

LAMPASAS INDEPENDENT SCHOOL DISTRICT

ANNUAL FINANCIAL AND
COMPLIANCE REPORT

FOR THE YEAR ENDED
AUGUST 31, 2023



SINGLETON, CLARK
& COMPANY, PC CERTIFIED PUBLIC ACCOUNTANTS

LAMPASAS INDEPENDENT SCHOOL DISTRICT
ANNUAL FINANCIAL AND COMPLIANCE REPORT
FOR THE YEAR ENDED AUGUST 31, 2023

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CERTIFICATE OF BOARD

Lampasas Independent School District
Name of School District

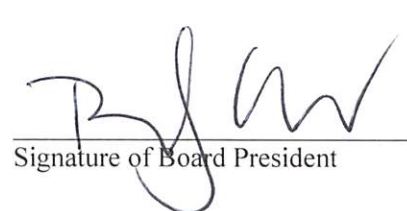
Lampasas
County

141-901
Co.-Dist. Number

We, the undersigned, certify that the attached annual financial reports of the above named school district were reviewed and (check one) ✓ approved _____ disapproved for the year ended August 31, 2023, at a meeting of the Board of Trustees of such school district on the 8th day of JANUARY, 2024.



Signature of Board Secretary



Signature of Board President

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

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FINANCIAL SECTION

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SINGLETON, CLARK
& COMPANY, PC CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
Lampasas Independent School District

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Lampasas Independent School District, as of and for the year ended August 31, 2023, and the related notes to the financial statements, which collectively comprise Lampasas Independent School District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Lampasas Independent School District, as of August 31, 2023, and the respective changes in financial position, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis section which precedes the basic financial statements and the pension and other post-employment benefits liabilities related schedules following the notes to the financial statements 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 Lampasas Independent School District's basic financial statements. The accompanying combining schedules of non-major governmental funds, and the schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining schedules of non-major governmental funds 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.

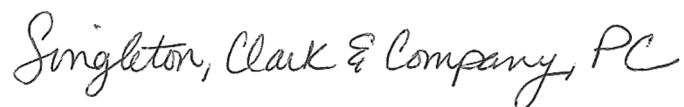
Other Information

Management is responsible for the other information included within the annual report. The other information comprises exhibits required by the Texas Education Agency which present property tax collection and receivable information, budget-to-actual comparisons for the Child Nutrition Fund and Debt Service Fund, and information related to expenditure levels of selected state funding allotments. Our opinions on the basic financial statements do not cover this other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

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



Singleton, Clark & Company, PC
Cedar Park, Texas

October 20, 2023

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LAMPASAS INDEPENDENT SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED AUGUST 31, 2023

MANAGEMENT’S DISCUSSION AND ANALYSIS

In this section of the Annual Financial and Compliance Report, we, the managers of Lampasas Independent School District (the “District”) discuss and analyze the financial performance of the District for the fiscal year ended August 31, 2023. Please read this information in conjunction with the District’s basic financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The District’s net position for governmental activities increased by \$5,208,289 as a result of this year’s current operations, to end at \$37,419,133.
- Total governmental funds of the District (the General Fund, the Debt Service and all Special Revenue Funds) reported an overall fund balance increase of \$3,756,026, to end at \$26,233,522.
- The General Fund of the District reported a fund balance increase of \$1,696,110 for the year, to end at \$19,502,494.

OVERVIEW OF THE FINANCIAL SECTION

The Financial Section is the most substantial part of this Annual Financial and Compliance Report. It consists of the independent auditor’s report, management’s discussion and analysis (this section), a set of basic financial statements with required note disclosures, and finally, required supplementary information and other supporting statements and schedules as applicable.

Independent Auditor’s Report

State law requires the District’s financial statements to be audited by an independent certified public accountant each year. The primary purpose of the annual audit is for the auditor to express an opinion as to whether the financial statements of the District appear to be free from material misstatement. The audit is required to be conducted 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. The District received an *Unmodified* opinion on its financial statements this year.

Management’s Discussion and Analysis

The Management’s Discussion and Analysis (MD&A) section of the report is intended to introduce the financial statements and to provide discussion and analysis regarding the financial performance of the District during the year. The MD&A is written by management of the District and provides for a less formal presentation of the financial activities of the District than is found within the basic financial statements themselves.

Basic Financial Statements

The Basic Financial Statements consist of a series of financial statements and required note disclosures. These statements include government-wide financial statements which present the District in a consolidated and long-term manner using full-accrual accounting similar to that of a business enterprise, and fund financial statements which present a more detailed view of the District using a more short-term view and traditional modified-accrual governmental accounting. These financial statements are followed with detailed notes which provide narrative explanations and additional data for full disclosure of information.

LAMPASAS INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED AUGUST 31, 2023

Required Supplementary Information

The previously discussed Management's Discussion and Analysis section is considered to be required supplementary information, however, the governmental reporting framework requires that it be presented before the financial statements. When applicable, additional required supplementary information must follow the financial statements. Within this financial report, the District presents required schedules related to its participation in the Teacher Retirement System of Texas and the Texas Public School Retired Employees Group Insurance Plan.

Combining and Individual Fund Statements and Schedules

The combining statements provide detailed information about the District's nonmajor funds. While the primary financial statements present the nonmajor funds in a consolidated manner, the combining statements list all of the nonmajor funds separately, each in its own column. In addition, this section also includes schedules required by the Texas Education Agency to report tax collection information and budget to actual information for the District's child nutrition and debt service funds.

OVERVIEW OF THE FEDERAL AWARDS SECTION

Report on Internal Controls and Compliance

In accordance with *Government Auditing Standards*, the auditor is required to consider the internal controls the District has in place over financial reporting and whether any noncompliance with rules, laws, and regulations was noted during the audit. This report describes the scope of the testing of internal control and compliance, however, it does not provide an opinion on the effectiveness of internal control or on compliance.

Report on Compliance and Internal Control for Each Major Program

Because the District expended more than \$750,000 in federal grant awards, an additional independent auditor's report on compliance and internal control over the District's major federal grant programs was required. This report provides an opinion by the independent audit firm that the District complied, in all material respects, with the requirements applicable to the federal grants received and expended.

Schedule of Expenditures of Federal Awards

The Schedule of Expenditures of Federal Awards (SEFA) provides a detailed listing of the federal grant awards received by the District during the year. This listing includes federal grant names, identification numbers, and amounts expended.

Schedule of Findings and Questioned Costs

The Schedule of Findings and Questioned Costs provides an overall summary of auditor results, including identification of the type of opinion on the financial statements, whether any significant deficiencies or material weaknesses in internal controls were observed by the audit firm, and whether any material noncompliance was noted. This schedule also lists information related to the audit of the District's major federal programs and lists any audit findings reported by the audit firm for the year.

LAMPASAS INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED AUGUST 31, 2023

Reporting the District as a Whole

The Statement of Net Position and the Statement of Activities

The analysis of the District's overall financial condition and operations begins with the government-wide financial statements which immediately follow this section. The government-wide financial statements include the Statement of Net Position and the Statement of Activities. The primary purpose of these financial statements is to show whether the District is better off or worse off as a result of the year's activities. The Statement of Net Position includes all the District's assets, deferred outflows, liabilities, and deferred inflows at the end of the year while the Statement of Activities includes all the revenues and expenses generated by the District's operations during the year. These apply the accrual basis of accounting which is the basis used by private sector companies.

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

The Statement of Net Position and the Statement of Activities report the District's net position and changes in net position. The District's net position (the difference between assets, deferred outflows, liabilities, and deferred inflows) provides one measure of the District's financial health. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. To fully assess the overall health of the District, however, you should consider nonfinancial factors as well, such as changes in the District's average daily attendance or its property tax base and the condition of the District's facilities.

In the Statement of Net Position and the Statement of Activities, school districts divide up their financial activities as follows:

- Governmental activities – School districts report basic services here, including the instruction of students, counseling, co-curricular activities, child nutrition services, transportation, maintenance, community services, and general administration. Property taxes, state block grants based on student attendance and demographics, and other state and federal grants finance most of these activities.
- Business-type activities – School districts may charge a fee to "customers" to help it cover all or most of the cost of services it provides for child care programs or other activities that closely model a business venture.

Our school district reported governmental activities this year, however, we did not engage in business-type activities.

LAMPASAS INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED AUGUST 31, 2023

Reporting the District's Most Significant Funds

Fund Financial Statements

The fund financial statements follow the government-wide statements and provide detailed information about the most significant funds of the District, not the District as a whole. Laws and regulations require the District to establish separate funds, such as for grants received from the state and federal government, money received from bond issues for capital projects, or for money raised specifically for debt service purposes, in order to clearly display financial accountability for use of these funds.

School districts use two different kinds of funds for operations, governmental funds and proprietary funds, which use different accounting approaches.

- A school district will use *governmental funds* to account for basic services. These use modified accrual accounting (a method that measures the receipt and disbursement of cash and all other financial assets that can be readily converted to cash) and report balances that are available for future spending. The governmental fund statements provide a detailed short-term view of the District's general operations and the basic services it provides. We describe the differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliation schedules following each of the fund financial statements.
- A school district will use *proprietary funds* to account for the activities for which it charges users (whether outside customers or other units of the District). Proprietary funds use the same accounting methods employed in the Statement of Net Position and the Statement of Activities. In fact, when a district utilizes enterprise funds, (one category of proprietary funds) these are the business-type activities reported in the government-wide statements but they contain more detail and additional information, such as cash flows. Internal service funds (the other category of proprietary funds) report activities that provide supplies and services for a district's other programs and activities, such as a district's self-insurance programs.

Our District reported several governmental funds this year, however, we did not utilize proprietary funds.

The District as Trustee

Reporting the District's Fiduciary Responsibilities

The District is the trustee, or fiduciary, for money raised by student activities and scholarship programs. All of the District's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position on pages that follow the governmental fund and proprietary fund financial statements. We exclude these resources from the District's other financial statements because the District cannot use these assets to finance its operations. The District is however responsible for applying sound financial internal controls over these funds and for ensuring that these resources are used for their intended purposes.

LAMPASAS INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED AUGUST 31, 2023

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following analysis focuses on the net position (Table I) and changes in net position (Table II) of the District's governmental activities.

Net position of the District's governmental activities increased from \$32,210,844 to \$37,419,133. Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – was \$621,670 at August 31, 2023. The increase in governmental net position was primarily due to factors including a large insurance settlement that was received for future year expenditures and a significant increase in the debt service fund balance which will be used to possibly call or defease debt.

**TABLE I
LAMPASAS INDEPENDENT SCHOOL DISTRICT
NET POSITION**

	Governmental Activities 2023	Governmental Activities 2022	Change
Current & Other Assets	\$ 30,722,824	\$ 26,773,596	\$ 3,949,228
Capital Assets	57,989,419	58,964,019	(974,600)
Total Assets	88,712,243	85,737,615	2,974,628
Deferred Outflows of Resources	17,238,950	9,734,318	7,504,632
Current Liabilities	4,175,557	3,916,806	258,751
Long-Term Liabilities	47,987,446	45,995,737	1,991,709
Total Liabilities	52,163,003	49,912,543	2,250,460
Deferred Inflows of Resources	16,369,057	13,348,546	3,020,511
Net Position:			
Net Investment in Capital Assets	30,402,728	28,735,904	1,666,824
Restricted	6,394,735	4,382,298	2,012,437
Unrestricted	621,670	(907,358)	1,529,028
Total Net Position	\$ 37,419,133	\$ 32,210,844	\$ 5,208,289

LAMPASAS INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED AUGUST 31, 2023

TABLE II
LAMPASAS INDEPENDENT SCHOOL DISTRICT
CHANGES IN NET POSITION

	Governmental Activities 2023	Governmental Activities 2022	Change
Revenues:			
Program Revenues:			
Charges for Services	\$ 1,098,156	\$ 630,356	\$ 467,800
Operating Grants & Contributions	6,526,944	6,458,561	68,383
General Revenues:			
Maintenance & Operations Taxes	15,976,597	14,270,646	1,705,951
Debt Service Taxes	4,595,955	4,059,654	536,301
State Aid - Formula Grants	18,881,224	19,447,083	(565,859)
Grants & Contributions not Restricted	988,883	1,289,963	(301,080)
Investment Earnings	1,168,820	106,987	1,061,833
Miscellaneous	319,613	208,953	110,660
Total Revenue	49,556,192	46,472,203	3,083,989
Expenses:			
Instruction	23,528,812	21,437,940	2,090,872
Instructional Resources & Media Services	445,521	415,727	29,794
Curriculum & Instructional Staff Development	641,439	665,484	(24,045)
Instructional Leadership	891,260	807,464	83,796
School Leadership	2,104,381	1,892,688	211,693
Guidance, Counseling, & Evaluation Services	1,642,289	1,498,640	143,649
Social Work Services	34,105	34,637	(532)
Health Services	358,583	307,078	51,505
Student Transportation	2,611,434	2,214,470	396,964
Food Services	1,952,911	1,869,090	83,821
Extracurricular Activities	2,415,019	2,074,730	340,289
General Administration	1,795,555	1,622,155	173,400
Facilities Maintenance and Operations	4,879,110	4,602,691	276,419
Security and Monitoring Services	544,725	340,292	204,433
Data Processing Services	1,194,958	1,150,288	44,670
Community Services	83,745	56,393	27,352
Debt Service	853,405	1,635,650	(782,245)
Other Intergovernmental Charges	253,649	225,032	28,617
Total Expenses	46,230,901	42,850,449	3,380,452
Gain (Loss) on Sale of Assets	(110,158)	(9,739)	(100,419)
Insurance Settlement	1,993,156	-	1,993,156
Change in Net Position	5,208,289	3,612,015	1,596,274
Net Position at 9/1/22 and 9/1/21	32,210,844	27,224,310	4,986,534
Prior Period Adjustment	-	1,374,519	(1,374,519)
Net Position at 8/31/23 and 8/31/22	\$ 37,419,133	\$ 32,210,844	\$ 5,208,289

LAMPASAS INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED AUGUST 31, 2023

THE DISTRICT'S FUNDS

As the District completed this annual period, the General Fund reported an ending fund balance of \$19,502,494, which is \$1,696,110 greater than last year's total of \$17,806,384. The increase in fund balance is mainly attributable to a large insurance settlement received at year end and an increase in state foundation revenue due to an increase in the August accruals booked for 2023-24 school year.

The District's Debt Service Fund reported an ending fund balance of \$5,813,497 which is \$1,970,969 greater than last year's total of \$3,842,528. The purpose of the Debt Service Fund is to provide for the payment of bond principal and interest payments as they become due.

The District's other governmental funds reported combined ending fund balances of \$917,531. This combined balance is \$88,947 greater than the previous year.

Over the course of the year, the Board of Trustees generally revises the District's budget based on financial updates provided by management of the District. These amendments involve moving funds from programs that did not need all the resources originally appropriated to them to programs with resource needs, or to budget for new revenues or new estimated costs. Budget amendments to complete the CTE facility and amendments to cover the year end salary accruals related to the employee raise and the movement of several federally funded positions to the general fund for 2023-24 were considered significant.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of August 31, 2023, the District had \$57,989,419 (net of accumulated depreciation) invested in a broad range of capital assets, including facilities and equipment for instruction, transportation, athletics, administration, and maintenance.

A summary of the ending balances of capital assets by major category for both 2023 and 2022 is as follows:

	Governmental Activities 2023	Governmental Activities 2022	Change
Land	\$ 844,533	\$ 886,861	\$ (42,328)
Construction in Progress	-	2,463,853	(2,463,853)
Buildings	87,973,265	84,677,547	3,295,718
Furniture and Equipment	13,522,090	12,959,046	563,044
Right to Use Lease Assets	562,912	562,912	-
Total	102,902,800	101,550,219	1,352,581
Less Accumulated Depreciation	(44,913,381)	(42,586,200)	(2,327,181)
Capital Assets, Net of Depreciation	\$ 57,989,419	\$ 58,964,019	\$ (974,600)

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**LAMPASAS INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED AUGUST 31, 2023**

Debt

At year-end, the District had \$27,946,486 in bonds and other long-term debt outstanding versus \$30,580,042 last year. This decrease is attributable to the District making scheduled payments on its long-term debt during the year.

A summary of the ending balances of long-term debt by type for both 2023 and 2022 is as follows:

	Governmental Activities 2023	Governmental Activities 2022	Change
Bonds Payable	\$ 27,411,175	\$ 29,911,034	\$ (2,499,859)
Right to Use Lease Assets Payable	175,516	317,081	(141,565)
Vested Vacation Benefits Payable	359,795	351,927	7,868
Total	<u>\$ 27,946,486</u>	<u>\$ 30,580,042</u>	<u>\$ (2,633,556)</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The District's elected and appointed officials considered many factors when setting the fiscal year 2023- 2024 budget and tax rates. Those factors include property values, changes in enrollment, the economy, projections of future budget years, and legislative mandates. The District has adopted a General Fund budget of approximately \$41.7 million for the 2023-2024 fiscal year. This reflects an approximate increase of \$4 million in originally budgeted expenditures from fiscal year the 2022-2023 adopted budget to fiscal year 2023-2024.

For the 2023-2024 budget year, the District has decreased its maintenance and operations tax rate to \$0.7575 per hundred of taxable value. The District adopted a debt service tax rate of \$0.2600 for the 2023-2024 budget year in order to fund required debt payments and to possibly call or defease debt in the best interest of the District in the coming year. The combined tax rate of the District for the 2023-2024 budget year is \$1.0175 per hundred of taxable value.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's Business Office, at Lampasas Independent School District, 207 W. 8th Street, Lampasas, Texas 76550, or by calling (512) 556-6224.

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BASIC FINANCIAL STATEMENTS

LAMPASAS INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
AUGUST 31, 2023

Data Control Codes	Primary Government	
	1	Governmental Activities
ASSETS		
1110	Cash and Cash Equivalents	\$ 4,679,358
1120	Investments - Current	21,089,532
1225	Property Taxes Receivable, net	508,039
1240	Due from Other Governments	4,168,110
1290	Other Receivables, net	67,677
1300	Inventories	200,926
1410	Deferred Expenditures or Expenses	9,182
	Capital Assets:	
1510	Land Purchase and Improvements	844,533
1520	Buildings and Improvements, net	51,934,551
1530	Furniture and Equipment, net	5,004,397
1550	Right to Use Lease Assets, net	205,938
1000	Total Assets	88,712,243
DEFERRED OUTFLOWS OF RESOURCES		
1700	Deferred Outflows-Bond Refundings	1,774,100
1705	Deferred Outflows-Pension	10,575,861
1706	Deferred Outflows-OPEB	4,888,989
	Total Deferred Outflows of Resources	17,238,950
LIABILITIES		
2110	Accounts Payable	1,061,365
2140	Interest Payable	41,221
2150	Payroll Deductions and Withholdings	58,229
2160	Accrued Wages Payable	2,891,738
2177	Due to Trust and Custodial Funds	40
2180	Due to Other Governments	30,998
2200	Accrued Expenses	91,966
	Noncurrent Liabilities:	
2501	Due Within One Year	2,709,679
2502	Due in More Than One Year	25,236,807
2540	Net Pension Liability	12,596,677
2545	Other Post-Employment Benefits Liability	7,444,283
2000	Total Liabilities	52,163,003
DEFERRED INFLOWS OF RESOURCES		
2605	Deferred Inflows-Pension	4,919,500
2606	Deferred Inflows-OPEB	11,449,557
	Total Deferred Inflows of Resources	16,369,057
NET POSITION		
3200	Net Investment in Capital Assets	30,402,728
	Restricted for:	
3820	Federal & State Programs	513,938
3850	Debt Service	5,880,797
3900	Unrestricted	621,670
3000	Total Net Position	\$ 37,419,133

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

LAMPASAS INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2023

		Program Revenues		Net (Expense)	
				Rev. & Changes	
				in Net Position	
1		3	4	6	
Data			Operating	Primary Gov.	
Control		Charges for	Grants and	Governmental	
Codes	Expenses	Services	Contributions	Activities	
Primary Government:					
GOVERNMENTAL ACTIVITIES:					
11	Instruction	\$ 23,528,812	\$ -	\$ 4,395,615	\$ (19,133,197)
12	Instructional Resources & Media Services	445,521	-	4,069	(441,452)
13	Curriculum & Instructional Staff Development	641,439	-	210,290	(431,149)
21	Instructional Leadership	891,260	-	35,494	(855,766)
23	School Leadership	2,104,381	-	25,793	(2,078,588)
31	Guidance, Counseling, & Evaluation Services	1,642,289	-	66,465	(1,575,824)
32	Social Work Services	34,105	-	53	(34,052)
33	Health Services	358,583	-	4,813	(353,770)
34	Student Transportation	2,611,434	-	33,604	(2,577,830)
35	Food Services	1,952,911	433,347	1,455,109	(64,455)
36	Extracurricular Activities	2,415,019	639,148	12,094	(1,763,777)
41	General Administration	1,795,555	25,661	16,751	(1,753,143)
51	Facilities Maintenance and Operations	4,879,110	-	35,222	(4,843,888)
52	Security and Monitoring Services	544,725	-	218	(544,507)
53	Data Processing Services	1,194,958	-	10,258	(1,184,700)
61	Community Services	83,745	-	8,899	(74,846)
72	Interest on Long-Term Debt	849,655	-	212,197	(637,458)
73	Other Debt Service Costs	3,750	-	-	(3,750)
99	Other Intergovernmental Charges	253,649	-	-	(253,649)
TG	Total Governmental Activities:	46,230,901	1,098,156	6,526,944	(38,605,801)
TP	TOTAL PRIMARY GOVERNMENT:	\$ 46,230,901	\$ 1,098,156	\$ 6,526,944	(38,605,801)
General Revenues:					
Taxes:					
MT	Property Taxes, Levied for General Purposes				15,976,597
DT	Property Taxes, Levied for Debt Service				4,595,955
SF	State Aid - Formula Grants				18,881,224
GC	Grants and Contributions, not Restricted				988,883
IE	Investment Earnings				1,168,820
MI	Miscellaneous Local and Intermediate Revenue				319,613
	Total General Revenues				41,931,092
S1	Special Items-Loss on Disposal of Assets				(110,158)
S2	Special Items-Insurance Settlement				1,993,156
TR	Total General Revenues and Special Items				43,814,090
CN	Change in Net Position				5,208,289
NB	Net Position -- Beginning				32,210,844
NE	Net Position -- Ending				\$ 37,419,133

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

LAMPASAS INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
AUGUST 31, 2023

Data	10	50	98	
Control	General	Debt	Other	Total
Codes	Fund	Service Fund	Funds	Governmental Funds
ASSETS				
1110 Cash and Cash Equivalents	\$ 3,697,837	\$ 383	\$ 981,138	\$ 4,679,358
1120 Investments - Current	15,282,454	5,806,788	290	21,089,532
1220 Property Taxes - Delinquent	576,671	149,100	-	725,771
1230 Allowance for Uncollectible Taxes (Credit)	(173,002)	(44,730)	-	(217,732)
1240 Due from Other Governments	3,474,421	-	693,689	4,168,110
1260 Due from Other Funds	451,143	254	16,120	467,517
1267 Due from Trust and Custodial Funds	50	-	-	50
1290 Other Receivables	67,619	-	58	67,677
1310 Inventories	200,926	-	-	200,926
1410 Deferred Expenditures	6,179	-	3,003	9,182
1000 Total Assets	<u>\$ 23,584,298</u>	<u>\$ 5,911,795</u>	<u>\$ 1,694,298</u>	<u>\$ 31,190,391</u>
LIABILITIES				
2110 Accounts Payable	\$ 955,816	\$ -	\$ 105,549	\$ 1,061,365
2150 Payroll Deductions and Withholdings	58,229	-	-	58,229
2160 Accrued Wages Payable	2,496,472	-	395,266	2,891,738
2170 Due to Other Funds	191,565	-	275,952	467,517
2177 Due to Trust and Custodial Funds	90	-	-	90
2180 Due to Other Governments	-	30,998	-	30,998
2200 Accrued Expenditures	91,966	-	-	91,966
2000 Total Liabilities	<u>3,794,138</u>	<u>30,998</u>	<u>776,767</u>	<u>4,601,903</u>
DEFERRED INFLOWS OF RESOURCES				
2600 Deferred Inflows-Unavailable Revenues	287,666	67,300	-	354,966
Total Deferred Inflows of Resources	<u>287,666</u>	<u>67,300</u>	<u>-</u>	<u>354,966</u>
FUND BALANCES				
Nonspendable:				
3410 Inventories	200,926	-	-	200,926
3430 Prepaid Items	6,179	-	3,003	9,182
Restricted for:				
3450 Federal or State Funds Restricted	-	-	513,938	513,938
3480 Retirement of Long-Term Debt	-	5,813,497	-	5,813,497
Committed for:				
3510 Construction	4,500,000	-	-	4,500,000
3530 Capital Expenditures for Equipment	1,500,000	-	-	1,500,000
3545 Other Committed Fund Balance	-	-	400,590	400,590
3600 Unassigned Fund Balance	13,295,389	-	-	13,295,389
3000 Total Fund Balances	<u>19,502,494</u>	<u>5,813,497</u>	<u>917,531</u>	<u>26,233,522</u>
4000 Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 23,584,298</u>	<u>\$ 5,911,795</u>	<u>\$ 1,694,298</u>	<u>\$ 31,190,391</u>

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

LAMPASAS INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
AUGUST 31, 2023

		1
Total Fund Balances - Governmental Funds		\$ 26,233,522
1 Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.		
Governmental capital assets	\$ 102,902,800	
Less accumulated depreciation	<u>(44,913,381)</u>	57,989,419
2 Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds payable, including unamortized premiums	(27,411,175)	
Deferred charges on refunding	1,774,100	
Right to use lease assets payable	(175,516)	
Vested vacation benefits payable	(359,795)	
Net pension liability	(12,596,677)	
Net OPEB liability	<u>(7,444,283)</u>	(46,213,346)
3 Accrued interest on long-term debt related to governmental fund activities is not due and payable in the current period and, therefore, not reported in the governmental funds.		(41,221)
4 Deferred outflows and inflows of resources related to pensions and other post-employment benefits are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflows of resources related to pensions	10,575,861	
Deferred inflows of resources related to pensions	(4,919,500)	
Deferred outflows of resources related to OPEB	4,888,989	
Deferred inflows of resources related to OPEB	<u>(11,449,557)</u>	(904,207)
5 Property taxes are recognized as revenue in the governmental funds when collected, but recognized on the Statement of Activities in the year levied. Therefore, property taxes receivable, net of allowance for uncollectible accounts, is added to the Statement of Net Position for governmental activities.		354,966
19 Net Position of Governmental Activities		<u><u>\$ 37,419,133</u></u>

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

LAMPASAS INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2023

		10	50		98
Data					Total
Control		General	Debt	Other	Governmental
Codes		Fund	Service Fund	Funds	Funds
REVENUES					
5700	Local and Intermediate Sources	\$ 17,391,821	\$ 4,857,866	\$ 979,703	\$ 23,229,390
5800	State Program Revenues	20,844,727	212,197	43,377	21,100,301
5900	Federal Program Revenues	844,076	-	5,904,286	6,748,362
5020	Total Revenues	39,080,624	5,070,063	6,927,366	51,078,053
EXPENDITURES					
0011	Instruction	18,856,335	-	4,183,408	23,039,743
0012	Instructional Resources & Media Services	429,283	-	-	429,283
0013	Curriculum & Instructional Staff Dev.	405,999	-	206,496	612,495
0021	Instructional Leadership	844,239	-	24,708	868,947
0023	School Leadership	2,053,473	-	-	2,053,473
0031	Guidance, Counseling & Evaluation Services	1,551,937	-	47,317	1,599,254
0032	Social Work Services	31,943	-	-	31,943
0033	Health Services	351,017	-	-	351,017
0034	Student Transportation	3,170,231	-	-	3,170,231
0035	Food Services	-	-	1,879,530	1,879,530
0036	Extracurricular Activities	1,829,017	-	488,964	2,317,981
0041	General Administration	1,732,163	-	-	1,732,163
0051	Facilities Maintenance and Operations	5,626,289	-	-	5,626,289
0052	Security and Monitoring Services	507,946	-	-	507,946
0053	Data Processing Services	1,256,201	-	-	1,256,201
0061	Community Services	73,237	-	7,996	81,233
0071	Debt Service - Principal	141,565	2,115,000	-	2,256,565
0072	Debt Service - Interest	5,427	980,344	-	985,771
0073	Debt Service - Other Costs	-	3,750	-	3,750
0081	Facilities Acquisition and Construction	321,214	-	-	321,214
0099	Other Intergovernmental Charges	253,649	-	-	253,649
6030	Total Expenditures	39,441,165	3,099,094	6,838,419	49,378,678
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	(360,541)	1,970,969	88,947	1,699,375
OTHER FINANCING SOURCES (USES)					
7912	Sale of Property	63,495	-	-	63,495
7949	Other Resources	1,993,156	-	-	1,993,156
7080	Total Other Financing Sources (Uses)	2,056,651	-	-	2,056,651
1200	Net Change in Fund Balance	1,696,110	1,970,969	88,947	3,756,026
0100	Fund Balance - Beginning	17,806,384	3,842,528	828,584	22,477,496
3000	Fund Balance - Ending	\$ 19,502,494	\$ 5,813,497	\$ 917,531	\$ 26,233,522

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

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

Total Net Change in Fund Balances – Governmental Funds		\$ 3,756,026
1	Governmental funds report the portion of capital outlay for capitalized assets as expenditures. However, in the Statement of Activities, the costs of those assets are allocated over their estimated useful lives as depreciation expense.	
	Expenditures for capitalized assets	\$ 2,590,184
	Less current year depreciation	<u>(3,391,131)</u> (800,947)
2	Repayment of principal on bonds and right to use leases is an expenditure in the governmental funds, but this expenditure is removed from the Statement of Activities and these repayments instead reduce long-term liabilities on the Statement of Net Position. Conversely, net additions to Vested Vacation Benefits Payable increases liabilities on the Statement of Net Position.	2,248,697
3	Accumulated accretion on bonds issued by governmental activities is recognized only when paid in the governmental funds, but is treated as interest expense on the Statement of Activities as it accretes.	(117,735)
4	Since long-term debt is not recorded in governmental funds, amortization of related issuance premiums and discounts is also not recorded.	249,151
5	The change in accrued interest due on long-term debt issued for governmental activities does not affect current financial resources and therefore is not reported in the governmental funds.	4,700
6	Property taxes are recognized as revenue in the governmental funds when collected but recognized on the Statement of Activities in the year levied. Therefore the uncollected amount of the current year levy is added to current year property tax revenue on the Statement of Activities.	(70,249)
7	Governmental funds report pension contributions as expenditures. However, pension contributions are reported as deferred outflows of resources on the Statement of Net Position if made after the net pension liability measurement date. In addition, the change in the net pension liability, adjusted for changes in deferred pension items, is reported as pension expense in the Statement of Activities.	(732,031)
8	Governmental funds report OPEB contributions as expenditures. However, OPEB contributions are reported as deferred outflows of resources on the Statement of Net Position if made after the net OPEB liability measurement date. In addition, the change in the net OPEB liability, adjusted for changes in deferred OPEB items, is reported as OPEB expense in the Statement of Activities.	844,330
9	Since capital assets are not reported in governmental funds, gains or losses on disposal of capital assets are also not reported in governmental funds.	<u>(173,653)</u>
19	Change in Net Position of Governmental Activities	<u><u>\$ 5,208,289</u></u>

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

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LAMPASAS INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – GENERAL FUND
FOR THE YEAR ENDED AUGUST 31, 2023

Data Control Codes	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	(GAAP BASIS)	Final Budget
REVENUES				
5700 Local & Intermediate Sources	\$ 16,842,452	\$ 17,483,597	\$ 17,391,821	\$ (91,776)
5800 State Program Revenues	18,605,747	20,420,747	20,844,727	423,980
5900 Federal Program Revenues	542,140	813,640	844,076	30,436
5020 Total Revenues	35,990,339	38,717,984	39,080,624	362,640
EXPENDITURES				
Current:				
0011 Instruction	18,349,128	19,064,984	18,856,335	208,649
0012 Instructional Resources & Media Svcs.	424,195	436,195	429,283	6,912
0013 Curriculum & Instructional Staff Dev.	454,116	461,227	405,999	55,228
0021 Instructional Leadership	835,445	855,695	844,239	11,456
0023 School Leadership	2,070,221	2,076,088	2,053,473	22,615
0031 Guidance, Counseling & Evaluation Svcs.	1,530,952	1,580,708	1,551,937	28,771
0032 Social Work Services	33,859	42,859	31,943	10,916
0033 Health Services	351,623	356,205	351,017	5,188
0034 Student Transportation	3,084,662	3,268,339	3,170,231	98,108
0036 Extracurricular Activities	1,735,117	1,863,759	1,829,017	34,742
0041 General Administration	1,743,355	1,809,780	1,732,163	77,617
0051 Facilities Maintenance & Operations	5,045,408	5,851,132	5,626,289	224,843
0052 Security and Monitoring Services	447,853	564,757	507,946	56,811
0053 Data Processing Services	1,175,864	1,291,579	1,256,201	35,378
0061 Community Services	61,152	76,152	73,237	2,915
Debt Service:				
0071 Principal on Long Term Debt	143,900	146,900	141,565	5,335
0072 Interest on Long Term Debt	5,500	5,500	5,427	73
Capital Outlay:				
0081 Facilities Acquisition & Construction	-	373,186	321,214	51,972
Intergovernmental:				
0099 Other Intergovernmental Charges	272,700	257,700	253,649	4,051
6030 Total Expenditures	37,765,050	40,382,745	39,441,165	941,580
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,774,711)	(1,664,761)	(360,541)	1,304,220
OTHER FINANCING SOURCES (USES)				
7912 Sale of Property	-	47,500	63,495	15,995
7949 Other Resources	-	1,993,155	1,993,156	1
7080 Total Other Financing Sources (Uses)	-	2,040,655	2,056,651	15,996
1200 Net Change in Fund Balances	(1,774,711)	375,894	1,696,110	1,320,216
0100 Fund Balance-September 1 (Beginning)	17,806,384	17,806,384	17,806,384	-
3000 Fund Balance-August 31 (Ending)	\$ 16,031,673	\$ 18,182,278	\$ 19,502,494	\$ 1,320,216

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

LAMPASAS INDEPENDENT SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
AUGUST 31, 2023

Data Control Codes	801 Private- Purpose Trust Fund	810 Private- Purpose Trust Fund	865 Custodial Fund	878 Custodial Fund
ASSETS				
1110 Cash and Cash Equivalents	\$ 5,211	\$ -	\$ 48,478	\$ 11,215
1120 Investments - Current	-	35,275	-	-
1260 Due from Other Funds	-	-	90	-
1290 Other Receivables	-	-	-	106
1000 Total Assets	5,211	35,275	48,568	11,321
LIABILITIES				
Current Liabilities:				
2110 Accounts Payable	-	-	5,227	930
2170 Due to Other Funds	-	-	-	50
2000 Total Liabilities	-	-	5,227	980
NET POSITION				
Restricted for:				
3800 Individuals and Organizations	5,211	35,275	43,341	10,341
3000 Total Net Position	\$ 5,211	\$ 35,275	\$ 43,341	\$ 10,341

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

LAMPASAS INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2023

Data Control Codes	801 Private- Purpose Trust Fund	810 Private- Purpose Trust Fund	865 Custodial Fund	878 Custodial Fund
ADDITIONS				
Contributions:				
5750 Fundraising Activities	\$ -	\$ -	\$ 69,082	\$ 8,108
5020 Total Contributions	-	-	69,082	8,108
Investment Earnings:				
5742 Interest, Dividends, and Other	3	1,053	2,111	421
Total Additions	3	1,053	71,193	8,529
DEDUCTIONS				
6200 Professional and Contracted Services	-	-	1,405	50
6300 Supplies and Materials	-	-	29,197	1,116
6400 Other Operating Costs	-	300	39,837	7,557
6030 Total Deductions	-	300	70,439	8,723
1200 Net Increase/(Decrease) in Fiduciary Net Position	3	753	754	(194)
0100 Net Position - Beginning	5,208	34,522	42,587	10,535
3000 Net Position - Ending	\$ 5,211	\$ 35,275	\$ 43,341	\$ 10,341

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

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LAMPASAS INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Financial Reporting Entity

This report includes those activities, organizations and functions related to Lampasas Independent School District (the “District”), which are controlled by or dependent upon the District’s governing body, the Board of Trustees (the “Board”). The Board, a seven member group, is the level of government having governance responsibilities over all activities related to public elementary and secondary school education within the jurisdiction of the District. Since the District receives funding from local, state, and federal government sources, it must comply with the requirements of the entities providing those funds. However, the District is not included in any other governmental “reporting entity” as defined by Statement No. 14 of the Governmental Accounting Standards Board (GASB), since Board members are elected by the public and have decision making authority. Furthermore, there are no legally separate organizations, known as “component units”, included within the reporting entity.

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

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e. the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the District. The effect of interfund activity has been removed from these statements. Governmental activities, which are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely on fees and charges for support. Currently however, the District has no business-type activities.

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Custodial funds have no measurement focus. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided and 2) operating grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

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

LAMPASAS INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2023

Major revenue sources considered susceptible to accrual include state and federal program revenues and property taxes. The District considers property tax revenues available if they will be collected within sixty days of year end: delinquent property taxes at year end are reported as deferred inflows of resources within the governmental fund financial statements.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Major Funds and Fund Types

The District reports the following major governmental funds:

The General Fund includes financial resources that are not required to be reported separately in another fund. It is a budgeted fund, and any unrestricted fund balances are considered to be resources available for current operations.

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

Additionally, the District reports the following fund types:

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

Private Purpose Trust Funds are fiduciary funds used to account for donations for which the donors have stipulated that both the principal and the income may be used for purposes that benefit parties outside the District. The District utilizes this fund type to account for money collected and held for the purpose of awarding scholarships to selected students.

Custodial Funds are fiduciary funds used to account for resources held for others in a custodial capacity. The District utilizes this fund type to account for funds held on behalf of student clubs and organizations.

Budgetary Information

Budgets are prepared annually for the General Fund, the Child Nutrition Fund, and the Debt Service Fund on the modified accrual basis, which is consistent with generally accepted accounting principles. A formal budget is prepared by the end of August and is adopted by the Board at a public meeting after public notice of the meeting has been given no earlier than the 30th day or later than the 10th day before the public hearing. The legal level of control for budgeted expenditures is the function level within the budgeted funds. Amendments to the budget are required prior to expending amounts greater than the budgeted amounts at the function level. Budgets are controlled at the departmental or campus level, the same level at which responsibility for operations is assigned. The budget was monitored by the administration throughout the year and amendments were brought to the Board as needed.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Balance

Investments - The District's investment policies and types of investments are governed by Section 2256 of the Texas Government Code ("Public Funds Investment Act"). The types of investments allowed under the Public Funds Investment Act are detailed in Note 2 - Deposits and Investments. The District's management believes that it complied with the requirements of the Public Funds Investment Act and the District's investment policies. The District accrues interest on temporary investments based on the terms and effective interest rates of the specific investments. Temporary investments throughout the year consisted of investments in external investment pools, which are recognized at amortized cost.

LAMPASAS INDEPENDENT SCHOOL DISTRICT
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Inventories - The District reports inventories of supplies at weighted average cost including consumable maintenance, instructional, office, and transportation items in the General Fund. Inventories are generally not recorded in the Child Nutrition Fund due to amounts of expendable supplies held or purchased food not being deemed material. When inventories are recorded, they are charged to expenditures when consumed. Amounts recorded are offset by a fund balance classification titled “nonspendable” which indicates that the inventory does not represent “available expendable resources.”

Capital Assets - Capital assets, which include land, buildings and improvements, construction in progress, furniture and equipment, and vehicles are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of at least \$5,000 and a useful life of greater than one year. Such assets are recorded at historical cost, if purchased, or estimated fair value at the date of donation, if donated. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets lives are not capitalized. Capital assets (other than land and construction in progress) are depreciated using the straight line method over the following estimated useful lives: buildings and improvements - seven to thirty years, furniture and equipment - three to ten years, and vehicles - five to ten years.

Prepaid Items - Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. Prepaid items are charged to expenditures when consumed. When prepaid items are recorded, they are charged to expenditures when the value represented by the prepaid item has been used. Amounts recorded are offset by a fund balance classification titled “nonspendable” which indicates that the prepaid item amount does not represent “available expendable resources.”

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

Accumulated Leave Liability - The State of Texas (the “State”) has created a minimum leave program consisting of five days discretionary days per year with no limit on accumulation and transferability among districts for every person regularly employed in Texas public schools. Local school districts may provide additional leave beyond the state minimum.

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 benefit terms. Investments are reported at fair value.

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

LAMPASAS INDEPENDENT SCHOOL DISTRICT
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Deferred Outflows and Deferred Inflows of Resources - The District complies with GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, which provides guidance for reporting the financial statement elements of deferred outflows of resources, which represent a consumption of the District's net position that is applicable to a future reporting period, and deferred inflows of resources, which represent the District's acquisition of net position applicable to a future reporting period.

The District complies with GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, which establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

Fund Balance/Deficit - The District complies with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

Statement of Cash Flows - For purposes of the statement of cash flows when Proprietary Funds are used, cash and cash equivalents include demand deposits.

Fair Value Measurements - The District adopted GASB Statement No. 72, *Fair Value Measurement and Application*, which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction. Fair value accounting requires characterization of the inputs used to measure fair value into a three-level fair value hierarchy as follows below:

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

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

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

Data Control Codes

The Data Control Codes shown on the financial statements refer to the account code structure prescribed by the FASRG. TEA requires school districts to display these codes in their financial statements to ensure accuracy in building a state-wide data base for policy development and funding plans.

2. DEPOSITS AND INVESTMENTS

The Public Funds Investment Act authorizes the District to invest in funds under a written investment policy, which is approved annually by the Board. The primary objectives of the District's investment strategy for operating and custodial funds, in order of priority, are safety, investment liquidity, and maturity sufficient to meet anticipated cash flow requirements. The primary objective of the District's investment strategy for Debt Service and Capital Projects Funds is sufficient investment liquidity to meet related obligations.

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

- Obligations of, or guaranteed by, governmental entities
- Certificates of deposit and share certificates
- Fully collateralized repurchase agreements
- Securities lending programs
- Banker's acceptances
- Commercial paper
- No-load money market mutual funds and no-load mutual funds
- Guaranteed investment contracts as an investment vehicle for bond proceeds
- Public funds investment pools

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

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

At August 31, 2023, the carrying amount of the District's deposits was \$4,744,262 and the bank balance was \$4,922,826. The District's deposits with financial institutions at August 31, 2023 and during the year ended August 31, 2023 were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name. The deposits were collateralized in accordance with Texas law and the District maintains copies of all safekeeping receipts in the name of the District.

The District maintains a cash pool consisting of demand deposits. The combined pool is available for use by most Special Revenue Funds. If a fund overdraws its share of the pool, the overdraft is reported as an interfund payable in that fund. The offsetting interfund receivable is reported in the General Fund.

The following is disclosed regarding coverage of combined balances on the date of highest deposit:

- a) Name of depository bank: Cadence Bank, Texas
- b) The amount of bond and/or security pledged as of the date of the highest combined balance on deposit was \$7,321,987.
- c) The largest cash, savings and time deposit combined account balance amounted to \$4,987,491 and occurred during the month of March 2023.
- d) Total amount of FDIC coverage at the time of highest combined balance was \$500,000.

Investments held at August 31, 2023 consisted of the following:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Days)</u>	<u>Standard & Poor's Rating</u>
Local Government Investment Pools:			
TexPool	\$ 19,283,134	1	AAAm
Lone Star Investment Pool	1,806,398	1	AAAm
Investment Held in Private Purpose Trust Funds:			
Life Insurance Proceeds	35,275		
Total Investments	<u>\$ 21,124,807</u>		

The District had investments in two external local governmental investment pool at August 31, 2023, consisting of the Texas Local Governmental Investment Pool (TexPool) and the Lone Star (First Public) Investment Pool.

LAMPASAS INDEPENDENT SCHOOL DISTRICT
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TEXPOOL

TEXPOOL is a local government investment pool. It offers a safe, efficient, and liquid investment alternative to local governments in the State of Texas. The primary objectives of the pool are to preserve capital and protect principal, maintain sufficient liquidity, provide safety of funds and investments, diversify to avoid unreasonable or avoidable risks, and maximize the return on the pool. Cities, counties, school districts, institutions of higher education, special districts, and other public entities of Texas make up the investor base.

TEXPOOL was originally rated in March 1995, but effective April 2002, the Texas Comptroller of Public Accounts contracted with Federated Investors, Inc. for the day-to-day operations of TEXPOOL. Federated Investors, Inc. performs the pool's investment management and custodial functions. It also provides the marketing function, working closely with participants. Federated Securities Corp. acts as the distributor for the portfolio. Oversight of TEXPOOL continues to be provided by the Texas Comptroller, as well as the TEXPOOL advisory board. In January 1995, the advisory board adopted and implemented long-term policy changes to provide for a stable net asset value (NAV) pool, which, in effect, operates like an SEC regulated Rule 2a-7 money-market fund. These changes were made to ensure a more conservative investment strategy and to provide a much higher level of investment safety for local government funds.

Lone Star (First Public)

The Corporate Overnight Fund is a fund within the Lone Star Investment Pool. Its objective is to maintain a stable \$1.00 per share net asset value (NAV), while it provides the highest possible rate of return. The fund represents one of three Texas public investment funds sponsored by the Texas Association of School Boards (TASB). The other funds--Government Overnight Fund and Corporate Overnight Plus Fund--also maintain S&P Global ratings. The Lone Star Investment Pool was created pursuant to the Interlocal Cooperation Act of the State of Texas as an investment vehicle for local school districts and other public entities. The funds within Lone Star Investment Pool are not registered mutual funds under the Investment Company Act of 1940, and are not available to individual investors.

The Lone Star Investment Pool is sponsored by TASB. The investment advisers to the pool are American Beacon Advisors and Standish. First Public LLC provides administrative and distribution services to the pool and State Street Bank is the custodian for all pool assets. In addition, CAPTRUST Financial Advisors monitors the pool's operations and performance and reports its findings to First Public and the board of trustees for the Lone Star Investment Pools.

Credit Risk - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized agencies are designed to give an indication of credit risk. At August 31, 2023, investments were included in local governmental investment pools with ratings from Standard & Poor's in compliance with the District's investment policy.

Custodial Credit Risk - Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the District's name. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the District, and are held by either the counterparty or the counterparty's trust department or agent but not in the District's name. At August 31, 2023, the District was not exposed to custodial credit risk.

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investments in a single issuer. Information regarding investments in any one issuer that represents five percent or more of the District's total investments must be disclosed under GASB Statement No. 40, excluding investments issued or explicitly guaranteed by the U.S. government. At August 31, 2023, the District had 99.8% of its investments in local governmental investment pools.

Interest Rate Risk - As a means of minimizing risk of loss due to interest rate fluctuations, the District's investment policy requires that maturities will not exceed the weighted average maturity of 180 days for any internally created pool fund group and one year from the time of purchase for any other individual investment. The Board may specifically authorize a longer maturity for a given investment, within legal limits. The District considers the holdings in the local governmental investment pools to have a one day weighted average maturity due to the fact that the share position can usually be redeemed each day at the discretion of the shareholders, unless there has been a significant change in value. At August 31, 2023, investments were included in local government investment pools which have a weighted average maturity of one day.

LAMPASAS INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
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3. PROPERTY TAXES

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

Property taxes are levied as of October 1 in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes and penalties and interest that are ultimately imposed. Property tax revenues are considered available when they become due or past due and receivable within the current period, including those property taxes expected to be collected during a 60 day period after the end of the District’s fiscal year. The assessed value at January 1, 2022, upon which the October 2022 levy was based was \$1,718,203,674. The District levied taxes based on a combined tax rate of \$1.2029 per \$100 of assessed valuation for local maintenance (general governmental services) and debt service.

4. DUE FROM/TO OTHER GOVERNMENTS

The District participates in a variety of federal and state programs from which it receives grants to partially or fully fund certain activities. The District also receives entitlements from the State through the School Foundation and Per Capita Programs. Grants and entitlements are recorded as revenue when earned, therefore at year end amounts earned but not yet received in cash may be recorded as due from the grantor government. Amounts already received in cash but not yet earned are recorded as due to the grantor government.

A summary of amounts recorded as Due From/Due To Other Governments in the basic financial statements as of August 31, 2023 are summarized below:

Due From Other Governments:	Non-Major		
	General	Governmental	
	Fund	Funds	Total
Governmental Activities:			
Foundation & Per Capita Entitlements	\$ 3,474,421	\$ -	\$ 3,474,421
Federal Grants	-	693,689	693,689
Total - Governmental Activities	\$ 3,474,421	\$ 693,689	\$ 4,168,110

Due To Other Governments:

	Debt	
	Service Fund	Total
Governmental Activities:		
State Grants	\$ 30,998	\$ 30,998
Total - Governmental Activities	\$ 30,998	\$ 30,998

LAMPASAS INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
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5. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

During the course of operations, the individual funds of the District may engage in temporary borrowings of money between one another to meet liquidity needs. These interfund receivables and payables are recorded on the balance sheet of the loaning fund as “Due from Other Funds” and on the balance sheet of the borrowing fund as “Due to Other Funds”. Amounts are repaid when funds are available in the borrowing fund.

Individual funds may also make payments between one another which are intended to be permanent and therefore not repaid. These transactions are recorded on the statement of revenues, expenditures, and changes in fund balance as “Transfers Out” for the paying fund and “Transfers In” for the receiving fund.

During the year, the District did not record any transfers between funds.

The composition of interfund balances as of August 31, 2023 was as follows:

Receivable Fund	Payable Fund	Amount
General Fund	General Fund	\$ 175,191
	Special Revenue Funds	275,952
	Trust and Custodial Funds	50
Total General Fund		451,193
Special Revenue Funds	General Fund	16,120
Total Special Revenue Funds		16,120
Debt Service Fund	General Fund	254
Total Debt Service Fund		254
Trust and Custodial Funds	General Fund	90
Total Trust and Custodial Funds		90
Grand Total		\$ 467,657

6. CAPITAL ASSETS

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

	Beginning Balance 9/1/22	Additions	Retirements	Adjustments	Ending Balance 8/31/23
Governmental Activities:					
Capital Assets, not Being Depreciated:					
Land	\$ 886,861	\$ -	\$ (42,328)	\$ -	\$ 844,533
Construction in Progress	2,463,853	321,213	-	(2,785,066)	-
Total Capital Assets, not Being Depreciated	3,350,714	321,213	(42,328)	(2,785,066)	844,533
Capital Assets, Being Depreciated:					
Buildings and Improvements	84,677,547	772,869	(262,217)	2,785,066	87,973,265
Furniture and Equipment	12,959,046	1,496,102	(933,058)	-	13,522,090
Right to Use Lease Assets	562,912	-	-	-	562,912
Total Capital Assets, Being Depreciated	98,199,505	2,268,971	(1,195,275)	2,785,066	102,058,267
Less Accumulated Depreciation for:					
Buildings and Improvements	(33,916,166)	(2,346,739)	224,191	-	(36,038,714)
Furniture and Equipment	(8,453,789)	(903,663)	839,759	-	(8,517,693)
Right to Use Lease Assets	(216,245)	(140,729)	-	-	(356,974)
Total Accumulated Depreciation	(42,586,200)	(3,391,131)	1,063,950	-	(44,913,381)
Governmental Activities Capital Assets, Net	\$ 58,964,019	\$ (800,947)	\$ (173,653)	\$ -	\$ 57,989,419

LAMPASAS INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
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Depreciation expense was charged to the functions of the District as follows:

Function	Depreciation Allocation
Instruction	\$ 1,724,477
Instructional Resources & Media Services	31,777
Curriculum & Instructional Staff Development	45,339
Instructional Leadership	63,999
School Leadership	152,006
Guidance, Counseling & Evaluation Services	118,246
Social Work Services	2,365
Health Services	25,984
Student Transportation	234,672
Food Services	139,130
Extracurricular Activities	171,586
General Administration	128,469
Facilities Maintenance and Operations	416,479
Security and Monitoring Services	37,600
Data Processing Services	92,989
Community Services	6,013
Totals	<u>\$ 3,391,131</u>

7. NONCURRENT LIABILITIES

Governmental activities long-term debt obligations at August 31, 2023 consisted of the following:

Bonds and Right to Use Lease Assets Payable	Outstanding at August 31, 2023
\$29,335,000 Series 2013 Limited Tax Refunding Bonds, due in remaining annual installments of \$1,095,000 to \$2,770,000 through February 15, 2030; interest at 2.0% to 5.0%.	\$ 16,150,000
\$7,199,977 Series 2022 Limited Tax Refunding Bonds, due in remaining installments of \$1,655,000 to \$3,120,000 through February 15, 2032; interest at 2.8% to 4.0%.	7,355,936
\$302,062 Right-to-Use Lease Asset Payable for Copier Machines, due in remaining monthly installments of \$6,573 through 2024; interest at 2.15%.	58,631
\$260,850 Right-to-Use Lease Asset Payable for Copier Machines, due in remaining monthly installments of \$5,676 through 2025; interest at 2.15%.	116,885
Total Bonds and Right to Use Lease Assets Payable	<u>\$ 23,681,452</u>

LAMPASAS INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2023

The following is a summary of changes in long-term liabilities for the year ended August 31, 2023:

Type	Outstanding 9/1/22	Additions	Deletions	Adjustments	Outstanding 8/31/23	Due in One Year
Bonds Payable:						
General Obligation & Refunding Bonds	\$ 25,464,977	\$ -	\$ (2,115,000)	\$ -	\$ 23,349,977	\$ 2,225,000
Premium on Issuance of Bonds	4,407,833	-	(502,594)	-	3,905,239	-
Accretion on Bonds	38,224	117,735	-	-	155,959	-
Total Bonds Payable	29,911,034	117,735	(2,617,594)	-	27,411,175	2,225,000
Other Long-Term Liabilities:						
Right to Use Lease Assets Payable	317,081	-	(141,565)	-	175,516	124,884
Vested Vacation Benefits Payable	351,927	-	-	7,868	359,795	359,795
Total Other Long-Term Liabilities	669,008	-	(141,565)	7,868	535,311	484,679
Total Governmental Activities	\$ 30,580,042	\$ 117,735	\$ (2,759,159)	\$ 7,868	\$ 27,946,486	\$ 2,709,679

For the general obligation bonds, the District has pledged as collateral the proceeds of a continuing, direct annual tax levied against taxable property within the District. The Texas Education Code generally limits issuance of additional ad valorem tax bonds if the tax rate needed to pay aggregate principal and interest amounts of the District's tax bond indebtedness would exceed \$0.50 per \$100 of assessed valuation of taxable property within the District.

Annual principal installments for outstanding bonds vary each year. The debt service requirements to maturity for general obligation bonds as of August 31, 2023 are as follows:

Year Ended August 31,	Bonds Payable			Total Requirements
	Principal	Accumulated Accretion	Interest	
2024	\$ 2,225,000	\$ -	\$ 871,844	\$ 3,096,844
2025	2,335,000	-	757,844	3,092,844
2026	2,455,000	-	638,094	3,093,094
2027	2,585,000	-	512,094	3,097,094
2028	2,685,000	-	407,194	3,092,194
2029-2032	11,064,977	155,959	1,385,501	12,606,437
Total	\$ 23,349,977	\$ 155,959	\$ 4,572,571	\$ 28,078,507

The debt service requirement for right to use lease assets payable as of August 31, 2023 are as follows:

Year Ended August 31,	RTU Lease Assets Payable		Total Requirements
	Principal	Interest	
2024	\$ 124,884	\$ 2,390	\$ 127,274
2025	50,632	455	51,087
Total	\$ 175,516	\$ 2,845	\$ 178,361

LAMPASAS INDEPENDENT SCHOOL DISTRICT
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8. TEACHER RETIREMENT SYSTEM OF TEXAS PENSION PLAN

A. Pension Plan Description

The Teacher Retirement System of Texas (TRS or System or Plan) is a public employee retirement system (PERS) that is a multiple-employer, cost-sharing, defined benefit pension plan with a special funding situation. The Plan is administered by the Board of Trustees of TRS. Information regarding the Board of TRS and its composition can be found within the separately issued TRS Annual Comprehensive Financial Report within Note 1 to the financial statements. That report may be obtained online at www.trs.texas.gov; by writing to TRS at 1000 Red River Street, Austin, Texas, 78701-2698; or by calling (800) 223-8778.

Benefits are established or amended under the authority of the Texas Constitution, Article XVI, Section 67 and by the Legislature in the Texas Government Code, Title 8, Subtitle C. The Board of Trustees does not have the authority to establish or amend benefits.

B. Benefits Provided

TRS provides retirement, disability, and death benefits. Membership in the Plan includes all employees of public, state-supported educational institutions in Texas who are employed for one-half or more of the standard work load and who are not exempt from membership under Texas Government Code, Title 8, Section 822.002.

State law requires the plan to be actuarially sound in order for the legislature to consider a benefit enhancement, such as a supplemental payment to the retirees. The pension became actuarially sound in May 2019 when the 86th Texas legislature approved the TRS Pension Reform Bill (SB12) that provided gradual contribution increases from the state, participating employers and active employees for the fiscal years 2020 through 2025.

C. Contributors to the Plan

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

The number of participating employers during fiscal year 2022 are disclosed in the following table.

<u>Participating Employers</u>	
Independent School Districts	1,021
Charter Schools (open enrollment only)	197
Community and Junior Colleges	50
Senior Colleges and Universities	48
Regional Service Centers	20
Medical Schools	9
Educational Districts	2
State Agency	1
Total	<u><u>1,348</u></u>

LAMPASAS INDEPENDENT SCHOOL DISTRICT
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Plan membership as of August 31, 2021 is shown in the following table. Because the actuarial valuation was based on a roll forward from fiscal year 2021 (see Section F), the Plan membership counts are as of August 31, 2021.

<u>Pension Plan Membership</u>	
Retired plan members or beneficiaries currently receiving benefits	458,133
Inactive plan members entitled to but not yet receiving benefits	501,241
Active plan members	918,545
	1,877,919

The Average Expected Remaining Service Life (AERSL) of 5.7052 years is based on membership information as of the beginning of the fiscal year.

D. Contributions

Contribution requirements are established or amended pursuant to the following state laws:

- Article 16, Section 67 of the Texas Constitution requires the legislature to establish a member contribution rate of not less than 6 percent of the member's annual compensation and a state contribution rate of not less than 6 percent and not more than 10 percent of the aggregate annual compensation paid to members of the System during the fiscal year.
- Government Code section 821.006 prohibits benefit improvements if it increases the amortization period of TRS' unfunded actuarial liability to greater than 31 years or, if the amortization period already exceeds 31 years, the period would be increased by such action. Actuarial implications of the funding provided in this manner are determined by the System's actuary.

As the non-employer contributing entity, the State of Texas contributes to the retirement system the current employer contribution rate times the aggregate annual compensation of all members of the Plan during the fiscal year, reduced by the employer contributions described below.

All participating employers and the State of Texas, as the employer for senior universities and medical schools, are required to pay the employer contribution rate in the following situations:

- On the portion of a 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 or all of an employee's salary is paid by federal, private, local or non-educational and general funds
- When the employing district is a public junior college or junior college district, the employer shall contribute to the retirement system an amount equal to 50 percent of the state contribution rate for certain instructional or administrative employees and 100 percent of the state contribution rate for all other employees.

Employers are also required to pay surcharges in the following cases:

- All public schools, charter schools and regional education service centers must contribute 1.7 percent of the member's salary beginning in fiscal year 2022, this rate will gradually increase to 2 percent in fiscal year 2025.
- When employing a retiree of TRS, the employer shall pay an amount equal to the member contribution and the state contribution as an employment after retirement surcharge.

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Contribution rates and amounts for active employees, participating employers, and the State of Texas for the current and prior fiscal year are shown below.

<u>Contribution Rates</u>	<u>2022</u>	<u>2023</u>
Members	8.00%	8.00%
Employer	7.75%	8.00%
State of Texas (NECE)	7.75%	8.00%
<u>Contribution Amounts</u>		
Members	\$ 2,066,624	\$ 2,196,530
Employer	990,011	1,088,655
State of Texas (NECE)	1,436,457	1,569,889

E. Net Pension Liability

Components of the Net Pension Liability of the Plan as of August 31, 2022 are disclosed below:

<u>Components of Pension Liability</u>	<u>Total</u>
Total Pension Liability	\$ 243,553,045,455
Less: Plan Fiduciary Net Position	(184,185,617,196)
Net Pension Liability	<u>\$ 59,367,428,259</u>
Net Position as Percentage of Total Pension Liability	75.62%

F. Actuarial Methods and Assumptions

Roll Forward

The actuarial valuation was performed as of August 31, 2021. Update procedures were used to roll forward the total pension liability to August 31, 2022.

The total pension liability is determined by an annual actuarial valuation. The actuarial methods and assumptions were selected by the Board of Trustees based upon analysis and recommendations by the System's actuary. The Board of Trustees has sole authority to determine the actuarial assumptions used for the Plan. The actuarial methods and assumptions were primarily based on a study of actual experience for the four year period ending August 31, 2021 and were adopted in July 2022.

The post-retirement mortality rates for healthy lives were based on the 2021 TRS of Texas Healthy Pensioners Mortality Tables, with full generational projection using the ultimate improvement rates from the most recently published projection scale ("U-MP"). The active mortality rates were based on the published PUB(2010) Mortality Tables for Teachers, below median, also with full generational mortality.

The long-term expected rate of return on pension plan investments is 7.00 percent. The long-term expected rate of return on plan investments was determined using a building-block method in which best-estimate 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.

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Best estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of August 31, 2022 are summarized in the chart below:

Asset Class	Target Allocation %**	Long-Term Expected Geometric Real Rate of Return*	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
USA	18.00%	4.60%	1.12%
Non-U.S. Developed	13.00%	4.90%	0.90%
Emerging Markets	9.00%	5.40%	75.00%
Private Equity*	14.00%	7.70%	1.50%
Stable Value			
Government Bonds	16.00%	1.00%	0.22%
Absolute Return*	0.00%	3.70%	0.00%
Stable Value Hedge Funds	5.00%	3.40%	18.00%
Real Return			
Real Estate	15.00%	4.10%	0.94%
Energy, Natural Resources and Infrastructure	6.00%	5.10%	0.37%
Commodities	0.00%	3.60%	0.00%
Risk Parity	8.00%	4.60%	43.00%
Asset Allocation Leverage			
Cash	2.00%	3.00%	0.01%
Asset Allocation Leverage	(6.00)%	3.60%	-0.05%
Inflation Expectation			2.70%
Volatility Drag****			-0.91%
Expected Return	<u>100.00%</u>		<u>8.19%</u>

*Absolute Return includes Credit Sensitive Investments.

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

***Capital Market Assumptions come from Aon Hewitt (as of 08/31/2022)

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

The following table discloses the assumptions that were applied to this measurement period.

Actuarial Methods and Assumptions

Valuation Date	August 31, 2021 rolled forward to August 31, 2022
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Fair Value
Single Discount Rate	7.00%
Long-Term Expected Rate	7.00%
Municipal Bond Rate as of August 2022	3.91% - The source for the rate is the Fixed Income Market Data/Yield Curve/Data Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index."
Last year ending August 31 in Projection Period (100 years)	2121
Inflation	2.30%
Salary Increases	2.95% to 8.95% including inflation
Ad hoc post-employment benefit changes	None

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

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G. Discount Rate

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

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

H. Change of Assumptions Since the Prior Measurement Date

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

I. Sensitivity of the Net Pension Liability to the Single Discount Rate Assumption

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

Sensitivity of the Net Pension Liability to the Single Discount Rate Assumption			
	1% Decrease 6.00%	Current Single Discount Rate 7.00%	1% Increase 8.00%
District's Proportionate Share of the Net Pension Liability:	\$ 19,595,654	\$ 12,596,677	\$ 6,923,678

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

The Net Pension Liability of the Plan as a whole was last measured as of August 31, 2022 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The District was assigned a proportion of the Plan's Net Pension Liability based on the District's contributions to the Plan relative to the contributions of all employers for the period September 1, 2021 through August 31, 2022.

The table below presents a two-year comparison of the District's assigned proportion and resulting proportionate share of the collective Net Pension Liability, as well as the State's proportionate share of the Net Pension Liability associated with the District.

	Measurement Date		Change
	8/31/21	8/31/22	
District's Proportion of the Collective Net Pension Liability	0.000180961695	0.000212181624	0.000031219929
District's Proportionate Share of the Net Pension Liability	\$ 4,608,454	\$ 12,596,677	\$ 7,988,223
State's Proportionate Share of the Net Pension Liability Associated with the District	8,612,857	17,616,764	9,003,907
Total Pension Liability	\$ 13,221,311	\$ 30,213,441	\$ 16,992,130

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At August 31, 2023, Lampasas Independent School District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 182,651	\$ 274,631
Changes in actuarial assumptions	2,347,171	584,981
Difference between projected and actual investment earnings	4,894,315	3,649,803
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	2,063,069	410,085
Contributions paid to TRS subsequent to the measurement date	1,088,655	-
Total	\$ 10,575,861	\$ 4,919,500

The net amounts of the employer's balances of deferred outflows and inflows of resources related to pensions (not including the deferred contribution paid subsequent to the measurement date) will be recognized in pension expense as follows:

Measurement Year Ended August 31,	Pension Expense Amount
2023	\$ 1,109,558
2024	735,790
2025	457,304
2026	1,843,145
2027	421,909
Thereafter	-

For the year ended August 31, 2023, Lampasas Independent School District recognized pension expense of \$732,031 and revenue of \$1,683,963 for support provided by the State.

9. EMPLOYEE HEALTH CARE COVERAGE

During the year ended August 31, 2023, employees of the District were covered by the state-wide health insurance plan, TRS Active Care. The District contributed \$220 per month per employee to the Plan, the State provided an additional \$75 per month per employee, and employees, at their option, authorized payroll withholdings to pay contributions or premiums for dependents. TRS manages TRS Active Care. The Plan is administered by Blue Cross and Blue Shield of Texas while Caremark was assigned the prescription drug plan.

10. OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN – TRS-CARE

A. Plan Description

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

The Board of Trustees of TRS administers the TRS-Care program and the related fund in accordance with the Texas Insurance Code Chapter 1575. The Board of Trustees is granted the authority to establish basic and optional group insurance coverage for participants as well as to amend benefit terms as needed under Chapter 1575.052. The Board may adopt rules, plans, procedures, and orders reasonably necessary to administer the program, including minimum benefits and financing standards. Further detailed information regarding TRS and TRS-Care is available in a separately issued Annual Comprehensive Financial Report for TRS that includes financial statements and required supplementary information. That report may be obtained online at www.trs.texas.gov; by writing to TRS at 1000 Red River Street, Austin, Texas, 78701-2698; or by calling (800) 223-8778.

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B. Benefits Provided

TRS-Care provides health insurance coverage to retirees from public schools, charter schools, regional service centers, and other educational districts who are members of the TRS pension system. Eligible non-Medicare retirees and their dependents may enroll in TRS-Care Standard, a high-deductible health plan. Eligible Medicare retirees and their dependents may enroll in the TRS-Care Medicare Advantage medical plan and the TRS-Care Medicare Rx prescription drug plan. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in the TRS pension system.

The General Appropriations Act passed by the 86th Legislature included funding to maintain TRS-Care premiums at their current level through 2021. The 86th legislature also passed Senate Bill 1682 which requires TRS to establish a contingency reserve in the TRS-Care fund equal to 60 days of expenditures. This amount is estimated at \$300,000,000 as of August 31, 2022.

C. Contributors to TRS-Care

Contributors to the plan include active and retired members, employers, and the State of Texas as the only non-employer contributing entity.

During fiscal year 2022, the number of participating employers are presented in the following table.

<u>Participating Employers</u>	
Independent School Districts	1,020
Open Enrollment Charter Schools	197
Regional Service Centers	20
Other Educational Districts	2
Total	<u><u>1,239</u></u>

TRS-Care plan membership as of August 31, 2021 is shown in the following table. Because the actuarial valuation was based on a roll-forward (See Section F), the counts are as of that date.

<u>TRS-Care Plan Membership</u>	
Active plan members	751,105
Inactive plan members currently receiving benefits	188,016
Inactive plan members entitled to but not yet receiving benefits	13,014
Total	<u><u>952,135</u></u>

The Average Expected Remaining Service Life (AERSL) of 9.2179 is based on the membership information as of the beginning of the fiscal year.

D. Contributions

Contribution rates for the TRS-Care plan are established in State Statute by the Texas Legislature, and there is no continuing obligation to provide benefits beyond each fiscal year. The TRS-Care plan is currently funded on a pay-as-you-go basis and is subject to change based on available funding. Funding for TRS-Care is provided by retiree premium contributions; and contributions from the state, active employees, and participating employers are based on active employee compensation. The TRS Board does not have the authority to set or amend contribution rates.

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At the inception of the plan, funding was projected to last 10 years through fiscal year 1995. The original funding was sufficient to maintain the solvency of the fund through fiscal year 2000. Since that time, appropriations and contributions have been established to fund the benefits for each successive biennium.

Section 1575.202 of the Texas Insurance Code establishes the State's contribution rate which is 1.25 percent of the employee's salary. Section 1575.203 establishes the active employee rate which is 0.65 percent of salary. Section 1575.204 establishes a public school contribution rate of not less than 0.25 percent or not more than 0.75 percent of the salary of each active employee of the employer. The actual public school contribution rate is prescribed by the Legislature in the General Appropriations Act, which is 0.75 percent of each active employee's pay for fiscal year 2022.

Contribution rates and amounts for active employees, participating employers, and the State of Texas for the current and prior fiscal year are shown below:

<u>Contribution Rates</u>	<u>2022</u>	<u>2023</u>
Members	0.65%	0.65%
Employer	0.75%	0.75%
State of Texas	1.25%	1.25%
Federal/Private Funding*	1.25%	1.25%

<u>Contribution Amounts</u>		
Members	\$ 167,916	\$ 178,469
Employer	255,350	265,434
State of Texas (NECE)	253,492	277,039

* Contributions paid from federal funds and private grants are remitted by the employer and paid at the State rate.

Employers whose employees are covered by the TRS pension plan are also required to pay a surcharge of \$535 per month when employing a non-exempt retiree of TRS. The TRS-Care surcharges for fiscal year 2022 totaled \$11,849,525.

A supplemental appropriation was authorized by Senate Bill 8 of the third-called legislature that granted \$83 million to TRS-Care from the federal American Rescue Plan Act (ARPA) to help defray Covid-19-related health care costs during fiscal year 2022. The premium rates for retirees are reflected in the following table.

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

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

E. Net OPEB Liability

Components of the Net OPEB Liability of the TRS-Care plan as of August 31, 2022 are disclosed in the following table.

<u>Components of OPEB Liability</u>	<u>Total</u>
Total OPEB Liability	\$ 27,061,942,520
Less: Plan Fiduciary Net Position	(3,117,937,218)
Net OPEB Liability	<u>\$ 23,944,005,302</u>
Net Position as a Percentage of Total OPEB Liability	11.52%

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The Net OPEB Liability decreased by \$14.7 billion, from \$38.6 billion as of August 31, 2021, to \$23.9 billion as of August 31, 2022. The decrease was due to a combination of favorable claims experience, changes in participation assumptions, and a large increase in the discount rate from 1.95 percent to 3.91 percent.

F. Actuarial Methods and Assumptions

Roll Forward

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

The actuarial valuation of the OPEB plan offered through TRS-Care is similar to the actuarial valuation performed for the pension plan, except that the OPEB valuation is more complex.

Demographic Assumptions

The rates of mortality, retirement, termination and disability incidence are identical to the assumptions used to value the pension liabilities of the Teacher Retirement System of Texas (TRS). The demographic assumptions were developed in the experience study performed for TRS for the period ending August 31, 2017.

Mortality Assumptions

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

Election Rates

Normal Retirement - 65 percent participation rate prior to age 65 and 25 percent participation rate after age 65.
Pre-65 retirees - 30 percent of pre-65 retirees are assumed to discontinue coverage at age 65.

Health Care Trend Rates

The initial medical trend rates were 8.25 percent for Medicare retirees and 7.25 percent for non-Medicare retirees. The initial prescription drug trend rate was 8.25 percent for all retirees. The initial trend rates decrease to an ultimate trend rate of 4.25 percent over a period of 13 years.

Actuarial Methods and Assumptions

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

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G. Discount Rate

A single discount rate of 3.91 percent was used to measure the total OPEB liability. This was an increase of 1.96 percent in the discount rate since the previous year. Since the plan is a pay-as-you-go plan, the single discount rate is equal to the prevailing municipal bond rate.

H. Change of Assumptions Since the Prior Measurement Date

The single discount rate changed from 1.95 percent as of August 31, 2021 to 3.91 percent, as of August 31, 2022. Lower participation rates and updates to the health care trend rate assumptions were also factors that decreased the Total OPEB Liability.

I. Sensitivity of the Net OPEB Liability to the Single Discount Rate Assumption

The following presents the Net OPEB Liability of the plan using the discount rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher, as well as what the Net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower, 2.91 percent or one percentage point higher, 4.91 percent, than the AA/Aa rate. The source for the rate is the Fixed Income 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", as of August 31, 2022.

Sensitivity of the Net OPEB Liability to the Single Discount Rate Assumption			
	1% Decrease 2.91%	Current Single Discount Rate 3.91%	1% Increase 4.91%
District's Proportionate Share of the Net OPEB Liability	\$ 8,777,400	\$ 7,444,283	\$ 6,364,287

J. Sensitivity of the Net OPEB Liability to the Healthcare Cost Trend Rate Assumptions

The following presents the net OPEB liability of the plan 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 one percent lower or one-percent higher than the assumed healthcare cost trend rate.

Sensitivity of the Net OPEB Liability to the Healthcare Cost Trend Rate Assumption			
	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
District's Proportionate Share of the Net OPEB Liability	\$ 6,134,122	\$ 7,444,283	\$ 9,142,737

K. District Net OPEB Liabilities, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB, and OPEB Expense

The Net OPEB Liability of the TRS-Care program as a whole was last measured as of August 31, 2022 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The District was assigned a proportion of TRS Care's Net OPEB Liability based on the District's contributions to the program relative to the contributions of all employers for the period September 1, 2021 through August 31, 2022.

The table below presents a two-year comparison of the District's assigned proportion and resulting proportionate share of the collective Net OPEB Liability, as well as the State's proportionate share of the Net OPEB Liability associated with the District.

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The table below presents a two-year comparison of the District's assigned proportion and resulting proportionate share of the collective Net OPEB Liability, as well as the State's proportionate share of the Net OPEB Liability associated with the District.

	Measurement Date		Change
	8/31/21	8/31/22	
District's Proportion of the Collective Net OPEB Liability	0.000280165647	0.000310903820	0.000030738173
District's Proportionate Share of the Net OPEB Liability	\$ 10,807,241	\$ 7,444,283	\$ (3,362,958)
State's Proportionate Share of the Net OPEB Liability Associated with the District	14,479,294	9,080,855	(5,398,439)
Total OPEB Liability	\$ 25,286,535	\$ 16,525,138	\$ (8,761,397)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 413,876	\$ 6,201,756
Changes in actuarial assumptions	1,133,912	5,171,845
Difference between projected and actual investment earnings	22,255	80
Change in proportion and difference between the employer's contributions and the proportionate share of contributions	3,053,512	75,876
Contributions paid to TRS subsequent to the measurement date	265,434	-
Total	\$ 4,888,989	\$ 11,449,557

The net amounts of the employer's balances of deferred outflows and inflows of resources related to OPEB (not including the deferred contribution paid subsequent to the measurement date) will be recognized in OPEB expense as follows:

Measurement Year Ended August 31,	OPEB Expense Amount
2023	\$ (1,426,945)
2024	(1,426,865)
2025	(1,111,182)
2026	(683,793)
2027	(825,484)
Thereafter	(1,351,733)

For the year ended August 31, 2023, Lampasas Independent School District recognized OPEB expense of (\$844,330) and revenue of (\$1,288,647) for support provided by the State.

11. FRINGE BENEFITS PAID BY OTHER GOVERNMENTS

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. Under Medicare Part D, TRS-Care receives retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the years ended August 31, 2023 and August 31, 2022, the subsidy payments received by TRS-Care on behalf of the District were \$144,807 and \$103,428, respectively.

LAMPASAS INDEPENDENT SCHOOL DISTRICT
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12. FUND BALANCES

The District complies with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Those fund balance classifications are below.

Nonspendable - Amounts that cannot be spent because they are either not in a spendable form or are legally or contractually required to be maintained intact.

Restricted - Amounts that can be spent only for specific purposes because of constraints imposed by external providers, or imposed by constitutional provisions or enabling legislation.

Committed - Amounts that can only be used for specific purposes pursuant to approval by formal action by the Board.

Assigned - For the General Fund, the Board, or an official or body that has been delegated authority by the Board, may appropriate amounts that are to be used for a specific purpose. For all other governmental funds, any remaining positive amounts not previously classified as nonspendable, restricted or committed.

Unassigned - Amounts that are available for any purpose; these amounts can be reported only in the District's General Fund.

A detail of the fund balance amounts within each category is included on the governmental funds balance sheet.

Fund balance of the District may be committed for a specific purpose by formal action of the Board, the District's highest level of decision-making authority. Commitments may be established, modified, or rescinded only through a resolution approved by the Board. The Board has delegated authority to the Superintendent to assign fund balance for a specific purpose. In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended is as follows: restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance.

13. REVENUE FROM LOCAL AND INTERMEDIATE SOURCES

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

Type	General Fund	Debt Service Fund	Non-Major Governmental Funds	Trust Funds	Custodial Funds	Total
Property Taxes	\$ 16,030,570	\$ 4,612,231	\$ -	\$ -	\$ -	\$ 20,642,801
Investment Income	883,249	245,635	39,936	1,056	2,532	1,172,408
Rent	25,661	-	-	-	-	25,661
Gifts	58,799	-	-	-	-	58,799
Insurance Recovery	46,519	-	-	-	-	46,519
Food Sales	-	-	433,347	-	-	433,347
Athletics	136,825	-	-	-	-	136,825
Enterprising Revenue	-	-	502,323	-	77,190	579,513
Misc. Local Revenue	210,198	-	4,097	-	-	214,295
Total	<u>\$ 17,391,821</u>	<u>\$ 4,857,866</u>	<u>\$ 979,703</u>	<u>\$ 1,056</u>	<u>\$ 79,722</u>	<u>\$ 23,310,168</u>

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FOR THE YEAR ENDED AUGUST 31, 2023

14. RISK MANAGEMENT

The District's risk management program includes coverages through third party insurance providers for property, automobile liability, school professional liability, crime, workers' compensation, and other miscellaneous bonds. During the year ended August 31, 2023, there were no significant reductions in insurance coverage from coverage in the prior year. Losses in excess of the various deductible levels are covered through traditional indemnity coverage for buildings and contents, and vehicle liability with various insurance firms. Settled claims have not exceeded insurance limits for the past three years.

15. COMMITMENTS AND CONTINGENCIES

The District participates in a number of federal financial assistance programs. Although the District's grant programs have been audited in accordance with the provisions of *Government Auditing Standards* and when applicable, the Uniform Guidance, for the year ended August 31, 2023, these programs are subject to financial and compliance audits performed by the specific grantors. These audits, if performed, could result in amounts of expenditures being disallowed by the granting agencies and subject to repayment. The District however expects that such amounts, if any, would be immaterial.

16. UNEMPLOYMENT COMPENSATION POOL

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

The Fund meets its quarterly 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, 2023, the Fund anticipates that Lampasas Independent School District has no additional liability beyond the contractual obligation for payment of contribution. The Fund engages the services of an independent auditor to conduct a financial audit after the close of each year on August 31. The audit is accepted by the Fund's Board of Trustees in February of the following year. The Fund's audited financial statements as of August 31, 2022, are available on the TASB Risk Management Fund website and have been filed with the Texas Department of Insurance in Austin.

17. IMPLEMENTATION OF NEW GOVERNMENTAL ACCOUNTING STANDARD

During the year the District implemented Governmental Accounting Standards Board Statement No. 96 – *Subscription-Based Information Technology Arrangements* ("GASB 96"). The objective of GASB 96 is to better meet the information needs of financial statement users by (a) establishing uniform accounting and financial reporting requirements for Subscription Based Information Technology Arrangements (SBITAs); (b) improving the comparability of financial statements among governments that have entered into SBITAs; and (c) enhancing the understandability, reliability, relevance, and consistency of information about SBITAs. At the commencement of the subscription term, a government should recognize a subscription liability and an intangible right-to-use asset (a capital asset). The commencement of the subscription term occurs when the initial implementation stage is completed, at which time the government has obtained control of the right to use the underlying IT assets, and therefore, the subscription asset is placed into service.

The right to use assets are initially measured at an amount equal to the initial measurement of the related subscription liability plus any payments made prior to the subscription term, less incentives, and plus ancillary charges necessary to place the subscription into service. The right to use assets are amortized on a straight-line basis over the life of the related lease.

As of August 31, 2023, the District did not have any items required to be reported as SBITAs as a result of implementing GASB 96.

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REQUIRED SUPPLEMENTARY INFORMATION

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

	Measurement Year			
	2022	2021	2020	2019
District's Proportion of the Net Pension Liability	0.0212181624%	0.0180961695%	0.0153625982%	0.0168141924%
District's Proportionate Share of the Net Pension Liability	\$ 12,596,677	\$ 4,608,454	\$ 8,227,894	\$ 8,740,543
State's Proportionate Share of the District Net Pension Liability	17,616,764	8,612,857	17,341,248	15,758,557
Total Pension Liability	<u>\$ 30,213,441</u>	<u>\$ 13,221,311</u>	<u>\$ 25,569,142</u>	<u>\$ 24,499,100</u>
District's Covered-Employee Payroll	\$ 25,835,457	\$ 24,679,843	\$ 22,180,727	\$ 20,541,935
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	48.76%	18.67%	37.09%	42.55%
Plan Fiduciary Net Position as a Percentage of the Total Net Pension Liability	75.62%	88.79%	75.54%	75.24%

The amounts presented are determined as of the Plan's measurement year which was as of August 31 in each prior calendar year from the District's fiscal year end.

This schedule reflects the available years of data since the adoption of GASB 68.

Measurement Year				
2018	2017	2016	2015	2014
0.0163954431%	0.0172951168%	0.0170274753%	0.0165854000%	0.0104860000%
\$ 9,024,450	\$ 5,530,047	\$ 6,434,430	\$ 5,862,718	\$ 2,800,955
17,336,459	10,596,024	12,693,151	12,150,577	10,562,127
<u>\$ 26,360,909</u>	<u>\$ 16,126,071</u>	<u>\$ 19,127,581</u>	<u>\$ 18,013,295</u>	<u>\$ 13,363,082</u>
\$ 20,092,211	\$ 20,374,127	\$ 19,639,936	\$ 18,435,320	\$ 18,382,681
44.92%	27.14%	32.76%	31.80%	15.24%
73.74%	82.17%	78.00%	78.43%	83.25%

LAMPASAS INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS –
TEACHER RETIREMENT SYSTEM
FOR THE YEAR ENDED AUGUST 31, 2023

	Fiscal Year			
	2023	2022	2021	2020
Contractually Required Contribution	\$ 1,088,655	\$ 990,011	\$ 772,244	\$ 633,858
Contribution in Relation to the Contractually Required Contribution	(1,088,655)	(990,011)	(772,244)	(633,858)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered-Employee Payroll	\$ 27,456,622	\$ 25,835,457	\$ 24,679,843	\$ 22,180,727
Contributions as a Percentage of Covered- Employee Payroll	3.96%	3.83%	3.13%	2.86%

The amounts presented are as of the District's fiscal year end of August 31.

This schedule reflects the available years of data since the inception of GASB 68 and will eventually reflect ten years of data.

Fiscal Year				
2019	2018	2017	2016	2015
\$ 588,517	\$ 552,227	\$ 566,927	\$ 541,006	\$ 491,100
(588,517)	(552,227)	(566,927)	(541,006)	(491,100)
\$ -	\$ -	\$ -	\$ -	\$ -
\$20,541,935	\$ 20,092,211	\$ 20,374,127	\$ 19,639,936	\$ 18,435,320
2.86%	2.75%	2.78%	2.75%	2.66%

LAMPASAS INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY –
TEXAS PUBLIC SCHOOL RETIRED EMPLOYEES GROUP INSURANCE PLAN
FOR THE YEAR ENDED AUGUST 31, 2023

	Measurement Year			
	2022	2021	2020	2019
District's Proportion of the Net Liability for Other Post Employment Benefits	0.0310903820%	0.0280165647%	0.0253379337%	0.0255178360%
District's Proportionate Share of the Net Post Employment Benefit Liability	\$ 7,444,283	\$ 10,807,241	\$ 9,632,093	\$ 12,067,698
State's Proportionate Share of the Net Post Employment Benefit Liability Associated with the District	9,080,855	14,479,294	12,943,224	16,035,270
Total Other Post Employment Benefits Liability	<u>\$ 16,525,138</u>	<u>\$ 25,286,535</u>	<u>\$ 22,575,317</u>	<u>\$ 28,102,968</u>
District's Covered Payroll	\$ 25,835,457	\$ 24,679,843	\$ 22,180,727	\$ 20,541,935
District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	28.81%	43.79%	43.43%	58.75%
Plan Fiduciary Net Position as a Percentage of the Total Net OPEB Liability	11.52%	6.18%	4.99%	2.66%

The amounts presented are determined as of the Plan's measurement year which was as of August 31 in each prior calendar year from the District's fiscal year end.

This schedule reflects the available years of data since the adoption of GASB 75.

Measurement Year	
2018	2017
0.0252311686%	0.0250932333%
\$ 12,598,153	\$ 10,912,106
16,887,677	15,684,251
<u>\$ 29,485,830</u>	<u>\$ 26,596,357</u>
\$ 20,092,211	\$ 20,374,127
62.70%	53.56%
1.57%	0.91%

LAMPASAS INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT OPEB CONTRIBUTIONS –
TEXAS PUBLIC SCHOOL RETIRED EMPLOYEES GROUP INSURANCE PLAN
FOR THE YEAR ENDED AUGUST 31, 2023

	Fiscal Year			
	2023	2022	2021	2020
Contractually Required Contribution	\$ 265,434	\$ 255,350	\$ 218,870	\$ 192,586
Contribution in Relation to the Contractually Required Contribution	(265,434)	(255,350)	(218,870)	(192,586)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 27,456,622	\$ 25,835,457	\$ 24,679,843	\$ 22,180,727
Contributions as a Percentage of Covered Payroll	0.97%	0.99%	0.89%	0.87%

The amounts presented are as of the District's fiscal year end of August 31.

This schedule reflects the available years of data since the inception of GASB 75 and will eventually reflect ten years of data.

Fiscal Year		
2019	2018	2017
\$ 181,106	\$ 174,046	\$ 130,474
(181,106)	(174,046)	(130,474)
\$ -	\$ -	\$ -
\$ 20,541,935	\$ 20,092,211	\$ 20,374,127
0.88%	0.87%	0.64%

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LAMPASAS INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED AUGUST 31, 2023

Teacher Retirement System

Actuarial Assumptions

The information presented in the required supplementary schedules was used in the actuarial valuation for determining the actuarially determined contribution rate and the Net Pension Liability in accordance with GASB 68. Actuarial methods and assumptions used for funding purposes can be found in the Teacher Retirement System of Texas Pension Plan note to the financial statements.

Changes of Benefit Terms

State law requires the plan to be actuarially sound in order for the legislature to consider a benefit enhancement, such as a supplemental payment to the retirees. The pension became actuarially sound in May 2019 when the 86th Texas legislature approved the TRS Pension Reform Bill (SB12) that provided gradual contribution increases from the state, participating employers and active employees for the fiscal years 2020 through 2025.

Changes of Assumptions

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

Texas Public School Retired Employees Group Insurance Plan

Actuarial Assumptions

Actuarial methods and assumptions used for funding purposes can be found in the Other Post-Employment Benefits (OPEB) Plan – TRS-Care note to the financial statements.

Changes of Benefit Terms

The General Appropriations Act passed by the 86th Legislature included funding to maintain TRS-Care premiums at their current level through 2021. The 86th legislature also passed Senate Bill 1682 which requires TRS to establish a contingency reserve in the TRS-Care fund equal to 60 days of expenditures. This amount is estimated at \$300,000,000 as of August 31, 2022.

Changes of Assumptions Since the Prior Measurement Date

The following assumptions, methods and plan changes which are specific to TRS-Care were updated from the prior year's report:

- The single discount rate changed from 1.95 percent as of August 31, 2021 to 3.91 percent, as of August 31, 2022.
- Lower participation rates and updates to the health care trend rate assumptions were also factors that decreased the Total OPEB Liability.

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**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

LAMPASAS INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AUGUST 31, 2023

		211	224	225
Data				
Control		ESEA, Title I, Part	IDEA-Part B,	IDEA-Part B,
Codes		A	Formula	Preschool
ASSETS				
1110	Cash and Cash Equivalents	\$ -	\$ -	\$ -
1120	Investments - Current	-	-	-
1240	Due from Other Governments	158,344	138,325	2,467
1260	Due from Other Funds	-	-	-
1290	Other Receivables	-	-	-
1410	Deferred Expenditures	-	-	-
1000	Total Assets	<u>\$ 158,344</u>	<u>\$ 138,325</u>	<u>\$ 2,467</u>
LIABILITIES				
2110	Accounts Payable	\$ 2,417	\$ -	\$ -
2160	Accrued Wages Payable	90,983	82,624	1,444
2170	Due to Other Funds	64,944	55,701	1,023
2000	Total Liabilities	<u>158,344</u>	<u>138,325</u>	<u>2,467</u>
FUND BALANCES				
Nonspendable:				
3430	Prepaid Items	-	-	-
Restricted for:				
3450	Federal or State Funds Restricted	-	-	-
Committed for:				
3545	Other Committed Fund Balance	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities, Def. Inflows & Fund Balances	<u>\$ 158,344</u>	<u>\$ 138,325</u>	<u>\$ 2,467</u>

240	244	255	281	282	284
National Breakfast and Lunch Program	Perkins V: Strengthening CTE for the 21st Century	ESEA, Title II, Part A	ESSER II	ESSER III	IDEA-Part B, Formula-ARP
\$ 568,272	\$ -	\$ -	\$ -	\$ -	\$ -
290	-	-	-	-	-
99,818	5,556	28,471	-	243,074	11,777
15,971	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 684,351</u>	<u>\$ 5,556</u>	<u>\$ 28,471</u>	<u>\$ -</u>	<u>\$ 243,074</u>	<u>\$ 11,777</u>
\$ 92,156	\$ -	\$ -	\$ -	\$ -	\$ -
76,070	5,556	16,312	-	122,277	-
2,187	-	12,159	-	120,797	11,777
<u>170,413</u>	<u>5,556</u>	<u>28,471</u>	<u>-</u>	<u>243,074</u>	<u>11,777</u>
-	-	-	-	-	-
513,938	-	-	-	-	-
-	-	-	-	-	-
<u>513,938</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 684,351</u>	<u>\$ 5,556</u>	<u>\$ 28,471</u>	<u>\$ -</u>	<u>\$ 243,074</u>	<u>\$ 11,777</u>

LAMPASAS INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AUGUST 31, 2023

	285	289	397
Data Control Codes	IDEA - Part B, Preschool - ARP	Title IV, Part A	Advanced Placement Incentives
ASSETS			
1110 Cash and Cash Equivalents	\$ -	\$ -	\$ -
1120 Investments - Current	-	-	-
1240 Due from Other Governments	-	5,857	-
1260 Due from Other Funds	-	-	-
1290 Other Receivables	-	-	-
1410 Deferred Expenditures	-	-	-
1000 Total Assets	<u>\$ -</u>	<u>\$ 5,857</u>	<u>\$ -</u>
LIABILITIES			
2110 Accounts Payable	\$ -	\$ -	\$ -
2160 Accrued Wages Payable	-	-	-
2170 Due to Other Funds	-	5,857	-
2000 Total Liabilities	<u>-</u>	<u>5,857</u>	<u>-</u>
FUND BALANCES			
Nonspendable:			
3430 Prepaid Items	-	-	-
Restricted for:			
3450 Federal or State Funds Restricted	-	-	-
Committed for:			
3545 Other Committed Fund Balance	-	-	-
3000 Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>
4000 Total Liabilities, Def. Inflows & Fund Balances	<u>\$ -</u>	<u>\$ 5,857</u>	<u>\$ -</u>

410		461	
State Instructional Materials Fund		Campus Activity Funds	Total Non-Major Governmental Funds
\$	1,971	\$ 410,895	\$ 981,138
	-	-	290
	-	-	693,689
	-	149	16,120
	-	58	58
	-	3,003	3,003
\$	1,971	\$ 414,105	\$ 1,694,298
\$	1,971	\$ 9,005	\$ 105,549
	-	-	395,266
	-	1,507	275,952
	1,971	10,512	776,767
	-	3,003	3,003
	-	-	513,938
	-	400,590	400,590
	-	403,593	917,531
\$	1,971	\$ 414,105	\$ 1,694,298

LAMPASAS INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2023

	211	224	225
Data			
Control	ESEA, Title I, Part	IDEA-Part B,	IDEA-Part B,
Codes	A	Formula	Preschool
REVENUES			
5700 Local and Intermediate Sources	\$ -	\$ -	\$ -
5800 State Program Revenues	-	-	-
5900 Federal Program Revenues	843,681	742,578	12,952
5020 Total Revenues	843,681	742,578	12,952
EXPENDITURES			
0011 Instruction	821,185	742,578	12,952
0013 Curriculum & Instructional Staff Development	-	-	-
0021 Instructional Leadership	14,500	-	-
0031 Guidance, Counseling & Evaluation Services	-	-	-
0035 Food Services	-	-	-
0036 Extracurricular Activities	-	-	-
0061 Community Services	7,996	-	-
6030 Total Expenditures	843,681	742,578	12,952
1200 Net Change in Fund Balance	-	-	-
0100 Fund Balance - Beginning	-	-	-
3000 Fund Balance - Ending	\$ -	\$ -	\$ -

240	244	255	281	282	284
National Breakfast and Lunch Program	Perkins V: Strengthening CTE for the 21st Century	ESEA, Title II, Part A	ESSER II	ESSER III	IDEA-Part B, Formula-ARP
\$ 459,536	\$ -	\$ -	\$ -	\$ -	\$ -
36,160	-	-	-	-	-
1,441,578	45,448	148,477	602,909	1,868,071	133,828
1,937,274	45,448	148,477	602,909	1,868,071	133,828
-	-	-	597,076	1,861,846	133,828
-	-	148,477	-	-	-
-	-	-	5,833	4,375	-
-	45,448	-	-	1,850	-
1,879,530	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,879,530	45,448	148,477	602,909	1,868,071	133,828
57,744	-	-	-	-	-
456,194	-	-	-	-	-
\$ 513,938	\$ -	\$ -	\$ -	\$ -	\$ -

LAMPASAS INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2023

	285	289	397
Data Control Codes	IDEA - Part B, Preschool - ARP	Title IV, Part A	Advanced Placement Incentives
REVENUES			
5700 Local and Intermediate Sources	\$ -	\$ -	\$ -
5800 State Program Revenues	-	-	19
5900 Federal Program Revenues	6,745	58,019	-
5020 Total Revenues	6,745	58,019	19
EXPENDITURES			
0011 Instruction	6,745	-	-
0013 Curriculum & Instructional Staff Development	-	58,019	-
0021 Instructional Leadership	-	-	-
0031 Guidance, Counseling & Evaluation Services	-	-	19
0035 Food Services	-	-	-
0036 Extracurricular Activities	-	-	-
0061 Community Services	-	-	-
6030 Total Expenditures	6,745	58,019	19
1200 Net Change in Fund Balance	-	-	-
0100 Fund Balance - Beginning	-	-	-
3000 Fund Balance - Ending	\$ -	\$ -	\$ -

EXHIBIT H-2 (CONCLUDED)

410		461	
State Instructional Materials Fund		Campus Activity Funds	Total Non-Major Governmental Funds
\$	-	\$ 520,167	\$ 979,703
	7,198	-	43,377
	-	-	5,904,286
	7,198	520,167	6,927,366
	7,198	-	4,183,408
	-	-	206,496
	-	-	24,708
	-	-	47,317
	-	-	1,879,530
	-	488,964	488,964
	-	-	7,996
	7,198	488,964	6,838,419
	-	31,203	88,947
	-	372,390	828,584
\$	-	\$ 403,593	\$ 917,531

LAMPASAS INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
FOR THE YEAR ENDED AUGUST 31, 2023

		1	2	3
Last 10 Years Ended August 31,		Tax Rates		Assessed/Appraised Value for School Tax Purposes
		Maintenance	Debt Service	
2014	and prior years	Various	Various	Various
2015		1.17000	0.28000	\$ 1,051,797,793
2016		1.17000	0.26000	1,053,066,317
2017		1.17000	0.26000	1,083,800,969
2018		1.17000	0.26000	1,157,439,213
2019		1.17000	0.26000	1,195,785,284
2020		1.06835	0.26000	1,282,483,958
2021		1.05470	0.26000	1,324,247,357
2022		0.96030	0.26000	1,510,733,785
2023	(School year under audit)	0.94290	0.26000	1,718,203,674
TOTALS				

Total amount of Taxes Refunded under Section 26.1115, Tax Code, for owners who received an exemption as provided by

10 Beginning Balance 9/1/22	20 Current Year's Total Levy	31 Maintenance Collections	32 Debt Service Collections	40 Entire Year's Adjustments	50 Ending Balance 8/31/23
\$ 88,153	\$ -	\$ 13,595	\$ 3,253	\$ (7,082)	\$ 64,223
34,090	-	3,324	795	(5,954)	24,017
31,639	-	6,149	1,367	(4,182)	19,941
32,442	-	7,404	1,645	(3,273)	20,120
45,151	-	9,523	2,116	(3,715)	29,797
54,555	-	11,144	2,476	(4,940)	35,995
77,393	-	28,414	6,915	11,125	53,189
81,506	-	30,549	7,531	2,462	45,888
273,264	-	162,956	44,120	(8,664)	57,524
-	20,668,272	15,636,485	4,311,683	(345,027)	375,077
<u>\$ 718,193</u>	<u>\$ 20,668,272</u>	<u>\$ 15,909,543</u>	<u>\$ 4,381,901</u>	<u>\$ (369,250)</u>	<u>\$ 725,771</u>
Section 11.42(f), Tax Code		<u>\$ 39,557</u>			

LAMPASAS INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – CHILD NUTRITION FUND
FOR THE YEAR ENDED AUGUST 31, 2023

Data Control Codes	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	(GAAP BASIS)	Final Budget
REVENUES				
5700 Local & Intermediate Sources	\$ 421,956	\$ 426,556	\$ 459,536	\$ 32,980
5800 State Program Revenues	11,500	34,100	36,160	2,060
5900 Federal Program Revenues	1,154,835	1,436,635	1,441,578	4,943
5020 Total Revenues	1,588,291	1,897,291	1,937,274	39,983
EXPENDITURES				
0035 Food Services	1,795,791	1,985,526	1,879,530	105,996
0051 Facilities Maintenance & Operations	12,500	2,500	-	2,500
6030 Total Expenditures	1,808,291	1,988,026	1,879,530	108,496
1200 Net Change in Fund Balances	(220,000)	(90,735)	57,744	148,479
0100 Fund Balance-September 1 (Beginning)	456,194	456,194	456,194	-
3000 Fund Balance-August 31 (Ending)	\$ 236,194	\$ 365,459	\$ 513,938	\$ 148,479

LAMPASAS INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – DEBT SERVICE FUND
FOR THE YEAR ENDED AUGUST 31, 2023

Data Control Codes	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	(GAAP BASIS)	Final Budget
REVENUES				
5700 Local & Intermediate Sources	\$ 4,580,200	\$ 4,835,200	\$ 4,857,866	\$ 22,666
5800 State Program Revenues	86,373	214,373	212,197	(2,176)
5020 Total Revenues	4,666,573	5,049,573	5,070,063	20,490
EXPENDITURES				
Debt Service:				
0071 Principal on Long Term Debt	2,115,000	2,115,000	2,115,000	-
0072 Interest on Long Term Debt	980,344	980,344	980,344	-
0073 Other Debt Service Costs	8,500	8,500	3,750	4,750
6030 Total Expenditures	3,103,844	3,103,844	3,099,094	4,750
1200 Net Change in Fund Balances	1,562,729	1,945,729	1,970,969	25,240
0100 Fund Balance-September 1 (Beginning)	3,842,528	3,842,528	3,842,528	-
3000 Fund Balance-August 31 (Ending)	\$ 5,405,257	\$ 5,788,257	\$ 5,813,497	\$ 25,240

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LAMPASAS INDEPENDENT SCHOOL DISTRICT
USE OF FUNDS REPORT – SELECT STATE ALLOTMENT PROGRAMS
FOR THE YEAR ENDED AUGUST 31, 2023

Data		
Control		1
Codes	Section A: Compensatory Education Programs	Responses
	Districts are required to use at least 55% of state compensatory education state allotment funds on direct program costs. Statutory Authority: Texas Education Code §48.104.	
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	Total state allotment funds received for state compensatory education programs during the District's fiscal year.	\$ 2,700,226
AP4	Actual direct program expenditures for state compensatory education programs during the district's fiscal year. (PICs 24, 26, 28, 29, 30, 34)	\$ 765,309
	Section B: Bilingual Education Programs	
	Districts are required to use at least 55% of bilingual education state allotment funds on direct program costs. Statutory Authority: Texas Education Code §48.105.	
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	Total state allotment funds received for bilingual education programs during the district's fiscal year.	\$ 79,602
AP8	Actual direct program expenditures for bilingual education programs during the District's fiscal year. (PICs 25, 35)	\$ 17,572

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FEDERAL AWARDS SECTION

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SINGLETON, CLARK
& COMPANY, PC CERTIFIED PUBLIC ACCOUNTANTS

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

To the Board of Trustees of
Lampasas 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 Lampasas Independent School District, as of and for the year ended August 31, 2023, and the related notes to the financial statements, which collectively comprise Lampasas Independent School District's basic financial statements and have issued our report thereon dated October 20, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Lampasas Independent School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Lampasas Independent School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Lampasas Independent School District's internal control.

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

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

Report on Compliance and Other Matters

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

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Purpose of This Report

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

Singleton, Clark & Company, PC

Singleton, Clark & Company, PC
Cedar Park, Texas

October 20, 2023

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE AND
REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

To the Board of Trustees of
Lampasas Independent School District

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Lampasas Independent School District's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Lampasas Independent School District's major federal programs for the year ended August 31, 2023. Lampasas Independent School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Lampasas Independent School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2023.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of Lampasas Independent School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Lampasas Independent School District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Lampasas Independent School District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Lampasas Independent School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Lampasas Independent School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Lampasas Independent School District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance which are required to be reported in accordance with the Uniform Guidance.

Report on Internal Control over Compliance

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

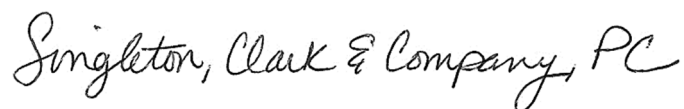
Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant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

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

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

Report on Schedule of Expenditures of Federal Awards Required by *Uniform Guidance*

We have audited the financial statements of Lampasas Independent School District as of and for the year ended August 31, 2023, and have issued our report thereon dated October 20, 2023, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in cursive script that reads "Singleton, Clark & Company, PC".

Singleton, Clark & Company, PC
Cedar Park, Texas

October 20, 2023

LAMPASAS INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2023

	1	2a	3
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM OR CLUSTER TITLE	Federal ALN Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF EDUCATION			
<u>Direct Awards</u>			
ESEA - Title VII - Impact Aid	84.041B		\$ 31,984
Total Direct Awards			31,984
<u>Passed through Texas Education Agency</u>			
ESEA, Title I, Part A - Improving Basic Programs	84.010A	23610101141901	843,681
IDEA - Part B, Formula ¹	84.027A	236600011419016600	742,578
COVID-19, IDEA Part B, Formula - ARP ¹	84.027X	225350021419015350	133,828
Total Assistance Listing Number 84.027			876,406
IDEA - Part B, Preschool ¹	84.173A	236610011419016610	12,952
COVID-19, IDEA - Part B, Preschool - ARP ¹	84.173X	225360021419015360	6,745
Total Assistance Listing Number 84.173			19,697
Perkins V: Strengthening CTE for the 21st Century	84.048A	23420006141901	45,448
ESEA, Title II, Part A - Supporting Effective Instruction	84.367A	23694501141901	148,477
COVID-19, ESSER II	84.425D	21521001141901	646,909
COVID-19, ESSER III	84.425U	21528001141901	2,128,071
Total Assistance Listing Number 84.425			2,774,980
Title IV, Part A - Student Support and Academic Enrichment	84.424A	23680101141901	58,019
Total Passed through Texas Education Agency			4,766,708
TOTAL U.S. DEPARTMENT OF EDUCATION			4,798,692
U.S. DEPARTMENT OF AGRICULTURE			
<u>Passed through Texas Education Agency</u>			
National School Breakfast Program ²	10.553	71402301	264,290
National School Lunch Program ²	10.555	71302301	905,418
Total Passed through Texas Education Agency			1,169,708
<u>Passed through Texas Department of Agriculture</u>			
Commodity Delivery Fee Reimbursement	10.560	NT4XL1YGLGC5	6,866
Food Distribution Program - Non-Cash Assistance ²	10.555	NT4XL1YGLGC5	230,915
Supply Chain Assistance Program ²	10.555	NT4XL1YGLGC5	34,089
Total Assistance Listing Number 10.555			265,004
Total Passed through Texas Department of Agriculture			271,870
TOTAL U.S. DEPARTMENT OF AGRICULTURE			1,441,578

	1	2a	3
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM OR CLUSTER TITLE	Federal ALN Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF TRANSPORTATION			
<u>Passed through Texas Department of Transportation</u>			
Highway Planning and Construction	20.205	23-141901	4,233
Total Passed through Texas Department of Transportation			4,233
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			4,233
U.S. DEPARTMENT OF TREASURY			
<u>Direct Awards</u>			
Emergency Connectivity Fund	32.009		67,500
Total Direct Awards			67,500
TOTAL U.S. DEPARTMENT OF TREASURY			67,500
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 6,312,003
<i>Not Considered Federal Financial Assistance:</i>			
School Health and Related Services (SHARS) Revenue			\$ 345,327
E-Rate Revenue			91,032
TOTAL FEDERAL REVENUE PER STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE			<u>\$ 6,748,362</u>

¹ Special Education (IDEA) Cluster as defined in OMB Compliance Supplement.

² Child Nutrition Cluster as defined in OMB Compliance Supplement.

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LAMPASAS INDEPENDENT SCHOOL DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2023

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal awards expenditures of Lampasas Independent School District (the “District”) under programs of the federal government for the year ended August 31, 2023. The information in the accompanying Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, change in net position, or cash flows of the District.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting - The expenditures reported on the Schedule are presented using the modified-accrual basis of accounting, with the exception of the National School Lunch Program, School Breakfast Program and the Food Distribution Program. Under the modified-accrual basis of accounting, revenues are recognized in the accounting period in which they become measurable and available, and expenditures in the accounting period in which the fund liability is incurred, if measurable. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited to reimbursement.

Expenditures for the National School Lunch Program, School Breakfast Program and the Food Distribution Program are shown on the Schedule in an amount equal to the related revenue, but are not specifically attributable to this revenue source. Expenditures are reported in this manner due to the Child Nutrition Fund being a fund that combines local, state, and federal revenues, and spends those resources together to support the overall operations of the Child Nutrition Program.

The District has elected to use the indirect cost rate for the ESSER grant funds as allowed under the Uniform Guidance.

Relationship to Basic Financial Statements - Expenditures of federal awards are reported in the District’s basic financial statements in the special revenue funds.

Relationship to Federal Financial Reports - Amounts reported in the accompanying Schedule agree with the amounts reported in the related federal financial reports in all significant respects.

Valuation of Non-Cash Programs – The District values revenues and expenditures for the Food Distribution Program based on the value of commodities received.

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LAMPASAS INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED AUGUST 31, 2023

SECTION I – SUMMARY OF AUDITOR’S RESULTS

FINANCIAL STATEMENTS

Type of auditor’s report issued:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiencies identified that are not considered to be material weaknesses? ☐ Yes ☒ None reported

Noncompliance material to financial statements noted?

☐ Yes ☒ No

FEDERAL AWARDS

Internal control over major programs:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiencies identified that are not considered to be material weaknesses? ☐ Yes ☒ None reported

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

Child Nutrition Cluster	Unmodified
ESSER II, ESSER III	Unmodified

Any audit findings disclosed that are required to be reported in accordance with the federal Uniform Guidance?

☐ Yes ☒ No

Identification of major programs:

<u>ALN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.553, 10.555	Child Nutrition Cluster
84.425D, 84.425U	ESSER II, ESSER III

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

Auditee qualified as low-risk auditee? ☒ Yes ☐ No

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LAMPASAS INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONCLUDED)
FOR THE YEAR ENDED AUGUST 31, 2023

SECTION II – FINANCIAL STATEMENT FINDINGS

Findings Related to Financial Statements Which are Required to be Reported in Accordance with *Government Auditing Standards*:

No findings or questioned costs required to be reported in accordance with *Government Auditing Standards* for the years ended August 31, 2023 and August 31, 2022.

SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Findings Related to Federal Awards Which are Required to be Reported in Accordance with federal Uniform Guidance:

No findings or questioned costs required to be reported in accordance with federal Uniform Guidance for the years ended August 31, 2023 and August 31, 2022.

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LAMPASAS INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS
FOR THE YEAR ENDED AUGUST 31, 2023

Data Control Codes		1 Responses
SF1	Was there an unmodified opinion in the Annual Financial Report on the financial statements as a whole?	Yes
SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement at fiscal year-end?	No
SF3	Did the school district make timely payments to the Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies? (If the school district was issued a warrant hold and the warrant hold was not cleared within 30 days from the date the warrant hold was issued, the school district is considered to not have made timely payments.)	Yes
	Payments to the TRS and TWC are considered timely if a warrant hold that was issued in connection to the untimely payment was cleared within 30 days from the date the warrant hold was issued.	
	Payments to the IRS are considered timely if a penalty or delinquent payment notice was cleared within 30 days from the date the notice was issued.	
SF4	Was the school district issued a warrant hold? Even if the issue surrounding the initial warrant hold was resolved and cleared within 30 days, the school district is considered to have been issued a warrant hold.	No
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds?	No
SF6	Was there any disclosure in the Annual Financial Report of material noncompliance for grants, contracts, and laws related to local, state, or federal funds?	No
SF7	Did the school district post the required financial information on its website in accordance with Government Code, Local Government Code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules in effect at the fiscal year end?	Yes
SF8	Did the school district's administration and school board members discuss any changes and/or impact to local, state, and federal funding at a board meeting within 120 days before the district adopted its budget?	Yes
SF9	Total accumulated accretion on CABs included in government-wide financial statements at fiscal year end.	\$ 155,959