

# LAGO VISTA INDEPENDENT SCHOOL DISTRICT

ANNUAL FINANCIAL AND  
COMPLIANCE REPORT

YEAR ENDED AUGUST 31, 2023

**abip**

CPAs | ADVISORS

CLIENT **FOCUSED.** RELATIONSHIP **DRIVEN.**



**LAGO VISTA INDEPENDENT SCHOOL DISTRICT**  
**ANNUAL FINANCIAL AND COMPLIANCE REPORT**

**For the year ended August 31, 2023**

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## **INTRODUCTORY SECTION**





CERTIFICATE OF BOARD


Lago Vista Independent School District  
Name of School District

Travis  
County

227-912  
Co. Dist. Number

We, the undersigned, certify that the attached annual financial report of the above-named school district was 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 11<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)



## **FINANCIAL SECTION**



INDEPENDENT AUDITOR'S REPORT

To the Board of School Trustees of  
Lago Vista Independent School District

**Report on the Audit of the Financial Statements**

***Opinions***

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Lago Vista Independent School District (the 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, business-type activities, each major fund, and the aggregate remaining fund information of Lago Vista Independent School District as of August 31, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinions***

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

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

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

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

## ***Auditor's Responsibility for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 judgement 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, schedule of the District's proportionate share of the net pension and OPEB liability – Teacher Retirement System of Texas, and schedules of District's contributions – Teacher Retirement System of Texas, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## Supplementary Information

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 11, 2024, on our consideration of Lago Vista Independent School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Lago Vista Independent School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Lago Vista Independent School District's internal control over financial reporting and compliance.

ABIP, PC

San Antonio, Texas  
January 11, 2024





# LAGO VISTA INDEPENDENT SCHOOL DISTRICT

## MANAGEMENT’S DISCUSSION AND ANALYSIS

August 31, 2023

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

### FINANCIAL HIGHLIGHTS

- The District’s net position for governmental activities increased by \$9,026,898 as a result of this year’s current operations, to end at \$22,336,233.
- Total governmental funds of the District reported an overall fund balance increase of \$8,160,794 to end at \$33,548,737.
- The general fund of the District reported a fund balance increase of \$459,061 for the year, to end at \$7,936,491.

### OVERVIEW OF THE FINANCIAL SECTION

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

#### Independent Auditor’s Report

State law requires the District’s financial statements to be audited by an independent certified public accountant each year. The primary purpose of the annual audit is for the auditor to express an opinion as to whether the financial statements of the District appear to be free from material misstatement. The audit is required to be conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. The District received an unmodified opinion on its financial statements this year.

#### Management’s Discussion and Analysis

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

#### Basic Financial Statements

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

## Required Supplementary Information

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

## Combining and Individual Fund Statements and Schedules

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

## **OVERVIEW OF THE FINANCIAL AWARDS SECTION**

### Report on Internal Controls and Compliance

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

### Schedule of Findings and Questioned Costs

The schedule of findings and questioned costs provides an overall summary of auditor results, including identification of the type of opinion on the financial statements, whether any significant deficiencies or material weaknesses in internal controls were observed by the audit firm, and whether any material noncompliance was noted. This schedule also lists any audit findings reported by the audit firm for the year.

## **REPORTING ON THE DISTRICT AS A WHOLE**

### **The Statement of Net Position and the Statement of Activities**

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

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

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

In the statement of net position and the statement of activities, school districts divide up their financial activities as follows:

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

## REPORTING ON THE DISTRICT'S MOST SIGNIFICANT FUNDS

### Fund Financial Statements

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

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

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

## The District as a Trustee

### Reporting the District's Fiduciary Responsibilities

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

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

Net position of the District's governmental activities increased from \$13,309,335 to \$22,336,233. Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – was \$741,345 at August 31, 2023. The increase in governmental net position by approximately \$9,026,898 was due to an increase in tax revenues and investment revenues during the current fiscal year. The District's net position for business-type activities increased by \$31,773.

**TABLE I**  
LAGO VISTA INDEPENDENT SCHOOL DISTRICT  
NET POSITION  
For Fiscal Years Ended August 31,

	Governmental Activities			Business-Type Activities		
	2023	2022	Change	2023	2022	Change
Current and other assets	\$ 38,699,137	\$ 27,742,435	\$ 10,956,702	\$ 93	\$ -	\$ 93
Capital assets, net	93,712,653	74,615,030	19,097,623	231,615	244,483	(12,868)
Total assets	<u>132,411,790</u>	<u>102,357,465</u>	<u>30,054,325</u>	<u>231,708</u>	<u>244,483</u>	<u>(12,775)</u>
Deferred outflows of resources	<u>4,155,244</u>	<u>2,691,318</u>	<u>1,463,926</u>	<u>40,119</u>	<u>25,417</u>	<u>14,702</u>
Current liabilities	4,198,329	1,800,483	2,397,846	126,343	170,496	(44,153)
Long-term liabilities	<u>104,747,371</u>	<u>84,368,889</u>	<u>20,378,482</u>	<u>71,471</u>	<u>55,754</u>	<u>15,717</u>
Total liabilities	<u>108,945,700</u>	<u>86,169,372</u>	<u>22,776,328</u>	<u>197,814</u>	<u>226,250</u>	<u>(28,436)</u>
Deferred inflows of resources	<u>5,285,101</u>	<u>5,570,076</u>	<u>(284,975)</u>	<u>47,606</u>	<u>49,016</u>	<u>(1,410)</u>
Net position:						
Net investment in capital assets	18,010,056	10,663,548	7,346,508	111,928	244,483	(132,555)
Restricted	3,584,832	3,024,712	560,120	-	-	-
Unrestricted	<u>741,345</u>	<u>(378,925)</u>	<u>1,120,270</u>	<u>(85,521)</u>	<u>(249,849)</u>	<u>164,328</u>
Total net position	<u>\$ 22,336,233</u>	<u>\$ 13,309,335</u>	<u>\$ 9,026,898</u>	<u>\$ 26,407</u>	<u>\$ (5,366)</u>	<u>\$ 31,773</u>

**TABLE II**  
**LAGO VISTA INDEPENDENT SCHOOL DISTRICT**  
**CHANGE IN NET POSITION**  
**For Fiscal Years Ended August 31,**

	Governmental Activities			Business-Type Activities		
	2023	2022	Change	2023	2022	Change
<b>REVENUES</b>						
Program revenues:						
Charges for services	\$ 926,681	\$ 499,943	\$ 426,738	\$ 187,323	\$ 142,636	\$ 44,687
Operating grants and contributions	2,119,167	1,820,299	298,868	85,077	25,005	(60,072)
General revenues:						
Maintenance and operations taxes	30,129,778	19,669,352	10,460,426	-	-	-
Debt service taxes	11,149,545	7,116,151	4,033,394	-	-	-
State aid - formula grants	1,194,188	949,348	244,840	-	-	-
Grants and contributions, not restricted	382,851	249,723	133,128	-	-	-
Investment earnings	2,814,778	290,498	2,524,280	-	-	-
Miscellaneous	179,221	139,474	39,747	-	-	-
<b>Total revenues</b>	<b>48,896,209</b>	<b>30,734,788</b>	<b>18,161,421</b>	<b>272,400</b>	<b>167,641</b>	<b>(15,385)</b>
<b>EXPENSES</b>						
Instruction	11,564,368	10,441,059	1,123,309	-	-	-
Instr. resources and media services	97,962	96,587	1,375	-	-	-
Curriculum and staff development	31,466	26,148	5,318	-	-	-
Instructional leadership	372,919	323,416	49,503	-	-	-
School leadership	1,513,845	1,132,212	381,633	-	-	-
Guidance/counseling services	683,404	518,300	165,104	-	-	-
Health services	178,927	179,295	(368)	-	-	-
Student transportation	777,156	744,445	32,711	-	-	-
Food services	843,477	1,072,861	(229,384)	-	-	-
Cocurricular/extracurricular activities	1,332,619	1,105,341	227,278	-	-	-
General administration	935,432	851,666	83,766	-	-	-
Plant maintenance and operations	2,627,251	2,331,292	295,959	-	-	-
Security and monitoring services	32,193	7,208	24,985	-	-	-
Data processing services	524,577	467,210	57,367	-	-	-
Community services	19,407	-	19,407	-	-	-
Debt service	3,531,032	2,728,179	802,853	-	-	-
Contracted instructional resources	14,639,252	5,021,415	9,617,837	-	-	-
Other intergovernmental charges	164,024	110,805	53,219	-	-	-
Business-type activities	-	-	-	240,627	236,785	3,842
<b>Total expenses</b>	<b>39,869,311</b>	<b>27,157,439</b>	<b>12,711,872</b>	<b>240,627</b>	<b>236,785</b>	<b>3,842</b>
<b>Change in net position</b>	<b>9,026,898</b>	<b>3,577,349</b>	<b>5,449,549</b>	<b>31,773</b>	<b>(69,144)</b>	<b>100,917</b>
Net position at September 1,	13,309,335	9,731,986	(3,577,349)	(5,366)	63,778	-
Net position at August 31,	<u>\$ 22,336,233</u>	<u>\$ 13,309,335</u>	<u>\$ 9,026,898</u>	<u>\$ 26,407</u>	<u>\$ (5,366)</u>	<u>\$ -</u>

**THE DISTRICT'S FUNDS**

As the District completed this annual period, the general fund reported a fund balance of \$7,936,491, which is \$459,061 more than last year's total of \$7,477,430. The increase in fund balance is mainly attributable to lower than budgeted operational expenditures during the year.

The District's debt service fund reported a fund balance of \$3,353,099, which is \$594,197 more than last year's total of \$2,758,902. The debt service fund balance was more at August 31, 2023, as compared to the prior year end due to local and state revenues exceeding expectations during the year. The purpose of the debt service fund is to provide for the payment of bond principal and interest payments as it becomes due.

The District's capital projects fund reported a fund balance of \$21,773,396, which is \$7,141,704 more than last year's total of \$14,631,692. The increase in fund balance is attributable to the District issuing Lago Vista Independent School District Unlimited Tax Building Bonds, Series 2022.

The District's other governmental funds reported combined ending fund balances of \$485,751. This combined balance is \$34,168 less than the previous year.

Over the course of the year, the Board of Trustees generally revises the District's budget based on financial updates provided by the management of the District. These amendments involve moving funds from programs that did not need all the resources originally appropriated to them to programs with resource needs, or to react to originally unforeseen circumstances, such as unanticipated new revenues or unavoidable new costs. There was one budget amendment made during the year.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital assets

As of August 31, 2023, the District's governmental activities had \$93,712,653 (net of accumulated depreciation) invested in a broad range of capital assets, including facilities and equipment for instruction, transportation, athletics, administration, and maintenance. The District's business-type activities had \$231,615 (net of accumulated depreciation) invested in buildings and improvements.

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

CAPITAL ASSETS			
August 31,			
	2023	2022	Increase (Decrease)
<u>GOVERNMENTAL ACTIVITIES</u>			
Land	\$ 1,111,647	\$ 1,111,647	\$ -
Construction in progress	50,282,741	29,604,989	20,677,752
Buildings and improvements	65,776,485	65,730,998	45,487
Furniture and equipment	3,019,256	2,929,806	89,450
Total	120,190,129	99,377,440	20,812,689
Less accumulated depreciation	(26,477,476)	(24,762,410)	(1,715,066)
Capital assets, net of depreciation	\$ 93,712,653	\$ 74,615,030	\$ 19,097,623
 <u>BUSINESS-TYPE ACTIVITIES</u>			
Buildings and improvements	\$ 257,351	\$ 257,351	\$ -
Less accumulated depreciation	(25,736)	(12,868)	(12,868)
Capital assets, net of depreciation	\$ 231,615	\$ 244,483	\$ (12,868)

### DEBT

At year end, the District had \$97,121,402 in bonds outstanding versus \$78,203,255 last year. The increase is attributable to the District issuing \$25,005,000 Unlimited Tax School Building Bonds, Series 2022 during fiscal year 2022-2023.

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

	Governmental Activities 2023	Governmental Activities 2022	Increase (Decrease)
General obligation and refunding bonds	\$ 84,594,475	\$ 66,418,455	\$ 18,176,020
Capital appreciation bonds	3,253,275	3,783,422	(530,147)
Premium on issuance of bonds	9,273,652	8,001,378	1,272,274
Total	<u>\$ 97,121,402</u>	<u>\$ 78,203,255</u>	<u>\$ 18,918,147</u>

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

The District’s elected and appointed officials considered many factors when setting the fiscal year 2023-2024 budget and tax rates. Those factors include property values, changes in enrollment, the economy, projections of future budget years, and legislative mandates. The District has adopted a general fund budget of \$30.5 million for the 2023-2024 fiscal year. This reflects a decrease of \$5.2 million in budgeted expenditures from fiscal year 2022-2023 to 2023-2024.

For the 2023-2024 budget year, the District has decreased its maintenance and operations tax rate at \$0.6992 per hundred of taxable value. The District has the capability to call a tax ratification election which could authorize up to \$0.7892 cents for maintenance and operations. The District has no current plans to call a tax ratification election. The District adopted a debt service tax rate of \$0.32 for the 2023-2024 budget year in order to fund required debt payments in the coming year. The combined tax rate of the District for 2023-2024 budget year is \$1.0192 per hundred of taxable value.

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

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District’s finances and to show the District’s accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District’s Business Office, at Lago Vista Independent School District, 8039 Bar-K Ranch Road, Lago Vista, Texas 78645, or by calling (512) 267-8300.





## **BASIC FINANCIAL STATEMENTS**

# LAGO VISTA INDEPENDENT SCHOOL DISTRICT

## STATEMENT OF NET POSITION

August 31, 2023

EXHIBIT A-1

DATA CONTROL CODES	PRIMARY GOVERNMENT		
	1	2	3
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
<b>ASSETS</b>			
1110	\$ 152,976	\$ 93	\$ 153,069
1120	36,888,407	-	36,888,407
1225	1,096,125	-	1,096,125
1240	441,942	-	441,942
1260	119,687	(119,687)	-
Capital assets:			
1510	1,111,647	-	1,111,647
	50,282,741	-	50,282,741
1520	41,734,873	231,615	41,966,488
1530	583,392	-	583,392
1000	<u>132,411,790</u>	<u>112,021</u>	<u>132,523,811</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
1705	2,249,876	21,723	2,271,599
1706	1,905,368	18,396	1,923,764
1700	<u>4,155,244</u>	<u>40,119</u>	<u>4,195,363</u>
<b>LIABILITIES</b>			
2110	3,147,490	93	3,147,583
2140	144,053	-	144,053
2160	864,999	6,429	871,428
2200	21,447	134	21,581
2300	20,340	-	20,340
Noncurrent liabilities:			
2501	8,617,426	-	8,617,426
2502	88,727,734	-	88,727,734
2540	4,595,904	44,375	4,640,279
2545	<u>2,806,307</u>	<u>27,096</u>	<u>2,833,403</u>
	<u>104,747,371</u>	<u>71,471</u>	<u>104,818,842</u>
2000	<u>108,945,700</u>	<u>78,127</u>	<u>109,023,827</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
2604	354,591	-	354,591
2605	459,558	4,437	463,995
2606	<u>4,470,952</u>	<u>43,169</u>	<u>4,514,121</u>
	<u>5,285,101</u>	<u>47,606</u>	<u>5,332,707</u>
<b>NET POSITION</b>			
3200	18,010,056	111,928	18,121,984
Restricted for:			
3820	231,733	-	231,733
3850	3,353,099	-	3,353,099
3900	741,345	(85,521)	655,824
3000	<u>\$ 22,336,233</u>	<u>\$ 26,407</u>	<u>\$ 22,362,640</u>

The accompanying notes are an integral part of these financial statements.

**LAGO VISTA INDEPENDENT SCHOOL DISTRICT**

**STATEMENT OF ACTIVITIES**

**For the year ended August 31, 2023**

EXHIBIT B-1

DATA CONTROL CODES	FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
		1	3	4	6	7	8
		EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
	Governmental activities:						
11	Instruction	\$ 11,564,368	\$ 40,580	\$ 994,537	\$ (10,529,251)	\$ -	\$ (10,529,251)
12	Instructional resources and media services	97,962	-	4,253	(93,709)	-	(93,709)
13	Curriculum and staff development	31,466	-	5,080	(26,386)	-	(26,386)
21	Instructional leadership	372,919	-	9,672	(363,247)	-	(363,247)
23	School leadership	1,513,845	-	19,165	(1,494,680)	-	(1,494,680)
31	Guidance, counseling, and evaluation services	683,404	-	30,793	(652,611)	-	(652,611)
33	Health services	178,927	-	6,527	(172,400)	-	(172,400)
34	Student transportation	777,156	-	-	(777,156)	-	(777,156)
35	Food service	843,477	420,035	326,514	(96,928)	-	(96,928)
36	Extracurricular activities	1,332,619	466,066	11,173	(855,380)	-	(855,380)
41	General administration	935,432	-	10,024	(925,408)	-	(925,408)
51	Facilities maintenance and operations	2,627,251	-	449,498	(2,177,753)	-	(2,177,753)
52	Security and monitoring services	32,193	-	6,100	(26,093)	-	(26,093)
53	Data processing services	524,577	-	11,243	(513,334)	-	(513,334)
61	Community services	19,407	-	-	(19,407)	-	(19,407)
72	Debt service - interest on long-term debt	3,250,359	-	234,588	(3,015,771)	-	(3,015,771)
73	Debt service - bond issuance costs and fees	280,673	-	-	(280,673)	-	(280,673)
91	Contracted instructional resources	14,639,252	-	-	(14,639,252)	-	(14,639,252)
99	Other intergovernmental charges	164,024	-	-	(164,024)	-	(164,024)
TG	Total governmental activities	<u>39,869,311</u>	<u>926,681</u>	<u>2,119,167</u>	<u>(36,823,463)</u>	<u>-</u>	<u>(36,823,463)</u>
	Business-type activities:						
01	Enterprise fund-Little Vikings Day Care	<u>240,627</u>	<u>187,323</u>	<u>85,077</u>	<u>-</u>	<u>31,773</u>	<u>31,773</u>
TB	Total business-type activities	<u>240,627</u>	<u>187,323</u>	<u>85,077</u>	<u>-</u>	<u>31,773</u>	<u>31,773</u>
TP	Total primary government	<u>\$ 40,109,938</u>	<u>\$ 1,114,004</u>	<u>\$ 2,204,244</u>	<u>(36,823,463)</u>	<u>31,773</u>	<u>(36,791,690)</u>
	General revenues:						
MT	Property taxes, levied for general purposes				30,129,778	-	30,129,778
DT	Property taxes, levied for debt service				11,149,545	-	11,149,545
SF	State aid - formula grants				1,194,188	-	1,194,188
GC	Grants and contributions not restricted				382,851	-	382,851
IE	Investment earnings				2,814,778	-	2,814,778
MI	Miscellaneous local and intermediate revenue				179,221	-	179,221
TR	Total general revenues				<u>45,850,361</u>	<u>-</u>	<u>45,850,361</u>
CN	Change in net position				9,026,898	31,773	9,058,671
NB	NET POSITION - BEGINNING				<u>13,309,335</u>	<u>(5,366)</u>	<u>13,303,969</u>
NE	NET POSITION - ENDING				<u>\$ 22,336,233</u>	<u>\$ 26,407</u>	<u>\$ 22,362,640</u>

The accompanying notes are an integral part of these financial statements.

**LAGO VISTA INDEPENDENT SCHOOL DISTRICT**

**BALANCE SHEET  
GOVERNMENTAL FUNDS**

**August 31, 2023**

EXHIBIT C-1

DATA CONTROL CODES		10	50	60	OTHER	98
		GENERAL FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS</b>						
1110	Cash	\$ (67,912)	\$ -	\$ (44,582)	\$ 265,470	\$ 152,976
1120	Investments - current	8,594,915	3,358,526	24,934,338	628	36,888,407
1220	Property taxes - delinquent	963,955	325,603	-	-	1,289,558
1230	Allowance for uncollectible taxes (credit)	(144,593)	(48,840)	-	-	(193,433)
1240	Receivables from other governments	108,928	-	-	333,014	441,942
1260	Due from other funds	453,061	-	-	259,110	712,171
1000	Total assets	<u>\$ 9,908,354</u>	<u>\$ 3,635,289</u>	<u>\$ 24,889,756</u>	<u>\$ 858,222</u>	<u>\$ 39,291,621</u>
<b>LIABILITIES</b>						
2110	Accounts payable	\$ 38,079	\$ -	\$ 3,060,128	\$ 49,283	\$ 3,147,490
2160	Accrued wages payable	824,107	-	-	40,892	864,999
2170	Due to other funds	259,110	-	56,232	277,142	592,484
2200	Accrued expenditures	17,545	-	-	3,902	21,447
2300	Unearned revenue	13,660	5,428	-	1,252	20,340
2000	Total liabilities	<u>1,152,501</u>	<u>5,428</u>	<u>3,116,360</u>	<u>372,471</u>	<u>4,646,760</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
2600	Deferred inflows - unavailable revenues	819,362	276,762	-	-	1,096,124
	Total liabilities and deferred inflows of resources	<u>1,971,863</u>	<u>282,190</u>	<u>3,116,360</u>	<u>372,471</u>	<u>5,742,884</u>
<b>FUND BALANCES</b>						
3450	Restricted - federal and state funds	-	-	-	231,733	231,733
3470	Capital acquisitions and contractual obligations	-	-	21,773,396	-	21,773,396
3480	Restricted - debt service	-	3,353,099	-	-	3,353,099
3545	Committed - other committed fund balance	-	-	-	254,018	254,018
3600	Unassigned fund balance	7,936,491	-	-	-	7,936,491
3000	Total fund balances	<u>7,936,491</u>	<u>3,353,099</u>	<u>21,773,396</u>	<u>485,751</u>	<u>33,548,737</u>
4000	Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 9,908,354</u>	<u>\$ 3,635,289</u>	<u>\$ 24,889,756</u>	<u>\$ 858,222</u>	<u>\$ 39,291,621</u>

The accompanying notes are an integral part of these financial statements.

**LAGO VISTA INDEPENDENT SCHOOL DISTRICT**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION**

**August 31, 2023**

EXHIBIT C-1R

Total fund balances - governmental funds balance sheet \$ 33,548,737

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.

Governmental capital assets	\$ 120,190,129	
Less: accumulated depreciation	<u>(26,477,476)</u>	93,712,653

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Bonds payable, including amortized premiums and CABs	(97,121,402)	
Compensated absences	(223,758)	
Net pension liability	(4,595,904)	
Net OPEB liability	<u>(2,806,307)</u>	(104,747,371)

Accrued interest on long-term debt related to governmental fund activities is not due and payable in the current period and, therefore, not reported in the governmental funds.

(144,053)

Deferred outflows and inflows of resources related to pensions, other postemployment benefits, and bonds are applicable to future periods and, therefore, are not reported in the funds.

Deferred outflows of resources related to pensions	2,249,876	
Deferred inflows of resources related to pensions	(459,558)	
Deferred outflows of resources related to OPEB	1,905,368	
Deferred inflows of resources related to OPEB	(4,470,952)	
Deferred inflows of resources related to gain on refunding	<u>(354,591)</u>	(1,129,857)

Property taxes are recognized as revenue in the governmental funds when collected, but recognized on the statement of activities in the year levied. Therefore, property taxes receivable, net of allowance for uncollectible accounts, is added to the statement of net position for governmental activities.

1,096,124

Net position of governmental activities - statement of net position \$ 22,336,233

The accompanying notes are an integral part of these financial statements.

**LAGO VISTA INDEPENDENT SCHOOL DISTRICT**

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

**For the year ended August 31, 2023**

EXHIBIT C-2

DATA CONTROL CODES		10	50	60	OTHER	98
		GENERAL FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
	REVENUES					
5700	Local and intermediate sources	\$ 31,053,463	\$ 11,441,020	\$ 1,465,247	\$ 825,885	\$ 44,785,615
5800	State program revenues	2,046,708	234,588	-	69,329	2,350,625
5900	Federal program revenues	359,375	-	-	1,537,751	1,897,126
5020	Total revenues	<u>33,459,546</u>	<u>11,675,608</u>	<u>1,465,247</u>	<u>2,432,965</u>	<u>49,033,366</u>
	EXPENDITURES					
	Current:					
0011	Instruction	10,444,412	-	-	807,845	11,252,257
0012	Instructional resources and media services	92,162	-	-	2,292	94,454
0013	Curriculum and instructional staff development	24,265	-	-	5,718	29,983
0021	Instructional leadership	360,946	-	-	-	360,946
0023	School leadership	1,481,856	-	-	-	1,481,856
0031	Guidance, counseling, and evaluation services	643,313	-	-	14,954	658,267
0033	Health services	171,812	-	-	-	171,812
0034	Student (pupil) transportation	718,089	-	-	-	718,089
0035	Food services	-	-	-	781,969	781,969
0036	Cocurricular/extracurricular activities	850,183	-	-	405,941	1,256,124
0041	General administration	896,773	-	-	-	896,773
0051	Facilities maintenance and operations	1,993,360	-	-	443,657	2,437,017
0052	Security and monitoring services	23,646	-	-	6,100	29,746
0053	Data processing services	495,049	-	-	-	495,049
	Debt service:					
0071	Principal on long-term debt	-	6,828,981	-	-	6,828,981
0072	Interest on long-term debt	-	4,248,013	-	-	4,248,013
0073	Bond issuance costs and fees	-	4,595	276,078	-	280,673
0081	Capital outlay	-	-	20,806,543	-	20,806,543
0091	Contracted instructional services-chapter 41	14,639,252	-	-	-	14,639,252
	Intergovernmental:					
0099	Other intergovernmental charges	164,024	-	-	-	164,024
6030	Total expenditures	<u>32,999,142</u>	<u>11,081,589</u>	<u>21,082,621</u>	<u>2,468,476</u>	<u>67,631,828</u>
1100	Excess (deficiency) of revenues over (under) expenditures	<u>460,404</u>	<u>594,019</u>	<u>(19,617,374)</u>	<u>(35,511)</u>	<u>(18,598,462)</u>
	OTHER FINANCING SOURCES AND (USES)					
7911	Capital related debt issued	-	-	25,005,000	-	25,005,000
7915	Transfers in	-	178	-	1,343	1,521
7916	Premium	-	-	1,754,256	-	1,754,256
8911	Transfers out (uses)	(1,343)	-	(178)	-	(1,521)
7080	Total other financing sources and (uses)	<u>(1,343)</u>	<u>178</u>	<u>26,759,078</u>	<u>1,343</u>	<u>26,759,256</u>
1200	Net change in fund balance	459,061	594,197	7,141,704	(34,168)	8,160,794
0100	FUND BALANCE - BEGINNING	<u>7,477,430</u>	<u>2,758,902</u>	<u>14,631,692</u>	<u>519,919</u>	<u>25,387,943</u>
3000	FUND BALANCE - ENDING	<u>\$ 7,936,491</u>	<u>\$ 3,353,099</u>	<u>\$ 21,773,396</u>	<u>\$ 485,751</u>	<u>\$ 33,548,737</u>

The accompanying notes are an integral part of these financial statements.

**LAGO VISTA 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-2R

Net change in fund balances - total governmental funds \$ 8,160,794

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report the portion of capital outlay for capitalized assets as expenditures. However, in the statement of activities, the costs of those assets are allocated over their useful lives as depreciation expense.

Expenditures for capitalized assets	\$ 20,812,689	
Less current year depreciation	<u>(1,715,066)</u>	19,097,623

Repayment of principal on bonds is an expenditure in the governmental funds, but this expenditure is removed from the statement of activities and the repayments instead reduce long-term liabilities on the statement of net position. 7,654,999

Accumulated accretion on bonds issued by governmental activities is recognized only when paid in the governmental funds, but is treated as interest expense on the statement of activities as it accretes. (295,872)

Since long-term debt is not recorded in governmental funds, amortization of related issuance premiums and gain on refundings is also not recorded. 507,310

The issuance of debt reported as proceeds in the funds is not reported in the statement of activities. (26,759,256)

Compensated absences is not recognized in the funds. This is the amount of change during the current year. 38,404

The change in accrued interest due on long-term debt issued for governmental activities does not affect current financial resources and therefore is not reported in the governmental funds. (39,802)

Property taxes are recognized as revenue in the governmental funds when collected but recognized on the statement of activities in the year levied. Therefore, the uncollected amount of the current year levy is added to current year property tax revenue on the statement of activities. 437,864

Governmental funds report pension contributions as expenditures. However, pension contributions are reported as deferred outflows of resources on the statement of net position if made after the net pension liability measurement date. In addition, the change in the net pension liability, adjusted for changes in deferred pension items, is reported as pension expense in the statement of activities. (112,796)

Governmental funds report OPEB contributions as expenditures. However, OPEB contributions are reported as deferred outflows of resources on the statement of net position if made after the net OPEB liability measurement date. In addition, the change in the net OPEB liability, adjusted for changes in deferred OPEB items, is reported as OPEB expense in the statement of activities. 337,630

Change in net position of governmental activities - statement of activities \$ 9,026,898

The accompanying notes are an integral part of these financial statements.

## LAGO VISTA INDEPENDENT SCHOOL DISTRICT

### STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL – GENERAL FUND

For the year ended August 31, 2023

EXHIBIT C-3

DATA CONTROL CODES		1		2	3	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
		BUDGETED AMOUNTS		ACTUAL AMOUNTS (GAAP BASIS)		
		ORIGINAL	FINAL			
REVENUES						
5700	Local and intermediate sources	\$ 33,025,500	\$ 31,100,500	\$ 31,053,463	\$ (47,037)	
5800	State program revenues	1,957,400	2,057,400	2,046,708	(10,692)	
5900	Federal program revenues	225,000	370,000	359,375	(10,625)	
5020	Total revenues	<u>35,207,900</u>	<u>33,527,900</u>	<u>33,459,546</u>	<u>(68,354)</u>	
EXPENDITURES						
0011	Instruction	10,756,194	10,450,769	10,444,412	6,357	
0012	Instructional resources and media services	94,357	99,357	92,162	7,195	
0013	Curriculum and staff development	29,100	29,100	24,265	4,835	
0021	Instructional leadership	280,633	365,633	360,946	4,687	
0023	School leadership	1,530,485	1,530,485	1,481,856	48,629	
0031	Guidance, counseling, and evaluation services	572,231	652,231	643,313	8,918	
0033	Health services	188,345	208,345	171,812	36,533	
0034	Student transportation	726,400	726,400	718,089	8,311	
0036	Extracurricular activities	928,576	928,576	850,183	78,393	
0041	General administration	849,978	899,978	896,773	3,205	
0051	Facilities maintenance and operations	2,278,255	2,128,255	1,993,360	134,895	
0052	Security and monitoring services	11,850	26,850	23,646	3,204	
0053	Data processing services	462,921	512,921	495,049	17,872	
Intergovernmental:						
0091	Contracted instruction services between schools	16,382,075	14,800,000	14,639,252	160,748	
0099	Other intergovernmental charges	<u>113,500</u>	<u>166,000</u>	<u>164,024</u>	<u>1,976</u>	
6030	Total expenditures	<u>35,204,900</u>	<u>33,524,900</u>	<u>32,999,142</u>	<u>525,758</u>	
1100	Excess (deficiency) of revenues over (under) expenditures	<u>3,000</u>	<u>3,000</u>	<u>460,404</u>	<u>457,404</u>	
OTHER FINANCING SOURCES (USES):						
8911	Transfers out (uses)	<u>(3,000)</u>	<u>(3,000)</u>	<u>(1,343)</u>	<u>1,657</u>	
7080	Total other financing sources (uses)	<u>(3,000)</u>	<u>(3,000)</u>	<u>(1,343)</u>	<u>1,657</u>	
1200	Net change in fund balance	-	-	459,061	459,061	
0100	FUND BALANCE - BEGINNING	<u>7,477,430</u>	<u>7,477,430</u>	<u>7,477,430</u>	-	
3000	FUND BALANCE - ENDING	<u>\$ 7,477,430</u>	<u>\$ 7,477,430</u>	<u>\$ 7,936,491</u>	<u>\$ 459,061</u>	

The accompanying notes are an integral part of these financial statements.



**LAGO VISTA INDEPENDENT SCHOOL DISTRICT**

**STATEMENT OF NET POSITION  
PROPRIETARY FUNDS**

**August 31, 2023**

EXHIBIT D-1

<u>DATA CONTROL CODES</u>		<u>BUSINESS-TYPE ACTIVITIES LITTLE VIKINGS DAY CARE</u>
	ASSETS	
1110	Cash and cash equivalents	\$ 93
	Capital assets:	
1520	Buildings and improvements, net	<u>231,615</u>
1000	Total assets	<u>231,708</u>
	DEFERRED OUTFLOWS OF RESOURCES	
1705	Deferred outflows - pensions	21,723
1706	Deferred outflows - OPEB	<u>18,396</u>
1700	Total deferred outflows of resources	<u>40,119</u>
	LIABILITIES	
2110	Accounts payable	93
2160	Accrued wages payable	6,429
2170	Due to other funds	119,687
2200	Accrued expenditures	134
	Noncurrent liabilities:	
2540	Net pension liability	44,375
2545	OPEB liability	<u>27,096</u>
2000	Total liabilities	<u>197,814</u>
	DEFERRED INFLOWS OF RESOURCES	
2605	Deferred inflows - pensions	4,437
2606	Deferred inflows - OPEB	<u>43,169</u>
2600	Total deferred inflows of resources	<u>47,606</u>
	NET POSITION	
3200	Net investment in capital assets	111,928
3900	Unrestricted	<u>(85,521)</u>
3000	Total net position	<u>\$ 26,407</u>

The accompanying notes are an integral part of these financial statements.

**LAGO VISTA INDEPENDENT SCHOOL DISTRICT**

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

**For the year ended August 31, 2023**

EXHIBIT D-2

<u>DATA CONTROL CODES</u>		<u>BUSINESS-TYPE ACTIVITIES LITTLE VIKINGS DAY CARE</u>
	OPERATING REVENUES	
5700	Local and intermediate sources	\$ 187,323
5800	State program revenues	<u>85,077</u>
5020	Total operating revenues	<u>272,400</u>
	OPERATING EXPENSES	
6100	Payroll costs	152,997
6300	Professional and contracted services	68,814
6400	Other operating costs	5,948
6499	Depreciation expense	<u>12,868</u>
6030	Total operating expenses	<u>240,627</u>
1300	Change in net position	31,773
0100	TOTAL NET POSITION - BEGINNING	<u>(5,366)</u>
3300	TOTAL NET POSITION - ENDING	<u>\$ 26,407</u>

The accompanying notes are an integral part of these financial statements.

**LAGO VISTA INDEPENDENT SCHOOL DISTRICT**

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS**

**For the year ended August 31, 2023**

EXHIBIT D-3

	BUSINESS-TYPE ACTIVITIES
	LITTLE VIKINGS DAY CARE
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from user charges	\$ 187,323
Cash received from grant assistance	81,320
Cash payments to employees for services	(153,015)
Cash payments to suppliers	<u>(115,535)</u>
Net cash provided by (used for) operating activities	<u>93</u>
Net increase (decrease) in cash and cash equivalents	93
Cash and cash equivalents at beginning of year	<u>-</u>
Cash and cash equivalents at end of year	<u><u>\$ 93</u></u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>	
Operating income	<u>\$ 31,773</u>
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation	12,868
Change in assets and liabilities:	
Increase (decrease) in accounts payable	93
(Increase) decrease in deferred outflows related to NPL and OPEB	(14,702)
Increase (decrease) in deferred inflows related to NPL and OPEB	(1,410)
Increase (decrease) in deferred inflows related to NPL	27,506
Increase (decrease) in deferred inflows related to OPEB	(11,789)
Increase (decrease) in due to other funds	(40,794)
Increase (decrease) in wages payable	(3,381)
Increase (decrease) in accrued expenses	<u>(71)</u>
Total adjustments	<u>(31,680)</u>
Net cash provided by (used for) operating activities	<u><u>\$ 93</u></u>

The accompanying notes are an integral part of these financial statements.

**LAGO VISTA INDEPENDENT SCHOOL DISTRICT**

**STATEMENT OF NET POSITION  
FIDUCIARY FUNDS**

**August 31, 2023**

EXHIBIT E-1

<u>DATA CONTROL CODES</u>		<u>CUSTODIAL FUNDS</u>
	ASSETS	
1110	Cash and cash equivalents	<u>\$ 70,283</u>
1000	Total assets	<u>70,283</u>
	NET POSITION	
3000	Total net position	<u><u>\$ 70,283</u></u>

The accompanying notes are an integral part of these financial statements.

LAGO VISTA INDEPENDENT SCHOOL DISTRICT

STATEMENT OF CHANGES IN NET POSITION  
FIDUCIARY FUNDS

August 31, 2023

EXHIBIT E-2

<u>DATA CONTROL CODES</u>		<u>CUSTODIAL FUNDS</u>
	ADDITIONS	
5700	Fundraising activity	\$ 119,600
	Total additions	<u>119,600</u>
	DEDUCTIONS	
6300	Student activities	<u>91,841</u>
	Total deductions	<u>91,841</u>
1200	Change in net position	27,759
0100	Total net position, beginning	<u>42,524</u>
3000	Total net position, ending	<u>\$ 70,283</u>

The accompanying notes are an integral part of these financial statements.



# LAGO VISTA INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended August 31, 2023

### (1) Summary of significant accounting policies

#### The financial reporting entity

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

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

#### Government-wide and fund financial statements

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

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

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

#### Measurement focus, basis of accounting, and financial statement presentation

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

# LAGO VISTA INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended August 31, 2023

### (1) Summary of significant accounting policies (continued)

#### Measurement focus, basis of accounting, and financial statement presentation (continued)

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

Major revenue sources considered susceptible to accrual include state and federal program revenues and property taxes. No accrual for property taxes collected within sixty days of year end has been made as such amounts are deemed immaterial; delinquent property taxes at year end are reported as deferred inflows of resources within the governmental fund financial statements.

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

#### Major funds and fund types

The District reports the following major governmental funds:

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

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

The capital project fund includes proceeds from long-term debt financing and revenues and expenditures related to authorized construction and other capital asset acquisitions.

Additionally, the District reports the following fund types:

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

Enterprise funds are proprietary funds used to account for operations of the District whereby individuals or others are charged a fee for a specific benefit or service and there is a desire to measure a specific gain or loss on the activity.

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



# LAGO VISTA INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended August 31, 2023

(1) Summary of significant accounting policies (continued)

Major funds and fund types (continued)

Budgetary information

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

Assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position or fund balance

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

Inventories – Inventories are generally not recorded in the general fund or child nutrition fund due to amounts of expendable supplies held or purchased food not being deemed material. When inventories are recorded, they are charged to expenditures when consumed. Amounts recorded are offset by a fund balance classification titled "nonspendable" which indicates that the inventory does not represent "available expendable resources."

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

<u>ASSET CLASS</u>	<u>ESTIMATED USEFUL LIVES (YRS)</u>
Buildings and improvements	15-30
Furniture and equipment	3-20
Vehicles	5-10

# LAGO VISTA INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended August 31, 2023

### (1) Summary of significant accounting policies (continued)

Assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position or fund balance (continued)

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

Accumulated sick leave liability – The State of Texas has created a minimum sick leave program consisting of five days of sick leave per year with no limit on accumulation and transferability among districts for every person regularly employed in Texas public schools. Each district's local Board is required to establish a sick leave plan. Local school districts may provide additional sick leave beyond the state minimum.

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

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

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

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

# LAGO VISTA INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended August 31, 2023

### (1) Summary of significant accounting policies (continued)

Assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position or fund balance (continued)

Fund balance – The District has implemented GASB Statement 54 “*Fund Balance Reporting and Governmental Fund Type Definitions*” which provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance – amounts that are not in a spendable form (such as inventory) or are required to be maintained intact;
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority, to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- Unassigned fund balance – amounts that are available for any purpose, positive amounts are reported only in the general fund.

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

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

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

# LAGO VISTA INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended August 31, 2023

### (1) Summary of significant accounting policies (continued)

Assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position or fund balance (continued)

#### Fair value measurements (continued)

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

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

Statement of cash flows – For purposes of the statement of cash flows when proprietary funds are used, cash and cash equivalents include demand deposits.

#### Implementation of new accounting principle

As of September 1, 2022, the District implemented GASB Statement No. 96, *Subscription Based Information Technology Arrangements* (SBITAs). The statement is based on the principle that SBITAs are financings of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets). It establishes that a SBITA results in a right to use subscription asset (an intangible asset) and a corresponding subscription liability.

The District has no agreements that fall under the new accounting principle.

#### Data control codes

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

### (2) Deposits and investments

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

**LAGO VISTA INDEPENDENT SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended August 31, 2023**

(2) Deposits and investments (continued)

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

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

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

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

At August 31, 2023, the carrying amount of the District’s deposits was \$223,352 and the bank balance was \$473,870. Cash on hand was \$1,648 as of August 31, 2023. The District’s deposits with financial institutions at August 31, 2023 and during the year ended August 31, 2023 were entirely covered by FDIC insurance or by pledged collateral held by the District’s agent bank in the District’s name. The deposits were collateralized in accordance with Texas law and the District maintains copies of all safekeeping receipts in the name of the District.

The District maintains a cash pool of demand deposits. The combined pool is available for use by most special revenue funds. If a fund overdraws its share of the pool, the overdraft is reported as an interfund payable in that fund. The offsetting interfund receivable is reported in the general fund.

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

INVESTMENT TYPE	FAIR VALUE	WEIGHTED AVERAGE MATURITY (DAYS)	STANDARD AND POOR'S RATING
Local government investment pools:			
Lone Star Investment Pool	\$ 36,785,118	44	AAAm
TexPool	103,289	24	AAAm
Total investments	\$ 36,888,407		
Weighted average of total investments		44	

# LAGO VISTA INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended August 31, 2023

### (2) Deposits and investments (continued)

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

Notes on these local governmental investment pools are as follows:

#### TexPool

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

TexPool is an investment pool in which the Comptroller of Public Accounts is the sole officer, director, and shareholder of the Texas Treasury Safekeeping Trust Company (the Trust Company), which is authorized to operate the pool. Federated Investors, Inc. manages the assets under an agreement with the Comptroller, acting on behalf of the Trust Company. TexPool is reported at amortized cost and does not have any limitations or restrictions on participants’ withdrawals.

#### Lone Star Investment Pool (First Public)

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

Lone Star Liquidity Corporate Overnight is sponsored by the Texas Association of School Boards and is governed by an 11-member Board of Trustees consisting of individuals representing school districts. First Public, LLC under an agreement with the Board is the administrator and American Beacon Advisors and Mellon Investments Corporation provide investment management services to the pool. Lone Star Liquidity uses net asset value to value the portfolio assets.

# LAGO VISTA INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended August 31, 2023

### (2) Deposits and investments (continued)

Analysis of specific deposit and investment risks

GASB Statement No. 40 requires a determination as to whether the District was exposed to the following specific investment risks at year end, and if so, the reporting of certain related disclosures:

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

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

Concentration of credit risk – Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investments in a single issuer. Information regarding investments in any one issuer that represents five percent or more of the District's total investments must be disclosed under GASB Statement No. 40, excluding investments issued or explicitly guaranteed by the U.S. government. At August 31, 2023, the District had 100% of its investments in local governmental investment pools.

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

### (3) Property taxes

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

# LAGO VISTA INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended August 31, 2023

### (3) Property taxes (continued)

Property taxes are levied as of October 1 in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes and penalties and interest that are ultimately imposed. Property tax revenues are considered available when they become due or past due and receivable within the current period, including those property taxes expected to be collected during a 60 day period after the end of the District's fiscal year. The assessed value at January 1, 2022, upon which the October 2022 levy was based was \$3,620,941,525. The District levied taxes based on a combined tax rate of \$1.1846 per \$100 of assessed valuation for local maintenance (general governmental services) and debt service.

### (4) Due from/to other governments

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

A summary of amounts recorded as due from/due to other governments in the basic financial statements as of August 31, 2023 are summarized below:

Due from other governments:

	General Fund	Nonmajor Governmental Funds	Total
Governmental activities:			
Foundation and per capita entitlements	\$ 108,928	\$ -	\$ 108,928
Federal grants	-	333,014	333,014
Total governmental activities	<u>\$ 108,928</u>	<u>\$ 333,014</u>	<u>\$ 441,942</u>

### (5) Interfund receivables, payables, and transfers

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

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



**LAGO VISTA INDEPENDENT SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended August 31, 2023**

**(5) Interfund receivables, payables, and transfers (continued)**

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

Receivable Fund	Payable Fund	Amount
General fund	Other governmental funds	\$ 277,142
	Capital projects fund	56,232
	Enterprise fund	119,687
Total general fund		453,061
Other governmental funds	General fund	259,110
Total other governmental funds		259,110
Grand total		\$ 712,171

**(6) Capital assets**

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

	BEGINNING BALANCE 09/01/22	ADDITIONS	DELETIONS	ENDING BALANCE 08/31/23
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital assets not being depreciated:				
Land	\$ 1,111,647	\$ -	\$ -	\$ 1,111,647
Construction in progress	29,604,989	20,677,752	-	50,282,741
Total capital assets not being depreciated	30,716,636	20,677,752	-	51,394,388
Capital assets being depreciated:				
Buildings and improvements	65,730,998	45,487	-	65,776,485
Furniture and equipment	2,929,806	89,450	-	3,019,256
Total capital assets being depreciated	68,660,804	134,937	-	68,795,741
Less accumulated depreciation for:				
Buildings and improvements	(22,584,203)	(1,457,409)	-	(24,041,612)
Furniture and equipment	(2,178,207)	(257,657)	-	(2,435,864)
Total accumulated depreciation	(24,762,410)	(1,715,066)	-	(26,477,476)
Governmental activities - capital assets, net	\$ 74,615,030	\$ 19,097,623	\$ -	\$ 93,712,653
<b>BUSINESS-TYPE ACTIVITIES</b>				
Capital assets being depreciated:				
Buildings and improvements	\$ 257,351	\$ -	\$ -	\$ 257,351
Total capital assets being depreciated	257,351	-	-	257,351
Less accumulated depreciation for:				
Buildings and improvements	(12,868)	(12,868)	-	(25,736)
Total accumulated depreciation	(12,868)	(12,868)	-	(25,736)
Business-type activities - capital assets, net	\$ 244,483	\$ (12,868)	\$ -	\$ 231,615

**LAGO VISTA INDEPENDENT SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended August 31, 2023**

(6) Capital assets (continued)

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

GOVERNMENTAL ACTIVITIES Function	Depreciation Allocation
Instruction	\$ 544,112
Instructional resources and media services	4,567
Curriculum and staff development	1,450
Instructional leadership	17,454
School leadership	71,656
Guidance, counseling, and evaluation services	31,831
Health services	8,308
Student transportation	34,724
Food services	37,813
Cocurricular, extracurricular activities	60,741
General administration	43,364
Plant maintenance and operations	117,844
Security and monitoring services	1,438
Data processing services	23,939
Contracted instructional services between schools	707,893
Community services	<u>7,932</u>
Total depreciation expense (governmental activities)	<u>\$ 1,715,066</u>
BUSINESS-TYPE ACTIVITIES	
Function	
Plant maintenance and operations	<u>\$ 12,868</u>

**LAGO VISTA INDEPENDENT SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended August 31, 2023**

(7) Bonds, notes, and other long-term liabilities

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

<u>General Long-Term Debt Description</u>	<u>Outstanding at 08/31/23</u>
\$5,064,000 Series 1997 Unlimited Tax School Building and Refunding Bonds - CAB's due in annual installments of \$109,000 to \$249,000 through August 15, 2024; interest at 3.9% to 5.7%.	\$ 472,674
\$1,047,582 Series 1999 Unlimited Tax School Building and Refunding Bonds - CAB's due in annual installments of \$270,000 to \$310,000 through August 15, 2030; interest at 5.15% to 5.9%.	3,755,076
\$1,980,000 Series 2014 Unlimited Tax Refunding Bonds- CIB, due in annual installments of \$35,000 to \$165,000 through August 15, 2036; interest at 2.00% to 4.00%.	1,405,000
\$7,300,000 Series 2015 Unlimited Tax Refunding Bonds due in annual installments of \$270,000 to \$1,465,000 through August 15, 2027; interest at 2.00% to 4.00%.	5,055,000
\$8,645,000 Series 2017 Unlimited Tax Refunding Bonds due in annual installments of \$195,000 to \$2,320,000 through August 15, 2035; interest at 2.00% to 4.00%.	8,480,000
\$2,855,000 Series 2018 Unlimited Tax School Building Bonds due in annual installments of \$455,003 to \$535,000 through August 15, 2024; interest at 3.00%.	535,000
\$38,855,000 Series 2021 Unlimited Tax School Building Bonds due in annual installments of \$380,000 to \$2,320,000 through August 15, 2046; interest at 2.00% to 5.00%.	37,595,000
\$12,295,000 Series 2021 Unlimited Tax Refunding Bonds due in annual installments of \$180,000 to \$2,025,000 through August 15, 2037; interest at 2.00% to 5.00%.	8,485,000
\$25,005,000 Series 2022 Unlimited Tax School Building Bonds due in annual installments of \$410,000 to \$1,100,000 through August 15, 2047; interest at 4.00% to 5.00%.	<u>22,065,000</u>
Total	<u>\$ 87,847,750</u>

**LAGO VISTA INDEPENDENT SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended August 31, 2023**

(7) Bonds, notes, and other long-term liabilities (continued)

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

	OUTSTANDING 09/01/22	ADDITIONS	DELETIONS	CURRENT ACCRETION	OUTSTANDING 08/31/23	AMOUNTS DUE WITHIN ONE YEAR
Bonds payable:						
General obligation and refunding bonds	\$ 66,418,455	\$ 25,005,000	\$ (6,828,980)	\$ -	\$ 84,594,475	\$ 8,209,475
Capital appreciation bonds	3,783,422	-	(826,019)	295,872	3,253,275	363,199
Premium on issuance of bonds	<u>8,001,378</u>	<u>1,754,256</u>	<u>(481,982)</u>	<u>-</u>	<u>9,273,652</u>	<u>-</u>
Total bonds	<u>78,203,255</u>	<u>26,759,256</u>	<u>(8,136,981)</u>	<u>295,872</u>	<u>97,121,402</u>	<u>8,572,674</u>
Other long-term liabilities:						
Compensated absences	<u>262,162</u>	<u>16,028</u>	<u>(54,432)</u>	<u>-</u>	<u>223,758</u>	<u>44,752</u>
Total other long-term liabilities	<u>262,162</u>	<u>16,028</u>	<u>(54,432)</u>	<u>-</u>	<u>223,758</u>	<u>44,752</u>
Total governmental activities	<u>\$ 78,465,417</u>	<u>\$ 26,775,284</u>	<u>\$ (8,191,413)</u>	<u>\$ 295,872</u>	<u>\$ 97,345,160</u>	<u>\$ 8,617,426</u>

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

During the year the District issued Lago Vista Independent School District Unlimited Tax Building Bonds, Series 2022 for \$25,005,000. The bonds are for the renovation and construction of extra-curricular facilities at LVHS footprint and to pay the costs associated with the issuance of the bonds.

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

YEAR ENDING AUGUST 31,	GENERAL OBLIGATIONS			TOTAL REQUIREMENTS
	PRINCIPAL	ACCUMULATED ACCRETION	INTEREST	
2024	\$ 8,209,475	\$ 363,199	\$ 3,617,305	\$ 12,189,979
2025	3,455,000	-	2,879,480	6,334,480
2026	3,580,000	-	2,766,030	6,346,030
2027	3,725,000	-	2,613,430	6,338,430
2028	2,770,000	1,016,031	3,914,430	7,700,461
2029-2033	17,375,000	1,874,045	13,466,000	32,715,045
2034-2038	20,045,000	-	6,356,150	26,401,150
2039-2043	14,490,000	-	3,118,160	17,608,160
2044-2047	<u>10,945,000</u>	<u>-</u>	<u>751,720</u>	<u>11,696,720</u>
Totals	<u>\$ 84,594,475</u>	<u>\$ 3,253,275</u>	<u>\$ 39,482,705</u>	<u>\$ 127,330,455</u>

# LAGO VISTA INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended August 31, 2023

### (8) Teacher Retirement System of Texas pension plan

#### Plan description

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

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

#### Pension plan fiduciary net position

Detailed information about TRS's fiduciary net position is available in a separately issued Annual Comprehensive Financial Report that includes financial statements and required supplementary information. That report may be obtained on the internet at <https://www.trs.texas.gov/Pages/aboutpublications.aspx>; by writing to TRS at 1000 Red River Street, Austin, Texas 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 postemployment benefit changes; including automatic COLAs. Ad hoc postemployment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the plan description above.

Texas Government Code section 821.006 prohibits benefit improvements, if as a result of the particular action, the time required to amortize TRS's 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.

**LAGO VISTA INDEPENDENT SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended August 31, 2023**

(8) Teacher Retirement System of Texas pension plan (continued)

Contributions

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

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

<b>Contribution Rates</b>	<b>2023</b>	<b>2022</b>
Member (Employees)	8.00%	8.00%
Non-employer contributing entity (State of Texas)	8.00%	7.75%
Employer (District)	8.00%	7.75%

**Contributions**

Member contributions (Employees)	\$ 955,899	\$ 868,361
Non-employer contributing entity contributions (State of Texas)	727,673	595,397
Employer contributions (District)	460,424	347,258

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

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

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment.
- When any part or all of an employee's salary is paid by federal funding source, a privately sponsored source, from non-educational and general, or local funds.

# LAGO VISTA INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended August 31, 2023

### (8) Teacher Retirement System of Texas pension plan (continued)

#### Contributions (continued)

In addition to the employer contributions listed above, there is an additional surcharge an employer is subject to:

- When the employing district is a public school, the employer must contribute 1.7% of the member's salary beginning in fiscal year 2022. This contribution rate called the Public Education Employer Contribution (PEEC) will replace the Non (OASDI) surcharge that was in effect in fiscal year 2019. The PEEC rate for fiscal year 2023 was 1.18% and will gradually increase to 2% in fiscal year 2025.
- When employing a retiree of the Teacher Retirement System the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.

#### Actuarial assumptions

The total pension liability in the August 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

Valuation date	August 31, 2021 rolled forward to August 31, 2022
Actuarial cost method	Individual entry age normal
Asset valuation method	Fair value
Single discount rate	7.00%
Long-term expected investment rate of return	7.00%
Municipal bond rate of return*	3.31%
Last year in the projection period (100 years)	2121
Inflation	2.30%
Salary increases including inflation	2.95% to 8.95%
Ad hoc post-employment benefit changes	None

\* 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."

#### Discount rate

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

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

# LAGO VISTA INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

**For the year ended August 31, 2023**

(8) Teacher Retirement System of Texas pension plan (continued)

Discount rate (continued)

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

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

Asset Class *	Target Allocation **	Long-Term Expected Arithmetic Real Rate of Return ***	Contributions To Long-Term Portfolio Returns
Global Equity			
USA	18.0%	4.6%	1.12%
Non-U.S. Developed	13.0%	4.9%	0.90%
Emerging Markets	9.0%	5.4%	0.75%
Private Equity	14.0%	7.7%	1.55%
Stable Value			
Government Bonds	16.0%	1.1%	0.22%
Absolute returns	0.0%	3.7%	0.00%
Stable Value Hedge Funds	5.0%	3.4%	0.18%
Real Return			
Real Estate	15.0%	4.1%	0.94%
Energy and Natural Resources	6.0%	5.1%	0.37%
Commodities	0.0%	3.6%	0.00%
Risk Parity			
Risk Parity	8.0%	4.6%	0.43%
Leverage			
Cash	2.0%	3.0%	0.01%
Asset Allocation Leverage	-6.0%	3.6%	-0.05%
Inflation Expectation			2.70%
Volatility Drag****			-0.91%
Expected Return	<u>100.0%</u>		<u>8.21%</u>

\* Absolute return includes credit sensitive investments.

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

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

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



**LAGO VISTA INDEPENDENT SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended August 31, 2023**

(8) Teacher Retirement System of Texas pension plan (continued)

Discount rate sensitivity analysis

The following schedule presents the impact of the net pension liability of the plan using the discount rate of 7.00% and what the net pension liability would be if it were calculated using a discount rate that is 1% point lower (6.00%) or 1% point higher (8.00%) 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	<u>\$ 7,218,515</u>	<u>\$ 4,640,279</u>	<u>\$ 2,550,498</u>

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 \$4,640,279 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$ 4,640,279
State's proportionate share of the net pension liability associated with the District	<u>8,073,482</u>
Total pension liability	<u>\$ 12,713,761</u>

The net pension liability was measured as of August 31, 2021 and rolled forward to August 31, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer's proportion of the net pension liability was based on the 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 0.000078162031 which was an increase of 0.000007358331 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 the lowering of the single discount rate from 7.25 percent to 7.00 percent.

For the year ended August 31, 2023, the District recognized pension expense of \$771,734 and revenue of \$727,673 for support provided by the State.

**LAGO VISTA INDEPENDENT SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended August 31, 2023**

(8) Teacher Retirement System of Texas pension plan (continued)

Changes since the prior actuarial valuation (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 economic experience	\$ 67,284	\$ 101,167
Changes in actuarial assumptions	864,635	215,491
Differences between projected and actual investment earnings	458,445	-
Changes in proportion and difference between the District's contributions and the proportionate share of contributions	420,811	147,337
Contributions paid to TRS subsequent to the measurement date	460,424	-
Total	\$ 2,271,599	\$ 463,995

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

Measurement Year Ended August 31,	Pension Expense Amount
2024	\$ 346,433
2025	208,180
2026	88,688
2027	588,857
2028	115,022
Thereafter	-
	\$ 1,347,180

(9) Defined other postemployment 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 postemployment benefit (OPEB) plan with a special funding situation. The TRS-Care program was established in 1986 by the Texas Legislature.

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

**LAGO VISTA INDEPENDENT SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended August 31, 2023**

(9) Defined other postemployment benefit plans (continued)

OPEB plan fiduciary net position

Detailed information about the TRS-Care’s fiduciary net position is available in the separately issued TRS Annual Comprehensive Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at <https://www.trs.texas.gov/Pages/aboutpublications.aspx>; 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 and charter schools, regional education service centers and other educational districts who are members of the TRS pension system. Eligible non-Medicare retirees and their dependents may enroll in TRS-Care Standard, a high deductible health plan. Eligible Medicare retirees and their dependents may enroll in the TRS-Care Medicare Advantage medical plan and the TRS-Care Medicare Rx prescription drug plan. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in the TRS pension system.

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

TRS-Care Monthly Premium Rates				
	Medicare		Non-Medicare	
Retiree*	\$	135	\$	200
Retiree and spouse		529		689
Retiree* and children		468		408
Retiree and family		1,020		999

\* or surviving spouse

Contributions

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

Texas Insurance Code, section 1575.202 establishes the state’s contribution rate which is 1.25% of the employee’s salary. Section 1575.203 establishes the active employee’s rate which is .65% of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25 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.

**LAGO VISTA INDEPENDENT SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended August 31, 2023**

(9) Defined other postemployment benefit plans (continued)

Contributions (continued)

The following table shows contributions to the TRS-Care plan by type of contributor.

<b>Contribution Rates</b>	<b>2023</b>	<b>2022</b>
Active employee	0.65%	0.65%
Non-employer contributing entity (State of Texas)	0.75%	1.25%
Employer (District)	1.25%	0.75%
Federal/private funding remitted by employers	1.25%	1.25%
<b>Contributions</b>		
District contributions	\$ 102,077	\$ 90,624
Member contributions	77,668	70,554
NECE on-behalf contributions	121,279	99,233

In addition to the employer contributions listed above, there is an additional surcharge all TRS employers are subject to. When hiring a TRS retiree, employers are required to pay to TRS Care, a monthly surcharge of \$535 per retiree.

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

Actuarial assumptions

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

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

The following assumptions and other inputs used for members of TRS-Care are based on an established pattern of practice and are identical to the assumptions used in the August 31, 2021 TRS pension actuarial valuation that was rolled forward to August 31, 2022:

Rates of mortality  
Rates of retirement  
Rates of termination  
Rates of disability  
General inflation  
Wage inflation

**LAGO VISTA INDEPENDENT SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended August 31, 2023**

(9) Defined other postemployment benefit plans (continued)

Actuarial assumptions (continued)

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

Additional actuarial methods and assumptions.

Valuation date	August 31, 2021 rolled forward to August 31, 2022
Actuarial cost method	Individual entry age normal
Inflation	2.30%
Single discount rate	3.91% as of August 31, 2022
Amortization method and year	Level % of payroll - 30 years
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 cost.
Salary increases	3.05% to 9.05%, including inflation
Healthcare trend rates	8.25% decreasing to 4.50% for FY 2035
Election rates	Normal retirement 62% participation prior to age 65 and 25% participation after age 65. 30% of pre-65 retirees are assumed to discontinue coverage at age 65.
Ad hoc postemployment benefit changes	None

Discount rate

A single discount rate of 3.91% was used to measure the total OPEB liability. There was an increase of 1.96% in the discount rate since the previous year. Because the plan is essentially a “pay-as-you-go” plan, the single discount rate is equal to the 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, 2021 using the fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds.

**LAGO VISTA INDEPENDENT SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended August 31, 2023**

(9) Defined other postemployment benefit plans (continued)

Discount rate sensitivity analysis

The following schedule shows the impact of the total OPEB liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (3.91%) in measuring the net OPEB liability.

	1% Decrease in Discount Rate (2.91%)	Current Single Discount Rate (3.91%)	1% Increase in Discount Rate (4.91%)
District's proportionate share of the net OPEB liability	\$ 3,340,807	\$ 2,833,403	\$ 2,422,341

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 \$2,833,403 for its proportionate share of the TRS's total OPEB liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the net OPEB liability	\$ 2,833,403
State's proportionate share of the net OPEB liability associated with the District	3,456,307
Total	\$ 6,289,710

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

At August 31, 2023 the employer's proportion of the collective total OPEB liability was 0.000118334554 compared to 0.000107744596 as of August 31, 2022. This was an increase of 0.000010589958 over the prior year.

The following schedule shows the impact of the net OPEB liability if a healthcare trend rate is 1% less than and 1% greater than the health rates assumed.

	1% Decrease in Healthcare Trend Rate	Current Single Heathcare Trend Rate	1% Increase in Healthcare Trend Rate
District's proportionate share of the net OPEB liability	\$ 2,334,737	\$ 2,833,403	\$ 3,479,860

**LAGO VISTA INDEPENDENT SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended August 31, 2023**

(9) Defined other postemployment benefit plans (continued)

OPEB liabilities, OPEB expense, and deferred outflows of resources and deferred inflows of resources related to OPEBs (continued)

Changes since the prior actuarial valuation

The discount rate changed from 1.95 percent as of August 31, 2021 to 3.91 percent as of August 31, 2022. This change increased the total OPEB liability (TOL).

Changes of benefit terms since the prior measurement date

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 (TOL).
- There were no changes in benefit terms during the valuation period. There were no changes in benefit terms since the prior measurement date.

The amount of OPEB expense recognized by the District in the reporting period was \$(490,478) and revenue of \$121,279 for support provided by the State.

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 other postemployment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 157,527	\$ 2,360,479
Changes in actuarial assumptions	431,583	1,968,480
Differences between projected and actual investment earnings	8,440	-
Changes in proportion and difference between the District's contributions and the proportionate share of contributions	1,224,137	185,162
Contributions paid to TRS subsequent to the measurement date	102,077	-
Total	\$ 1,923,764	\$ 4,514,121

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
2023	\$ (553,820)
2024	(553,793)
2025	(433,636)
2026	(270,966)
2027	(277,385)
Thereafter	(602,834)
Total	\$ (2,692,434)

**LAGO VISTA INDEPENDENT SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended August 31, 2023**

(10) Fringe benefits paid by other governments

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. Under Medicare Part D, TRS-Care receives retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the years ended August 31, 2023, August 31, 2022, and August 31, 2021 the subsidy payments received by TRS-Care on behalf of the District were \$64,249, \$47,468, and \$44,195, respectively.

(11) Revenue from local and intermediate sources

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

TYPE	GENERAL FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	NONMAJOR GOVERNMENTAL FUNDS	LITTLE VIKINGS DAY CARE	TOTAL
Property taxes	\$ 29,810,181	\$ 11,031,278	\$ -	\$ -	\$ -	\$ 40,841,459
Tuition and fees	40,580	-	-	-	187,323	227,903
Investment income	940,370	409,161	1,465,247	-	-	2,814,778
Rent	12,514	-	-	-	-	12,514
Food sales	-	-	-	420,035	-	420,035
Athletics	47,702	-	-	-	-	47,702
Enterprising revenues	-	-	-	405,850	-	405,850
Miscellaneous local revenue	202,116	581	-	-	-	202,697
<b>Total</b>	<b>\$ 31,053,463</b>	<b>\$ 11,441,020</b>	<b>\$ 1,465,247</b>	<b>\$ 825,885</b>	<b>\$ 187,323</b>	<b>\$ 44,972,938</b>

(12) Unearned revenue

Unearned revenue at August 31, 2023 consisted of the following amounts:

FUND	LOCAL SOURCES	FEDERAL GRANTS	TOTAL
General fund	\$ 13,660	\$ -	\$ 13,660
Debt service fund	5,428	-	5,428
Nonmajor governmental funds	-	1,252	1,252
<b>Total</b>	<b>\$ 19,088</b>	<b>\$ 1,252</b>	<b>\$ 20,340</b>

(13) Risk management

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



# LAGO VISTA INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended August 31, 2023

### (14) Commitments and contingencies

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

### (15) Self-insurance fund

Lago Vista Independent School District participates in the Public Workers' Compensation Program (PWCP). PWCP maintains compliance with GASB No. 10 through an independent audit of the Program's financials which include an independent actuarial estimate of the reserves as of August 31, 2023. Reserves maintained on the PWCP financial represent the unpaid claim liability and include a provision for the subsequent development of known claims and for claims incurred but not reported (IBNR). The reinsurance contract is on PWCP as a whole and not the District. The reinsurance (stop loss insurance) for the District as a member of the PWCP from September 1, 2022 through August 31, 2023 is as follows:

Carrier:	Texas Public Excess Program
Specific Retention:	\$450,000-\$750,000 ISD Employees
Specific Retention:	\$500,000-\$750,000 County Employees

Carrier:	Safety National Casualty Corporation
Specific Retention:	\$750,000 ISD Employees (Statutory)
Specific Retention:	\$750,000 County Employees (Statutory)

As of August 31, 2023, the District's outstanding liabilities with PWCP were \$9,972.

### (16) Unemployment compensation pool

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

The Fund meets its quarterly obligation to the Texas Workforce Commission. Expenses are accrued monthly until the quarterly payment has been made. Expenses can be reasonably estimated; therefore there is no need for specific or aggregate stop loss coverage for the unemployment compensation pool. For the year ended August 31, 2023, the Fund anticipates that Lago Vista Independent School District has no additional liability beyond the contractual obligation for payment of contribution. The Fund engages the services of an independent auditor to conduct a financial audit after the close of each year on August 31. The audit is accepted by the Fund's Board of Trustees in February of the following year. The Fund's audited financial statements as of August 31, 2022, are available on the TASB Risk Management Fund website and have been filed with the Texas Department of Insurance in Austin.

# LAGO VISTA INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

**For the year ended August 31, 2023**

### (17) Net position deficit

At August 31, 2023, the District has a deficit unrestricted net position in business type activities. This deficit is due in part to the implementation of GASB Statement No. 68 on pension liabilities and GASB Statement No. 75 on OPEB liabilities (\$78,958 of the \$85,521 unrestricted deficit). The remaining \$6,563 deficit from operations is being evaluated annually from the budget and service charges assessment and is intended to be eliminated in the coming years.

### (18) Subsequent events

Subsequent events are evaluated by the District's management through January 11, 2024, the date which the financial statements were available to be issued. In December 2023, the District purchased 10.5 acres of land in Travis County for the sales price of \$1,600,000. No other subsequent events have occurred that require disclosure.

## **REQUIRED SUPPLEMENTARY INFORMATION**

Required supplementary information includes financial information and disclosures required by the Governmental Accounting Standards Board but not considered a part of the basic financial statements.

**LAGO VISTA 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**

	2022	2021	2020
District's proportion of the net pension liability	0.0078162031%	0.0070800370%	0.0068680350%
District's proportionate share of net pension liability	\$ 4,640,279	\$ 1,803,035	\$ 3,678,379
State's proportionate share of the net pension liability associated with the District	8,073,482	3,509,864	6,937,117
Total	\$ 12,713,761	\$ 5,312,899	\$ 10,615,496
District's covered payroll	\$ 11,277,417	\$ 9,879,687	\$ 9,255,017
District's proportionate share of the net pension liability as a percentage of its covered payroll	41.15%	18.25%	39.74%
Plan fiduciary net position as a percentage of the total net pension liability	75.62%	88.79%	75.54%

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

Only nine years of data are presented in accordance with GASB 68, paragraph 138. "The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this statement".

EXHIBIT G-1

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
0.0073869742%	0.0067887259%	0.0071185034%	0.0070053908%	0.0072914000%	0.0048592000%
\$ 3,839,980	\$ 3,736,679	\$ 2,276,114	\$ 2,647,233	\$ 2,577,413	\$ 1,297,960
<u>5,770,688</u>	<u>6,320,644</u>	<u>3,926,192</u>	<u>4,618,000</u>	<u>4,436,562</u>	<u>3,922,098</u>
<u>\$ 9,610,668</u>	<u>\$ 10,057,323</u>	<u>\$ 6,202,306</u>	<u>\$ 7,265,233</u>	<u>\$ 7,013,975</u>	<u>\$ 5,220,058</u>
<u>\$ 8,156,584</u>	<u>\$ 7,808,347</u>	<u>\$ 7,849,062</u>	<u>\$ 7,584,320</u>	<u>\$ 7,296,833</u>	<u>\$ 7,218,248</u>
47.08%	47.85%	29.00%	34.90%	35.32%	17.98%
75.24%	73.74%	82.17%	78.00%	78.43%	83.25%

**LAGO VISTA INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF DISTRICT CONTRIBUTIONS FOR PENSIONS**  
**TEACHER RETIREMENT SYSTEM OF TEXAS**

**For the year ended August 31, 2023**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 460,424	\$ 347,258	\$ 301,938	\$ 281,795
Contribution in relation to the contractually required contribution	<u>(460,424)</u>	<u>(347,258)</u>	<u>(301,938)</u>	<u>(281,795)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	<u>\$ 12,414,273</u>	<u>\$ 11,277,417</u>	<u>\$ 9,879,687</u>	<u>\$ 9,255,017</u>
Contribution as a percentage of covered payroll	3.71%	3.08%	3.06%	3.04%

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

Only nine years of data are presented in accordance with GASB 68, paragraph 138. "The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this statement".

EXHIBIT G-2

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 258,911	\$ 229,455	\$ 233,201	\$ 222,433	\$ 215,598
<u>(258,911)</u>	<u>(229,455)</u>	<u>(233,201)</u>	<u>(222,433)</u>	<u>(215,598)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 8,156,584</u>	<u>\$ 7,808,347</u>	<u>\$ 7,849,062</u>	<u>\$ 7,584,320</u>	<u>\$ 7,296,833</u>
3.17%	2.94%	2.97%	2.93%	2.95%

**LAGO VISTA INDEPENDENT SCHOOL DISTRICT**

**SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE  
OF THE NET OTHER POSTEMPLOYMENT BENEFITS LIABILITY (OPEB)  
TEACHER PUBLIC SCHOOL RETIRED EMPLOYEES GROUP INSURANCE PLAN**

**For the year ended August 31, 2023**

EXHIBIT G-3

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's proportion of the net liability for other postemployment benefits	0.0118334554%	0.0107744596%	0.0105816588%	0.0099552897%	0.0091875500%	0.0088697636%
District's proportionate share of the net other postemployment benefit liability	\$ 2,833,403	\$ 4,156,191	\$ 4,022,566	\$ 4,707,979	\$ 4,529,093	\$ 4,236,617
State's proportionate share of the net other postemployment benefit liability associated with the District	<u>3,456,307</u>	<u>5,568,369</u>	<u>5,405,365</u>	<u>6,255,850</u>	<u>6,783,026</u>	<u>6,307,702</u>
Total other postemployment benefits liability	<u>\$ 6,289,710</u>	<u>\$ 9,724,560</u>	<u>\$ 9,427,931</u>	<u>\$ 10,963,829</u>	<u>\$ 11,312,119</u>	<u>\$ 10,544,319</u>
District's covered payroll	<u>\$ 11,277,417</u>	<u>\$ 9,879,687</u>	<u>\$ 9,255,017</u>	<u>\$ 8,156,584</u>	<u>\$ 7,808,347</u>	<u>\$ 7,849,062</u>
District's proportionate share of the net other postemployment benefit liability as a percentage of its covered payroll	25.12%	42.07%	43.46%	57.72%	58.00%	53.98%
Plan fiduciary net position as a percentage of the total net other postemployment benefit liability	11.52%	6.18%	4.99%	2.66%	1.57%	0.91%

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

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



**LAGO VISTA INDEPENDENT SCHOOL DISTRICT**

**SCHEDULE OF DISTRICT CONTRIBUTIONS  
FOR OTHER POSTEMPLOYMENT BENEFITS (OPEB) -  
TEXAS PUBLIC SCHOOL RETIRED EMPLOYEES GROUP INSURANCE PLAN**

**For the year ended August 31, 2023**

EXHIBIT G-4

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 102,077	\$ 90,624	\$ 84,129	\$ 78,895	\$ 70,842	\$ 59,098
Contribution in relation to the contractually required contribution	<u>(102,077)</u>	<u>(90,624)</u>	<u>(84,129)</u>	<u>(78,895)</u>	<u>(70,842)</u>	<u>(59,098)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	<u>\$ 12,414,273</u>	<u>\$ 11,277,417</u>	<u>\$ 9,879,687</u>	<u>\$ 9,255,017</u>	<u>\$ 8,156,584</u>	<u>\$ 7,808,347</u>
Contribution as a percentage of covered payroll	0.82%	0.80%	0.85%	0.85%	0.87%	0.76%

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

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

**LAGO VISTA INDEPENDENT SCHOOL DISTRICT**

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS**

**For the year ended August 31, 2023**

DATA CONTROL CODES	SPECIAL REVENUE FUNDS				
	211	224	225	240	
	ESEA, TITLE I PART A	IDEA PART B FORMULA	IDEA PART B PRESCHOOL	NATIONAL SCHOOL BREAKFAST/LUNCH PROGRAM	
<b>ASSETS</b>					
1110	Cash	\$ -	\$ 2,250	\$ -	\$ 261,520
1120	Investments - current	-	-	-	628
1240	Receivables from other governments	38,768	195,150	1,653	15,761
1260	Due from other funds	-	-	-	-
1000	Total assets	<u>\$ 38,768</u>	<u>\$ 197,400</u>	<u>\$ 1,653</u>	<u>\$ 277,909</u>
<b>LIABILITIES</b>					
Current liabilities:					
2110	Accounts payable	\$ -	\$ 3,107	\$ -	\$ 46,176
2160	Accrued wages payable	15,313	25,579	-	-
2170	Due to other funds	21,663	166,604	1,653	-
2200	Accrued expenditures	1,792	2,110	-	-
2300	Unearned revenues	-	-	-	-
2000	Total liabilities	<u>38,768</u>	<u>197,400</u>	<u>1,653</u>	<u>46,176</u>
<b>FUND BALANCES</b>					
3450	Restricted - federal or state funds restricted	-	-	-	231,733
3545	Committed - other committed fund balance	-	-	-	-
3000	Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>231,733</u>
4000	Total liabilities and fund balances	<u>\$ 38,768</u>	<u>\$ 197,400</u>	<u>\$ 1,653</u>	<u>\$ 277,909</u>

EXHIBIT H-1

SPECIAL REVENUE FUNDS						
255	263	266	281	282	289	385
ESEA, TITLE II PART A	TITLE III PART A-ELA	ESSER FUNDS	ESSER II FUNDS	ESSER III FUNDS	TITLE IV PART A SUBPART 1	SUPPLEMENTAL VISUALLY IMPAIRED
\$ 504	\$ -	\$ -	\$ -	\$ -	\$ 1,196	\$ -
-	-	-	-	-	-	-
10,612	300	-	-	30,622	56	392
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 11,116</u>	<u>\$ 300</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,622</u>	<u>\$ 1,252</u>	<u>\$ 392</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
11,116	300	-	-	30,622	-	392
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,252</u>	<u>-</u>
<u>11,116</u>	<u>300</u>	<u>-</u>	<u>-</u>	<u>30,622</u>	<u>1,252</u>	<u>392</u>
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 11,116</u>	<u>\$ 300</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,622</u>	<u>\$ 1,252</u>	<u>\$ 392</u>

(continued)

**LAGO VISTA INDEPENDENT SCHOOL DISTRICT**

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS**

**For the year ended August 31, 2023**

EXHIBIT H-1

DATA CONTROL CODES	SPECIAL REVENUE FUNDS			TOTAL NONMAJOR GOVERNMENTAL FUNDS	
	410	429	461		
	STATE TEXBOOK FUND	STATE FUNDED SPECIAL REVENUE FUNDS	CAMPUS ACTIVITY FUNDS		
<b>ASSETS</b>					
1110	Cash	\$ -	\$ -	\$ -	\$ 265,470
1120	Investments - current	-	-	-	628
1240	Receivables from other governments	33,600	6,100	-	333,014
1260	Due from other funds	-	-	259,110	259,110
1000	Total assets	<u>\$ 33,600</u>	<u>\$ 6,100</u>	<u>\$ 259,110</u>	<u>\$ 858,222</u>
<b>LIABILITIES</b>					
Current liabilities:					
2110	Accounts payable	\$ -	\$ -	\$ -	\$ 49,283
2160	Accrued wages payable	-	-	-	40,892
2170	Due to other funds	33,600	6,100	5,092	277,142
2200	Accrued expenditures	-	-	-	3,902
2300	Unearned revenues	-	-	-	1,252
2000	Total liabilities	<u>33,600</u>	<u>6,100</u>	<u>5,092</u>	<u>372,471</u>
<b>FUND BALANCES</b>					
3450	Restricted - federal or state funds restricted	-	-	-	231,733
3545	Committed - other committed fund balance	-	-	254,018	254,018
3000	Total fund balances	<u>-</u>	<u>-</u>	<u>254,018</u>	<u>485,751</u>
	Total liabilities and fund balances	<u>\$ 33,600</u>	<u>\$ 6,100</u>	<u>\$ 259,110</u>	<u>\$ 858,222</u>



**LAGO VISTA INDEPENDENT SCHOOL DISTRICT**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS**

**For the year ended August 31, 2023**

DATA CONTROL CODES		SPECIAL REVENUE FUNDS			
		211	224	225	240
		ESEA, TITLE I PART A	IDEA PART B FORMULA	IDEA PART B PRESCHOOL	NATIONAL SCHOOL BREAKFAST/LUNCH PROGRAM
	REVENUES				
5700	Local and intermediate sources	\$ -	\$ -	\$ -	\$ 420,035
5800	State program revenues	-	-	-	4,037
5900	Federal program revenues	166,283	449,190	1,653	322,477
5020	Total revenues	<u>166,283</u>	<u>449,190</u>	<u>1,653</u>	<u>746,549</u>
	EXPENDITURES				
	Current:				
0011	Instruction	166,283	449,190	1,653	-
0012	Instructional resources	-	-	-	-
0013	Curriculum development and instructional staff development	-	-	-	-
0031	Guidance, counseling, and evaluation services	-	-	-	-
0035	Food service	-	-	-	781,969
0036	Cocurricular/extracurricular activities	-	-	-	-
0051	Plant maintenance and operations	-	-	-	-
0052	Security and monitoring	-	-	-	-
6030	Total expenditures	<u>166,283</u>	<u>449,190</u>	<u>1,653</u>	<u>781,969</u>
1100	Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>(35,420)</u>
	OTHER FINANCING SOURCES (USES):				
7915	Transfers in	-	-	-	1,343
7080	Total other financing sources and (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,343</u>
1200	Net change in fund balance	-	-	-	(34,077)
0100	FUND BALANCES - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>	<u>265,810</u>
3000	FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 231,733</u>

**LAGO VISTA INDEPENDENT SCHOOL DISTRICT**

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

**For the year ended August 31, 2023**

EXHIBIT H-2

SPECIAL REVENUE FUNDS						
255	263	266	281	282	289	385
ESEA, TITLE II PART A	TITLE III PART A-ELA	ESSER FUNDS	ESSER II FUNDS	ESSER III FUNDS	TITLE IV PART A SUBPART 1	SUPPLEMENTAL VISUALLY IMPAIRED
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
<u>23,086</u>	<u>9,261</u>	<u>20,002</u>	<u>423,655</u>	<u>118,885</u>	<u>3,259</u>	-
<u>23,086</u>	<u>9,261</u>	<u>20,002</u>	<u>423,655</u>	<u>118,885</u>	<u>3,259</u>	-
15,076	9,261	-	-	103,931	3,259	-
2,292	-	-	-	-	-	-
5,718	-	-	-	-	-	-
-	-	-	-	14,954	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	20,002	423,655	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>23,086</u>	<u>9,261</u>	<u>20,002</u>	<u>423,655</u>	<u>118,885</u>	<u>3,259</u>	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

**LAGO VISTA INDEPENDENT SCHOOL DISTRICT**

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

**For the year ended August 31, 2023**

EXHIBIT H-2

DATA CONTROL CODES		SPECIAL REVENUE FUNDS			TOTAL NONMAJOR GOVERNMENTAL FUNDS
		410 STATE TEXTBOOK REVENUE FUNDS	429 STATE FUNDED SPECIAL REVENUE FUNDS	461 CAMPUS ACTIVITY FUNDS	
	REVENUES				
5700	Local and intermediate sources	\$ -	\$ -	\$ 405,850	\$ 825,885
5800	State program revenues	59,192	6,100	-	69,329
5900	Federal program revenues	-	-	-	1,537,751
5020	Total revenues	<u>59,192</u>	<u>6,100</u>	<u>405,850</u>	<u>2,432,965</u>
	EXPENDITURES				
	Current:				
0011	Instruction	59,192	-	-	807,845
0012	Instructional resources	-	-	-	2,292
0013	Curriculum development and instructional staff development	-	-	-	5,718
0031	Guidance, counseling, and evaluation services	-	-	-	14,954
0035	Food service	-	-	-	781,969
0036	Cocurricular/extracurricular activities	-	-	405,941	405,941
0051	Plant maintenance and operations	-	-	-	443,657
0052	Security and monitoring	-	6,100	-	6,100
6030	Total expenditures	<u>59,192</u>	<u>6,100</u>	<u>405,941</u>	<u>2,468,476</u>
1100	Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(91)</u>	<u>(35,511)</u>
	OTHER FINANCING SOURCES (USES):				
7915	Transfers in	-	-	-	1,343
7080	Total other financing sources and (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,343</u>
1200	Net change in fund balance	-	-	(91)	(34,168)
0100	FUND BALANCES - BEGINNING	<u>-</u>	<u>-</u>	<u>254,109</u>	<u>519,919</u>
3000	FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 254,018</u>	<u>\$ 485,751</u>



## **OTHER SUPPLEMENTARY INFORMATION**

This section includes financial information and disclosures not required by the Governmental Accounting Standards Board and not considered a part of the basic financial statements. It may, however, include information which is required by other entities.

**LAGO VISTA INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF DELINQUENT TAXES RECEIVABLE**

**For the year ended August 31, 2023**

<u>YEAR ENDED</u> <u>AUGUST 31,</u>	(1)	(2)	(3)
	<u>TAX RATES</u>		<u>ASSESSED/APPRAISED</u> <u>VALUE FOR SCHOOL</u> <u>TAX PURPOSES</u>
	<u>MAINTENANCE</u>	<u>DEBT SERVICE</u>	
2014 and prior years	Various	Various	Various
2015	1.04000	0.28000	1,244,550,642
2016	1.06000	0.26000	1,277,778,852
2017	1.06000	0.26000	1,355,324,796
2018	1.06000	0.26000	1,436,211,601
2019	1.06000	0.26000	1,622,649,537
2020	0.99000	0.26000	1,786,931,105
2021	0.9436	0.26000	1,921,302,358
2022	0.88200	0.32000	2,222,428,396
2023 (school year under audit)	0.86460	0.32000	3,620,941,525
1000 Totals			

EXHIBIT J-1

(10) BEGINNING BALANCE 09/01/2022	(20) CURRENT YEAR'S TOTAL LEVY	(31) MAINTENANCE COLLECTIONS	(32) DEBT SERVICE COLLECTIONS	(40) ENTIRE YEAR'S ADJUSTMENTS	(50) ENDING BALANCE 8/31/2023
\$ 75,948	\$ -	\$ 4,619	\$ 1,244	\$ (11,860)	\$ 58,225
20,684	-	639	172	(239)	19,634
25,981	-	1,146	281	(239)	24,315
27,092	-	995	244	(239)	25,614
35,093	-	3,950	969	(180)	29,994
51,903	-	5,587	1,370	(127)	44,819
61,609	-	9,222	2,422	(2,002)	47,963
123,571	-	1,184	326	(21,214)	100,847
352,543	-	(17,113)	(6,209)	(204,844)	171,021
<u>-</u>	<u>42,893,673</u>	<u>29,652,048</u>	<u>10,974,619</u>	<u>(1,499,880)</u>	<u>767,126</u>
<u>\$ 774,424</u>	<u>\$ 42,893,673</u>	<u>\$ 29,662,277</u>	<u>\$ 10,975,438</u>	<u>\$ (1,740,824)</u>	<u>\$ 1,289,558</u>

**LAGO VISTA 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**

EXHIBIT J-2

DATA CONTROL CODES	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)	
	ORIGINAL	FINAL			
	REVENUES				
5700	Local and intermediate sources	\$ 321,225	\$ 396,225	\$ 420,035	\$ 23,810
5800	State program revenues	2,500	2,500	4,037	1,537
5900	Federal program revenues	278,815	278,815	322,477	43,662
5020	Total revenues	<u>602,540</u>	<u>677,540</u>	<u>746,549</u>	<u>69,009</u>
	EXPENDITURES				
0035	Food services	<u>605,540</u>	<u>680,540</u>	<u>781,969</u>	<u>(101,429)</u>
6030	Total expenditures	<u>605,540</u>	<u>680,540</u>	<u>781,969</u>	<u>(101,429)</u>
1100	Excess (deficiency) of revenues over (under) expenditures	<u>(3,000)</u>	<u>(3,000)</u>	<u>(35,420)</u>	<u>(32,420)</u>
	OTHER FINANCING SOURCES (USES):				
7915	Transfers in	<u>3,000</u>	<u>3,000</u>	<u>1,343</u>	<u>(1,657)</u>
1200	Net change in fund balance	-	-	(34,077)	(34,077)
0100	FUND BALANCE - BEGINNING	<u>265,810</u>	<u>265,810</u>	<u>265,810</u>	-
3000	FUND BALANCE - ENDING	<u>\$ 265,810</u>	<u>\$ 265,810</u>	<u>\$ 231,733</u>	<u>\$ (34,077)</u>

**LAGO VISTA 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**

EXHIBIT J-3

DATA CONTROL CODES	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)	
	ORIGINAL	FINAL			
REVENUES					
5700	Local and intermediate sources	\$ 11,088,481	\$ 11,088,481	\$ 11,441,020	\$ 352,539
5800	State program revenues	-	-	234,588	234,588
5020	Total revenues	<u>11,088,481</u>	<u>11,088,481</u>	<u>11,675,608</u>	<u>587,127</u>
EXPENDITURES					
Debt service:					
0071	Principal on long-term debt	6,835,468	6,835,468	6,828,981	6,487
0072	Interest on long-term debt	4,248,013	4,248,013	4,248,013	-
0073	Bond issuance costs and fees	<u>5,000</u>	<u>5,000</u>	<u>4,595</u>	<u>405</u>
	Total debt service	<u>11,088,481</u>	<u>11,088,481</u>	<u>11,081,589</u>	<u>6,892</u>
6030	Total expenditures	<u>11,088,481</u>	<u>11,088,481</u>	<u>11,081,589</u>	<u>6,892</u>
1100	Excess (deficiency) of revenues over (under) expenditures	-	-	<u>594,019</u>	<u>594,019</u>
0100	FUND BALANCE - BEGINNING	<u>2,758,902</u>	<u>2,758,902</u>	<u>2,758,902</u>	-
1300	Increase (decrease) in fund balance	-	-	<u>594,197</u>	<u>594,197</u>
3000	FUND BALANCE - ENDING	<u>\$ 2,758,902</u>	<u>\$ 2,758,902</u>	<u>\$ 3,353,099</u>	<u>\$ 594,197</u>

**LAGO VISTA INDEPENDENT SCHOOL DISTRICT**

**USE OF FUNDS REPORT – SELECT STATE ALLOTMENT PROGRAMS**

**For the year ended August 31, 2023**

EXHIBIT J-4

**Data  
Codes**

**Responses**

**Section A: Compensatory Education Programs**

Districts are required to use at least 55% of state compensatory education state allotment funds on direct program costs. Statutory Authority: Texas Education Code, §48.104.		
AP1	Did your district expend any state compensatory education program state allotment funds during the district’s fiscal year?	Yes
AP2	Does the district have written policies and procedures for its state compensatory education program?	Yes
AP3	List the total state allotment funds received for state compensatory education programs during the district’s fiscal year.	\$ 648,494
AP4	List the actual direct program expenditures for state compensatory education programs during the district’s fiscal year. (PICs 24, 26, 28, 29, 30, 34)	\$ 832,610

**Section B: Bilingual Education Programs**

Districts are required to spend at least 55% of bilingual education state allotment funds on direct program costs. Statutory Authority: Texas Education Code, §48.105.		
AP5	Did your district expend any bilingual education program state allotment funds during the district’s fiscal year?	Yes
AP6	Does the district have written policies and procedures for its bilingual education program?	Yes
AP7	List the total state allotment funds received for bilingual education programs during the district’s fiscal year.	\$ 71,332
AP8	List the actual direct program expenditures for bilingual education programs during the district’s fiscal year. (PICs 25, 35)	\$ 95,529

**LAGO VISTA INDEPENDENT SCHOOL DISTRICT**

**SCHEDULE OF REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS**

**For the year ended August 31, 2023**

EXHIBIT L-1

<u>Data Control Codes</u>		<u>Responses</u>
SF1	Was there an unmodified opinion in the Annual Financial Report on the financial statements as a whole?	Yes
SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement at fiscal year end?	No
SF3	Did the school district make timely payments to the Teacher Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies?	Yes
SF4	Was the school district issued a warrant hold?	No
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state or federal funds?	No
SF6	Was there any disclosure in the Annual Financial Report of material noncompliance for grants, contracts, and laws related to local, state, or federal funds?	No
SF7	Did the school district post the required financial information on its website in accordance with Government Code, Local Government Code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules that were in effect at the school district's fiscal year end?	Yes
SF8	Did the school board members discuss the school district's property values at a board meeting within 120 days before the school district adopted its budget?	Yes
SF9	Total accumulated accretion on CABs included in government-wide financial statements at fiscal year end.	<u>\$ 3,253,275</u>





**FEDERAL AWARDS SECTION**



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 School Trustees  
Lago Vista 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, the business-type activities, each major fund, and the aggregate remaining fund information of Lago Vista Independent School District (the 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, and have issued our report thereon dated January 11, 2024.

**Report on Internal Control over Financial Reporting**

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

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

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

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

### **Purpose of this Report**

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

ABIP, PC

San Antonio, Texas

January 11, 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 School Trustees  
Lago Vista Independent School District

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

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

We have audited Lago Vista Independent School District's (the District) compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of the District's major federal programs for the year ended August 31, 2023. The 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, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 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 the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

#### **Responsibilities of Management for Compliance**

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

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

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

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

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

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or 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.

ABIP, PC

San Antonio, Texas

January 11, 2024





**LAGO VISTA INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For the year ended August 31, 2023**

SECTION I – SUMMARY OF AUDITOR’S RESULTS

<b>FINANCIAL STATEMENTS</b>			
Type of auditor’s report issued:	<u>Unmodified</u>		
Internal control over financial reporting: • Material weakness(es) identified?	<u>    </u> Yes	<u>  X  </u> No	
• Significant deficiency(ies) identified not considered to be material weakness(es)?	<u>    </u> Yes	<u>  X  </u> None Reported	
Noncompliance material to financial statements noted?	<u>    </u> Yes	<u>  X  </u> No	

<b>FEDERAL AWARDS</b>			
Internal control over financial reporting: • Material weakness(es) identified?	<u>    </u> Yes	<u>  X  </u> No	
• Significant deficiency(ies) identified not considered to be material weakness(es)?	<u>    </u> Yes	<u>  X  </u> None Reported	
Type of auditor’s report issued on compliance for Major programs:	<u>Unmodified</u>		
Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)?	<u>    </u> Yes	<u>  X  </u> No	

<b>IDENTIFICATION OF MAJOR PROGRAMS</b>			
Federal Assistance Listing Number(s)	Name of Federal Program or Cluster		
84.425	ESSER – COVID 19		
Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000		
Auditee qualified as low-risk auditee?	<u>  X  </u> Yes	<u>    </u> No	

SECTION II – FINANCIAL STATEMENT FINDINGS

None

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

**LAGO VISTA INDEPENDENT SCHOOL DISTRICT**

**SCHEDULE OF PRIOR YEAR FINDINGS**

**For the year ended August 31, 2023**

None

**LAGO VISTA INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**For the year ended August 31, 2023**

EXHIBIT K-1

(1) FEDERAL GRANTOR / PASS-THROUGH GRANTOR/ PROGRAM OR CLUSTER TITLE	(2) FEDERAL ASSISTANCE LISTING NUMBER	(3) PASS-THROUGH ENTITY IDENTIFYING NUMBER	(4) TOTAL FEDERAL EXPENDITURES
<b><u>U.S. DEPARTMENT OF EDUCATION</u></b>			
Passed Through State Department of Education:			
ESEA Title I, Part A - Improving Basic Programs	84.010A	23-610101227912	\$ 149,179
ESEA Title I, Part A - Improving Basic Programs	84.010A	24-610101227912	17,104
Total Federal Assistance Listing Number 84.010A			<u>166,283</u>
IDEA-Part B, Formula*	84.027	23-660001227912	420,644
IDEA-Part B, Formula*	84.027	24-660001227912	28,546
Total Federal Assistance Listing Number 84.027			<u>449,190</u>
IDEA-Part B, Preschool*	84.173	23-661001227912	1,653
Total Federal Assistance Listing Number 84.173			<u>1,653</u>
Total Special Education Cluster (IDEA)			<u>450,843</u>
ESEA Title III, Part A, English Language Acquisition and Enhancement	84.365A	23-671001227912	9,261
ESEA Title II, Part A, Teacher Principal Training and Recruiting	84.367A	23-694501227912	23,086
ESEA Title IV, Part A, Subpart 1	84.424A	23-680101227912	3,259
COVID-19 Elementary & Secondary School Emergency Relief Fund I	84.425D	20-521001227912	20,002
COVID-19 Elementary & Secondary School Emergency Relief Fund II	84.425D	21-521001227912	423,654
COVID-19 Elementary & Secondary School Emergency Relief Fund III	84.425D	21-528001227912	118,885
Total Federal Assistance Listing Number 84.425D			<u>562,541</u>
Total Passed Through State Department of Education			<u>1,215,273</u>
<b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>			<u>1,215,273</u>
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>			
Passed Through State Department of Agriculture:			
School Breakfast Program*	10.553	227-912	50,848
National School Lunch Program - Cash Assistance*	10.555	227-912	223,317
National School Lunch Program - Non-Cash Assistance*	10.555	227-912	47,684
Summer Feeding Program, Texas Department of Agriculture*	10.559	227-912	628
Total Child Nutrition Cluster			<u>322,477</u>
Total Passed Through State Department of Agriculture			<u>322,477</u>
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>			<u>322,477</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>\$ 1,537,750</u>

\*Clustered Programs

**LAGO VISTA INDEPENDENT SCHOOL DISTRICT**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**For the year ended August 31, 2023**

Note 1: Basis of presentation

The accompanying schedule of expenditures of federal awards (SEFA) includes the federal grant activity of Lago Vista Independent School District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

Note 2: Federal awards reconciliation

SHARS funding	\$	359,376
Total expenditures from Schedule of Federal Awards		1,537,750
Total Federal Revenue per C-2		<u>(1,897,126)</u>
	\$	<u><u>-</u></u>

Note 3: Indirect costs

The District has elected to use the 10% de minimis indirect cost rate.

Note 4: Subrecipients

Of the federal expenditures presented in the SEFA, the District did not provide any federal awards to subrecipients.