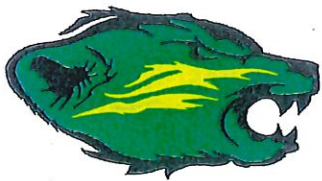


BISHOP CONSOLIDATED
INDEPENDENT SCHOOL DISTRICT

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED AUGUST 31, 2022



Bishop Consolidated Independent School District

Bishop Consolidated Independent School District
Annual Financial Report
For The Year Ended August 31, 2022

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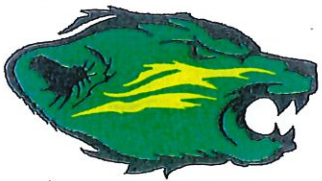
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Introductory Section



Bishop Consolidated Independent School District

CERTIFICATE OF BOARD

Bishop Consolidated Independent School District
Name of School District

Nueces
County

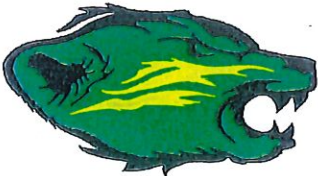
178-902
Co.-Dist. Number

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


Signature of Board Secretary

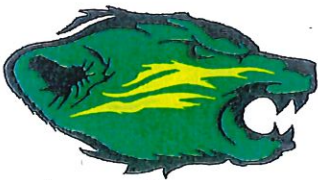

Signature of Board President

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



Bishop Consolidated Independent School District

Financial Section



Bishop Consolidated Independent School District

JOHN WOMACK & CO., P.C.
CERTIFIED PUBLIC ACCOUNTANTS

JOHN L. WOMACK, CPA
MARGARET KELLY, CPA

P.O. BOX 1147
KINGSVILLE, TEXAS 78364
(361) 592-2671
FAX (361) 592-1411

Independent Auditor's Report

To the Board of Trustees
Bishop Consolidated Independent School District
719 East Sixth Street
Bishop, Texas 78343

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Bishop Consolidated Independent School District as of August 31, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 Bishop Consolidated Independent School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As described in Note A to the financial statements, in 2022, Bishop Consolidated Independent School District adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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



PRIVATE COMPANIES PRACTICE SECTION, AICPA DIVISION FOR CPA FIRMS

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 Bishop Consolidated Independent School District's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, 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 including 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, and budgetary comparison information and schedule of the District's proportionate share of the net pension liability and schedule of District pension contributions, and schedule of the District's proportionate share of the net OPEB liability and schedule of District OPEB contributions identified as Required Supplementary Information 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 Bishop Consolidated Independent School District's basic financial statements. The introductory section and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not required parts of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements. The accompanying other supplementary information is presented for purposes of additional analysis and is also not a required part of the basic financial statements. The individual nonmajor fund financial statements and other supplementary information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate 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 individual nonmajor fund financial statements and other supplementary information and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information Included in the Annual Report

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

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

Report on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2022 on our consideration of Bishop Consolidated 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 the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Bishop Consolidated Independent School District's internal control over financial reporting and compliance.

Respectfully submitted,



John Womack & Co., P.C.
Kingsville, TX
December 12, 2022

Management's Discussion and Analysis

This section of Bishop Consolidated Independent School District's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year ended August 31, 2022. Please read it in conjunction with the District's financial statements which follows this section.

FINANCIAL HIGHLIGHTS

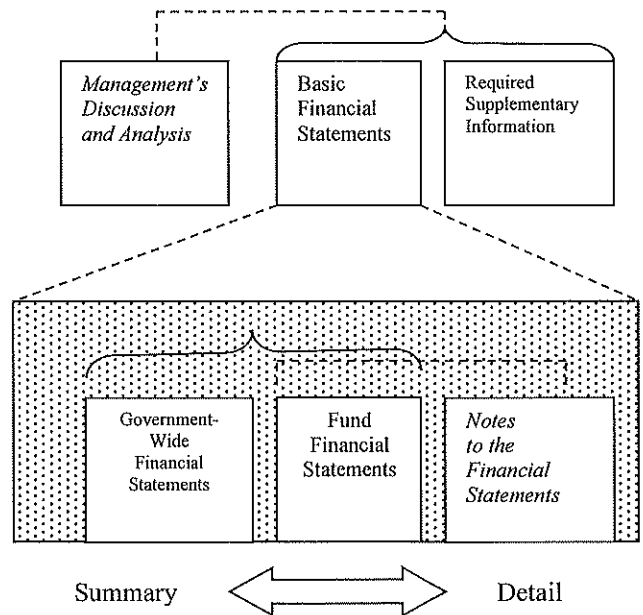
- The District's total combined net position was \$15,566,138 at August 31, 2022.
- During the year, the District's expenses were \$588,440 less than the \$22,770,822 generated in taxes and other revenues for governmental activities.
- The total cost of the District's programs for governmental activities increased \$576,435 from last year.
- The general fund reported a fund balance this year of \$8,881,777.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts—*management's discussion and analysis* (this section), the *basic financial statements*, and *required supplementary information*. The basic financial statements include two kinds of statements that present different views of the District:

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

Figure A-1. Required Components of the District's Annual Financial Report



The financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and related to one another.

Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Figure A-2. Major Features of the District's Government-Wide and Fund Financial Statements				
<i>Type of Statements</i>	Fund Statements			
	Government-Wide	Governmental Funds	Proprietary Funds	Fiduciary Funds
<i>Scope</i>	Entire District's government (except fiduciary funds) and the District's component units	The activities of the District that are not proprietary or fiduciary	Activities the District operates similar to private businesses: self-insurance	Instances in which the district is the trustee or agent for someone else's resources
<i>Required financial statement</i>	*Statement of net position	*Balance Sheet	*Statement of net position	*Statement of Fiduciary net position
	*Statement of activities	*Statement of revenues, expenditures & changes in fund balances	*Statement of revenues, expenses and changes in fund net position	*Statement of changes in fiduciary net position
			*Statement of cash flows	
<i>Accounting basis and measurement focus</i>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
<i>Type of asset/liability information</i>	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term, the District's funds do not currently contain capital assets, although they can
<i>Type of inflow/outflow information</i>	All revenue and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year ; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All revenues and expenses during the year, regardless of when cash is received or paid

Government-Wide Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes *all* of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement activities regardless of when cash is received or paid.

The two government-wide statements report the District's net position and how they have changed. Net position -- the difference between the District's assets and liabilities -- are one way to measure the District's financial health or *position*.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial health is improving or deteriorating, respectively.

- To assess the overall health of the District, you need to consider additional non-financial factors such as changes in the District's tax base.

The government-wide financial statements of the District include the *governmental activities*. Most of the District's basic services are included here, such as instruction, extracurricular activities, curriculum and staff development, health services, and general administration. Property taxes and grants finance most of these activities.

Fund Financial Statements

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

- Some funds are required by State law and by bond covenants.
- The Board of Trustees establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The District has three kinds of funds:

- *Governmental funds*—Most of the District's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statement, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explains the relationship (or differences) between them.
- *Proprietary funds*—Services for which the District charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long- and short-term financial information.
 - We use *internal service funds* to report activities that provide supplies and services for the District's other programs and activities—such as the District's Self Insurance Fund.
- *Fiduciary funds*—The District is the trustee, or *fiduciary*, for certain funds. It is also responsible for other assets that—because of a trust arrangement—can be used only for the trust beneficiaries. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. The District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the District's government-wide financial statements because the District cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The District's *combined* net position was \$15,566,138 at August 31, 2022. (See Table A-1).

The \$5,169,495 of *combined* unrestricted net position represents resources available to fund the programs of the District next year.

Total *combined* current assets decreased \$931,429, primarily due to a large decrease in cash and cash equivalents of \$1,854,064 for the decreased tax collections and state revenue payments. Long-term liabilities experienced a decrease of \$930,045, due to scheduled payments.

Table A-1
The District's Net Position

	Governmental Activities		% Change	Business-Type Activities		% Change
	2022	2021		2022	2021	
Current and other assets	\$ 14,311,872	\$ 15,199,568	-5.84%	\$ 50,119	\$ 93,852	-46.60%
Capital and non-current assets	39,021,504	39,883,472	-2.16%	18,909	20,353	-7.09%
Total Assets	<u>53,333,376</u>	<u>55,083,040</u>	-3.18%	<u>69,028</u>	<u>114,205</u>	-39.56%
Deferred Outflow of Resources-						
Undesignated	579,286	-				
Deferred Outflow Related						
to Pensions	1,451,626	1,694,155	-14.32%	-	-	0.00%
Deferred Outflow Related						
to OPEB	1,715,350	1,593,102	7.67%	-	-	0.00%
Total Deferred Outflows of Resources	<u>3,166,976</u>	<u>3,287,257</u>	-3.66%	<u>-</u>	<u>-</u>	0.00%
Current liabilities	2,631,632	3,228,603	-18.49%	112	388	-71.13%
Long-term liabilities	28,018,657	28,948,702	-3.21%	-	-	0.00%
Net Pension Liability	1,860,847	3,738,531	-50.23%	-	-	0.00%
Net OPEB Liability	4,142,217	4,029,868	2.79%	-	-	0.00%
Total Liabilities	<u>36,653,353</u>	<u>39,945,704</u>	-8.24%	<u>112</u>	<u>388</u>	-71.13%
Deferred Inflows Related						
to Pensions	2,047,938	564,914	262.52%	-	-	0.00%
Deferred Inflows Related						
to OPEB	2,881,125	2,950,897	-2.36%	-	-	0.00%
Total Deferred Inflows of Resources	<u>4,929,063</u>	<u>3,515,811</u>	40.20%	<u>-</u>	<u>-</u>	0.00%
Net Position						
Net investment in						
capital assets	10,377,734	10,362,334	0.15%	18,909	20,353	-7.09%
Restricted	-	-	-100.00%	-	-	0.00%
Unrestricted	5,119,488	4,546,448	12.60%	50,007	93,464	-46.50%
Total Net Position	<u>\$ 15,497,222</u>	<u>\$ 14,908,782</u>	3.95%	<u>\$ 68,916</u>	<u>\$ 113,817</u>	-39.45%

Changes in net position

The District's total revenues from governmental activities were \$22,770,822. A significant portion, 44%, of the District's revenue comes from taxes. (See Figure A-3)

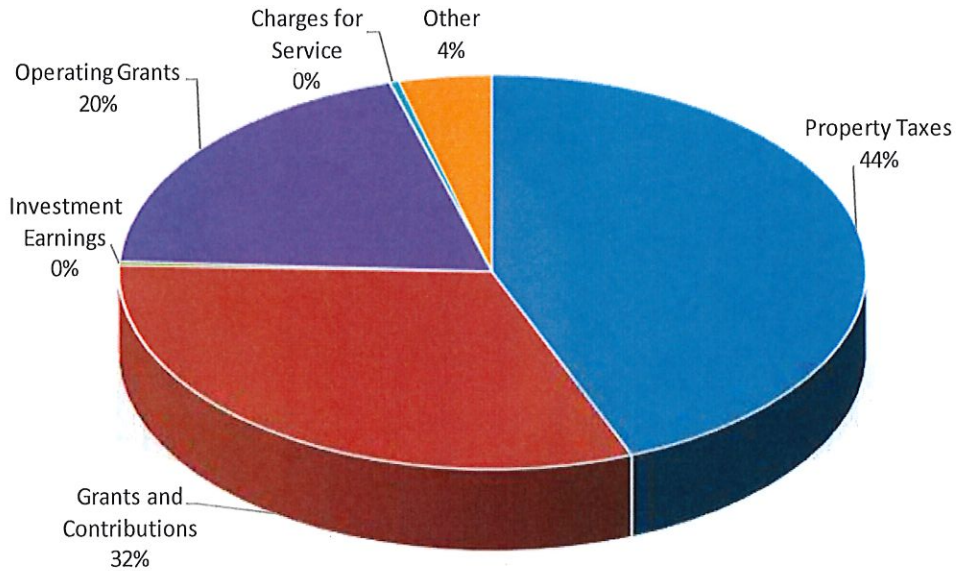
Grants and contributions not restricted to specific functions remained stable at 32%, while operating grants decreased from 29% to 20%.

The total costs of all programs and services for governmental activities were \$22,182,382, and 74% of these costs are for instructional and student services.

Governmental Activities

- Operating and maintenance property tax rates remained the same with a decrease in valuations of 1.3%. Even with the refunding bond payment and a decrease in appraised valuations, the debt service tax rate was decreased by 10%.

**Figure A-3
District Sources of Revenue for Fiscal Year**



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**Table A-2
The District's Revenues and Expenditures**

	Governmental Activities		% Change	Business - Type Activities		% Change
	2022	2021		2022	2021	
Revenues:						
Program Revenues:						
Charges for service	\$ 89,413	\$ 28,207	216.99%	\$ 19,200	\$ 19,000	1.05%
Operating grants and contributions	4,487,902	3,479,651	28.98%	-	-	0.00%
General Revenues:						
Maintenance and operations taxes	7,685,512	7,807,100	-1.56%	-	-	0.00%
Debt service taxes	2,315,436	2,608,449	-11.23%	-	-	0.00%
Grants and contributions not restricted to specific functions	7,197,603	9,209,965	-21.85%	-	-	0.00%
Investment earnings	70,307	16,853	317.18%	-	-	0.00%
Miscellaneous	924,649	727,109	27.17%	-	-	0.00%
Total Revenue	22,770,822	23,877,334	-4.63%	19,200	19,000	1.05%
Expenses:						
Instruction, curriculum and media services	10,357,714	10,675,770	-2.98%	-	-	0.00%
Instructional and school leadership	1,615,137	1,540,891	4.82%	-	-	0.00%
Student support services	1,489,093	1,463,196	1.77%	-	-	0.00%
Child nutrition	1,631,142	1,206,182	35.23%	-	-	0.00%
Cocurricular activities	1,290,835	986,336	30.87%	-	-	0.00%
General administration	777,383	845,656	-8.07%	-	-	0.00%
Facilities maintenance, security & data processing	3,719,713	3,568,043	4.25%	-	-	0.00%
Community Services	37,259	6,084	512.41%	-	-	0.00%
Debt service	1,033,417	1,076,477	-4.00%	-	-	0.00%
Capital Outlay	9,922	-	100.00%	-	-	0.00%
Other Intergovernmental Charges	128,874	141,424	-8.87%	-	-	0.00%
Bond Issuance Costs	91,893	95,888	-4.17%	-	-	0.00%
Rental Property	-	-	0.00%	64,101	11,426	461.01%
Total Expenses	22,182,382	21,605,947	2.67%	64,101	11,426	461.01%
Increase in net position	588,440	2,271,387	-74.09%	(44,901)	7,574	-692.83%
Net position at beginning of year	14,908,782	12,637,395	17.97%	113,817	106,243	7.13%
Prior Period Adjustment	-	-	0.00%	-	-	0.00%
Net position at end of year	\$ 15,497,222	\$ 14,908,782	3.95%	\$ 68,916	\$ 113,817	-39.45%

Table A-3 presents the cost of each of the District's largest functions as well as each function's *net cost* (total cost less fees generated by the activities and intergovernmental aid). The net cost reflects what was funded by state revenues as well as local tax dollars.

- The cost of all *governmental* activities this year was \$22,182,382.
- The amount that our taxpayers paid for these activities through property taxes was \$10,000,948.
- Some of the cost was paid by those who directly benefited from the programs, \$89,413, and by grants and contributions, \$4,487,902.

**Table A-3
Net Cost of Selected District Functions**

	Total Cost of Services		% Change	Net Cost of Services		% Change
	2022	2021		2022	2021	
Instruction	\$ 9,579,779	\$ 9,911,404	-3.35%	\$ 8,494,702	\$ 9,117,136	-6.83%
School leadership	1,265,387	1,281,932	-1.29%	1,213,606	1,269,405	-4.40%
Facilities maintenance & operations	3,216,942	3,002,753	7.13%	3,278,174	2,988,782	9.68%

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Revenues from governmental fund types totaled \$23,792,984 and were down 0.14% from the preceding year. There was a \$2,131,347 increase in federal program revenues, however, there was a \$1,964,091 decrease in state revenues and a \$200,602 decrease in local revenue, which more than offset the increase in federal program revenues.

General Fund Budgetary Highlights

Over the course of the year, the District revised its budget several times. The actual expenditures were \$2,162,120 below final budgeted amounts. Staffing was budgeted for full employment throughout the full year.

Resources available were \$428,343 below the final budgeted amount. As noted earlier:

- Actual property tax collections were more than the final budgeted amount by \$329,715, slightly offsetting lower state revenues than budgeted by \$906,850.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of the 2022 school year, the District had invested \$60,264,907 in a broad range of governmental activities' capital assets, including land, buildings, and vehicles before depreciation. (See Table A-4) This amount represents a net increase (including additions and deletions) of \$556,498 or approximately 0.93% over last year, due to the new roofing project that was completed.

Table A-4
District's Capital Assets

	Governmental Activities		% Change	Business-Type Activities		% Change
	2022	2021		2022	2021	
Land	\$ 639,026	\$ 639,025	0.00%	\$ -	\$ -	0.00%
Construction in Progress	309,452	309,452	0.00%	-	-	0.00%
Buildings and improvements	54,146,480	53,687,828	0.85%	27,927	27,927	0.00%
Equipment	2,947,389	2,890,439	1.97%	-	-	0.00%
Vehicles	2,222,560	2,181,665	1.87%	-	-	0.00%
Totals at historical cost	60,264,907	59,708,409	0.93%	27,927	27,927	0.00%
Total accumulated depreciation	21,243,403	19,824,938	7.15%	9,018	7,574	-19.07%
Net capital assets	\$ 39,021,504	\$ 39,883,471	-2.16%	\$ 18,909	\$ 20,353	-7.09%

Long-Term Debt

The District, as of August 31, 2022, had \$26,902,000 in outstanding Tax School Refunding and Building Bonds Series 2018, 2017, 2016 and 2009. The District had a \$2,203,943 Premium on Bonds, a deferred loss on refunding bonds and \$324,830 in Capital Leases. See note F for additional information.

Table A-5
The District's Long-Term Debt

Governmental Activities	2022	2021	Total % Change
Tax school building bonds	\$ 26,902,000	\$ 28,112,000	-4.30%
Capital appreciation bonds	-	-	0.00%
Premium on bonds	2,203,943	2,391,102	-7.83%
Deferred loss on refunding bond	(579,287)	(667,481)	-13.21%
Accumulated accretion			
'08 CAP bonds	-	-	0.00%
Capital Lease	324,830	500,811	-35.14%
Net Pension Liability	1,860,847	3,738,531	-50.23%
Net OPEB Liability	4,142,217	4,029,888	2.79%
Total governmental activities	\$ 34,854,550	\$ 38,104,851	-8.53%

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- Net taxable valuations for the 2022 tax assessments will be up \$30,271,079, or 3% above the 2021 tax year valuations.
- General operating fund spending per student in the 2023 budget is \$7,235.
- The district's 2023 refined average daily attendance is expected to remain stable.

These indicators were taken into account when adopting the general fund budget for 2023. Amounts available for appropriation in the general fund budget are \$17,688,722, an increase of 5% from the final 2022 budget of \$16,823,831.

The District opened the 2023 school year with all teacher positions filled with highly qualified teachers. The District has added no major new programs or initiatives to the 2023 budget.

If these estimates are realized, the District's budgetary general fund balance is expected to stay the same.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's Business Services Department.

Bishop Consolidated Independent School District
719 East Sixth Street
Bishop, Texas 78343

(361) 584-3591
(361) 584-3147 fax

Basic Financial Statements



Bishop Consolidated Independent School District

BISHOP CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
AUGUST 31, 2022

Data Control Codes	1	2	3
	Governmental Activities	Business-type Activities	Total
ASSETS:			
1110	\$ 12,535,201	\$ 50,119	\$ 12,585,320
1225	423,041	--	423,041
1240	990,689	--	990,689
1260	7,850	--	7,850
1290	46,418	--	46,418
1410	308,673	--	308,673
Capital Assets:			
1510	639,026	--	639,026
1520	36,443,632	18,909	36,462,541
1530	1,202,057	--	1,202,057
1550	427,337	--	427,337
1580	309,452	--	309,452
1000	<u>53,333,376</u>	<u>69,028</u>	<u>53,402,404</u>
DEFERRED OUTFLOWS OF RESOURCES:			
	579,286	--	579,286
	1,451,626	--	1,451,626
	1,715,350	--	1,715,350
1700	<u>3,746,262</u>	<u>--</u>	<u>3,746,262</u>
LIABILITIES:			
2110	649,430	112	649,542
2140	57,774	--	57,774
2165	512,244	--	512,244
2300	68	--	68
Noncurrent Liabilities:			
2501	1,412,116	--	1,412,116
2502	28,018,657	--	28,018,657
2540	1,860,847	--	1,860,847
2545	4,142,217	--	4,142,217
2000	<u>36,653,353</u>	<u>112</u>	<u>36,653,465</u>
DEFERRED INFLOWS OF RESOURCES:			
	2,047,938	--	2,047,938
	2,881,125	--	2,881,125
2600	<u>4,929,063</u>	<u>--</u>	<u>4,929,063</u>
NET POSITION:			
3200	10,377,734	18,909	10,396,643
3900	5,119,488	50,007	5,169,495
3000	<u>\$ 15,497,222</u>	<u>\$ 68,916</u>	<u>\$ 15,566,138</u>

The accompanying notes are an integral part of this statement.

BISHOP CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED AUGUST 31, 2022

Data Control Codes	Functions/Programs	1 Expenses	3 Program Revenues		4 Operating Grants and Contributions
			Charges for Services		
	Governmental Activities:				
11	Instruction	\$ 9,579,779	\$ --		\$ 1,085,077
12	Instructional Resources and Media Services	195,846	--		145,044
13	Curriculum and Staff Development	582,089	--		94,671
21	Instructional Leadership	349,750	--		158,620
23	School Leadership	1,265,387	--		51,781
31	Guidance, Counseling, and Evaluation Services	761,265	--		77,818
33	Health Services	266,791	--		322,859
34	Student Transportation	461,037	--		(10,113)
35	Food Service	1,631,142	19,047		1,835,895
36	Cocurricular/Extracurricular Activities	1,290,835	69,300		(28,229)
41	General Administration	777,383	--		(35,156)
51	Facilities Maintenance and Operations	3,216,942	1,066		(62,298)
52	Security and Monitoring Services	41,655	--		(1,430)
53	Data Processing Services	461,116	--		(21,047)
61	Community Services	37,259	--		860,169
72	Interest on Long-term Debt	1,033,417	--		--
73	Bond Issuance Costs and Fees	91,893	--		--
81	Capital Outlay	9,922	--		--
93	Payments Related to Shared Services Arrangements	25,806	--		25,814
99	Other Intergovernmental Charges	103,068	--		(11,573)
TG	Total Governmental Activities	<u>22,182,382</u>	<u>89,413</u>		<u>4,487,902</u>
	Business-type Activities:				
03	Housing Fund	64,101	19,200		--
TB	Total Business-type Activities	<u>64,101</u>	<u>19,200</u>		--
TP	Total Primary Government	<u>\$ 22,246,483</u>	<u>\$ 108,613</u>		<u>\$ 4,487,902</u>
	General Revenues:				
MT	Property Taxes, Levied for General Purposes				
DT	Property Taxes, Levied for Debt Service				
IE	Investment Earnings				
GC	Grants and Contributions Not Restricted to Specific Programs				
MI	Miscellaneous				
TR	Total General Revenues				
CN	Change in Net Position				
NB	Net Position - Beginning				
NE	Net Position - Ending				

The accompanying notes are an integral part of this statement.

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Net (Expense) Revenue and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ (8,494,702)		\$ (8,494,702)
(50,802)		(50,802)
(487,418)		(487,418)
(191,130)		(191,130)
(1,213,606)		(1,213,606)
(683,447)		(683,447)
56,068		56,068
(471,150)		(471,150)
223,800		223,800
(1,249,764)		(1,249,764)
(812,539)		(812,539)
(3,278,174)		(3,278,174)
(43,085)		(43,085)
(482,163)		(482,163)
822,910		822,910
(1,033,417)		(1,033,417)
(91,893)		(91,893)
(9,922)		(9,922)
8		8
(114,641)		(114,641)
<u>(17,605,067)</u>		<u>(17,605,067)</u>
--	(44,901)	(44,901)
--	(44,901)	(44,901)
<u>(17,605,067)</u>	<u>(44,901)</u>	<u>(17,649,968)</u>
7,685,512	--	7,685,512
2,315,436	--	2,315,436
70,307	--	70,307
7,197,603	--	7,197,603
924,649	--	924,649
<u>18,193,507</u>	<u>--</u>	<u>18,193,507</u>
588,440	(44,901)	543,539
14,908,782	113,817	15,022,599
<u>\$ 15,497,222</u>	<u>\$ 68,916</u>	<u>\$ 15,566,138</u>

BISHOP CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS

AUGUST 31, 2022

Data Control Codes	10 General Fund	ESSER Fund III of the American Rescue Plan Act	Other Governmental Funds	98 Total Governmental Funds	
ASSETS:					
1110	Cash and Cash Equivalents	\$ 8,752,698	\$ --	\$ 2,426,713	\$ 11,179,411
1225	Taxes Receivable, Net	298,032	--	125,009	423,041
1240	Due from Other Governments	252,048	426,590	312,051	990,689
1260	Due from Other Funds	289,473	--	--	289,473
1290	Other Receivables	13,768	--	32,650	46,418
1410	Unrealized Expenditures	293,434	--	--	293,434
1000	Total Assets	<u>9,899,453</u>	<u>426,590</u>	<u>2,896,423</u>	<u>13,222,466</u>
LIABILITIES:					
Current Liabilities:					
2110	Accounts Payable	\$ 274,895	\$ 118,418	\$ 127,583	\$ 520,896
2160	Accrued Wages Payable	435,337	24,325	24,625	484,287
2170	Due to Other Funds	--	281,623	--	281,623
2200	Accrued Expenditures	9,412	2,224	2,407	14,043
2300	Unearned Revenue	--	--	68	68
2000	Total Liabilities	<u>719,644</u>	<u>426,590</u>	<u>154,683</u>	<u>1,300,917</u>
DEFERRED INFLOWS OF RESOURCES:					
	Deferred Revenue	298,032	--	125,009	423,041
2600	Total Deferred Inflows of Resources	<u>298,032</u>	<u>--</u>	<u>125,009</u>	<u>423,041</u>
FUND BALANCES:					
Restricted Fund Balances:					
3450	Federal/State Funds Grant Restrictions	--	--	655,383	655,383
3470	Capital Acquisitions and Contractual Obligations	--	--	778,585	778,585
3480	Retirement of Long-Term Debt	--	--	1,032,431	1,032,431
3490	Other Restrictions of Fund Balance	--	--	122,254	122,254
Assigned Fund Balances:					
3590	Other Assigned Fund Balance	--	--	28,078	28,078
3600	Unassigned	8,881,777	--	--	8,881,777
3000	Total Fund Balances	<u>8,881,777</u>	<u>--</u>	<u>2,616,731</u>	<u>11,498,508</u>
4000	Total Liabilities, Deferred Inflow of Resources and Fund Balances	<u>\$ 9,899,453</u>	<u>\$ 426,590</u>	<u>\$ 2,896,423</u>	<u>\$ 13,222,466</u>

The accompanying notes are an integral part of this statement.

BISHOP CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE STATEMENT OF NET POSITION
 AUGUST 31, 2022

Total fund balances - governmental funds balance sheet	\$ 11,498,508
Amounts reported for governmental activities in the Statement of Net Position ("SNP") are different because:	
Capital assets used in governmental activities are not reported in the funds.	38,235,584
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	423,041
The assets and liabilities of internal service funds are included in governmental activities in the SNP.	1,810,871
Payables for bond principal which are not due in the current period are not reported in the funds.	(26,902,000)
Payables for right-to-use leases which are not due in the current period are not reported in the funds.	(125,700)
Payables for debt interest which are not due in the current period are not reported in the funds.	(53,274)
Other long-term assets are not available to pay for current period expenditures and are deferred in the funds.	579,286
Recognition of the District's proportionate share of the net pension liability is not reported in the funds.	(1,860,847)
Deferred Resource Inflows related to the pension plan are not reported in the funds.	(2,047,938)
Deferred Resource Outflows related to the pension plan are not reported in the funds.	1,451,626
Bond premiums are amortized in the SNA but not in the funds.	(2,203,943)
Recognition of the District's proportionate share of the net OPEB liability is not reported in the funds.	(4,142,217)
Deferred Resource Inflows related to the OPEB plan are not reported in the funds.	(2,881,125)
Deferred Resource Outflows related to the OPEB plan are not reported in the funds.	<u>1,715,350</u>
Net position of governmental activities - Statement of Net Position	<u>\$ 15,497,222</u>

The accompanying notes are an integral part of this statement.

BISHOP CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2022

Data Control Codes	10 General Fund	ESSER Fund III of the American Rescue Plan Act	Other Governmental Funds	98 Total Governmental Funds
REVENUES:				
5700 Local and Intermediate Sources	\$ 8,479,886	\$ --	\$ 2,603,704	\$ 11,083,590
5800 State Program Revenues	8,045,153	--	130,549	8,175,702
5900 Federal Program Revenues	298,792	827,111	3,407,789	4,533,692
5020 Total Revenues	<u>16,823,831</u>	<u>827,111</u>	<u>6,142,042</u>	<u>23,792,984</u>
EXPENDITURES:				
Current:				
0011 Instruction	8,178,821	655,472	1,046,789	9,881,082
0012 Instructional Resources and Media Services	39,284	--	153,708	192,992
0013 Curriculum and Staff Development	460,789	--	116,755	577,544
0021 Instructional Leadership	178,094	108,951	59,709	346,754
0023 School Leadership	1,162,983	--	121,974	1,284,957
0031 Guidance, Counseling, and Evaluation Services	650,056	53,217	67,062	770,335
0033 Health Services	178,467	8,765	79,990	267,222
0034 Student Transportation	410,368	--	532	410,900
0035 Food Service	--	--	1,605,014	1,605,014
0036 Cocurricular/Extracurricular Activities	1,057,744	--	216,543	1,274,287
0041 General Administration	777,062	--	9,119	786,181
0051 Facilities Maintenance and Operations	3,109,801	--	31,544	3,141,345
0052 Security and Monitoring Services	40,082	--	836	40,918
0053 Data Processing Services	459,299	--	3,423	462,722
0061 Community Services	31,920	706	2,597	35,223
0071 Principal on Long-term Debt	135,077	--	1,145,000	1,280,077
0072 Interest on Long-term Debt	28,500	--	1,191,850	1,220,350
0073 Bond Issuance Costs and Fees	--	--	3,700	3,700
0081 Capital Outlay	429,380	--	39,194	468,574
0093 Payments to Shared Service Arrangements	--	--	25,806	25,806
0099 Other Intergovernmental Charges	115,867	--	--	115,867
6030 Total Expenditures	<u>17,443,594</u>	<u>827,111</u>	<u>5,921,145</u>	<u>24,191,850</u>
1100 Excess (Deficiency) of Revenues Over (Under)				
1100 Expenditures	(619,763)	--	220,897	(398,866)
1200 Net Change in Fund Balances	<u>(619,763)</u>	<u>--</u>	<u>220,897</u>	<u>(398,866)</u>
0100 Fund Balances - Beginning	9,501,540	--	2,395,834	11,897,374
3000 Fund Balances - Ending	<u>\$ 8,881,777</u>	<u>\$ --</u>	<u>\$ 2,616,731</u>	<u>\$ 11,498,508</u>

The accompanying notes are an integral part of this statement.

BISHOP CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
 TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED AUGUST 31, 2022

Net change in fund balances - total governmental funds	\$ (398,866)
Amounts reported for governmental activities in the Statement of Activities ("SOA") are different because:	
Capital outlays are not reported as expenses in the SOA.	556,496
The depreciation of capital assets used in governmental activities is not reported in the funds.	(1,282,568)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	1,727
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	1,210,000
Repayment of right-to-use lease principal is an expenditure in the funds but is not an expense in the SOA.	70,078
(Increase) decrease in accrued interest from beginning of period to end of period.	(229)
The net revenue (expense) of internal service funds is reported with governmental activities.	101,034
Bond premiums are reported in the funds but not in the SOA.	187,159
Bond discounts are reported in the funds but not in the SOA.	(88,193)
Pension contributions made after the measurement date but in current FY were de-expended & reduced NPL.	832,758
The District's share of the unrecognized deferred inflows and outflows for the pension plan was amortized.	(680,627)
OPEB contributions made after the measurement date but in current FY were de-expended & reduced NPL.	422,933
The District's share of the unrecognized deferred inflows and outflows for the OPEB plan was amortized.	<u>(343,262)</u>
Change in net position of governmental activities - Statement of Activities	<u>\$ 588,440</u>

The accompanying notes are an integral part of this statement.

BISHOP CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AUGUST 31, 2022

Data Control Codes	Nonmajor Enterprise Funds	Internal Service Funds
ASSETS:		
Current Assets:		
1110 Cash and Cash Equivalents	\$ 50,119	\$ 1,355,791
1410 Unrealized Expenses	--	15,239
Total Current Assets	<u>50,119</u>	<u>1,371,030</u>
Noncurrent Assets:		
Capital Assets:		
1520 Buildings and Improvements	27,927	--
1530 Furniture and Equipment	--	1,507,477
1550 Purchased Under Right to Use Leased Assets	--	524,472
1570 Accumulated Depreciation	<u>(9,018)</u>	<u>(1,246,029)</u>
Total Noncurrent Assets	<u>18,909</u>	<u>785,920</u>
1000 Total Assets	<u>69,028</u>	<u>2,156,950</u>
LIABILITIES:		
Current Liabilities:		
2110 Accounts Payable	\$ 112	\$ 128,534
2130 Right to Use Leased Assets Payable	--	110,028
2140 Interest Payable	--	4,501
2200 Accrued Expenses	--	13,914
Total Current Liabilities	<u>112</u>	<u>256,977</u>
Noncurrent Liabilities:		
2500 Bonds, Notes and Loans Payable	--	89,102
Total Noncurrent Liabilities	<u>--</u>	<u>89,102</u>
2000 Total Liabilities	<u>112</u>	<u>346,079</u>
NET POSITION:		
3200 Net Investment in Capital Assets	18,909	586,790
3900 Unrestricted	50,007	1,224,081
3000 Total Net Position	<u>\$ 68,916</u>	<u>\$ 1,810,871</u>

The accompanying notes are an integral part of this statement.

BISHOP CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES
 IN FUND NET POSITION - PROPRIETARY FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2022

Data Control Codes	Nonmajor Enterprise Funds	Internal Service Funds
OPERATING REVENUES:		
5700 Local and Intermediate Sources	\$ 19,200	\$ 2,062,938
5800 State Program Revenues	--	9,817
5020 Total Revenues	<u>19,200</u>	<u>2,072,755</u>
OPERATING EXPENSES:		
6100 Payroll Costs	--	132,028
6200 Professional and Contracted Services	59,108	909,505
6300 Supplies and Materials	3,410	105,248
6400 Other Operating Costs	1,583	816,146
6030 Total Expenses	<u>64,101</u>	<u>1,962,927</u>
Operating Income (Loss)	<u>(44,901)</u>	<u>109,828</u>
NON-OPERATING REVENUES (EXPENSES):		
7955 Earnings from Temp. Deposits and Investments	--	1,501
8989 Other Non-operating Expenses	--	(10,296)
8030 Total Non-operating Revenues (Expenses)	<u>--</u>	<u>(8,795)</u>
1300 Change in Net Position	(44,901)	101,033
0100 Total Net Position - Beginning	113,817	1,709,838
3300 Total Net Position - Ending	<u>\$ 68,916</u>	<u>\$ 1,810,871</u>

The accompanying notes are an integral part of this statement.

BISHOP CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

FOR THE YEAR ENDED AUGUST 31, 2022

	Nonmajor Enterprise Funds	Internal Service Funds
Cash Flows from Operating Activities:		
Cash Received from Customers	\$ 19,200 \$	\$ --
Cash Received from Grants		9,817
Cash Receipts (Payments) for Quasi-external Operating Transactions with Other Funds	--	2,062,939
Cash Payments to Employees for Services	--	(132,028)
Cash Payments to Other Suppliers for Goods and Services	(62,934)	(1,689,836)
Net Cash Provided (Used) by Operating Activities	<u>(43,734)</u>	<u>250,892</u>
Cash Flows from Non-capital Financing Activities:		
Transfers From (To) Primary Government	--	(95,305)
Net Cash Provided (Used) by Non-capital Financing Activities	<u>--</u>	<u>(95,305)</u>
Cash Flows from Capital and Related Financing Activities:		
Principal and Interest Paid	--	(117,611)
Net Cash Provided (Used) for Capital and Related Financing Activities	<u>--</u>	<u>(117,611)</u>
Cash Flows from Investing Activities:		
Interest and Dividends on Investments	--	1,501
Net Cash Provided (Used) for Investing Activities:	<u>--</u>	<u>1,501</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(43,734)	39,477
Cash and Cash Equivalents at Beginning of Year	93,853	1,316,314
Cash and Cash Equivalents at End of Year	<u>\$ 50,119 \$</u>	<u>\$ 1,355,791</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating Income (Loss)	\$ (44,901) \$	\$ 109,828
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities		
Depreciation	1,444	135,897
Change in Assets and Liabilities:		
Decrease (Increase) in Unrealized Expenditures	--	(1,571)
Increase (Decrease) in Accounts Payable	(277)	49,112
Increase (Decrease) in Accrued Expenses	--	(42,374)
Total Adjustments	<u>1,167</u>	<u>141,064</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (43,734) \$</u>	<u>\$ 250,892</u>

The accompanying notes are an integral part of this statement.

BISHOP CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUNDS

AUGUST 31, 2022

Data Control Codes	Private-purpose Trust Funds	Private-Purpose Trust Fund	Custodial Funds
ASSETS:			
1110 Cash and Cash Equivalents	\$ 2,000		\$ 87,212
1240 Due from Other Governments	--		8,311
1800 Restricted Assets	83,157		--
1000 Total Assets	<u>85,157</u>		<u>95,523</u>
LIABILITIES:			
Current Liabilities:			
2110 Accounts Payable	\$ --		\$ 17,738
2170 Due to Other Funds	7,850		--
2180 Due to Other Governments	--		8,695
2000 Total Liabilities	<u>7,850</u>		<u>26,433</u>
NET POSITION:			
3800 Held in Trust	77,307		--
3800 Restricted for Other Purposes	--		69,090
3000 Total Net Position	<u>\$ 77,307</u>		<u>\$ 69,090</u>

The accompanying notes are an integral part of this statement.

BISHOP CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2022

	Private Purpose Trusts	Custodial Funds
ADDITIONS:		
Investment Income	\$ 419	\$ --
Net (Decrease) in Fair Value of Investments	2,000	--
Student Group Fundraising Activities	--	133,573
Total Additions	<u>2,419</u>	<u>133,573</u>
DEDUCTIONS:		
Scholarships	1,000	--
Payroll Costs	--	1,241
Purchased and Contracted Services	--	3,065
Supplies and Materials	--	112,145
Other Operating Expenses	--	18,730
Total Deductions	<u>1,000</u>	<u>135,181</u>
Change in Fiduciary Net Position	1,419	(1,608)
Net Position-Beginning of the Year	75,888	70,698
Net Position-End of the Year	<u>\$ 77,307</u>	<u>\$ 69,090</u>

The accompanying notes are an integral part of this statement.

BISHOP CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2022

A. Summary of Significant Accounting Policies

The basic financial statements of Bishop Consolidated Independent School District (the "District") have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") applicable to governmental units in conjunction with the Texas Education Agency's Financial Accountability System Resource Guide ("Resource Guide"). The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

1. Reporting Entity

The Board of School Trustees ("Board"), a seven-member group, has governance responsibilities over all activities related to public elementary and secondary education within the jurisdiction of the District. The Board is elected by the public and has the exclusive power and duty to govern and oversee the management of the public schools of the District. All powers and duties not specifically delegated by statute to the Texas Education Agency ("TEA") or to the State Board of Education are reserved for the Board, and the TEA may not substitute its judgment for the lawful exercise of those powers and duties by the Board. The District receives funding from local, state and federal government sources and must comply with the requirements of those funding entities. However, the District is not included in any other governmental reporting entity and there are no component units included within the District's reporting entity.

2. Basis of Presentation, Basis of Accounting

a. Basis of Presentation

Government-wide Financial Statements: The statement of net position and the statement of activities include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The District does not allocate indirect expenses in the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the District's funds, with separate statements presented for each fund category. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

The District reports the following major governmental funds:

General Fund: This is the District's primary operating fund. It accounts for all financial resources of the District except those required to be accounted for in another fund.

BISHOP CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2022

ESSER Fund III of the American Rescue Plan Act. This fund accounts for funds received under the ESSER Fund III of the American Rescue Plan Act, and the related expenditures.

The District reports the following major enterprise funds:

In addition, the District reports the following fund types:

Internal Service Funds: These funds are used to account for revenues and expenses related to services provided to parties inside the District. These funds facilitate distribution of support costs to the users of support services on a cost-reimbursement basis. Because the principal users of the internal services are the District's governmental activities, this fund type is included in the "Governmental Activities" column of the government-wide financial statements.

Private-Purpose Trust Funds: These funds are used to report trust arrangements under which principal and income benefit individuals, private organizations, or other governments not reported in other fiduciary fund types.

Custodial Funds: These funds are used to report student activity funds and other resources held in a purely custodial capacity. Custodial funds typically involve only the receipt, temporary investment, and remittance of the fiduciary resources to individuals, private organizations, or other governments.

Fiduciary funds are reported in the fiduciary fund financial statements. However, because their assets are held in a trustee or agent capacity and are therefore not available to support District programs, these funds are not included in the government-wide statements.

b. Measurement Focus, Basis of Accounting

Government-wide, Proprietary, and Fiduciary Fund Financial Statements: These financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end, with the exception of property taxes which are fully deferred. Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

When the District incurs an expenditure or expense for which both restricted and unrestricted resources may be used, it is the District's policy to use restricted resources first, then unrestricted resources.

BISHOP CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED AUGUST 31, 2022

3. Financial Statement Amounts

a. Cash and Cash Equivalents

For purposes of the statement of cash flows, highly liquid investments are considered to be cash equivalents if they have a maturity of three months or less when purchased.

b. Property Taxes

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property 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, penalties, and interest ultimately imposed. Property tax revenues are considered available when they become due or past due and receivable within the current period.

The tax rates assessed for the year ended August 31, 2022, to finance General Fund operations and the payment of principal and interest on general obligation long-term debt were \$.87470 and \$.263266 per \$100 valuation, respectively, for a total of \$1.137966 per \$100 valuation.

Current tax collections for the year ended August 31, 2022, were 99.4% of the year-end adjusted tax levy. Delinquent taxes are prorated between maintenance and debt service based on the rates adopted for the year of the levy.

Allowances for uncollectible tax receivables 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.

The following table shows a schedule of delinquent taxes receivable and the allowance for uncollectible taxes for the District:

	Balance 09/01/21	Current Year Levy	Total Collections	Yearly Adjustments	Balance 08/31/22
Delinquent Taxes Receivable	\$ 878,202	\$ 9,974,651	\$ 9,918,416	\$ (4,634)	\$ 929,803
Allowance for Uncollectible Taxes	(456,888)			(49,874)	(506,762)
Net Delinquent Taxes Receivable	\$ 421,314	\$ 9,974,651	\$ 9,918,416	\$ (54,508)	\$ 423,041

c. Inventories and Prepaid Items

The District records purchases of supplies as expenditures, utilizing the purchase method of accounting for inventory in accordance with the Resource Guide.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

d. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. A capitalization threshold of \$5,000 is used.

BISHOP CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED AUGUST 31, 2022

Capital assets are being depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Infrastructure	30
Buildings	50
Building Improvements	20
Vehicles	2-15
Office Equipment	3-15
Computer Equipment	3-15

Impairment losses related to capital assets are recognized and measured when there has been a significant, unexpected decline in the service utility of capital assets. The events or changes in circumstances which lead to impairment determinations are not considered to be normal or ordinary. The service utility of a capital asset is the usable capacity which, at acquisition, was expected to be used or provide service. Common indicators of impairment include - evidence of physical damage where the level of damage is such that restoration efforts are needed to restore service utility; enactment of laws or approval of regulations as well as changes in environmental factors; technological developments, or other evidence of obsolescence; changes in the manner of duration or use of capital assets; or construction stoppage due to lack of funding. There were no impairment charges during fiscal 2021.

e. **Deferred Outflows and Inflows of Resources**

In addition to assets, the statements of financial position (the government-wide and proprietary Statements of Net Position and governmental funds balance sheet) will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position and/or fund balance that applies to one or more future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statements of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to one or more future periods and so will not be recognized as an inflow of resources (revenue) until that time.

f. **Receivable and Payable Balances**

The District believes that sufficient detail of receivable and payable balances is provided in the financial statements to avoid the obscuring of significant components by aggregation. Therefore, no disclosure is provided which disaggregates those balances.

There are no significant receivables which are not scheduled for collection within one year of year end.

g. **Compensated Absences**

On retirement of certain employees who have been employed by the District at least five consecutive years, the District pays any accrued sick leave in a lump sum payment to such employee or his/her estate at a rate of \$40/day, up to 50 days, not to exceed \$2,000. The amount of this accrual is immaterial and has not been recorded.

h. **Interfund Activity**

Interfund activity results from loans, services provided, reimbursements or transfers between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the

BISHOP CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2022

appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers In and Transfers Out are netted and presented as a single "Transfers" line on the government-wide statement of activities. Similarly, interfund receivables and payables are netted and presented as a single "Internal Balances" line of the government-wide statement of net position.

i. Use of Estimates

The preparation of financial statements in conformity with GAAP requires the use of management's estimates.

j. Data Control Codes

Data Control Codes appear in the rows and above the columns of certain financial statements. The TEA requires the display of these codes in the financial statements filed with TEA in order to ensure accuracy in building a statewide database for policy development and funding plans.

k. Fund Balances - Governmental Funds

Fund balances of the governmental funds are classified as follows:

Nonspendable Fund Balance - represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid insurance) or legally required to remain intact (such as notes receivable or principal of a permanent fund).

Restricted Fund Balance - represents amounts that are constrained by external parties, constitutional provisions or enabling legislation.

Committed Fund Balance - represents amounts that can only be used for a specific purpose because of a formal action by the District's Board of Trustees. Committed amounts cannot be used for any other purpose unless the Board of Trustees removes those constraints by taking the same type of formal action. Committed fund balance amounts may be used for other purposes with appropriate due process by the Board of Trustees. Committed fund balance amounts differ from restricted balances in that the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

Assigned Fund Balance - represents amounts which the District intends to use for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent may be stipulated by the Board of Trustees or by an official or body to which the Board of Trustees delegates the authority. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service or permanent fund are assigned for purposes in accordance with the nature of their fund type or the fund's primary purpose. Assignments within the general fund convey that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the District itself.

Unassigned Fund Balance - represents amounts which are unconstrained in that they may be spent for any purpose. Only the general fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification because of overspending for specific purposes for which amounts had been restricted, committed or assigned.

l. Net Position Flow Assumption

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

BISHOP CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2022

m. Fund Balance Flow Assumptions

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

4. 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 fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

5. Other Post-Employment Benefits

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

6. Implementation of New Standards

In the current fiscal year, the District implemented the following new standard. The applicable provisions of the new standards are summarized below. Implementation is reflected in the financial statements and the notes to the financial statements.

GASB Statement No. 87, Leases

The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain leases assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

7. Reclassifications

Certain reclassifications have been made to prior year amounts to conform to current year presentation.

BISHOP CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED AUGUST 31, 2022

B. Compliance and Accountability

1. Finance-Related Legal and Contractual Provisions

In accordance with GASB Statement No. 38, "Certain Financial Statement Note Disclosures," violations of finance-related legal and contractual provisions, if any, are reported below, along with actions taken to address such violations:

<u>Violation</u>	<u>Action Taken</u>
Excess expenditures over appropriations	Review of budgeting policies and procedures.

<u>Fund/Function</u>	<u>Budget</u>	<u>Amount of Excess</u>
199 36 Cocurricular/Extracurricular Activities	\$ 1,046,115	\$ 11,629
240 35 Food Services	1,565,916	39,098

2. Deficit Fund Balance or Fund Net Position of Individual Funds

Following are funds having deficit fund balances or fund net position at year end, if any, along with remarks which address such deficits:

<u>Fund Name</u>	<u>Deficit Amount</u>	<u>Remarks</u>
None reported	Not applicable	Not applicable

C. Deposits and Investments

The District's funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust with the District's agent bank 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 depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

1. Cash Deposits:

At August 31, 2022, the carrying amount of the District's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$1,765,423 and the bank balance was \$2,133,299. The District's cash deposits at August 31, 2022 and during the year ended August 31, 2022, were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name.

2. Investments:

The District is required by Government Code Chapter 2256, The Public Funds Investment Act, to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit.

The Public Funds Investment Act ("Act") requires an annual audit of investment practices. Audit procedures in this area conducted as a part of the audit of the basic financial statements disclosed that in the areas of investment practices, management reports and establishment of appropriate policies, the District adhered to the requirements of the Act. Additionally, investment practices of the District were in accordance with local policies.

BISHOP CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2022

The Act determines the types of investments which are allowable for the District. These include, with certain restrictions, 1) obligations of the U.S. Treasury, U.S. agencies, and the State of Texas, 2) certificates of deposit, 3) certain municipal securities, 4) securities lending program, 5) repurchase agreements, 6) bankers acceptances, 7) mutual funds, 8) investment pools, 9) guaranteed investment contracts, and 10) commercial paper.

The District's investments at August 31, 2022 are shown below.

<u>Investment or Investment Type</u>	<u>Maturity</u>	<u>Fair Value</u>
TexPool, rated AAAM	N/A	\$ 10,017,113
Lone Star Investment Pool, Rated AAA	N/A	971,731
Total Investments		<u>\$ 10,988,844</u>

3. 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:

a. 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 rating agencies are designed to give an indication of credit risk. At year end, the District was not significantly exposed to credit risk.

b. 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 government, and are held by either the counterparty or the counterparty's trust department or agent but not in the District's name.

At year end, the District was not exposed to custodial credit risk.

c. Concentration of Credit Risk

This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At year end, the District was not exposed to concentration of credit risk.

d. Interest Rate Risk

This is the risk that changes in interest rates will adversely affect the fair value of an investment. At year end, the District was not exposed to interest rate risk.

e. Foreign Currency Risk

This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, the District was not exposed to foreign currency risk.

BISHOP CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2022

Investment Accounting Policy

The District's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

Public Funds Investment Pools

Public funds investment pools in Texas ("Pools") are established under the authority of the Interlocal Cooperation Act, Chapter 79 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment Act (the "Act"), Chapter 2256 of the Texas Government Code. In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires Pools to: 1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; 2) maintain a continuous rating of no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating service; and 3) maintain the market value of its underlying investment portfolio within one half of one percent of the value of its shares.

The District's investments in Pools are reported at an amount determined by the fair value per share of the pool's underlying portfolio, unless the pool is 2a7-like, in which case they are reported at share value. A 2a7-like pool is one which is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940.

D. Capital Assets

Capital asset activity for the year ended 2022, Bishop Consolidated Independent School District, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<u>Governmental activities:</u>				
Capital assets not being depreciated:				
Land	\$ 639,026	\$ --	\$ --	\$ 639,026
Construction in progress	309,452	9,502	9,502	309,452
Total capital assets not being depreciated	<u>948,477</u>	<u>9,502</u>	<u>9,502</u>	<u>948,478</u>
Capital assets being depreciated:				
Buildings and improvements	53,687,828	458,652	--	54,146,480
Equipment	2,609,152	56,950	--	2,666,102
Right of Use Assets - Equipment	281,287			281,287
Vehicles	1,657,193	40,895	--	1,698,088
Right of Use Assets - Vehicles	524,472	--	--	524,472
Total capital assets being depreciated	<u>58,759,932</u>	<u>556,497</u>	<u>--</u>	<u>59,316,429</u>
Less accumulated depreciation for:				
Buildings and improvements	(16,726,104)	(976,744)	--	(17,702,848)
Equipment	(1,786,294)	(225,921)	--	(2,012,215)
Right of Use Assets - Equipment	(101,326)	(56,257)		(157,583)
Vehicles	(1,042,822)	(107,096)	--	(1,149,918)
Right of Use Assets - Vehicles	(168,392)	(52,447)	--	(220,839)
Total accumulated depreciation	<u>(19,824,938)</u>	<u>(1,418,465)</u>	<u>--</u>	<u>(21,243,403)</u>
Total capital assets being depreciated, net	<u>38,934,994</u>	<u>(861,968)</u>	<u>--</u>	<u>38,073,026</u>
Governmental activities capital assets, net	<u>\$ 39,883,471</u>	<u>\$ (852,466)</u>	<u>\$ 9,502</u>	<u>\$ 39,021,504</u>

BISHOP CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED AUGUST 31, 2022

	Beginning Balances	Increases	Decreases	Ending Balances
<u>Business-type activities:</u>				
Capital assets being depreciated:				
Buildings and improvements	27,927	--	--	27,927
Total capital assets being depreciated	27,927	--	--	27,927
Less accumulated depreciation for:				
Buildings and improvements	(7,574)	(1,444)	--	(9,018)
Total accumulated depreciation	(7,574)	(1,444)	--	(9,018)
Total capital assets being depreciated, net	20,353	(1,444)	--	18,909
Business-type activities capital assets, net	\$ 20,353	\$ (1,444)	\$ --	\$ 18,909

Depreciation was charged to functions as follows:

Instruction	\$ 599,269
Instructional Resources and Media Services	11,637
Curriculum and Staff Development	34,825
Instructional Leadership	20,909
School Leadership	77,480
Guidance, Counseling, & Evaluation Services	46,450
Health Services	16,113
Student Transportation	160,673
Food Services	104,958
Extracurricular Activities	76,837
General Administration	47,405
Plant Maintenance and Operations	189,417
Security and Monitoring Services	2,467
Data Processing Services	27,901
Community Services	2,124
	<u>\$ 1,418,465</u>

E. Interfund Balances and Activities

1. Due To and From Other Funds

Balances due to and due from other funds at August 31, 2022, consisted of the following:

Due To Fund	Due From Fund	Amount	Purpose
General Fund	Other Governmental Funds	\$ 281,623	Short-term loans
General Fund	Permanent Fund	7,850	Short-term loans
	Total	<u>\$ 289,473</u>	

All amounts due are scheduled to be repaid within one year.

2. Transfers To and From Other Funds

There were no transfers to or from other funds in the current year.

BISHOP CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2022

F. Long-Term Obligations

1. Long-Term Obligation Activity

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended 2022, Bishop Consolidated Independent School District, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<u>Governmental activities:</u>					
Tax School Building Bonds	\$ 28,112,000	\$ --	\$ 1,210,000	\$ 26,902,000	\$ 1,247,000
Premium on Bonds	2,391,102	--	187,159	2,203,943	--
Deferred Loss on Refunding Bonds	(667,481)	--	(88,194)	(579,287)	--
Capital Financing Activities	500,811	--	175,981	324,830	165,116
Net Pension Liability *	3,738,531	(1,565,857)	311,827	1,860,847	--
Net OPEB Liability *	4,029,868	196,239	83,890	4,142,217	--
Total governmental activities	\$ 38,104,831	\$ (1,369,618)	\$ 1,880,663	\$ 34,854,550	\$ 1,412,116

* Other long-term liabilities

The funds typically used to liquidate other long-term liabilities in the past are as follows:

Liability	Activity Type	Fund
Net Pension Liability *	Governmental	General
Net OPEB Liability *	Governmental	General

Bonded debt consists of the following:

	2022	2021
2018 Unlimited Tax School Refunding Bonds, payable semi-annually, with payments of \$941,720 to \$901,000 including interest at 2.0% to 5.0%, maturing February 15, 2048	\$ 12,950,000	\$ 13,200,000
2016 Unlimited Tax Refunding (CAP) Bonds, payable semi-annually, with principal payments of \$375,000 to \$590,000 plus interest at 3.00% to 4%, maturing August 31, 2034	5,835,000	6,225,000
2017 Unlimited Tax School Refunding Bonds, payable semi-annually interest only at 2% till August 15, 2023, with principal payments ranging from \$520,000 to \$685,000 (beginning August 15, 2023) plus interest at 4.00%, maturing August 15, 2034	7,365,000	7,365,000
2009 Unlimited Tax School Bonds payable semi-annually, with principal payments ranging from \$605,000 to \$730,000 plus interest at 3.00% to 4.75%, maturing August 15, 2034	--	505,000
2017 Maintenance Tax Notes payable annually, with principal payments ranging from \$86,477 to \$86,167 including interest at 2.580%, maturing August 15, 2032	752,000	817,000
	26,902,000	28,112,000
Premium on Bonds	2,203,943	2,391,102
	29,105,943	29,835,621
Add Capital Financing Activities	324,830	500,811
Less Current Portion	(1,412,116)	(1,387,731)
Total Due in More than One Year	\$ 28,018,657	\$ 28,948,701

BISHOP CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED AUGUST 31, 2022

2. Debt Service Requirements

Debt service requirements on long-term debt at 2022, Bishop Consolidated Independent School District, are as follows:

Year Ending 2022,	Governmental Activities		
	Principal	Interest	Total
2021	\$ 1,247,000	\$ 1,169,352	\$ 2,416,352
2022	1,294,000	1,124,423	2,418,423
2023	1,335,000	1,077,745	2,412,745
2024	1,387,000	1,029,587	2,416,587
2025	1,444,000	972,179	2,416,179
2026-2030	7,940,000	3,926,731	11,866,731
2031-2035	4,765,000	2,375,050	7,140,050
2036-2037	2,905,000	1,596,500	4,501,500
2041-2045	3,705,000	793,446	4,498,446
2046-2049	880,000	22,000	902,000
Totals	\$ 26,902,000	\$ 14,087,013	\$ 40,989,013

3. Advance Refunding of Debt

The District issued \$6,630,000 Bishop Consolidated Independent School District Unlimited Tax Bonds Series 2016 in March of 2016. The District refunded \$6,865,000 of the 2008 bond issue that was outstanding at August 31, 2016. The interest rate of the refunding bonds ranges from 3.0% to 4.0%. The refunding bonds are anticipated to generate a gross saving to the District of \$677,637 and present value savings of \$568,854.

The District issued \$7,405,000 Bishop Consolidated Independent School District Unlimited Tax Bonds Series 2017 in March of 2017. The District refunded \$7,600,000 of the 2009 bond issue that was outstanding at August 31, 2017. The interest rate of the refunding bonds ranges from 2.0% to 4.0%. The refunding bonds are anticipated to generate a gross saving to the District of \$914,041 and present value savings of \$739,477.

GASB Statement No. 7, "Advance Refundings Resulting in Defeasance of Debt," provides that refunded debt and assets placed in escrow for the payment of related debt service be excluded from the financial statements. As of 2022, Bishop Consolidated Independent School District, outstanding balances of bond issues that have been refunded and defeased in-substance by placing existing assets and the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments are as follows.

Bond Issue	Amount
Series 2009 - called 8/15/19	--
Total	--

4. Capital Financing Activities

Commitments under capital financing activities for facilities and equipment provide for minimum future payments as of 2022, Bishop Consolidated Independent School District, as follows:

Year Ending 2022:	Governmental
2022	\$ 195,109
2023	155,279
2024	33,310
Total Minimum Payments	\$ 383,698
Less Amount Representing Interest	58,868
Present Value of Net Minimum Payments	\$ 324,830

The effective interest rate ranges from 3.39% to 4.594%.

BISHOP CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
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G. Risk Management

The District is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. During fiscal year 2022, the District purchased commercial insurance to cover general liabilities. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

The District operates a risk management program for life and health, workers compensation, and state unemployment insurance claims. The District funds each plan 100% during the year, and has no additional funding liability. Any unused funds in the group health and workers compensation plans at year-end are available for carryover to the next operating year. Interfund premiums are paid into the Internal Service Fund and treated as charges for services and are available to pay claims and administrative costs of the program.

Health Care

The District contracts with an insurance company to provide the District with a minimum premium group health plan and to administer the plan. The plan provides that the District's liability for individual claims is limited to \$50,000 and the aggregate claims are limited to the aggregate maximum which was \$1,796,001 for 2022 and \$1,571,021 for 2021. Settlements did exceed insurance coverages during the current year.

All funds of the District participate in the program and make payments to the Self-Insurance Fund based on estimates of amounts needed to pay prior and current year claims. The claims liability of \$13,914 at August 31, 2022 is based on requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements and the amount of the loss can be reasonably estimated. Changes in the fund claims liability amounts for fiscal year 2022 and 2021 were:

	Beginning-of Fiscal-Year Liability	Current-Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year-End
2022	\$ 206,772	\$ 797,028	\$ 839,402	\$ 13,914
2021	206,772	918,003	1,068,487	56,288

During the year ended August 31, 2022, employees of the Bishop Consolidated Independent School District were covered by a health insurance plan (the Plan). The District paid premiums of \$400 per month per employee to the Plan. Employees, at their option, authorized payroll withholdings to pay premiums for dependents. All premiums were paid to a third party administrator, acting on behalf of the licensed insurer. The Plan was authorized by Section 21.922, Texas Education Code and was documented by contractual agreement.

The contract between the Bishop Consolidated Independent School District and the third party administrator is renewable September 1, 2022, and terms of coverage and premium costs are included in the contractual provisions. Latest financial statements for the Healthcare Benefits, Inc., are available for the year ended December 31, 2021. They have been filed with the Texas State Board of Insurance, Austin, Texas, and are public records.

Workers Compensation

The District contracts with an insurance company to provide the District with a minimum premium workers compensation plan and with Claims Administration Service, Inc., to manage the plan. The fixed cost of the plan was \$44,689 for the year ended August 31, 2022, and \$39,983 in 2021, and estimated claims of \$66,684 and \$76,641 were recorded as a liability at August 31, 2022 and 2021, respectively. The maximum fund loss is \$85,789 and \$76,754 for 2022 and 2021, respectively.

BISHOP CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
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Unemployment

During the year ended August 31, 2022, Bishop CISD 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 obligations to the Texas Workforce Commission. Expenses are accrued each month 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 Unemployment Compensation pool members.

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

H. Pension Plan

1. 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.

2. Pension Plan Fiduciary Net Position

Detail information about the Teacher Retirement System's fiduciary net position is available in a separately issued Annual Comprehensive Financial Report (ACFR) that includes financial statements and required supplementary information. That report may be obtained on the Internet at <https://www.trs.texas.gov/Pages/about%20publications.aspx>; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698, or by calling (512) 542-6592.

3. Benefits Provided

TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using 2.3 percent (multiplier) times the average of the five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, the three highest annual salaries are used. The normal service retirement is at age 65 with 5 years of credited service or when the sum of the member's age and years of credited service equals 80 or more years. Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered in under a previous rule. There are no automatic post-employment benefit changes; including automatic COLAs. Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan description in (1) above.

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

4. 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 percent of the member's annual compensation and a state contribution rate of not less than 6 percent and not more than 10 percent of the aggregate annual compensation paid to members of the System during the fiscal year.

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.

	<u>Contribution Rates</u>	
	<u>2021</u>	<u>2022</u>
Member	7.7%	8.0%
Non-Employer Contributing Entity (State)	7.5%	7.75%
Employers	7.5%	7.75%
District's 2022 Employer Contributions		\$ 403,884
District's 2022 Member Contributions		\$ 951,594
2021 NECE On-Behalf Contributions (State)		\$ 641,787

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

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

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

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

- All public schools, charter schools, and regional educational service centers must contribute 1.6 percent of the member's salary beginning in fiscal year 2021, gradually increasing to 2 percent in fiscal year 2025.

BISHOP CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
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- 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.

5. Actuarial Assumptions

The total pension liability in the August 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2020 rolled forward to August 31, 2021
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Fair Value
Single Discount Rate	7.25%
Long-term expected Investment Rate of Return	7.25%
Municipal Bond Rate as of August 2020	1.95% *
Last year ending August 31 in Projection Period	2120
Inflation	2.30%
Salary Increases including inflation	3.05% to 9.05%
Ad hoc post-employment benefit changes	None

* The source for the rate is the Fixed Income Market Data/Yield Curve/Data Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index"

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

6. Discount Rate

A single discount rate of 7.25 percent was used to measure the total pension liability. The single discount rate was based on the expected rate of return on plan investments of 7.25 percent. The projection of cash flows used to determine this single discount rate assumed that contributions from active members, employers and the non-employer contributing entity will be made at the rates set by the legislature during the 2019 session. It is assumed that future employer and state contributions will be 8.50 percent of payroll in fiscal year 2020 gradually increasing to 9.55 percent of payroll over the next several years. This includes all employer and state contributions for active and rehired retirees.

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

The long-term rate of return on pension plan investments is 7.25 percent. 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, 2021 are summarized below:

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Asset Class *	Target Allocation **	Long-Term Expected Arithmetic Real Rate of Return ***	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
USA	18.0%	3.6%	0.94%
Non-U.S. Developed	13.0%	4.4%	0.83%
Emerging Markets	9.0%	4.6%	0.74%
Private Equity	14.0%	6.3%	1.36%
Stable Value			
Government Bonds	16.0%	(0.2)%	0.01%
Absolute Return	0.0%	1.1%	0.00%
Stable Value Hedge Funds	5.0%	2.2%	0.12%
Real Return			
Real Estate	15.0%	4.5%	1.00%
Energy, Natural Resources and Infrastructure	6.0%	4.7%	0.35%
Commodities	0.0%	1.7%	0.00%
Risk Parity	8.0%	2.8%	0.28%
Asset Allocation Leverage			
Cash	2.0%	(0.7)%	(0.01)%
Asset Allocation Leverage	(6.0%)	(0.5)%	0.03%
Inflation Expectation			2.20%
Volatility Drag ****	-		(0.95)%
Expected Return	100.0%		6.90%

* Absolute Return includes Credit Sensitive Investments.
 ** Target allocations are based on the FY2021 policy model.
 *** Capital Market Assumptions come from Aon Hewitt (as of 08/31/2021)
 **** The volatility drag results from the conversion between arithmetic and geometric mean returns.

7. Discount Rate Sensitivity Analysis

The following table presents the Net Pension Liability of the plan using a discount rate of 7.25 percent, and what the net position liability would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate.

	1% Decrease in Discount Rate (6.25%)	Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
District's proportionate share of the net pension liability:	\$ 4,066,247	\$ 1,860,847	\$ 71,599

8. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At August 31, 2022, the District reported a liability of \$1,860,847 for its proportionate share of the TRS net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount

BISHOP CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
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recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	\$ 1,860,847
State's proportionate share that is associated with District	<u>3,829,908</u>
Total	<u>\$ 5,690,755</u>

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

At August 31, 2021 the employer's proportion of the collective net pension liability was 0.0073070508 percent which was an increase (decrease) of 0.00032670 percent from its proportion measured as of August 31, 2020.

9. Changes Since the Prior Actuarial Valuation

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

For the year ended August 31, 2022, the District recognized pension expense of \$15,311 and revenue of \$15,311 for support provided by the State.

At August 31, 2022, the District reported its proportionate share of the TRS 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 Actuarial Experience	\$ 3,114	\$ 131,005
Changes in Actuarial Assumptions	657,773	286,733
Difference Between Projected and Actual Investment Earnings	--	1,560,297
Changes in Proportion and Difference between District's Contributions and the Proportionate Share of Contributions	386,854	69,903
Contributions paid to TRS subsequent to the measurement date of the Net Pension Liability (to be calculated by employer)	403,885	--
Total	<u>\$ 1,451,626</u>	<u>\$ 2,047,938</u>

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

Year ended August 31,	Pension Expense Amount
2023	\$ (146,235)
2024	\$ (150,809)
2025	\$ (281,393)
2026	\$ (433,352)
2027	\$ 7,711
Thereafter	\$ 3,883

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I. Defined Other Post-Employment Benefit Plans

1. Plan Description

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

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

2. OPEB Plan Fiduciary Net Position

Detail information about the TRS-Care's fiduciary net position is available in the separately issued TRS Annual Comprehensive Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at https://www.trs.texas.gov/Pages/about_publications.aspx; or by calling (512) 542-6592.

3. 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 plan. Optional dependent coverage is available for an additional fee.

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

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

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

4. 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.

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Texas Insurance Code, Section 1575.202 establishes the state's contribution rate which is 1.25 percent of the employee's salary. Section 1575.203 establishes the active employee's rate which is 0.65 percent of 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.

Contribution Rates	
	2022
Active Employee	0.65%
Non-Employer Contributing Entity (State)	1.25%
Employers	0.75%
Federal/Private Funding remitted by Employers	1.25%
District's 2022 Employer Contributions	\$ 101,163
District's 2022 Member Contributions	\$ 77,319
2021 NECE On-Behalf Contributions (state)	\$ 112,394

In addition to the employer contributions listed above, there is an additional surcharge all TRS employers are subject to (*regardless of whether they participate in the TRS Care OPEB Program*). When hiring a TRS retiree, employers are required to pay TRS Care a monthly surcharge of \$535 per retiree.

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

5. Actuarial Assumptions

The actuarial valuation was performed as of August 31, 2020. Update procedures were used to roll forward the Total OPEB Liability to August 31, 2021. The actuarial valuation was determined using the following actuarial assumptions:

The actuarial valuation of the OPEB plan offered through TRS-Care is similar to the actuarial valuation performed for the pension plan, except that the OPEB valuation is more complex. The demographic assumptions were developed in the experience study performed for TRS for the period ending August 31, 2017. The following assumptions and other inputs used for members of TRS-Care are based on an established pattern of practice and are identical to the assumptions used in the August 31, 2020 TRS pension actuarial valuation that was rolled forward to August 31, 2021:

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

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.

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Additional Actuarial Methods and Assumptions:

Valuation Date	August 31, 2020 rolled forward to August 31, 2021
Actuarial Cost Method	Individual Entry-Age Normal
Inflation	2.30%
Single Discount Rate	1.95% as of August 31, 2021
Aging Factors	Based on plan specific experience
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the the age-adjusted claims costs.
Projected Salary Increases	3.05% to 9.05%, including inflation
Health Care Trend Rates	8.5% to 4.25%
Election Rates	Normal Retirement - 65% participation rate prior to age 65 and 40% participation rate after age 65. Pre-65 retirees - 25% are assumed to discontinue coverage at age 65.
Ad hoc post-employment benefit changes	None

The initial medical trend rates were 8.50 percent for Medicare retirees and 7.10 percent for non-Medicare retirees. There was an initial prescription drug trend rate of 8.50 percent for all retirees. The initial trend rates decrease to an an ultimate trend rate of 4.25 percent over a period of 12 years.

6. Discount Rate

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

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

7. Discount Rate Sensitivity Analysis

The following schedule shows the impact of the Net OPEB Liability if the discount rate used was 1 percentage point lower than and 1 percentage point higher than the discount rate that was used (1.95%) in measuring the Net OPEB Liability.

	1% Decrease in Discount Rate (0.95%)	Current Single Discount Rate (1.95%)	1% Increase in Discount Rate (2.95%)
District's proportionate share of the Net OPEB Liability:	\$ 4,996,468	\$ 4,142,217	\$ 3,469,893

8. OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs

At August 31, 2022, the District reported a liability of \$42,991 for its proportionate share of the TRS's Net OPEB liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the Net OPEB Liability that was associated with the District were as follows:

BISHOP CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED AUGUST 31, 2022

District's proportionate share of the collective net OPEB liability	\$ 4,142,217
State's proportionate share that is associated with the District	<u>\$ 5,549,648</u>
Total	<u>\$ 9,691,865</u>

The Net OPEB liability was measured as of August 31, 2020 and rolled forward to August 31, 2021 and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of that date. The District's proportion of the Net OPEB Liability was based on the District's contributions to OPEB relative to the contributions of all employers to the plan for the period September 1, 2020 thru August 31, 2021.

At August 31, 2022 the District's proportion of the collective net OPEB liability was 0.0107382346%, compared to 0.0106008675% in the prior year.

The following schedule shows the impact of the Net OPEB Liability if a healthcare trend rate that is 1 percent less than and 1 percent greater than the health trend rates assumed.

	1% Decrease in Healthcare Trend Rate	Current Single Healthcare Trend Rate	1% Increase in Healthcare Trend Rate
District's proportionate share of Net OPEB Liability:	<u>\$ 3,355,058</u>	<u>\$ 4,142,217</u>	<u>\$ 5,198,388</u>

9. Changes Since the Prior Actuarial Valuation

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

- The discount rate was changed from 2.33 percent as of August 31, 2020 to 1.95 percent as of August 31, 2021. This change increased the Total OPEB Liability.

Changes of Benefit Terms Since the Prior Measurement Date - 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 \$(204,824).

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 178,342	\$ 2,005,123
Changes in actuarial assumptions	458,799	876,002
Difference between projected and actual investment earnings	4,497	--
Changes in proportion and difference between the District's contributions and the proportionate share of contributions	972,549	--
Contributions paid to TRS subsequent to the measurement date	101,163	--
Total	<u>\$ 1,715,350</u>	<u>\$ 2,881,125</u>

BISHOP CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2022

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

Year ended August 31:	OPEB Expense Amount
2023	\$ (276,632)
2024	\$ (276,735)
2025	\$ (276,709)
2026	\$ (167,673)
2027	\$ (20,059)
Thereafter	\$ (249,130)

For the year ended August 31, 2022, the District recognized OPEB expense of \$(204,824) and revenue of \$(204,824) for support provided by the State.

10. Medicare Part D Subsidies

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, which was effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the fiscal year ended August 31, 2022, the subsidy payment received by TRS-Care on behalf of the District was \$47,857.

J. Commitments and Contingencies

1. Contingencies

The District participates in grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectibility of any related receivable may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying basic financial statements for such contingencies.

2. Litigation

No reportable litigation was pending against the District at August 31, 2022.

K. Subsequent Events

Management has reviewed subsequent events and transactions that occurred after the balance sheet date through December 12, 2022 (the date of the Audit Report). The financial statements include all Type I events or transactions, including estimates, required to be recognized in accordance with generally accepted accounting principles. Management and those charged with governance have determined that there are no non-recognized Type II subsequent events that require additional disclosure.

L. Concentration of Risk

The District is located within Nueces County, Texas and it derives approximately 50% of all revenue from property taxes and related penalties and interest. The District's top ten taxpayers have a total taxable property value of \$591,083,820 or 66.62% of the total property tax value of 887,277,955. The top taxpayer is in wind energy, and the second top taxpayer is a chemical and plastics plant that has been in operation since 1946. The other top eight are in the fields of transportation, utilities and oil and gas.

BISHOP CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2022

Taxpayer	Taxable Value	Percent of Total Taxable Value
Avangrid Renewables, LLC	\$ 210,552,430	23.73%
Celanese LTD	191,076,340	21.54%
Ticona Polymers Inc.	80,328,550	9.05%
BASF Corp.	38,810,640	4.37%
AEP Texas Central Co.	28,094,290	3.17%
Valley Crossing Pipeline LLC	13,746,070	1.55%
OQ Chemicals Bishop LLC	9,777,450	1.10%
Kinder Morgan Tejas PL, LP	6,859,910	0.77%
Union Pacific RR Company	6,566,720	0.74%
Net Mexio Pipeline LP	5,271,420	0.59%
Total Top Ten	\$ 591,083,820	66.62%
Total All Taxpayers	\$ 887,277,955	100.00%

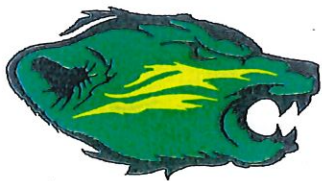
M. Workers Compensation Fund - Changes in Liability

	1996 - 2018	2019	2020	2021	2022	Total
Unpaid Claims at 9/1:	\$11,406	\$41,490	\$3,155	\$20,590	--	\$76,641
Incurred Claims:						
Provision for insured events of the current year	--	--	--	--	28,852	\$28,852
Increases in provision for insured events of the prior year	(1,620)	211	(533)	(5,505)	--	(\$7,447)
Total Incurred Claims	(1,620)	211	(533)	(5,505)	28,852	21,405
Payments:						
Claims attributable to insured events of the current year	--	--	--	--	2,715	\$2,715
Claims attributable to insured events of the prior year	922	24,912	452	2,361	--	\$28,647
Total Payments	922	24,912	452	2,361	2,715	31,362
Total Unpaid Claims at 8/31:*	\$8,864	\$16,789	\$2,170	\$12,724	\$26,137	\$66,684
* Minimum amount to be encumbered. Calculation of this amount allows for estimated claims Incurred But Not Reported of:	\$11,626	\$6,975	\$1,078	\$4,164	\$9,518	\$33,361

BISHOP CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2022

N. Economic Dependency

The District receives a significant portion of its revenue from pass-through funds of federal grants. The District operated during the fiscal year under three major sources of funds. The grant amounts are appropriated each year at the federal level. If significant budget cuts are made at the federal and/or state level, the amount of funds the District receives could be reduced significantly and could have an adverse impact on its operations.



Bishop Consolidated Independent School District

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.

BISHOP CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED AUGUST 31, 2022

EXHIBIT G-1
 Page 1 of 2

Data Control Codes		1		2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts			Actual	
		Original	Final			
REVENUES:						
5700	Local and Intermediate Sources	\$ 8,150,171	\$ 8,150,171	\$ 8,479,886	\$ 329,715	
5800	State Program Revenues	8,952,003	8,952,003	8,045,153	(906,850)	
5900	Federal Program Revenues	150,000	150,000	298,792	148,792	
5020	Total Revenues	<u>17,252,174</u>	<u>17,252,174</u>	<u>16,823,831</u>	<u>(428,343)</u>	
EXPENDITURES:						
Current:						
Instruction and Instructional Related Services:						
0011	Instruction	8,494,366	8,194,366	8,178,821	15,545	
0012	Instructional Resources and Media Services	89,228	54,228	39,284	14,944	
0013	Curriculum and Staff Development	453,598	469,598	460,789	8,809	
	Total Instruction and Instr. Related Services	<u>9,037,192</u>	<u>8,718,192</u>	<u>8,678,894</u>	<u>39,298</u>	
Instructional and School Leadership:						
0021	Instructional Leadership	146,875	186,875	178,094	8,781	
0023	School Leadership	1,182,564	1,172,564	1,162,983	9,581	
	Total Instructional and School Leadership	<u>1,329,439</u>	<u>1,359,439</u>	<u>1,341,077</u>	<u>18,362</u>	
Support Services - Student (Pupil):						
0031	Guidance, Counseling and Evaluation Services	644,568	664,568	650,056	14,512	
0033	Health Services	188,327	188,327	178,467	9,860	
0034	Student (Pupil) Transportation	414,525	414,525	410,368	4,157	
0036	Cocurricular/Extracurricular Activities	926,115	1,046,115	1,057,744	(11,629)	
	Total Support Services - Student (Pupil)	<u>2,173,535</u>	<u>2,313,535</u>	<u>2,296,635</u>	<u>16,900</u>	
Administrative Support Services:						
0041	General Administration	818,471	793,471	777,062	16,409	
	Total Administrative Support Services	<u>818,471</u>	<u>793,471</u>	<u>777,062</u>	<u>16,409</u>	
Support Services - Nonstudent Based:						
0051	Plant Maintenance and Operations	2,971,338	5,144,878	3,109,801	2,035,077	
0052	Security and Monitoring Services	54,200	48,200	40,082	8,118	
0053	Data Processing Services	475,579	465,579	459,299	6,280	
	Total Support Services - Nonstudent Based	<u>3,501,117</u>	<u>5,658,657</u>	<u>3,609,182</u>	<u>2,049,475</u>	
Ancillary Services:						
0061	Community Services	51,400	41,400	31,920	9,480	
	Total Ancillary Services	<u>51,400</u>	<u>41,400</u>	<u>31,920</u>	<u>9,480</u>	
Debt Service:						
0071	Principal on Long-Term Debt	166,020	137,000	135,077	1,923	
0072	Interest on Long-Term Debt	--	29,020	28,500	520	
	Total Debt Service	<u>166,020</u>	<u>166,020</u>	<u>163,577</u>	<u>2,443</u>	
Capital Outlay:						
0081	Capital Outlay	50,000	430,000	429,380	620	
	Total Capital Outlay	<u>50,000</u>	<u>430,000</u>	<u>429,380</u>	<u>620</u>	
0099	Other Intergovernmental Charges	125,000	125,000	115,867	9,133	
	Total Intergovernmental Charges	<u>125,000</u>	<u>125,000</u>	<u>115,867</u>	<u>9,133</u>	
6030	Total Expenditures	<u>17,252,174</u>	<u>19,605,714</u>	<u>17,443,594</u>	<u>2,162,120</u>	

BISHOP CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED AUGUST 31, 2022

EXHIBIT G-1

Page 2 of 2

Data Control Codes	1	2	3	Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
1100 Excess (Deficiency) of Revenues Over (Under)				
1100 Expenditures	--	(2,353,540)	(619,763)	1,733,777
1200 Net Change in Fund Balance	--	(2,353,540)	(619,763)	1,733,777
0100 Fund Balance - Beginning	9,501,540	9,501,540	9,501,540	--
3000 Fund Balance - Ending	<u>\$ 9,501,540</u>	<u>\$ 7,148,000</u>	<u>\$ 8,881,777</u>	<u>\$ 1,733,777</u>

BISHOP CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
LAST TEN FISCAL YEARS *

EXHIBIT G-2

	Measurement Year Ended August 31,						
	2021	2020	2019	2018	2017	2016	
District's proportion of the net pension liability (asset)	0.0073070508%	0.0069803464%	0.0071745244%	0.0060415935%	0.0058126883%	0.0059231666%	0.0036172000%
\$	1,860,847 \$	3,738,531 \$	3,729,542 \$	3,325,440 \$	1,858,585 \$	2,238,277 \$	2,237,147 \$
District's proportionate share of the net pension liability (asset)	3,829,908	7,984,315	7,075,978	7,119,490	4,145,684	5,092,183	4,981,350
State's proportionate share of the net pension liability (asset) associated with the District	5,690,755 \$	11,722,846 \$	10,805,520 \$	10,444,930 \$	6,004,269 \$	7,330,460 \$	7,218,497 \$
Total	\$ 10,822,379 \$	10,288,549 \$	9,259,645 \$	8,068,887 \$	7,597,182 \$	7,531,806 \$	7,209,175
District's covered-employee payroll	17.19%	36.34%	40.28%	41.21%	24.46%	29.72%	30.07%
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	88.79%	75.54%	75.24%	73.74%	82.17%	78.00%	78.43%
Plan fiduciary net position as a percentage of the total pension liability							83.25%

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information only for those years for which information is available.

BISHOP CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
LAST TEN FISCAL YEARS *

EXHIBIT G-3

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015		
Contractually required contribution	\$ 408,885	\$ 311,957	\$ 285,245	\$ 251,118	\$ 203,634	\$ 190,506	\$ 188,194	\$ 187,398		
Contributions in relation to the contractually required contribution	(408,885)	(311,957)	(285,245)	(251,118)	(203,634)	(190,506)	(188,194)	(187,398)		
Contribution deficiency (excess)	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --		
District's covered-employee payroll	\$ 12,031,032	\$ 10,822,379	\$ 10,288,549	\$ 9,259,645	\$ 8,068,887	\$ 7,597,182	\$ 7,531,806	\$ 7,439,682		
Contributions as a percentage of covered-employee payroll	3.36%	2.88%	2.77%	2.71%	2.52%	2.51%	2.50%	2.52%		

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information for those years for which information is available.

Note: GASB 68, Paragraph 81.2.b requires that the data in this schedule be presented as of the District's current fiscal year as opposed to the time period covered by the measurement date of September 1, 2019 - August 31, 2021.

BISHOP CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE
 SHARE OF THE NET OPEB LIABILITY
 TEACHER RETIREMENT SYSTEM OF TEXAS
 LAST TEN FISCAL YEARS *

EXHIBIT G-4

	Measurement Year Ended				
	2021	2020	2019	2018	2017
District's proportion of the collective net OPEB liability	0.0107382346%	0.0106008675%	0.0101731211%	0.0090762279%	0.0084015976%
District's proportionate share of the collective net OPEB liability	\$ 4,142,217	\$ 4,029,868	\$ 4,810,995	\$ 4,531,844	\$ 3,653,540
State proportionate share of the collective net OPEB liability associated with the District	\$ 5,549,648	\$ 5,415,177	\$ 6,392,734	\$ 7,068,554	\$ 6,162,242
Total	<u>\$ 9,691,865</u>	<u>\$ 9,445,045</u>	<u>\$ 11,203,729</u>	<u>\$ 11,600,398</u>	<u>\$ 9,815,782</u>
District's covered-employee payroll	\$ 10,822,379	\$ 10,288,549	\$ 9,259,645	\$ 8,068,887	\$ 7,597,182
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	38.27%	39.17%	56.16%	56.16%	48.09%
Plan fiduciary net position as a percentage of the total OPEB liability	6.18%	4.99%	2.66%	1.57%	0.91%

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information only for those years for which information is available.

BISHOP CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF THE DISTRICT'S OPEB CONTRIBUTIONS
 TEACHER RETIREMENT SYSTEM OF TEXAS
 LAST TEN FISCAL YEARS *

EXHIBIT G-5

	Fiscal Year Ended August 31,				
	2022	2021	2020	2019	2018
Statorily or contractually required District contribution	\$ 101,163	\$ 83,890	\$ 80,026	\$ 72,201	\$ 62,613
Contributions recognized by OPEB in relation to statorily or contractually required contribution	(101,163)	(83,890)	(80,026)	(72,201)	(62,613)
Contribution deficiency (excess)	\$ --	\$ --	\$ --	\$ --	\$ --
District's covered-employee payroll	\$ 12,031,032	\$ 10,822,379	\$ 9,259,645	\$ 9,259,645	\$ 8,068,887
Contributions as a percentage of covered-employee payroll	0.84%	0.78%	0.86%	0.78%	0.78%

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information only for those years for which information is available.

BISHOP CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED AUGUST 31, 2022

Budget

The official budget was prepared for adoption for all Governmental Fund Types. The budget was prepared in accordance with accounting practices generally accepted in the United States of America. The following procedures are followed in establishing the budgetary data.:

- a. Prior to August 21 of the preceding fiscal year, the District prepares a budget for the next succeeding fiscal year. The operating budget includes proposed expenditures and the means of financing them.
- b. A meeting of the Board is then called for the purpose of adopting the proposed budget after ten days' public notice of the meeting has been given.
- c. Prior to the beginning of the fiscal year, the budget is legally enacted through passage of a resolution by the board.

Once a budget is approved, it can be amended at function and fund level only by approval of a majority of the members of the Board. Amendments are presented to the Board at its regular meetings.

Each amendment must have Board approval. Such amendments are made before the fact, are reflected in the official minutes of the Board and are not made after fiscal year end as required by law.

Each amendment is controlled by the budget coordinator at the revenue and expenditure function/object level. Budgeted amounts are as amended by the Board. All budget appropriations lapse at year end.

Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under Texas law, appropriations lapse at August 31, and encumbrances outstanding at that time are to be either cancelled or appropriately provided for in the subsequent year's budget. There were no end-of-year outstanding encumbrances that were provided for in the subsequent year's budget.

Defined Benefit Pension Plan

Changes of benefit terms

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

Changes of assumptions

There were no changes of assumptions or other inputs that affected measurement of the total pension liability during the measurement period.

Other Post-Employment Benefit Plan

Changes of benefit terms

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

Changes of assumptions

There were no changes of assumptions or other inputs that affected measurement of the total OPEB liability during the measurement period.

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.

BISHOP CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
FOR THE YEAR ENDED AUGUST 31, 2022

Year Ended August 31	1 Tax Rates		2	3 Assessed/Appraised Value For School Tax Purposes	
	Maintenance	Debt Service			
2013 and Prior Years	\$ Various	\$ Various		\$	Various
2014	1.0392	.4934			474,361,315
2015	1.0392	.4934			493,099,960
2016	1.0392	.3671			499,993,817
2017	1.0392	.3601			498,973,343
2018	1.0392	.3201			538,300,512
2019	1.0392	.465			585,614,859
2020	.9692	.394			622,899,613
2021	.8747	.292			898,767,162
2022 (School Year Under Audit)	.8747	.2633			887,277,955

1000 Totals

9000 - Portion of Row 1000 for Taxes Paid into Tax Increment Zone Under Chapter 311, Tax Code

10 Beginning Balance 9/1/21	20 Current Year's Total Levy	31 Maintenance Collections	32 Debt Service Collections	40 Entire Year's Adjustments	50 Ending Balance 8/31/22
\$ 214,411	\$ --	\$ 1,900	\$ 702	\$ (5,284)	\$ 206,525
39,544	--	653	310	(91)	38,490
41,354	--	889	422	(92)	39,951
47,688	--	1,157	409	(84)	46,038
70,147	--	4,022	1,394	748	65,479
73,334	--	7,979	2,458	2,839	65,736
105,519	--	16,298	7,293	4,338	86,266
124,574	--	17,818	7,243	3,374	102,887
161,631	--	32,540	10,861	(10,382)	107,848
--	9,974,651	7,535,918	2,268,150	--	170,583
<u>\$ 878,202</u>	<u>\$ 9,974,651</u>	<u>\$ 7,619,174</u>	<u>\$ 2,299,242</u>	<u>\$ (4,634)</u>	<u>\$ 929,803</u>
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --

BISHOP CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
 USE OF FUNDS REPORT - SELECT STATE ALLOTMENT PROGRAM
 AS OF AUGUST 31, 2022

Data Control Codes		<u>Responses</u>
<u>Section A: Compensatory Education Programs</u>		
AP1	Did your LEA expend any state compensatory education program state allotment funds during the district's fiscal year?	Yes
AP2	Does the LEA have written policies and procedures for its state compensatory education program?	Yes
AP3	List the total state allotment funds received for state compensatory education programs during the district's fiscal year.	\$ 1,440,670
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal year. (PICs 24, 26, 28 29, 30, 34)	\$ 1,018,259
<u>Section B: Bilingual Education Programs</u>		
AP5	Did your LEA expend any bilingual education program state allotment funds during the LEA's fiscal year?	Yes
AP6	Does the LEA have written policies and procedures for its bilingual education program?	Yes
AP7	List the total state allotment funds received for bilingual education programs during the LEA's fiscal year.	\$ 36,563
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PICs 25, 35)	\$ 26,189

BISHOP CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

EXHIBIT J-3

NATIONAL SCHOOL BREAKFAST AND LUNCH PROGRAM
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED AUGUST 31, 2022

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts		Actual	
		Original	Final		
REVENUES:					
5700	Local and Intermediate Sources	\$ 124,747	\$ 124,747	\$ 38,281	\$ (86,466)
5800	State Program Revenues	4,500	4,500	9,620	5,120
5900	Federal Program Revenues	1,334,958	1,534,958	1,826,275	291,317
5020	Total Revenues	<u>1,464,205</u>	<u>1,664,205</u>	<u>1,874,176</u>	<u>209,971</u>
EXPENDITURES:					
Current:					
Support Services - Student (Pupil):					
0035	Food Services	1,365,916	1,565,916	1,605,014	(39,098)
	Total Support Services - Student (Pupil)	<u>1,365,916</u>	<u>1,565,916</u>	<u>1,605,014</u>	<u>(39,098)</u>
6030	Total Expenditures	<u>1,365,916</u>	<u>1,565,916</u>	<u>1,605,014</u>	<u>(39,098)</u>
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	98,289	98,289	269,162	170,873
1200	Net Change in Fund Balance	98,289	98,289	269,162	170,873
0100	Fund Balance - Beginning	381,687	381,687	381,687	--
3000	Fund Balance - Ending	<u>\$ 479,976</u>	<u>\$ 479,976</u>	<u>\$ 650,849</u>	<u>\$ 170,873</u>

BISHOP CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

EXHIBIT J-4

DEBT SERVICE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED AUGUST 31, 2022

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts		Actual	
		Original	Final		
REVENUES:					
5700	Local and Intermediate Sources	\$ 2,312,983	\$ 2,312,983	\$ 2,330,480	\$ 17,497
5800	State Program Revenues	30,000	30,000	10,297	(19,703)
5020	Total Revenues	<u>2,342,983</u>	<u>2,342,983</u>	<u>2,340,777</u>	<u>(2,206)</u>
EXPENDITURES:					
Debt Service:					
0071	Principal on Long-Term Debt	2,342,000	1,145,000	1,145,000	--
0072	Interest on Long-Term Debt	--	1,192,000	1,191,850	150
0073	Bond Issuance Costs and Fees	--	5,000	3,700	1,300
	Total Debt Service	<u>2,342,000</u>	<u>2,342,000</u>	<u>2,340,550</u>	<u>1,450</u>
6030	Total Expenditures	<u>2,342,000</u>	<u>2,342,000</u>	<u>2,340,550</u>	<u>1,450</u>
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	983	983	227	(756)
1200	Net Change in Fund Balance	983	983	227	(756)
0100	Fund Balance - Beginning	1,032,204	1,032,204	1,032,204	--
3000	Fund Balance - Ending	<u>\$ 1,033,187</u>	<u>\$ 1,033,187</u>	<u>\$ 1,032,431</u>	<u>\$ (756)</u>

JOHN WOMACK & CO., P.C.
CERTIFIED PUBLIC ACCOUNTANTS

JOHN L. WOMACK, CPA
MARGARET KELLY, CPA

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KINGSVILLE, TEXAS 78364
(361) 592-2671
FAX (361) 592-1411

Independent Auditor's Report on Internal Control over Financial Reporting and
On Compliance and Other Matters Based on an Audit of Financial Statements
Performed In Accordance With Government Auditing Standards

Board of Trustees
Bishop Consolidated Independent School District
719 East Sixth Street
Bishop, Texas 78343

Members of the Board of Trustees:

We have audited, 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 financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Bishop Consolidated Independent School District, as of and for the year ended August 31, 2022, and the related notes to the financial statements, which collectively comprise Bishop Consolidated Independent School District's basic financial statements, and have issued our report thereon dated December 12, 2022.

Report on Internal Control Over Financial Reporting

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

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

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



PRIVATE COMPANIES PRACTICE SECTION, AICPA DIVISION FOR CPA FIRMS

Report on Compliance and Other Matters

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

Purpose of this Report

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

Respectfully submitted,

A handwritten signature in blue ink that reads "John Womack & Co. P.C." with a stylized flourish at the end.

John Womack & Co., P.C.
Kingsville, TX
December 12, 2022

JOHN WOMACK & CO., P.C.
CERTIFIED PUBLIC ACCOUNTANTS

JOHN L. WOMACK, CPA
MARGARET KELLY, CPA

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Independent Auditor's Report on Compliance for Each Major Federal Program and
Report on Internal Control Over Compliance Required by the Uniform Guidance

Board of Trustees
Bishop Consolidated Independent School District
719 East Sixth Street
Bishop, Texas 78343

Members of the Board of Trustees:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Bishop Consolidated Independent School District's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Bishop Consolidated Independent School District's major federal programs for the year ended August 31, 2022. Bishop Consolidated Independent School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal Program

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

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



PRIVATE COMPANIES PRACTICE SECTION, AICPA DIVISION FOR CPA FIRMS

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 Bishop Consolidated Independent School District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

Report on Internal Control Over Compliance

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

reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

Respectfully submitted,

A handwritten signature in blue ink that reads "John Womack & Co., P.C." with a stylized flourish at the end.

John Womack & Co., P.C.
Kingsville, TX
December 12, 2022

BISHOP CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED AUGUST 31, 2022

A. Summary of Auditor's Results

1. Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

One or more material weaknesses identified? Yes No

One or more significant deficiencies identified that are not considered to be material weaknesses? Yes None Reported

Noncompliance material to financial statements noted? Yes No

2. Federal Awards

Internal control over major programs:

One or more material weaknesses identified? Yes No

One or more significant deficiencies identified that are not considered to be material weaknesses? Yes None Reported

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

Version of compliance supplement used in audit: April 2022

Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, para. 200.516(a)?? Yes No

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.027A	IDEA-B, Formula
84.027X	IDEA-B, Formula - ARP
84.173A	IDEA-B, Preschool
84.173X	IDEA-B, Preschool - ARP
84.425D	ESSER II of the CRRSA Act
84.425U	ESSER III of the American Rescue Plan Act
84.425U	Texas Covid Learning Acceleration Supports (TCLAS)

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

Auditee qualified as low-risk auditee? Yes No

BISHOP CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED AUGUST 31, 2022

B. Financial Statement Findings

NONE

C. Federal Award Findings and Questioned Costs

NONE

BISHOP CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED AUGUST 31, 2022

<u>Finding/Recommendation</u>	<u>Current Status</u>	<u>Management's Explanation If Not Implemented</u>
-------------------------------	-----------------------	--

There were no findings or questioned costs in the prior year.

BISHOP CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED AUGUST 31, 2022

There are no findings or questioned costs in the current year.

BISHOP CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2022

EXHIBIT K-1
Page 1 of 2

(1)	(2)	(2A)	(3)	(3)
Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal ALN Number	Pass- Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
CHILD NUTRITION CLUSTER:				
<u>U. S. Department of Agriculture</u>				
Passed Through State Department of Education:				
School Breakfast Program	10.553	71401101	\$	\$ 451,591
Supply Chain Assistance	10.555	178-902		46,199
National School Lunch Program	10.555	71301101		763,439
Total ALN Number 10.555			--	809,638
Total Passed Through State Department of Education			--	1,261,229
Total U. S. Department of Agriculture			--	1,261,229
Total Child Nutrition Cluster			--	1,261,229
FOOD DISTRIBUTION CLUSTER:				
<u>U. S. Department of Agriculture</u>				
Passed Through State Department of Education:				
Commodity Supplemental Food Program (Non-cash)	10.565	178-902	--	108,139
Total U. S. Department of Agriculture			--	108,139
Total Food Distribution Cluster			--	108,139
SPECIAL EDUCATION (IDEA) CLUSTER:				
<u>U. S. Department of Education</u>				
Passed Through State Department of Education:				
IDEA-Part B, Formula	84.027A	2166000117890	--	10,269
IDEA-Part B, Formula - American Rescue Plan (ARP) Act of 2021	84.027A	2253500117890	--	70,638
IDEA-Part B, Formula	84.027A	2266000117890	--	358,032
Total ALN Number 84.027A			--	438,939
IDEA-Part B, Preschool	84.173A	2266100117890	--	1,359
IDEA-Part B, Preschool - American Rescue Plan (ARP) Act of 2021	84.173X	2253600117890	--	3,015
Total Passed Through State Department of Education			--	443,313
Total U. S. Department of Education			--	443,313
Total Special Education (IDEA) Cluster			--	443,313
OTHER PROGRAMS:				
<u>U. S. Department of Education</u>				
Passed Through State Department of Education:				
ESEA Title 1 Part A - Improving Basic Programs	84.010A	2261010117890	--	333,619
ESEA Title I Part A - Improving Basic Programs	84.010A	2361010117902	--	12,783
Total ALN Number 84.010a			--	346,402
Career and Technical Education - Basic Grant	84.048A	2242000617890	--	18,291
ESEA Title II, Part A - Teacher and Principal Training and Recruiting	84.367A	2269450117890	--	62,467
ESEA Title II, Part A - Teacher and Principal Training and Recruiting	84.367A	2369450117890	--	3,980
Total ALN Number 84.367A			\$ --	\$ 66,447

BISHOP CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED AUGUST 31, 2022

EXHIBIT K-1
 Page 2 of 2

(1)	(2)	(2A)	(3)
Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal ALN Number	Pass- Through Entity Identifying Number	Passed Through to Subrecipients
			Federal Expenditures
LEP Summer School	84.369A	69551902	\$ --
			\$ 2,539
Title IV, Part A, Subpart 1	84.424A	2268010117890	--
			15,725
ESSER Fund II of the CRRSA Act	84.425D	2152100117890	--
			510,009
ESSER Fund III of the American Rescue Plan Act of 2021	84.425U	2142800117890	--
			800,562
ESSER Fund III of the American Rescue Plan Act of 2021	84.425U	2152800117890	--
			26,549
Texas COVID Learning Acceleration Supports (TCLAS)-State ESSE	84.425U	2152804217890	--
			118,788
Total ALN Number 84.425U			<u>945,899</u>
Covid-19 School Health Support Grant	93.323	02735795	--
			60,000
Total Passed Through State Department of Education			<u>1,965,312</u>
Total U. S. Department of Education			<u>1,965,312</u>
<u>U. S. Department of Agriculture</u>			
Passed Through State Department of Education:			
Child and Adult Care Food Program	10.558	178-902	--
			456,907
Total U. S. Department of Agriculture			<u>456,907</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 4,234,900</u>

The accompanying notes are an integral part of this schedule.

BISHOP CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2022

Basis of Presentation

The accompanying schedule of expenditures of federal awards ("the Schedule") includes the federal grant activity of Bishop Consolidated Independent School District. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Therefore, some amounts may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Summary of Significant Accounting Policies

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

Bishop Consolidated Independent School District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

BISHOP CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS
AS OF AUGUST 31, 2022

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