

*ANNUAL FINANCIAL REPORT*

of

**WOODVILLE  
INDEPENDENT SCHOOL DISTRICT**

**For the Year Ended  
August 31, 2022**

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# WOODVILLE INDEPENDENT SCHOOL DISTRICT

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## ***INTRODUCTORY SECTION***

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CERTIFICATE OF BOARD

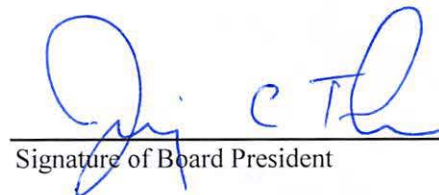
Woodville Independent School District  
Name of School District

Tyler  
County

229-903  
Co. Dist. Number

We, the undersigned, certify that the attached annual financial reports of the above named school district were reviewed and (check one) X approved \_\_\_\_\_ disapproved for the year ended August 31, 2022, at a meeting of the Board of Trustees of such school district on the 23 day of January, 2023.

  
Signature of Board Secretary

  
Signature of Board President

If the Board of Trustees disapproved of the auditors' report, the reason(s) for disapproving it is (are):

(attach list as necessary)

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## ***FINANCIAL SECTION***

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## ***INDEPENDENT AUDITORS' REPORT***

To the Board of Trustees of  
Woodville Independent School District:

### **Opinions**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Woodville Independent School District (the "District"), as of and for the year ended August 31, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of August 31, 2022, and the respective changes in financial position for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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.

### **Change in Accounting Principle**

As described in Note I. F. 14 to the financial statements, the District adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 87, *Leases*, in fiscal year 2022. Our opinion is not modified with respect to this matter.

### **Responsibility 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 the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

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

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

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

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information, schedules of the District's proportionate share of the net pension and other postemployment benefits liability, and schedules of District contributions, identified as Required Supplementary Information on 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 the District's basic financial statements. The accompanying combining statements, schedules, and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not required parts 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, 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

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and the schedule of required responses to selected school first indicators but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

## Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 20, 2023 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

The logo for Belt Harris Pechacek, LLP features the names 'BELT HARRIS PECHACEK, LLP' in a serif font, with the first letters of each name being significantly larger and stylized.

Belt Harris Pechacek, LLLP  
Certified Public Accountants  
Houston, Texas  
January 20, 2023

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***MANAGEMENT'S DISCUSSION  
AND ANALYSIS***

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# WOODVILLE INDEPENDENT SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### For the Year Ended August 31, 2022

The purpose of the Management's Discussion and Analysis (MD&A) is to give the readers an objective and easily readable analysis of the financial activities of Woodville Independent School District (the "District") for the year ending August 31, 2022. The analysis is based on currently known facts, decisions, or economic conditions. It presents short and long-term analysis of the District's activities, compares current year results with those of the prior year, and discusses the positive and negative aspects of that comparison. Please read the MD&A in conjunction with the District's financial statements, which follow this section.

#### FINANCIAL HIGHLIGHTS

- The District's total combined net position at August 31, 2022 was \$11,175,144.
- For the fiscal year ended August 31, 2022, the District's general fund reported a total fund balance of \$5,608,433, of which \$10,281 is nonspendable, \$900,000 is committed, and \$4,698,152 is unassigned.
- At the end of the fiscal year, the District's governmental funds (the general fund plus all state and federal grant funds, and the debt service fund) reported combined ending fund balances of \$9,308,241.

#### OVERVIEW OF THE FINANCIAL STATEMENTS

The annual report consists of three parts – *Management's Discussion and Analysis* (this section), the *Basic Financial Statements*, and *Required Supplementary Information*. The basic financial statements include two kinds of statements that present different views of the District.

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the District's overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the government, reporting the District's operations in more detail than the government-wide statements.
- The *governmental funds* statements tell how *general government* services were financed in the *short-term* as well as what remains for future spending.
- *Fiduciary fund* statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others to whom the fiduciary resources belong. These statements include a private-purpose trust fund and a custodial fund.

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

# **WOODVILLE INDEPENDENT SCHOOL DISTRICT**

## ***MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)***

**For the Year Ended August 31, 2022**

### **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The government-wide statements report information about the District as a whole. These statements include transactions and balances relating to all assets, including infrastructure capital assets. These statements are designed to provide information about cost of services, operating results, and financial position of the District as an economic entity. The Statement of Net Position and the Statement of Activities, which appear first in the District's financial statements, report information on the District's activities that enable the reader to understand the financial condition of the District. These statements are prepared using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account even if cash has not yet changed hands.

The Statement of Net Position presents information on all of the District's assets, liabilities, and deferred outflows/inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. Other nonfinancial factors, such as changes in the District's tax base, staffing patterns, enrollment, and attendance, need to be considered in order to assess the overall health of the District.

The Statement of Activities presents information showing how the District's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows – the accrual method rather than modified accrual that is used in the fund level statements.

The Statement of Net Position and the Statement of Activities include the following class of activities:

*Governmental Activities* – The District's basic services such as instruction, extracurricular activities, curriculum and staff development, health services, general administration, and plant operations and maintenance are included in *governmental activities*. Locally assessed property taxes, together with State foundation program entitlements, which are based upon student enrollment and attendance, finance most of the governmental activities.

The government-wide financial statements can be found after the MD&A.

### **FUND FINANCIAL STATEMENTS**

The fund financial statements provide more detailed information about the District's most significant funds – not the District as a whole. Funds are simply accounting devices that are used to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law and other funds are mandated by bond agreements or bond covenants.
- The Board of Trustees (the "Board") establishes other funds to control and manage money set aside for particular purposes or to show that the District is properly using certain taxes and grants.
- Other funds are used to account for assets held by the District in a custodial capacity – these assets do not belong to the District, but the District is responsible to properly account for them.

# WOODVILLE INDEPENDENT SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

For the Year Ended August 31, 2022

The District has the following kinds of funds:

- *Governmental funds* – The District's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information is provided at the bottom of the governmental funds statement, or on the subsequent page, that explains the relationship (or differences) between them.
- *Fiduciary funds* – The District serves as the trustee, or fiduciary, for certain funds such as custodial and trust 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 a statement of changes in fiduciary net position. These activities are excluded from the District's government-wide financial statements because the District cannot use these assets to finance its governmental operations.

### FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The District's combined net position was \$11,175,144 at August 31, 2022. *Table 1* focuses on net position while *Table 2* shows the revenues and expenses that changed the net position balance during the fiscal year ended August 31, 2022.

*Table 1* indicates the District's net position increased \$1,011,365 in total from the prior year. The details of this increase can be seen in *Table 2*. The total assets increase of \$113,278 is largely due to an increase in current assets related to revenue due from the government for federal and state revenues. The total liabilities decrease of \$3,194,406 is substantially due to the reduction in the net pension liability, net OPEB liability, and current year debt service payments. The District experienced an increase in total revenue of \$1,603,805 primarily due to an increase in operating grants and contributions due to Elementary and Secondary School Emergency Relief (ESSER) Fund grants received in the current year, and the increase in grants and contributions not restricted for specific programs due to an increase in foundation revenues. Total expenses experienced a decrease by \$770,368 mainly due to a decrease in instruction related to the Operation Connectivity grant received in the prior year.

**WOODVILLE INDEPENDENT SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
For the Year Ended August 31, 2022

**Table 1**  
**Net Position**

<b>Description</b>	<b>Governmental Activities</b>		<b>Total Change</b>
	<b>2022</b>	<b>2021</b>	<b>2022-2021</b>
Current assets	\$ 12,196,436	\$ 11,832,672	\$ 363,764
Capital assets	14,273,658	14,524,144	(250,486)
<b>Total Assets</b>	<b>26,470,094</b>	<b>26,356,816</b>	<b>113,278</b>
Deferred outflows - pensions	1,338,018	1,855,903	(517,885)
Deferred outflows - OPEB	2,263,903	2,248,183	15,720
<b>Total Deferred Outflows of Resources</b>	<b>3,601,921</b>	<b>4,104,086</b>	<b>(502,165)</b>
Current liabilities	1,102,249	1,305,070	(202,821)
Long-term liabilities	10,887,830	13,879,415	(2,991,585)
<b>Total Liabilities</b>	<b>11,990,079</b>	<b>15,184,485</b>	<b>(3,194,406)</b>
Deferred charge on refunding	24,978	27,412	(2,434)
Deferred inflows - pensions	2,581,708	826,689	1,755,019
Deferred inflows - OPEB	4,300,106	4,258,537	41,569
<b>Total Deferred Inflows of Resources</b>	<b>6,906,792</b>	<b>5,112,638</b>	<b>1,794,154</b>
<b>Net Position:</b>			
Net investment in capital assets	11,183,873	11,148,540	35,333
Restricted	3,699,808	3,606,182	93,626
Unrestricted	(3,708,537)	(4,590,943)	882,406
<b>Total Net Position</b>	<b>\$ 11,175,144</b>	<b>\$ 10,163,779</b>	<b>\$ 1,011,365</b>

# WOODVILLE INDEPENDENT SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

For the Year Ended August 31, 2022

**Table 2**  
**Changes in Net Position**

	<b>Governmental Activities</b>		<b>Total Change</b>
	<b>2022</b>	<b>2021</b>	<b>2022-2021</b>
<b>Revenues</b>			
Program revenues:			
Charges for services	\$ 1,799,650	\$ 1,757,860	\$ 41,790
Operating grants and contributions	5,102,690	4,028,017	1,074,673
General revenues:			
Property taxes	5,685,781	5,639,983	45,798
Grants and contributions not restricted for specific programs	8,072,460	7,660,048	412,412
Investment earnings	40,894	4,651	36,243
Other revenue	260,112	267,223	(7,111)
<b>Total Revenue</b>	<b>20,961,587</b>	<b>19,357,782</b>	<b>1,603,805</b>
<b>Expenses</b>			
Instruction	9,474,892	10,144,765	(669,873)
Instructional resources and media services	213,112	218,399	(5,287)
Curriculum/instructional staff development	775,843	352,913	422,930
Instructional leadership	151,591	173,049	(21,458)
School leadership	975,785	1,049,486	(73,701)
Guidance, counseling, and evaluation services	935,108	951,699	(16,591)
Health services	187,016	326,487	(139,471)
Student (pupil) transportation	829,433	910,335	(80,902)
Food services	1,101,581	1,066,307	35,274
Extracurricular activities	998,222	972,995	25,227
General administration	944,306	965,566	(21,260)
Plant maintenance and operations	1,988,351	2,020,885	(32,534)
Security and monitoring services	79,880	80,841	(961)
Data processing services	307,206	416,764	(109,558)
Community services	31,600	31,600	-
Debt service - interest	34,515	108,523	(74,008)
Payments to shared services arrangements	699,741	733,763	(34,022)
Other intergovernmental charges	222,040	196,213	25,827
<b>Total Expenses</b>	<b>19,950,222</b>	<b>20,720,590</b>	<b>(770,368)</b>
<b>Change in Net Position</b>	<b>1,011,365</b>	<b>(1,362,808)</b>	<b>2,374,173</b>
Beginning net position	10,163,779	11,526,587	(1,362,808)
<b>Ending Net Position</b>	<b>\$ 11,175,144</b>	<b>\$ 10,163,779</b>	<b>\$ 1,011,365</b>

# **WOODVILLE INDEPENDENT SCHOOL DISTRICT**

## ***MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)***

### **For the Year Ended August 31, 2022**

#### **FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

At the close of the fiscal year ending August 31, 2022, the District's governmental funds reported a combined fund balance of \$9,308,241. This compares to a combined fund balance of \$8,751,722 at August 31, 2021. The fund balance in the general fund of \$5,608,433 increased by \$462,893 during the fiscal year. General fund total revenues experienced an increase of \$405,971 from the prior year which is primarily due to an increase in state program revenues related to the increase in foundation school program revenues. The general fund's total expenditures experienced an increase of \$35,166 that can largely be attributed to the increase in travel-related curriculum and staff development expenditures. The fund balance in the debt service fund of \$2,871,833 decreased by \$260,763, primarily due to the excess of debt service payments over property tax revenue received. The District's ESSER III fund had federal revenues for reimbursement expenditures of \$1,377,915.

#### **GENERAL FUND BUDGETARY HIGHLIGHTS**

In accordance with State law and generally accepted accounting standards, the District prepares an annual budget for the general fund, the food service special revenue fund, and the debt service fund. The District budgets the capital projects fund for each *project*, which normally covers multiple years. Special revenue funds have budgets approved by the funding agency and are amended throughout the year as required.

During the period ended August 31, 2022, the District amended its budget as required by State law and to reflect current levels of revenue and anticipated expenses. The general fund's actual revenues were more than budgeted revenues by a net \$205,234 due primarily to more local revenue than expected. Total general fund budgeted expenditures exceeded actual expenditures by a net \$193,182 with the largest positive variance in instruction.

#### **CAPITAL ASSETS**

At August 31, 2022, the District had a total of \$14,273,658 invested in capital assets (net of depreciation) such as land, construction in progress, buildings, and District equipment. This total includes \$1,072,473 invested during the fiscal year ended August 31, 2022.

Major capital asset events during the fiscal year included the following:

- 2022 International 77-passenger bus \$106,793
- Network upgrades \$626,085
- 4 combination ovens \$69,042
- 2 heating, ventilation, and air conditioning units for Kirby gym and middle school gym \$87,772
- Security cameras \$24,811
- 4 stealth floor machines \$26,726

More detailed information about the District's capital assets can be found in note III.B. to the financial statements.

#### **LONG-TERM DEBT**

At year end, the District had \$3,064,807 in general obligation bonds and lease payable outstanding versus \$3,348,192 last year. The District paid \$347,862 in principal and lease payments during the year.

More detailed information about the District's long-term liabilities is presented in note III.C. to the financial statements.

# **WOODVILLE INDEPENDENT SCHOOL DISTRICT**

## ***MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)***

**For the Year Ended August 31, 2022**

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

The District's budgeted expenditures for the 2022-2023 school year total \$15,134,444 and the District's Board adopted a Maintenance and Operations tax rate of \$0.8546 and an Interest and Sinking rate of \$0.2400 for a combined rate of \$1.0946 per \$100 of valuation.

### **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Cody Jarrott, CPA, Assistant Superintendent-Finance, at 505 N. Charlton, Woodville, Texas 75979 or by calling (409) 283-3752.



## ***BASIC FINANCIAL STATEMENTS***



# WOODVILLE INDEPENDENT SCHOOL DISTRICT

## STATEMENT OF NET POSITION - EXHIBIT A-1

August 31, 2022

1

<b>Data Control Codes</b>		<b>Governmental Activities</b>
	<b><u>Assets</u></b>	
1110	Cash and cash equivalents	\$ 1,264,357
1120	Investments	6,225,313
1225	Property taxes receivables (net)	1,686,858
1240	Due from other governments	2,906,763
1300	Inventories	6,781
1410	Prepaid items	106,364
		<u>12,196,436</u>
	Capital assets:	
1510	Land	753,477
1520	Buildings and improvements, net	11,111,192
1530	Furniture and equipment, net	1,917,991
1550	Right-to-use leased equipment, net	240,161
1580	Construction in progress	250,837
		<u>14,273,658</u>
1000	<b>Total Assets</b>	<u>26,470,094</u>
	<b><u>Deferred Outflows of Resources</u></b>	
1705	Deferred outflows - pensions	1,338,018
1710	Deferred outflows - OPEB	2,263,903
1700	<b>Total Deferred Outflows of Resources</b>	<u>3,601,921</u>
	<b><u>Liabilities</u></b>	
2110	Accounts payable	65,473
2140	Interest payable	3,776
2150	Payroll deductions payable	99,265
2160	Accrued wages payable	672,815
2200	Accrued expenses	13,870
2300	Unearned revenue	247,050
		<u>1,102,249</u>
	Noncurrent liabilities:	
2501	Long-term liabilities due within one year	386,022
2502	Long-term liabilities due in more than one year	2,678,785
2540	Net pension liability	2,191,307
2545	Net OPEB liability	5,631,716
		<u>10,887,830</u>
2000	<b>Total Liabilities</b>	<u>11,990,079</u>
	<b><u>Deferred Inflows of Resources</u></b>	
2600	Deferred charge on refunding	24,978
2605	Deferred inflows - pensions	2,581,708
2610	Deferred inflows - OPEB	4,300,106
2600	<b>Total Deferred Inflows of Resources</b>	<u>6,906,792</u>
	<b><u>Net Position</u></b>	
3200	Net investment in capital assets	11,183,873
	Restricted for:	
3820	Federal and state programs	827,975
3850	Debt service	2,871,833
3900	Unrestricted	(3,708,537)
3000	<b>Total Net Position</b>	<u>\$ 11,175,144</u>

See Notes to Financial Statements.



# WOODVILLE INDEPENDENT SCHOOL DISTRICT

## STATEMENT OF ACTIVITIES - EXHIBIT B-1

For the Year Ended August 31, 2022

Data Control Codes	Functions/Programs	1 Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
			3 Charges for Services	4 Operating Grants and Contributions	
					6 Primary Gov. Governmental Activities
	<b>Primary Government</b>				
	<b>Governmental Activities</b>				
11	Instruction	\$ 9,474,892	\$ 1,214,363	\$ 1,784,637	\$ (6,475,892)
12	Instructional resources				
12	and media services	213,112	-	-	(213,112)
13	Curriculum/instructional		-		
13	staff development	775,843	-	282,580	(493,263)
21	Instructional leadership	151,591	140,487	21,461	10,357
23	School leadership	975,785	-	12,385	(963,400)
31	Guidance, counseling, and				
31	evaluation services	935,108	151,900	595,916	(187,292)
33	Health services	187,016	31,482	187,468	31,934
34	Student (pupil) transportation	829,433	-	-	(829,433)
35	Food services	1,101,581	100,509	1,406,144	405,072
36	Extracurricular activities	998,222	30,529	15,905	(951,788)
41	General administration	944,306	5,000	2,630	(936,676)
51	Plant maintenance and operations	1,988,351	125,380	126,954	(1,736,017)
52	Security and monitoring services	79,880	-	27,651	(52,229)
53	Data processing services	307,206	-	638,959	331,753
61	Community services	31,600	-	-	(31,600)
72	Debt service - interest	34,515	-	-	(34,515)
93	Payments to shared services				
93	arrangements	699,741	-	-	(699,741)
99	Other intergovernmental charges	222,040	-	-	(222,040)
TG	<b>Total Governmental Activities</b>	<u>19,950,222</u>	<u>1,799,650</u>	<u>5,102,690</u>	<u>(13,047,882)</u>
TP	<b>Total Primary Government</b>	<u>\$ 19,950,222</u>	<u>\$ 1,799,650</u>	<u>\$ 5,102,690</u>	<u>(13,047,882)</u>
	<b>General Revenues</b>				
MT	Property taxes, levied for general purposes				5,668,110
DT	Property taxes, levied for debt service				17,671
GC	Grants and contributions not restricted				
GC	for specific program				8,072,460
IE	Investment earnings				40,894
MI	Miscellaneous local and intermediate revenue				260,112
TR				<b>Total General Revenues</b>	<u>14,059,247</u>
CN				<b>Change in Net Position</b>	<u>1,011,365</u>
NB	Beginning net position				<u>10,163,779</u>
NE				<b>Ending Net Position</b>	<u>\$ 11,175,144</u>

See Notes to Financial Statements.

# WOODVILLE INDEPENDENT SCHOOL DISTRICT

## BALANCE SHEET

### GOVERNMENTAL FUNDS - EXHIBIT C-1

August 31, 2022

Data Control Codes		10	50		
		General	Debt Service	ESSER III	Nonmajor Governmental
	<b><u>Assets</u></b>				
1110	Cash and cash equivalents	\$ 470,623	\$ 10,417	\$ -	\$ 783,317
1120	Investments	3,363,897	2,861,416	-	-
1220	Taxes receivables	1,973,160	135,412	-	-
1230	Allowance for uncollectible taxes	(394,632)	(27,082)	-	-
1240	Due from other governments	1,174,181	-	891,808	840,774
1260	Due from other funds	1,373,355	-	-	42,684
1300	Inventories	6,781	-	-	-
1410	Prepaid items	3,500	-	-	-
1000	<b>Total Assets</b>	<b>\$ 7,970,865</b>	<b>\$ 2,980,163</b>	<b>\$ 891,808</b>	<b>\$ 1,666,775</b>
	<b><u>Liabilities</u></b>				
2110	Accounts payable	\$ 63,244	\$ -	\$ -	\$ 2,229
2150	Payroll deductions payable	99,265	-	-	-
2160	Accrued wages payable	554,418	-	-	118,397
2170	Due to other funds	42,684	-	891,808	481,547
2200	Accrued expenditures	11,354	-	-	2,516
2300	Unearned revenue	12,939	-	-	234,111
2000	<b>Total Liabilities</b>	<b>783,904</b>	<b>-</b>	<b>891,808</b>	<b>838,800</b>
	<b><u>Deferred Inflows of Resources</u></b>				
2601	Unavailable revenue - property taxes	1,578,528	108,330	-	-
2600	<b>Total Deferred Inflows of Resources</b>	<b>1,578,528</b>	<b>108,330</b>	<b>-</b>	<b>-</b>
	<b><u>Fund Balances</u></b>				
	Nonspendable:				
3410	Inventories	6,781	-	-	-
3430	Prepaid items	3,500	-	-	-
	Restricted:				
3450	Federal/state funds grant restrictions	-	-	-	827,975
3480	Debt service	-	2,871,833	-	-
	Committed:				
3530	Capital expenditures	400,000	-	-	-
3545	Contingency	500,000	-	-	-
3600	Unassigned	4,698,152	-	-	-
3000	<b>Total Fund Balances</b>	<b>5,608,433</b>	<b>2,871,833</b>	<b>-</b>	<b>827,975</b>
4000	<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 7,970,865</b>	<b>\$ 2,980,163</b>	<b>\$ 891,808</b>	<b>\$ 1,666,775</b>

See Notes to Financial Statements.

**98**  
**Total**  
**Governmental**  
**Funds**

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\$	1,264,357
	6,225,313
	2,108,572
	(421,714)
	2,906,763
	1,416,039
	6,781
	3,500
\$	13,509,611

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\$	65,473
	99,265
	672,815
	1,416,039
	13,870
	247,050
	2,514,512

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	1,686,858
	1,686,858

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	6,781
	3,500

	827,975
	2,871,833

	400,000
	500,000
	4,698,152

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	9,308,241
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\$	13,509,611
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**WOODVILLE INDEPENDENT SCHOOL DISTRICT**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION - EXHIBIT C-1R**  
**August 31, 2022**

Total fund balances for governmental funds		\$ 9,308,241
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and, therefore, not reported in the governmental funds.		
Capital assets - nondepreciable	1,004,314	
Capital assets - depreciable, net	<u>13,269,344</u>	14,273,658
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds.		
Deferred revenue - property taxes	1,686,858	
Prepaid expenses	<u>102,864</u>	1,789,722
Deferred items and some liabilities, including bonds payable, net pension and net other postemployment benefits (OPEB), are not reported as liabilities or deferred items in the governmental funds.		
Accrued interest	(3,776)	
Deferred charge on refunding	(24,978)	
Deferred outflows - pensions	1,338,018	
Deferred inflows - pensions	(2,581,708)	
Net pension liability	(2,191,307)	
Deferred outflows - OPEB	2,263,903	
Deferred inflows - OPEB	(4,300,106)	
Net OPEB liability	(5,631,716)	
Noncurrent liabilities due in one year	(386,022)	
Noncurrent liabilities due in more than one year	<u>(2,678,785)</u>	<u>(14,196,477)</u>
<b>Net Position of Governmental Activities</b>		<b>\$ <u>11,175,144</u></b>

See Notes to Financial Statements.

**WOODVILLE INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS - EXHIBIT C-2**

For the Year Ended August 31, 2022

Data Control Codes		10	50		
		General	Debt Service	ESSER III	Nonmajor Governmental
	<b>Revenues</b>				
5700	Local, intermediate, and out-of-state	\$ 6,141,499	\$ 32,160	\$ -	\$ 1,613,582
5800	State program revenues	8,778,540	-	-	259,045
5900	Federal program revenues	221,376	-	1,377,915	3,022,175
5020	<b>Total Revenues</b>	<b>15,141,415</b>	<b>32,160</b>	<b>1,377,915</b>	<b>4,894,802</b>
	<b>Expenditures</b>				
0011	Instruction	6,594,089	-	415,022	2,349,572
0012	Instructional resources and media services	184,402	-	-	4,058
0013	Curriculum and instructional staff development	509,524	-	199,739	81,197
0021	Instructional leadership	2,994	-	-	156,738
0023	School leadership	1,010,555	-	-	14,456
0031	Guidance, counseling, and evaluation services	295,021	-	49,296	624,931
0033	Health services	154,860	-	-	37,225
0034	Student (pupil) transportation	835,864	-	-	11,160
0035	Food services	-	-	-	1,109,140
0036	Extracurricular activities	880,140	-	-	-
0041	General administration	988,537	20	-	14,131
0051	Plant maintenance and operations	1,806,411	-	87,772	98,394
0052	Security and monitoring services	77,080	-	-	27,611
0053	Data processing services	278,936	-	626,086	3,044
0061	Community services	31,600	-	-	-
	<b>Debt service:</b>				
0071	Principal	89,862	258,000	-	-
0072	Interest	2,465	34,903	-	-
	<b>Capital outlay:</b>				
0081	Facilities acquisition and construction	78,878	-	-	9,756
	<b>Intergovernmental:</b>				
0093	Payments to shared services arrangements	699,741	-	-	-
0099	Other governmental charges	222,040	-	-	-
6030	<b>Total Expenditures</b>	<b>14,742,999</b>	<b>292,923</b>	<b>1,377,915</b>	<b>4,541,413</b>
1100	<b>Excess (Deficiency) of Revenues</b>				
1100	<b>Over (Under) Expenditures</b>	<b>398,416</b>	<b>(260,763)</b>	<b>-</b>	<b>353,389</b>
	<b>Other Financing Sources (Uses)</b>				
7912	Sale of real and personal property	-	-	-	1,000
7913	Proceeds from right-to-use assets	64,477	-	-	-
7080	<b>Total Other Financing Sources</b>	<b>64,477</b>	<b>-</b>	<b>-</b>	<b>1,000</b>
1200	<b>Net Change in Fund Balances</b>	<b>462,893</b>	<b>(260,763)</b>	<b>-</b>	<b>354,389</b>
0100	Beginning fund balances	5,145,540	3,132,596	-	473,586
3000	<b>Ending Fund Balances</b>	<b>\$ 5,608,433</b>	<b>\$ 2,871,833</b>	<b>\$ -</b>	<b>\$ 827,975</b>

See Notes to Financial Statements.

**98**  
**Total**  
**Governmental**  
**Funds**

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\$ 7,787,241  
9,037,585  
4,621,466  


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21,446,292

9,358,683  
188,460  
790,460  
159,732  
1,025,011  
969,248  
192,085  
847,024  
1,109,140  
880,140  
1,002,688  
1,992,577  
104,691  
908,066  
31,600

347,862  
37,368

88,634

699,741  
222,040

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20,955,250

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491,042

1,000

64,477

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65,477

556,519

8,751,722

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\$ 9,308,241



**WOODVILLE INDEPENDENT SCHOOL DISTRICT**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE**  
**STATEMENT OF ACTIVITIES - EXHIBIT C-3**  
**For the Year Ended August 31, 2022**

Net change in fund balances - total governmental funds	\$	556,519
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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 and reported as depreciation expense.

Depreciation, net of disposals		(1,322,959)
Capital and right-to-use assets, net of disposals		1,072,473

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		9,647
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The issuance of long-term debt (e.g., bonds, leases, certificates of obligation) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued; whereas, these amounts are deferred and amortized in the Statement of Activities.

Principal repayments		347,862
New obligation from lease agreements		(64,477)
Accrued interest		419
Amortization of gain on bond refunding		2,434

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.

Change in net pension liability		2,524,280
Amortization of deferred outflows - pensions		(517,885)
Amortization of deferred inflows - pensions		(1,755,019)
Change in net OPEB liability		183,920
Amortization of deferred outflows - OPEB		15,720
Amortization of deferred inflows - OPEB		(41,569)
Net on-behalf contributions adjustments - revenues		(293,864)
Net on-behalf contributions adjustments - expenses		293,864

Some revenues/expenditures reported in governmental funds are not recognized as revenues/expenditures in the Statement of Activities.

Fund level on-behalf adjustment - revenues		(777,765)
Fund level on-behalf adjustment - expenses		777,765

		<u><u>\$ 1,011,365</u></u>
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See Notes to Financial Statements.



# WOODVILLE INDEPENDENT SCHOOL DISTRICT

## STATEMENT OF FIDUCIARY NET POSITION

### FIDUCIARY FUNDS - EXHIBIT E-1

August 31, 2022

Data Control Codes			810	865
			Private - Purpose Trust Fund	Custodial Fund
			Scholarships	Student Activity
	<b><u>Assets</u></b>			
1110	Cash and cash equivalents		\$ 12,694	\$ 137,164
1000		<b>Total Assets</b>	<u>12,694</u>	<u>137,164</u>
	<b><u>Liabilities</u></b>			
	Current liabilities:			
2110	Accounts payable		-	363
2000		<b>Total Liabilities</b>	<u>-</u>	<u>363</u>
	<b><u>Net Position</u></b>			
	Restricted for:			
3800	Held in trust		12,694	-
3800	Individuals and other organizations		-	136,801
3000		<b>Total Net Position</b>	<u>\$ 12,694</u>	<u>\$ 136,801</u>

See Notes to Financial Statements.



# WOODVILLE INDEPENDENT SCHOOL DISTRICT

## STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

### FIDUCIARY FUNDS - EXHIBIT E-2

For the Year Ended August 31, 2022

Data Control Codes		810	865
		Private - Purpose Trust Fund	Custodial Fund
		Scholarships	Student Activity
	<b>Additions</b>		
	Athletic activities	\$ -	\$ 26,899
	Donations	29,603	14,741
	Extracurricular activities	-	4,396
	Investment income	36	-
	Fundraising	-	122,408
	Other	-	71,809
	Rent	-	130
	Vending machine	-	2,391
	<b>Total Additions</b>	<b>29,639</b>	<b>242,774</b>
	<b>Deductions</b>		
	Scholarship awards	32,699	-
	Cheerleaders	-	24,611
	Athletics	-	21,994
	Agricultural mechanics	-	15,200
	Band	-	7,927
	Construction trades	-	4,013
	Class of 2022	-	3,379
	Class of 2023	-	3,466
	Class of 2026	-	4,457
	National FFA Organization	-	13,432
	Other	-	115,450
	<b>Total Deductions</b>	<b>32,699</b>	<b>213,929</b>
	<b>Changes in Net Position</b>	<b>(3,060)</b>	<b>28,845</b>
0100	Beginning net position	15,754	107,956
3000	<b>Ending Net Position</b>	<b>\$ 12,694</b>	<b>\$ 136,801</b>

See Notes to Financial Statements.



# WOODVILLE INDEPENDENT SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

For the Year Ended August 31, 2022

### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. Reporting Entity

Woodville Independent School District (the “District”) is a public educational agency operating under the applicable laws and regulations of the State of Texas (the “State”). It is governed by a seven-member Board of Trustees (the “Board”) elected by registered voters of the District. The District prepares its basic financial statements in conformity with generally accepted accounting principles (GAAP) promulgated by the Governmental Accounting Standards Board (GASB) and it complies with the requirements of the appropriate version of the Texas Education Agency’s (TEA) *Financial Accountability System Resource Guide* (the “Resource Guide”) and the requirements of contracts and grants of agencies from which it receives funds.

The District is an independent political subdivision of the State governed by a board elected by the public and it has the authority to make decisions, appoint administrators and managers, and significantly influence operations, and is considered a primary government. As required by GAAP, basic financial statements have been prepared based on considerations regarding the potential for inclusion of other entities, organizations, or functions as part of the District’s financial reporting entity. No other entities have been included in the District’s reporting entity. Additionally, as the District is considered a primary government for financial reporting purposes, its activities are not considered a part of any other governmental or other type of reporting entity.

Considerations regarding the potential for inclusion of other entities, organizations, or functions in the District’s financial reporting entity are based on criteria prescribed by GAAP. These same criteria are evaluated in considering whether the District is a part of any other governmental or other type of reporting entity. The overriding elements associated with the prescribed criteria considered in determining that the District’s financial reporting entity status is that of a primary government are that it has a separately elected governing body, it is legally separate, and it is fiscally independent of other state and local governments. Additionally, prescribed criteria under GAAP include considerations pertaining to organizations for which the primary government is financially accountable, and considerations pertaining to organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

#### B. Government-Wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately.

#### C. Basis of Presentation – Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds. Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

# **WOODVILLE INDEPENDENT SCHOOL DISTRICT**

## ***NOTES TO FINANCIAL STATEMENTS (Continued)***

**For the Year Ended August 31, 2022**

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

### **D. Basis of Presentation – Fund Financial Statements**

The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category – governmental and fiduciary – are presented. The emphasis of fund financial statements is on major governmental funds. All remaining governmental funds are aggregated and reported as nonmajor funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The District reports the following governmental funds:

#### **General Fund**

The general fund is the District's primary operating fund. It is used to account for and report all financial resources not accounted for and reported in another fund. The general fund is always considered a major fund for reporting purposes.

#### **Debt Service Fund**

The debt service fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest on all long-term debt of the District. The primary source of revenue for debt service is local property taxes. The debt service fund is considered a major fund for reporting purposes.

#### **Special Revenue Funds**

The special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specific purposes other than debt service. The restricted or committed proceeds of specific revenue sources comprise a substantial portion of the inflows of these special revenue funds. Most federal and some state financial assistance is accounted for in a special revenue fund. The Elementary and Secondary Emergency Relief (ESSER) III special revenue fund is used to account for revenues and expenditures related to the ESSER grant award. This fund is primarily on a reimbursement basis and has a program year that does not coincide with the District's fiscal year. The ESSER III fund is considered a major fund for reporting purposes.

#### **Fiduciary Funds**

The fiduciary funds account for assets held by the District in a trustee capacity or as an agent on behalf of others. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the District's own programs.

# WOODVILLE INDEPENDENT SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended August 31, 2022

The District has the following types of fiduciary funds:

### **Custodial Fund**

The custodial fund reports resources, not in a trust, that are held by the District for other parties outside of the District. The custodial fund is accounted for using the accrual basis of accounting. This fund is used to account for the District's student activity funds.

### **Private-Purpose Trust Fund**

The private-purpose trust fund is custodial in nature and does not present results of operations or have a measurement focus. The trust fund is accounted for using the accrual basis of accounting. This fund is used to account for the District's scholarship funds held in trust for students.

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 and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements.

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.

## **E. Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide and fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. 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.

The 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 District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

# **WOODVILLE INDEPENDENT SCHOOL DISTRICT**

## ***NOTES TO FINANCIAL STATEMENTS (Continued)***

**For the Year Ended August 31, 2022**

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

### **F. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance**

#### **1. Cash and Cash Equivalents**

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.

#### **2. Investments**

Investments, except for certain investment pools, commercial paper, money market funds, and investment contracts, are reported at fair value. The investment pools operate in accordance with appropriate state laws and regulations and are reported at amortized cost. Money market funds, which are short-term highly liquid debt instruments that may include U.S. Treasury and agency obligations and commercial paper that have a remaining maturity of one year or less upon acquisition, are reported at amortized cost. Investments in nonparticipating interest earning contracts, such as certificates of deposit, are reported at cost.

The District has adopted a written investment policy regarding the investment of its funds as defined in the Public Funds Investment Act, Chapter 2256, Texas Government Code. In summary, the District is authorized to invest in the following:

- Direct obligations of the U.S. Government
- Fully collateralized certificates of deposit and money market accounts
- Statewide investment pools and commercial paper

#### **3. Inventories and Prepaid Items**

Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund type inventories are recorded as expenditures when the related liability is incurred (i.e., the purchase method).

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

#### **4. Capital Assets**

Capital assets, which include land, buildings, furniture, and equipment, are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated

# WOODVILLE INDEPENDENT SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended August 31, 2022

useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed (except for intangible right-to-use lease assets, the measurement of which is discussed in note F.14 below). Donated capital assets are recorded at acquisition value at the date of donation. Major outlays for capital assets and improvements are capitalized as projects are constructed.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Property, plant, and equipment of the District are depreciated using the straight-line method over the following estimated useful years:

Asset Description	Estimated Useful Life
Buildings and improvements	40 years
Building improvements (including infrastructure)	20 years
Vehicles	12 years
Furniture, fixtures, and equipment	5 years

### 5. 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 position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time.

Deferred outflows/inflows of resources are amortized as follows:

- Deferred outflows/inflows from pension/other postemployment benefits (OPEB) activities are amortized over the average of the expected service lives of pension/OPEB plan members, except for the net differences between the projected and actual investment earnings on the pension/OPEB plan assets, which are amortized over a period of five years.
- For employer pension/OPEB plan contributions that were made subsequent to the measurement date through the end of the District's fiscal year, the amount is deferred and recognized as a reduction to the net pension/OPEB liability during the measurement period in which the contributions were made.
- A deferred gain 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 refunded debt.

At the fund level, the District has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report

# **WOODVILLE INDEPENDENT SCHOOL DISTRICT**

## ***NOTES TO FINANCIAL STATEMENTS (Continued)***

**For the Year Ended August 31, 2022**

unavailable revenues from property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

### **6. Long-Term Obligations**

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

Long-term debt for governmental funds is not reported as a liability in the fund financial statements until due. The debt proceeds are reported as other financing sources, net of the applicable premium or discount and payment of principal and interest are reported as expenditures. In the governmental fund types, issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. However, claims and judgments paid from governmental funds are reported as a liability in the fund financial statements only for the portion expected to be financed from expendable, available financial resources.

The property tax rate is allocated each year between the general and debt service funds. The full amount estimated to be required for debt service on general obligation debt is provided by the tax along with the interest earned in the debt service fund.

### **7. Net Position Flow Assumption**

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

### **8. Fund Balance Flow Assumptions**

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

### **9. Fund Balance Policies**

Fund balances of governmental funds are reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The District itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

# **WOODVILLE INDEPENDENT SCHOOL DISTRICT**

## ***NOTES TO FINANCIAL STATEMENTS (Continued)***

**For the Year Ended August 31, 2022**

Amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact are classified as nonspendable fund balance. Amounts that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions are classified as restricted fund balance.

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision-making authority. The District's Board is the highest level of decision-making authority for the District that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as committed. The District's Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

### **10. Estimates**

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

### **11. Data Control Codes**

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

### **12. Pensions**

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

### **13. Other Postemployment Benefits**

The fiduciary net position of the TRS Texas Public School Retired Employees Group Insurance Program ("TRS-Care") has been determined using the flow of economic resources measurement

# WOODVILLE INDEPENDENT SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended August 31, 2022

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 OPEB, 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.

### 14. Leases

The District is a lessee for noncancellable leases of equipment. The District recognizes a lease liability and an intangible, right-to-use lease asset (the "lease asset") in the government-wide financial statements.

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

Key estimates and judgments related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease 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 for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and the purchase option price that the District is reasonably certain to exercise.

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

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the Statement of Net Position.

## G. Revenues and Expenditures/Expenses

### 1. Program Revenues

Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

# WOODVILLE INDEPENDENT SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended August 31, 2022

### 2. Property Taxes

All taxes due to the District on real or personal property are payable at the Office of the Tax Assessor-Collector and may be paid at any time after the tax rolls for the year have been completed and approved, which is no later than October 1. Taxes are due by January 31, and all taxes not paid prior to this date are deemed delinquent and are subject to such penalty and interest.

Property taxes attach as an enforceable lien on property as of January 1 each year. Taxes are levied on October 1 and are payable prior to the next February 1. District property tax revenues are recognized when collected.

## II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Annual budgets are adopted on a basis consistent with GAAP. The original budget is adopted by the District prior to the beginning of the year. The legal level of control is the function code stated in the approved budget. Appropriations lapse at the end of the year. Supplemental budget appropriations were made for the year.

In accordance with State law and generally accepted accounting standards, the District prepares an annual budget for the general fund, the national school lunch and breakfast program special revenue fund, and the debt service fund. The District budgets the capital projects fund for each *project*, which normally covers multiple years. Special revenue funds have budgets approved by the funding agency and are amended throughout the year as required.

During the year, the District amended its budget as required by State law and to reflect current levels of revenue and anticipated expenditures. There were material changes between the original budget and the final amended budget.

For the year ended August 31, 2022, expenditures exceeded appropriations at the legal level of control as follows:

General fund:		
Guidance, counseling, and evaluation services	\$	382
Principal	\$	13,491
Facilities acquisition and construction	\$	61,928
Debt Service fund:		
General administration	\$	20

# WOODVILLE INDEPENDENT SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended August 31, 2022

### III. DETAILED NOTES ON ALL FUNDS

#### A. Deposits and Investments

As of August 31, 2022, the District had the following investments:

<u>Investments</u>	<u>Amount</u>	<u>Weighted Average Maturity (Years)</u>
Texpool	\$ 4,965,635	0.06
Lone Star	1,259,678	0.02
<b>Total Investments</b>	<u><u>\$ 6,225,313</u></u>	
Portfolio weighted average maturity		0.05

*Interest rate risk.* In accordance with its investment policy, the District manages its exposure to declines in fair values by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations and invest operating funds primarily in short-term securities.

*Credit risk.* The District's policy requires that investment pools must be rated no lower than 'AAA' or 'AAA-m'. Bankers' acceptances must be issued in the United States and carry a rating of 'A1'/'P1' as provided by two of the top nationally recognized rating agencies. As of August 31, 2022, the District's investments in investment pools were rated 'AAA' and 'AAAm' by Standard & Poor's.

*Custodial credit risk – deposits.* In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's investment policy requires funds on deposit at the depository bank to be collateralized. As of August 31, 2022, demand deposit accounts were entirely insured or collateralized with securities as provided by state laws and regulations and FDIC insurance.

*Custodial credit risk – investments.* For an investment, this is the risk that the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party in the event of the failure of the counterparty. The District's investment policy requires that it will seek to safekeep securities at financial institutions, avoiding physical possession. Further, all trades, where applicable, shall be conducted on a delivery versus payment basis or commercial book entry system as utilized by the Federal Reserve and shall be protected through the use of a third-party custody/safekeeping agent.

#### TexPool

TexPool was established as a trust company with the Treasurer of the State as trustee, segregated from all other trustees, investments, and activities of the trust company. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The advisory board members review the investment policy and management fee structure. Finally, Standard & Poor's rates TexPool 'AAAm'. As a requirement to maintain the rating, weekly portfolio information must be submitted to Standard & Poor's, as well as to the office of the Comptroller of Public Accounts for review.

# WOODVILLE INDEPENDENT SCHOOL DISTRICT

## *NOTES TO FINANCIAL STATEMENTS (Continued)*

For the Year Ended August 31, 2022

TexPool is an external investment pool measured at amortized cost. In order to meet the criteria to be recorded at amortized cost, TexPool must transact at a stable net asset value per share and maintain certain maturity, quality, liquidity, and diversification requirements within TexPool. TexPool transacts at a net asset value of \$1.00 per share, has weighted average maturities of 60 days or less, and weighted average lives of 120 days or less. Investments held are highly rated by nationally recognized statistical rating organizations, have no more than five percent of portfolio with one issuer (excluding U.S. government securities), and can meet reasonably foreseeable redemptions. TexPool has a redemption notice period of one day and may redeem daily. TexPool's 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 TexPool's liquidity.

### **Lone Star**

The Lone Star Investment Pool ("Lone Star") is a public funds investment pool created pursuant to the Interlocal Cooperation Act, Texas Government Code, Chapter 791, and the Public Funds Investment Act, Texas Government Code, Chapter 2256. Lone Star is administered by First Public, a subsidiary of the Texas Association of School Boards, with Standish and American Beacon Advisors managing the investment and reinvestment of Lone Star's assets. State Street Bank provides custody and valuation services to Lone Star. All of the Board of Trustees' eleven members are Lone Star participants by either being employees or elected officials of a participant. Lone Star has established an advisory board composed of both pool members and nonmembers. Lone Star is rated 'AAA' by Standard and Poor's and operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. The District is invested in the Government Overnight Fund of Lone Star which seeks to maintain a net asset value of \$1.00. Lone Star has 3 different funds: Government Overnight, Corporate Overnight, and Corporate Overnight Plus. Government Overnight, Corporate Overnight, and Corporate Overnight Plus maintain a net asset value of \$1.00.

# WOODVILLE INDEPENDENT SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended August 31, 2022

### B. Capital Assets

A summary of changes in capital assets for governmental activities at year end is as follows:

Governmental Activities:	Beginning Balances*	Increases	(Decreases)	Ending Balances
Capital assets not being depreciated:				
Land	\$ 753,477	\$ -	\$ -	\$ 753,477
Construction in progress	231,763	24,157	(5,083)	250,837
<b>Total Capital Assets Not Being Depreciated</b>	<b>985,240</b>	<b>24,157</b>	<b>(5,083)</b>	<b>1,004,314</b>
Other capital assets:				
Buildings and improvements	29,426,484	5,083	-	29,431,567
Furniture and equipment	7,063,644	983,839	-	8,047,483
Right-to-use equipment	232,192	64,477	-	296,669
<b>Total Other Capital Assets</b>	<b>36,722,320</b>	<b>1,053,399</b>	<b>-</b>	<b>37,775,719</b>
Less accumulated depreciation for:				
Buildings and improvements	(17,659,796)	(660,579)	-	(18,320,375)
Furniture and equipment	(5,523,620)	(605,872)	-	(6,129,492)
Right-to-use equipment	-	(56,508)	-	(56,508)
<b>Total Accumulated Depreciation</b>	<b>(23,183,416)</b>	<b>(1,322,959)</b>	<b>-</b>	<b>(24,506,375)</b>
Other capital assets, net	13,538,904	(269,560)	-	13,269,344
<b>Governmental Activities Capital Assets, Net</b>	<b>\$ 14,524,144</b>	<b>\$ (245,403)</b>	<b>\$ (5,083)</b>	<b>14,273,658</b>
			Less associated debt	(3,064,807)
			Less deferred gain on refunding	(24,978)
			<b>Net Investment in Capital Assets</b>	<b>\$ 11,183,873</b>

\*Beginning balances have been restated

Depreciation was charged to governmental functions as follows:

	Governmental Activities
11 Instruction	\$ 664,453
12 Instructional resources and media services	36,914
23 School leadership	22,148
31 Guidance, counseling, and evaluation services	7,383
33 Health services	7,383
34 Student transportation	137,803
35 Food services	93,117
36 Extracurricular activities	148,589
51 Plant maintenance and operations	165,466
53 Data processing services	39,703
<b>Total Depreciation Expense</b>	<b>\$ 1,322,959</b>

# WOODVILLE INDEPENDENT SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended August 31, 2022

### C. Long-Term Debt

The following is a summary of changes in the District's total governmental long-term liabilities for the year. In general, the District uses the general and debt service funds to liquidate governmental long-term liabilities.

Governmental Activities:	Interest Rate	Beginning Balance*	Additions	(Reductions)	Ending Balance	Amounts Due Within One Year
Bonds payable:						
Direct borrowing/placement:						
2013 CO Bond - QZAB	0.25%	\$ 1,156,000	\$ -	\$ (143,000)	\$ 1,013,000	\$ 144,000
2021 Limited tax refunding bond	1.68%	1,960,000	-	(115,000)	1,845,000	153,000
Leases payable	0.97%	232,192	64,477	(89,862)	206,807	89,022
		<u>3,348,192</u>	<u>64,477</u>	<u>(347,862)</u>	<u>3,064,807</u>	<u>386,022</u>
Other liabilities:						
Net pension liability		4,715,587	-	(2,524,280)	2,191,307	-
Net OPEB liability		<u>5,815,636</u>	<u>-</u>	<u>(183,920)</u>	<u>5,631,716</u>	<u>-</u>
<b>Total Governmental Activities</b>		<u>\$ 13,879,415</u>	<u>\$ 64,477</u>	<u>\$ (3,056,062)</u>	<u>\$ 10,887,830</u>	<u>\$ 386,022</u>
<b>Long-term liabilities due in more than one year</b>					<u>\$ 10,501,808</u>	
<b>*Debt associated with capital assets</b>					<u>\$ 3,064,807</u>	

\*Beginning balances have been restated

Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities in the governmental funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.

The annual requirements to amortize debt issues outstanding at year end are as follows:

Fiscal Year Ended	2013 CO Bond - QZAB		2021 Limited tax refunding bond		Total
	Principal	Interest	Principal	Interest	Requirements
Aug 31					
2023	\$ 144,000	\$ 2,532	\$ 153,000	\$ 29,711	\$ 182,711
2024	144,000	2,173	156,000	27,115	183,115
2025	144,000	1,812	159,000	24,469	183,469
2026	145,000	1,453	162,000	21,773	183,773
2027	145,000	1,090	165,000	19,026	184,026
2028-2032	291,000	1,093	868,000	52,248	920,248
2033	-	-	182,000	1,529	183,529
<b>Total</b>	<u>\$ 1,013,000</u>	<u>\$ 10,153</u>	<u>\$ 1,845,000</u>	<u>\$ 175,871</u>	<u>\$ 2,020,871</u>

### Leases

During the current fiscal year, the District was a lessee to six lease agreements for the acquisition and use of copiers. An initial lease liability was recorded in the amount of \$232,192 during the current fiscal year. The District entered into one new lease agreement during the year totaling \$64,477 to lease 10 copiers over 63 months. The copier leases have an estimated borrowing rate of 0.97%. The equipment has a five-year estimated useful life and terms ranging from 60 to 66 months. The value of the right-to-use assets as of the end of the current fiscal year was \$240,161 and had accumulated amortization of \$56,508.

# WOODVILLE INDEPENDENT SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended August 31, 2022

The future principal and interest lease payments as of August 31, 2022, were as follows:

Fiscal Year Ended Aug 31	Leases Payable		
	Principal	Interest	Total Requirements
2023	\$ 89,022	\$ 1,602	\$ 90,624
2024	89,752	740	90,492
2025	12,384	216	12,600
2026	12,504	96	12,600
2027	3,145	5	3,150
Total	<u>\$ 206,807</u>	<u>\$ 2,659</u>	<u>\$ 209,466</u>

### D. Interfund Transactions

The following is a summary of the District's interfund transactions for the year:

Due to	Due from	Amount
General fund	Other governmental funds	\$ 481,547
General fund	ESSER III fund	891,808
Other governmental funds	General fund	42,684
	Total	<u>\$ 1,416,039</u>

Amounts recorded as due to/from are considered to be temporary loans and will be repaid during the following year.

## IV. OTHER INFORMATION

### A. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the District purchases commercial insurance. The District has not significantly reduced insurance coverage or had settlements which exceeded coverage amounts for the past three years.

### B. Contingent Liabilities

Amounts received or receivable from granting agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount of expenditures which may be disallowed by the grantor cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the District's counsel that resolution of these matters will not have a material adverse effect on the financial condition of the District.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement

# WOODVILLE INDEPENDENT SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended August 31, 2022

trends including frequency and amount of payouts, and other economic and social factors. No claim liabilities are reported at year end.

The Tax Reform Act of 1986 instituted certain arbitrage restrictions consisting of complex regulations with respect to issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years for applicable bond issues. Accordingly, there is the risk that if such calculations are not performed, or not performed correctly, it could result in a substantial liability to the District. Although the District does not anticipate that it will have any arbitrage liability, it periodically engages an arbitrage consultant to perform the calculations in accordance with IRS rules and regulations.

### C. Defined Benefit Pension Plan

#### Teacher Retirement System

##### 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 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 (the "Legislature") establishes benefits and contribution rates within the guidelines of the Texas Constitution. TRS's Board of Trustees does not have the authority to establish or amend benefit terms.

All employees of public, state-supported educational institutions in the State 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 TRS.

##### Pension Plan Fiduciary Net Position

Detailed information about the TRS's fiduciary net position is available in a separately issued Annual Comprehensive Financial Report that includes financial statements and Required Supplementary Information. That report may be obtained on the Internet at <https://www.trs.texas.gov/Pages/aboutpublications.aspx>; or 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 the State. The pension formula is calculated using 2.3% (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

# WOODVILLE INDEPENDENT SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended August 31, 2022

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 postemployment benefit changes, including automatic cost-of-living adjustments (COLAs). Ad hoc postemployment 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 implication of the funding provided in the manner are determined by TRS'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 TRS during the fiscal year.

Employee contribution rates are set in state statute, Texas Government Code 825.402. Senate Bill 12 of the 86<sup>th</sup> Texas Legislature amended Texas Government Code 825.402 for member contributions and increased employee and employer contribution rates for fiscal years 2020 through 2025.

Contribution Rates			
		Public Education	Active
Fiscal Year	State	Employer*	Employee
2021	7.50%	1.60%	7.70%
2022	7.75%	1.70%	8.00%
2023	8.00%	1.80%	8.00%
2024	8.25%	1.90%	8.25%
2025	8.25%	2.00%	8.25%

Contribution Rates		
	2021	2022
Member	7.70%	8.00%
NECE (State)	7.50%	7.75%
Employers	7.50%	7.50%

	Measurement Year (2021)	Fiscal Year (2022)
Employer contributions	\$ 367,203	\$ 426,594
Member contributions	\$ 847,776	\$ 882,116
NECE on-behalf contributions	\$ 644,953	\$ 607,795

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

# WOODVILLE INDEPENDENT SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended August 31, 2022

As the NECE for public education and junior colleges, the State contributes to TRS an amount equal to the current employer contribution rate times the aggregate annual compensation of all participating members of TRS 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 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 noneducational, and general or local funds.
- When the employing district is a public junior college or junior college district, the employer shall contribute to TRS 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 to which an employer is subject:

- All public schools, charter schools, and regional educational service centers must contribute 1.6% of the member's salary beginning in fiscal year 2021, gradually increasing to 2.0% in fiscal year 2025.
- When employing a retiree of the TRS, the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.

### Actuarial Assumptions

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

Valuation date	August 31, 2020 rolled forward to August 31, 2021
Actuarial cost method	Individual entry age normal
Asset valuation method	Market value
Single discount rate	7.25%
Long-term expected investment rate of return	7.25%
Municipal bond rate as of August 2020	1.95% - The source for the rate is the Fixed Income Market Data/Yield Curve/Data Municipal Bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index."
Inflation	2.30%
Salary increases including inflation	3.05% to 9.05%, including inflation
Benefit changes during the year	None
Ad hoc postemployment benefit changes	None

# WOODVILLE INDEPENDENT SCHOOL DISTRICT

## *NOTES TO FINANCIAL STATEMENTS (Continued)*

For the Year Ended August 31, 2022

The actuarial methods and assumptions used in the determination of the TPL are the same assumptions used in the actuarial valuation as of ending August 31, 2020. For a full description of these assumptions, please see the TRS actuarial valuation report dated November 9, 2020.

### Discount Rate

A single discount rate of 7.25% was used to measure the TPL. The single discount rate was based on the expected rate of return on plan investments of 7.25%. The projection of cash flows used to determine this single discount rate assumed that contributions from active members, employers, and the NECE 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, TRS' 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 TRS investments was applied to all periods of projected benefit payments to determine the TPL.

The long-term expected rate of return on TRS investments is 7.25%. The long-term expected rate of return on TRS 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.

# WOODVILLE INDEPENDENT SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended August 31, 2022

Best estimates of geometric real rates of return for each major asset class included in TRS' target asset allocation as of August 31, 2021 are summarized below:

**Teacher Retirement System of Texas**  
**Asset Allocation and Long-Term Expected Real Rate of Return**  
**As of August 31, 2021**

Asset Class	Target Allocation (1)	Long-Term Expected Arithmetic Real Rate of Return (2)	Expected Contributions to Long-Term Portfolio Returns (3)
<b>Global Equity</b>			
U.S.	18.00%	3.60%	0.94%
Non-U.S. Developed	13.00%	4.40%	0.83%
Emerging Markets	9.00%	4.60%	0.74%
Private Equity	14.00%	6.30%	1.36%
<b>Stable Value</b>			
Government Bonds	16.00%	-0.20%	0.01%
Absolute Return	0.00%	1.10%	0.00%
Stable Value Hedge Funds	5.00%	2.20%	0.12%
<b>Real Return</b>			
Real Estate	15.00%	4.50%	1.00%
Energy, Natural Resources, and Infrastructure	6.00%	4.70%	0.35%
Commodities	0.00%	1.70%	0.00%
<b>Risk Parity</b>			
Risk Parity	8.00%	2.80%	0.28%
<b>Leverage</b>			
Cash	2.00%	-0.70%	-0.01%
Asset Allocation Leverage	-6.00%	-0.50%	0.03%
<b>Inflation Expectation</b>			2.20%
<b>Volatility Drag (3)</b>			-0.95%
<b>Total</b>	<u>100.00%</u>	<u>34.50%</u>	<u>6.90%</u>

(1) Target allocations are based on the FY2021 policy model.

(2) Capital Market Assumptions come from Aon Hewitt (as of 08/31/2021).

(3) The volatility drag results from the conversion between arithmetic and geometric mean returns.

### Discount Rate Sensitivity Analysis

The following table presents the net pension liability (NPL) of TRS using the discount rate of 7.25% and what the NPL would be if it was calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

	1% Decrease in Discount Rate (6.25%)	Current Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
District's proportionate share of the net pension liability	<u>\$ 4,788,354</u>	<u>\$ 2,191,307</u>	<u>\$ 84,314</u>

# WOODVILLE INDEPENDENT SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended August 31, 2022

### Pension Liability, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions

At August 31, 2022, the District reported a liability of \$2,191,307 for its proportionate share of the TRS's NPL. 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 NPL, the related State support, and the total portion of the NPL that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	\$	2,191,307
State's proportionate share that is associated with the District		3,848,802
<b>Total</b>	<b>\$</b>	<b><u>6,040,109</u></b>

The NPL was measured as of August 31, 2020 and rolled forward to August 31, 2021 and the TPL used to calculate the NPL was determined by an actuarial valuation as of that date. The District's proportion of the NPL was based on the District's contributions to TRS relative to the contributions of all employers to TRS for the period September 1, 2020 through August 31, 2021.

At August 31, 2022, the District's proportion of the collective NPL was 0.0086047%, which was a decrease of 0.0001999% from its proportion measured as of August 31, 2021.

### Changes Since the Prior Actuarial Valuation

There were no changes in assumptions since the prior measurement date.

For the year ended August 31, 2022, the District recognized pension expense of \$15,387 and revenue of \$15,387 for support provided by the State.

At August 31, 2022, 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:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Difference between expected and actual economic experience	\$ 3,667	\$ 154,270
Changes in actuarial assumptions	774,584	337,652
Difference between projected and actual investment earnings	-	1,837,383
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	133,173	252,403
Contributions paid to TRS subsequent to the measurement date	426,594	-
<b>Total</b>	<b><u>\$ 1,338,018</u></b>	<b><u>\$ 2,581,708</u></b>

# WOODVILLE INDEPENDENT SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended August 31, 2022

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

<b>Fiscal Year</b>	
<b>Ended</b>	<b>Pension</b>
<b>August 31</b>	<b>Expense</b>
2023	\$ (298,915)
2024	(309,451)
2025	(449,211)
2026	(569,364)
2027	(34,569)
Thereafter	(8,774)
<b>Total</b>	<b>\$ (1,670,284)</b>

### D. Defined Other Postemployment Benefits Plan

#### Texas Public School Retired Employees Group Insurance Program

##### Plan Description

The District participates in TRS-Care. It is a multiple-employer, cost-sharing defined benefit OPEB plan that has a special funding situation. TRS-Care was established in 1986 by the Texas Legislature.

The TRS Board of Trustees (the "Board") administers the TRS-Care program and the related fund in accordance with the Texas Insurance Code, Chapter 1575. The Board 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 others reasonably necessary to administer the program, including minimum benefits and financing standards.

##### OPEB Plan Fiduciary Net Position

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

Components of the net OPEB liability of TRS-Care as of August 31, 2021 are as follows:

Total OPEB liability	\$ 41,113,711,083
Less: plan fiduciary net position	(2,539,242,470)
<b>Net OPEB Liability</b>	<b>\$ 38,574,468,613</b>
Net position as a percentage of total OPEB liability	-6.18%

# WOODVILLE INDEPENDENT SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended August 31, 2022

### Benefits Provided

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

Eligible non-Medicare retirees and their dependents 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 TRS. There are no automatic postemployment benefit changes, including automatic COLAs.

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

TRS-Care Plan 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 TRS-Care are established in state statute by the Texas Legislature and there is no continuing obligation to provide benefits beyond each fiscal year. TRS-Care 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 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 Appropriation Act.

The following table shows contributions to TRS-Care by type of contributor:

Contribution Rates		
	Fiscal Year	
	2021	2022
Active employee	0.65%	0.65%
NECE (State)	1.25%	1.25%
Employers	0.75%	0.75%
Federal/private funding remitted by employers	1.25%	1.25%

# WOODVILLE INDEPENDENT SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended August 31, 2022

	Measurement Year (2021)	Fiscal Year (2022)
Employer contributions	\$ 114,056	\$ 123,341
Member contributions	\$ 36,559	\$ 35,836
NECE on-behalf contributions	\$ 152,810	\$ 137,831

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

TRS-Care received supplemental appropriations from the State as the NECE in the amount of \$5,520,343 in fiscal year 2021 for consumer protections against medical and health care billing by certain out-of-network provider.

### Actuarial Assumptions

The actuarial valuation was performed as of August 31, 2020. Update procedures were used to roll forward the total OPEB liability to August 31, 2021.

The actuarial valuation of the OPEB plan offered through TRS-Care is similar to the actuarial valuation performed for the TRS, 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 for TRS-Care are based on an established pattern of practice and are identical to the assumptions used in the August 31, 2020 TRS actuarial valuation that was rolled forward to August 31, 2021:

- |                         |                        |
|-------------------------|------------------------|
| 1. Rates of Mortality   | 4. Rates of Disability |
| 2. Rates of Retirement  | 5. General Inflation   |
| 3. Rates of Termination | 6. 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 most recently published scale MP-2018.

# WOODVILLE INDEPENDENT SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended August 31, 2022

Additional actuarial methods and assumptions are as follows:

Valuation date	August 31, 2020 rolled forward to August 31, 2021
Actuarial cost method	Individual entry age normal
Inflation	2.30%
Discount rate	1.95% as of August 31, 2021
Aging factors	Based on plan-specific experience
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
Projected salary increases	3.05% to 9.05%, including inflation
Healthcare trend rates	Medical trend rates: 8.50% (Medicare retirees) and 7.10% (non-Medicare retirees). Prescription drug trend rate: 8.50%
Election rates	Normal retirement: 65% participation prior to age 65 and 40% participation after age 65. 25% of pre-65 retirees are assumed to discontinue coverage at age 65.
Ad hoc postemployment benefit changes	None

### Discount Rate

A single discount rate of 1.95% was used to measure the total OPEB liability. There was a decrease of 0.38% in the discount rate since the previous year. Because TRS-Care is essentially a “pay-as-you-go” plan, the single discount rate is equal to the prevailing municipal bond rate. The projection of cash flows used to determine the discount rate assumed that contributions from active members and those of the contributing employers and the NECE are made at the statutorily required rates. Based on those assumptions, TRS-Care’s fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, the municipal bond rate was used for the long-term rate of return and was applied to all periods of projected benefit payments to determine the total OPEB liability.

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

### Sensitivity of the Net OPEB Liability

Discount Rate Sensitivity Analysis – The following schedule shows the impact of the net OPEB liability if the discount rate used was 1% lower than and 1% higher than the discount rate that was used (1.95%) in measuring the net OPEB liability:

	1% Decrease (0.95%)	Current Discount Rate (1.95%)	1% Increase (2.95%)
District's proportionate share of the net OPEB liability	\$ 6,793,148	\$ 5,631,716	\$ 4,717,632

# WOODVILLE INDEPENDENT SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended August 31, 2022

Healthcare Cost Trend Rates Sensitivity Analysis – The following presents the net OPEB liability of TRS-Care using the assumed healthcare cost trend rate, as well as what the net OPEB liability would be if it were calculated using a trend rate that is 1% less than or 1% higher than the assumed healthcare cost trend rate:

	1% Decrease in Healthcare Cost Trend Rate	Current Healthcare Cost Trend Rate	1% Increase in Healthcare Cost Trend Rate
District's proportionate share of the net OPEB liability	\$ 4,561,504	\$ 5,631,716	\$ 7,067,676

### OPEB Liability, OPEB Expense, and Deferred Outflows/Inflows of Resources Related to OPEB

At August 31, 2022, the District reported a liability of \$5,631,716 for its proportionate share of TRS-Care'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	\$ 5,631,716
State's proportionate share that is associated with the District	7,545,245
<b>Total</b>	<b>\$ 13,176,961</b>

The net OPEB liability was measured as of August 31, 2020 and rolled forward to August 31, 2021 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability was based on the District's contributions to TRS-Care relative to the contributions of all employers to TRS-Care for the period September 1, 2020 through August 31, 2021.

At August 31, 2022, the District's proportion of the collective net OPEB liability was 0.0145996%, compared to 0.0152985% 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 was changed from 2.33% as of August 31, 2020 to 1.95% as of August 31, 2021. This change increased the total OPEB liability.

There were no changes in benefit terms since the prior measurement date.

# WOODVILLE INDEPENDENT SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended August 31, 2022

At August 31, 2022, the District reported its proportionate share of TRS-Care's deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual economic experience	\$ 242,472	\$ 2,726,145
Changes in actuarial assumptions	623,779	1,191,004
Difference between projected and actual investment earnings	6,114	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	1,268,197	382,957
Contributions paid to TRS subsequent to the measurement date	123,341	-
<b>Total</b>	<b>\$ 2,263,903</b>	<b>\$ 4,300,106</b>

For the year ended August 31, 2022, the District recognized OPEB expense of \$278,477 and revenue of \$278,477 for support provided by the State.

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

Fiscal Year Ended August 31	OPEB Expense
2023	\$ (442,075)
2024	(442,214)
2025	(442,180)
2026	(293,936)
2027	(93,241)
Thereafter	(445,898)
<b>Total</b>	<b>\$ (2,159,544)</b>

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 TRS-Care to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the fiscal years ended August 31, 2022, 2021, and 2020, the subsidiary payments received by TRS-Care on behalf of the District were \$46,556, \$51,185, and \$43,685, respectively.

### E. Employee Health Care Coverage

During the year ended August 31, 2022, employees of the District were covered by a health insurance plan (the "Plan"). The District paid premiums of \$275 per month per employee to the Plan. Employees, at their option, authorized payroll withholdings to pay premiums for dependents. All premiums were paid to a licensed insurer. The Plan was authorized by Article 3.51-2, Texas Insurance Code and was documented by contractual agreement. The contract between the District and the insurer is renewable September 1, 2022 and terms of coverage and premiums costs are included in the contractual provisions.

# **WOODVILLE INDEPENDENT SCHOOL DISTRICT**

## ***NOTES TO FINANCIAL STATEMENTS (Continued)***

**For the Year Ended August 31, 2022**

### **F. Workers' Compensation Insurance**

During the year ended August 31, 2022, the District met its workers' compensation obligations through participation in the Deep East Texas Self-Insurance Fund (the "Fund"), a public entity risk pool, which is self-sustained through member contributions. The Fund reinsures to statutory limits through commercial companies for claims in excess of \$1,000,000. The Fund contracts with independent actuaries to determine the adequacy of reserves and fully funds those reserves. The members of the Fund have no known premium liabilities for workers' compensation coverage in excess of their contracted annual premium. However, if the assets of the Fund were to be exhausted, members would be liable for their portion of the Fund's liabilities. This would indicate that members would be contingently liable for the portion of the liability applicable to their political entity. Independent auditors conduct a financial audit at the close of each plan year and, as of the most recent audit, the Fund has adequate assets to more than cover 100% of all liabilities.

### **G. Unemployment Compensation**

During the year ended August 31, 2022, the District provided unemployment compensation coverage to its employees through participation in the TASB Risk Management Fund (the "Fund"). The Fund was created and is operated under the provisions of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. The Fund's unemployment compensation program is authorized by Section 22.005 of the Texas Education Code and Chapter 172 of the Texas Local Government Code. All members participating in the Fund execute interlocal agreements that define the responsibilities of the parties.

The Fund meets its quarterly obligation to the Texas Workforce Commission. Expenses are accrued monthly until the quarterly payment has been made. Expenses can be reasonably estimated; therefore, there is no need for specific or aggregate stop-loss coverage for the unemployment compensation pool. For the year ended August 31, 2022, the Fund anticipates that the District has no additional liability beyond the contractual obligation for payment of contribution.

The Fund engages the services of an independent auditor to conduct a financial audit after the close of each year on August 31. The audit is accepted by the Fund's Board of Trustees in February of the following year. The Fund's audited financial statements as of August 31, 2021 are available on the TASB Risk Management Fund website and have been filed with the Texas Department of Insurance in Austin.

### **H. Auto, Liability, and Property Program**

During the year ended August 31, 2022, the District participated in the following TASB Risk Management Fund (the "Fund") programs:

- Auto Liability
- Auto Physical Damage
- Privacy and Information Security
- Property
- School Liability

The Fund was created and is operated under the provision of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. All members participating in the Fund execute interlocal agreements that define the responsibilities of the parties.

# WOODVILLE INDEPENDENT SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended August 31, 2022

The Fund purchases stop-loss coverage for protection against catastrophic and larger than anticipated claims for the auto, liability, and property programs. The terms and limits of the stop-loss program vary by line of coverage. The Fund uses the services of an independent actuary to determine the adequacy of reserves and fully funds those reserves. For the year ended August 31, 2022, the Fund anticipates that the District has no additional liability beyond the contractual obligations for payment of contributions.

The Fund engages the services of an independent auditor to conduct a financial audit after the close of each plan year on August 31. The audit is approved by the Fund's Board of Trustees in February of the following year. The Fund's audited financial statements as of August 31, 2021 are available on the TASB Risk Management Fund website and have been filed with the Texas State Board of Insurance in Austin.

### I. Shared Services Arrangements

The District is the fiscal agent for two shared services arrangements (SSA) which provide services to the member districts listed. All services are provided by the fiscal agent. The member districts provide the funds to the fiscal agent.

According to guidance provided in the TEA's Resource Guide, the District has accounted for the fiscal agent's activities of the SSA in special revenue funds and will be accounted for using Model 3 in the SSA section of the Resource Guide.

Expenditures of the SSA are summarized below:

	Tyler County		IDEA-B
	Special Ed		
<u>Member Districts</u>	<u>Co-Op</u>	<u>IDEA-B</u>	<u>Preschool</u>
Chester ISD	\$ 63,672	\$ 24,303	\$ 1,091
Colmesneil ISD	111,426	36,419	1,635
Spurger ISD	143,263	48,607	2,182
Warren ISD	525,296	230,846	10,361
Woodville ISD	748,149	376,737	16,910
<b>Total</b>	<b>\$ 1,591,806</b>	<b>\$ 716,912</b>	<b>\$ 32,179</b>

### J. Tax Abatements

#### Texas Pellets, Inc

The District has entered into a property tax abatement agreement (the "Agreement") with Texas Pellets, Inc. (the "Company") for a limitation on appraised value of property for District maintenance and operation (M&O) taxes pursuant to Chapter 313 of the Texas Tax Code, the Texas Economic Development Act (the "Act") as of September 17, 2012.

Under the Act, a taxpayer agrees to build or install property and create jobs in exchange for a 10-year limitation on the taxable property value for school district M&O tax purposes. The minimum limitation value varies by school district.

The Agreement was for the Company to invest capital of \$175,199,083 on a long-term basis for a value limitation of \$10,000,000. For fiscal year 2022, which is year seven of the Agreement, the

# WOODVILLE INDEPENDENT SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended August 31, 2022

Company paid \$52,133 in 2022 Chapter 313. The terms included the M&O tax rate of \$0.9664 and the interest and sinking fund tax rate of \$0.000 for a total tax rate of \$0.9664 per \$100 on the 2021 property certified valued without considering the limit and \$10,000,000 with the limit.

The Agreement provides for recapture along with penalty and interest costs in the event of a material breach.

### Longwing Solar-Storage, LLC

The District has entered into a property tax abatement agreement (the “Agreement”) with Longwing Solar-Storage, LLC (the “Company”) for a limitation on appraised value of property for District maintenance and operation (M&O) taxes pursuant to Chapter 313 of the Texas Tax Code, the Texas Economic Development Act (the “Act”) as of December 5, 2022.

Under the Act, a taxpayer agrees to build or install property and create jobs in exchange for a 10-year limitation on the taxable property value for school district M&O tax purposes. The minimum limitation value varies by school district.

The District has granted the Company a tax limitation of \$10,000,000 for the period beginning January 1, 2028 through December 31, 2037. In order to be eligible to receive the limitation, the Company must have completed a qualified investment of \$10,000,000 during the time period beginning January 1, 2026 and ending December 31, 2027. Additionally, the Company must have created and maintained, subject to the provisions of Section 313.0276 of the Texas Tax Code, new qualifying jobs as required by the Act and pay an average weekly wage of at least \$770 for all new non-qualifying jobs created. In order for the Company to receive and maintain the tax limitation, the Company must:

- Provide payments to the District sufficient to protect future District revenues through payment of revenue offsets.
- Provide payments to the District that protect the District from the payment of extraordinary education-related expenses related to the project.
- Provide such supplemental payments.
- Create and maintain a viable presence on and with the qualified property beginning January 1, 2028 through December 31, 2037.

The estimated tax levy generated by this Agreement is \$5,091,538 while the estimated tax levy loss as a result of the Agreement is \$3,900,645. The Agreement provides for recapture along with penalty and interest costs in the event of a material breach.

# WOODVILLE INDEPENDENT SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended August 31, 2022

### K. Prior Period Adjustment

Beginning net position was restated to recognize the implementation of GASB Statement No. 87, *Leases*.

	<b>Governmental Activities</b>
Beginning net position - as reported	\$ 10,163,779
Lease liability adjustment	(232,192)
Right-to-use equipment	232,192
Beginning net position - restated	<u>\$ 10,163,779</u>

***REQUIRED SUPPLEMENTARY INFORMATION***

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**WOODVILLE INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND - EXHIBIT G-1**  
For the Year Ended August 31, 2022

Data Control Codes		Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
		Original	Final		
Revenues					
5700	Local and intermediate sources	\$ 5,909,893	\$ 5,944,193	\$ 6,141,499	\$ 197,306
5800	State program revenues	8,796,988	8,796,988	8,778,540	(18,448)
5900	Federal program revenues	195,000	195,000	221,376	26,376
5020	Total Revenues	14,901,881	14,936,181	15,141,415	205,234
Expenditures					
0011	Instruction	6,983,094	6,767,932	6,594,089	173,843
0012	Instructional resources and media services	198,126	195,726	184,402	11,324
0013	Curriculum/instructional staff development	201,886	514,816	509,524	5,292
0021	Instructional leadership	167,403	6,225	2,994	3,231
0023	School leadership	1,032,392	1,022,792	1,010,555	12,237
0031	Guidance, counseling, and evaluation services	292,211	294,639	295,021	(382) *
0033	Health services	147,177	155,561	154,860	701
0034	Student (pupil) transportation	988,864	848,298	835,864	12,434
0036	Extracurricular activities	678,428	880,856	880,140	716
0041	General administration	942,075	991,432	988,537	2,895
0051	Plant maintenance and operations	1,866,779	1,839,972	1,806,411	33,561
0052	Security and monitoring services	72,060	77,360	77,080	280
0053	Data processing services	347,836	290,186	278,936	11,250
0061	Community services	34,550	32,550	31,600	950
Debt service:					
0071	Principal	-	76,371	89,862	(13,491) *
0072	Interest	-	2,465	2,465	-
Capital outlay:					
0081	Facilities acquisition and construction	60,000	16,950	78,878	(61,928) *
Intergovernmental:					
0093	Payments to shared services arrangements	679,000	700,000	699,741	259
0099	Other governmental charges	210,000	222,050	222,040	10
6030	Total Expenditures	14,901,881	14,936,181	14,742,999	193,182
1100	Excess of Revenues				
1100	Over Expenditures	-	-	398,416	398,416
Other Financing Sources					
7913	Proceeds from right-to-use assets	-	-	64,477	64,477
7080	Total Other Financing Sources	-	-	64,477	64,477
1200	Net Change in Fund Balance	-	-	462,893	462,893
0100	Beginning fund balance	5,145,540	5,145,540	5,145,540	-
3000	Ending Fund Balance	\$ 5,145,540	\$ 5,145,540	\$ 5,608,433	\$ 462,893

**Notes to Required Supplementary Information:**

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
2. \*Expenditures exceeded appropriations at the legal level of control.

**WOODVILLE INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE**  
**OF THE NET PENSION LIABILITY**  
**TEACHER RETIREMENT SYSTEM OF TEXAS (TRS) - EXHIBIT G-2**  
**For the Year Ended August 31, 2022**

	Measurement Year*			
	2021	2020	2019	2018
District's proportion of the net pension liability (asset)	0.0086047%	0.0088046%	0.0090497%	0.0083929%
District's proportionate share of the net pension liability (asset)	\$ 2,191,307	\$ 4,715,587	\$ 4,704,341	\$ 4,619,679
State's proportionate share of the net pension liability (asset) associated with the District	3,848,802	7,604,101	7,044,386	7,710,973
<b>Total</b>	<u>\$ 6,040,109</u>	<u>\$ 12,319,688</u>	<u>\$ 11,748,727</u>	<u>\$ 12,330,652</u>
District's covered payroll**	\$ 11,010,074	\$ 10,379,646	\$ 9,687,108	\$ 9,335,725
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	19.90%	45.43%	48.56%	49.48%
Plan fiduciary net position as a percentage of the total pension liability	88.79%	75.54%	75.24%	73.74%

\* Only eight years' worth of information is currently available.

\*\* As of the measurement date.

**Notes to Required Supplementary Information:**

1. *Changes in Assumptions:*

There were no changes in assumptions that affected measurement of the total pension liability (TPL).

2. *Changes in Benefits:*

There were no changes of benefit terms that affected measurement of the TPL during the measurement period.

Measurement Year*			
2017	2016	2015	2014
0.0090845%	0.0091265%	0.0095176%	0.0061929%
\$ 2,904,735	\$ 3,448,769	\$ 3,364,345	\$ 1,654,209
4,849,493	6,080,852	6,026,371	5,296,143
<u>\$ 7,754,228</u>	<u>\$ 9,529,621</u>	<u>\$ 9,390,716</u>	<u>\$ 6,950,352</u>
\$ 9,711,159	\$ 9,780,055	\$ 9,618,280	\$ 9,571,165
29.91%	35.26%	34.98%	17.28%
82.17%	78.00%	78.43%	83.25%

# WOODVILLE INDEPENDENT SCHOOL DISTRICT

## SCHEDULE OF DISTRICT CONTRIBUTIONS

### TEACHER RETIREMENT SYSTEM OF TEXAS (TRS) - EXHIBIT G-3

For the Year Ended August 31, 2022

	Fiscal Year*			
	2022	2021	2020	2019
Contractually required contribution	\$ 426,594	\$ 367,035	\$ 359,390	\$ 315,609
Contributions in relations to the contractually required contribution	426,594	367,035	359,390	315,609
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 11,026,452	\$ 11,010,074	\$ 10,379,646	\$ 9,687,108
Contributions as a percentage of covered payroll	3.87%	3.33%	3.46%	3.26%

\* Only eight years' worth of information is currently available.

Fiscal Year*			
2018	2017	2016	2015
\$ 282,437	\$ 297,737	\$ 289,971	\$ 281,820
282,437	297,737	289,971	281,820
\$ -	\$ -	\$ -	\$ -
\$ 9,335,725	\$ 9,711,159	\$ 9,780,055	\$ 9,618,280
3.03%	3.07%	2.96%	2.93%

# WOODVILLE INDEPENDENT SCHOOL DISTRICT

## SCHEDULE OF THE DISTRICT'S PROPORTIONATE

### SHARE OF THE NET OPEB LIABILITY

#### TEXAS PUBLIC SCHOOL RETIRED EMPLOYEES GROUP INSURANCE PROGRAM (TRS-Care)

#### EXHIBIT G-4

For the Year Ended August 31, 2022

	Measurement Year*			
	2021	2020	2019	2018
District's proportion of the collective net OPEB liability (asset)	0.0145996%	0.0152985%	0.0139235%	0.0128976%
District's proportionate share of the collective net OPEB liability (asset)	\$ 5,631,716	\$ 5,815,636	\$ 6,584,574	\$ 6,439,889
State's proportionate share of the collective net OPEB liability (asset) associated with the District	7,545,245	7,814,821	8,749,425	7,473,971
<b>Total</b>	<u><u>\$ 13,176,961</u></u>	<u><u>\$ 13,630,457</u></u>	<u><u>\$ 15,333,999</u></u>	<u><u>\$ 13,913,860</u></u>
District's covered payroll**	\$ 11,010,074	\$ 10,379,646	\$ 9,687,108	\$ 9,335,725
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	51.15%	56.03%	67.97%	68.98%
Plan fiduciary net position as a percentage of the total OPEB liability	6.18%	4.99%	2.66%	1.57%

\* Only five years' of information is currently available.

#### Notes to Required Supplementary Information:

##### 1. Changes in Assumptions:

The discount rate was changed from 2.33% as of August 31, 2020 to 1.95% as of August 31, 2021. This change increased the total OPEB liability.

##### 2. Changes in Benefits:

There were no changes in benefit terms since the prior measurement date.

Measurement Year*
2017

0.0124083%

\$ 5,395,913

7,154,923
\$ 12,550,836

\$ 9,711,159

55.56%

0.91%

# WOODVILLE INDEPENDENT SCHOOL DISTRICT

## SCHEDULE OF DISTRICT CONTRIBUTIONS

### TEXAS PUBLIC SCHOOL RETIRED EMPLOYEES GROUP INSURANCE PROGRAM (TRS-Care)

#### EXHIBIT G-5

For the Year Ended August 31, 2022

	Fiscal Year*			
	2022	2021	2020	2019
Statutorily required contributions	\$ 123,341	\$ 116,074	\$ 115,748	\$ 98,562
Contributions in relations to the statutorily required contributions	123,341	116,074	115,748	98,562
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 11,026,452	\$ 11,010,074	\$ 10,379,646	\$ 9,687,108
Contributions as a percentage of covered payroll	1.12%	1.05%	1.12%	1.02%

\* Only five years' of information is currently available.

<b>Fiscal Year*</b>	
<b>2018</b>	
\$	89,042
89,042	
\$	-
\$	9,335,725

0.95%



***OTHER SUPPLEMENTARY  
INFORMATION***

# WOODVILLE INDEPENDENT SCHOOL DISTRICT

## COMBINING BALANCE SHEET

### NONMAJOR GOVERNMENTAL FUNDS - EXHIBIT H-1 (Page 1 of 2)

August 31, 2022

Data Control Codes		Special Revenue Funds			
		211	240	244	255
		Part A Improving Basic Prog	National School Breakfast and Lunch Program	Carl D Perkins	ESEA Title II Part A Training
<b><u>Assets</u></b>					
1110	Cash and cash equivalents	\$ -	\$ 770,889	\$ -	\$ -
1240	Due from other governments	97,328	85,711	-	10,212
1260	Due from other funds	-	-	-	-
1000	<b>Total Assets</b>	<u>\$ 97,328</u>	<u>\$ 856,600</u>	<u>\$ -</u>	<u>\$ 10,212</u>
<b><u>Liabilities</u></b>					
2110	Accounts payable	\$ -	\$ -	\$ -	\$ -
2160	Accrued wages payable	-	28,053	-	-
2170	Due to other funds	97,328	-	-	10,212
2200	Accrued expenditures	-	596	-	-
2300	Unearned revenue	-	-	-	-
2000	<b>Total Liabilities</b>	<u>97,328</u>	<u>28,649</u>	<u>-</u>	<u>10,212</u>
<b><u>Fund Balances</u></b>					
Restricted:					
3450	Federal/state fund grant restrictions	-	827,951	-	-
3000	<b>Total Fund Balances</b>	<u>-</u>	<u>827,951</u>	<u>-</u>	<u>-</u>
4000	<b>Total Liabilities and Fund Balances</b>	<u>\$ 97,328</u>	<u>\$ 856,600</u>	<u>\$ -</u>	<u>\$ 10,212</u>

Special Revenue Funds					
266	270	281	289	313	314
ESSER	Rural and Low Income	ESSER II	Title IV Part A Subpart 1	IDEA B	IDEA B Preschool
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
222,245	-	-	-	37,913	7,512
-	-	-	-	-	-
<u>\$ 222,245</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,913</u>	<u>\$ 7,512</u>
\$ -	\$ -	\$ -	\$ -	\$ 260	\$ -
-	-	-	-	-	-
222,245	-	-	-	37,653	7,512
-	-	-	-	-	-
-	-	-	-	-	-
<u>222,245</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,913</u>	<u>7,512</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 222,245</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,913</u>	<u>\$ 7,512</u>

# WOODVILLE INDEPENDENT SCHOOL DISTRICT

## COMBINING BALANCE SHEET

### NONMAJOR GOVERNMENTAL FUNDS - EXHIBIT H-1 (Page 2 of 2)

August 31, 2022

Data Control Codes		Special Revenue Funds			
		397	410	427	437
		Advanced Placement	Textbook	School/Safety Security	Special Education
	<b><u>Assets</u></b>				
1110	Cash and cash equivalents	\$ 24	\$ -	\$ -	\$ -
1240	Due from other governments	-	310,340	-	69,513
1260	Due from other funds	-	-	-	42,684
1000	<b>Total Assets</b>	<u>\$ 24</u>	<u>\$ 310,340</u>	<u>\$ -</u>	<u>\$ 112,197</u>
	<b><u>Liabilities</u></b>				
2110	Accounts payable	\$ -	\$ -	\$ -	\$ 1,969
2160	Accrued wages payable	-	-	-	90,344
2170	Due to other funds	-	88,633	-	17,964
2200	Accrued expenditures	-	-	-	1,920
2300	Unearned revenue	-	221,707	-	-
2000	<b>Total Liabilities</b>	<u>-</u>	<u>310,340</u>	<u>-</u>	<u>112,197</u>
	<b><u>Fund Balances</u></b>				
	Restricted:				
3450	Federal/state fund grant restrictions	24	-	-	-
3000	<b>Total Fund Balances</b>	<u>24</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	<b>Total Liabilities and Fund Balances</b>	<u>\$ 24</u>	<u>\$ 310,340</u>	<u>\$ -</u>	<u>\$ 112,197</u>

<b>Special Revenue Funds</b>		
<b>459</b>	<b>480</b>	
<b>Resnet</b>	<b>Temple Grant</b>	<b>Total Nonmajor Governmental Funds</b>
\$ 12,404	\$ -	\$ 783,317
-	-	840,774
-	-	42,684
<u>\$ 12,404</u>	<u>\$ -</u>	<u>\$ 1,666,775</u>
\$ -	\$ -	\$ 2,229
-	-	118,397
-	-	481,547
-	-	2,516
<u>12,404</u>	<u>-</u>	<u>234,111</u>
<u>12,404</u>	<u>-</u>	<u>838,800</u>
<u>-</u>	<u>-</u>	<u>827,975</u>
<u>-</u>	<u>-</u>	<u>827,975</u>
<u>\$ 12,404</u>	<u>\$ -</u>	<u>\$ 1,666,775</u>

**WOODVILLE INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS - EXHIBIT H-2 (Page 1 of 2)**  
**For the Year Ended August 31, 2022**

Data Control Codes		Special Revenue Funds			
		211	240	244	255
		Part A Improving Basic Prog	National School Breakfast and Lunch Program	Carl D Perkins	ESEA Title II Part A Training
<b><u>Revenues</u></b>					
5700	Local, intermediate, and out-of-state	\$ -	\$ 100,509	\$ -	\$ -
5800	State program revenues	-	46,359	-	-
5900	Federal program revenues	448,830	1,311,190	13,840	43,113
5020	<b>Total Revenues</b>	<u>448,830</u>	<u>1,458,058</u>	<u>13,840</u>	<u>43,113</u>
<b><u>Expenditures</u></b>					
Current:					
0011	Instruction	385,968	-	13,840	42,860
0012	Instructional resources and				
0012	media services	-	-	-	-
0013	Curriculum and staff development	62,862	-	-	-
0021	Instructional leadership	-	-	-	-
0023	School leadership	-	-	-	253
0031	Guidance, counseling, and				
0031	evaluation services	-	-	-	-
0033	Health services	-	-	-	-
0034	Student transportation	-	-	-	-
0035	Food services	-	1,094,937	-	-
0041	General administration	-	-	-	-
0051	Plant maintenance and operations	-	-	-	-
0052	Security and monitoring services	-	-	-	-
0053	Data processing services	-	-	-	-
<b>Capital outlay:</b>					
0081	Facilities acquisition and construction	-	9,756	-	-
6030	<b>Total Expenditures</b>	<u>448,830</u>	<u>1,104,693</u>	<u>13,840</u>	<u>43,113</u>
1100	<b>Excess of Revenues</b>				
1100	<b>Over Expenditures</b>	<u>-</u>	<u>353,365</u>	<u>-</u>	<u>-</u>
<b><u>Other Financing Sources</u></b>					
7912	Sale of real and personal property	-	1,000	-	-
7080	<b>Total Other Financing Sources</b>	<u>-</u>	<u>1,000</u>	<u>-</u>	<u>-</u>
1200	<b>Net Change in Fund Balances</b>	-	354,365	-	-
0100	Beginning fund balances	<u>-</u>	<u>473,586</u>	<u>-</u>	<u>-</u>
3000	<b>Ending Fund Balances</b>	<u>\$ -</u>	<u>\$ 827,951</u>	<u>\$ -</u>	<u>\$ -</u>

Special Revenue Funds					
266	270	281	289	313	314
ESSER	Rural and Low Income	ESSER II	Title IV Part A Subpart 1	IDEA B	IDEA B Preschool
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
182,158	31,188	204,168	38,597	716,912	32,179
182,158	31,188	204,168	38,597	716,912	32,179
150,732	31,188	111,847	34,397	246,550	32,179
-	-	4,058	-	-	-
-	-	7,102	1,400	5,679	-
-	-	507	-	12,244	-
-	-	14,203	-	-	-
-	-	6,087	-	452,439	-
-	-	4,058	-	-	-
-	-	11,160	-	-	-
-	-	14,203	-	-	-
-	-	9,131	-	-	-
31,426	-	18,768	-	-	-
-	-	-	2,800	-	-
-	-	3,044	-	-	-
-	-	-	-	-	-
182,158	31,188	204,168	38,597	716,912	32,179
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**WOODVILLE INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS - EXHIBIT H-2 (Page 2 of 2)**  
**For the Year Ended August 31, 2022**

Data Control Codes		Special Revenue Funds			
		397	410	427	437
		Advanced Placement	Textbook	School/Safety Security	Special Education
<b><u>Revenues</u></b>					
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ -	\$ 1,500,074
5800	State program revenues	24	92,625	24,811	91,732
5900	Federal program revenues	-	-	-	-
5020	<b>Total Revenues</b>	<u>24</u>	<u>92,625</u>	<u>24,811</u>	<u>1,591,806</u>
<b><u>Expenditures</u></b>					
Current:					
0011	Instruction	-	92,625	-	1,194,387
0012	Instructional resources and				
0012	media services	-	-	-	-
0013	Curriculum and staff development	-	-	-	4,154
0021	Instructional leadership	-	-	-	143,987
0023	School leadership	-	-	-	-
0031	Guidance, counseling, and				
0031	evaluation services	-	-	-	162,911
0033	Health services	-	-	-	33,167
0034	Student transportation	-	-	-	-
0035	Food services	-	-	-	-
0041	General administration	-	-	-	5,000
0051	Plant maintenance and operations	-	-	-	48,200
0052	Security and monitoring services	-	-	24,811	-
0053	Data processing services	-	-	-	-
<b>Capital outlay:</b>					
0081	Facilities acquisition and construction	-	-	-	-
6030	<b>Total Expenditures</b>	<u>-</u>	<u>92,625</u>	<u>24,811</u>	<u>1,591,806</u>
1100	<b>Excess of Revenues</b>				
1100	<b>Over Expenditures</b>	<u>24</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b><u>Other Financing Sources</u></b>					
7912	Sale of real and personal property	-	-	-	-
7080	<b>Total Other Financing Sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1200	<b>Net Change in Fund Balances</b>	24	-	-	-
0100	Beginning fund balances	-	-	-	-
3000	<b>Ending Fund Balances</b>	<u>\$ 24</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

<b>Special Revenue Funds</b>		
<b>459</b>	<b>480</b>	
<b>Resnet</b>	<b>Temple Grant</b>	<b>Total Nonmajor Governmental Funds</b>
\$ -	\$ 12,999	\$ 1,613,582
3,494	-	259,045
-	-	3,022,175
<u>3,494</u>	<u>12,999</u>	<u>4,894,802</u>
-	12,999	2,349,572
-	-	4,058
-	-	81,197
-	-	156,738
-	-	14,456
3,494	-	624,931
-	-	37,225
-	-	11,160
-	-	1,109,140
-	-	14,131
-	-	98,394
-	-	27,611
-	-	3,044
-	-	9,756
<u>3,494</u>	<u>12,999</u>	<u>4,541,413</u>
-	-	353,389
-	-	1,000
-	-	1,000
-	-	354,389
-	-	473,586
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 827,975</u>

# WOODVILLE INDEPENDENT SCHOOL DISTRICT

## *SCHEDULE OF DELINQUENT TAXES RECEIVABLE - EXHIBIT J-1*

For the Year Ended August 31, 2022

	1	2	3
	Tax Rates		Net Assessed/ Appraised
<u>Last Ten Years</u>	<u>Maintenance</u>	<u>Debt Service</u>	<u>Value For School</u>
2013 and prior	Various	Various	Tax Purposes
			Various
2014	\$ 1.0400	\$ 0.0650	\$ 762,595,475
2015	\$ 1.0400	\$ 0.0750	\$ 846,465,112
2016	\$ 1.0400	\$ 0.0850	\$ 766,888,700
2017	\$ 1.0400	\$ 0.1050	\$ 530,985,590
2018	\$ 1.0400	\$ 0.1150	\$ 573,064,838
2019	\$ 1.1550	\$ 0.0000	\$ 535,876,891
2020	\$ 0.9700	\$ 0.1150	\$ 577,302,333
2021	\$ 0.9664	\$ 0.0000	\$ 569,425,627
2022	\$ 0.8910	\$ 0.0000	\$ 624,100,525
<b>1000 Totals</b>			

<b>10</b>	<b>20</b>	<b>31</b>	<b>32</b>	<b>40</b>	<b>50</b>
<b>Beginning Balance 9/1/21</b>	<b>Current Year's Total Levy</b>	<b>Maintenance Total Collected</b>	<b>Debt Service Total Collected</b>	<b>Entire Year's Adjustments</b>	<b>Ending Balance 8/31/22</b>
\$ 1,001,069	\$ -	\$ 16,638	\$ 1,055	\$ (20,155)	\$ 963,221
70,467	-	2,533	146	(1,607)	66,181
81,278	-	4,001	250	(1,633)	75,394
81,881	-	4,444	320	(1,749)	75,368
117,760	-	15,314	1,252	(3,018)	98,176
143,189	-	24,159	2,439	(2,237)	114,354
156,550	-	25,653	-	(1,283)	129,614
198,874	-	32,684	4,734	(3,458)	157,998
258,510	-	86,333	-	(4,543)	167,634
-	5,560,735	5,300,103	-	-	260,632
<u>\$ 2,109,578</u>	<u>\$ 5,560,735</u>	<u>\$ 5,511,862</u>	<u>\$ 10,196</u>	<u>\$ (39,683)</u>	<u>\$ 2,108,572</u>

**WOODVILLE INDEPENDENT SCHOOL DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE**  
**NATIONAL SCHOOL BREAKFAST AND LUNCH PROGRAM - EXHIBIT J-2**  
**For the Year Ended August 31, 2022**

Data Control Codes		Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
		Original	Final		
	<b><u>Revenues</u></b>				
5700	Local and intermediate sources	\$ 77,000	\$ 97,000	\$ 100,509	\$ 3,509
5800	State program revenues	33,542	115,542	46,359	(69,183)
5900	Federal program revenues	891,400	969,200	1,311,190	341,990
5020	<b>Total Revenues</b>	<u>1,001,942</u>	<u>1,181,742</u>	<u>1,458,058</u>	<u>276,316</u>
	<b><u>Expenditures</u></b>				
0035	Food services	1,001,942	1,141,742	1,094,937	46,805
	<b>Capital outlay:</b>				
0081	Facilities acquisition and construction	-	10,000	9,756	244
6030	<b>Total Expenditures</b>	<u>1,001,942</u>	<u>1,151,742</u>	<u>1,104,693</u>	<u>47,049</u>
1100	<b>Excess of Revenues</b>				
1100	<b>Over Expenditures</b>	<u>-</u>	<u>30,000</u>	<u>353,365</u>	<u>229,267</u>
	<b><u>Other Financing Sources</u></b>				
7912	Sale of real and personal property	-	-	1,000	1,000
7080	<b>Total Other Financing Sources</b>	<u>-</u>	<u>-</u>	<u>1,000</u>	<u>1,000</u>
1200	<b>Net Change in Fund Balance</b>	-	30,000	354,365	230,267
0100	Beginning fund balance	473,586	473,586	473,586	-
3000	<b>Ending Fund Balance</b>	<u>\$ 473,586</u>	<u>\$ 503,586</u>	<u>\$ 827,951</u>	<u>\$ 230,267</u>

**Notes to Supplementary Information:**

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

# WOODVILLE INDEPENDENT SCHOOL DISTRICT

## BUDGETARY COMPARISON SCHEDULE

### DEBT SERVICE FUND - EXHIBIT J-3

For the Year Ended August 31, 2022

Data Control Codes		Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
		Original	Final		
	<b>Revenues</b>				
5700	Local and intermediate sources	\$ 23,125	\$ 23,125	\$ 32,160	\$ 9,035
5020	<b>Total Revenues</b>	23,125	23,125	32,160	9,035
	<b>Expenditures</b>				
0041	General administration	-	-	20	(20) *
	<b>Debt service:</b>				
0071	Principal	258,756	258,000	258,000	-
0072	Interest	-	35,119	34,903	216
0073	Bond issuance costs and fees	-	540	-	540
6030	<b>Total Expenditures</b>	258,756	293,659	292,923	736
1200	<b>Net Change in Fund Balance</b>	(235,631)	(270,534)	(260,763)	9,771
0100	Beginning fund balance	3,132,596	3,132,596	3,132,596	-
3000	<b>Ending Fund Balance</b>	\$ 2,896,965	\$ 2,862,062	\$ 2,871,833	\$ 9,771

#### Notes to Supplementary Information:

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
2. \*Expenditures exceeded appropriations at the legal level of control.



# WOODVILLE INDEPENDENT SCHOOL DISTRICT

## USE OF FUNDS REPORT

### FOR SELECT STATE ALLOTMENT PROGRAMS - EXHIBIT J-4

For the Year Ended August 31, 2022

<u>Data Control Codes</u>		<u>Responses</u>
<b><u>Section A: Compensatory Education Programs</u></b>		
AP1	Did your District expend any state compensatory education program state allotment funds during the District's fiscal year?	Yes
AP2	Does the District 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.	\$ 1,461,266
AP4	List the actual direct program expenditures for state compensatory education programs during the District's fiscal year. (PICs 24, 26, 28, 29, 30, 34)	\$ 806,311
<b><u>Section B: Bilingual Education Programs</u></b>		
AP5	Did your District expend any bilingual education program state allotment funds during the District's fiscal year?	Yes
AP6	Does the District 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 District's fiscal year.	\$ 16,698
AP8	List the actual direct program expenditures for bilingual education programs during the District's fiscal year. (PICs 25, 35)	\$ 38,872



***FEDERAL AWARDS AND OTHER COMPLIANCE SECTION***





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

To the Board of Trustees of  
Woodville Independent School District:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Woodville Independent School District (the "District"), as of and for the year ended August 31, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated January 20, 2023.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing the 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 the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the 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 the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

The logo for Belt Harris Pechacek, LLP features the names 'BELT', 'HARRIS', and 'PECHACEK' in a stylized, serif font, with 'LLP' in a smaller, sans-serif font to the right. The letters are dark blue or black.

Belt Harris Pechacek, LLP  
*Certified Public Accountants*  
Houston, Texas  
January 20, 2023



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

To the Board of Trustees of  
Woodville Independent School District:

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

**Opinion on Each Major Federal Program**

We have audited the Woodville Independent School District's (the "District") 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 the District's major federal programs for the year ended August 31, 2022. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2022.

**Basis for Opinion on Each Major Federal Program**

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

We are required to be independent of the 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 the 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 the District's federal programs.

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

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

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

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

## **Report on Internal Control over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' 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 have not been identified.

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.

*BELT HARRIS PECHACEK, LLP*

Belt Harris Pechacek, LLP  
*Certified Public Accountants*  
Houston, Texas  
January 20, 2023



**WOODVILLE INDEPENDENT SCHOOL DISTRICT**  
***SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS***  
**For the Year Ended August 31, 2022**

**A. SUMMARY OF PRIOR YEAR AUDIT FINDINGS**

No prior year findings.



# WOODVILLE INDEPENDENT SCHOOL DISTRICT

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended August 31, 2022

### I. SUMMARY OF AUDIT RESULTS

#### *Financial Statements*

What were the results of the auditors' determination of whether the financial statements were prepared in accordance with generally accepted accounting principles?	Unmodified
Is a 'going concern' emphasis-of-matter paragraph included in the auditors' report?	No
Is a significant deficiency in internal control disclosed?	No
Is a material weakness in internal control disclosed?	No
Is a material noncompliance disclosed?	No

#### *Federal Programs*

Does the auditors' report include a statement that the financial statements include departments, agencies, or other organizational units expending federal awards which are not included in this audit?	No
What is the dollar threshold used to distinguish between Type A and Type B programs?	\$750,000
Did the auditee qualified as low-risk auditee?	Yes

#### *Major Program Information and Audit Findings*

Identification of major programs:

<u>Assistance Listing (AL) Numbers</u>	<u>Name of Federal Program or Cluster</u>	<u>Number of Audit Findings</u>
84.425D & 84.425U	Elementary and Secondary School Emergency Relief	0

Type of audit report issued on compliance for major programs	Unmodified
--	------------

### II. FINANCIAL STATEMENT FINDINGS

None identified.

### III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None identified.



# WOODVILLE INDEPENDENT SCHOOL DISTRICT

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - EXHIBIT K-1

For the Year Ended August 31, 2022

(1)	(2)	(2A)	(3)
Federal Grantor/Pass Through Grantor/Program or Cluster Title	Federal AL Number	Pass-through Entity Identifying Number	Federal Expenditures
<b>U.S. DEPARTMENT OF EDUCATION</b>			
<i>Passed Through State Department of Education</i>			
Title I, Part A Improving Basic Programs	84.010A	22610101229903	\$ 457,210
Carl D. Perkins Basic Formula Grant	84.048A	22420006229903	13,840
Educator Assessments	84.367A	69452271	531
Title II, Part A, Supporting Effective Instruction	84.367A	21694501229903	6,120
Title II, Part A, Supporting Effective Instruction	84.367A	22694501229903	38,047
Total AL Number 84.367A			44,698
Title V, Part B, Subpart 2 - Rural and Low-Income Schools	84.358B	20696001229903	1,114
Title V, Part B, Subpart 2 - Rural and Low-Income Schools	84.358B	22696001229903	30,074
Total AL Number 83.358B			31,188
COVID-19 ESSER I	84.425D	20521001229903	182,158
COVID-19 ESSER II	84.425D	21521001229903	204,168
Total AL Number 84.425D			386,326
COVID-19 ESSER III	84.425U	21528001229903	1,377,915
Title IV, Part A, Subpart 1	84.424A	20680101229903	28,765
Title IV, Part A, Subpart 1	84.424A	22680101229903	9,832
Total AL Number 84.424A			38,597
Special Education Cluster (IDEA) Cluster:			
IDEA B, Formula Grant*	84.027A	226600012299036000	743,981
IDEA B, Preschool*	84.173A	226610012299036000	32,179
<b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>			<b>3,125,934</b>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
<i>Passed Through State Department of Education</i>			
Child Nutrition Cluster:			
School Breakfast Program*	10.553	806780706	300,379
National School Lunch Program (NSLP)*	10.555	806780706	785,394
<i>Passed Through State Department of Agriculture</i>			
Supply Chain Assistance*	10.555	226TX400N8903	40,757
<i>Passed Through State Department of Agriculture</i>			
Pandemic Electronic Benefit Transfer Administrative Costs Grants	10.649	226TX109S9009	3,063
NSLP Equipment Assistance Grant	10.579	6TX300355	72,117
USDA Commodities	10.565	806780706	109,480
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>			<b>1,311,190</b>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b>\$ 4,437,124</b>
		Federal revenue per SEFA	\$ 4,437,124
		SHARS	184,342
		C-2 Federal revenue	\$ 4,621,466

\* Indicates clustered program under OMB Compliance Supplement

The accompanying notes are an integral part of this schedule.

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**WOODVILLE INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended August 31, 2022**

**NOTE 1: BASIS OF ACCOUNTING**

The accompanying schedule of expenditures of federal awards (SEFA) includes the federal grant activity of the District. The information in 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 amounts presented in the SEFA may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the SEFA are reported on the modified accrual basis of accounting. These expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the SEFA, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

**NOTE 3: INDIRECT COST RATE**

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



**WOODVILLE INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF REQUIRED RESPONSES TO**  
**SELECTED SCHOOL FIRST INDICATORS - EXHIBIT L-1**  
**For the Year Ended August 31, 2022**

<u>Data Control Codes</u>		<u>Responses</u>
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 District make timely payments to the Teacher Retirement System, Texas Workforce Commission, Internal Revenue Service, and other government agencies?	Yes
SF4	Was the District issued a warrant hold?	No
SF5	Did the annual financial report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds?	No
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 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 District's fiscal year end?	Yes
SF8	Did the Board members discuss the District's property values at a Board meeting within 120 days before the District adopted its budget?	Yes
SF9	Total accumulated accretion on capital appreciation bonds included in government-wide financial statements at fiscal year end	\$ <u>                    </u> -

