learning - Hilda Diaz  
Nutrition Services - Charles Staten  
Maintenance - Blake McRoberts  
Transportation - Nathaniel Williams  
Custodial - James Craddock  
Federal Programs - Patricia Arriaga

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# Devin's First 90 Days

## Progress with..

- Board Feedback
- Principal Connections
- Campus Visits (29)
- Vision, Mission, Strategic Priorities
- Community Groups
- Curriculum Review (ongoing)
- Safety Review

## Pending...

- Salary/Staffing Study
- Empowering School Improvement Strategies
- Community Stakeholders (balance of internal/external)
- Responding to Evidence of Learning

# The Kübler-Ross Change Curve

Emotional Response to Change



Creative Alignment

Maximize Communication

Spark Motivation

Develop Capability

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Share Knowledge

# Monthly Board Workshop

## October Board Workshop Agenda Items Included:

- Bilingual/ESL Report
- GISD District of Innovation Amendment
- Federal Grant Presentation

# Citizens Advisory Committee (CAC)

- 80 individuals including parents, staff and community members represent all GISD campuses
- Second meeting tomorrow, Oct. 17
- *Meetings will take place through January 2024*
- *Future opportunities for community input*

55

View charges of the CAC and meeting dates: [www.georgetownisd.org/CAC](http://www.georgetownisd.org/CAC)

# Dr. Padavil's Listening Tour

Meeting dates are opportunities to share strengths and areas for improvement in the district. Coming Up:

Oct. 23 - Friends Room at the Georgetown Public Library, 6 pm

November 2 - Village ES cafeteria, 6 pm



# IMPORTANT DATES

October 14 - End of First Nine Weeks

November 6 - Board Workshop

November 7 - Election Day

November 13 - Board Meeting

November 20-24 - Thanksgiving Break/District Closed

# BE INFORMED

Visit

[www.georgetownisd.org](http://www.georgetownisd.org)

Sign up for District News

[www.georgetownisd.org/newsletter](http://www.georgetownisd.org/newsletter)

@GeorgetownISD



## Questions?

We can help. Send us your inquiries.

Submit a Let's Talk Dialogue

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## BOARD AGENDA ITEM

**Board Meeting Date:**10/16/2023

**Submitted Date:** 10/13/2023 9:29:17

- Consent Agenda**
- Action Needed**
- Information Only**
- Recognition**
- Presentation**

**Consent Agenda**

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**Name of Person Responsible:**

Jennifer Hanna, CFO

**Department or Campus:**

Business Services

**Title of Agenda Item:**

Financial Reports

**Background Information:**

Reports showing activity and balances through September 30, 2023 for tax collections and General Fund, Food Service Fund and Debt Service Fund budgets. Included is the Quarterly Investment Report ending September 30, 2023.

**Attachments:**

<https://drive.google.com/open?id=1FVKaSG081bzJu09rczrfeoe4yiPPmRZh>

**Superintendent's Recommendations:**

September 2023 Financial Reports



## BOARD AGENDA ITEM

**Board Meeting Date:**10/16/2023

**Submitted Date:** 10/13/2023 9:27:40

- Consent Agenda**
- Action Needed**
- Information Only**
- Recognition**
- Presentation**

**Consent Agenda**

---

**Name of Person Responsible:**

Jennifer Hanna, CFO

**Department or Campus:**

Business Services

**Title of Agenda Item:**

Budget Amendment No. 3

**Background Information:**

General Fund

The budget amendment for the General Fund is shown by functional category and detailed on the attached summary page. The detailed transfers were requested by District staff to account for increases or decreases to expenditure categories as indicated. These have no effect on fund balance.

Budget revisions reflect insurance recovery and the associated expenses.

The current budget column reflects the adopted budget; the increase/(decrease) column total reflects all of the increases or decreases to revenue/expenditure categories; and the amended budget column reflects the budget revision. Thus, ending unaudited fund balance is expected to be \$30.41 million by June 30, 2024.



## BOARD AGENDA ITEM

### Food Service Fund

Budget revisions are for other fees and TDA approved purchases to reduce the fund balance as required.

The current budget column reflects the adopted budget; the increase/(decrease) column total reflects all of the increases or decreases to revenue/expenditure categories; and the amended budget column reflects the budget revision. Thus, ending unaudited fund balance is expected to be \$1.75 million by June 30, 2024.

### **Attachments:**

<https://drive.google.com/open?id=1oLzw8jXbyAJTT3N5Yrvlo4VH8r47YgOk>

### **Superintendent's Recommendations:**

Approval of Budget Amendment No. 3 for 2023-24



## BOARD AGENDA ITEM

**Board Meeting Date:**10/16/2023

**Submitted Date:** 10/3/2023 15:42:36

- Consent Agenda**
- Action Needed**
- Information Only**
- Recognition**
- Presentation**

**Consent Agenda**

---

**Name of Person Responsible:**

Michelle Mainz

**Department or Campus:**

Superintendent's Office

**Title of Agenda Item:**

Minutes of Previous Board Meetings

**Background Information:**

Board meeting minutes are attached for review.

**Attachments:**

<https://drive.google.com/open?id=1pM5K3MkTeOEqnpj9J3FUtdGfh212VhsO>

**Superintendent's Recommendations:**

Approval of board meeting minutes as presented.



## BOARD AGENDA ITEM

**Board Meeting Date:**10/16/2023

**Submitted Date:** 10/12/2023 11:15:15

- Consent Agenda**
- Action Needed**
- Information Only**
- Recognition**
- Presentation**

**Consent Agenda**

---

**Name of Person Responsible:**

Jimmy Jones

**Department or Campus:**

Construction and Development

**Title of Agenda Item:**

Consideration and Possible Approval of Civil Engineering Design Fees for the Future ES and MS Site

**Background Information:**

This Project is will expand GISD's capacity by adding an elementary school (ES) and a middle school (MS) to the districts inventory of campuses.

Steger Bizzell will provide professional services for the required civil engineering design of the ES and MS site as well as the planned collector road that will provide access to this campus. The elementary school and middle school on this site will utilize established campus prototype for both the middle school and the elementary school.

Steger Bizzell has extensive experience with project design services and will provide the highest quality at the best value for GISD through the design and construction phases of this project. This firm has previously worked successfully for GISD providing civil engineering design services on multiple campus projects



## BOARD AGENDA ITEM

This work will be contracted as a fixed fee in lieu of a percentage of construction cost.  
The fee is a not-to-exceed amount of: \$515,100.00

### **Attachments:**

### **Superintendent's Recommendations:**

Staff Recommends approval of these fees as presented.



## BOARD AGENDA ITEM

**Board Meeting Date:**10/16/2023

**Submitted Date:** 10/12/2023 11:16:59

- Consent Agenda**
- Action Needed**
- Information Only**
- Recognition**
- Presentation**

**Consent Agenda**

---

**Name of Person Responsible:**

Jimmy Jones

**Department or Campus:**

Construction and Development

**Title of Agenda Item:**

Consideration and Possible Approval of Fees for Final Plat Documents for the Future ES and MS Site

**Background Information:**

Steger Bizzell will provide professional services to prepare the required permit applications and associated plat documents for a Preliminary/Final Plat. This design effort includes preliminary/final plat of the associated tract as well as 94-foot future major collector road right-of-way from Patriot Way north along the western frontage of the property.

Steger Bizzell has extensive experience with project design services and will provide the highest quality at the best value for GISD through the design and construction phases of this project. This firm has previously worked successfully for GISD providing civil engineering design services on multiple campus projects.

This work will be contracted as a fixed fee in lieu of a percentage of construction cost.



## BOARD AGENDA ITEM

The fee is a not-to-exceed amount of: \$92,743.00

### **Attachments:**

### **Superintendent's Recommendations:**

Staff Recommends approval of these fees as presented.



## BOARD AGENDA ITEM

**Board Meeting Date:**10/16/2023

**Submitted Date:** 10/12/2023 11:19:19

- Consent Agenda**
- Action Needed**
- Information Only**
- Recognition**
- Presentation**

**Consent Agenda**

---

**Name of Person Responsible:**

Jimmy Jones

**Department or Campus:**

Construction and Development

**Title of Agenda Item:**

Consideration and Possible Approval of Fees for Design Services of a Regional Lift for the Future ES and MS Site

**Background Information:**

Steger Bizzell will provide professional services to prepare the required permit applications and associated subdivision improvement construction plan documents for the Mankins West Lift Station, Force Main and Gravity Wastewater Interceptor in the City of Georgetown. This lift station will provide sanitary sewer services to the proposed elementary school and middle school on this site.

Steger Bizzell has extensive experience with project design services and will provide the highest quality at the best value for GISD through the design and construction phases of this project. This firm has previously worked successfully for GISD providing civil engineering design services on multiple campus projects.

This work will be contracted as a fixed fee in lieu of a percentage of construction cost.



## BOARD AGENDA ITEM

The fee is a not-to-exceed amount of: \$524,000.00

### **Attachments:**

### **Superintendent's Recommendations:**

Staff Recommends approval of these fees as presented.



## BOARD AGENDA ITEM

**Board Meeting Date: 10/16/2023**

**Submitted Date:** 10/13/2023 10:58:35

- Consent Agenda**
- Action Needed**
- Information Only**
- Recognition**
- Presentation**

**Consent Agenda**

---

**Name of Person Responsible:**

Jimmy Jones

**Department or Campus:**

Construction and Development

**Title of Agenda Item:**

Consideration and Possible Approval of the Recommendation for the Construction Manager at Risk for a future Middle School

**Background Information:**

A future middle school project is an outcome of the district's continual planning and development efforts to accommodate the rapid growth GISD is experiencing. A Request for Qualifications (RFQ) was issued to solicit proposals from the general contractors. The closing date for this RFQ was October 3rd. The bids were evaluated by a committee of GISD staff, and a final recommendation has been crafted.

American Constructors, Inc. (ACI) is the recommended construction manager at risk (CMR) for this future middle school project.

ACI has consistently provided high build quality and are the best value for Georgetown ISD on this project. They have built similar sized middle school projects recently for nearby districts. ACI was previously awarded the future elementary project proposed for this same site. Having one well qualified general contractor on this site to build the



## BOARD AGENDA ITEM

middle school and the elementary school will benefit GISD through project savings due to the size of the site, the builder's ability to leverage the economies of scale for better terms when contracting with their sub-contractors, and tighter control of the schedule and sequence of both on-site and off-site elements of the project.

There is no cost associated with this item. A project cost will be provided at a future board meeting for consideration.

### **Attachments:**

### **Superintendent's Recommendations:**

Staff recommend approval of American Constructors as the Construction Manager at Risk (CMR) for this future middle school project.



## BOARD AGENDA ITEM

**Board Meeting Date: 10/16/2023**

**Submitted Date:** 10/12/2023 10:47:10

- Consent Agenda**
- Action Needed**
- Information Only**
- Recognition**
- Presentation**

**Consent Agenda**

---

**Name of Person Responsible:**

Jimmy Jones

**Department or Campus:**

Construction and Development

**Title of Agenda Item:**

Consideration and Possible Approval of the cost for Temporary Classroom Placement Fall 2023

**Background Information:**

Consideration and Possible Approval of the cost for Temporary Classroom Placement Fall 2023

Due to the rapid growth of GISD temporary classroom buildings are considered as a means to relieve enrollment pressure at campuses. This item is bringing forward the cost of the temporary classroom buildings and the cost to install the buildings (ramps/decks, utilities, data/comm) by a general contractor.

This scope of work is inclusive of the following:

- Three temporary buildings 24ft x 64ft – delivered and installed
- Three aluminum ramp and deck systems – delivered and installed
- Underground utility connections – electricity, sewer, domestic water, data/comm, fire alarm



## BOARD AGENDA ITEM

A breakdown of the Not-to-Exceed cost for the items listed above is as follows:

Temporary building	\$402,000.00
Contractor Installation	\$375,000.00
Engineering and Permitting	\$109,500.00
Project contingency amount 3%	\$ 26,595.00
Total Not-To-Exceed Cost	\$893,095.00

### **Attachments:**

### **Superintendent's Recommendations:**

Staff recommend approval of the Not-to-Exceed Cost for Temporary Classroom Placements for Fall 2023



## BOARD AGENDA ITEM

**Board Meeting Date:**10/16/2023

**Submitted Date:** 10/12/2023 11:32:55

- Consent Agenda**
- Action Needed**
- Information Only**
- Recognition**
- Presentation**

**Consent Agenda**

---

**Name of Person Responsible:**

Jimmy Jones

**Department or Campus:**

Construction and Development

**Title of Agenda Item:**

Land Purchase – Approximately 64.82 acres in SE Quadrant of GISD

**Background Information:**

A contract to purchase these tracts of land was signed and effective on April 11, 2023. The feasibility study has been completed and presented to the Trustees in executive session. This land is needed for future elementary and middle sites.

**Attachments:**

<https://drive.google.com/open?id=1EUsTq40SLhUEbj93-4dcnpap3NXRR6TV>

**Superintendent's Recommendations:**

Authorize the GISD Superintendent to close on the contract and purchase this tract of land. Authorize the Board Secretary to execute a certificate of resolutions memorializing the Board's actions.



## BOARD AGENDA ITEM

**Board Meeting Date:**10/16/2023

**Submitted Date:** 10/12/2023 12:46:35

- Consent Agenda**
- Action Needed**
- Information Only**
- Recognition**
- Presentation**

**Action Needed**

---

**Name of Person Responsible:**

Jennifer Hanna, CFO

**Department or Campus:**

Business Services

**Title of Agenda Item:**

Georgetown ISD Annual Audit Report for the Year Ending June 30, 2023

**Background Information:**

Education Code 44.008 requires Texas public school districts to conduct an annual independent financial audit. The firm of Pattillo, Brown & Hill, LLP has performed the audit for the year ending June 30, 2023. The Audit Committee met with the auditors to discuss the report on October 11, 2023.

Representatives from Pattillo, Brown & Hill, LLP will attend the board meeting to present the report.

**Attachments:**



## BOARD AGENDA ITEM

### **Superintendent's Recommendations:**

Consideration and Action on approval of the Georgetown ISD Fiscal Year Ended June 30, 2023 Annual Audit Report performed by Pattillo, Brown & Hill, LLP.

# Georgetown Independent School District

## ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED

JUNE 30, 2023





**GEORGETOWN INDEPENDENT SCHOOL DISTRICT**  
**ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2023**

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**CERTIFICATE OF BOARD**

Georgetown Independent School District  
Name of School District

Williamson  
County

246904  
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 16<sup>th</sup> day of October 2023.

\_\_\_\_\_  
Signature of Board Secretary

\_\_\_\_\_  
Signature of Board President

If the Board of Trustees disapproved of the auditor’s report, the reason(s) for disapproving it is (are):  
(attach list as necessary)

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**FINANCIAL SECTION**

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## INDEPENDENT AUDITOR'S REPORT

Board of Trustees  
Georgetown Independent School District  
Georgetown, 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 Georgetown Independent School District, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Georgetown 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 Georgetown 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 Georgetown 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 Georgetown 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 Georgetown 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 Georgetown 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 Georgetown 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 Georgetown 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 financial report (AFR). The other information comprises Exhibit L-1, Schedule of Required Responses to Selected School First Indicators, but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated October 16, 2023 on our consideration of Georgetown 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 Georgetown Independent School District's internal control over financial reporting and compliance.

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

Waco, Texas  
October 16, 2023

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Georgetown Independent School District's (the "District") annual financial report presents our discussion and analysis of the District's financial performance during the year ended June 30, 2023. Please read it in conjunction with the District's basic financial statements, which follow this section.

### Financial Highlights

- The District's total combined net position at June 30, 2023 was \$95,971,171.
- The fund balance for the General Fund at June 30, 2023 was \$36,233,643, an increase of \$8,297,141 from the prior year. The increase was primarily due to the sale of a building, increase in SHARS revenue, interest income and state/local entitlement over prior year. COVID-19 continues to have a negative impact on student attendance which is the primary driver of the state/local entitlement.

### 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 are comprised of three parts: 1.) government-wide financial statements 2.) fund financial statements and 3.) notes to the basic financial statements. This report also contains required supplementary information and other financial 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 that of a private sector business.

The Statement of Net Position presents information on all of the District's assets and deferred outflows of resources, 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 as to 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 most recent fiscal period. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods such as uncollected property tax and earned but unused sick leave.

The government-wide financial statements include governmental activities and business-type activities. Governmental activities distinguish functions of the District that are principally supported by taxes, intergovernmental revenues, and user fees and charges. The governmental activities of the District include the education of District students and the programs necessary to support such education. Business-type activities include services related to the District's concession stand program and the related costs to operate the program.

**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. 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 spendable 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 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. The governmental funds balance sheet provides a reconciliation to facilitate the comparison between total fund balances and net position of governmental activities.

The District maintains numerous governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds 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 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.

The District adopts an annual appropriated budget for the General Fund. A budgetary comparison schedule has been provided for this fund to demonstrate compliance with this budget and can be found in the required supplementary information section of this report. Supplementary budgetary comparison schedules have also been prepared for the Debt Service and National Breakfast and Lunch Program Funds and are included in the Required TEA section of this report.

**Proprietary Funds.** The District maintains an enterprise fund that is used to report the same functions presented as business-type activities in the government-wide financial statements.

**Fiduciary Funds.** The District is the trustee, or fiduciary, for certain funds. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in a separate Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position. We exclude these activities from the District's government-wide financial statements because the District cannot use these assets to finance its 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.** The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the Notes to the Basic Financial Statements. Certain information required by the Texas Education Agency and the federal government regarding tax collection and grant expenditures is also presented along with required supplementary information related to the District's contributions to the cost-sharing pension and OPEB plans with the Teacher Retirement System of Texas.

### **Government-wide Overall Financial Analysis**

Net position may serve over time as a useful indicator of the District's financial position. For the year ended June 30, 2023, total combined net position was \$95,971,171, which represented an increase of \$33,618,528 as compared to net position for the year ended June 30, 2022.

Net position for the year ended June 30, 2023 as compared to the year ended June 30, 2022 can be presented as follows:

**TABLE 1  
CONDENSED SCHEDULE OF NET POSITION**

	Governmental Activities		Business-type Activities		Totals	
	2023	2022	2023	2022	2023	2022
<b>Assets:</b>						
Current and other assets	\$ 426,175,759	\$ 310,089,362	\$ 8,128	\$ 7,713	\$ 426,183,887	\$ 310,097,075
Capital assets	602,526,025	499,721,900	-	-	602,526,025	499,721,900
Total assets	1,028,701,784	809,811,262	8,128	7,713	1,028,709,912	809,818,975
<b>Deferred Outflows of Resources:</b>						
Deferred charges for refunding	7,328,613	8,210,185	-	-	7,328,613	8,210,185
Teacher Retirement System	31,623,999	24,139,443	-	-	31,623,999	24,139,443
Total deferred outflows of resources	38,952,612	32,349,628	-	-	38,952,612	32,349,628
<b>Liabilities:</b>						
Long-term liabilities	817,181,961	682,954,351	-	-	817,181,961	682,954,351
Other liabilities	114,727,611	52,303,471	-	-	114,727,611	52,303,471
Total liabilities	931,909,572	735,257,822	-	-	931,909,572	735,257,822
<b>Deferred Inflows of Resources:</b>						
Teacher Retirement System	39,781,781	44,558,138	-	-	39,781,781	44,558,138
<b>Net position:</b>						
Net investment in capital assets	84,989,619	71,717,181	-	-	84,989,619	71,717,181
Restricted	45,085,006	37,448,933	-	-	45,085,006	37,448,933
Unrestricted (deficit)	(34,111,582)	(46,821,184)	8,128	7,713	(34,103,454)	(46,813,471)
Total net position	\$ 95,963,043	\$ 62,344,930	\$ 8,128	\$ 7,713	\$ 95,971,171	\$ 62,352,643

Net position may be restricted for a variety of uses by the District. These restrictions are imposed by bond covenants or federal grant requirements. Restricted net position is available for use in the designated areas only. Unrestricted net position may be used by the District to meet ongoing operating obligations as determined by the Board of Trustees (the "Board").

Governmental activities increased the District's net position by \$33,618,113 during the year ended June 30, 2023. Business-type activities increased the District's net position by \$415 during the year ended June 30, 2023. Key elements of this increase are on the following page:

**TABLE 2**  
**CONDENSED SCHEDULE OF CHANGES IN NET POSITION**

	Governmental Activities		Business-type Activities		Totals	
	2023	2022	2023	2022	2023	2022
<b>REVENUES</b>						
Program revenues:						
Charges for services	\$ 4,222,027	\$ 2,380,290	\$ 113,855	\$ 96,146	\$ 4,335,882	\$ 2,476,436
Operating grants and contributions	21,145,664	21,174,467	-	-	21,145,664	21,174,467
General revenues:						
Maintenance and operations taxes	159,341,757	125,747,908	-	-	159,341,757	125,747,908
Debt service taxes	59,186,742	45,821,551	-	-	59,186,742	45,821,551
State aid - formula grants	9,290,194	7,127,633	-	-	9,290,194	7,127,633
Investment earnings	13,913,611	775,124	-	-	13,913,611	775,124
Miscellaneous	2,488,893	3,192,194	-	-	2,488,893	3,192,194
Special item	5,449,648	4,364,980	-	-	5,449,648	4,364,980
Total revenues	<u>275,038,536</u>	<u>210,584,147</u>	<u>113,855</u>	<u>96,146</u>	<u>275,152,391</u>	<u>210,680,293</u>
<b>EXPENSES</b>						
Instruction	93,843,650	83,103,646	-	-	93,843,650	83,103,646
Instructional resources and media services	2,006,176	1,778,785	-	-	2,006,176	1,778,785
Curriculum and staff development	2,499,246	2,867,706	-	-	2,499,246	2,867,706
Instructional leadership	3,464,733	3,192,466	-	-	3,464,733	3,192,466
School leadership	8,663,510	7,720,779	-	-	8,663,510	7,720,779
Guidance, counseling, and evaluation services	5,247,159	5,234,829	-	-	5,247,159	5,234,829
Social work services	339,210	296,773	-	-	339,210	296,773
Health services	1,544,205	1,408,910	-	-	1,544,205	1,408,910
Student (pupil) transportation	7,359,023	6,118,877	-	-	7,359,023	6,118,877
Food service	7,995,286	7,826,877	-	-	7,995,286	7,826,877
Extracurricular activities	5,540,018	5,025,220	113,440	94,306	5,653,458	5,119,526
General administration	6,167,580	6,071,129	-	-	6,167,580	6,071,129
Facilities maintenance and operations	15,032,102	12,255,023	-	-	15,032,102	12,255,023
Security and monitoring services	688,443	507,869	-	-	688,443	507,869
Data processing services	8,605,819	5,648,545	-	-	8,605,819	5,648,545
Community services	888,632	585,128	-	-	888,632	585,128
Debt service	20,548,968	15,727,933	-	-	20,548,968	15,727,933
Contracted instructional services between schools	49,505,880	23,931,425	-	-	49,505,880	23,931,425
Payments to Juvenile Justice Alternative Ed. Prg.	413,024	490,116	-	-	413,024	490,116
Other intergovernmental charges	1,067,759	867,485	-	-	1,067,759	867,485
Total expenses	<u>241,420,423</u>	<u>190,659,521</u>	<u>113,440</u>	<u>94,306</u>	<u>241,533,863</u>	<u>190,753,827</u>
<b>CHANGE IN NET POSITION</b>	33,618,113	19,924,626	415	1,840	33,618,528	19,926,466
<b>NET POSITION, BEGINNING</b>	<u>62,344,930</u>	<u>42,420,304</u>	<u>7,713</u>	<u>5,873</u>	<u>62,352,643</u>	<u>42,426,177</u>
<b>NET POSITION, ENDING</b>	<u>\$ 95,963,043</u>	<u>\$ 62,344,930</u>	<u>\$ 8,128</u>	<u>\$ 7,713</u>	<u>\$ 95,971,171</u>	<u>\$ 62,352,643</u>

Property tax revenues increased from the prior year primarily due to an increase in property values for the 2022 tax year. Overall, property taxes accounted for approximately 79% of the District's revenue sources during the fiscal year ended June 30, 2023. State funding represented 3% and operating grants represented 8% of revenue sources.

House Bill 3 ("HB3"), which passed during the legislative session in 2019 changed the way school districts received revenue from state and local sources. Property tax rates were compressed for two years and replaced with a combination of an increase in overall state funding through an increase in the basic allotment per student and increases for special programs.

State funding is based upon a combination of Tier 1 and Tier 2 funding based on entitlements as outlined in HB3. When values exceed these amounts, a district must share its wealth with the State to equalize access to revenue. Chapter 49 is referenced in the Texas Education Code that defines a school district which has property wealth that is above the state funding formula threshold. The District is considered "property wealthy" and is subject to Chapter 49 recapture payments to the State.

The General Fund is the chief operating fund of the District. At the end of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$319,938,525. Of this amount \$30,320,737 constitutes unassigned fund balance available for use in the General Fund activities at the District's discretion, and an additional \$90,762 in fund balance is nonspendable due to being in the form of inventory, prepaid items and other assets. The remainder of the fund balance is restricted, committed or assigned to indicate that it is not available for new spending because it has already been designated for other obligations of the District.

The Texas Education Agency recommends that districts keep a fund balance that is between 17% to 25% of annual General Fund operating expenses. As a measure of the General Fund's liquidity, unassigned fund balance represents 17% of the total General Fund expenditures.

The Debt Service Fund has a total fund balance of \$52,166,914, all of which is restricted for payment of debt service.

The Capital Projects Fund had a total fund balance of \$227,762,152, which represents funds remaining from the District’s bond sales. These funds are restricted for the construction and renovation of school buildings and purchase of equipment and land.

**General Fund Budgetary Highlights**

Differences between the original General Fund operating budget and the final amended budget or actual amounts can be briefly summarized as follows:

- The 2022-2023 budget increased from the original budget largely due to increases in recapture, and decreases due to staffing vacancies and additional federal pass-through funds to cover payroll costs.

**Capital Assets and Debt Administration**

**Capital Assets.** The District’s investment in capital assets for its governmental activities as of June 30, 2023, amounts to \$602,526,025 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, construction in progress furniture and equipment, and right to use.

	Governmental Activities	
	2023	2022
Land	\$ 43,271,562	\$ 41,840,472
Construction in progress	127,110,006	17,459,474
Buildings and improvements	589,122,946	586,942,911
Furniture and equipment	21,796,994	20,246,216
SBITA right to use	770,708	-
Less depreciation	(179,546,191)	(166,767,173)
Totals	<u>\$ 602,526,025</u>	<u>\$ 499,721,900</u>

Additional information on the District’s capital assets can be found in the Notes to the Financial Statements.

**Long-term Debt.** At the end of the current fiscal year, the District had total bonded debt outstanding of \$752,627,171. The bonded debt constitutes a direct obligation of the District from a continuing, direct ad valorem tax levied against all taxable property of the District without legal limit as to rate or amount. The bonds are also guaranteed by the corpus of the Permanent School fund of the State of Texas. Both Standard & Poor’s Rating Services and Moody’s Investors Services have provided bond ratings ranging from AA- to AAA and Aa1 to Aaa, respectively, to the District’s outstanding debt obligations.

Additional information on the District’s long-term debt can be found in the Notes to the Financial Statements.

**ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES**

The District is located in the City of Georgetown, Texas, the county seat of Williamson County. The District serves over 13,000 students during the 22-23 school year. GISD has ten elementary schools, four middle schools, three high schools and two alternative campuses.

The District elected officials considered many factors when adopting the 23-24 budget. The tax value of the district increased by 9.4%. The two main factors within the budget process are enrollment growth and taxable value growth.

The District adopted a deficit for the General Fund of \$5.8 million in the 2023-24 budget. The District continues to use Elementary and Secondary School Emergency Relief funds (ESSER) to cover some of its maintenance and operational expenses through August.

The District invested funds in daily liquidity local government investment pools and money market demand accounts. The priority of the District in the interest rate environment and volatile market was safety and principal and liquidity.

For budget purposes, the 23-24 tax rate was approved at \$1.0467 (\$0.6992 M&O and \$.3475 I&S) which was a decrease of \$16.69 from the prior year. The decrease is due to the Texas Education Agency lowering the maximum compressed rate. This District gave a 3% staff pay raise. The employer contribution increased by \$44 per month at \$5,064 per year for all participating employees in the health insurance program.

The District expects recapture (excess revenue) to decrease for the 23-24 fiscal year. The per student revenue under HB3 has remained relatively constant for five years.

## **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 Business Services department.

## **BASIC FINANCIAL STATEMENTS**

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**GEORGETOWN INDEPENDENT SCHOOL DISTRICT**

**EXHIBIT A-1**

STATEMENT OF NET POSITION

JUNE 30, 2023

Data Control Codes		1	2	3
		Primary Government		
		Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>				
1110	Cash and cash equivalents	\$ 418,861,452	\$ 11,128	\$ 418,872,580
1220	Property taxes receivable (delinquent)	4,525,897	-	4,525,897
1230	Allowance for uncollectible taxes	(487,904)	-	(487,904)
1240	Due from other governments	3,019,291	-	3,019,291
1260	Internal balances	3,000	(3,000)	-
1290	Other receivables	39,011	-	39,011
1300	Inventory	173,005	-	173,005
1410	Prepaid items	42,007	-	42,007
	Capital assets:			
1510	Land	43,271,562	-	43,271,562
1580	Construction in progress	127,110,006	-	127,110,006
1520	Buildings and improvements, net	426,343,031	-	426,343,031
1530	Furniture and equipment, net	5,308,227	-	5,308,227
1553	SBITA right to use, net	493,199	-	493,199
1000	Total assets	<u>1,028,701,784</u>	<u>8,128</u>	<u>1,028,709,912</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
1701	Deferred charges on bond refundings	7,328,613	-	7,328,613
1705	Deferred outflow related to pensions	19,797,391	-	19,797,391
1706	Deferred outflow related to other post-employment benefits	11,826,608	-	11,826,608
1700	Total deferred outflows of resources	<u>38,952,612</u>	<u>-</u>	<u>38,952,612</u>
<b>LIABILITIES</b>				
2110	Accounts payable	38,004,923	-	38,004,923
2140	Interest payable	10,843,559	-	10,843,559
2160	Accrued wages payable	12,397,010	-	12,397,010
2177	Due to fiduciary funds	1,142,535	-	1,142,535
2180	Due to other governments	49,643,791	-	49,643,791
2300	Unearned revenue	2,695,793	-	2,695,793
	Noncurrent liabilities:			
2501	Long-term debt, due within one year	24,139,304	-	24,139,304
2502	Long-term debt, due in more than one year	728,487,867	-	728,487,867
2540	Net pension liability	41,162,575	-	41,162,575
2545	Net other post-employment benefit liability	23,392,215	-	23,392,215
2000	Total liabilities	<u>931,909,572</u>	<u>-</u>	<u>931,909,572</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
2605	Deferred inflow related to pensions	4,042,447	-	4,042,447
2606	Deferred inflow related to other post-employment benefits	35,739,334	-	35,739,334
2600	Total deferred inflows of resources	<u>39,781,781</u>	<u>-</u>	<u>39,781,781</u>
<b>NET POSITION</b>				
3200	Net investment in capital assets	84,989,619	-	84,989,619
	Restricted for:			
3820	Federal and state programs	2,776,853	-	2,776,853
3850	Debt service	41,915,330	-	41,915,330
3890	Other	392,823	-	392,823
3900	Unrestricted	<u>(34,111,582)</u>	<u>8,128</u>	<u>(34,103,454)</u>
3000	Total net position	<u>\$ 95,963,043</u>	<u>\$ 8,128</u>	<u>\$ 95,971,171</u>

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

**GEORGETOWN INDEPENDENT SCHOOL DISTRICT**

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2023

Data Control Codes	Functions/Programs	1 Expenses	Program Revenues	
			3 Charges for Services	4 Operating Grants and Contributions
<b>Primary government:</b>				
Governmental activities:				
11	Instruction	\$ 93,843,650	\$ 562,232	\$ 13,178,545
12	Instructional resources and media services	2,006,176	-	23,339
13	Curriculum and staff development	2,499,246	-	577,620
21	Instructional leadership	3,464,733	-	411,836
23	School leadership	8,663,510	-	313,883
31	Guidance, counseling, and evaluation services	5,247,159	-	587,144
32	Social work services	339,210	-	22,991
33	Health services	1,544,205	-	36,010
34	Student transportation	7,359,023	-	183,633
35	Food service	7,995,286	2,754,478	3,817,186
36	Extracurricular activities	5,540,018	396,833	247,940
41	General administration	6,167,580	508,484	64,049
51	Facilities maintenance and operations	15,032,102	-	159,694
52	Security and monitoring services	688,443	-	244
53	Data processing services	8,605,819	-	295,391
61	Community services	888,632	-	358,866
72	Interest on long-term debt	20,548,968	-	867,293
91	Contracted instructional services between schools	49,505,880	-	-
95	Payments to Juvenile Justice Alternative Ed. Prg.	413,024	-	-
99	Other intergovernmental changes	1,067,759	-	-
	[TG] Total governmental activities	<u>241,420,423</u>	<u>4,222,027</u>	<u>21,145,664</u>
<b>Business-type activities:</b>				
01	Extracurricular activities	<u>113,440</u>	<u>113,855</u>	<u>-</u>
	[TB] Total business-type activities	<u>113,440</u>	<u>113,855</u>	<u>-</u>
	[TP] Total primary government	<u>\$ 241,533,863</u>	<u>\$ 4,335,882</u>	<u>\$ 21,145,664</u>
General revenues:				
Taxes:				
MT	Property taxes, levied for general purposes			
DT	Property taxes, levied for debt service			
SF	State aid - formula grants			
IE	Investment earnings			
MI	Miscellaneous			
S1	Special item - sale of land			
TR	Total general revenues and special item			
CN	Change in net position			
NB	Net position, beginning			
NE	Net position, ending			

Net (Expenses) Revenue and Changes in Net Position		
6	7	8
Governmental Activities	Business-type Activities	Total
\$ (80,102,873)	\$ -	\$ (80,102,873)
(1,982,837)	-	(1,982,837)
(1,921,626)	-	(1,921,626)
(3,052,897)	-	(3,052,897)
(8,349,627)	-	(8,349,627)
(4,660,015)	-	(4,660,015)
(316,219)	-	(316,219)
(1,508,195)	-	(1,508,195)
(7,175,390)	-	(7,175,390)
(1,423,622)	-	(1,423,622)
(4,895,245)	-	(4,895,245)
(5,595,047)	-	(5,595,047)
(14,872,408)	-	(14,872,408)
(688,199)	-	(688,199)
(8,310,428)	-	(8,310,428)
(529,766)	-	(529,766)
(19,681,675)	-	(19,681,675)
(49,505,880)	-	(49,505,880)
(413,024)	-	(413,024)
<u>(1,067,759)</u>	<u>-</u>	<u>(1,067,759)</u>
<u>(216,052,732)</u>	<u>-</u>	<u>(216,052,732)</u>
<u>-</u>	<u>415</u>	<u>415</u>
<u>-</u>	<u>415</u>	<u>415</u>
<u>\$ (216,052,732)</u>	<u>\$ 415</u>	<u>\$ (216,052,317)</u>
159,341,757	-	159,341,757
59,186,742	-	59,186,742
9,290,194	-	9,290,194
13,913,611	-	13,913,611
2,488,893	-	2,488,893
<u>5,449,648</u>	<u>-</u>	<u>5,449,648</u>
<u>249,670,845</u>	<u>-</u>	<u>249,670,845</u>
<u>33,618,113</u>	<u>415</u>	<u>33,618,528</u>
<u>62,344,930</u>	<u>7,713</u>	<u>62,352,643</u>
<u>\$ 95,963,043</u>	<u>\$ 8,128</u>	<u>\$ 95,971,171</u>

**GEORGETOWN INDEPENDENT SCHOOL DISTRICT**

BALANCE SHEET  
GOVERNMENTAL FUNDS

JUNE 30, 2023

Data Control Codes		10 General Fund	50 Debt Service Fund	60 Capital Projects
<b>ASSETS</b>				
1110	Cash and cash equivalents	\$ 98,447,550	\$ 52,213,220	\$ 265,817,927
1220	Property taxes - delinquent	3,353,797	1,172,100	-
1230	Allowance for uncollectible taxes (credit)	(361,548)	(126,356)	-
1240	Due from other governments	1,978,366	-	-
1260	Due from other funds	2,333,648	-	141,495
1290	Other receivables	39,011	-	-
1300	Inventory	48,755	-	-
1410	Prepaid items	42,007	-	-
1000	Total assets	<u>105,881,586</u>	<u>53,258,964</u>	<u>265,959,422</u>
<b>LIABILITIES</b>				
2110	Accounts payable	1,271,852	11,500	36,598,307
2160	Accrued wages payable	11,692,807	-	4
2170	Due to other funds	3,051,499	281,689	1,598,959
2180	Due to other governments	49,505,921	-	-
2300	Unearned revenues	2,364,657	206,886	-
2000	Total liabilities	<u>67,886,736</u>	<u>500,075</u>	<u>38,197,270</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
2601	Unavailable revenue - property taxes	1,761,207	591,975	-
2600	Total deferred inflows of resources	<u>1,761,207</u>	<u>591,975</u>	<u>-</u>
<b>FUND BALANCES</b>				
Nonspendable:				
3410	Inventory	48,755	-	-
3430	Prepaid items	42,007	-	-
Restricted:				
3450	Federal and state grants	-	-	-
3470	Capital acquisitions and contractual obligations	-	-	227,762,152
3480	Retirement of long-term debt	-	52,166,914	-
3490	Other	-	-	-
Committed:				
3545	Campus activity	-	-	-
Assigned:				
3590	Subsequent year's budget	5,822,144	-	-
3600	Unassigned	30,320,737	-	-
3000	Total fund balances	<u>36,233,643</u>	<u>52,166,914</u>	<u>227,762,152</u>
4000	Total liabilities, deferred inflows and fund balances	<u>\$ 105,881,586</u>	<u>\$ 53,258,964</u>	<u>\$ 265,959,422</u>

<u>Other Funds</u>	<u>Total Governmental Funds</u>
\$ 2,382,755	\$ 418,861,452
-	4,525,897
-	(487,904)
1,040,925	3,019,291
1,913,122	4,388,265
-	39,011
124,250	173,005
<u>-</u>	<u>42,007</u>
<u>5,461,052</u>	<u>430,561,024</u>
123,264	38,004,923
704,199	12,397,010
595,653	5,527,800
137,870	49,643,791
<u>124,250</u>	<u>2,695,793</u>
<u>1,685,236</u>	<u>108,269,317</u>
<u>-</u>	<u>2,353,182</u>
<u>-</u>	<u>2,353,182</u>
-	48,755
-	42,007
2,776,853	2,776,853
-	227,762,152
-	52,166,914
392,823	392,823
606,140	606,140
-	5,822,144
<u>-</u>	<u>30,320,737</u>
<u>3,775,816</u>	<u>319,938,525</u>
<u>\$ 5,461,052</u>	<u>\$ 430,561,024</u>

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**GEORGETOWN 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	\$ 319,938,525
Amounts reported 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.	602,526,025
2 Uncollected property taxes are reported as deferred inflows in the governmental funds balance sheet, but are recognized as revenue in the statement of activities.	2,353,182
3 Long-term liabilities, including bonds and SBITAs, are not due and payable in the current period and therefore are not reported in the funds. Also, the losses on refunding of bonds and the premium on issuance of bonds payable are not reported on the balance sheet in the funds.	
General and certificates of obligation	(681,180,000)
Unamortized premium	(71,253,157)
Deferred loss on refunding	7,328,613
SBITA liability	(194,014)
4 Interest payable is not due and payable in the current period and, therefore, is not reported as a liability in the governmental funds.	(10,843,559)
5 Included in the items related to debt is the recognition of the District's proportionate share of the net pension liability required by GASB 68. The net position related to TRS included a deferred resource outflow in the amount of \$19,797,391, a deferred resource inflow in the amount of \$4,042,447, and a net pension liability in the amount of \$41,162,575. This resulted in a decrease in net position.	(25,407,631)
6 Included in the items related to debt is the recognition of the District's proportionate share of the net OPEB liability required by GASB 75. The net position related to TRS included a deferred resource outflow in the amount of \$11,826,608, a deferred resource inflow in the amount of \$35,739,334, and a net OPEB liability in the amount of \$23,392,215. This resulted in a decrease in net position.	<u>(47,304,941)</u>
Net position of governmental activities	<u>\$ 95,963,043</u>

**GEORGETOWN 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
<b>REVENUES</b>				
5700	Local and intermediate sources	\$ 164,380,748	\$ 60,750,489	\$ 9,270,962
5800	State program	16,601,918	867,293	7,063
5900	Federal program	<u>3,253,785</u>	<u>-</u>	<u>-</u>
5020	Total revenues	<u>184,236,451</u>	<u>61,617,782</u>	<u>9,278,025</u>
<b>EXPENDITURES</b>				
Current:				
0011	Instruction	75,282,328	-	-
0012	Instructional resources and media services	1,154,516	-	-
0013	Curriculum and instructional staff development	2,052,702	-	-
0021	Instructional leadership	3,384,800	-	-
0023	School leadership	8,190,451	-	-
0031	Guidance, counseling and evaluation services	5,133,604	-	-
0032	Social work services	229,912	-	-
0033	Health services	1,455,321	-	-
0034	Student (pupil) transportation	6,249,738	-	1,322,233
0035	Food services	-	-	-
0036	Extracurricular activities	3,695,627	-	-
0041	General administration	4,292,224	-	-
0051	Facilities maintenance and operations	14,358,436	-	-
0052	Security and monitoring services	681,258	-	-
0053	Data processing services	3,717,001	-	-
0061	Community services	551,982	-	-
Debt service:				
0071	Principal on long term debt	30,000	33,060,000	-
0072	Interest on long term debt	-	22,529,077	-
0073	Bond issuance costs and fees	-	212,619	1,243,507
Capital outlay:				
0081	Facilities acquisition and construction	-	-	125,896,438
Intergovernmental:				
0091	Contracted instructional services between schools	49,505,880	-	-
0095	Payments to Juvenile Justice Alternative Education Programs	413,024	-	-
0099	Other intergovernmental charges	<u>1,067,759</u>	<u>-</u>	<u>-</u>
6030	Total expenditures	<u>181,446,563</u>	<u>55,801,696</u>	<u>128,462,178</u>
1100	Excess (deficiency) of revenues over (under) expenditures	2,789,888	5,816,086	(119,184,153)
<b>OTHER FINANCING SOURCES (USES)</b>				
7911	Issuance of bonds	-	3,568,305	145,201,695
7915	Transfers in	-	-	-
7916	Premium on issuance of bonds	-	173,377	11,711,812
7940	Issuance of SBITA	59,434	-	-
7949	Insurance recovery	3,939	-	-
8911	Transfers out	<u>(5,768)</u>	<u>-</u>	<u>-</u>
7080	Total other financing sources (uses)	<u>57,605</u>	<u>3,741,682</u>	<u>156,913,507</u>
<b>SPECIAL ITEM</b>				
7918	Sale of land	5,449,648	-	-
	Total special item	<u>5,449,648</u>	<u>-</u>	<u>-</u>
1200	Net change in fund balances	8,297,141	9,557,768	37,729,354
0100	Fund balance - July 1 (beginning)	<u>27,936,502</u>	<u>42,609,146</u>	<u>190,032,798</u>
3000	Fund balance - June 30 (ending)	<u>\$ 36,233,643</u>	<u>\$ 52,166,914</u>	<u>\$ 227,762,152</u>

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

Other Funds	Total Governmental Funds
\$ 4,849,141	\$ 239,251,340
882,785	18,359,059
<u>13,719,020</u>	<u>16,972,805</u>
<u>19,450,946</u>	<u>274,583,204</u>
11,117,966	86,400,294
-	1,154,516
530,896	2,583,598
222,394	3,607,194
348,131	8,538,582
360,029	5,493,633
119,516	349,428
45,967	1,501,288
-	7,571,971
5,912,105	5,912,105
27,114	3,722,741
15,505	4,307,729
-	14,358,436
-	681,258
232,649	3,949,650
346,279	898,261
145,425	33,235,425
-	22,529,077
-	1,456,126
-	125,896,438
-	49,505,880
-	413,024
-	<u>1,067,759</u>
<u>19,423,976</u>	<u>385,134,413</u>
26,970	(110,551,209)
-	148,770,000
5,768	5,768
-	11,885,189
310,005	369,439
-	3,939
-	(5,768)
<u>315,773</u>	<u>161,028,567</u>
-	5,449,648
-	<u>5,449,648</u>
342,743	55,927,006
<u>3,433,073</u>	<u>264,011,519</u>
\$ 3,775,816	\$ 319,938,525

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	\$ 55,927,006
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	122,198,575
Disposal of capital assets	(2,621,014)
Depreciation on capital assets	(16,773,436)
Some receivables are not considered available revenues and are reported as deferred inflows in the governmental funds.	
Property taxes	(102,249)
The issuance of long-term debt (e.g., bonds, SBITAs) 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	33,235,425
Proceeds from bond issuance	(148,770,000)
Premium on bond issuance	(11,885,189)
SBITA issuance	(369,439)
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	4,142,609
Accrued interest payable	(2,162,500)
GASB 68 required that certain plan expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of the plan caused the change in ending net position to increase by \$3,042,027. Contributions made before the measurement date and during the previous fiscal year were expended and recorded as a reduction in net pension liability. This caused a decrease in net position totaling \$2,657,797. Finally, the proportionate share of pension expense on the plans as a whole had to be recorded. The net pension expense decreased the change in net position by \$2,385,485.	
	(2,001,255)
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 \$675,942. 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 \$686,184. Finally, the proportionate share of OPEB expense on the plans as a whole had to be recorded. The net OPEB expense increased the change in net position by \$2,809,822.	
	<u>2,799,580</u>
Change in net position of governmental activities	<u>\$ 33,618,113</u>

**GEORGETOWN INDEPENDENT SCHOOL DISTRICT**

**EXHIBIT D-1**

STATEMENT OF NET POSITION  
PROPRIETARY FUND

JUNE 30, 2023

	<u>Business-type Activities Nonmajor Enterprise Fund</u>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 11,128
Total assets	<u>11,128</u>
<b>LIABILITIES</b>	
Current liabilities:	
Due to other funds	<u>3,000</u>
Total liabilities	<u>3,000</u>
<b>NET POSITION</b>	
Unrestricted	<u>8,128</u>
Total net position	<u>\$ 8,128</u>

**GEORGETOWN INDEPENDENT SCHOOL DISTRICT**

**EXHIBIT D-2**

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

FOR THE YEAR ENDED JUNE 30, 2023

	<u>Business-type Activities Nonmajor Enterprise Fund</u>
<b>OPERATING REVENUES</b>	
Charges for services:	
Concession services	\$ 113,855
Total operating revenues	<u>113,855</u>
<b>OPERATING EXPENSES</b>	
Payroll costs	15,274
Contracted services	60,006
Supplies and materials	<u>38,160</u>
Total operating expenses	<u>113,440</u>
<b>CHANGE IN NET POSITION</b>	415
<b>NET POSITION, BEGINNING</b>	<u>7,713</u>
<b>NET POSITION, ENDING</b>	<u>\$ 8,128</u>

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUND

FOR THE YEAR ENDED JUNE 30, 2023

	<u>Business-type Activities Nonmajor Enterprise Fund</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers	\$ 113,855
Payments to supplies	(98,166)
Payments to employees	<u>(15,274)</u>
Net cash provided by operating activities	<u>415</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Transfers from other funds	<u>3,000</u>
Net cash provided by noncapital financing activities	<u>3,000</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	3,415
<b>CASH AND CASH EQUIVALENTS, BEGINNING</b>	<u>7,713</u>
<b>CASH AND CASH EQUIVALENTS, ENDING</b>	<u>11,128</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	
Operating income	<u>415</u>
Net cash provided by operating activities	<u>\$ 415</u>

**GEORGETOWN INDEPENDENT SCHOOL DISTRICT**

**EXHIBIT E-1**

STATEMENT OF FIDUCIARY NET POSITION - CUSTODIAL FUNDS

JUNE 30, 2023

	<u>Custodial Funds</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 229,230
Due from other funds	<u>1,142,535</u>
Total assets	<u>1,371,765</u>
<b>LIABILITIES</b>	
Accounts payable	<u>42,712</u>
Total liabilities	<u>42,712</u>
<b>NET POSITION</b>	
Restricted for student groups	<u>1,329,053</u>
Total net position	<u>\$ 1,329,053</u>

**GEORGETOWN INDEPENDENT SCHOOL DISTRICT**

**EXHIBIT E-2**

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
CUSTODIAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2023

	<u>Custodial Funds</u>
<b>ADDITIONS</b>	
Collections from student groups	\$ 3,483,802
Total additions	<u>3,483,802</u>
<b>DEDUCTIONS</b>	
Payments on-behalf of student groups	<u>3,459,249</u>
Total deductions	<u>3,459,249</u>
<b>NET INCREASE IN FIDUCIARY NET POSITION</b>	24,553
<b>NET POSITION, BEGINNING</b>	<u>1,304,500</u>
<b>NET POSITION, ENDING</b>	<u>\$ 1,329,053</u>

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# GEORGETOWN 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 which are related to the Georgetown Independent School District (the "District") and 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 which has 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 District 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 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.

In addition, 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.

The **Enterprise Fund** is a proprietary fund used to account for the services of the District's concession stand program.

**Fiduciary Funds** are used to account for activities of student groups and other types of activities held in a custodial capacity.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's enterprise fund are charges for the District's concession stand program. Operating expenses include extracurricular activity expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

During the course of operations, the District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in the governmental activities are eliminated.

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

**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 to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

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

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

**Inventories**

Inventories in the General Fund 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 acquisition 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 in both the government-wide and fund financial statements depending on whether the costs will be applicable in the subsequent fiscal year or beyond. Prepaid items are charged to expenditures when consumed.

**Other Assets**

This classification is used to record other current assets not directly identified above. Certain payments to vendors reflect deposits that will be reimbursed back to the district in a future period.

**Capital Assets**

Capital assets (tangible and intangible, which include land, buildings and improvements, construction in progress, furniture and equipment, and SBITAs, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of \$5,000. 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/amortized using the straight line method over the following estimated useful lives:

<u>Asset Classification</u>	<u>Useful Life</u>
Buildings and improvements	39
Furniture and equipment	5-7
SBITA right to use	2-7

## **Ad Valorem 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 Williamson 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 \$17,813,400,703. The District levied taxes based on a combined tax rate of \$1.2136 per \$100 of assessed valuation for local maintenance (general governmental services) and debt service.

The 86th session of the Texas Legislature convened in January 2019, with school finance reform as a critical priority. House Bill 3 (HB3), passed by the 86th Texas Legislature, was one of the most transformative Texas education bills in recent history infusing more than \$11 billion into the public school system. HB3 provided more money for Texas classrooms through an increase in the basic allotment for each student from \$5,140 to \$6,160, increased teacher compensation, funds free full-day Pre-K for eligible 4-year-olds, reduced the amount of money wealthy districts must spend to subsidize poor districts through the state's recapture program, and cut local property taxes for Texas taxpayers. In summary, the bill focused on four major policy areas: teacher support, improving student outcomes, increasing funding, and reduction and reform of property taxes and recapture.

HB3 amended the Education Code to transfer certain sections from Chapter 41 to Chapter 49 and revised formulas used to determine excess local revenue under the Foundation School Program (FSB). The formula for recapture is now local revenue in excess of entitlement instead of wealth per weighted average daily attendance (WADA) basis. Under HB3, recapture and non-recapture school districts are treated more equitably, and districts only pay tier one recapture on the amount above their formula entitlement. HB3 modifies local revenue subject to recapture to be local revenue in excess of entitlement and is calculated by subtracting a district's tier one entitlement (and credit for appraisal costs) from its available school fund (ASF) distribution and local fund assignment.

During the year ended June 30, 2023, the District's recapture liability was \$49,505,921. This amount was incorporated into the District's budget and is included in the due to other governments total on the balance sheet (see Note B). Under HB3, districts now have the option of making one lump-sum payment in August after the fiscal year ends. The payment option to submit seven equal payments from February through August remains unchanged. The District opted to make an initial lump-sum payment in August and then a subsequent payment in October for an adjustment made to the 2023-2024 recapture liability subsequent to year-end.

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.

## **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. The District's policy is not to provide reimbursement upon termination of employment with the District. Accordingly, no liability for accrued compensated absences has been established by the District.

## **Subscription-Based Information Technology Arrangements**

The District is a lessee for a noncancellable 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 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 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 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 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.

## **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/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net 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 two items that qualify for reporting in this category. It is deferred charge on refunding and deferred outflow related to TRS reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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.

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 or 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 which TRS uses in calculating the ending net pension 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 legislations adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

### **Net Position Flow Assumption**

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

### **Fund Balance**

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

- Nonspendable - Amounts that cannot be spent because they are either not in a spendable form or are legally or contractually required to be maintained intact.
- Restricted - Amounts that can be spent only for specific purposes because of constraints imposed by external providers, or imposed by constitutional provisions or enabling legislation.
- Committed - Amounts that can only be used for specific purposes pursuant to approval by formal action by the Board.
- Assigned - For the General Fund, amounts that are appropriated by the Board or Board designee that are to be used for specific purposes. For all other governmental funds, any remaining positive amounts not previously classified as nonspendable, restricted or committed.
- Unassigned - Amounts that are available for any purpose; these amounts can be reported only in the District's General Fund.

Fund balance of the District may be committed for a specific purpose by formal action of the Board, the District's highest level of decision-making authority. Commitments may be established, modified, or rescinded only through a resolution approved by the Board. The Board has delegated the authority to assign fund balance for a specific purpose to the Superintendent or the Chief Financial Officer.

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended is as follows: restricted fund balance, committed fund balance, assigned fund balance, and lastly, unassigned fund balance.

### **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 SBITAs 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
- Securities lending programs
- Banker's acceptance
- Commercial paper
- Money market funds and no-load mutual funds
- Guaranteed investment contracts
- 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.

At June 30, 2023, the carrying amount of the District's deposits (cash and interest-bearing savings accounts included in temporary investments) was \$5,604,954 and the bank balance was \$8,167,491.

The District's deposits with financial institutions at June 30, 2023 and during the year ended 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.

Investments held at June 30, 2023 consisted of the following:

Investment Type	Reported Value	Weighted Average Maturity (Days)	Standard & Poor's Rating
Local governmental investment pools:			
TexPool	\$ 58,677,148	26	AAAm
TexPool Prime	311,194,717	34	AAAm
Lone Star	<u>43,622,641</u>	23	AAAm
Total	<u>\$ 413,494,506</u>		

Money markets are valued using Level 1 inputs that are based on market data obtained from independent sources.

The District had investments in two external local government investment pools at June 30, 2023. Texas Local Governmental Investment Pool ("TexPool") and Lone Star Investment Pool ("Lone Star"). Although TexPool and Lone Star are not registered with the SEC as investment companies, they operate in a manner consistent with the SEC's Rule 2a7-of the Investment Company Act of 1940. These investments are stated at amortized cost in accordance with GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools. TexPool is overseen by the Texas State Comptroller of Public Accounts, who is the sole officer, director and shareholder of the Texas Treasury Safekeeping Trust Company which is authorized to operate TexPool. TexPool also has an advisory board to advise on TexPool's investment policy, which is made up equally of participants and nonparticipants who do not have a business relationship with TexPool. Federated Investors manages daily operations of TexPool under a contract with the Comptroller and is the investment manager for the pool. TexPool's investment policy stipulates that it must invest in accordance with the Public Funds Investment Act.

Lone Star is governed by an eleven-member board of trustees, in which all of the members are also participants in Lone Star. The board meets quarterly to review operations, adopt or make changes to the investment policy, review financial activity and approve contractor agreements. Lone Star also has an advisory board consisting of participants and nonparticipants. RBC Dain Rauscher, Inc. is an independent consultant for Lone Star that reviews daily operations, analyzes all investment transactions for compliance with the Public Funds Investment Act, and performs monitoring activities. The Bank of New York provides custody and valuation services for Lone Star. American Beacon Advisors and Standish Mellon provide other investment management services. Lone Star's investment policy stipulates that it must invest in accordance with the Public Funds Investment Act.

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

**Credit Risk** - At June 30, 2023, investments were included in external local government investment pools and a money market account in compliance with the District's investment policy.

**Custodial Credit Risk** - Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the District's name. 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 under GASB Statement No. 40, excluding investments issued or explicitly guaranteed by the U.S. Government. At June 30, 2023, all of the District's investments were in external local government investment pools and in a money market account.

**Interest Rate Risk** - As a means of minimizing risk of loss due to interest rate fluctuations, the investment policy requires the District to monitor interest rate risk using weighted average maturity and specific identification. Maturities of any individual investment owned by the District should not exceed one year from the time of purchase unless the Board specifically authorizes 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. Due from/to 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. The District is also required to make payments to the State for recapture (see Note I. D). These amounts are reported in the basic financial statements as Due from/to Other Governments and are summarized below as of June 30, 2023.

	General Fund	Nonmajor Governmental	Total
State entitlements	\$ 1,978,366	\$ -	\$ 1,978,366
Federal and state grants	-	1,040,925	1,040,925
Total due from other governments	<u>\$ 1,978,366</u>	<u>\$ 1,040,925</u>	<u>\$ 3,019,291</u>
Recapture liability	\$ 49,505,921	\$ -	\$ 49,505,921
SSA JJAEP	-	137,870	137,870
Total due to other governments	<u>\$ 49,505,921</u>	<u>\$ 137,870</u>	<u>\$ 49,643,791</u>

**C. 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 composition of interfund balances as of June 30, 2023 is as follows:

Receivable Funds	Payable Funds	Amount
General fund	Nonmajor governmental	\$ 591,495
General fund	Debt service fund	140,194
General fund	Capital projects fund	1,598,959
General fund	Nonmajor enterprise fund	3,000
Nonmajor governmental	General fund	1,908,964
Nonmajor governmental	Nonmajor governmental	4,158
Capital projects fund	Debt service fund	141,495
Fiduciary fund	General fund	<u>1,142,535</u>
Total		<u>\$ 5,530,800</u>

During the year, the General Fund transferred \$5,768 to the Campus Activity Fund for the principals' yearly energy incentive rewards.

## D. Unearned Revenue

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

	General Fund	Debt Service Fund	Nonmajor Governmental	Total
State entitlements	\$ 2,364,657	\$ 206,886	\$ -	\$ 2,571,543
Federal and state grants	-	-	124,250	124,250
Total	<u>\$ 2,364,657</u>	<u>\$ 206,886</u>	<u>\$ 124,250</u>	<u>\$ 2,695,793</u>

## E. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2023 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 41,840,472	\$ 1,431,090	\$ -	\$ 43,271,562
Construction in progress	17,459,474	117,060,139	(7,409,607)	127,110,006
Total capital assets, not being depreciated	<u>59,299,946</u>	<u>118,491,229</u>	<u>(7,409,607)</u>	<u>170,381,568</u>
Capital assets, being depreciated:				
Buildings and improvements	586,942,911	8,795,467	(6,615,432)	589,122,946
Furniture and equipment	20,246,216	1,550,778	-	21,796,994
SBITA right to use	-	770,708	-	770,708
Total capital assets, being depreciated	<u>607,189,127</u>	<u>11,116,953</u>	<u>(6,615,432)</u>	<u>611,690,648</u>
Less accumulated depreciation for:				
Buildings and improvements	(151,827,981)	(14,946,352)	3,994,418	(162,779,915)
Furniture and equipment	(14,939,192)	(1,549,575)	-	(16,488,767)
SBITA right to use	-	(277,509)	-	(277,509)
Total accumulated depreciation	<u>(166,767,173)</u>	<u>(16,773,436)</u>	<u>3,994,418</u>	<u>(179,546,191)</u>
Total governmental activities capital assets, net	<u>\$ 499,721,900</u>	<u>\$ 112,834,746</u>	<u>\$ (10,030,621)</u>	<u>\$ 602,526,025</u>

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

Governmental activities:	
Instruction	\$ 9,987,259
Instructional resources and media services	738,963
Instructional leadership	8,550
School leadership	455,233
Health services	93,271
Student transportation	1,382,272
Food services	1,642,128
Extracurricular activities	1,769,285
General administration	487,252
Facilities maintenance and operations	156,449
Data processing services	38,305
Community services	14,469
Total depreciation expense	<u>\$ 16,773,436</u>

**F. Long-Term Debt**

Changes in the District’s long-term debt for the year ended June 30, 2023 are as follows:

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
General obligation bonds	\$ 565,470,000	\$ 148,770,000	\$ (33,060,000)	\$ 681,180,000	\$ 24,000,000
Premium on bonds	64,392,149	11,885,189	(5,024,181)	71,253,157	-
SBITA liability	-	369,439	(175,425)	194,014	139,304
<b>Total</b>	<b>\$ 629,862,149</b>	<b>\$ 161,024,628</b>	<b>\$ (38,259,606)</b>	<b>\$ 752,627,171</b>	<b>\$ 24,139,304</b>
Net pension liability	\$ 16,390,501	\$ 28,007,463	\$ (3,235,389)	\$ 41,162,575	\$ -
Net other post-employment benefit liability	36,701,701	(12,507,073)	(802,413)	23,392,215	-
<b>Total</b>	<b>\$ 53,092,202</b>	<b>\$ 15,500,390</b>	<b>\$ (4,037,802)</b>	<b>\$ 64,554,790</b>	<b>\$ -</b>

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

Series	Date of Issue	Original Amount	Matures Through	Interest Rate	Outstanding at 6/30/23	Due in One Year
2013-A	02/20/2013	\$ 61,195,000	2026	1.00-5.00%	\$ 20,220,000	\$ 6,525,000
2016-A	02/04/2016	90,715,000	2040	3.00-5.00%	83,390,000	925,000
2016-B	08/03/2020 (remarket)	39,745,000	2042	2.00-7.00%	23,455,000	-
2017	02/23/2017	35,005,000	2035	2.00-5.00%	26,300,000	1,700,000
2017-A	11/30/2017	71,530,000	2035	2.00-5.00%	65,170,000	2,965,000
2019-A	02/07/2019	77,680,000	2041	3.00-5.00%	70,415,000	2,460,000
2019-B	02/26/2019	39,780,000	2045	2.75-7.00%	17,910,000	-
2019-C	07/25/2019	16,040,000	2035	3.00-5.00%	15,760,000	-
2019-D	07/25/2019	14,240,000	2035	3.00-5.00%	14,070,000	-
2020	02/06/2020	22,825,000	2036	4.00-5.00%	15,675,000	415,000
2022	01/15/2022	180,045,000	2048	2.00-5.00%	180,045,000	9,010,000
2023	01/15/2023	<u>148,770,000</u>	2048	3.00-5.00%	<u>148,770,000</u>	-
		<u>\$ 797,570,000</u>			<u>\$ 681,180,000</u>	<u>\$ 24,000,000</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 tax year 2022 was \$0.329.

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

Year Ended June 30,	Principal	Interest	Total Requirements
2024	\$ 24,000,000	\$ 28,540,051	\$ 52,540,051
2025	24,970,000	27,822,233	52,792,233
2026	25,240,000	26,732,008	51,972,008
2027	19,175,000	25,526,558	44,701,558
2028	27,230,000	24,373,033	51,603,033
2029-2033	157,695,000	99,983,513	257,678,513
2034-2028	166,575,000	62,588,550	229,163,550
2029-2043	150,150,000	28,309,825	178,459,825
2044-2048	86,145,000	7,447,816	93,592,816
Totals	<u>\$ 681,180,000</u>	<u>\$ 331,323,587</u>	<u>\$ 1,012,503,587</u>

The Series 2016-B Bonds are variable interest bonds and will bear interest at a per annum rate of 2.00% through July 31, 2023. Thereafter, the bonds will bear interest at a rate or rates determined by the remarketing agent as provided in the bond order.

The Series 2019-B Bonds are variable interest bonds and will bear interest at a per annum rate of 2.75% through July 31, 2023. Thereafter, the bonds will bear interest at a rate or rates determined by the remarketing agent as provided in the bond order. During the year, the District defeased \$12,995,000 of the 2019-B Bonds prior to scheduled maturity on February 1, 2023.

The District issued Unlimited Tax School Building Bonds, Series 2023 on January 10, 2023, in the amount of \$148,770,000. The bonds will mature on August 15, 2048. Proceeds from the sale of the bonds will be used for the acquisition, construction, renovation and equipment of school buildings, the purchase of school sites, school buses, vehicles, and for improvement of school technology.

**SBITAs**

During the fiscal year, the District entered into subscription assets for the use of software ranging from 2-3 years. An initial subscription liability was recorded in the amount of \$369,439. As of year end, the value of the subscription liability is \$194,014. The District is required to make annual fixed payments between \$30,000 and \$75,600. The subscriptions have an interest rates between 1.923% and 2.103%.

The annual principal and interest payments are as follows:

Year Ended June 30,	Principal	Interest	Total Requirements
2024	\$ 139,304	\$ 3,938	\$ 143,242
2025	<u>54,710</u>	<u>1,151</u>	<u>55,861</u>
Totals	<u>\$ 194,014</u>	<u>\$ 5,089</u>	<u>\$ 199,103</u>

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

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

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

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

	Contribution Rates	
	2022	2023
Contribution Rates:		
Member	8.00%	8.00%
Non-Employer Contributing Entity (State)	7.75%	8.00%
Employers	7.75%	8.00%
Current fiscal year employer contributions		\$ 3,111,078
Current fiscal year member contributions		7,827,183
2022 measurement year NECE on-behalf contributions		5,321,855

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 1.7% of the member's salary beginning in fiscal year 2022, gradually increasing to 2% in fiscal year 2025.
- When employing a retiree of the Teacher Retirement System, the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.

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

Valuation Date	August 31, 2021 rolled forward to August 31, 2022
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Fair Value
Single Discount Rate	7.00%
Long-term expected Investment Rate of Return	7.00%
Municipal Bond Rate	3.91%
Last Year Ending August 31 in Projection Period (100 Years)	2121
Inflation	2.30%
Salary increases including inflation	2.95 to 8.95%
Ad hoc post-employment benefit changes	None

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

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

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

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

Asset Class	Target Allocation**	Long-Term Expected Geometric Real Rate of Return***	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
USA	18.00%	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*	-	3.70%	-
Stable Value Hedge Funds	5.00%	340.00%	0.18%
Real Return			
Real Estate	15.00%	4.10%	0.94%
Energy, Natural Resources and Infrastructure	6.00%	5.10%	0.37%
Commodities	-	3.60%	-
Risk Parity			
Risk Parity	8.00%	4.60%	0.43%
Asset Allocation Leverage			
Cash	2.00%	3.00%	0.01%
Asset Allocation Leverage	( 6.00%)	3.60%	( 0.05%)
Inflation Expectation			2.70%
Volatility Drag ****			( 0.91%)
Total	100.00%		8.21%

\*Absolute Return includes Credit Sensitive Investments.

\*\*Target allocations are based on the FY2022 policy model.

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

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

**Discount Rate Sensitivity Analysis** – The following schedule shows the impact of the Net Pension Liability if the discounted 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	\$ 64,033,359	\$ 41,162,575	\$ 22,624,730
	127		

**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 \$41,162,575 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	\$ 41,162,575
State's proportionate share that is associated with the District	<u>67,707,851</u>
Total	<u>\$ 108,870,426</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 0.0693352836% which was an increase of 0.0049741594% from its proportion measured as of August 31, 2021.

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

For the year ended June 30, 2023, the District's pension expense was \$11,515,385 and revenue of \$6,472,103 for support provided by the State.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 596,854	\$ 897,422
Changes in actuarial assumptions	7,669,927	1,911,560
Difference between projected and actual investment earnings	4,066,731	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	4,421,852	1,233,465
Contributions paid to TRS subsequent to the measurement date	<u>3,042,027</u>	<u>-</u>
Total as of fiscal year-end	<u>\$ 19,797,391</u>	<u>\$ 4,042,447</u>

The \$3,042,027 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. The net amounts of the employer's balances of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ended June 30,	Pension Expense
2024	\$ 3,387,880
2025	1,968,542
2026	874,809
2027	5,437,452
2028	1,044,234

**H. 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 0.65% of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25% or not more than 0.75% of the salary of each active employee of the public. 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		\$ 817,269
Current fiscal year member contributions		635,960
2022 measurement year NECE on-behalf contributions		978,818

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

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

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

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

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

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

**Additional Actuarial Methods and Assumptions:**

Valuation Date	August 31, 2021 rolled forward to August 31, 2022
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Single Discount Rate	3.91%
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.
Projected Salary Increases	3.05% to 9.05%
Healthcare Trend Rates	The initial medical trend rates were 8.25 percent for Medicare retirees and 7.25 percent for non-Medicare retirees. The initial prescription drug trend rate was 8.25 percent for all retirees. The initial trend rates decrease to an ultimate trend rate of 4.25 percent over a period of 13 years.
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 at age 65.
Ad hoc post-employment benefit changes	None

**Discount Rate** - A single discount rate of 3.91% was used to measure the total OPEB liability. There was an increase of 1.96% 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 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. 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	\$ 27,581,276	\$ 23,392,215	\$ 19,998,537

**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	\$ 19,275,290	\$ 23,392,215	\$ 28,729,278

**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 \$23,392,215 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	\$ 23,392,215
State's proportionate share that is associated with the District	<u>28,534,827</u>
Total	<u>\$ 51,927,042</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 OPEB 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 0.0976954968% which was an increase of 0.0025504376% 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 \$(6,172,960) and revenue of \$(4,049,322) 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	\$ 1,300,524	\$ 19,487,815
Changes in actuarial assumptions	3,563,098	16,251,519
Differences between projected and actual investment earnings	69,679	-
Changes in proportion and differences between the employer's contributions and the proportionate share of contributions	6,217,365	-
Contributions paid to OPEB subsequent to the measurement date	<u>675,942</u>	<u>-</u>
Total as of fiscal year-end	<u>\$ 11,826,608</u>	<u>\$ 35,739,334</u>

The \$675,942 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2024. The net amounts of the employer’s balances of deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

For the Year Ended June 30,	OPEB Expense
2024	\$ (4,672,264)
2025	(4,672,011)
2026	(3,680,026)
2027	(2,337,053)
2028	(3,132,821)
Thereafter	(6,094,493)

**I. 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 the provisions of Medicare Part D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. These on-behalf payments of \$505,320, \$399,772, and \$410,850 were recognized for the years ended June 30, 2023, 2022, and 2021, respectively, as equal revenues and expenditures.

**J. 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.

**K. Shared Services Arrangements.**

The District is the fiscal agent for a Shared Services Arrangement (“SSA”) to operate a Juvenile Justice Alternative Education Program (“JJAEP”) for the member districts listed below. All services are provided by the fiscal agent and the member districts provide the funds to the fiscal agent. The District has accounted for the fiscal agent’s activities of the SSA in a special revenue fund, SSA- JJAEP. Contributions from the SSA are summarized below:

Florence ISD	\$	37,982
Georgetown ISD		413,024
Hutto ISD		85,597
Jarrell ISD		55,872
Leander ISD		159,634
Liberty Hill ISD		111,193
Round Rock ISD		589,270
Taylor ISD		43,762
Thrall ISD		<u>2,752</u>
Total	\$	<u>1,499,086</u>

**L. 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 through 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.

At June 30, 2023, the District is also committed under construction contracts with a remaining balance of \$217,063,459.

**M. Subsequent Events**

In August 2023, the District issued Unlimited Tax Refunding Bonds, Series 2023-A in the amount of \$38,235,000, for the purpose of refunding a portion of existing bonds Series 2016-B and 2019-B at a present value savings. The bonds carry an interest rate of 2-5% and mature on August 1, 2040, and August 1, 2042, respectively.

**N. 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**

**GEORGETOWN 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		
<b>REVENUES</b>					
5700	Local and intermediate sources	\$ 158,011,231	\$ 163,392,267	\$ 164,380,748	\$ 988,481
5800	State program	12,897,687	15,799,836	16,601,918	802,082
5900	Federal program	<u>1,970,000</u>	<u>2,948,748</u>	<u>3,253,785</u>	<u>305,037</u>
5020	Total revenues	<u>172,878,918</u>	<u>182,140,851</u>	<u>184,236,451</u>	<u>2,095,600</u>
<b>EXPENDITURES</b>					
Current:					
0011	Instruction	80,851,057	75,702,493	75,282,328	420,165
0012	Instructional resources and media services	1,182,101	1,175,470	1,154,516	20,954
0013	Curriculum and instructional staff development	2,450,141	2,247,239	2,052,702	194,537
0021	Instructional leadership	3,614,640	3,567,090	3,384,800	182,290
0023	School leadership	8,293,438	8,393,050	8,190,451	202,599
0031	Guidance, counseling and evaluation services	5,572,518	5,329,739	5,133,604	196,135
0032	Social work services	225,231	247,231	229,912	17,319
0033	Health services	1,438,397	1,531,797	1,455,321	76,476
0034	Student (pupil) transportation	5,030,553	6,349,860	6,249,738	100,122
0036	Extracurricular activities	3,588,107	3,696,131	3,695,627	504
0041	General administration	4,493,706	4,337,175	4,292,224	44,951
0051	Facilities maintenance and operations	15,246,935	14,354,285	14,358,436	(4,151)
0052	Security and monitoring services	463,200	684,670	681,258	3,412
0053	Data processing services	3,794,474	3,856,638	3,717,001	139,637
0061	Community services	632,429	588,429	551,982	36,447
Debt service:					
0071	Principal on long term debt	-	505,400	30,000	475,400
0072	Interest on long term debt	-	26,600	-	26,600
Intergovernmental:					
0091	Contracted instructional services between schools	44,500,000	50,000,000	49,505,880	494,120
0095	Payments to Juvenile Justice Alternative Ed. Prg.	500,000	413,024	413,024	-
0099	Other intergovernmental charges	<u>912,000</u>	<u>1,067,759</u>	<u>1,067,759</u>	<u>-</u>
6030	Total expenditures	<u>182,788,927</u>	<u>184,074,080</u>	<u>181,446,563</u>	<u>2,627,517</u>
1100	Excess (deficiency) of revenues over (under) expenditures	(9,910,009)	(1,933,229)	2,789,888	4,723,117
<b>OTHER FINANCING SOURCES (USES)</b>					
7940	Issuance of SBITA	-	-	59,434	59,434
7956	Insurance recovery	70,000	40,000	3,939	(36,061)
8911	Transfers out	-	(5,768)	(5,768)	-
7080	Total other financing sources (uses)	<u>70,000</u>	<u>34,232</u>	<u>57,605</u>	<u>23,373</u>
<b>SPECIAL ITEM</b>					
7918	Sale of land	-	5,456,723	5,449,648	(7,075)
	Total special item	-	5,456,723	5,449,648	(7,075)
1200	Net change in fund balances	<u>(9,840,009)</u>	<u>3,557,726</u>	<u>8,297,141</u>	<u>4,739,415</u>
0100	Fund balance - July 1 (beginning)	<u>27,936,502</u>	<u>27,936,502</u>	<u>27,936,502</u>	<u>-</u>
3000	Fund balance - June 30 (ending)	<u>\$ 18,096,493</u>	<u>\$ 31,494,228</u>	<u>\$ 36,233,643</u>	<u>\$ 4,739,415</u>

**GEORGETOWN INDEPENDENT SCHOOL DISTRICT**

NOTES TO BUDGETARY SCHEDULE

JUNE 30, 2023

**Budgetary Information**

Budgets are prepared annually for the General Fund, Debt Service Fund, and National Breakfast and Lunch Program Fund (special revenue fund) on the modified accrual basis, which is consistent with generally accepted accounting principles. A formal budget is prepared by June 20 and is adopted by the Board at a public meeting after ten days public notice of the meeting has been given. 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.

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 provided for in the subsequent year's budget.

**Excess of Expenditures over Budget**

During the year the District over expended its facilities maintenance and operations final budget by \$4,151. This overage was paid for by under spending of other functions within the General Fund.

**GEORGETOWN INDEPENDENT SCHOOL DISTRICT**

SCHEDULE OF DISTRICT'S PROPORTIONATE  
SHARE OF THE NET PENSION LIABILITY  
TEACHER RETIREMENT SYSTEM

FOR THE YEAR ENDED JUNE 30, 2023

Measurement Year Ended August 31,	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
District's proportion of the net pension liability	0.0693353%	0.0643611%	0.0577681%	0.0631749%
District's proportionate share of net pension liability	\$ 41,162,575	\$ 16,390,501	\$ 30,939,421	\$ 32,840,293
States proportionate share of the net pension liability associated with the District	<u>67,707,851</u>	<u>29,277,098</u>	<u>66,175,493</u>	<u>59,122,547</u>
Total	<u>\$ 108,870,426</u>	<u>\$ 45,667,599</u>	<u>\$ 97,114,914</u>	<u>\$ 91,962,840</u>
District's covered payroll	\$ 94,583,885	\$ 91,405,485	\$ 85,151,496	\$ 78,139,042
District's proportionate share of the net pension liability as a percentage of its covered payroll	43.52%	17.93%	36.33%	42.03%
Plan fiduciary net position as a percentage of the total pension liability	75.62%	88.79%	75.54%	75.24%

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
0.0618924%	0.0593936%	0.0559558%	0.0581942%	0.0348740%	0.0349000%
\$ 34,067,106	\$ 18,990,877	\$ 21,144,860	\$ 20,570,875	\$ 9,315,328	\$ 11,438,456
<u>64,195,508</u>	<u>36,662,334</u>	<u>43,883,561</u>	<u>42,337,506</u>	<u>36,251,770</u>	<u>44,500,569</u>
<u>\$ 98,262,614</u>	<u>\$ 55,653,211</u>	<u>\$ 65,028,421</u>	<u>\$ 62,908,381</u>	<u>\$ 45,567,098</u>	<u>\$ 55,939,025</u>
\$ 79,949,949	\$ 69,913,028	\$ 66,607,159	\$ 64,530,870	\$ 62,196,419	\$ 59,984,509
42.61%	27.16%	31.75%	31.88%	14.98%	19.07%
73.74%	82.17%	78.00%	78.43%	83.25%	78.17%

**GEORGETOWN 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,	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 3,111,078	\$ 2,840,093	\$ 2,642,085	\$ 2,375,357
Contribution in relation to the contractually required contribution	<u>(3,111,078)</u>	<u>(2,840,093)</u>	<u>(2,642,085)</u>	<u>(2,375,357)</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$97,839,957	\$93,766,398	\$92,620,735	\$84,136,033
Contributions as a percentage of covered payroll	3.18%	3.03%	2.85%	2.82%

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 2,190,233	\$ 2,053,125	\$ 1,927,773	\$ 1,762,541	\$ 1,584,974	\$ 866,551
<u>(2,190,233)</u>	<u>(2,053,125)</u>	<u>(1,927,773)</u>	<u>(1,762,541)</u>	<u>(1,584,974)</u>	<u>(866,551)</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$77,339,088	\$74,173,067	\$69,404,876	\$66,275,061	\$64,116,844	\$61,800,442
2.83%	2.77%	2.78%	2.66%	2.47%	1.40%

**GEORGETOWN 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,	<u>2022</u>	<u>2021</u>	<u>2020</u>
District's proportion of the net OPEB liability	0.0976955%	0.0951451%	0.0898713%
District's proportionate share of net OPEB liability	\$ 23,392,215	\$ 36,701,701	\$ 34,164,156
States proportionate share of the net OPEB liability associated with the District	<u>28,534,827</u>	<u>49,172,100</u>	<u>45,908,436</u>
Total	<u>\$ 51,927,042</u>	<u>\$ 85,873,801</u>	<u>\$ 80,072,592</u>
District's covered employee payroll	\$ 94,583,885	\$ 91,405,485	\$ 85,151,496
District's proportionate share of the net OPEB liability as a percentage of its covered employee payroll	24.73%	40.15%	40.12%
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.

<u>2019</u>	<u>2018</u>	<u>2017</u>
0.0893437%	0.0878505%	0.0820720%
\$ 42,251,734	\$ 43,864,567	\$ 35,690,013
<u>56,143,102</u>	<u>65,678,898</u>	<u>55,852,544</u>
<u>\$ 98,394,836</u>	<u>\$ 109,543,465</u>	<u>\$ 91,542,557</u>
\$ 78,139,042	\$ 74,949,949	\$ 69,913,028
54.07%	58.53%	51.05%
2.66%	1.57%	0.91%

**GEORGETOWN 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,	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 817,269	\$ 815,695	\$ 742,836	\$ 679,302
Contribution in relation to the contractually required contribution	<u>(817,269)</u>	<u>(815,695)</u>	<u>(742,836)</u>	<u>(679,302)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered employee payroll	\$97,839,957	\$93,766,398	\$92,620,735	\$84,136,033
Contributions as a percentage of covered employee payroll	0.84%	0.87%	0.80%	0.81%

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 626,203	\$ 573,500	\$ 425,936	\$ 425,454	\$ 378,247	\$ 374,699
<u>(626,203)</u>	<u>(573,500)</u>	<u>(425,936)</u>	<u>(425,454)</u>	<u>(378,247)</u>	<u>(374,699)</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$77,339,088	\$74,173,067	\$69,404,876	\$66,275,061	\$64,116,844	\$61,800,442
0.81%	0.77%	0.61%	0.64%	0.59%	0.61%

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## **COMBINING STATEMENTS**

**GEORGETOWN INDEPENDENT SCHOOL DISTRICT**

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2023

Data Control Codes	211 ESEA, Title I, Part A Improving Basic Program	224 IDEA Part B, Formula	225 IDEA Part B, Preschool	226 IDEA Part B, Discretionary
<b>ASSETS</b>				
1110	Cash and cash equivalents	\$ -	\$ -	\$ -
1240	Due from other governments	258,640	203,325	93,676
1260	Due from other funds	-	133	-
1300	Inventory	-	-	-
1000	Total assets	<u>258,640</u>	<u>203,325</u>	<u>93,676</u>
<b>LIABILITIES</b>				
2110	Accounts payable	4,428	-	-
2160	Accrued wages payable	85,830	201,122	-
2170	Due to other governments	-	-	-
2170	Due to other funds	168,382	2,203	93,676
2300	Unearned revenues	-	-	-
2000	Total liabilities	<u>258,640</u>	<u>203,325</u>	<u>93,676</u>
<b>FUND BALANCES</b>				
Restricted:				
3450	Federal and state grants	-	-	-
3490	Other	-	-	-
Committed:				
3545	Campus activity	-	-	-
3000	Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total liabilities and fund balances	<u>\$ 258,640</u>	<u>\$ 203,325</u>	<u>\$ 93,676</u>

240	244	255	263	266	279	281
National Breakfast and Lunch Program	Career and Technical - Basic Grant	ESEA, Title II Part A	ESEA, Title III Part A	ESSER CARES Act	TCLAS State ESSER III	ESSER II CRRSA
\$ 1,803,383	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	13,555	100,656	13,968	-	17,303	-
1,271,074	4,158	12,950	-	-	-	-
124,250	-	-	-	-	-	-
<u>3,198,707</u>	<u>17,713</u>	<u>113,606</u>	<u>13,968</u>	<u>-</u>	<u>17,303</u>	<u>-</u>
56,552	17,713	-	30	-	-	-
268,743	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	113,606	13,938	-	17,303	-
124,250	-	-	-	-	-	-
<u>449,545</u>	<u>17,713</u>	<u>113,606</u>	<u>13,968</u>	<u>-</u>	<u>17,303</u>	<u>-</u>
2,749,162	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>2,749,162</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 3,198,707</u>	<u>\$ 17,713</u>	<u>\$ 113,606</u>	<u>\$ 13,968</u>	<u>\$ -</u>	<u>\$ 17,303</u>	<u>\$ -</u>

**GEORGETOWN INDEPENDENT SCHOOL DISTRICT**

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2023

Data Control Codes	282	283	284	285	
	ESSER III	ESSER-SUPP	IDEA Part B, Formula ARPA 2021	IDEA Part B, Preschool ARPA 2021	
<b>ASSETS</b>					
1110	Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
1240	Due from other governments	22,492	113,316	12,075	6,190
1260	Due from other funds	-	-	-	-
1300	Inventory	-	-	-	-
1000	Total assets	<u>22,492</u>	<u>113,316</u>	<u>12,075</u>	<u>6,190</u>
<b>LIABILITIES</b>					
2110	Accounts payable	-	1,555	-	1,100
2160	Accrued wages payable	3,068	-	-	-
2170	Due to other governments	-	-	-	-
2170	Due to other funds	19,424	111,761	12,075	5,090
2300	Unearned revenues	-	-	-	-
2000	Total liabilities	<u>22,492</u>	<u>113,316</u>	<u>12,075</u>	<u>6,190</u>
<b>FUND BALANCES</b>					
Restricted:					
3450	Federal and state grants	-	-	-	-
3490	Other	-	-	-	-
Committed:					
3545	Campus activity	-	-	-	-
3000	Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total liabilities and fund balances	<u>\$ 22,492</u>	<u>\$ 113,316</u>	<u>\$ 12,075</u>	<u>\$ 6,190</u>

289	397	410	429	459
Other Federal Special Revenue Funds	Advanced Placement Incentives	State Instructional Materials	Other State Special Revenue Funds	SSA JJAEP
\$ -	\$ 18,362	\$ -	\$ -	\$ 370,180
37,778	-	860	-	143,545
-	-	-	9,329	-
-	-	-	-	-
<u>37,778</u>	<u>18,362</u>	<u>860</u>	<u>9,329</u>	<u>513,725</u>
14,241	-	-	-	1,692
-	-	-	-	141,757
-	-	-	-	137,870
23,537	-	860	-	9,165
-	-	-	-	-
<u>37,778</u>	<u>-</u>	<u>860</u>	<u>-</u>	<u>290,484</u>
-	18,362	-	9,329	-
-	-	-	-	223,241
-	-	-	-	-
<u>-</u>	<u>18,362</u>	<u>-</u>	<u>9,329</u>	<u>223,241</u>
<u>\$ 37,778</u>	<u>\$ 18,362</u>	<u>\$ 860</u>	<u>\$ 9,329</u>	<u>\$ 513,725</u>

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**GEORGETOWN INDEPENDENT SCHOOL DISTRICT**

**EXHIBIT H-1**

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2023

Data Control Codes	461 Campus Activity Funds	498 KLE Blended Learning Grant	499 Local Grants	Total Nonmajor Governmental Funds	
<b>ASSETS</b>					
1110	Cash and cash equivalents	\$ -	\$ 1,940	\$ 188,890	\$ 2,382,755
1240	Due from other governments	-	-	-	1,040,925
1260	Due from other funds	615,478	-	-	1,913,122
1300	Inventory	-	-	-	124,250
1000	Total assets	<u>615,478</u>	<u>1,940</u>	<u>188,890</u>	<u>5,461,052</u>
<b>LIABILITIES</b>					
2110	Accounts payable	9,338	-	16,615	123,264
2160	Accrued wages payable	-	-	-	704,199
2170	Due to other governments	-	-	-	137,870
2170	Due to other funds	-	-	4,633	595,653
2300	Unearned revenues	-	-	-	124,250
2000	Total liabilities	<u>9,338</u>	<u>-</u>	<u>21,248</u>	<u>1,685,236</u>
<b>FUND BALANCES</b>					
Restricted:					
3450	Federal and state grants	-	-	-	2,776,853
3490	Other	-	1,940	167,642	392,823
Committed:					
3545	Campus activity	<u>606,140</u>	-	-	<u>606,140</u>
3000	Total fund balances	<u>606,140</u>	<u>1,940</u>	<u>167,642</u>	<u>3,775,816</u>
4000	Total liabilities and fund balances	<u>\$ 615,478</u>	<u>\$ 1,940</u>	<u>\$ 188,890</u>	<u>\$ 5,461,052</u>

**GEORGETOWN 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		211 ESEA, Title I, Part A Improving Basic Program	224 IDEA Part B, Formula	225 IDEA Part B, Preschool	226 IDEA Part B, Discretionary
<b>REVENUES</b>					
5700	Local and intermediate sources	\$ -	\$ -	\$ -	\$ -
5800	State program	-	-	-	-
5900	Federal program	<u>1,386,278</u>	<u>2,096,424</u>	<u>17,892</u>	<u>550,963</u>
5020	Total revenues	<u>1,386,278</u>	<u>2,096,424</u>	<u>17,892</u>	<u>550,963</u>
<b>EXPENDITURES</b>					
Current:					
0011	Instruction	886,590	1,722,629	17,892	550,963
0013	Curriculum and instructional staff development	39,186	-	-	-
0021	Instructional leadership	156,904	-	-	-
0023	School leadership	3,320	-	-	-
0031	Guidance, counseling and evaluation services	-	310,529	-	-
0032	Social work services	18,516	-	-	-
0033	Health services	-	-	-	-
0035	Food services	-	-	-	-
0036	Extracurricular activities	-	-	-	-
0041	General administration	-	-	-	-
0053	Data processing services	-	-	-	-
0061	Community services	281,762	63,266	-	-
Debt service:					
0071	Principal on long term debt	-	-	-	-
6030	Total expenditures	<u>1,386,278</u>	<u>2,096,424</u>	<u>17,892</u>	<u>550,963</u>
1100	Excess (deficiency) of revenues over (under) (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
7915	Transfer in	-	-	-	-
7940	Issuance of SBITA	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
7080	Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1200	Net change in fund balances	-	-	-	-
0100	Fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
3000	Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

240	244	255	263	266	279	281
National Breakfast and Lunch Program	Career and Technical - Basic Grant	ESEA, Title II Part A	ESEA, Title III Part A	ESSER CARES Act	TCLAS State ESSER III	ESSER II CRRSA
\$ 2,754,478	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
27,171	-	-	-	-	-	-
<u>3,252,109</u>	<u>110,432</u>	<u>292,802</u>	<u>230,553</u>	<u>34</u>	<u>155,435</u>	<u>688</u>
<u>6,033,758</u>	<u>110,432</u>	<u>292,802</u>	<u>230,553</u>	<u>34</u>	<u>155,435</u>	<u>688</u>
-	110,432	23,403	184,952	-	9,685	-
-	-	269,311	18,305	-	138,701	688
-	-	88	26,045	34	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
5,912,105	-	-	-	-	-	-
-	-	-	-	-	7,049	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	1,251	-	-	-
-	-	-	-	-	-	-
<u>5,912,105</u>	<u>110,432</u>	<u>292,802</u>	<u>230,553</u>	<u>34</u>	<u>155,435</u>	<u>688</u>
<u>121,653</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>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
121,653	-	-	-	-	-	-
<u>2,627,509</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 2,749,162</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**GEORGETOWN 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		282	283	284	285
		ESSER III	ESSER-SUPP	IDEA Part B, Formula ARPA 2021	IDEA Part B, Preschool ARPA 2021
<b>REVENUES</b>					
5700	Local and intermediate sources	\$ -	\$ -	\$ -	\$ -
5800	State program	-	-	-	-
5900	Federal program	<u>549,270</u>	<u>4,176,142</u>	<u>364,181</u>	<u>13,869</u>
5020	Total revenues	<u>549,270</u>	<u>4,176,142</u>	<u>364,181</u>	<u>13,869</u>
<b>EXPENDITURES</b>					
Current:					
0011	Instruction	459,250	4,029,600	364,181	13,869
0013	Curriculum and instructional staff development	18,981	17,768	-	-
0021	Instructional leadership	39,323	-	-	-
0023	School leadership	-	88,954	-	-
0031	Guidance, counseling and evaluation services	-	-	-	-
0032	Social work services	-	-	-	-
0033	Health services	-	3,467	-	-
0035	Food services	-	-	-	-
0036	Extracurricular activities	-	-	-	-
0041	General administration	-	-	-	-
0053	Data processing services	31,716	200,933	-	-
0061	Community services	-	-	-	-
Debt service:					
0071	Principal on long term debt	-	<u>145,425</u>	-	-
6030	Total expenditures	<u>549,270</u>	<u>4,486,147</u>	<u>364,181</u>	<u>13,869</u>
1100	Excess (deficiency) of revenues over (under) (under) expenditures	<u>-</u>	<u>(310,005)</u>	<u>-</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
7915	Transfer in	-	-	-	-
7940	Issuance of SBITA	<u>-</u>	<u>310,005</u>	<u>-</u>	<u>-</u>
7080	Total other financing sources (uses)	<u>-</u>	<u>310,005</u>	<u>-</u>	<u>-</u>
1200	Net change in fund balances	-	-	-	-
0100	Fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
3000	Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

289	397	410	429	459
Other Federal Special Revenue Funds	Advanced Placement Incentives	State Instructional Materials	Other State Special Revenue Funds	SSA JJAEP
\$ -	\$ -	\$ -	\$ -	\$ 1,499,086
-	2,842	119,046	3,850	729,876
<u>521,948</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>521,948</u>	<u>2,842</u>	<u>119,046</u>	<u>3,850</u>	<u>2,228,962</u>
519,663	-	119,046	-	1,697,529
2,285	-	-	4,071	21,600
-	-	-	-	-
-	-	-	-	220,262
-	-	-	-	49,500
-	-	-	-	101,000
-	-	-	-	42,500
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>521,948</u>	<u>-</u>	<u>119,046</u>	<u>4,071</u>	<u>2,132,391</u>
<u>-</u>	<u>2,842</u>	<u>-</u>	<u>(221)</u>	<u>96,571</u>
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	2,842	-	(221)	96,571
<u>-</u>	<u>15,520</u>	<u>-</u>	<u>9,550</u>	<u>126,670</u>
<u>\$ -</u>	<u>\$ 18,362</u>	<u>\$ -</u>	<u>\$ 9,329</u>	<u>\$ 223,241</u>

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**GEORGETOWN 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

Data Control Codes	461 Campus Activity Funds	498 KLE Blended Learning Grant	499 Local Grants	Total Nonmajor Governmental Funds	
<b>REVENUES</b>					
5700	Local and intermediate sources	\$ 443,120	\$ -	\$ 152,457	\$ 4,849,141
5800	State program	-	-	-	882,785
5900	Federal program	-	-	-	13,719,020
5020	Total revenues	<u>443,120</u>	<u>-</u>	<u>152,457</u>	<u>19,450,946</u>
<b>EXPENDITURES</b>					
Current:					
0011	Instruction	355,020	-	53,262	11,117,966
0013	Curriculum and instructional staff development	-	-	-	530,896
0021	Instructional leadership	-	-	-	222,394
0023	School leadership	-	-	35,595	348,131
0031	Guidance, counseling and evaluation services	-	-	-	360,029
0032	Social work services	-	-	-	119,516
0033	Health services	-	-	-	45,967
0035	Food services	-	-	-	5,912,105
0036	Extracurricular activities	-	-	20,065	27,114
0041	General administration	10,923	-	4,582	15,505
0053	Data processing services	-	-	-	232,649
0061	Community services	-	-	-	346,279
Debt service:					
0071	Principal on long term debt	-	-	-	145,425
6030	Total expenditures	<u>365,943</u>	<u>-</u>	<u>113,504</u>	<u>19,423,976</u>
1100	Excess (deficiency) of revenues over (under) (under) expenditures	<u>77,177</u>	<u>-</u>	<u>38,953</u>	<u>26,970</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
7915	Transfer in	5,768	-	-	5,768
7940	Issuance of SBITA	-	-	-	310,005
7080	Total other financing sources (uses)	<u>5,768</u>	<u>-</u>	<u>-</u>	<u>315,773</u>
1200	Net change in fund balances	82,945	-	38,953	342,743
0100	Fund balance - beginning	<u>523,195</u>	<u>1,940</u>	<u>128,689</u>	<u>3,433,073</u>
3000	Fund balance - ending	<u>\$ 606,140</u>	<u>\$ 1,940</u>	<u>\$ 167,642</u>	<u>\$ 3,775,816</u>

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## **REQUIRED TEA SCHEDULES**

**GEORGETOWN INDEPENDENT SCHOOL DISTRICT**

SCHEDULE OF DELIQUENT 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
	Maintenance	Debt Service			
2014 and prior years	Various	Various		Various	\$ 299,752
2015	1.080000	0.318000		6,009,212,317	80,988
2016	1.080000	0.318000		6,715,741,558	79,079
2017	1.080000	0.329000		7,468,411,433	92,089
2018	1.080000	0.329000		8,384,248,027	121,066
2019	1.080000	0.329000		9,272,908,872	183,105
2020	1.010000	0.329000		10,661,100,028	199,572
2021	0.978100	0.329000		11,449,620,176	302,785
2022	0.902000	0.329000		12,012,167,695	3,033,730
2023	0.884600	0.329000		18,023,444,051	-
1000 Totals					<u>\$ 4,392,166</u>
8000	Taxes Refunded under 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
\$ -	\$ 11,262	\$ 2,371	\$ (29,464)	\$ 256,655
-	2,564	755	(2,079)	75,590
-	3,165	932	(1,973)	73,009
-	1,176	346	(6,453)	84,114
-	7,795	2,374	(6,352)	104,545
-	9,252	2,818	(9,406)	161,629
-	4,949	1,612	(32,049)	160,962
-	(77,120)	(25,941)	(169,792)	236,054
-	940,760	343,138	(1,468,507)	281,325
<u>218,732,517</u>	<u>157,890,981</u>	<u>58,722,737</u>	<u>973,215</u>	<u>3,092,014</u>
<u>\$ 218,732,517</u>	<u>\$ 158,794,784</u>	<u>\$ 59,051,142</u>	<u>\$ (752,860)</u>	<u>\$ 4,525,897</u>
	<u>\$ 125,285</u>			

**GEORGETOWN INDEPENDENT SCHOOL DISTRICT**

**EXHIBIT J-2**

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

FOR THE YEAR ENDED JUNE 30, 2023

Data Control Codes		Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
		Original	Final		
<b>REVENUES</b>					
5700	Local and intermediate sources	\$ 2,953,784	\$ 2,830,155	\$ 2,754,478	\$ (75,677)
5800	State program	22,000	27,171	27,171	-
5900	Federal program	<u>3,955,786</u>	<u>3,825,180</u>	<u>3,252,109</u>	<u>(573,071)</u>
5020	Total revenues	<u>6,931,570</u>	<u>6,682,506</u>	<u>6,033,758</u>	<u>(648,748)</u>
<b>EXPENDITURES</b>					
Current:					
0035	Food service	<u>6,561,709</u>	<u>6,911,709</u>	<u>5,912,105</u>	<u>999,604</u>
6030	Total expenditures	<u>6,561,709</u>	<u>6,911,709</u>	<u>5,912,105</u>	<u>999,604</u>
1100	Excess (deficiency) of revenues over (under) expenditures	<u>369,861</u>	<u>(229,203)</u>	<u>121,653</u>	<u>350,856</u>
0100	Fund balance - July 1 (beginning)	<u>2,627,509</u>	<u>2,627,509</u>	<u>2,627,509</u>	<u>-</u>
3000	Fund balance - June 30 (ending)	<u>\$ 2,997,370</u>	<u>\$ 2,398,306</u>	<u>\$ 2,749,162</u>	<u>\$ 350,856</u>

**GEORGETOWN INDEPENDENT SCHOOL DISTRICT**

**EXHIBIT J-3**

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

FOR THE YEAR ENDED JUNE 30, 2023

Data Control Codes		Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
		Original	Final		
<b>REVENUES</b>					
5700	Local and intermediate sources	\$ 58,067,210	\$ 59,867,210	\$ 60,750,489	\$ 883,279
5800	State program	-	1,074,179	867,293	(206,886)
5020	Total revenues	<u>58,067,210</u>	<u>60,941,389</u>	<u>61,617,782</u>	<u>676,393</u>
<b>EXPENDITURES</b>					
Debt service:					
0071	Principal on long-term debt	20,065,000	33,060,000	33,060,000	-
0072	Interest on long-term debt	22,878,758	22,654,882	22,529,077	125,805
0073	Bond issuance costs and fees	20,000	214,118	212,619	1,499
6030	Total expenditures	<u>42,963,758</u>	<u>55,929,000</u>	<u>55,801,696</u>	<u>127,304</u>
1100	Excess (deficiency) of revenues over (under) expenditures	<u>15,103,452</u>	<u>5,012,389</u>	<u>5,816,086</u>	<u>803,697</u>
<b>OTHER FINANCING SOURCES</b>					
7901	Refunding bonds issued	-	3,568,305	3,568,305	-
7916	Premium on issuance of bonds	-	173,377	173,377	-
7080	Total other financing sources	<u>-</u>	<u>3,741,682</u>	<u>3,741,682</u>	<u>-</u>
1200	Net change in fund balances	<u>15,103,452</u>	<u>8,754,071</u>	<u>9,557,768</u>	<u>803,697</u>
0100	Fund balance - July 1 (beginning)	<u>42,609,146</u>	<u>42,609,146</u>	<u>42,609,146</u>	<u>-</u>
3000	Fund balance - June 30 (ending)	<u>\$ 57,712,598</u>	<u>\$ 51,363,217</u>	<u>\$ 52,166,914</u>	<u>\$ 803,697</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.	\$ 7,731,787
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)	\$ 4,304,447

Section B: Bilingual Education Programs

AP5	Did your LEA expend any bilingual education program state allotment funds during the LEA’s fiscal year?	Yes
AP6	Does the LEA have written policies and procedures for its bilingual education program?	Yes
AP7	List the total state allotment funds received for bilingual education programs during the LEA’s fiscal year.	\$ 1,423,951
AP8	List the actual direct program expenditures for bilingual education programs during the LEA’s fiscal year. (PICs 25, 35)	\$ 821,634

**GEORGETOWN INDEPENDENT SCHOOL DISTRICT**

**EXHIBIT L-1**

REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS

JUNE 30, 2023

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

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## **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  
Georgetown Independent School District  
Georgetown, 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 Georgetown Independent School District as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Georgetown Independent School District's basic financial statements, and have issued our report thereon dated October 16, 2023.

***Report on Internal Control Over Financial Reporting***

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

**Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Georgetown 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  
October 16, 2023

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**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  
Georgetown Independent School District  
Georgetown, Texas

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Georgetown 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 Georgetown Independent School District’s major federal programs for the year ended June 30, 2023. Georgetown 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, Georgetown 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 Georgetown 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 Georgetown 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 Georgetown Independent School District’s federal programs.

## **Auditor's Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Georgetown 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 Georgetown 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 Georgetown 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 Georgetown 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 Georgetown 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  
October 16, 2023

**GEORGETOWN INDEPENDENT SCHOOL DISTRICT**

**EXHIBIT K-1**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2023

(1) Federal Grantor/ Pass-through Grantor/ Grantor/Program Title	(2) Assistance Listing Number	(2A) Pass-through Entity Identifying Number	(3) Federal Expenditures
<b><u>U. S. DEPARTMENT OF AGRICULTURE</u></b>			
Passed through the Texas Education Agency:			
School Breakfast Program (SBP)	10.553	71402201	\$ 114,545
School Breakfast Program (SBP)	10.553	71402301	<u>510,957</u>
Total Assistance Listing Number 10.553			<u>625,502</u>
National School Lunch Program (NSLP)	10.555	71302201	486,000
National School Lunch Program (NSLP)	10.555	71302301	<u>2,378,577</u>
Total Passed through the Texas Education Agency			<u>3,490,079</u>
Passed through the Texas Department of Agriculture:			
Non-cash assistance - Food Distribution Program	10.555	01148	282,466
COVID-19 - Commodity Storage Delivery Reimbursement	10.555	01148	<u>6,554</u>
Total Assistance Listing Number 10.555			<u>3,153,597</u>
COVID-19 - Supply Chain Assistance	10.558	01148	5,000
COVID-19 - Pandemic EBT Administrative Costs	10.649	01148	<u>5,950</u>
Total Passed through the Texas Department of Agriculture			<u>3,164,547</u>
Total Child Nutrition Cluster (ALNs 10.553 and 10.555)			<u>3,779,099</u>
<b>TOTAL U. S. DEPARTMENT OF AGRICULTURE</b>			<u>3,790,049</u>
<b><u>U. S. DEPARTMENT OF EDUCATION</u></b>			
Passed through the Texas Education Agency:			
Title I, Part A, Grants to LEAs	84.010A	22610101246904	52,610
Title I, Part A, Grants to LEAs	84.010A	23610101246904	1,249,450
Title I, Part D, Subpart 2, LEA Delinquent Programs	84.010A	22610103246904	5,129
Title I, Part D, Subpart 2, LEA Delinquent Programs	84.010A	23610103246904	96,477
Title I, 1003 - School Improvement Grant	84.010A	22610141246904	5,805
Title I, 1003 - School Improvement Grant	84.010A	23610141246904	<u>33,096</u>
Total Assistance Listing Number 84.010A			<u>1,442,567</u>
Special Education Grants to States (IDEA - Part B, Formula)	84.027A	226600012469046000	29,026
Special Education Grants to States (IDEA - Part B, Formula)	84.027A	236600012469046000	2,166,120
Special Education Grants to States (IDEA - Part B, Formula)	84.027A	66002206	84,286
Special Education Grants to States (IDEA - Part B, Formula)	84.027A	66002312	<u>466,676</u>
Total Assistance Listing Number 84.027A			<u>2,746,108</u>
COVID-19 - Special Education Grants to States (IDEA - Part B, Formula - ARP)	84.027X	225350012469045000	332,051
COVID-19 - Special Education Grants to States (IDEA - Part B, Formula - ARP)	84.027X	225350022469045000	<u>33,192</u>
Total Assistance Listing Number 84.027X			<u>365,243</u>
Special Education Preschool Grants (IDEA - Part B, Preschool)	84.173A	236610012469046000	<u>18,951</u>
COVID-19 - Special Education Preschool Grants (IDEA - Part B, Preschool - ARP)	84.173X	225360012469045000	6,160
COVID-19 - Special Education Preschool Grants (IDEA - Part B, Preschool - ARP)	84.173X	225360022469045000	<u>7,789</u>
Total Assistance Listing Number 84.173X			<u>13,949</u>
Total Special Education (IDEA) Cluster			<u>3,144,251</u>
Perkins V: Strengthening Career and Technical Education for the 21st Century	84.048A	22420006246904	3,600
Perkins V: Strengthening Career and Technical Education for the 21st Century	84.048A	23420006246904	<u>110,834</u>
Total Assistance Listing Number 84.048A			<u>114,434</u>

**GEORGETOWN INDEPENDENT SCHOOL DISTRICT**

**EXHIBIT K-1**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2023

(1) Federal Grantor/ Pass-through Grantor/ Grantor/Program Title	(2) Assistance Listing Number	(2A) Pass-through Entity Identifying Number	(3) Federal Expenditures
<b><u>U. S. DEPARTMENT OF EDUCATION (cont'd)</u></b>			
Passed through the Texas Education Agency:			
English Language Acquisition State Grants	84.365A	22671001246904	\$ 72,054
English Language Acquisition State Grants	84.365A	23671001246904	<u>166,086</u>
Total Assistance Listing Number 84.365A			<u>238,140</u>
Title II, Part A - Supporting Effective Instruction State Grants	84.367A	22694501246904	4,175
Title II, Part A - Supporting Effective Instruction State Grants	84.367A	23694501246904	<u>298,771</u>
Total Assistance Listing Number 84.367A			<u>302,946</u>
Title IV, Part A - Student Support Academic Enrichment Grants	84.424A	22680101246904	4,870
Title IV, Part A - Student Support Academic Enrichment Grants	84.424A	23694501246904	<u>73,550</u>
Total Assistance Listing Number 84.424A			<u>78,420</u>
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425D	20521001246904	34
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425D	21521001246904	688
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425U	21528001246904	445,029
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425U	215280587110059	104,241
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425U	21528043246904	4,176,142
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425U	21528042246904	<u>155,435</u>
Total Assistance Listing Number 84.425			<u>4,881,569</u>
Total Passed through the Texas Education Agency			<u>10,202,327</u>
<b>TOTAL U. S. DEPARTMENT OF EDUCATION</b>			<u>10,202,327</u>
<b><u>U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>			
Passed through the Texas Education Agency:			
COVID-19 - School Health Support	93.323	223935027110042	445,327
Total Assistance Listing Number 93.323			<u>445,327</u>
Total Passed through the Texas Education Agency			<u>445,327</u>
<b>TOTAL U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			<u>445,327</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>\$ 14,437,703</u>

**GEORGETOWN INDEPENDENT SCHOOL DISTRICT**

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

JUNE 30, 2023

**GENERAL**

The Schedule of Expenditures of Federal Awards (SEFA) presents the activity of all applicable federal award programs of Georgetown Independent School District. The District’s reporting entity is defined in Note I of the financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the SEFA.

**BASIS OF ACCOUNTING**

The SEFA is presented using the modified accrual basis of accounting. The District’s significant accounting policies, including the modified accrual basis of accounting, are presented in Note 1 of the basic financial statements. The SEFA is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some of the amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

**PASS-THROUGH EXPENDITURES**

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

**INDIRECT COSTS**

The District did not elect to use a de minimis cost rate of 10% as described at 2 CFR §200.414(f)—Indirect (F&A) costs.

**RECONCILIATION OF FEDERAL REVENUES AND THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Federal revenues on the Statement of Revenues, Expenditures and Changes in Fund Balance Governmental Funds (Exhibit C-3)	\$	16,972,805
Navy Junior Reserve Officers Training Corps (NJROTC)		(197,892)
School health and related services revenue		<u>(2,337,210)</u>
Federal expenditures on the Schedule of Expenditures of Federal Awards (Exhibit K-1)	\$	<u>14,437,703</u>

**GEORGETOWN 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

Identification of major programs:

Assistance Listing Numbers: Name of Federal Program or Cluster:  
84.425 COVID-19 - Elementary and Secondary  
84.010 School Emergency Relief Fund  
Title I

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

Auditee qualified as low-risk auditee? Yes

**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

**GEORGETOWN INDEPENDENT SCHOOL DISTRICT**

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FOR THE YEAR ENDED JUNE 30, 2023

None



## BOARD AGENDA ITEM

**Board Meeting Date:**10/16/2023

**Submitted Date:** 10/12/2023 13:18:48

- Consent Agenda**
- Action Needed**
- Information Only**
- Recognition**
- Presentation**

**Action Needed**

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**Name of Person Responsible:**

Wes Vanicek

**Department or Campus:**

Assessment and Feedback

**Title of Agenda Item:**

Amendment to District of Innovation Plan

**Background Information:**

In recent months our leadership team has discussed the new legislation under HB114. The law no longer differentiates between the substance of an e-cigarette (i.e. nicotine or THC) and mandates schools to treat e-cigarette violations the same. Under this legislation, students who are observed possessing, using, selling, giving, or delivering to another person an e-cigarette will be recommended for a mandatory disciplinary alternative education program placement (GAP). By making this offense a mandatory placement to DAEP, it removes the ability of an administrator to consider the whole child and make the best possible placement decision for the student.

Previously, consequences for all forms of tobacco (including e-cigarettes) have been campus-based disciplinary actions, resulting in ISS, OSS, or discretionary DAEP. Georgetown ISD is requesting to amend the District of Innovation plan to continue to allow for this same discipline approach for e-cigarettes containing tobacco. This



## BOARD AGENDA ITEM

exemption provides the flexibility of campus and district administrators to manage student discipline in a way that is consistent with current law and GISD policy regarding tobacco products. This approach would align our consequences based on the substance and not the method of delivery. All marijuana/THC related infractions would continue to result in mandatory DAEP placements.

In GISD, we are guided by our Strategic Plan, which places importance on student and staff well being. Based on our strategic priorities and objectives, we value having "caring adults advocate for students and help them make safe, healthy choices" and find it essential that "students are treated with respect". This DOI amendment aligns with our Strategic Plan and allows our administrators to have discretion in ensuring that students are assigned the most appropriate disciplinary consequences when considering all mitigating factors.

Our District Performance Committee has reviewed this adjustment and approved the amendment with a majority vote: 17 approved, 1 did not approve (10 members not present).

### **Attachments:**

<https://drive.google.com/open?id=1QiO7Xf7GVMs6ySk4d1ZaaJIXJZC8kXayjoALjunReWs>

### **Superintendent's Recommendations:**

Consideration and Possible Action to Approve

**STATUTE RECOMMENDED FOR EXEMPTION:**

TEC §37.006 MANDATORY DISCIPLINARY ALTERNATIVE EDUCATION PROGRAM  
PLACEMENT FOR E-CIGARETTES

**CONNECTION TO STRATEGIC PLAN:**

Georgetown ISD's Strategic Plan includes the following Strategic Priority Areas and Objectives that guide our actions and decisions related to this recommended exemption:

- Student and Staff Wellbeing: In GISD, caring adults advocate for students and help them make safe, healthy choices.
- Student and Staff Wellbeing: GISD students are treated with respect and are respectful to each other and to adults.

**RATIONALE:**

Legislation from the 88th Texas Legislative Session (2023) established a requirement for how schools must administer disciplinary consequences concerning e-cigarettes on campus property. The law no longer differentiates between the substance of an e-cigarette (i.e. nicotine or THC) and mandates schools to treat e-cigarette violations the same. Under this legislation, students who are observed possessing, using, selling, giving, or delivering to another person an e-cigarette will be recommended for a mandatory disciplinary alternative education program placement (GAP). This requirement for nicotine e-cigarettes is not in alignment with current law and policy concerning nicotine or tobacco products other than e-cigarettes. By making this offense a mandatory placement to DAEP, it removes the ability of an administrator to consider the whole child and make the best possible placement decision for the student. This exemption provides the flexibility of campus and district administrators to manage student discipline in a way that is consistent with current law and GISD policy regarding tobacco products.

**PARAMETERS:**

- Currently, the consequences for other forms of tobacco, such as cigarettes and chewing tobacco, are campus-based disciplinary actions such as In-School Suspension (ISS).
- The offense of a student possessing, using, selling, giving, or delivering to another person an e-cigarette will result in campus-based disciplinary actions, such as ISS, or a discretionary placement at the GISD disciplinary alternative education program placement (DAEP).
- This approach would align our consequences based on the substance and not the method of delivery.
- In addition, the approach allows our administrators to have discretion in ensuring that students are assigned the most appropriate disciplinary consequences when considering all mitigating factors.
- All marijuana/THC related infractions would continue to result in mandatory DAEP placements.