

**ANTHONY INDEPENDENT SCHOOL DISTRICT**  
**ANNUAL FINANCIAL AND COMPLIANCE REPORTS**  
**FOR THE FISCAL YEAR ENDED AUGUST 31, 2023**

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

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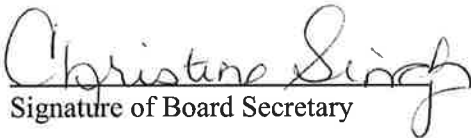
CERTIFICATE OF BOARD

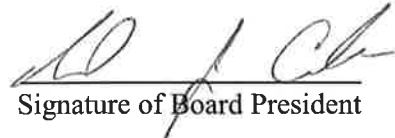
Anthony Independent School District  
Name of School District

El Paso County  
County

071-906  
Co.-Dist. Number

We, the undersigned, certify that the attached annual financial and compliance 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 17<sup>th</sup> 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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## Independent Auditor's Report

To the Board of Trustees  
Anthony 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 Anthony Independent School District (District) as of and for the year ended August 31, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

#### ***Basis for Opinions***

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

#### ***Emphasis of Matter***

##### *Change in Accounting Principle*

As described in Note I to the financial statements, in 2023, Anthony Independent School District adopted new accounting guidance, GASB Statement No. 96, *Subscription-Based Technology Arrangements*. Our opinion is not modified with respect to this matter.

### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statements 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 the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information, and pension and other post employment benefits information on pages 9 through 19 and 73 through 86 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

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

### ***Other Information***

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 12, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Gibson Ruddock Patterson LLC*

Gibson Ruddock Patterson LLC  
El Paso, Texas  
January 12, 2024

## **MANAGEMENT'S DISCUSSION & ANALYSIS**

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Anthony Independent School District (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the year ended August 31, 2023. Please read it in conjunction with the independent auditor's report and the District's Basic Financial Statements.

### FINANCIAL HIGHLIGHTS

- The District's combined net position was \$2.1 million on August 31, 2023, an increase of \$193,708.
- The general fund revenues were \$11.2 million, an increase of \$350,692.
- The general fund reported an ending fund balance of 4.4 million. The net change in fund balance resulted in an increase in the general fund balance of \$199,714.
- As of the close of the current fiscal year, unassigned fund balance for the general fund is 35% of total general fund expenditures.
- The District scored 98 out of 100 possible points for 2022-2023 Financial Integrity Rating System of Texas (FIRST) based on 2021-2022 data, resulting in a rating designated as *A – Superior Achievement* with a status of *Passed*. There were four available ratings with *A-Superior* being the highest.

### OVERVIEW OF THE ANNUAL REPORT

The annual report consists of a series of financial statements. The basic financial statements consist of (1) government-wide financial statements, (2) fund financial statements and (3) notes to the financial statements. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements themselves.

#### Government-Wide Statements

The government-wide statements report information about the District's overall financial condition and operations and are designed to provide readers with a broad overview of the District's finances, in a manner similar to that of a private sector business.

The Statement of Net Position includes all the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources at the end of the year, while the Statement of Activities includes all the revenues and expenses generated by the District's operations during the year. These statements apply the accrual basis of accounting.

The two government-wide statements report the District's net position and how they have changed. Net position is the difference between the District's assets and deferred outflows less the District's liabilities and deferred inflows and is one way to measure 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.

The government-wide financial statements consist of the following activities:

- *Governmental activities* – Most of the District's basic services are reported here, including instruction, counseling, co-curricular activities, food services, transportation, maintenance, community services, and general administration. Property taxes and state and federal grants finance most of these activities.
- *Business-type activities* – The District has no business-type activities.

### **Fund Financial Statements**

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District operates using two kinds of funds—governmental and fiduciary—which use different accounting approaches.

- *Governmental funds*—Most of the District's basic services are reported in governmental funds. These funds use modified accrual accounting (a method that measures the receipt and disbursement of cash and all other financial assets that can be readily converted to cash) and report balances that are available for future spending. The governmental fund statements provide a detailed short-term view of the District's general operations and the basic services it provides. We describe the differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliation schedules following each of the fund financial statements.
- *Fiduciary funds* – The District is the trustee, or fiduciary, for certain funds. The District is responsible for ensuring that assets reported in these funds are used for the intended purpose. The District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. The scholarships and activities of the student groups of the District's campuses are reported here.

### **Notes to the Basic Financial Statements**

The notes to the financial statements provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

### Statement of Net position

As noted earlier, the net position may serve, over time, as a useful indicator of the District's financial position. The District's total net position was approximately \$2.1 million for the year ended August 31, 2023, which represents an increase of \$193,708 or 10.1% over prior year.

Unrestricted net position, the part of net position that can be used to finance day-to day operations without constraints established by debt covenants, enabling legislation, or other legal requirements, showed a \$2.9 million deficit at the end of this year. This deficit does not mean that the District does not have significant resources available to pay its bills next year. Rather, it is the result of having long-term commitments that are more than currently available resources. The deficit can primarily be attributed to effects of a prior year implementation of GASB No. 75 Accounting and Financial Reporting for post-employment benefits.

**Table A-1**  
**Statements of Net Position**

	<b>Governmental</b>		
	<b>Activities</b>		
	<b>2023</b>	<b>2022</b>	<b>Increase (Decrease)</b>
Current and Other Assets	\$ 5,560,334	\$ 5,416,711	\$ 143,623
Capital Assets	7,631,859	7,784,962	(153,103)
<b>Total Assets</b>	<b>13,192,193</b>	<b>13,201,673</b>	<b>(9,480)</b>
<b>Deferred Outflows of Resources</b>	<b>3,287,622</b>	<b>2,957,559</b>	<b>330,063</b>
Current Liabilities	853,276	622,919	230,357
Non-Current Liabilities	9,486,495	8,796,442	690,053
<b>Total Liabilities</b>	<b>10,339,771</b>	<b>9,419,361</b>	<b>920,410</b>
<b>Deferred Inflows of Resources</b>	<b>4,027,652</b>	<b>4,821,187</b>	<b>(793,535)</b>
Net Position:			
Invested in Capital Assets, Net of			
Related Debt	4,406,615	4,311,475	95,140
Restricted for Federal & State Programs	418,074	401,258	16,816
Restricted for Debt Service	148,445	299,822	(151,377)
Restricted for Campus Activities	11,101	20,927	(9,826)
Unrestricted	(2,871,843)	(3,114,798)	242,955
<b>Total Net Position</b>	<b>\$ 2,112,392</b>	<b>\$ 1,918,684</b>	<b>\$ 193,708</b>

## Statement of Activities

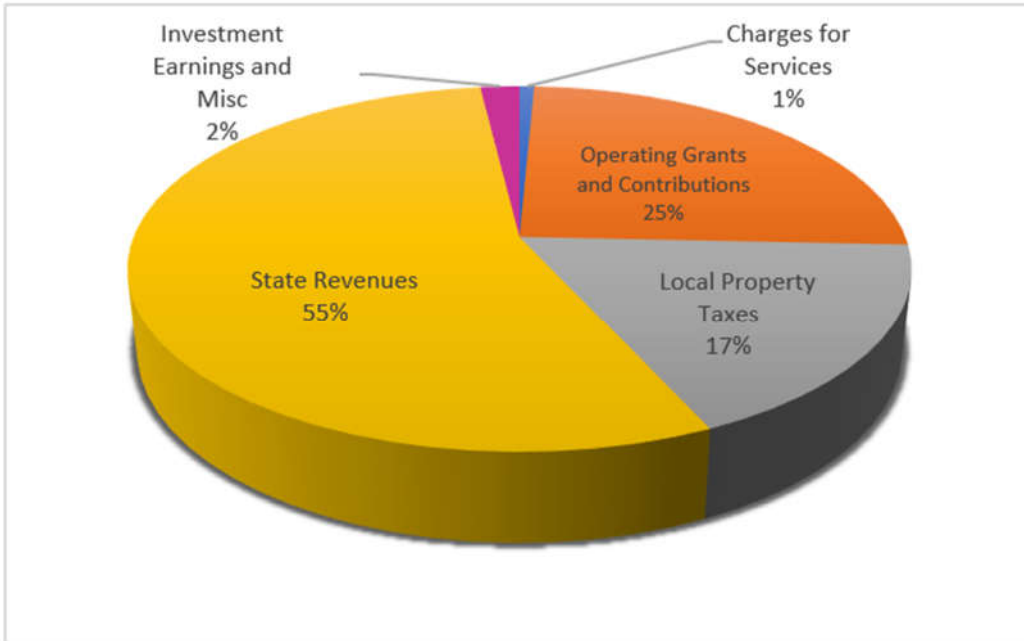
The Districts total revenues were \$12.9 million. A significant portion, approximately 55%, of the District's revenue comes from state aid- formula grants with another 17% provided by property taxes. The remaining 28% relates to operating grants and contributions, investment income and other local miscellaneous sources.

The cost of all governmental activities this year was \$12.7 million and revenues exceeded expenses by \$193,708.

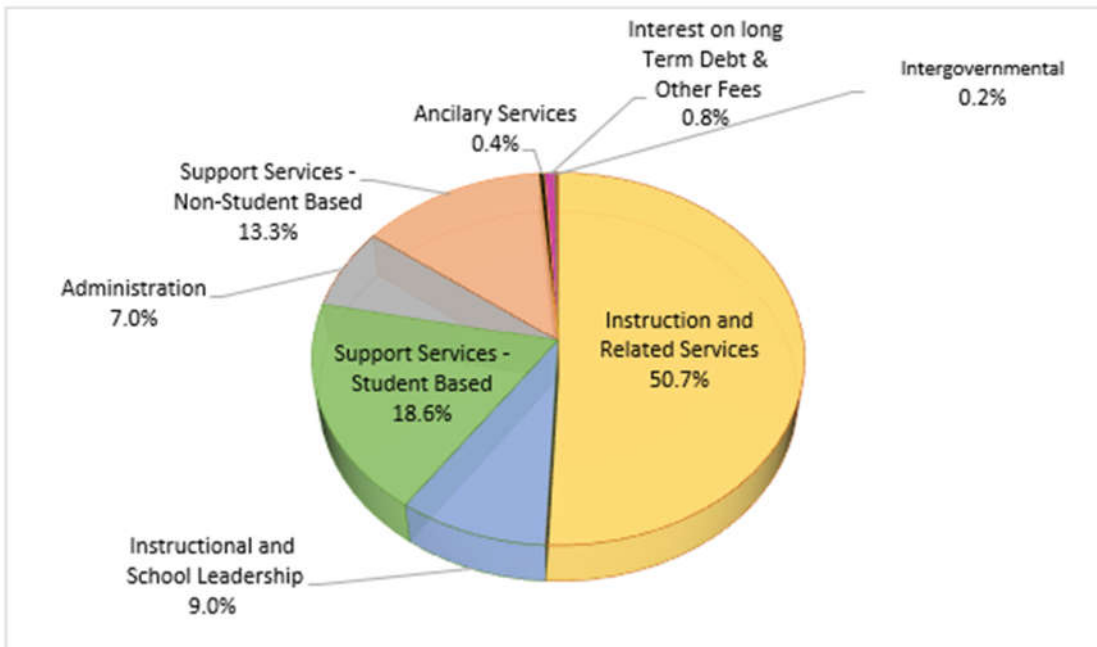
**Table B-1**  
**Statements of Activities**

	Governmental Activities		
	2023	2022	Increase (Decrease)
<i>Program Revenues:</i>			
Charges for Services	\$ 92,720	\$ 77,093	\$ 15,627
Operating Grants and Contributic	3,229,697	3,083,213	146,484
<i>General Revenues:</i>			
Local Property Taxes	2,267,899	2,250,638	17,261
State Revenues	7,100,662	6,972,799	127,863
Investment Earnings and Misc	247,441	38,622	208,819
<b>Total Revenues</b>	<b>12,938,419</b>	<b>12,422,365</b>	<b>516,054</b>
Instructional	6,146,494	5,764,233	382,261
Instruction Resources & Media Ser	189,602	177,649	11,953
Curriculum & Instructional Staff D	130,462	136,877	(6,415)
Instructional Leadership	422,994	326,051	96,943
School Leadership	720,816	689,946	30,870
Guidance, Counseling & Evaluation	382,451	342,620	39,831
Social Work Services	-	8,612	(8,612)
Health Services	129,678	151,596	(21,918)
Student (Pupil) Transportation	367,697	336,945	30,752
Food Services	877,930	887,883	(9,953)
Extra-curricular Activities	607,053	528,316	78,737
General Administration	892,571	769,625	122,946
Facilities, Maintenance & Operatio	1,119,862	1,003,534	116,328
Security & Monitoring Services	217,554	180,456	37,098
Data Processing Services	363,387	363,869	(482)
Community Services	48,791	39,794	8,997
Debt Service-Interest on Long Term	98,707	106,039	(7,332)
Other Intergovernmental Charges	28,662	28,567	95
<b>Total Expenses</b>	<b>12,744,711</b>	<b>11,842,612</b>	<b>902,099</b>
Increase (decrease) in Net Position	193,708	579,753	(386,045)
Net Position - Beginning	1,918,684	1,338,931	579,753
<b>Net Position - Ending</b>	<b>\$ 2,112,392</b>	<b>\$ 1,918,684</b>	<b>\$ 193,708</b>

**Revenue by Source – Governmental Activities  
For Fiscal Year 2023**



**Expenses by Functional Category Group – Governmental Activities  
For Fiscal Year 2023**



## FINANCIAL ANALYSIS OF DISTRICT FUNDS

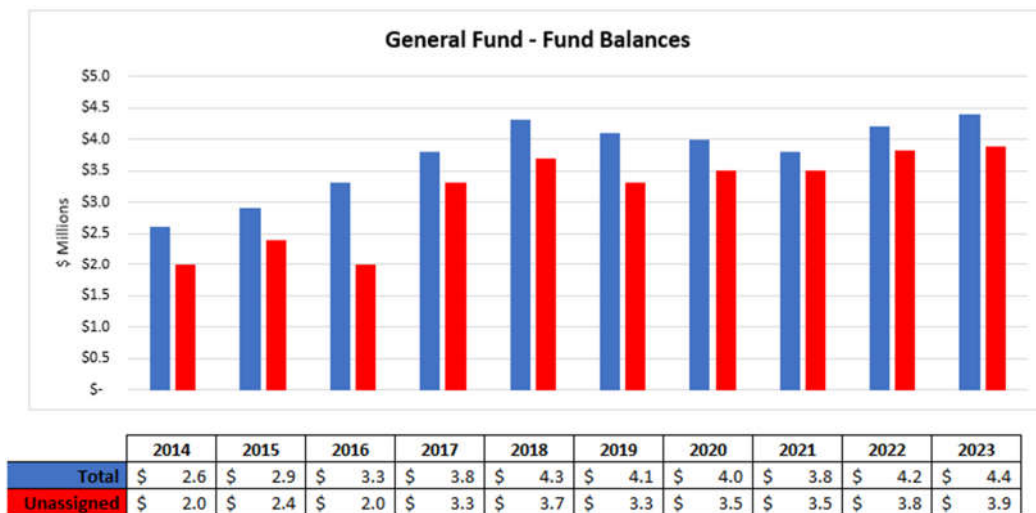
### Governmental Funds

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

At the end of the fiscal year, the combined ending fund balances for governmental funds was \$4.6 million. Approximately 83% of this total amount or \$3.8 million constitutes the unassigned fund balance. The remainder is not available for new spending because it is restricted for other purposes.

The general fund is the primary operating fund of the District. The general fund reported an ending fund balance of \$4.4 million which is an increase of \$199,714 over prior year. The increase in fund balance was primarily the result of a surplus of revenues over expenditures in the child nutrition program, a component of the general fund, and slightly higher than expected revenues in local, state and federal categories.

The following is a chart comparing general fund total and unassigned fund balances from 2014 to present. As reflected in the chart, the unassigned fund balance for the current year is at its highest point in ten years.



The District's Child Nutrition Program (CNP), which is a component of the General Fund, had an ending fund balance of \$345,580 (Exhibit J-2) which represents an increase of \$116,190. This increase in fund balance can be attributed to a decrease in capital expenditures. The program is required to reduce any excess fund balance above a calculated amount and will work with TDA on an approved plan to reduce fund balance in the spring of 2024.

The debt service fund has a total fund balance of \$142,778 (Exhibit J-3) which represents a planned decrease of \$143,657 in accordance with truth in taxation laws. Fund balance is restricted for the payment of debt service.

The capital projects fund has a fund balance of \$9,080. Fund balance decreased \$45,696 from prior year which can be attributed to the purchase of science equipment.

CRSSA ESSER II and ARP ESSER III Funds – The District applied for and received ESSER II funding for \$823,119 and ESSER III funding for \$1,849,204. These are multi-year grants and will be exhausted in the 2023-2024 fiscal year. This year, under ESSER II funding, the District shifted personnel costs from the general fund to assist the general fund, purchased technology devices for teachers and instructional technology for students. The ESSER II grant expenditures for the year were \$346,340. ESSER III funding was primarily used to directly assist our students with learning loss by providing tutors and a full-time reading specialist. The District also provided a retention stipend to all employees. The ESSER III grant expenditures for the year were \$570,506.

### **Fiduciary Funds**

The District is the trustee, or fiduciary, for money raised by student activities and alumnae scholarship programs. All the District's fiduciary activities are reported separately in the Statement of Fiduciary Net Position, Exhibit E-1 and the Statement of Changes in Fiduciary Net Position, Exhibit E-2. We exclude these resources from the District's other financial statements because the District cannot use these assets to finance its operations. The District is only responsible for ensuring that the assets reported in these funds are used for their intended purposes.

### **District Fund Balance Policy**

In August 2018, the Board of Trustees updated its resolution related to Fund Balance. As stated in the resolution, the District shall strive to maintain a yearly unassigned fund balance of 20% (73 days) of the total operating expenditures. For the 2023 fiscal year, the District's unassigned fund balance represented 35% (126 days) of the total operating expenditures.

### **GENERAL FUND BUDGETARY HIGHLIGHTS (Exhibit G-1)**

The Board of Trustees originally adopted a deficit budget in the general fund budget of \$627,695 for the fiscal year on August 17, 2022. This deficit would have been larger except that personnel costs for 3 district professionals were shifted from the general fund to the ESSER II fund to assist with minimizing this deficit.

Over the course of the year, budget amendments were presented to the board to refine the initial revenue budget based on updated information on state funding and estimated local revenue. Local revenue primarily increased because of an increase in interest rates which resulted in an increase in investment income and due to an insurance recovery claim.

Actual revenues were greater than the amended budget by 2.4% or \$266,323 primarily due to higher than estimated revenue from the following sources: CNP program, indirect cost revenue and miscellaneous local income.

The District also revised its general fund budget throughout the year to align:

- Appropriations for HVAC improvements. The Board committed fund balance of \$50,000 of which \$11,084 was expended in the fiscal year.
- Appropriations for a school bus using committed fund balance from FY22.
- Appropriations for food service upgrades to expend excess fund balance. The Board committed an additional \$130,000 of fund balance in FY23 which brought the total commitments to \$184,083 of which \$98,910 was expended in the fiscal year.

Actual expenditures were less than appropriated by 3.5% or \$397,231 primarily due to unexpended food service capital outlay and less than expected instruction payroll costs.

Actual revenues were \$90,958 above final expenditure amounts at the end of the fiscal year.

The District also recognized \$108,756 in Other Financing Sources as a result of right-to-use assets under GASB 87 and SBITAs under GASB 96.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

The District's investment in capital assets as of August 31, 2023, amounts to \$7.6 million (net of accumulated depreciation.) The amount represents a net decrease (including additions and deletions) of \$153,103 which includes depreciation of \$740,927, additions of \$587,824 and deletions of \$454,723.

	<u>Governmental Activities</u>	
	<u>2023</u>	<u>2022</u>
Land and Improvements	\$ 215,109	\$ 222,429
Buildings and Improvements	6,543,171	6,936,779
Furniture, equipment and vehicles	794,122	622,404
SBITA assets	12,578	-
Right-to-Use Lease assets	66,879	3,350
	<u>\$ 7,631,859</u>	<u>\$ 7,784,962</u>

Major capital asset events during the current fiscal year included the purchase of a new school bus, kitchen oven and multiple safety and technology upgrades throughout the District. The capital asset retirements are due mainly to the disposal of fully depreciated vehicles and equipment throughout the District.

The District also implemented GASB 96 Subscription-Based Information Technology Arrangements during this reporting period. Two software contracts met the definition and materiality criteria which resulted in a SBITA asset and liability in the amount of \$25,157.

Additional detailed information about the District's right-to-use assets and SBITA assets are presented in in Note III.I and III.J of the Notes to the Financial Statements.

Additional detailed information about the District's capital assets activity is presented in Note III.D of the Notes to the Financial Statements.

### Debt

At year-end, the District had \$3 million outstanding in bonds payable, a decrease of \$355,000 over last year. Of this balance, \$365,000 is due within one year.

The district credit ratings have remained favorable and have not decreased.

### Bond Rating

This District's bonds presently carry an "AAA" rating with Moody's Investor Services. This long-term rating reflects the guaranty provided by the Texas Permanent School Fund. The underlying rating, reflecting the credit quality before considerations of the guaranty is "A2". This rating was affirmed June 24, 2021.

More detailed information about the District's long-term liabilities is presented in Note III.F and III.G.

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

The District's elected and appointed officials considered many factors when setting the 2023-2024 fiscal year general fund budget and tax rates. Those factors included economic and market conditions, programmatic needs and continued recovery from the global COVID 19 pandemic.

In fiscal year 2020, the state legislature began a progressive compression of the M&O portion of the tax rate for all districts across the state. This compression resulted in a continual decrease in the district's M&O rate from \$0.97 in fiscal year 2019 to \$0.6862 in fiscal year 2024. Property values for the upcoming school year increased by 12% from 2022 values however the District's certified assessed net taxable property value decreased by 5.9% over the previous year's certified values due to an increase in the states homestead exemption from \$40,000 to \$100,000. Both of these factors have led to a decrease in property tax revenue which has been offset by state aid.

The District's refined average daily attendance (ADA) was budgeted at 698 students. This is a decrease from the prior year's final ADA by 9 students. The District forecasted a small drop in enrollment and revenue was estimated using 93% ADA. The District has historically budgeted a 95% attendance rate but post pandemic has realized a drop in attendance. Competitive market conditions and labor shortages also resulted in providing salary increases ranging from 3 to 5% to all employees and an increase in the minimum wage to \$15.00. The District continues to use ESSER III as a funding source for 4 district employees which will end this fiscal year.

As a result of these conditions, the District adopted a deficit budget of \$655,667 on August 16, 2023. As of December 31, 2023, actual ADA is estimated at 686 students which is 12 students less in ADA than budgeted. Despite this decrease, the district's estimated budget deficit has been reduced to \$556,716 as of December 31, 2023. The District has sufficient unassigned fund balance to absorb this deficit and is committed to balancing the budget by 2025-2026.

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

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional information, contact the District's Finance office, 840 Sixth Street, Anthony, Texas 79821.

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## **BASIC FINANCIAL STATEMENTS**

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

EXHIBIT A-1

Data Control Codes	Primary Government Governmental Activities
<b>ASSETS</b>	
1110 Cash and Cash Equivalents	\$ 3,173,461
1220 Property Taxes - Delinquent	156,905
1230 Allowance for Uncollectible Taxes	(77,253)
1240 Due from Other Governments	2,209,628
1267 Due from Fiduciary Funds	4,288
1290 Other Receivables, Net	53,395
1300 Inventories	39,910
Capital Assets:	
1510 Land	159,302
1520 Buildings, Net	6,543,171
1530 Furniture and Equipment, Net	343,223
1540 Land Improvements, Net	55,807
1550 Right-to-Use Lease Assets, Net	66,879
1553 SBITA Assets, Net	12,578
1560 Vehicles, Net	450,899
1000 Total Assets	13,192,193
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
1705 Deferred Outflow Related to TRS Pension	1,885,403
1706 Deferred Outflow Related to TRS OPEB	1,402,219
1700 Total Deferred Outflows of Resources	3,287,622
<b>LIABILITIES</b>	
2110 Accounts Payable	45,720
2140 Interest Payable	5,048
2150 Payroll Deductions and Withholdings	131,394
2160 Accrued Wages Payable	399,399
2180 Due to Other Governments	461
2300 Unearned Revenue	271,254
Noncurrent Liabilities:	
2501 Due Within One Year: Bonds, Leases, etc.	393,169
Due in More than One Year:	
2502 Bonds, Unamortized Premiums, Leases, etc.	2,816,581
2540 Net Pension Liability (District's Share)	4,090,290
2545 Net OPEB Liability (District's Share)	2,186,455
2000 Total Liabilities	10,339,771
<b>DEFERRED INFLOWS OF RESOURCES</b>	
2602 Deferred Resource Inflow Gain on Refundings	14,124
2605 Deferred Inflow Related to TRS Pension	323,738
2606 Deferred Inflow Related to TRS OPEB	3,689,790
2600 Total Deferred Inflows of Resources	4,027,652
<b>NET POSITION</b>	
3200 Net Investment in Capital Assets	4,406,615
Restricted:	
3820 Restricted for Federal and State Programs	418,074
3850 Restricted for Debt Service	148,445
3870 Restricted for Campus Activities	11,101
3900 Unrestricted	(2,871,843)
3000 Total Net Position	\$ 2,112,392

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

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

EXHIBIT B-1

Data Control Codes	1	Program Revenues		6
	Expenses	Charges for Services	Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position <u>Primary Gov. Governmental Activities</u>
<b>Primary Government:</b>				
GOVERNMENTAL ACTIVITIES:				
11 Instruction	\$ 6,146,494	\$ 20,545	\$ 1,091,078	\$ (5,034,871)
12 Instructional Resources and Media Services	189,602	428	86,411	(102,763)
13 Curriculum and Instructional Staff Development	130,462	-	75,210	(55,252)
21 Instructional Leadership	422,994	-	36,366	(386,628)
23 School Leadership	720,816	2,138	17,533	(701,145)
31 Guidance, Counseling, and Evaluation Services	382,451	-	102,644	(279,807)
33 Health Services	129,678	-	124,461	(5,217)
34 Student (Pupil) Transportation	367,697	-	95,567	(272,130)
35 Food Services	877,930	37,484	865,902	25,456
36 Extracurricular Activities	607,053	12,026	32,817	(562,210)
41 General Administration	892,571	2,566	342,106	(547,899)
51 Facilities Maintenance and Operations	1,119,862	3,849	189,521	(926,492)
52 Security and Monitoring Services	217,554	-	49,823	(167,731)
53 Data Processing Services	363,387	9,835	7,241	(346,311)
61 Community Services	48,791	3,849	49,495	4,553
72 Interest and Fees on Long-Term Debt	98,707	-	63,522	(35,185)
99 Other Intergovernmental Charges	28,662	-	-	(28,662)
[TP] TOTAL PRIMARY GOVERNMENT:	<u>\$ 12,744,711</u>	<u>\$ 92,720</u>	<u>\$ 3,229,697</u>	<u>(9,422,294)</u>
Data Control Codes	<b>General Revenues:</b>			
	Taxes:			
MT	Property Taxes, Levied for General Purposes			2,004,236
DT	Property Taxes, Levied for Debt Service			263,663
SF	State Aid - Formula Grants			7,100,662
IE	Investment Earnings			178,826
MI	Miscellaneous Local and Intermediate Revenue			68,615
TR	Total General Revenues			<u>9,616,002</u>
CN	Change in Net Position			193,708
NB	Net Position - Beginning			<u>1,918,684</u>
NE	Net Position - Ending			<u>\$ 2,112,392</u>

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

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**GOVERNMENTAL FUND FINANCIAL STATEMENTS**

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

Data Control Codes	General Fund	ARP ESSER III	Other Funds	Total Governmental Funds
<b>ASSETS</b>				
1110 Cash and Cash Equivalents	\$ 3,061,408	\$ -	\$ 112,053	\$ 3,173,461
1220 Property Taxes - Delinquent	135,951	-	20,954	156,905
1230 Allowance for Uncollectible Taxes	(67,015)	-	(10,238)	(77,253)
1240 Due from Other Governments	1,182,891	388,141	638,596	2,209,628
1260 Due from Other Funds	1,338,207	-	183,306	1,521,513
1290 Other Receivables	53,395	-	-	53,395
1300 Inventories	39,910	-	-	39,910
1000 Total Assets	<u>\$ 5,744,747</u>	<u>\$ 388,141</u>	<u>\$ 944,671</u>	<u>\$ 7,077,559</u>
<b>LIABILITIES</b>				
2110 Accounts Payable	\$ 43,720	\$ -	\$ 2,000	\$ 45,720
2150 Payroll Deductions and Withholdings Payable	131,394	-	-	131,394
2160 Accrued Wages Payable	356,945	12,359	30,095	399,399
2170 Due to Other Funds	524,405	375,782	617,038	1,517,225
2180 Due to Other Governments	-	-	461	461
2300 Unearned Revenue	222,345	-	48,909	271,254
2000 Total Liabilities	<u>1,278,809</u>	<u>388,141</u>	<u>698,503</u>	<u>2,365,453</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
2601 Unavailable Revenue - Property Taxes	68,936	-	10,715	79,651
2600 Total Deferred Inflows of Resources	<u>68,936</u>	<u>-</u>	<u>10,715</u>	<u>79,651</u>
<b>FUND BALANCES</b>				
Nonspendable Fund Balance:				
3410 Inventories	39,910	-	-	39,910
Restricted Fund Balance:				
3450 Federal or State Funds Grant Restriction	306,132	-	72,494	378,626
3470 Capital Acquisition and Contractual Obligation	-	-	9,080	9,080
3480 Retirement of Long-Term Debt	-	-	142,778	142,778
3490 Other Restricted Fund Balance	-	-	11,101	11,101
Committed Fund Balance:				
3545 Other Committed Fund Balance	138,697	-	-	138,697
Assigned Fund Balance:				
3590 Other Assigned Fund Balance	66,957	-	-	66,957
3600 Unassigned Fund Balance	3,845,306	-	-	3,845,306
3000 Total Fund Balances	<u>4,397,002</u>	<u>-</u>	<u>235,453</u>	<u>4,632,455</u>
4000 Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 5,744,747</u>	<u>\$ 388,141</u>	<u>\$ 944,671</u>	<u>\$ 7,077,559</u>

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

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

EXHIBIT C-2

<b>Total Fund Balances - Governmental Funds</b>	\$	4,632,455
1 Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. At the beginning of the year, the cost of these assets was \$22,173,099 and the accumulated depreciation/amortization was (\$14,388,137). In addition, long-term liabilities, including bonds payable, are not due and payable in the current period, and, therefore are not reported as liabilities in the funds. The net effect of including the beginning balances for capital assets (net of depreciation/amortization) and long-term debt in the governmental activities is to increase net position.		4,251,123
2 Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of including the capital outlays and debt principal payments is to increase net position. Similarly, the principal payments on Right-to-Use Lease Assets and SBITA Assets are not expenses, rather they are decreases in the Right-to-Use Lease Liabilities and the SBITA Liabilities. These payments must be reclassified and shown as reductions to these liabilities increasing Net Position.		892,741
3 Included in the items related to debt is the recognition of the District's proportionate share of the net pension liability required by GASB 68. The net position related to TRS included a deferred resource outflow in the amount of \$1,885,403, a deferred resource inflow in the amount of \$323,738, and a net pension liability in the amount of \$4,090,290. This resulted in a decrease in net position.		(2,528,625)
4 Included in the items related to debt is the recognition of the District's proportionate share of the net OPEB liability required by GASB 75. The net position related to TRS included a deferred resource outflow in the amount of \$1,402,219, a deferred resource inflow in the amount of \$3,689,790, and a net OPEB liability in the amount of \$2,186,455. This resulted in a decrease in net position.		(4,474,026)
5 The current year depreciation and amortization expense increases accumulated depreciation and amortization. The net effect of the current year's depreciation and amortization is to decrease net position.		(740,927)
6 Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unavailable revenue from property taxes as revenue. The net effect of these reclassifications and recognitions is to increase net position.		79,651
<b>19 Net Position of Governmental Activities</b>	<b>\$</b>	<b><u>2,112,392</u></b>

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

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

Data Control Codes	General Fund	ARP ESSER III	Other Funds	Total Governmental Funds
<b>REVENUES:</b>				
5700 Total Local and Intermediate Sources	\$ 2,325,241	\$ -	\$ 272,695	\$ 2,597,936
5800 State Program Revenues	7,662,615	-	518,001	8,180,616
5900 Federal Program Revenues	1,211,150	570,506	803,191	2,584,847
5020 Total Revenues	<u>11,199,006</u>	<u>570,506</u>	<u>1,593,887</u>	<u>13,363,399</u>
<b>EXPENDITURES:</b>				
Current:				
0011 Instruction	5,099,434	464,675	586,396	6,150,505
0012 Instructional Resources and Media Services	99,051	7,830	76,501	183,382
0013 Curriculum and Instructional Staff Development	55,321	-	75,122	130,443
0021 Instructional Leadership	406,656	4,140	36,277	447,073
0023 School Leadership	738,604	9,196	7,647	755,447
0031 Guidance, Counseling, and Evaluation Services	302,121	1,022	98,520	401,663
0033 Health Services	65,281	2,029	67,112	134,422
0034 Student (Pupil) Transportation	403,030	5,237	87,195	495,462
0035 Food Services	784,412	9,937	98,911	893,260
0036 Extracurricular Activities	425,616	29,300	990	455,906
0041 General Administration	933,127	9,321	4,111	946,559
0051 Facilities Maintenance and Operations	1,104,372	14,354	188,225	1,306,951
0052 Security and Monitoring Services	176,050	9,633	38,555	224,238
0053 Data Processing Services	450,799	3,577	-	454,376
0061 Community Services	307	255	49,240	49,802
Debt Service:				
0071 Principal on Long-Term Liabilities	31,074	-	355,000	386,074
0072 Interest on Long-Term Liabilities	4,131	-	122,175	126,306
Intergovernmental:				
0099 Other Intergovernmental Charges	28,662	-	-	28,662
6030 Total Expenditures	<u>11,108,048</u>	<u>570,506</u>	<u>1,891,977</u>	<u>13,570,531</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>90,958</u>	<u>-</u>	<u>(298,090)</u>	<u>(207,132)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
7913 Proceeds of Right-to-Use Lease	83,599	-	-	83,599
7949 Proceeds of SBITAs and Other Resources	25,157	-	-	25,157
7080 Total Other Financing Sources (Uses)	<u>108,756</u>	<u>-</u>	<u>-</u>	<u>108,756</u>
1200 Net Change in Fund Balances	199,714	-	(298,090)	(98,376)
0100 Fund Balance - September 1 (Beginning)	<u>4,197,288</u>	<u>-</u>	<u>533,543</u>	<u>4,730,831</u>
3000 Fund Balance - August 31 (Ending)	<u>\$ 4,397,002</u>	<u>\$ -</u>	<u>\$ 235,453</u>	<u>\$ 4,632,455</u>

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

ANTHONY 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

EXHIBIT C-4

<b>Total Net Change in Fund Balances - Governmental Funds</b>	\$	(98,376)
<p>Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of removing the current year capital outlays and debt principal payments is to increase the change net position. Similarly, current year principal payments on Right-to-Use Leases and SIBTAs are also reclassified as reductions to the Right-To-Use Lease Liability and the SBITA liability which will result in an increase in the change in Net Position.</p>		
		892,741
<p>Depreciation and amortization is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation and amortization is to decrease the change in net position.</p>		
		(740,927)
<p>Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unavailable revenue from property taxes as revenue, adjusting current year revenue to show the revenue earned from the current year's tax levy. The net effect of these reclassifications and recognitions is to increase the change in net position.</p>		
		11,114
<p>GASB 68 required that certain plan expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of the plan caused the change in ending net position to increase by \$349,894. Contributions made before the measurement date and during the previous fiscal year were also expended and recorded as a reduction in net pension liability. This caused a decrease in the change in net position totaling \$321,139. Finally, the proportionate share of the TRS pension expense on the plan as a whole had to be recorded. The net pension expense increased the change in net position by \$183,401. The net result is a decrease in the change in net position.</p>		
		(154,646)
<p>GASB 75 required that certain plan expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of the plan caused the change in ending net position to increase by \$74,890. Contributions made before the measurement date and during the previous fiscal year were also expended and recorded as a reduction in net OPEB liability. This caused a decrease in the change in net position totaling \$74,873. Finally, the proportionate share of the TRS OPEB expense on the plan as a whole had to be recorded. The net OPEB expense increased the change in net position by \$283,785. The net result is an increase in the change in net position.</p>		
		283,802
<b>Change in Net Position of Governmental Activities</b>	<b>\$</b>	<b>193,708</b>

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

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**FIDUCIARY FUND FINANCIAL STATEMENTS**

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

	Private Purpose Trust Fund	Custodial Fund
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 13,780	\$ 31,459
Total Assets	<u>13,780</u>	<u>\$ 31,459</u>
<b>LIABILITIES</b>		
Accounts Payable	500	477
Due to Other Funds	<u>2,000</u>	<u>2,288</u>
Total Liabilities	<u>2,500</u>	<u>2,765</u>
<b>NET POSITION</b>		
Restricted for Scholarships	11,280	-
Restricted for Individuals and Organizations	<u>-</u>	<u>28,694</u>
Total Net Position	<u>\$ 11,280</u>	<u>\$ 28,694</u>

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

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

	Private Purpose Trust Fund	Custodial Fund
<b>ADDITIONS:</b>		
Miscellaneous Revenue - Student Activities	\$ -	\$ 61
Cocurricular Services or Activities	-	48,623
Earnings from Temporary Deposits	107	302
Contributions, Gifts and Donations	500	-
Total Additions	<u>607</u>	<u>48,986</u>
<b>DEDUCTIONS:</b>		
Other Deductions	<u>3,871</u>	<u>45,708</u>
Total Deductions	<u>3,871</u>	<u>45,708</u>
Change in Fiduciary Net Position	(3,264)	3,278
Total Net Position - September 1 (Beginning)	<u>14,544</u>	<u>25,416</u>
Total Net Position - August 31 (Ending)	<u>\$ 11,280</u>	<u>\$ 28,694</u>

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

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ANTHONY INDEPENDENT SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED AUGUST 31, 2023

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

A. Reporting Entity

Because the Board of Trustees (the "Board") is elected by the public; it has the authority to make decisions, appoint administrators and managers, and significantly influence operations; and has the primary accountability for fiscal matters; the District is not included in any other governmental "reporting entity" as defined by the Governmental Accounting Standards Board (GASB).

In accordance with Governmental Accounting Standards Board, a financial reporting entity consists of the primary government and its component units. Component units are legally separate organizations for which the elected officials of the District are financially accountable, or for which the relationship to the District is such that exclusion would cause the District's financial statements to be misleading or incomplete. Discretely presented component units are reported in a separate column in the basic financial statements to emphasize they are legally separate from the school district. Blended component units, although a legally separate entity, are in substance a part of the District's operations, and thus the data is combined with data of the primary government.

The criteria used to determine whether an organization is a component unit of the District includes: financial accountability of the District for the component unit, whether the District appoints a voting majority of the entity's board, the ability to impose the District's will on the component unit, fiscal dependency criterion, if it is a financial benefit to or burden to the District, and whether services are provided entirely or almost entirely to the District.

The above standards were applied to the Anthony Independent School District Public Facilities Corporation (Corporation) and the District determined that it is a component unit of the District.

Anthony Independent School District Public Facilities Corporation (PFC)

In 1999, the Board of Trustees adopted a resolution approving the creation of the Anthony Independent School District Public Facilities Corporation for the purpose of constructing school facilities and leasing those facilities to the District. For the year ended August 31, 2023, the Corporation did not hold assets or liabilities and did not have any activity. In addition, the Board of Trustees did not hold any meetings for the Corporation during the fiscal year ended August 31, 2023.

(Continued)

**ANTHONY INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED AUGUST 31, 2023**

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Government-Wide and Fund Financial Statements**

The Statement of Net Position and the Statement of Activities are government-wide financial statements. They report information on all of the District's nonfiduciary activities with most of the interfund activities removed. *Governmental activities* include programs supported primarily by taxes, state foundation funds, grants and other intergovernmental revenues.

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement category represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time. For pensions and OPEB, these outflows result from pension plan and OPEB contributions made after the measurement date of the net pension and OPEB liabilities, the difference between projected and actual investment earnings, changes in actuarial assumptions; differences between expected and actual experiences; and changes in the District's proportional share of net pension and OPEB liabilities. The deferred outflows of resources related to pensions and OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension and OPEB liabilities in the next fiscal year. The other pension and OPEB related deferred outflows will be amortized over a systematic and rational method over a closed period.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement category represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. For pensions and OPEB, these deferred inflows result from pension and OPEB changes in actuarial assumptions; differences between expected and actual economic experiences; and changes in the District's proportionate share of the net pension and OPEB liabilities. These inflows will be amortized over a systematic and rational method over a closed period.

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. The Plan's fiduciary net position has been determined on the same basis as that used by the Plan. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

(Continued)

**ANTHONY INDEPENDENT SCHOOL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The Statement of Activities demonstrates how other people or entities that participate in programs the District operates have shared in the payment of the direct costs. The “charges for services” column includes payments made by parties that purchase, use, or directly benefit from goods or services provided by a given function of the District. Examples include school lunch charges, and athletic and extracurricular/cocurricular activities, etc. The “grants and contributions” column includes amounts paid by organizations outside the District to help meet the operational or capital requirements of a given function. Examples include grants under the Elementary and Secondary Act as amended by the Every Student Succeeds Act. If a revenue is not a program revenue, it is a general revenue used to support all of the District’s functions. Taxes are always general revenues.

Interfund activities between governmental funds appear as due to/due from on the Governmental Fund Balance Sheet and as other financing sources and uses on the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance. All interfund transactions between governmental funds are eliminated on the government-wide statements. Interfund activities between governmental funds and fiduciary funds remain as due to/due from on the government-wide Statement of Net Position.

The fund financial statements report on the financial condition and results of operations for two fund categories - governmental and fiduciary. Since the resources in the fiduciary funds cannot be used for District operations, they are not included in the government-wide statements. The District considers some governmental funds as major and reports their financial condition and results of operations in a separate column.

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

The government-wide financial statements use the economic resources measurement focus and the accrual basis of accounting, as do the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements use the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, current assets, deferred outflows of resources, current liabilities, deferred inflows of resources and fund balances are included on the balance sheet. Operating statements of these funds present net increases and decreases in current assets (i.e., revenues and other financing sources and expenditures and other financing uses).

The modified accrual basis of accounting recognizes revenues in the accounting period in which they become both measurable and available, and it recognizes expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest and principal on long-term debt, leases, and subscription-based information technology arrangements (SBITAs) which is recognized when due. The expenditures related to certain compensated absences and claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources. The District considers all revenues, except for property tax revenue, available if they are collectible within one year after year end. School Health and Related Services (SHARS) revenue is recognized as revenue when reimbursements are received and when the annual Cost Report is acknowledged by the Texas Health and Human Service Commission.

(Continued)

**ANTHONY INDEPENDENT SCHOOL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Revenues from local sources consist primarily of property taxes, investment income, food service activity, athletic activity, extracurricular and co-curricular activity. Revenues received from the State are recognized under the susceptible -to- accrual concept, that is, when they are both measurable and available. The District considers property tax revenue available if it will be collected within 60 days of the end of the fiscal year. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available.

Unavailable revenue from property taxes arises only under modified accrual basis of accounting. The governmental funds report this unavailable revenue as deferred inflow of resources, which is recognized as revenue in the period that amounts become available.

Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as unearned revenues until related and authorized expenditures have been made. If balances have not been expended by the end of the project period, grantors sometimes require the District to refund all or part of the unused amount.

The Fiduciary Funds are accounted for on a flow of economic resources measurement focus and utilize the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred and become measurable. With this measurement focus, assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operation of these funds are included on the fund Statement of Net Position. The fund equity is shown as restricted net position.

**D. Fund Accounting**

The District reports the following major governmental funds:

1. General Fund - The general fund is the District's primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund.
2. ARP ESSER III - The ESSER III fund is used to account for the American Rescue Plan Act funds awarded to the District by TEA.

Additionally, the District reports the following fund types:

Governmental Funds:

1. Special Revenue Funds - The District accounts for resources restricted to specific purposes by a grantor in a special revenue fund. Most Federal and some State financial assistance is accounted for in a Special Revenue Fund, and sometimes unused balances must be returned to the grantor at the close of specified project periods.

(Continued)

**ANTHONY INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED AUGUST 31, 2023**

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

2. Debt Service Fund - The District accounts for resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds in a debt service fund.
3. Capital Projects Fund - Includes the proceeds from long-term debt financing which will be used to construct, renovate, acquire and equip school buildings in the District and pay any associated costs.
4. Permanent Funds - The District has no Permanent funds.

Proprietary Funds:

5. Enterprise Funds - The District has no Enterprise funds.
6. Internal Service Funds - The District has no Internal Service funds.

Fiduciary Funds:

7. Private Purpose Trust Funds - The District accounts for donations for which the donor has stipulated that both the principal and the income may be used for purposes that benefit the District graduates. The District's Private Purpose Trust Funds are the Jim O'Toole Scholarship Fund and Tommy Sanchez Scholarship Fund.
8. Pension (and Other Employee Benefit) Trust Funds - The District has no Pension Trust Funds.
9. Investment Trust Fund - The District has no Investment Trust Funds.
10. Custodial Funds - The District accounts for resources held for others in a custodial capacity in custodial funds. The District's Custodial fund is used to account for activities of student groups.

**E. Other Accounting Policies**

1. The District considers highly liquid investments to be cash equivalents if they have a maturity of three months or less when purchased.
2. Investments with an original maturity greater than one year from date of purchase are stated at fair value based on quoted market prices as of year end. Investments with an original maturity of less than one year if any, are reported at amortized cost or fair value, whichever is applicable. Any premiums and discounts on investments are amortized or accreted using the straight-line method, which approximates the interest method, over the terms of the related securities.

(Continued)

ANTHONY INDEPENDENT SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED AUGUST 31, 2023

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. The funds of the District must be deposited and invested under the terms of a contract, contents of which are set out in the **Depository Contract Law**. The depository bank places approved pledged securities for safekeeping and trust with the District's agent bank 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 depository bank's dollar amount of Federal Deposit Insurance Corporation (FDIC) insurance.
4. The **Public Funds Investment Act** (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the District to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit.

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

5. Additional policies and contractual provisions governing deposits and investments for the District are specified below:

***Credit Risk:***

Deposits - Credit risk is not applicable to deposits.

Temporary Investments - To limit the risk that an issuer or other counterparty to an investment will not fulfill its obligations, the District limits investments in public funds investment pools to those that have received top ratings issued by nationally recognized statistical rating organizations (NRSROs). As of August 31, 2023, the District's investments in the LoneStar Investment Pool were rated AAAm and AA Af/S1+ by Standard & Poor's.

***Custodial Credit Risk:***

Deposits - State law requires governmental entities to contract with financial institutions in which funds will be deposited to secure those deposits with insurance or pledged securities with a fair value equaling or exceeding the amount on deposit at the end of each business day. Since the District has a contract that complies with this law, it has minimal custodial credit risk for deposits.

(Continued)

**ANTHONY INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED AUGUST 31, 2023**

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Temporary Investments - To limit the risk that, in the event of the failure of the counterparty to a transaction, the District will not be able to recover the value of investment or collateral securities that are in possession of an outside party, the District requires counterparties to register the securities in the name of the District and hand them over to the District or its designated agent. This includes securities in securities lending transactions. Investment pools are not exposed to custodial credit risk because they are not evidenced by securities that exist in physical or book-entry form.

***Concentration of Credit Risk:***

Deposits - Concentration of credit risk is not applicable to deposits.

Temporary Investments- To limit the risk of loss attributed to the magnitude of a government's investment in a single issuer, the District's policy states that the portfolio must be diversified. In addition, the District limits investments in a single issuer, to less than 5% of its total investments with the exception of certificates of deposit. Concentration of Credit Risk is not applicable to investment pools since the purpose of these pools is to diversify the District's investment portfolio.

***Interest Rate Risk:***

Deposits - Interest rate risk is not applicable to deposits.

Temporary Investments - To limit the risk that changes in interest rates will adversely affect the fair value of the investments, the District requires its investment portfolio to have maturities of less than one year on a weighted average maturity (WAM) basis. Each pool invests in different investment instruments and each portfolio has varying maturities.

***Foreign Currency Risk:***

Deposits - The District attempts to limit the risk that changes in exchange rates will adversely affect a deposit by avoiding deposits denominated in a foreign currency.

Temporary Investments - The District attempts to limit the risk that changes in exchange rates will adversely affect the fair value of an investment by avoiding investment pools or securities which are denominated in a foreign currency.

6. The District reports inventories of supplies at weighted average cost including consumable maintenance, instructional, office, athletic, and transportation items. Supplies are recorded as expenditures when they are consumed. Inventories of food commodities which are received at no cost are recorded as revenue and expenditures at fair values supplied by the Texas Department of Agriculture when received. At year end, the commodities inventory is recorded to inventory and unearned revenue.
7. Prepaid items on the balance sheet are accounted for using the consumption method and are Recognized as expenditures over the periods in which the service is provided.

(Continued)

**ANTHONY INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED AUGUST 31, 2023**

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

8. The District does not pay for accrued sick leave or accrued vacation leave upon retirement.
9. Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the District 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 31 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available (1) when they become due or past due and receivable within the current period and (2) when they are expected to be collected during a 60-day period after the close of the school fiscal year.
10. Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. Allowances for uncollectible tax receivables within the General and Debt Service Funds are based on historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.
11. Capital assets, which include land, land improvements, buildings and improvements, furniture and equipment, vehicles, right-to-use lease assets, and subscription-based information technology arrangements (SBITAs), 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 more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. The District capitalizes all right-to-use assets and SBITAs with a per-unit cost that is equal to or excess \$50,000 and \$10,000, respectively.

All individual federally funded assets with a cost of \$5,000 or more shall be capitalized in accordance with the aforementioned policies.

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

Land improvements, buildings and improvements, furniture and equipment, and vehicles of the District are depreciated using a straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Land Improvements	15
Buildings and Improvements	20-35
Vehicles	7-10
Equipment	3-10

(Continued)

**ANTHONY INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED AUGUST 31, 2023**

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Right-to-use assets are amortized in a systematic and rational manner over the shorter or the lease or subscription term or the useful life of the underlying asset. When a lease contains a purchase option the District chooses to exercise, the lease asset is amortized over the useful life of the underlying asset. The amortization expense is combined with depreciation expense for financial reporting purposes.

12. In the government-wide financial statements, long-term debt, right-to-use lease liabilities, SBITAs, and other long-term obligations are reported as liabilities in the Statement of Net Position. When applicable, premiums and discounts are presented as a component of liabilities while deferred charges on refundings are presented as deferred inflows of resources. Both items are deferred and amortized over the life of the related debt using the straight line method. Long-term debt is reported net of the applicable premium or discount. The right-to-use lease and SBITA liability is calculated as the present value of the reasonably certain expected payments to be made over the term of the lease or the SBITA and the interest included in the lease or SBITA payment is recorded as an expense.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs and new right-to-use lease arrangements and new SBITAs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. For new right-to-use leases and SBITAs, the initial measurement is reported in governmental fund types as an other financing source during the current period. Payments are reported as principal and interest expenditures during the reporting period in the fund financial statements.

13. Net Position on the Statement of Net Position includes the following:
  - **Net investment in capital assets** - this component of net position consists of capital assets, net accumulated depreciation and amortization, reduced by the outstanding balances of bonds, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt will be included in this component of net position.
  - **Restricted for federal and state programs** - this component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources, if applicable, related to those assets, which are restricted by federal and state granting agencies.

(Continued)

ANTHONY INDEPENDENT SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED AUGUST 31, 2023

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- **Restricted for debt service** - this component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources, if applicable, related to those assets. The assets arise from bond issuances which have constraints placed on them by the bond covenants for the purpose of future debt service payments.
  - **Restricted for campus activities** - this component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources, if applicable, related to those assets, which are restricted transactions related to a principal's activity fund.
  - **Unrestricted** - this component of net position is the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.
14. The District may report the following fund balance categories which describe the nature and relative strength of the spending constraints:
- **Nonspendable fund balance** - represents amounts that are not in spendable form or are legally or contractually required to be maintained intact, such as inventories.
  - **Restricted fund balance** - represents amounts restricted to specific purposes, with constraints placed on the use of resources by (a) external creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or (c) enabling legislation.
  - **Committed fund balance** - represents amounts that are constrained for purposes which the Board of Trustees, the District's highest level of decision-making authority, has designated their use. These amounts are committed through a formal resolution, requiring funds to be used only for specific purposes. These amounts can only be re-allocated by the same formal action that was taken to originally commit those amounts. The Board of Trustees shall take action to commit funds for a specific purpose prior to the end of the fiscal year.
  - **Assigned fund balance** - represents amounts the District intends to use for a specific purpose, but are neither restricted nor committed. The governing body has delegated authority to the Superintendent or his/her designee to assign funds. Assignments may occur subsequent to fiscal year-end.
  - **Unassigned fund balance** - represents amounts that are available for any purpose and have not been restricted, committed, or assigned for specific purposes. Positive amounts are reported only in the general fund.

The Board of Trustees establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. Assigned fund balance is established by the Superintendent or his/her designee for a specific purpose.

(Continued)

**ANTHONY INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED AUGUST 31, 2023**

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

When an expenditure is incurred for purposes for which both restricted and unrestricted net position/fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, followed by assigned funds, and then unassigned funds when expenditures are incurred for purposes of which amounts in any of those unrestricted fund balance classifications could be used, unless the Board of Trustees or designee's have provided otherwise in their commitment or assignment actions.

District shall strive to maintain a yearly unassigned fund balance in the General Operating Fund equal to or exceeding 20% of the total operating expenditures.

15. In the fund financial statements, governmental funds report restrictions of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. The entire fund balances in the Special Revenue, Debt Service, and Capital Project Funds have such restrictions. Since the entire fund balance is restricted for these funds, all assets are in essence restricted for their specified purpose.
16. When the District incurs an expense for which it may use either restricted or unrestricted resources, it uses the restricted resources first whenever they will have to be returned if they are not used.
17. The Data Control Codes refer to the account code structure prescribed by TEA in the *Financial Accountability System Resource Guide*. Texas Education Agency requires school districts to display these codes in the financial statements filed with the Agency in order to ensure accuracy in building a Statewide data base for policy development and funding plans.
18. The District receives substantial amounts of funding from special revenue sources. The majority of this money is cost reimbursement to the District by the federal government or Texas Education Agency. The portion of revenue allowable for indirect cost is credited as revenue to the General Fund and as a reduction to revenue in the Special Revenue Fund, as appropriate. These indirect costs are then fully allocated to function 41 in the Statement of Activities as operating grants and contributions.
19. In accordance with the Resource Guide, the District has adopted and installed an accounting system which meets at least the minimum requirements prescribed by the Texas State Board of Education and approved by the State Auditor. Specifically, the District's accounting system uses codes and the code structure presented in the Resource Guide. Mandatory codes are recorded in the order provided in the Resource Guide.
20. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(Continued)

**ANTHONY INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED AUGUST 31, 2023**

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

- F. The District implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This statement (1) defines a subscription-based information technology arrangement (SBITA); (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payment, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA.

The District implemented GASB Statement No. 99, *Omnibus 2022*. This statement enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing (1) practice issues that have been identified in previous GASB statements, and (2) adding guidance on accounting and financial reporting for financial guarantees.

**II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

- A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position

Exhibit C-2 provides the reconciliation between the fund balance for total governmental funds on the governmental fund balance sheet and the net position for governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that capital assets are not financial resources and are therefore not reported in governmental funds. In addition, long-term liabilities, including bonds payable, right-to-use lease liabilities, SBITA liabilities, and the District's proportionate share of the net pension and OPEB liabilities are not due and payable in the current period and are not reported as liabilities in the funds.

- B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities

Exhibit C-4 provides a reconciliation between the net changes in fund balance as shown on the governmental fund statement of revenues, expenditures, and changes in fund balances and the changes in net position of governmental activities as reported on the government-wide statement of activities. One element of that reconciliation explains that current year capital outlays and debt principal payments are expenditures in the fund financial statements, but should be shown as increases in capital assets and decreases in long-term debt in the government-wide statements. This adjustment affects both the net position balance and the change in net position.

Other elements of the reconciliation on the Exhibit C-4 include recognizing property tax revenue considered available and recognizing accruals of interest on long-term debt. In addition, certain pension and OPEB expenditures are de-expended and the District recorded its proportionate share of the pension and OPEB expense. These adjustments are necessary to convert from the modified accrual basis of accounting to the full accrual basis of accounting.

(Continued)

**ANTHONY INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED AUGUST 31, 2023**

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**III. DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Temporary Investments**

At August 31, 2023, the carrying amount of the District’s deposits (cash, certificates of deposit and interest-bearing savings accounts) was \$87,441 and the bank balance was \$246,337. The District’s cash deposits at 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.

In addition, the following is disclosed regarding coverage of combined balances on the date of highest deposit:

- a. Depository: Wells Fargo Bank, El Paso, Texas.
- b. The market value of securities pledged as of the date of the highest combined balance on deposit was \$1,021,102.
- c. The highest combined balances of cash, savings, and time deposit accounts amounted to \$1,220,333 and occurred during the month of December 2022.
- d. Total amount of FDIC coverage at the time of the largest combined balance was \$250,000.

The District also had certificates of deposit at Vantage Bank. The carrying amount of the District’s certificates of deposit at this institution was \$13,111 at August 31, 2023. The certificates of deposit were entirely covered by FDIC insurance.

Due to the immediate availability of these funds, the following temporary investments are included in cash and cash equivalents. The District's temporary investments included in cash and cash equivalents at August 31, 2023, are shown below at fair value or amortized cost, as applicable, which approximates the value of the pool shares:

Temporary Investments	General Fund	Nonmajor Governmental Funds	Total
Lone Star Corporate Overnight Fund*	\$ 195,611	\$ -	\$ 195,611
Lone Star Government Overnight Fund*	30,212	-	30,212
Lone Star Corporate Overnight Plus Fund**	2,785,421	105,902	2,891,323
Total	<u>\$ 3,011,244</u>	<u>\$ 105,902</u>	<u>\$ 3,117,146</u>

\* - measured at amortized cost

\*\* - measured at fair value

(Continued)

**ANTHONY INDEPENDENT SCHOOL DISTRICT**

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED AUGUST 31, 2023

**III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)**

The Lone Star Investment Pool is a member owned, member-governed public funds investment pool. It is administered by TASB’s wholly owned subsidiary, First Public. The investment advisors for the pool are American Beacon Advisors and Standish Mellon Investment Managers. Each fund within the Pool has received the highest rating, that of AAAM and AAAf, from Standard & Poor’s as required by the Public Fund’s Investment Act. Lone Star Investment Pool issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by calling Lone Star at 1-800-558-8875. Management is not aware of the presence of any limitations or restrictions on withdrawals such as redemption notice periods, maximum transaction amounts, or the investment pool’s authority to impose liquidity fees or redemption gates.

**B. Due from Other Governments**

The District participates in a variety of federal and state programs from which it receives grants to partially or fully finance certain activities. In addition, the District receives entitlements from the State through the School Foundation and Per Capita Programs. A majority of the federal grants are passed through the TEA. Management has deemed that no allowance for doubtful accounts is necessary for fair presentation as there is usually no risk of uncollectibility. Amounts due from federal and state governments as of August 31, 2023, are summarized below.

Fund	General Fund	ARP ESSER III	Non Major Governmental Funds	Total
Federal Grants	\$ 119,552	\$ 388,141	\$ 227,953	\$ 735,646
State Grants	-	-	410,643	410,643
State Entitlement	1,016,424	-	-	1,016,424
Others	46,915	-	-	46,915
<b>Total</b>	<b>\$ 1,182,891</b>	<b>\$ 388,141</b>	<b>\$ 638,596</b>	<b>\$ 2,209,628</b>

**C. Interfund Balances**

The interfund balances are a result of normal operations and are cleared out periodically. Management intends to pay out these balances within one year.

Interfund balances at August 31, 2023, consisted of the following individual amounts:

	Due From Other Funds	Due To Other Funds
General Fund		
General Fund	\$ 341,099	\$ 341,099
ARP ESSER III	375,782	-
Non Major Governmental Funds	617,038	183,306
Trust/Custodial	4,288	-
<b>Total General Fund</b>	<b>1,338,207</b>	<b>524,405</b>

(Continued)

**ANTHONY INDEPENDENT SCHOOL DISTRICT**

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED AUGUST 31, 2023

**III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)**

	Due From Other Funds	Due To Other Funds
ARP ESSER III General Fund	-	375,782
Non Major Governmental Funds General Fund	183,306	617,038
Trust/Custodial General Fund	-	4,288
Total	\$ 1,521,513	\$ 1,521,513

**D. Capital Asset Activity**

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

	Primary Governments			
	Beginning Balance	Additions	Deletions, Reclassifications and Adjustments	Ending Balance
Non-depreciable assets:				
Land	\$ 159,302	\$ -	\$ -	\$ 159,302
Total non-depreciable assets	159,302	-	-	159,302
Depreciable assets:				
Land improvements	194,854	-	-	194,854
Buildings and improvements	18,996,911	161,327	-	19,158,238
Furniture and equipment	1,289,306	133,581	(220,221)	1,202,666
Vehicles	1,509,275	184,160	(211,051)	1,482,384
Total depreciable assets	21,990,346	479,068	(431,272)	22,038,142
Right-to-Use Lease asset:				
Equipment	23,451	83,599	(23,451)	83,599
Subscription-Based Information Technology Arrangements (SBITAs)	-	25,157	-	25,157
Less accumulated depreciation for:				
Land improvements	131,727	7,320	-	139,047
Buildings and improvements	12,060,132	554,935	-	12,615,067
Furniture and equipment	1,025,015	54,649	(220,221)	859,443
Vehicles	1,151,162	91,374	(211,051)	1,031,485
Total accumulated depreciation	14,368,036	708,278	(431,272)	14,645,042

(Continued)

**ANTHONY INDEPENDENT SCHOOL DISTRICT**

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED AUGUST 31, 2023

**III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)**

	Primary Governments			
	Beginning Balance	Additions	Deletions, Reclassifications and Adjustments	Ending Balance
Less accumulated amortization for Right-to-Use Lease assets:				
Equipment	20,101	20,070	(23,451)	16,720
Subscription-Based Information Technology Arrangements (SBITAs)	-	12,579	-	12,579
Total accumulated amortization	20,101	32,649	(23,451)	29,299
Total Capital assets, net	\$ 7,784,962	\$ (153,103)	\$ -	\$ 7,631,859

Depreciation and amortization expense was charged to governmental functions as follows:

Instruction	\$ 341,539
Instructional resources and media services	16,679
Curriculum and instructional staff development	715
School leadership	37,224
Health Services	4,213
Student (pupil) transportation	74,100
Food services	54,229
Extracurricular activities	165,341
General administration	2,992
Facilities Maintenance and Operations	22,260
Security Monitoring	1,508
Data Processing Services	20,127
Total depreciation and amortization expense	<u>\$ 740,927</u>

E. Unearned Revenue

Unearned revenue at year end consisted of the following:

	General Fund	Non Major Governmental Funds	Total
State Allotments	\$ 187,344	\$ 48,763	\$ 236,107
Supply Chain Assistance	35,001	-	35,001
Other Grants	-	146	146
Total Unearned Revenue	<u>\$ 222,345</u>	<u>\$ 48,909</u>	<u>\$ 271,254</u>

(Continued)

**ANTHONY INDEPENDENT SCHOOL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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

**III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)**

**F. Changes in Long-Term Liabilities**

A summary of changes in the general long-term liabilities for the year ended August 31, 2023 is as follows:

	Funded By	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>						
	Debt Service					
Refunding Bonds Payable		\$ 3,350,000	\$ -	\$ 355,000	\$ 2,995,000	\$ 365,000
Unamortized premium on bonds		157,444	-	23,797	133,647	-
		<u>3,507,444</u>	<u>-</u>	<u>378,797</u>	<u>3,128,647</u>	<u>365,000</u>
<b>Other Liabilities:</b>						
	General Fund					
Right-to-Use Lease Liabilities		3,531	83,599	18,462	68,668	15,734
Subscription-Based Information Technology Arrangements (SBITAs)	General Fund	-	25,157	12,722	12,435	12,435
Total Other Liabilities		<u>\$ 3,531</u>	<u>\$ 108,756</u>	<u>\$ 31,184</u>	<u>\$ 81,103</u>	<u>\$ 28,169</u>
Total Governmental Long-term Liabilities		<u>\$ 3,510,975</u>	<u>\$ 108,756</u>	<u>\$ 409,981</u>	<u>\$ 3,209,750</u>	<u>\$ 393,169</u>

**G. Bonds Payable**

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

Description	Interest Rate and Maturity Date	Amounts Original Issue	Beginning Balance	Issued	Retired	Outstanding 08/31/22	Due Within One year
Unlimited Building Bonds Series 2013	2% -4.125% 02/15/2033	\$ 2,975,000	\$ 2,030,000	\$ -	\$ 150,000	\$ 1,880,000	\$ 155,000
Unlimited Tax Refunding Bonds Series 2015	2% - 4% 02/15/2028	\$ 2,460,000	<u>1,320,000</u>	<u>-</u>	<u>205,000</u>	<u>1,115,000</u>	<u>210,000</u>
Total			<u>\$ 3,350,000</u>	<u>\$ -</u>	<u>\$ 355,000</u>	<u>\$ 2,995,000</u>	<u>\$ 365,000</u>

Unamortized Premiums on bonds for the year ended August 31, 2023 are as follows:

Description	Beginning Balance	New Issues	Net Amortization Recognized	Ending Balance
Building Bonds Series 2013	\$ 57,364	\$ -	\$ 5,477	\$ 51,887
Refunding Bonds Series 2015	100,080	-	18,320	81,760
Total	<u>\$ 157,444</u>	<u>\$ -</u>	<u>\$ 23,797</u>	<u>\$ 133,647</u>

(Continued)

**ANTHONY INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED AUGUST 31, 2023**

**III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)**

Debt service requirements related to bonds payable are as follows:

Year Ended August 31,	GENERAL OBLIGATIONS		
	Principal	Interest	Total Requirements
2024	\$ 365,000	\$ 109,850	\$ 474,850
2025	375,000	97,175	472,175
2026	390,000	82,950	472,950
2027	405,000	67,050	472,050
2028	425,000	50,450	475,450
2029-2033	1,035,000	109,106	1,144,106
Total	\$ 2,995,000	\$ 516,581	\$ 3,511,581

There are a number of limitations and restrictions contained in the general obligation bond indenture. Management has indicated that the District is in compliance with all significant limitations and restrictions at August 31, 2023. For the year ended August 31, 2023, the District paid \$122,175 in interest costs related to bonds payable.

H. Arbitrage

Both of the District's bond issuances, 2013 and 2015, qualify for the small issuer exception to arbitrage rebate requirement under Internal Revenue Code §148(f)(4)(D) and Treasury Regulation §1.148-8. The small issuer exception applies generally to an issue of governmental bonds by a municipality that does not expect to issue more than \$5 million of governmental bonds in that calendar year. The limit is increased to \$15 million for bonds issued to finance construction of public school facilities. The exception applies automatically to issues that comply with its requirements. No election is necessary.

I. Right-to-Use Lease Liabilities

The District has entered into lease agreements as lessee to lease office equipment with lease terms from 14 months to five years from two different vendors.

In November 1, 2018, the District executed a lease for copiers throughout the District for a term of four years with monthly payments of \$1,723. Management utilized a 5.250% interest rate to calculate the net present value of the lease. The lease ended on October 31, 2022 and was not renewed.

In September 1, 2022, the District executed a lease for copiers throughout the District for a term of five years with monthly payments of \$1,580. Management utilized a 5.250% interest rate to calculate the net present value of the lease. The right-to-use lease asset is being amortized over the term of the lease using the straight-line methods.

(Continued)

**ANTHONY INDEPENDENT SCHOOL DISTRICT**

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED AUGUST 31, 2023

**III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)**

During the fiscal year ending August 31, 2023, total principal paid by the District was \$18,462 and total interest paid by the District was \$4,057 related to these lease agreements. Future payments are as follows:

Year Ending August 31,	Principal	Interest	Total Requirements
2024	\$ 15,734	\$ 3,230	\$ 18,964
2025	16,580	2,384	18,964
2026	17,471	1,492	18,963
2027	18,883	533	19,416
	\$ 68,668	\$ 7,639	\$ 76,307

J. Subscription-Based Information Technology Arrangements (SBITA)

The District has executed two agreements for software to be used throughout the District for terms of two years. A liability of \$25,157 for arrangements entered during fiscal year 2023 has been recorded based on present value calculations of future minimum SBITA payments and an interest rates of 3.510%. The District is required to make annual payments during the subscription term. During fiscal year 2023, the District made principal payments of \$12,722 and interest payments of \$74. The principal and interest payments due in fiscal year 2024 are \$12,435 and \$36, respectively.

K. Deferred Resource Inflow Gain on Refunding

Deferred gain on refunding of bonds for the year ended August 31, 2023, presented as deferred inflows of resources, was as follows:

Description	Beginning Balance	Deferred Gain on New Issues	Amortization Recognized	Ending Balance
Series 2015	\$ 17,288	\$ -	\$ 3,164	\$ 14,124

L. Defined Benefit Pension Plan

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

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

(Continued)

ANTHONY INDEPENDENT SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED AUGUST 31, 2023

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

**Pension Plan Fiduciary Net Position:** Detailed information about the Teacher Retirement System’s fiduciary net position is available in a separately-issued Annual Comprehensive Financial Report (ACFR) that includes financial statements and required supplementary information. That report may be obtained on the internet at <https://www.trs.texas.gov/TRS%20Documents/acfr-2022.pdf> by writing to TRS at 1000 Red River Street, Austin, TX 78701-2698; or by calling (512) 542-6592.

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

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 86<sup>th</sup> 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 2019 through 2024.

**Contributions:** Contribution requirements are established or amended pursuant to Article 16, section 67 of the Texas Constitution which requires the Texas legislature to establish a member contribution rate of not less than 6% of the member’s annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to members of the system during the fiscal year. Texas Government Code section 821.006 prohibits benefit improvements, if as a result of the particular action, the time required to amortize TRS’ unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action. Actuarial implications of the funding provided in this manner are determined by the System’s actuary.

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

	<u>Contribution Rates</u>	
	<u>Plan Fiscal Year</u>	
	<u>2022</u>	<u>2023</u>
Member	8.00%	8.00%
Non-Employer Contributing Entity (State)	7.75%	8.00%
Employers	7.75%	8.00%

(Continued)

ANTHONY INDEPENDENT SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED AUGUST 31, 2023

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**III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)**

Contributions Required and Made

2023 Employer Contributions	\$	349,894
2023 Member Contributions		626,298
2022 Plan Year NECE On-Behalf Contributions (State)		355,973

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

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

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

Included in the employer contributions amount listed above for fiscal year 2023, the District paid \$21,444 in retiree surcharges and \$105,533 for the Public Education Employer Contribution. These two additional surcharges an employer is subject to are summarized as follows:

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

(Continued)

ANTHONY INDEPENDENT SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED AUGUST 31, 2023

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III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

*Actuarial Assumptions:* 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 three year period ending August 31, 2021 and were adopted in July 2022. The following table discloses the assumptions that were applied to this measurement period:

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%
Mortality Assumption	The active mortality rates were based on the PUB (2010), Amount-Weighted, Below-Median Income, Teacher, Male and Female tables, with a 2-year set forward for male. The rates are projected on a fully generational basis by the long-term rates of scale UMP 2021 to account for future mortality improvements. The post-retirement mortality rates were based on the 2021 TRS of Texas Healthy Pensioner Mortality Tables. The rates are projected on a fully generational basis by Scale UMP 2021, but with immediate convergence, to account for future mortality improvements.
Long-term expected Investment Rate of Return	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

(Continued)

**ANTHONY INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED AUGUST 31, 2023**

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**III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)**

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

**Discount Rate:** A single discount rate used to measure the total pension liability was 7.00 percent. There was a decrease of 0.25 percent in the discount rate since the previous year. The single discount rate was based on the expected rate of return on pension plan investments of 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from active members, employers and the non-employer contributing entity will be made at the rates set by the Legislature during the 2019 legislative session. It is assumed that future employer and state contributions will be 8.50 percent of payroll in fiscal year 2020 gradually increasing to 9.55 percent of payroll over the next several years. This includes all employer and state contributions for active and rehired retirees.

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all 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.

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

(Continued)

**ANTHONY INDEPENDENT SCHOOL DISTRICT**

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED AUGUST 31, 2023

**III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)**

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

Asset Class*	Target Allocation %**	Long-Term Expected Geometric Real Rate of Return***	Expected Contribution to Long-Term Portfolio Returns
<b>Global Equity</b>			
USA	18.00%	4.60%	1.12%
Non-U.S. Developed	13.00%	4.90%	0.90%
Emerging Markets	9.00%	5.40%	0.75%
Private Equity*	14.00%	7.70%	1.55%
<b>Stable Value</b>			
Government Bonds	16.00%	1.00%	0.22%
Absolute Return*	0.00%	3.70%	0.00%
Stable Value Hedge Funds	5.00%	3.40%	0.18%
<b>Real Return</b>			
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%
<b>Risk Parity</b>			
	8.00%	4.60%	0.43%
<b>Asset Allocation Leverage</b>			
Cash	2.00%	3.00%	0.01%
Asset Allocation Leverage	-6.00%	3.60%	-0.05%
Inflation Expectation			2.70%
Volatility Drag****			-0.91%
<b>Total</b>	<b>100.00%</b>		<b>8.19%</b>

\*Absolute Return includes Credit Sensitive Investments

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

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

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

(Continued)

**ANTHONY INDEPENDENT SCHOOL DISTRICT**

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED AUGUST 31, 2023

**III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)**

**Discount Rate Sensitivity Analysis:** 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.

	1% Decrease 6.00%	Current Single Discount Rate 7.00%	1% Increase 8.00%
District's proportionate share of the net pension liability	\$ 6,362,941	\$ 4,090,290	\$ 2,248,200

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:** At August 31, 2023, the District reported a liability of \$4,090,290 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

The District's proportionate share of the collective net pension liability	\$ 4,090,290
State's proportionate share that is associated with the District	<u>4,528,904</u>
Total	<u>\$ 8,619,194</u>

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

At August 31, 2022 the employer's proportion of the collective net pension liability was 0.0068897885% which was an increase of 0.0000413030% from its proportion measured as of August 31, 2021.

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

There were no changes in benefit terms that affected measurement of the total pension liability during the measurement period.

For the year ended August 31, 2023, the District recognized pension expense of \$432,912 and revenue of \$432,912 for support provided by the State.

The amount of pension expense recognized by the District in the reporting period was \$937,452.

(Continued)

**ANTHONY INDEPENDENT SCHOOL DISTRICT**

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED AUGUST 31, 2023

**III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)**

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 59,309	\$ 89,176
Changes in actuarial assumptions	762,154	189,950
Net difference between projected and actual investment earnings	404,108	-
Changes in proportion and difference between District's contributions and proportionate share of contributions	309,938	44,612
District contributions to TRS subsequent to the measurement date	349,894	-
Total	\$ 1,885,403	\$ 323,738

The \$349,894 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending August 31, 2024.

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

Year Ended August 31	Pension Expense
2024	\$ 319,786
2025	209,585
2026	121,136
2027	496,059
2028	65,204
Thereafter	1
	\$ 1,211,771

***Changes in Net Pension Liability:***

	Beginning Balance	Additions	Reductions	Ending Balance
Net Pension Liability	\$ 1,744,067	\$ 2,667,721	\$ 321,498	\$ 4,090,290

(Continued)

ANTHONY INDEPENDENT SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED AUGUST 31, 2023

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

**Payable to the Pension Plan:** At August 31, 2023, the District reported a payable of \$83,604 to the pension plan for the outstanding amount of contractually required contributions related to past service costs. Member contributions included in this payable were \$54,383.

M. Defined Other Post-Employment Benefit Plan

**Plan Description:** The District participates in the Texas Public School Retired Employees Group Insurance Program (TRS-Care). It is a multiple-employer, cost-sharing defined Other Post-Employment Benefit (OPEB) plan that has a special funding situation. The plan is administered through a trust by the Teacher Retirement System of Texas (TRS) Board of Trustees. The TRS-Care program was established in 1986 by the Texas Legislature.

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

**OPEB Plan Fiduciary Net Position:** Detail information about the TRS-Care's fiduciary net position is available in the separately-issued TRS Annual Comprehensive Financial Report (ACFR) that includes financial statements and required supplementary information. That report may be obtained on the internet at <https://www.trs.texas.gov/TRS Documents/acfr-2022.pdf>; by writing to TRS at 1000 Red River Street, Austin, TX 78701-2698; or by calling (512) 542-6592.

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

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

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

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

(Continued)

ANTHONY INDEPENDENT SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED AUGUST 31, 2023

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**III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)**

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

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

	<u>Contributions Rates</u>	
	<u>2022</u>	<u>2023</u>
Active Employee	0.65%	0.65%
Non-Employer Contributing Entity (State)	1.25%	1.25%
Employers	0.75%	0.75%
Federal/private Funding remitted by Employers	1.25%	1.25%
2023 Employer Contributions	\$ 74,890	
2023 Member Contributions	50,885	
2022 Plan Year NECE On-behalf Contributions (State)	91,489	

In addition to the employer contributions listed above, there is an additional surcharge all TRS employers are subject to, regardless of whether or not they participate in the TRS-Care OPEB program. When employers hire a TRS retiree, employers are required to pay to TRS Care a monthly surcharge of \$535 per retiree. During the year ended August 31, 2023, the District paid \$5,350 in surcharges to TRS-Care.

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

(Continued)

ANTHONY INDEPENDENT SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED AUGUST 31, 2023

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III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

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

Rates of Mortality	General Inflation
Rates of Retirement	Wage Inflation
Rates of Termination	Salary Increases
Rates of Disability Incidence	

**Additional Actuarial Methods and Assumptions:**

Valuation Date	August 31, 2021 rolled forward to August 31, 2022
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Single Discount Rate	3.91% as of August 31, 2022
Salary Increases	3.05% to 9.05%, including inflation
Demographic Assumptions	The rates of mortality, retirement, termination and disability incidence are identical to the assumptions used to value the pension liabilities of TRS. The demographic assumptions were developed in the experience study performed for TRS for the period ending August 31, 2017.
Mortality Assumption	The active mortality rates were based on 90% of the RP-2014 Employee Mortality Tables for males and females. The post-retirement mortality rates for healthy lives were based on the 2018 TRS of Texas Healthy Pensioner Mortality Tables. The rates were projected on a fully generational basis using the ultimate improvement rates from mortality projection scale MP-2018.
Health Care Trend Rates	Initial medical trend rates of 8.25% for Medicare retirees and 7.25% for non-Medicare retirees. Initial prescription drug trend rate of 8.25% for all retirees. Initial trend rates decrease to an ultimate trend rate of 4.25 over a period of 13 years.

(Continued)

ANTHONY INDEPENDENT SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED AUGUST 31, 2023

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

Election Rates	Normal Retirement: 62% participation prior to age 65 and 25% participation after age 65; 30% of pre-65 retirees are assumed to discontinue coverage at age 65
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.
Ad hoc post-employment benefit changes	None
Other Information:	
Notes	Assumption changes include a discount rate change from 1.95% as of August 31, 2021 to 3.91% as of August 31, 2022, lower participation rates, and updates to the health care trend assumptions.

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

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

**Discount Rate Sensitivity Analysis:** The following schedule shows the impact of the Net OPEB Liability if the discount rate used was 1 percentage point lower than and 1 percentage point higher than the discount rate that was used in measuring the Net OPEB Liability.

	1% Decrease in Discount Rate 2.91%	Current Single Discount Rate 3.91%	1% Increase in Discount Rate 4.91%
District’s proportionate share of the Net OPEB Liability:	\$ 2,578,003	\$ 2,186,455	\$ 1,869,250

(Continued)

**ANTHONY INDEPENDENT SCHOOL DISTRICT**

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED AUGUST 31, 2023

**III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)**

**Healthcare Cost Trend Rates Sensitivity Analysis:** The following schedule shows the impact of the Net OPEB Liability if a healthcare trend rate that is 1% less than and 1% greater than the health trend rates assumed.

	1% Decrease in Healthcare Trend Rate	Current Single Healthcare Trend Rate	1% Increase in Healthcare Trend Rate
District's proportionate share of the Net OPEB Liability:	\$ 1,801,648	\$ 2,186,455	\$ 2,685,306

**OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs:** At August 31, 2023, the District reported a liability of \$2,186,455 for its proportionate share of the TRS-Care's Net OPEB Liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

The District's proportionate share of the collective Net OPEB Liability	\$ 2,186,455
State's proportionate share that is associated with the District	2,667,131
Total	\$ 4,853,586

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

At August 31, 2022 the employer's proportion of the collective Net OPEB Liability was 0.0091315320%, which was a decrease of 0.0000491529% from its proportion measured as of August 31, 2021.

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

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

There were no changes in benefit terms that affected measurement of the Total OPEB liability during the measurement period.

For the year ended August 31, 2023, the District recognized OPEB expense of \$(378,487) and revenue of \$(378,487) for support provided by the State.

(Continued)

**ANTHONY INDEPENDENT SCHOOL DISTRICT**

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED AUGUST 31, 2023

**III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)**

The amount of OPEB expense recognized by the District in the reporting period was \$(587,399).

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 121,559	\$ 1,821,513
Changes in actuarial assumptions	333,040	1,519,019
Difference between projected and actual investment earnings	6,512	-
Changes in proportion and difference between the District's contributions and the proportionate share of contributions	866,218	349,258
Contributions paid to TRS-Care subsequent to the measurement date	74,890	-
Total	\$ 1,402,219	\$ 3,689,790

The \$74,890 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended August 31, 2024.

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

Year Ended August 31:	OPEB Expense Amount
2024	\$ (457,870)
2025	(457,847)
2026	(365,126)
2027	(239,598)
2028	(239,542)
Thereafter	(602,478)
	\$ (2,362,461)

***Changes in Net OPEB Liability:***

	Beginning Balance	Additions	Reductions	Ending Balance
Net OPEB Liability	\$ 3,541,400	\$ -	\$ 1,354,945	\$ 2,186,455

(Continued)

ANTHONY INDEPENDENT SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED AUGUST 31, 2023

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III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

**Payable to the OPEB Plan:** At August 31, 2023, the District reported a payable of \$10,419 to the OPEB plan for the outstanding amount of contractually required contributions related to past service costs. Member contributions included in this payable were \$4,419.

**Medicare Prescription Drug Program:** The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, which was effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. Medicare Part D contributions made on behalf of the District's employees for the year ended August 31, 2023, 2022, and 2021 were \$42,222, \$29,668, and \$30,530, respectively. These amounts are recorded as equal revenues and expenditures in the governmental fund financial statements of the District.

N. Health Care Coverage

Anthony Independent School District participated in the TRS Active Care Health Insurance Program. During the year ended August 31, 2023, employees of the District were covered by the District's insurance Plan (the "Plan"). The District contributed approximately \$362 per month for all full time employees. Authority for the plan can be found in the Texas Insurance Code, Title I, Subtitle H, Chapter 1579, and in the Texas Administrative Code, Title 34, Part 3, Charter 41. There were no other liabilities associated with the Plan.

O. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Board maintains insurance policies acquired from independent insurance carriers covering all structural property, automobiles, dishonesty, errors and omissions, boiler and machinery, personal property, and general liability. There have been no significant reductions insurance coverage from prior years and settlements have not exceeded insurance coverage.

During the year ended August 31, 2023, Anthony ISD participated in TASB Risk Management Fund (the Fund) for auto liability, auto physical damage, privacy and information security, property and school liability programs. The Fund was created and is operated under the provision of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. All members participating in the Fund execute Interlocal Agreements that define the responsibilities of the parties.

The Fund purchases stop-loss coverage for protection against catastrophic and larger than anticipated claims for its auto, liability and property programs. The terms and limits of the stop-loss program vary by line of coverage. The Fund uses the services of an independent actuary to determine the adequacy of reserves and fully funds those reserves. For the year ended August 31, 2023, the Fund anticipates that Anthony ISD has no additional liability beyond the contractual obligations for payment of contributions.

(Continued)

**ANTHONY INDEPENDENT SCHOOL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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

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**III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)**

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.

For the year ended August 31, 2023, the District's had coverage for building and contents in the amount of \$44,925,844 with deductibles ranging from \$5,000 to \$100,000 per occurrence depending on category. Automobile liability has a \$1,000,000 combined single limit per occurrence for property damage and bodily injury combined. Automobile physical damage had a deductible per collision of \$1,000 and \$1,000 to \$5,000 for other than collision. General and professional legal liability are each limited to \$1,000,000 per occurrence.

**P. Worker's Compensation Program**

The District is a participant in an interlocal agreement and plan for worker's compensation benefits with other school districts and has chosen to participate in a political subdivision risk pool, which means that the District shares its exposure with other school districts and public entities with similar employee populations. The plan is operated under the provisions of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. The participating districts have retained Claims Administrative Services, Inc. to provide the professional services necessary to administer the plan. Currently, the District employs about 155 full-time and part-time employees. The District paid \$53,297 in workers' compensation premium for the plan year 2022-2023. This premium is considered sufficient by Claims Administrative Services, Inc. and no contingent liability is required to be reported. This total amount paid for workers' compensation cost is less than 0.53% of annual payroll, which illustrates that the District is managing and operating its workers' compensation program with comfortable success.

**Q. Unemployment Compensation Pool**

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

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

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

(Continued)

**ANTHONY INDEPENDENT SCHOOL DISTRICT**

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED AUGUST 31, 2023

**III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)**

R. Fund Balance

As of August 31, 2023, fund balances are composed of the following:

	General Fund	Nonmajor Governmental Funds	Total
Nonspendable:			
Inventories	\$ 39,910	\$ -	\$ 39,910
Restricted:			
Food Service Program	306,132	72,494	378,626
Capital Acquisitions and Contractual Obligation	-	9,080	9,080
Retirement of Long-Term Debt	-	142,778	142,778
Campus Activity Fund	-	11,101	11,101
<b>Total Restricted</b>	<b>306,132</b>	<b>235,453</b>	<b>541,585</b>
Committed:			
Facility and Technology Improvements	46,958	-	46,958
Vehicles/Buses	3,302	-	3,302
Food Service Program	85,893	-	85,893
Security and Technology	2,544	-	2,544
<b>Total Committed</b>	<b>138,697</b>	<b>-</b>	<b>138,697</b>
Assigned:			
Bus Repairs	15,000	-	15,000
Softball Field Repairs	51,957	-	51,957
<b>Total Assigned</b>	<b>66,957</b>	<b>-</b>	<b>66,957</b>
Unassigned:			
Unassigned Fund Balance	3,845,306	-	3,845,306
<b>Total</b>	<b>\$ 4,397,002</b>	<b>\$ 235,453</b>	<b>\$ 4,632,455</b>

S. Encumbrances

The District utilizes encumbrance accounting in its governmental funds. Encumbrances represent commitments related to contracts not yet performed and are used to control expenditures for the year and to enhance cash management. The encumbrance account does not represent an expenditure for the period, only a commitment to expend resources. Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under Texas law, appropriations lapse at year end, and encumbrances outstanding at that time are to be either canceled or appropriately provided for in the subsequent year's budget. Encumbrance accounting is employed as an extension of formal budgetary integration for the District's funds. At August 31, 2023, the District had an unfilled purchase order that it intends to honor in the 2023-2024 year in the amount of \$15,000.

(Continued)

**ANTHONY INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED AUGUST 31, 2023**

**III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)**

**T. Revenue from Local and Intermediate Sources**

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

	General Fund	Nonmajor Governmental Funds	Total Government Funds
Property Taxes	\$ 1,995,476	\$ 262,409	\$ 2,257,885
Penalties and Interest on Taxes	13,190	2,069	15,259
Athletics Extra-curricular	12,026	-	12,026
Enterprising Activity	-	446	446
Food Sales	37,484	-	37,484
Insurance Recovery	51,957	-	51,957
Investment Income	172,794	6,032	178,826
Other	42,314	1,739	44,053
<b>Total</b>	<b>\$ 2,325,241</b>	<b>\$ 272,695</b>	<b>\$ 2,597,936</b>

**U. School Health and Related Services (SHARS)**

SHARS is a Medicaid financing program and allows local school districts to obtain Medicaid reimbursement for certain health-related services provided to students in special education. As SHARS settle-up amounts are usually calculated and received in more than one year and the District does not have adequate information to make an estimate of the receivable related to the current year on the government wide financial statements. However, the receivable and related revenues are recorded in the fiscal year the preliminary settle-up amounts are available, which is usually one year in arrears.

SHARS revenue recorded in the current period related to prior years' settle-up amounts is \$53,535.

**V. Other Significant Commitments and Contingencies**

Federal and State Funding - Anthony Independent School District participates in numerous programs that are subject to audit by the Texas Education Agency and various Federal and/or State audit agencies. These programs have complex compliance requirements, and should State or Federal auditors discover areas of material noncompliance, those District funds may be subject to refund if so determined by administrative audit review.

In the opinion of the administration, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying combined financial statements for such contingencies.

(Continued)

**ANTHONY INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED AUGUST 31, 2023**

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**III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)**

W. Litigation

During the normal course of business the District is subject to various legal claims. As of August 31, 2023, management is not aware of any litigation that would have a material adverse effect on these financial statements and accordingly, no provision has been accrued.

X. Related Party Transactions

From time to time, the District may enter into transactions with related parties through the normal course of business. If a Board member has a conflict of interest, proper documentation is completed and he/she is required to abstain from any discussion or voting regarding the matter. Management is not aware of any material related party transactions that occurred during the 2022-2023 fiscal year.

Y. New Accounting Pronouncements

The District has not completed the process of evaluating the impact on its financial position that will result from adopting the following Governmental Accounting Standards Board (GASB) Statements:

- GASB No. 100, *Accounting Changes and Error Corrections - an amendment of GASB No. 62*, effective for fiscal years beginning after June 15, 2023. The primary objective of this statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections, to provide more understandable, reliable, relevant, consistent, and comparable information for making or assessing accountability.
- GASB No. 101, *Compensated Absences*, effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

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**REQUIRED SUPPLEMENTARY INFORMATION**

ANTHONY INDEPENDENT SCHOOL DISTRICT  
SCHEDULE 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 (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
<b>REVENUES:</b>				
5700 Total Local and Intermediate Sources	\$ 2,032,446	\$ 2,254,593	\$ 2,325,241	\$ 70,648
5800 State Program Revenues	7,244,981	7,574,564	7,662,615	88,051
5900 Federal Program Revenues	1,128,977	1,103,526	1,211,150	107,624
5020 Total Revenues	10,406,404	10,932,683	11,199,006	266,323
<b>EXPENDITURES:</b>				
Current:				
0011 Instruction	5,537,941	5,308,588	5,099,434	209,154
0012 Instructional Resources and Media Services	169,329	100,371	99,051	1,320
0013 Curriculum and Instructional Staff Development	33,040	59,149	55,321	3,828
0021 Instructional Leadership	37,899	382,357	406,656	(24,299)
0023 School Leadership	718,033	708,964	738,604	(29,640)
0031 Guidance, Counseling, and Evaluation Services	293,783	292,645	302,121	(9,476)
0033 Health Services	129,288	69,288	65,281	4,007
0034 Student (Pupil) Transportation	381,638	430,999	403,030	27,969
0035 Food Services	751,301	936,354	784,412	151,942
0036 Extracurricular Activities	367,017	421,753	425,616	(3,863)
0041 General Administration	858,435	933,015	933,127	(112)
0051 Facilities Maintenance and Operations	1,105,299	1,142,724	1,104,372	38,352
0052 Security and Monitoring Services	186,451	192,998	176,050	16,948
0053 Data Processing Services	432,676	443,489	450,799	(7,310)
0061 Community Services	306	806	307	499
Debt Service:				
0071 Principal on Long-Term Liabilities	-	28,500	31,074	(2,574)
0072 Interest on Long-Term Liabilities	-	1,500	4,131	(2,631)
Capital Outlay:				
0081 Facilities Acquisition and Construction	-	20,116	-	20,116
Intergovernmental:				
0099 Other Intergovernmental Charges	31,663	31,663	28,662	3,001
6030 Total Expenditures	11,034,099	11,505,279	11,108,048	397,231
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	(627,695)	(572,596)	90,958	663,554
<b>OTHER FINANCING SOURCES (USES):</b>				
7913 Proceeds of Right-to-Use Lease	-	-	83,599	83,599
7949 Proceeds of SBITAs and Other Resources	-	-	25,157	25,157
7080 Total Other Financing Sources (Uses)	-	-	108,756	108,756
1200 Net Change in Fund Balances	(627,695)	(572,596)	199,714	772,310
0100 Fund Balance - September 1 (Beginning)	4,197,288	4,197,288	4,197,288	-
3000 Fund Balance - August 31 (Ending)	\$ 3,569,593	\$ 3,624,692	\$ 4,397,002	\$ 772,310

# ANTHONY INDEPENDENT SCHOOL DISTRICT

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION BUDGET AND ACTUAL GENERAL FUND

FOR THE YEAR ENDED AUGUST 31, 2023

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### **Budgets and Budgetary Accounting**

Each school district in Texas is required by law to prepare annually a budget of anticipated revenues and expenditures for the General Fund before the beginning of the fiscal year. For fiscal years beginning September 1, the Texas Education Code requires the budget to be adopted by August 31<sup>st</sup> of each year. The District's administration determines budgetary funding priorities and the budgets are prepared on the same basis of accounting that is used for reporting in accordance with generally accepted accounting principles. Final budget allocations are determined by the Board, which subsequently establishes a tax rate sufficient to support the approved budget. The annual budget, which is prepared on the modified accrual basis of accounting, must be adopted by the Board at a scheduled meeting after giving ten days public notice of the meeting. On August 17, 2022, the 2022-2023 budget was legally adopted by the Board.

The District's administration performs budget reviews during the year in which budget requirements are re-evaluated and revisions are recommended to the Board. The Board must approve amendments to the budget at the fund and functional expenditure categories or revenue object accounts as defined by the TEA. Each amendment must have Board approval. As required by law, such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year end. Several amendments were necessary during the year. Significant budget amendments approved by the Board were related to the purchase of two new school buses and the Seamless Summer Option program budget being adopted until May 2022.

Expenditures may not legally exceed budgeted appropriations, as amended, at the function level by fund. Unexpended appropriations lapse at year-end. The final amended budget is filed with the Texas Education Agency (TEA) through inclusion in the annual financial and compliance report.

### **Expenditures in Excess of Appropriations**

Exhibit G-1 presents unfavorable budget variances in function 21 (Instructional Leadership) related to a reclassification of payroll expenditures from ESSER II and ESSER III programs into the general fund, function 23 (School Leadership) and function 41 (General Administration) related to the cost of the new right-to-use lease asset in accordance with GASB 87, function 31 (Guidance, Counseling, and Evaluation Services) related to end of year reclassifications of salary for employee into this function, function 36 (Extracurricular Activities) related to end of year reclassification of transportation expenditures being greater than expected, function 53 (Data Processing Services), function 71 (Principal on Long-Term Liabilities) and function 72 (Interest on Long-Term Liabilities) related to the implementation of GASB 96. Overall, the general fund reported a favorable budget variance in the amount of \$397,231.

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

	FY 2023 Plan Year 2022	FY 2022 Plan Year 2021	FY 2021 Plan Year 2020
District's Proportion of the Net Pension Liability (Asset)	0.006889788%	0.006848486%	0.006815854%
District's Proportionate Share of Net Pension Liability (Asset)	\$ 4,090,290	\$ 1,744,067	\$ 3,650,432
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	4,528,904	2,054,468	4,520,916
Total	<u>\$ 8,619,194</u>	<u>\$ 3,798,535</u>	<u>\$ 8,171,348</u>
District's Covered Payroll	\$ 7,165,938	\$ 6,981,535	\$ 6,999,684
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	57.08%	24.98%	52.15%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.62%	88.79%	75.54%

Note: GASB Codification, Vol. 2, P20.183 requires that the information on this schedule be data from the period corresponding with the periods covered as of the measurement dates of August 31, 2022 for year 2023, August 31, 2021 for year 2022, August 31, 2020 for year 2021, August 31, 2019 for year 2020, August 31, 2018 for year 2019, August 31, 2017 for year 2018, August 31, 2016 for year 2017, August 31, 2015 for year 2016 and August 31, 2014 for year 2015.

This schedule shows only the years for which this information is available. Additional information will be added until 10 years of data are available and reported.

FY 2020 Plan Year 2019	FY 2019 Plan Year 2018	FY 2018 Plan Year 2017	FY 2017 Plan Year 2016	FY 2016 Plan Year 2015	FY 2015 Plan Year 2014
0.005585979%	0.005804324%	0.00576271%	0.006118241%	0.0069538%	0.0054937%
\$ 2,903,767	\$ 3,194,841	\$ 1,842,604	\$ 2,311,992	\$ 2,458,076	\$ 1,467,443
4,125,197	4,363,821	2,592,314	3,143,675	3,008,916	2,628,109
<u>\$ 7,028,964</u>	<u>\$ 7,558,662</u>	<u>\$ 4,434,918</u>	<u>\$ 5,455,667</u>	<u>\$ 5,466,992</u>	<u>\$ 4,095,552</u>
\$ 5,971,206	\$ 5,835,224	\$ 5,565,686	\$ 5,571,270	\$ 5,616,662	\$ 5,539,003
48.63%	54.75%	33.11%	41.50%	43.76%	26.49%
75.24%	73.74%	82.17%	78.00%	78.43%	83.25%

ANTHONY INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR PENSIONS  
TEACHER RETIREMENT SYSTEM OF TEXAS  
FOR FISCAL YEAR 2023

	2023	2022	2021
Contractually Required Contribution	\$ 349,894	\$ 321,139	\$ 292,906
Contribution in Relation to the Contractually Required Contribution	(349,894)	(321,139)	(292,906)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 7,829,860	\$ 7,165,938	\$ 6,981,535
Contributions as a Percentage of Covered Payroll	4.47%	4.48%	4.20%

Note: GASB Codification, Vol. 2, P20.183 requires that the data in this schedule be presented as of the District's respective fiscal years as opposed to the time periods covered by the measurement dates ending August 31 of the preceding year.

This schedule shows only the years for which this information is available. Additional information will be added until 10 years of data are available and reported.

	2020	2019	2018	2017	2016	2015
\$	281,028	\$ 195,217	\$ 199,485	\$ 188,868	\$ 195,269	\$ 201,085
	(281,028)	(195,217)	(199,485)	(188,868)	(195,269)	(201,085)
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -
\$	6,999,684	\$ 5,971,206	\$ 5,835,224	\$ 5,565,686	\$ 5,571,270	\$ 5,616,662
	4.01%	3.27%	3.42%	3.39%	3.50%	3.58%

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**ANTHONY INDEPENDENT SCHOOL DISTRICT**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
TEACHER RETIREMENT SYSTEM FOR PENSIONS**

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

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***Changes of Benefit Terms***

There were no changes of benefit terms that affected measurement of the total pension liability during the measurement period.

***Changes of Assumptions***

The Board adopted new assumptions on July 15, 2022 based on recommendations from the experience study for the period ending August 31, 2021. The primary assumption change was lowering of the discount rate from 7.25 percent to 7.00 percent. Please see the experience study report for a detailed list of changes with the rationale for each. The report is available at:

*[https://www.trs.texas.gov/TRS%20Documents/actuarial\\_experience\\_study\\_2022.pdf.pdf](https://www.trs.texas.gov/TRS%20Documents/actuarial_experience_study_2022.pdf.pdf)*

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

	FY 2023 Plan Year 2022	FY 2022 Plan Year 2021	FY 2021 Plan Year 2020
District's Proportion of the Net Liability (Asset) for Other Postemployment Benefits	0.009131532%	0.009180685%	0.009511757%
District's Proportionate Share of Net OPEB Liability (Asset)	\$ 2,186,455	\$ 3,541,400	\$ 3,615,848
State's Proportionate Share of the Net OPEB Liability (Asset) Associated with the District	2,667,131	4,744,687	4,858,834
Total	<u>\$ 4,853,586</u>	<u>\$ 8,286,087</u>	<u>\$ 8,474,682</u>
District's Covered Payroll	\$ 7,165,938	\$ 6,981,535	\$ 6,999,684
District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	30.51%	50.73%	51.66%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	11.52%	6.18%	4.99%

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

This schedule shows only the years for which this information is available. Additional information will be added until 10 years of data are available and reported.

<u>FY 2020</u> <u>Plan Year 2019</u>	<u>FY 2019</u> <u>Plan Year 2018</u>	<u>FY 2018</u> <u>Plan Year 2017</u>
0.007540827%	0.007436178%	0.00803095%
\$ 3,566,150	\$ 3,712,952	\$ 3,492,359
4,738,615	4,721,556	4,147,964
<u>\$ 8,304,765</u>	<u>\$ 8,434,508</u>	<u>\$ 7,640,323</u>
\$ 5,971,206	\$ 5,835,224	\$ 5,565,686
59.72%	63.63%	62.75%
2.66%	1.57%	0.91%

ANTHONY INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR OTHER POSTEMPLOYMENT BENEFITS (OPEB)  
TEACHER RETIREMENT SYSTEM OF TEXAS  
FOR FISCAL YEAR 2023

	2023	2022	2021
Contractually Required Contribution	\$ 74,890	\$ 74,873	\$ 72,034
Contribution in Relation to the Contractually Required Contribution	(74,890)	(74,873)	(72,034)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 7,829,860	\$ 7,165,938	\$ 6,981,535
Contributions as a Percentage of Covered Payroll	0.96%	1.04%	1.03%

Note: GASB Codification, Vol. 2, P50.238 requires that the data in this schedule be presented as of the District's respective fiscal years as opposed to the time periods covered by the measurement dates ending August 31 of the preceding year.

Information in this schedule should be provided only for the years where data is available. Eventually 10 years of data should be presented.

	2020	2019	2018
\$	72,280	\$ 53,469	\$ 51,454
	(72,280)	(53,469)	(51,454)
\$	-	\$ -	\$ -
\$	6,999,684	\$ 5,971,206	\$ 5,835,224
	1.03%	0.90%	0.88%

**ANTHONY INDEPENDENT SCHOOL DISTRICT**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
TEACHER RETIREMENT SYSTEM FOR OPEB**

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

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***Changes of Benefit Terms Since the Prior Measurement Period***

There were no changes of benefit terms that affected measurement of the total OPEB liability during the measurement period.

***Changes Since the Prior Actuarial Valuation***

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

- The discount rate changed from 1.95 percent as of August 31, 2021 to 3.91 percent as of August 31, 2022. This change decreased the total OPEB liability.
- The participation rate for pre-65 retirees was lowered from 65% to 62%, and the participation rate for post-65 retirees was lowered from 40% to 25%. The rate of pre-65 retirees who are assumed to discontinue their coverage at age 65 was increased from 25% to 30%. These changes lowered the total OPEB liability.
- The trend rates were reset to better reflect the plan's anticipated experience. This change increased the total OPEB liability.

***Difference Between Expected and Actual Experience***

The primary driver of the \$4.5 billion experience gain was favorable claims experience, which resulted in lower overall 2023 retiree claims estimates than previously assumed.

## **SUPPLEMENTARY INFORMATION**

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

Data Control Codes	211 ESEA I, A Improving Basic Program	212 ESEA Title I Part C Migrant	224 IDEA - Part B Formula	225 IDEA - Part B Preschool
<b>ASSETS</b>				
1110 Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -
1220 Property Taxes - Delinquent	-	-	-	-
1230 Allowance for Uncollectible Taxes	-	-	-	-
1240 Due from Other Governments	42,721	12,526	38,417	108
1260 Due from Other Funds	-	-	-	-
1000 Total Assets	<u>\$ 42,721</u>	<u>\$ 12,526</u>	<u>\$ 38,417</u>	<u>\$ 108</u>
<b>LIABILITIES</b>				
2110 Accounts Payable	\$ -	\$ -	\$ -	\$ -
2160 Accrued Wages Payable	8,613	2,473	8,990	-
2170 Due to Other Funds	34,108	10,053	29,427	108
2180 Due to Other Governments	-	-	-	-
2300 Unearned Revenue	-	-	-	-
2000 Total Liabilities	<u>42,721</u>	<u>12,526</u>	<u>38,417</u>	<u>108</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
2601 Unavailable Revenue - Property Taxes	-	-	-	-
2600 Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>				
Restricted Fund Balance:				
3450 Federal or State Funds Grant Restriction	-	-	-	-
3470 Capital Acquisition and Contractual Obligation	-	-	-	-
3480 Retirement of Long-Term Debt	-	-	-	-
3490 Other Restricted Fund Balance	-	-	-	-
3000 Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000 Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 42,721</u>	<u>\$ 12,526</u>	<u>\$ 38,417</u>	<u>\$ 108</u>

242 Summer Feeding Program	244 Career and Technical - Basic Grant	255 ESEA II,A Supporting Effective Ins	263 Title III, A English Lang. Acquisition	270 ESEA V,Part B SB 2 - Rural & Low Income	281 CRRSA ESSER II	284 IDEA B Formula ARP Act	289 Other Federal Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	8,999	9,706	2,254	1,030	108,707	1,763	1,722
72,494	-	-	-	-	461	-	-
<u>\$ 72,494</u>	<u>\$ 8,999</u>	<u>\$ 9,706</u>	<u>\$ 2,254</u>	<u>\$ 1,030</u>	<u>\$ 109,168</u>	<u>\$ 1,763</u>	<u>\$ 1,722</u>
\$ -	\$ -	\$ 2,000	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	5,160	543	-	-	-	-
-	8,999	2,546	1,711	1,030	108,707	1,763	1,722
-	-	-	-	-	461	-	-
-	-	-	-	-	-	-	-
-	8,999	9,706	2,254	1,030	109,168	1,763	1,722
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
72,494	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
72,494	-	-	-	-	-	-	-
<u>\$ 72,494</u>	<u>\$ 8,999</u>	<u>\$ 9,706</u>	<u>\$ 2,254</u>	<u>\$ 1,030</u>	<u>\$ 109,168</u>	<u>\$ 1,763</u>	<u>\$ 1,722</u>

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

Data Control Codes	397 Advanced Placement Incentives	410 State Instructional Materials	427 TxVEMP Grant	429 Other State Special Revenue Funds
<b>ASSETS</b>				
1110	\$ -	\$ -	\$ -	\$ -
1220	-	-	-	-
1230	-	-	-	-
1240	-	-	181,751	228,892
1260	-	383	-	-
1000	<u>\$ -</u>	<u>\$ 383</u>	<u>\$ 181,751</u>	<u>\$ 228,892</u>
<b>LIABILITIES</b>				
2110	\$ -	\$ -	\$ -	\$ -
2160	-	-	-	4,316
2170	-	-	181,751	224,576
2180	-	-	-	-
2300	-	383	-	-
2000	<u>-</u>	<u>383</u>	<u>181,751</u>	<u>228,892</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
2601	-	-	-	-
2600	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>				
Restricted Fund Balance:				
3450	-	-	-	-
3470	-	-	-	-
3480	-	-	-	-
3490	-	-	-	-
3000	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	<u>\$ -</u>	<u>\$ 383</u>	<u>\$ 181,751</u>	<u>\$ 228,892</u>

461 Campus Activity Funds	499 Other Local Special Revenue Funds	Total Nonmajor Special Revenue Funds	599 Debt Service Funds	699 Capital Projects Fund	Total Nonmajor Governmental Funds
\$ 5,269	\$ -	\$ 5,269	\$ 104,855	\$ 1,929	\$ 112,053
-	-	-	20,954	-	20,954
-	-	-	(10,238)	-	(10,238)
-	-	638,596	-	-	638,596
16,369	146	89,853	86,302	7,151	183,306
<u>\$ 21,638</u>	<u>\$ 146</u>	<u>\$ 733,718</u>	<u>\$ 201,873</u>	<u>\$ 9,080</u>	<u>\$ 944,671</u>
\$ -	\$ -	\$ 2,000	\$ -	\$ -	\$ 2,000
-	-	30,095	-	-	30,095
10,537	-	617,038	-	-	617,038
-	-	461	-	-	461
-	146	529	48,380	-	48,909
<u>10,537</u>	<u>146</u>	<u>650,123</u>	<u>48,380</u>	<u>-</u>	<u>698,503</u>
-	-	-	10,715	-	10,715
-	-	-	10,715	-	10,715
-	-	72,494	-	-	72,494
-	-	-	-	9,080	9,080
-	-	-	142,778	-	142,778
11,101	-	11,101	-	-	11,101
<u>11,101</u>	<u>-</u>	<u>83,595</u>	<u>142,778</u>	<u>9,080</u>	<u>235,453</u>
<u>\$ 21,638</u>	<u>\$ 146</u>	<u>\$ 733,718</u>	<u>\$ 201,873</u>	<u>\$ 9,080</u>	<u>\$ 944,671</u>

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

Data Control Codes	211 ESEA I, A Improving Basic Program	212 ESEA Title I Part C Migrant	224 IDEA - Part B Formula	225 IDEA - Part B Preschool
<b>REVENUES:</b>				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800 State Program Revenues	-	-	-	-
5900 Federal Program Revenues	178,726	39,050	138,607	1,360
5020 Total Revenues	178,726	39,050	138,607	1,360
<b>EXPENDITURES:</b>				
Current:				
0011 Instruction	122,106	4,004	45,103	1,360
0012 Instructional Resources and Media Services	-	-	-	-
0013 Curriculum and Instructional Staff Development	9,824	-	-	-
0021 Instructional Leadership	1,381	34,896	-	-
0023 School Leadership	-	-	-	-
0031 Guidance, Counseling, and Evaluation Services	-	-	93,504	-
0033 Health Services	-	-	-	-
0034 Student (Pupil) Transportation	243	-	-	-
0035 Food Services	-	-	-	-
0036 Extracurricular Activities	-	-	-	-
0041 General Administration	-	-	-	-
0051 Facilities Maintenance and Operations	-	-	-	-
0052 Security and Monitoring Services	-	-	-	-
0061 Community Services	45,172	150	-	-
Debt Service:				
0071 Principal on Long-Term Liabilities	-	-	-	-
0072 Interest on Long-Term Liabilities	-	-	-	-
6030 Total Expenditures	178,726	39,050	138,607	1,360
1200 Net Change in Fund Balance	-	-	-	-
0100 Fund Balance - September 1 (Beginning)	-	-	-	-
3000 Fund Balance - August 31 (Ending)	\$ -	\$ -	\$ -	\$ -

242 Summer Feeding Program	244 Career and Technical - Basic Grant	255 ESEA II,A Supporting Effective Ins	263 Title III, A English Lang. Acquisition	270 ESEA V,Part B SB 2 - Rural & Low Income	281 CRRSA ESSER II	284 IDEA B Formula ARP Act	289 Other Federal Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	8,999	25,475	19,291	10,298	346,340	5,365	29,680
-	8,999	25,475	19,291	10,298	346,340	5,365	29,680
-	8,999	9,355	14,483	2,333	202,727	3,432	19,408
-	-	-	-	-	76,501	-	-
-	-	13,947	890	4,964	-	-	7,424
-	-	-	-	-	-	-	-
-	-	1,938	-	-	-	-	-
-	-	235	-	-	-	1,933	2,848
-	-	-	-	-	67,112	-	-
-	-	-	-	-	-	-	-
98,911	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	990	-	-	-
-	-	-	-	2,011	-	-	-
-	-	-	3,918	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
98,911	8,999	25,475	19,291	10,298	346,340	5,365	29,680
(98,911)	-	-	-	-	-	-	-
171,405	-	-	-	-	-	-	-
\$ 72,494	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

Data Control Codes	397 Advanced Placement Incentives	410 State Instructional Materials	427 TxVEMP Grant	429 Other State Special Revenue Funds
<b>REVENUES:</b>				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800 State Program Revenues	68	-	86,952	367,459
5900 Federal Program Revenues	-	-	-	-
5020 Total Revenues	<u>68</u>	<u>-</u>	<u>86,952</u>	<u>367,459</u>
<b>EXPENDITURES:</b>				
<b>Current:</b>				
0011 Instruction	68	-	-	131,515
0012 Instructional Resources and Media Services	-	-	-	-
0013 Curriculum and Instructional Staff Development	-	-	-	38,073
0021 Instructional Leadership	-	-	-	-
0023 School Leadership	-	-	-	-
0031 Guidance, Counseling, and Evaluation Services	-	-	-	-
0033 Health Services	-	-	-	-
0034 Student (Pupil) Transportation	-	-	86,952	-
0035 Food Services	-	-	-	-
0036 Extracurricular Activities	-	-	-	-
0041 General Administration	-	-	-	-
0051 Facilities Maintenance and Operations	-	-	-	161,327
0052 Security and Monitoring Services	-	-	-	36,544
0061 Community Services	-	-	-	-
<b>Debt Service:</b>				
0071 Principal on Long-Term Liabilities	-	-	-	-
0072 Interest on Long-Term Liabilities	-	-	-	-
6030 Total Expenditures	<u>68</u>	<u>-</u>	<u>86,952</u>	<u>367,459</u>
1200 Net Change in Fund Balance	-	-	-	-
0100 Fund Balance - September 1 (Beginning)	-	-	-	-
3000 Fund Balance - August 31 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

461 Campus Activity Funds	499 Other Local Special Revenue Funds	Total Nonmajor Special Revenue Funds	599 Debt Service Funds	699 Capital Projects Fund	Total Nonmajor Governmental Funds
\$ 1,087	\$ 990	\$ 2,077	\$ 269,996	\$ 622	\$ 272,695
-	-	454,479	63,522	-	518,001
-	-	803,191	-	-	803,191
1,087	990	1,259,747	333,518	622	1,593,887
1,093	-	565,986	-	20,410	586,396
-	-	76,501	-	-	76,501
-	-	75,122	-	-	75,122
-	-	36,277	-	-	36,277
5,709	-	7,647	-	-	7,647
-	-	98,520	-	-	98,520
-	-	67,112	-	-	67,112
-	-	87,195	-	-	87,195
-	-	98,911	-	-	98,911
-	990	990	-	-	990
4,111	-	4,111	-	-	4,111
-	-	162,317	-	25,908	188,225
-	-	38,555	-	-	38,555
-	-	49,240	-	-	49,240
-	-	-	355,000	-	355,000
-	-	-	122,175	-	122,175
10,913	990	1,368,484	477,175	46,318	1,891,977
(9,826)	-	(108,737)	(143,657)	(45,696)	(298,090)
20,927	-	192,332	286,435	54,776	533,543
\$ 11,101	\$ -	\$ 83,595	\$ 142,778	\$ 9,080	\$ 235,453

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## **REQUIRED TEA SCHEDULES**

ANTHONY INDEPENDENT SCHOOL DISTRICT  
 SCHEDULE OF DELINQUENT TAXES RECEIVABLE  
 FISCAL YEAR ENDED AUGUST 31, 2023

Last 10 Years Ended August 31	(1)	(2)	(3)
	Tax Rates		Assessed/Appraised Value for School Tax Purposes
	Maintenance	Debt Service	
2014 and prior years	Various	Various	\$ Various
2015	1.040000	0.174194	176,639,832
2016	1.040000	0.204200	176,709,212
2017	1.040000	0.177100	182,489,726
2018	1.040000	0.172800	188,624,522
2019	1.040000	0.172200	197,596,388
2020	0.970000	0.199080	201,816,544
2021	0.966400	0.199080	198,475,626
2022	0.906700	0.170200	213,596,063
2023 (School year under audit)	0.871600	0.114212	231,057,849
1000 TOTALS			
8000 Total Taxes Refunded Under Section 26.115, Tax Code			

(10) Beginning Balance 9/1/2022	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 8/31/2023
\$ 59,181	\$ -	\$ -	\$ -	\$ (950)	\$ 58,231
3,643	-	671	112	-	2,860
4,791	-	345	68	-	4,378
4,065	-	-	-	-	4,065
5,197	-	22	4	-	5,171
6,310	-	297	49	-	5,964
8,661	-	220	45	-	8,396
12,842	-	1,638	337	458	11,325
35,104	-	12,974	2,435	(3,411)	16,284
-	2,277,796	1,978,333	259,232	-	40,231
<u>\$ 139,794</u>	<u>\$ 2,277,796</u>	<u>\$ 1,994,500</u>	<u>\$ 262,282</u>	<u>\$ (3,903)</u>	<u>\$ 156,905</u>
		<u>\$ 256</u>			

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

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
<b>REVENUES:</b>				
5700 Total Local and Intermediate Sources	\$ 18,800	\$ 18,800	\$ 44,646	\$ 25,846
5800 State Program Revenues	-	-	2,718	2,718
5900 Federal Program Revenues	776,000	776,000	857,862	81,862
5020 Total Revenues	794,800	794,800	905,226	110,426
<b>EXPENDITURES:</b>				
Current:				
0035 Food Services	751,301	936,104	784,274	151,830
0051 Facilities Maintenance and Operations	10,000	10,000	4,762	5,238
6030 Total Expenditures	761,301	946,104	789,036	157,068
1200 Net Change in Fund Balances	33,499	(151,304)	116,190	267,494
0100 Fund Balance - September 1 (Beginning)	229,390	229,390	229,390	-
3000 Fund Balance - August 31 (Ending)	\$ 262,889	\$ 78,086	\$ 345,580	\$ 267,494

ANTHONY 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 (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 257,900	\$ 257,900	\$ 269,996	\$ 12,096
5800 State Program Revenues	111,882	111,882	63,522	(48,360)
5020 Total Revenues	369,782	369,782	333,518	(36,264)
EXPENDITURES:				
Debt Service:				
0071 Principal on Long-Term Liabilities	477,175	355,000	355,000	-
0072 Interest on Long-Term Liabilities	-	122,175	122,175	-
6030 Total Expenditures	477,175	477,175	477,175	-
1200 Net Change in Fund Balances	(107,393)	(107,393)	(143,657)	(36,264)
0100 Fund Balance - September 1 (Beginning)	286,435	286,435	286,435	-
3000 Fund Balance - August 31 (Ending)	\$ 179,042	\$ 179,042	\$ 142,778	\$ (36,264)

ANTHONY INDEPENDENT SCHOOL DISTRICT  
STATE COMPENSATORY EDUCATION AND BILINGUAL EDUCATION PROGRAM EXPENDITURES  
FOR THE YEAR ENDED AUGUST 31, 2023

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**Section A: Compensatory Education Programs**

AP1	Did your LEA expend any state compensatory education program state allotment funds during the district's fiscal year?	Yes
AP2	Does the LEA have written policies and procedures for its state compensatory education program?	Yes
AP3	List the total state allotment funds received for state compensatory education programs during the district's fiscal year.	973,656
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal year.	301,625

**Section B: Bilingual Education Programs**

AP5	Did your LEA expend any bilingual education program state allotment funds during the LEA's fiscal year?	Yes
AP6	Does the LEA have written policies and procedures for its bilingual education program?	Yes
AP7	List the total state allotment funds received for bilingual education programs during the LEA's fiscal year.	128,403
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year.	85,820

**FEDERAL AWARDS SECTION**

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

To the Board of Trustees  
Anthony 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 Anthony Independent School District as of and for the year ended August 31, 2023, and the related notes to the financial statements, which collectively comprise Anthony Independent School District's basic financial statements, and have issued our report thereon January 12, 2024.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Anthony 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 Anthony Independent School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Anthony 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. 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 may exist that have not been identified.

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

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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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.

*Gibson Ruddock Patterson LLC*

Gibson Ruddock Patterson LLC  
El Paso, Texas  
January 12, 2024

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

To the Board of Trustees  
Anthony Independent School District

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

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

We have audited Anthony 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 Anthony Independent School District's major federal programs for the year ended August 31, 2023. Anthony 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, Anthony Independent School District complied, in all material respects, with the types of compliance requirement referred to above that could have a direct and material effect on each of its major 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 Anthony 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 Anthony 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 Anthony 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 Anthony 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 Anthony 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 Anthony 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 Anthony 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 Anthony Independent School District's internal control over compliance. Accordingly, no such opinion is expressed.

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

## Report on Internal Control over Compliance

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

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

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

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

*Gibson Ruddock Patterson LLC*

Gibson Ruddock Patterson LLC  
El Paso, Texas  
January 12, 2024

ANTHONY INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED AUGUST 31, 2023

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**SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

Type of Auditor's Report issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Were significant deficiencies in internal control disclosed?

None reported

Were material weaknesses in internal control disclosed?

No

Was any noncompliance disclosed that is material to the financial statements of the auditee, which would be required to be reported in accordance with Government Auditing Standards?

No

**Federal Awards**

Internal control over major federal award programs:

Were significant deficiencies in internal control over major programs disclosed?

None reported

Were material weaknesses in internal control over major programs disclosed?

No

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

Unmodified

Were there any audit findings that the auditor is required to report under Title 2 CFR 200.516 Audit findings paragraph (a)?

No

Major Federal Programs:

**COVID-19 CRRSA ESSER II and COVID-19 ARP ESSER III**  
Assistance Listing No. 84.425D and 84.425U

Dollar threshold used to distinguish between type A and type B programs:

\$750,000

Did auditee qualify as low-risk auditee under 2 CFR 200.520 Criteria for a low-risk auditee?

Yes

(Continued)

**ANTHONY INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED AUGUST 31, 2023**

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**FINANCIAL STATEMENT FINDINGS**

**There are no current year findings.**

**FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

**There are no current year findings or questioned costs.**

**ANTHONY INDEPENDENT SCHOOL DISTRICT**

**SCHEDULE OF STATUS OF PRIOR FINDINGS**

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

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**FINANCIAL STATEMENT FINDINGS**

There were no prior year findings.

**FEDERAL AWARD FINDING AND QUESTIONED COSTS**

There were no prior year findings or questioned costs.

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

(1)	(2)	(3)	(4)
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	Federal Assistance Listing No.	Pass-Through Entity Identifying Number	Federal Expenditures
<b>U.S. DEPARTMENT OF EDUCATION</b>			
<u>Passed Through Region 19 Education Service Center</u>			
Career and Technical - Basic Grant	84.048	23420006071950	\$ 8,999
Total Passed Through Region 19 Education Service Center			<u>8,999</u>
<u>Passed Through Texas Education Agency</u>			
ESEA, Title I, Part A - Improving Basic Programs	84.010A	22610101071906	4,003
ESEA, Title I, Part A - Improving Basic Programs	84.010A	23610101071906	189,165
Total Assistance Listing Number 84.010			<u>193,168</u>
ESEA, Title I, Part C - Migratory Children	84.011A	22615001071906	4,552
ESEA, Title I, Part C - Migratory Children	84.011A	23615001071906	37,674
Total Assistance Listing Number 84.011			<u>42,226</u>
*IDEA - Part B, Formula	84.027A	236600010719066000	149,841
*COVID 19 - IDEA, Part B, Formula - ARP	84.027X	225350010719065350	3,999
*COVID 19 - IDEA, Part B, Formula - ARP	84.027X	225350020719065350	1,763
Total Assistance Listing Number 84.027			<u>155,603</u>
*IDEA - Part B, Preschool	84.173A	236610010719066610	1,468
Total Special Education Cluster (IDEA)			<u>157,071</u>
ESEA, Title V, Part B, Subpart 2 - Rural & Low Income School	84.358A	23696001071906	11,114
Title III, Part A - English Language Acquisition	84.365A	23671001071906	20,834
ESEA, Title II, Part A - Supporting Effective Instruction	84.367A	23694501071906	27,543
LEP Summer School	84.369A	69552102	1,439
LEP Summer School	84.369A	69552202	1,479
Total Assistance Listing Number 84.369			<u>2,918</u>
Title IV, Part A, Subpart 1	84.424A	23680101071906	28,894
COVID-19 - CRRSA ESSER II	84.425D	21521001071906	415,480
COVID-19 - ARP ESSER III	84.425U	21528001071906	684,257
Total Assistance Listing Number 84.425			<u>1,099,737</u>
Total Passed Through Texas Education Agency			<u>1,583,505</u>
<b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>			<u>1,592,504</u>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
<u>Passed Through the Texas Department of Agriculture</u>			
**School Breakfast Program	10.553	806780706	333,282
**National School Lunch Program - Cash Assistance	10.555	806780706	543,815
**National School Lunch Prog. - Non-Cash Assistance	10.555	806780706	52,303
Total Assistance Listing Number 10.555			<u>596,118</u>
Total Child Nutrition Cluster			<u>929,400</u>
Child & Adult Care Food Program - Non-Cash Assist.	10.558	806780706	8,780
COVID-19 Pandemic Electronic Benefit Transfer Local Admin	10.649	806780706	628
Total Passed Through the Texas Department of Agriculture			<u>938,808</u>
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>			<u>938,808</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>\$ 2,531,312</u>

\* and \*\* Clustered Programs

See Accompanying Notes to the Schedule of Expenditures of Federal Awards

# ANTHONY INDEPENDENT SCHOOL DISTRICT

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED AUGUST 31, 2023

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### 1. GENERAL

For all Federal programs, the District uses the fund types specified in the Texas Education Agency's *Financial Accountability System Resource Guide*.

Special Revenue Funds are used to account for resources restricted to specific purposes by a grantor. Federal and state financial assistance generally is accounted for in a Special Revenue Fund. If balances have not been expended by the end of the project period, grantors sometime require the District to refund all or part of the unused amount.

The accompanying schedule of expenditures of federal awards (the "schedule") includes the federal award activity of the District under programs of the federal government for the year ended August 31, 2023. The information in this schedule is presented in accordance with the requirement of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirement 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, changes in net position, or cash flows of the District.

### 2. BASIS OF ACCOUNTING

Accounting and Financial Reporting - The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental fund types are accounted for using a current financial resources measurement focus. All Federal grant funds are accounted for either in the General Fund or a Special Revenue Fund which are governmental fund types. With this measurement focus, only current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in fund balance.

The modified accrual basis of accounting is used for the Governmental Fund Types. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual, i.e., both measurable and available, and expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on long-term debt, which is recognized when due, and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Federal grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant, and, accordingly, when such funds are received, they are recorded as unearned revenues until earned. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Due to the nature of the reporting process for the SHARS program, the District recognizes SHARS revenue upon receipt of reimbursement notice from the federal government.

(Continued)

**ANTHONY INDEPENDENT SCHOOL DISTRICT**

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED AUGUST 31, 2023

**2. BASIS OF ACCOUNTING (Continued)**

Period of performance - The period of performance for federal grant funds for the purpose of liquidation of outstanding obligations made on or before the ending date of the federal project period extended 90 days beyond the federal project period ending date, in accordance with provisions in Section H. Period of Performance of Federal Funds, Part 3, OMB Compliance Supplement - May 2023.

Program Income - The Child Nutrition Cluster generated program income in the amount of \$37,484 for the year ended August 31, 2023.

**3. INDIRECT COST RATE**

The District did not elect to use the 10% de minimis indirect cost rate but used the indirect cost rate assigned by the Texas Education Agency.

The District accounted for federally funded indirect costs in the General Fund as follows:

Program Title	Federal CFDA Number	Amount
National School Breakfast Program	10.553	\$ 30,904
National School Lunch Program	10.555	50,041
ESEA Title I, A, Improving Basic Programs	84.010A	14,442
ESEA, Title I, Part C - Migratory Children	84.011A	3,176
IDEA - Part B, Formula	84.027A	11,235
IDEA - Part B, Preschool	84.173A	108
ESEA, Title II, Part A, Supporting Effective Instruction	84.367A	2,068
Title III, Part A - English Language Acquisition	84.365A	1,543
ESEA, Title V, Part B, Subpart 2 - Rural & Low Income School Program	84.358B	816
COVID-19 CRRSA ESSER II	84.425D	69,140
COVID-19 ARP ESSER III	84.425U	113,751
COVID-19 IDEA-B Formula - ARP	84.027X	294
COVID-19 IDEA-B Preschool - ARP	84.173X	103
Title IV, Part A, Subpart 1	84.424A	2,132
Total Indirect Costs		<u>\$ 299,753</u>

(Continued)

**ANTHONY INDEPENDENT SCHOOL DISTRICT**

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED AUGUST 31, 2023

**4. RECONCILIATIONS**

Of the federal expenditures presented in the Exhibit K-1, the District accounted for certain funds in the General Fund as follows:

Program Title	Federal CFDA Number	Amount
National School Breakfast Program	10.553	\$ 302,378
National School Lunch Program-Cash Assistance	10.555	493,773
National School Lunch Program-Non-Cash Assistance	10.555	52,303
Child & Adult Care Food Program - Cash Assistance	10.558	8,780
COVID-19 Pandemic Electronic Benefit Transfer Local Admin	10.649	628
Indirect Costs	Various	<u>299,753</u>
		1,157,615
SHARS (not included on K-1)		<u>53,535</u>
Total General Fund Federal Revenue per C-3		<u><u>\$ 1,211,150</u></u>

The total revenue presented on this Exhibit K-1 can be reconciled to Exhibit C-3 as follows:

Expenditures of Federal awards per Exhibit K-1	\$ 2,531,312
School Health and Related Services (SHARS) reimbursements	<u>53,535</u>
Total Federal revenue per Exhibit C-3	<u><u>\$ 2,584,847</u></u>