

# **Onalaska Independent School District**

Annual Financial Report

For the Fiscal Year Ended August 31, 2023



**Onalaska Independent School District**  
 Annual Financial Report  
 For the Fiscal Year Ended August 31, 2023  
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## Certificate of the Board

**Onalaska Independent School District**

Name of School District

**Polk**

County

**187-910**

Co.-Dist Number

We, the undersigned, certify that the attached annual financial reports of the above named school district were reviewed and ✓ approved \_\_\_\_\_ disapproved for the fiscal year ended August 31, 2023 at a meeting of the Board of Trustees of such school district on the 27<sup>th</sup> day of November, 2023.

  
\_\_\_\_\_  
Signature of Board Secretary

  
\_\_\_\_\_  
Signature of Board President

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

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# **Financial Section**

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## Independent Auditor's Report

To the Board of Trustees of  
Onalaska Independent School District  
Onalaska, Texas

### Report on the Audit of the Financial Statements

#### *Opinions*

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

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

#### *Basis for Opinions*

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

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

The 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.

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



*Auditor's 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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Required Supplementary Information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The Board of Trustees of  
Onalaska Independent School District

*Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Supplementary Information as listed in the table of contents, and Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Supplementary Information and 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. Such 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 Supplementary Information and Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated November 14, 2023 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P.

Conroe, Texas  
November 14, 2023

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## Management's Discussion and Analysis

As management of the Onalaska Independent School District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended August 31, 2023.

### Financial Highlights

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$9,810,795 (*net position*). Of this amount, \$3,320,977 (*unrestricted net position*) was available to meet the District's ongoing obligations.
- The District's total net position increased by \$2,984,354.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$14,759,294, an increase of \$1,926,460 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$10,181,624, or 74 percent of total general fund expenditures.
- The District's total net bonded debt decreased by \$1,045,981.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information and supplementary information in addition to the basic financial statements themselves.

**Government-wide Financial Statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* (Exhibit A-1) presents information on all of the District's assets, liabilities, and deferred inflows/outflows of resources, with the difference between them reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *Statement of Activities* (Exhibit B-1) presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and incurred but unpaid interest).

The government-wide financial statements of the District are principally supported by taxes and intergovernmental revenues (*governmental activities*). The governmental activities of the District include *Instruction, Instructional Resources and Media Services, Curriculum and Instructional Staff Development, Instructional Leadership, School Leadership, Guidance, Counseling, and Evaluation Services, Health Services, Student Transportation, Food Services, Extracurricular Activities, General Administration, Plant Maintenance and Operations, Security and Monitoring Services, Data Processing Services, Interest on Long-term Debt, Issuance Costs and Fees, Payments Related to Shared Services Arrangements, and Other Intergovernmental Charges*.

The government-wide financial statements can be found as noted in the table of contents of this report.

**Fund Financial Statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and fiduciary funds.

**Governmental Funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a District's near-term financing requirements.

Because the focus of governmental funds financial statements is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term effect of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The District maintained eleven individual governmental funds during the year. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, ESSER II of the Coronavirus Response and Relief Supplemental Appropriations Act fund, and the debt service fund, which are considered to be major funds. Data from the other eight governmental funds are combined into a single, aggregated presentation titled *other governmental funds*.

The District adopts an annual revenue and appropriations budget for its general fund, debt service fund and national school breakfast and lunch program special revenue fund. All other governmental funds adopt project length budgets. Subsequent to adoption, amendments approved by the governing body are reflected in a revised budget column. A budgetary comparison schedule has been provided for the general fund, debt service fund and national school breakfast and lunch program special revenue fund to demonstrate compliance with its budget.

The basic governmental fund financial statements can be found as noted in the table of contents of this report.

**Fiduciary Funds.** Fiduciary funds are used to account for resources related to scholarship funds. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the District's own programs. The accounting used for fiduciary funds is similar to the accounting used for proprietary funds.

The basic fiduciary fund financial statements can be found as noted in the table of contents of this report.

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found as noted in the table of contents of this report.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report presents required supplementary information and supplementary information, which includes schedules required by the Texas Education Agency. Such information can be found as noted in the table of contents of this report.

## Government-wide Financial Analysis

As mentioned earlier, net position may, over time, serve as a useful indicator of a District's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$9,810,795 at the close of the most recent fiscal year.

### Onalaska Independent School District's Net Position

	Governmental Activities					
	2023		2022		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
Current and other assets	\$ 16,758,548	52	\$ 14,425,208	48	\$ 2,333,340	16
Capital assets	15,174,046	48	15,725,284	52	(551,238)	(4)
Total assets	31,932,594	100	30,150,492	100	1,782,102	
Total deferred outflows of resources	4,290,358	100	2,045,634	100	2,244,724	110
Long-term liabilities outstanding	18,372,962	93	17,599,560	94	773,402	4
Other liabilities	1,418,685	7	1,055,971	6	362,714	34
Total liabilities	19,791,647	100	18,655,531	100	1,136,116	
Total deferred inflows of resources	6,620,510	100	6,714,154	100	(93,644)	(1)
Net position:						
Net investment in capital assets	4,616,263	47	4,221,670	62	394,593	9
Restricted for grants	595,521	6	555,292	8	40,229	7
Restricted for debt service	1,278,034	13	972,580	14	305,454	31
Unrestricted (deficit)	3,320,977	34	1,076,899	16	2,244,078	208
<b>Total net position</b>	<b>\$ 9,810,795</b>	<b>100</b>	<b>\$ 6,826,441</b>	<b>100</b>	<b>\$ 2,984,354</b>	

Investment in capital assets (e.g., land and improvements, buildings and improvements, furniture and equipment, and construction in progress), less any related debt used to acquire those assets that are still outstanding represents the majority of the District's positive net position. The District uses these capital assets to provide services to students; consequently, these assets are *not* available for future spending. Although the District's net investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Net position that is restricted for debt service and grants totaled \$1,873,555. The *unrestricted net position* as of August 31, 2023 was \$3,320,977, and is available to meet the District's ongoing obligations.

**Governmental Activities.** Governmental activities increased the District's net position by \$2,984,354 from current operations. Key elements of this change are as follows:

**Onalaska Independent School District's Changes in Net Position**

	Governmental Activities					
	2023		2022		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
Revenue						
Program revenues:						
Charges for services	\$ 259,914	1	\$ 213,605	1	\$ 46,309	22
Operating grants and contributions	3,589,390	18	3,328,043	18	261,347	8
General revenues:						
Property taxes, levied for general purposes	6,573,368	32	6,275,634	34	297,734	5
Property taxes, levied for debt service	1,332,034	7	1,212,986	7	119,048	10
Grants and contributions not restricted to specific programs	7,768,554	38	7,096,011	39	672,543	9
Investment earnings	516,531	3	68,653	-	447,878	652
Miscellaneous	104,556	1	92,059	1	12,497	14
Total revenues	20,144,347	100	18,286,991	100	1,857,356	
Expenses						
Instruction	8,662,511	50	7,413,582	51	1,248,929	17
Instructional resources and media services	44,177	-	35,916	-	8,261	23
Curriculum and instructional staff development	311,819	2	315,349	2	(3,530)	(1)
Instructional leadership	537,892	3	382,091	2	155,801	41
School leadership	818,241	5	735,097	5	83,144	11
Guidance, counseling, and evaluation services	331,783	2	227,423	2	104,360	46
Health services	108,111	1	103,351	1	4,760	5
Student transportation	887,424	5	786,977	5	100,447	13
Food services	1,285,481	7	934,409	6	351,072	38
Extracurricular activities	753,314	4	617,337	4	135,977	22
General administration	608,433	4	516,408	4	92,025	18
Plant maintenance and operations	1,514,172	9	1,416,118	10	98,054	7
Security and monitoring services	174,146	1	99,420	1	74,726	75
Data processing services	347,968	2	273,798	2	74,170	27
Community services	1,826	-	24,473	-	(22,647)	(93)
Interest on long-term debt	258,792	2	293,640	2	(34,848)	(12)
Issuance costs and fees	16,819	-	1,000	-	15,819	1,582
Payments related to shared services arrangements	328,958	2	304,730	2	24,228	8
Other intergovernmental charges	168,126	1	159,415	1	8,711	5
Total expenses	17,159,993	100	14,640,534	100	2,519,459	
Change in net position	2,984,354		3,646,457		(662,103)	
Net position - beginning	6,826,441		3,179,984		3,646,457	
<b>Net position - ending</b>	<b>\$ 9,810,795</b>		<b>\$ 6,826,441</b>		<b>\$ 2,984,354</b>	

Revenues are generated primarily from two sources. Grants and contributions (program and general revenues totaling \$11,357,944) represent 56 percent of total revenues, and property taxes (\$7,905,672) represent 39 percent of total revenues. The remaining 5 percent is generated from investment earnings, charges for services, and miscellaneous revenues. The most significant change in revenues is the increase in grant revenue related to the Elementary and Secondary School Emergency Relief (ESSER) Funds.

The primary functional expenses of the District are instruction (\$8,662,511) which represents 50 percent of total expenses and plant maintenance and operations (\$1,514,172) which represents 9 percent. The remaining functional categories of expenses are individually 7 percent or less of total expenditures.

### **Financial Analysis of the Government's Funds**

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

**Governmental Funds.** The focus of the District's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the District's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a District's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$14,759,294, an increase of \$1,926,460 in comparison with the prior year.

The general fund is the chief operating fund of the District. At the end of the current fiscal year, total fund balance of the general fund was \$12,181,624 of which unassigned fund balance was \$10,181,624. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 74 percent of total general fund expenditures, while total fund balance represents 89 percent of the same amount. The fund balance of the District's general fund increased by \$1,815,405 during the current fiscal year primarily due to an increase in State Foundation Program revenue.

The ESSER II of the Coronavirus Response and Relief Supplemental Appropriations Act of 2021 Fund was reported as a major fund for fiscal year 2023. The fund recognized \$1,447,756 of revenue and \$1,447,756 of expenditures, resulting in a \$0 fund balance at fiscal year-end.

The debt service fund had a total fund balance of \$1,792,260, all of which is restricted for the payment of debt service. Fund balance in the debt service fund increased by \$47,127 due to the net effect of an increase in property tax revenues and debt service payments from the previous year.

### **General Fund Budgetary Highlights**

The District amends the budget as needed throughout the year.

There were no significant differences between the originally adopted budget and the final amended budget.

The most significant variance between the final budget and actual amounts were state program revenues which were approximately \$823,000 more than budget due to increased State Foundation Program revenue allotments.



## Capital Assets and Long-term Liabilities

**Capital Assets.** The District's investment in capital assets for its governmental type activities as of August 31, 2023, amounted to \$15,174,046 (net of accumulated depreciation), a decrease of \$551,238; the result of current year depreciation exceeding current year additions. This investment in capital assets includes land and improvements, buildings and improvements, furniture and equipment, and construction in progress.

### Onalaska Independent School District's Capital Assets (net of depreciation)

	Governmental Activities					
	2023		2022		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
Land and improvements	\$ 129,553	1	\$ 129,553	1	\$ -	-
Buildings and improvements	13,816,812	91	14,420,096	92	(603,284)	(4)
Furniture and equipment	1,153,278	8	1,134,300	7	18,978	2
Construction in progress	74,403	-	41,335	-	33,068	80
<b>Totals</b>	<b>\$ 15,174,046</b>	<b>100</b>	<b>\$ 15,725,284</b>	<b>100</b>	<b>\$ (551,238)</b>	

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

- Acquisition of wireless access points of approximately \$104,000
- Purchase of new AC unit in the amount of approximately \$23,000
- Purchase of maintenance vehicles and SRO vehicle in the amount of approximately \$99,000

Additional information on the District's capital assets can be found in notes to the financial statements as noted in the table of contents of this report.

**Long-term Liabilities.** At year-end, the District had the following long-term liabilities:

### Onalaska Independent School District's Long-term Liabilities Outstanding

	Governmental Activities					
	2023		2022		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
General obligation bonds	\$ 10,188,798	55	\$ 11,234,779	64	\$ (1,045,981)	(9)
Notes payable from direct placement	373,057	2	412,292	4	(39,235)	(10)
Financed purchases payable	152,746	1	209,777	-	(57,031)	(27)
Net pension liability	4,688,408	26	1,642,959	9	3,045,449	185
Net OPEB liability	2,969,953	16	4,099,753	23	(1,129,800)	(28)
<b>Totals</b>	<b>\$ 18,372,962</b>	<b>100</b>	<b>\$ 17,599,560</b>	<b>100</b>	<b>\$ 773,402</b>	

The District's net bonded debt decreased by \$1,045,981 during the current fiscal year as a result of scheduled debt payments. Notes payable from direct placement decreased by \$39,235 (10 percent) during the current fiscal year as a result of scheduled payments. The District's general obligation debt is backed by the full faith and credit of the District and is further guaranteed by the Texas Permanent School Fund Guarantee Program. State statutes do not limit the tax rate or amount for the support of school districts' bonded indebtedness. However, approval of the Attorney General of the State of Texas is required prior to the sale of bonds. The District's financed purchases payable decreased by \$57,031 as a result of scheduled payments. The District's net pension liability increased by \$3,045,449 while the net OPEB liability decreased \$1,129,800.

Additional information on the District's long-term debt, net pension liability and OPEB liability can be found in the notes to the financial statements as indicated in the table of contents of this report.

### **Economic Factors and Next Year's Budgets and Rates**

- Current enrollment (2023-2024) totals 1,248 students, which is an increase of 4 from the 1,244 students in the prior year.
- District staff totals 213 employees in 2023-2024, which includes 89 teachers and 38 teachers' aides and secretaries.
- The District maintains two campuses for instruction.
- The unemployment rate for the County is currently 6.0 percent, which is a decrease from a rate of 6.2 percent a year ago. This compares unfavorably to the state's average unemployment rate of 4.1 percent, which remained the same rate of 4.1 percent a year ago.
- Property values of the District are projected to increase 15 percent in the 2023-2024 fiscal year from the prior fiscal year.
- A maintenance and operations tax rate of \$0.679200 and a debt service tax rate of \$0.175300 for a total of \$0.854500 were adopted for 2023-2024. Preceding year rates were \$0.864600, and \$0.175300 for a total of \$1.03999, respectively.

All of these factors were considered in preparing the District's budget for the 2023-2024 fiscal year.

During the current fiscal year, unassigned fund balance in the general fund increased to \$10,181,624. The District plans to utilize unassigned fund balance to fund current expenditures prior to collecting the current year tax levy.

### **Requests for Information**

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Business Manager, Onalaska Independent School District, P.O. Box 2289, Onalaska, Texas, 77360.

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# **Basic Financial Statements**

# Onalaska Independent School District

## Statement of Net Position

August 31, 2023

# Exhibit A-1

1

<u>Data Control Codes</u>		<u>Primary Governmental Activities</u>
<b>ASSETS</b>		
1110	Cash and cash equivalents	\$ 13,249,192
1220	Property taxes receivable	631,371
1230	Allowance for uncollectible taxes	(31,569)
1240	Due from other governments	2,743,181
1290	Other receivables	82,323
1300	Inventories	84,050
	Capital assets, not being depreciated:	
1510	Land and improvements	129,553
1580	Construction in progress	74,403
	Capital assets, net of accumulated depreciation:	
1520	Buildings and improvements (net)	13,816,812
1530	Furniture and equipment (net)	1,153,278
1000	Total assets	31,932,594
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
1705	Deferred outflows - pension	2,426,985
1706	Deferred outflows - OPEB	1,863,373
1700	Total deferred outflows of resources	4,290,358
<b>LIABILITIES</b>		
2110	Accounts payable	148,002
2140	Interest payable	19,233
2160	Accrued wages payable	1,238,759
2180	Due to other governments	12,691
	Noncurrent liabilities:	
2501	Due within one year	720,055
2502	Due in more than one year	9,994,546
2540	Net pension liability	4,688,408
2545	Net OPEB liability	2,969,953
2000	Total liabilities	19,791,647
<b>DEFERRED INFLOWS OF RESOURCES</b>		
2605	Deferred inflows - pension	497,053
2606	Deferred inflows - OPEB	5,685,151
2610	Deferred gain on refunding	438,306
2600	Total deferred inflows of resources	6,620,510
<b>NET POSITION</b>		
3200	Net investment in capital assets	4,616,263
3820	Restricted for grants	595,521
3850	Restricted for debt service	1,278,034
3900	Unrestricted	3,320,977
3000	<b>TOTAL NET POSITION</b>	<b>\$ 9,810,795</b>

The Notes to the Financial Statements are an integral part of this statement.

**Onalaska Independent School District**  
Statement of Activities  
For the Fiscal Year Ended August 31, 2023

**Exhibit B-1**

Data Control Codes	Functions/Programs	1 Expenses	Program Revenues		4 Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
			3 Charges for Services	Governmental Activities		
<b>PRIMARY GOVERNMENT</b>						
Governmental activities:						
0011	Instruction	\$ 8,662,511	\$ -	\$ 1,324,998	\$ (7,337,513)	
0012	Instructional resources and media services	44,177	-	2,029	(42,148)	
0013	Curriculum and instructional staff development	311,819	-	164,952	(146,867)	
0021	Instructional leadership	537,892	-	100,305	(437,587)	
0023	School leadership	818,241	-	9,354	(808,887)	
0031	Guidance, counseling, and evaluation services	331,783	-	218,895	(112,888)	
0033	Health services	108,111	-	10,620	(97,491)	
0034	Student transportation	887,424	-	25,389	(862,035)	
0035	Food services	1,285,481	91,111	1,270,871	76,501	
0036	Extracurricular activities	753,314	168,803	935	(583,576)	
0041	General administration	608,433	-	6,191	(602,242)	
0051	Plant maintenance and operations	1,514,172	-	90,923	(1,423,249)	
0052	Security and monitoring services	174,146	-	19,867	(154,279)	
0053	Data processing services	347,968	-	287,455	(60,513)	
0061	Community services	1,826	-	-	(1,826)	
0072	Interest on long-term debt	258,792	-	56,606	(202,186)	
0073	Issuance costs and fees	16,819	-	-	(16,819)	
0093	Payments related to shared services arrangements	328,958	-	-	(328,958)	
0099	Other intergovernmental charges	168,126	-	-	(168,126)	
TG	Total governmental activities	<u>17,159,993</u>	<u>259,914</u>	<u>3,589,390</u>	<u>(13,310,689)</u>	
TP	<b>TOTAL PRIMARY GOVERNMENT</b>	<u>\$ 17,159,993</u>	<u>\$ 259,914</u>	<u>\$ 3,589,390</u>	<u>(13,310,689)</u>	
General revenues:						
MT	Property taxes, levied for general purposes				6,573,368	
DT	Property taxes, levied for debt service				1,332,034	
GC	Grants and contributions not restricted to specific programs				7,768,554	
IE	Investment earnings				516,531	
MI	Miscellaneous				104,556	
TR	Total general revenues				<u>16,295,043</u>	
CN	Change in net position				2,984,354	
NB	Net position - beginning				<u>6,826,441</u>	
NE	<b>NET POSITION - ENDING</b>				<u>\$ 9,810,795</u>	

The Notes to the Financial Statements are an integral part of this statement.

# Onalaska Independent School District

Balance Sheet  
 Governmental Funds  
 August 31, 2023

<b>Data Control Codes</b>	<b>199</b>	<b>281</b>	<b>599</b>
	<b>General Fund</b>	<b>ESSER II of the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act</b>	<b>Debt Service Fund</b>
<b>ASSETS</b>			
1110 Cash and cash equivalents	\$ 10,727,818	\$ -	\$ 1,802,936
1220 Property taxes receivable	531,118	-	100,253
1230 Allowance for uncollectible taxes	(26,556)	-	(5,013)
1240 Due from other governments	1,631,253	632,483	-
1260 Due from other funds	991,280	-	-
1290 Other receivables	78,908	-	2,015
1300 Inventories	-	-	-
1000 Total assets	<u>13,933,821</u>	<u>632,483</u>	<u>1,900,191</u>
1000a <b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 13,933,821</u>	<u>\$ 632,483</u>	<u>\$ 1,900,191</u>
<b>LIABILITIES</b>			
2110 Accounts payable	\$ 84,614	\$ -	\$ -
2160 Accrued wages payable	1,163,021	-	-
2170 Due to other funds	-	632,483	-
2180 Due to other governments	-	-	12,691
2000 Total liabilities	<u>1,247,635</u>	<u>632,483</u>	<u>12,691</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
2600 Unavailable revenue - property taxes	<u>504,562</u>	<u>-</u>	<u>95,240</u>
Total deferred inflows of resources	504,562	-	95,240
<b>FUND BALANCES</b>			
3410 Nonspendable - inventories	-	-	-
3450 Restricted - grant funds	-	-	-
3480 Restricted - debt service	-	-	1,792,260
3545 Committed - other	2,000,000	-	-
3600 Unassigned	10,181,624	-	-
3000 Total fund balances	<u>12,181,624</u>	<u>-</u>	<u>1,792,260</u>
4000 <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<u>\$ 13,933,821</u>	<u>\$ 632,483</u>	<u>\$ 1,900,191</u>

The Notes to the Financial Statements are an integral part of this statement.

<b>Total Nonmajor Funds</b>	<b>Total Governmental Funds</b>
\$ 718,438	\$ 13,249,192
-	631,371
-	(31,569)
479,445	2,743,181
-	991,280
1,400	82,323
84,050	84,050
<hr/>	<hr/>
1,283,333	17,749,828
<hr/>	<hr/>
<b>\$ 1,283,333</b>	<b>\$ 17,749,828</b>
<hr/>	<hr/>
\$ 63,388	\$ 148,002
75,738	1,238,759
358,797	991,280
-	12,691
<hr/>	<hr/>
497,923	2,390,732
<hr/>	<hr/>
-	599,802
<hr/>	<hr/>
-	599,802
<hr/>	<hr/>
84,050	84,050
595,521	595,521
-	1,792,260
105,839	2,105,839
-	10,181,624
<hr/>	<hr/>
785,410	14,759,294
<hr/>	<hr/>
<b>\$ 1,283,333</b>	<b>\$ 17,749,828</b>
<hr/>	<hr/>



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# Onalaska Independent School District

Exhibit C-1R

## Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position August 31, 2023

**TOTAL FUND BALANCES - GOVERNMENTAL FUNDS (EXHIBIT C-1)** \$ 14,759,294

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

Capital assets used in governmental activities are not financial resources and therefore, are not reported as assets in governmental funds. The governmental capital assets at year-end consist of:

Governmental capital assets costs	\$ 26,369,006	
Accumulated depreciation of governmental capital assets	<u>(11,194,960)</u>	15,174,046

Property taxes receivable, which will be collected subsequent to year-end, but are not available soon enough to pay expenditures are deferred in the funds.		599,802
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Long-term liabilities, including bonds payable, notes payable, financed purchases payable, and net pension and net OPEB liability, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Liabilities at year-end related to such items consist of:

Bonds payable, at original par	\$ (8,991,180)	
Premium on bonds payable	(602,494)	
Accreted interest	(595,124)	
Accrued interest on the bonds	(14,342)	
Notes and financed purchases payables	(525,803)	
Accrued interest on notes and financed purchases payable	(4,891)	
Net pension liability	(4,688,408)	
Net OPEB liability	<u>(2,969,953)</u>	(18,392,195)

Deferred gain on refunding is reported as a deferred inflow in the statement of net position and it is not reported in the funds due to it is not a current financial resource available to pay for current expenditures.		(438,306)
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Deferred outflows of resources for pension represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditures) until then.		2,426,985
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Deferred inflows of resources for pension represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.		(497,053)
--	--	-----------

Deferred outflows of resources for OPEB represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditures) until then.		1,863,373
--	--	-----------

Deferred inflows of resources for OPEB represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.		<u>(5,685,151)</u>
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**TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES (EXHIBIT A-1)** \$ 9,810,795

**Onalaska Independent School District**  
Statement of Revenues, Expenditures, and Changes  
in Fund Balances  
Governmental Funds  
For the Fiscal Year Ended August 31, 2023

Data Control Codes		199	281	599
		General Fund	ESSER II of the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act	Debt Service Fund
<b>REVENUES</b>				
5700	Local and intermediate sources	\$ 7,108,590	\$ -	\$ 1,348,015
5800	State program revenues	8,325,143	-	56,606
5900	Federal program revenues	102,352	1,447,756	-
5020	Total revenues	15,536,085	1,447,756	1,404,621
<b>EXPENDITURES</b>				
Current:				
0011	Instruction	7,795,924	809,800	-
0012	Instructional resources and media services	19,288	2,029	-
0013	Curriculum and instructional staff development	189,847	-	-
0021	Instructional leadership	456,874	5,073	-
0023	School leadership	804,440	7,102	-
0031	Guidance, counseling, and evaluation services	120,091	217,340	-
0033	Health services	69,969	2,029	-
0034	Student transportation	746,332	12,174	-
0035	Food services	-	12,174	-
0036	Extracurricular activities	489,093	-	-
0041	General administration	610,602	5,073	-
0051	Plant maintenance and operations	1,432,263	89,613	-
0052	Security and monitoring services	184,737	-	-
0053	Data processing services	190,155	285,349	-
Debt service:				
0071	Principal on long-term debt	96,266	-	746,408
0072	Interest on long-term debt	17,715	-	594,267
0073	Issuance costs and fees	-	-	16,819
Intergovernmental:				
0093	Payments related to shared services arrangements	328,958	-	-
0099	Other intergovernmental charges	168,126	-	-
6030	Total expenditures	13,720,680	1,447,756	1,357,494
1200	Net change in fund balances	1,815,405	-	47,127
0100	Fund balances - beginning	10,366,219	-	1,745,133
3000	<b>FUND BALANCES - ENDING</b>	<b>\$ 12,181,624</b>	<b>\$ -</b>	<b>\$ 1,792,260</b>

The Notes to the Financial Statements are an integral part of this statement.

98

<b>Total Nonmajor Funds</b>	<b>Total Governmental Funds</b>
\$ 287,684	\$ 8,744,289
88,237	8,469,986
1,906,916	3,457,024
<hr/>	<hr/>
2,282,837	20,671,299
461,820	9,067,544
-	21,317
116,453	306,300
93,037	554,984
-	811,542
-	337,431
36,887	108,885
12,184	770,690
1,306,937	1,319,111
171,724	660,817
-	615,675
-	1,521,876
19,867	204,604
-	475,504
-	842,674
-	611,982
-	16,819
-	328,958
-	168,126
<hr/>	<hr/>
2,218,909	18,744,839
63,928	1,926,460
721,482	12,832,834
<hr/>	<hr/>
<u>\$ 785,410</u>	<u>\$ 14,759,294</u>

**Onalaska 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 Fiscal Year Ended August 31, 2023

**Exhibit C-3**

**TOTAL NET CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS (EXHIBIT C-2)** \$ 1,926,460

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

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is capitalized and allocated over their estimated useful lives as depreciation expense.

Capital assets increased	\$ 300,072	
Depreciation expense	<u>(851,310)</u>	(551,238)

Because some property taxes will not be collected for several months after the District's fiscal year end, they are not considered "available" revenues and are deferred in the governmental funds. Deferred tax revenues increased (decreased) by this amount this year. 42,114

Repayment of bonds, notes, and financed purchases payable principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 842,674

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due, and includes amortization of related long-term debt accounts. The changes reported in the statement of activities consist of the following:

Accrued interest on current interest bonds payable (increased) decreased	\$ 1,026	
Accrued interest on notes payable (increased) decreased	380	
Accrued interest on financed purchases payable (increased) decreased	646	
Interest accreted on the capital appreciation bonds (increased) decreased	247,981	
Amortization of bond premium and discount	51,592	
Amortization of deferred charge and gain on refunding	<u>51,565</u>	353,190

The net change in net pension liability, deferred outflows, and deferred inflows is reported in the statement of activities but does not require the use of current financial resources and, therefore, is not reported as expenditures in the governmental funds. The net change consists of the following:

Deferred outflows increased (decreased)	\$ 1,330,551	
Deferred inflows (increased) decreased	1,493,119	
Net pension liability (increased) decreased	<u>(3,045,449)</u>	(221,779)

The net change in net OPEB liability, deferred outflows, and deferred inflows is reported in the statement of activities but does not require the use of current financial resources and, therefore, is not reported as expenditures in the governmental funds. The net change consists of the following:

Deferred outflows increased (decreased)	\$ 914,173	
Deferred inflows (increased) decreased	(1,451,040)	
Net OPEB liability (increased) decreased	<u>1,129,800</u>	<u>592,933</u>

**CHANGE IN NET POSITION FOR GOVERNMENTAL ACTIVITIES (EXHIBIT B-1)** \$ 2,984,354

**Onalaska Independent School District**

Statement of Fiduciary Net Position

Fiduciary Fund

August 31, 2023

**Exhibit E-1**

	<b>865 Custodial Fund Scholarship Funds</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 43,100
Total assets	43,100
<b>NET POSITION</b>	
Restricted for:	
Scholarships	43,100
<b>TOTAL NET POSITION</b>	<b>\$ 43,100</b>

The Notes to the Financial Statements are an integral part of this statement.

**Onalaska Independent School District**  
Statement of Changes in Fiduciary Net Position  
Fiduciary Fund  
For the Fiscal Year Ended August 31, 2023

**Exhibit E-2**

	<b>865 Custodial Fund Scholarship Funds</b>
	<u>                    </u>
<b>ADDITIONS</b>	
Investment income	\$ 2,344
Contributions	<u>39,646</u>
Total additions	41,990
<b>DEDUCTIONS</b>	
Scholarship awards	<u>62,249</u>
Total deductions	<u>62,249</u>
Net change in fiduciary net position	(20,259)
Net position - beginning of year	<u>63,359</u>
<b>NET POSITION - END OF YEAR</b>	<u><u>\$ 43,100</u></u>

The Notes to the Financial Statements are an integral part of this statement.

# Onalaska Independent School District

## Notes to the Financial Statements

### Note 1. Summary of Significant Accounting Policies

#### A. Reporting Entity

The Onalaska Independent School District (the District) is governed by a seven-member board of trustees (the Board), which has governance responsibilities over all activities related to public, elementary and secondary, education within the District. Members of the Board are elected by the public; have authority to make decisions; appoint management and significantly influence operations; and have primary accountability for fiscal matters; the District is not included in any other governmental reporting entity.

#### B. Description of Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government (the District). All fiduciary activities are reported only in the fund financial statements. Governmental activities normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions

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

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

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

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

The District reports the following major governmental funds:

The *general fund* is the District's primary operating fund. It accounts for all financial resources of the District, except those accounted for in another fund.

The *Elementary and Secondary School Emergency Relief (ESSER) II of the Coronavirus Response and Relief Supplemental Appropriations Act of 2021 fund* is used to account for federal awards to support the District's ability to prevent, prepare for, and respond to the coronavirus pandemic.

The *debt service fund* is used to account for the accumulation of resources that are restricted, committed, or assigned for the payment of principal and interest on long-term obligations of governmental funds.

Additionally, the District reports the following governmental fund types:

The *special revenue funds* are used to account for the proceeds of specific revenues (other than those identified as a major fund) that are restricted or committed to expenditures for specific purposes.



## Onalaska Independent School District

### Notes to the Financial Statements

The District reports the following fiduciary fund types:

The *custodial fund* accounts for assets held by the District for scholarships. Contributions, gifts and fundraisers benefit the related scholarships.

During the course of operations the District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds are eliminated in governmental activities.

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

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

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

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District generally considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as required under accrual accounting. However, debt service and note payable expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

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

# Onalaska Independent School District

## Notes to the Financial Statements

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

#### 1. Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand and bank demand or time deposits with original maturities of three months or less from the date of acquisition.

#### 2. Investments

Investments for the District, except for certain investment pools, are reported at fair value. The investment pools operate in accordance with appropriate state laws and regulations and are reported at amortized cost or net asset value.

#### 3. Inventories and Prepaid Items

Inventories are valued at cost using the average cost method and consist of expendable supplies. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

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

#### 4. Capital Assets

Capital assets, which include land and improvements, buildings and improvements, and furniture and equipment, are reported in the applicable governmental activities column in the government-wide financial statements. The District's infrastructure includes parking lots and sidewalks associated with various buildings. The cost of the infrastructure was initially capitalized with the building cost and is being depreciated over the same useful life as the building. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000, and an estimated useful life in excess of one year.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities), the District chose to include all such items regardless of their acquisition date or amount. The District was able to estimate the historical cost for the initial reporting of these assets through back trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the District constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

Land and improvements and construction in progress are not depreciated. The buildings and improvements and furniture and equipment of the District are depreciated using the straight line method over the following estimated useful lives:

<u>Capital Asset Classes</u>	<u>Lives</u>
Buildings and improvements	10-40
Furniture and equipment	5-15

## **Onalaska Independent School District**

### Notes to the Financial Statements

#### **5. Deferred Outflows/Inflows of Resources**

Deferred outflows of resources represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditures) until then. Deferred inflows of resources represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.

Deferred outflows/inflows of resources are amortized as follows:

- Deferred outflows/inflows from pension and OPEB activities are amortized over the weighted average remaining service life of all participants in the respective qualified pension plan and OPEB plan, except for projected and actual earnings differences on investments which are amortized on a closed basis over a 5-year period.
- District contributions to the pension and OPEB plans after the measurement date of each plan are recognized in the subsequent fiscal year as a reduction of the respective liability.
- Deferred charge/gain on refunding is amortized over the shorter of the life of the refunded or refunding debt.
- Property taxes are recognized in the period the amount becomes available.

#### **6. Compensated Absences**

##### **Vacation**

The District does not have a liability for unpaid vacation at year-end due to the District's policy not allowing a carryover of vacation not taken by August 31.

##### **Sick Leave**

Accumulated sick leave lapses when employees end employment with the District and, upon separation from service, no monetary obligation exists.

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

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

It is the District's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

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

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

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

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

## **Onalaska Independent School District**

### Notes to the Financial Statements

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

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

Unassigned fund balance represents the residual amount for the general fund that is not contained in the other classifications. The general fund is the only fund that reports a positive unassigned fund balance. Additionally, any deficit fund balance within the other governmental fund types is reported as unassigned.

#### **10. Pension**

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.

#### **11. Other Postemployment 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 postemployment benefits, OPEB expense, and information about assets, liabilities and additions to/deductions from TRS-Care's fiduciary net position. Benefit payments are recognized when due and payable in accordance with the benefit terms. There are no investments as this is a pay-as you-go plan and all cash is held in a cash account.

### **G. Revenues and Expenditures/Expenses**

#### **1. Program Revenues**

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

#### **2. Property Taxes**

Property taxes for the current calendar year are levied on approximately October 1 of each year and are payable by January 31 of the following year. Property tax receivables are recorded as of the date levied. Unpaid taxes become delinquent on February 1 and a tax lien on real property is created as of July 1 of each year.

# Onalaska Independent School District

## Notes to the Financial Statements

### H. Use of Estimates

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

### I. Data Control Codes

The Data Control Codes refer to the account code structure prescribed by the Texas Education Agency (TEA) in the *Financial Accountability System Resource Guide*. TEA requires school districts to display these codes in the financial statements filed with the TEA in order to ensure accuracy in building a statewide database for policy development and funding plans.

### J. Implementation of New Accounting Standards

GASB Statement No. 91, *Conduit Debt Obligations* (GASB 91), provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with 1) commitments extended by issuers, 2) arrangements associated with conduit debt obligations, and 3) related note disclosures. The requirements of this statement were originally effective for reporting periods beginning after December 15, 2020; however, issuance of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance* (GASB 95), extended the effective date of GASB 91 to reporting periods beginning after December 15, 2021, with earlier application encouraged. GASB 91 was implemented in the District's fiscal year 2023 financial statements with no impact to amounts previously reported.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* (GASB 94), improves financial reporting by addressing issues related to public-private and public-public partnership arrangements and provides guidance for accounting and financial reporting for availability payment arrangements. The requirements of this statement are effective for reporting periods beginning after June 15, 2022, with earlier application encouraged. GASB 94 was implemented in the District's fiscal year 2023 financial statements with no impact to amounts previously reported.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (GASB 96), provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. This statement 1) defines a SBITA; 2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset - and a corresponding subscription liability; 3) provides the capitalization criteria for outlays other than subscription payments; and 4) requires note disclosures regarding a SBITA. The requirements of this statement are effective for reporting periods beginning after June 15, 2022, with earlier application encouraged. GASB 96 was implemented in the District's 2023 financial statements with no impact to amounts reported under previous standards.

# Onalaska Independent School District

## Notes to the Financial Statements

### K. Recent Accounting Pronouncements

GASB Statement No. 100, *Accounting Changes and Error Corrections* (GASB 100), enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This statement 1) defines accounting changes and corrections of errors; 2) prescribes the accounting and financial reporting for each type of accounting change and error corrections; and 3) clarifies required note disclosures. The requirements of this statement are effective for reporting periods beginning after June 15, 2023, with earlier application encouraged. GASB 100 will be implemented in the District's fiscal year 2024 financial statements and the impact has not yet been determined.

GASB Statement No. 101, *Compensated Absences* (GASB 101), improves the information needs of financial statements users by updating the recognition and measurement guidance for compensated absences under a unified model and amending certain previously required disclosures. The requirements of this statement are effective for reporting periods beginning after December 15, 2023, with earlier application encouraged. GASB 101 will be implemented in the District's fiscal year 2025 financial statements and the impact has not yet been determined.

## Note 2. Stewardship, Compliance, and Accountability

### A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund, National School Breakfast and Lunch Program special revenue fund, and the debt service fund. All annual appropriations lapse at fiscal year end. The following procedures are followed in establishing the budgetary data.

1. Prior to August 20 of the preceding fiscal year, the District prepares a budget for the next succeeding fiscal year beginning September 1. The operating budget includes proposed expenditures and the means of financing them.
2. 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.
3. Prior to September 1, the budget is legally enacted through passage of a resolution by the Board.

The appropriated budget is prepared by fund, function, and campus/department. The District's campus/department heads may make transfers of appropriations within a campus/department. Transfers of appropriations between campus/departments require the approval of the District's management. Transfers of appropriations between functions require the approval of the Board. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the function level within a fund. The District made several supplemental budgetary amendments during the year.

### B. Encumbrances

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as restricted, committed, or assigned fund balances as appropriate. The encumbrances do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year. The District did not have any outstanding encumbrances at August 31, 2023.

# Onalaska Independent School District

## Notes to the Financial Statements

### Note 3. Detailed Notes on All Funds

#### A. Deposits

##### Cash Deposits

The District's funds are required to be deposited and invested under the terms of a depository contract pursuant to the Texas School Depository Act. The depository bank pledges securities which comply with state law and these securities are held for safekeeping and trust with the District's and the depository banks' agent bank. The pledged securities are approved by the TEA and shall be 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.

##### Custodial Credit Risk – Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. As of August 31, 2023, the District's banks' balances at the local bank were insured and collateralized with securities held by the District's agent and in the District's name.

#### B. Receivables

Tax revenues of the general and debt service funds are reported net of uncollectible amounts. Total change in uncollectible amounts related to revenues of the current period increased (decreased) revenues as follows:

Change in uncollectibles related to general fund property taxes	\$ (1,726)
Change in uncollectibles related to debt service property taxes	<u>(491)</u>
<b>Total change in uncollectibles of the current fiscal year</b>	<b><u>\$ (2,217)</u></b>

Approximately 63% of the outstanding balance of property taxes receivable is anticipated to go uncollected within the next year.

#### C. Interfund Receivables, Payables, and Transfers

##### 1. Receivables/Payables

The composition of interfund receivable/payable balances as of August 31, 2023, is as follows:

Fund	Interfund Receivables	Interfund Payables
General fund	\$ 991,280	\$ -
ESSER II	-	632,483
Nonmajor governmental funds	<u>-</u>	<u>358,797</u>
<b>Total</b>	<b><u>\$ 991,280</u></b>	<b><u>\$ 991,280</u></b>

Interfund balances consist of short-term lending/borrowing arrangements that generally result from payroll and other regularly occurring charges that are paid by the general fund and then charged back to the appropriate other fund. Additionally, some lending/borrowing may occur between two or more nonmajor governmental funds.

# Onalaska Independent School District

## Notes to the Financial Statements

### D. Capital Assets

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

	Beginning Balance	Additions	Reductions	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land and improvements	\$ 129,553	\$ -	\$ -	\$ 129,553
Construction in progress	41,335	33,068	-	74,403
Total capital assets, not being depreciated	170,888	33,068	-	203,956
Capital assets, being depreciated:				
Buildings and improvements	23,076,221	35,627	-	23,111,848
Furniture and equipment	2,821,825	231,377	-	3,053,202
Total capital assets, being depreciated	25,898,046	267,004	-	26,165,050
Less accumulated depreciation for:				
Buildings and improvements	(8,656,125)	(638,911)	-	(9,295,036)
Furniture and equipment	(1,687,525)	(212,399)	-	(1,899,924)
Total accumulated depreciation	(10,343,650)	(851,310)	-	(11,194,960)
Total capital assets, being depreciated, net	15,554,396	(584,306)	-	14,970,090
<b>Governmental activities capital assets, net</b>	<b>\$ 15,725,284</b>	<b>\$ (551,238)</b>	<b>\$ -</b>	<b>\$ 15,174,046</b>

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

Governmental activities:	
11 Instruction	\$ 407,481
12 Instructional resources and media services	22,860
13 Curriculum and staff development	12,301
23 School leadership	24,231
31 Guidance, counseling, and evaluation services	6,461
33 Health services	594
34 Student transportation	124,755
35 Food service	67,649
36 Extracurricular activities	132,848
41 General administration	1,464
51 Plant maintenance and operations	39,788
52 Security and monitoring services	7,319
53 Data Processing Services	1,733
61 Community service	1,826
<b>Total depreciation expense-governmental activities</b>	<b>\$ 851,310</b>



# Onalaska Independent School District

## Notes to the Financial Statements

### E. Long-term Liabilities

The District's long-term liabilities consist of bond indebtedness, note payable, financed purchase payable, and net pension and OPEB liability. The current requirements for general obligation bonds principal and interest expenditures are accounted for in the debt service fund. Other long-term liabilities are generally liquidated with resources of the general fund.

#### Changes in Long-term Liabilities

Long-term liability activity for the fiscal year ended August 31, 2023, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds, par	\$ 9,737,588	\$ -	\$ (746,408)	\$ 8,991,180	\$ 387,182
Premium on bonds	654,086	-	(51,592)	602,494	-
Accreted interest (CAB)	843,105	5,611	(253,592)	595,124	262,818
Total bonds payable	11,234,779	5,611	(1,051,592)	10,188,798	650,000
Note payable from direct placement	412,292	-	(39,235)	373,057	40,158
Financed purchases payable	209,777	-	(57,031)	152,746	29,897
Net pension liability	1,642,959	3,413,959	(368,510)	4,688,408	-
Net OPEB liability	4,099,753	806,235	(1,936,035)	2,969,953	-
<b>Governmental activities long-term liabilities</b>	<b>\$ 17,599,560</b>	<b>\$ 4,225,805</b>	<b>\$ (3,452,403)</b>	<b>\$ 18,372,962</b>	<b>\$ 720,055</b>

#### General Obligation Bonds

The District issues general obligation bonds to provide funds for the construction and equipment of school buildings (BLDG) and to refund general obligation bonds (REF).

General obligation bonds are direct obligations and pledge the full faith and credit of the District. These bonds are issued as 14-25 year current interest and capital appreciation bonds (CAB) with various amounts of principal maturing each year.

The following is a summary of changes in the general obligation bonds for the fiscal year:

Series	Interest Rate	Original Issue	Maturity Date	Beginning Balance	Additions	Reductions	Ending Balance
2011 REF CAB	2.85-4.20%	\$ 1,887,206	2025	\$ 217,588	\$ -	\$ (81,408)	\$ 136,180
2014 BLDG	2.00-4.00%	9,445,000	2039	7,060,000	-	(630,000)	6,430,000
2020 REF	3.00%	2,545,000	2032	2,460,000	-	(35,000)	2,425,000
<b>Totals</b>				<b>\$ 9,737,588</b>	<b>\$ -</b>	<b>\$ (746,408)</b>	<b>\$ 8,991,180</b>

# Onalaska Independent School District

## Notes to the Financial Statements

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending August 31,	Principal	Interest	Total Requirements
2024	\$ 387,182	\$ 587,318	\$ 974,500
2025	383,998	586,052	970,050
2026	655,000	297,450	952,450
2027	675,000	274,375	949,375
2028	700,000	250,475	950,475
2029	720,000	225,675	945,675
2030	745,000	200,175	945,175
2031	775,000	173,700	948,700
2032	800,000	146,325	946,325
2033	440,000	123,700	563,700
2034	460,000	106,100	566,100
2035	475,000	90,000	565,000
2036	495,000	71,000	566,000
2037	515,000	51,200	566,200
2038	535,000	30,600	565,600
2039	230,000	9,200	239,200
<b>Totals</b>	<b>\$ 8,991,180</b>	<b>\$ 3,223,345</b>	<b>\$ 12,214,525</b>

The District defeased certain previously issued and outstanding bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. At August 31, 2023, the remaining outstanding defeased bonds to be called for redemption was \$325,000.

As of August 31, 2023, the District had \$80,000 authorized but unissued bonds from the May 10, 2014 bond election.

### Note Payable

The District issued a direct placement note to provide funds for the construction and equipment of school facilities. The direct placement note is secured by maintenance and operations property tax revenues. The note issued as a 15 year current interest note. The direct placement note contains a provision that in an event of default, outstanding amounts become immediately due if the District is unable to make payment.

The following is a summary of changes in the note payable for the fiscal year:

Description	Interest Rate	Original Issue	Maturity Date	Beginning Balance	Additions	Reductions	Ending Balance
2016 Direct Placement Note	2.34%	\$ 612,500	2031	\$ 412,292	\$ -	\$ (39,235)	\$ 373,057
<b>Totals</b>				<b>\$ 412,292</b>	<b>\$ -</b>	<b>\$ (39,235)</b>	<b>\$ 373,057</b>

## Onalaska Independent School District

### Notes to the Financial Statements

Annual debt service requirements to maturity for the note payable are as follows:

Notes Payable from Direct Placement				
Year Ending August 31,	Principal	Interest	Total	
			Requirements	
2024	\$ 40,158	\$ 8,496	\$ 48,654	
2025	41,103	7,551	48,654	
2026	42,071	6,583	48,654	
2027	43,061	5,593	48,654	
2028	44,074	4,580	48,654	
2029	45,112	3,542	48,654	
2030	46,173	2,481	48,654	
2031	47,260	1,394	48,654	
2032	24,045	281	24,326	
<b>Totals</b>	<b>\$ 373,057</b>	<b>\$ 40,501</b>	<b>\$ 413,558</b>	

#### Financed Purchases Payable

In September 2021, the District entered into a financed purchase agreement for the acquisition and installation of energy saving equipment in the amount of \$242,505. The obligation is payable in quarterly installments that began in the current fiscal year on March 24, 2023 and maturing on June 24, 2028 at an interest rate of 4.5%.

Year Ending August 31,	Principal	Interest	Total	
			Payments	
2024	\$ 29,897	\$ 6,368	\$ 36,265	
2025	31,265	4,999	36,264	
2026	32,696	3,568	36,264	
2027	34,193	2,072	36,265	
2028	24,695	392	25,087	
Total Requirements	<b>\$ 152,746</b>	<b>\$ 17,399</b>	<b>\$ 170,145</b>	

Capital assets and accumulated depreciation on assets acquired under the financed purchasing agreement totaled \$242,505 and \$24,250, respectively, as of August 31, 2023, and are classified as furniture and equipment in governmental activities. Depreciation expense on these assets totaled \$12,125 for the fiscal year ended August 31, 2023.

# Onalaska Independent School District

## Notes to the Financial Statements

### F. Fund Balance

Other committed fund balance includes the following commitments of funds:

General fund - transportation	\$ 300,000
General fund - facility maintenance and capital projects	730,000
General fund - furnishings	100,000
General fund - technology	400,000
General fund - debt retirement	470,000
Other governmental fund - campus activity	105,839
<b>Total other committed fund balance</b>	<b><u>\$ 2,105,839</u></b>

### G. Revenues from Local and Intermediate Sources

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

	General	Debt Service	Nonmajor Governmental Funds	Totals
Property taxes	\$ 6,540,574	\$ 1,322,714	\$ -	\$ 7,863,288
Investment income	465,260	25,301	25,970	516,531
Food sales	-	-	91,111	91,111
Extracurricular activities	-	-	168,803	168,803
Other	102,756	-	1,800	104,556
<b>Totals</b>	<b><u>\$ 7,108,590</u></b>	<b><u>\$ 1,348,015</u></b>	<b><u>\$ 287,684</u></b>	<b><u>\$ 8,744,289</u></b>

### Note 4. Other Information

#### A. Risk Management

##### Property/Casualty Insurance

The District is exposed to various risks of loss related to property/liability losses for which the District participates in the Texas Association of School Boards Risk Management Fund (Fund) for property/liability insurance. The Fund was created to formulate, develop and administer a program of modified self-funding for the Fund's membership, obtain competitive costs for coverages and develop a comprehensive loss control program. The District pays a premium to the Fund for its property/casualty coverage and transfers the risk of loss to the Fund. The District's agreement with the Fund provides that the Fund will be self-sustaining through member premiums and may provide, through commercial companies, reinsurance contracts. In the event that the Fund was to discontinue operations, the member districts would be responsible for any eligible claims not funded by the Fund. In addition, 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.

## **Onalaska Independent School District**

### Notes to the Financial Statements

#### **Health Insurance**

During the fiscal year end August 31, 2023, employees of the District were covered by TRS Active-Care (the Plan) a statewide health coverage program of Texas public education employees, implemented by the Teacher Retirement System of Texas (TRS). The District paid premiums of \$210 per month, per employee to the Plan. Employees, at their option, authorized payroll withholdings to pay premiums for dependents. All premiums were paid to the TRS. The legislature created the Plan for public school employee group health coverage in 2002-03, requiring all Districts with fewer than 500 employees to participate in the Plan.

#### **Workers' Compensation**

The District participates in the Deep East Texas Workers' Compensation Insurance Fund. The Fund was created to formulate, develop and administer a program of modified self-funding for the Fund's membership, obtain competitive costs for workers' compensation coverage and develop a comprehensive loss control program. The District pays an annual premium to the Fund for its workers' compensation coverage and transfers the risk of loss to the Fund. The District's agreement with the Fund provides that the Fund will be self-sustaining through member premiums and will provide, through commercial companies, reinsurance contracts. The Fund maintains stop loss coverage for any claim in excess of the Fund's self-insured retention of \$1,000,000 per individual. In the event that the Fund was to discontinue operations, the member districts would be responsible for any eligible claims not funded by the Fund. In addition, 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.

#### **B. Contingencies**

The District participates in a number of federal and state financial assistance programs. Although the District's grant programs have been audited in accordance with the provisions of the Single Audit Act through August 31, 2023, these programs are subject to financial and compliance audits by the grantor agencies. The District is also subject to audit by the TEA of the attendance data upon which payments from the agency are based. These audits could result in questioned costs or refunds to be paid back to the granting agencies.

#### **C. Defined Benefit Pension Plan**

##### **Plan Description**

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

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

##### **Pension Plan Fiduciary Net Position**

Detailed information about the TRS'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 [http://www.trs.texas.gov/Pages/about\\_archive\\_cafr.aspx](http://www.trs.texas.gov/Pages/about_archive_cafr.aspx) ; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

# Onalaska Independent School District

## Notes to the Financial Statements

### 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% (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 where the three highest annual salaries are used. The normal service retirement is at age 65 with 5 years of credited service or when the sum of the member's age and years of credited service equals 80 or more years. Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered in under a previous rule. There are no automatic postemployment benefit changes, including automatic cost of living adjustments (COLAs). Ad hoc postemployment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as previously noted in the Plan Description above.

### Contributions

Employee contribution rates are set in state statute, Texas Government Code 825.402. Contribution requirements are established or amended pursuant to Article XVI, section 67 of the Texas Constitution which requires the Texas legislature to establish a member contribution rate of not less than 6% of the member's annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to members of the system during the fiscal year. Texas Government Code section 821.006 prohibits benefit improvements if, as a result of the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action.

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 through 2025.

Rates for such plan fiscal years are as follows:

	Contribution Rates	
	2023	2022
Member	8.00%	8.00%
Non-employer contributing entity (State)	8.00%	7.75%
Employers (District)	8.00%	7.75%

The contribution amounts for the District's fiscal year 2023 are as follows:

District contributions	\$	445,153
Member contributions		757,957
NECE on-behalf contributions (State)		509,912

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.

**Onalaska Independent School District**

Notes to the Financial Statements

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 the 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% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.

In addition to the employer contributions listed above, there are two surcharges an employer is subject to:

- 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.
- Public education employer contribution - all public schools, charter schools and regional education service centers must contribute 1.7% of the member's salary beginning in fiscal year 2022, gradually increasing to 2.0% in fiscal year 2025.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension**

On August 31, 2023, the District reported a liability of \$4,688,408 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District are as follows:

District's proportionate share of the net pension liability	\$ 4,688,408
State's proportionate share of the net pension liability associated with the District	<u>5,820,377</u>
<b>Total</b>	<u><u>\$ 10,508,785</u></u>

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

## Onalaska Independent School District

### Notes to the Financial Statements

At the measurement date of August 31, 2022, the District's proportion of the collective net pension liability was 0.0078973% which was an increase of 0.0014458% from its proportion measured as of August 31, 2021.

For the fiscal year ended August 31, 2023, the District recognized pension expense of \$1,223,294 and revenue of \$556,362 for support provided by the State.

On August 31, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 67,982	\$ 102,216
Changes of assumptions	873,603	217,726
Difference between projected and actual earnings on pension plan investments	463,200	-
Changes in proportion and difference between District's contributions and the proportionate share of contributions	577,047	177,111
District contributions paid subsequent to the measurement date	445,153	-
<b>Totals</b>	<b>\$ 2,426,985</b>	<b>\$ 497,053</b>

\$445,153 reported as deferred outflows of resources resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended August 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	Year Ending August 31,
2024	\$ 376,068
2025	209,664
2026	114,770
2027	636,064
2028	148,213
Thereafter	-
<b>Total</b>	<b>\$ 1,484,779</b>



# Onalaska Independent School District

## Notes to the Financial Statements

### Actuarial Methods and Assumptions

The actuarial valuation of the total pension liability was performed as of August 31, 2021. Update procedures were used to roll forward the total pension liability to August 31, 2022 and was determined using the following actuarial methods and assumptions:

Actuarial cost method	Individual entry age normal
Asset valuation method	Fair value
Single discount rate	7.00%
Long-term expected rate of return	7.00%
Municipal bond rate as of August 2020	3.91%. Source for the rate is the Fixed Income Market Data / Yield Curve / Data Municipal Bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index."
Last year ending August 31 in projection period (100 years)	2121
Inflation	2.30%
Salary increases	2.95% to 8.95% including inflation
Ad hoc postemployment benefit changes	None
Active mortality rates	The post-retirement mortality rates for healthy lives were based on the 2021 TRS of Texas Healthy Pensioner Mortality Tables with full generational projection using the ultimate improvement rates from the most recently published projection scale ("U-MP"). The active mortality rates were based on the published PUB(2010) Mortality Tables for Teachers, below median, also with full generational mortality.

The actuarial methods and assumptions are primarily based on a study of actual experience for the four year period ending August 31, 2021 and adopted in July 2022.

# Onalaska Independent School District

## Notes to the Financial Statements

### Discount Rate and Long-term Expected Rate of Return

A single discount rate of 7.00% was used to measure the total pension liability. The single discount rate was based on the expected rate of return on pension plan investments of 7.00%. The projection of cash flows used to determine the single discount rate assumed that contributions from active members and those of the contributing employers and the non-employer contributing entity will be made at the rates set by the legislature in 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 these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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 TRS's target asset allocation as of August 31, 2022 are summarized below:

Asset Class	Target Allocation**	Long-term Expected Geometric Real Rate of Return***	Expected Contribution to Long-term Portfolio Returns
Global equity:			
U.S.	18.00%	4.60%	1.12%
Non-U.S. developed	13.00%	4.90%	0.90%
Emerging markets	9.00%	5.40%	0.75%
Private equity*	14.00%	7.70%	1.55%
Stable value:			
Government bonds	16.00%	1.00%	0.22%
Absolute return*	-	3.70%	0.00%
Stable value hedge funds	5.00%	3.40%	0.18%
Real return:			
Real estate	15.00%	4.10%	0.94%
Energy, natural resources and infrastructure	6.00%	5.10%	0.37%
Commodities	-	3.60%	0.00%
Risk parity:			
Risk parity	8.00%	4.60%	0.43%
Asset allocation leverage:			
Cash	2.00%	3.00%	0.01%
Asset allocation leverage cash	-6.00%	3.60%	-0.05%
Inflation expectation			2.70%
Volatility drag****			-0.91%
<b>Total</b>	100.00%		8.21%

\* Absolute return includes credit sensitive investments

\*\* Target allocations are based on the FY 2022 policy model.

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

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

# Onalaska Independent School District

## Notes to the Financial Statements

### Discount Rate Sensitivity Analysis

The following table presents the District's proportionate share of the TRS net pension liability calculated using the discount rate of 7.00%, as well as what the District's proportionate share of the net pension liability would be if it was calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	\$ 7,293,386	\$ 4,688,408	\$ 2,576,952

### Change of Assumptions Since the Prior Measurement Date

New assumptions were adopted in conjunction with an actuarial experience study since the prior measurement date that affected measurement of the total pension liability during the measurement period. The primary assumption change was the lowering of the single discount rate from 7.25 percent to 7.00 percent.

### Change of Benefit Terms Since the Prior Measurement Date

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

## D. Defined Other Postemployment Benefit Plan

### Plan Description

The District participates in the Texas Public School Retired Employees Group Insurance Program (TRS-Care). It is a multiple-employer, cost-sharing defined Other Postemployment Benefit (OPEB) plan that has a special funding situation. TRS-Care was established in 1986 by the Texas Legislature and is administered through a trust by the Teacher Retirement System of Texas (TRS) Board of Trustees in accordance with the Texas Insurance Code, Chapter 1575. The Board may adopt rules, plans, procedures and orders reasonably necessary to administer the program, including minimum benefits and financing standards.

### OPEB Plan Fiduciary Net Position

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

### Benefits Provided

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

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

# Onalaska Independent School District

## Notes to the Financial Statements

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

### Contributions

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

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

Rates for such plan fiscal years are as follows:

	Contribution Rates	
	2023	2022
Active employee	0.65%	0.65%
Non-employer contribution entity (State)	1.25%	1.25%
Employers (District)	0.75%	0.75%
Federal/private funding*	1.25%	1.25%

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

The contribution amounts for the District's fiscal year 2023 are as follows:

District contributions	\$ 110,084
Member contributions	61,581
NECE on-behalf contributions (State)	101,401

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

The State of Texas also contributed \$47,628, \$35,691, and \$37,308 in 2023, 2022, and 2021, respectively, for on-behalf payments for Medicare Part D.

## Onalaska Independent School District

### Notes to the Financial Statements

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

#### **OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

On August 31, 2023, the District reported a liability of \$2,969,953 for its proportionate share of the TRS's net OPEB liability. This liability reflects a reduction for State OPEB support provided by 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 are as follows:

District's proportionate share of the net OPEB liability	\$ 2,969,953
State's proportionate share of the net OPEB liability associated with the District	<u>3,622,876</u>
<b>Total</b>	<u><u>\$ 6,592,829</u></u>

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

At the measurement date of August 31, 2022, the employer's proportion of the collective net OPEB liability was 0.0124037% which was an increase of 0.0017756% from its proportion measured as of August 31, 2022.

For the fiscal year ended June 30, 2023, the District recognized net OPEB revenue of \$996,964 due to recognition of deferred inflows in excess of deferred outflows and current year expense. OPEB revenue of \$514,115 was recognized for support provided by the State.

On August 31, 2023, the District reported its proportionate share of the TRS' deferred outflows of resources and deferred inflows of resources related to other postemployment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 165,119	\$ 2,474,237
Changes of assumptions	452,383	2,063,346
Net difference between projected and actual earnings on OPEB plan investments	8,847	-
Changes in proportion and difference between District's contributions and the proportionate share of contributions	1,126,940	1,147,568
District contributions paid subsequent to the measurement date	<u>110,084</u>	<u>-</u>
<b>Totals</b>	<u><u>\$ 1,863,373</u></u>	<u><u>\$ 5,685,151</u></u>

## Onalaska Independent School District

### Notes to the Financial Statements

\$110,084 reported as deferred outflows of resources resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended August 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending August 31,	
2024	\$ (821,185)
2025	(821,154)
2026	(695,211)
2027	(524,702)
2028	(508,390)
Thereafter	<u>(561,220)</u>
<b>Total</b>	<b><u>\$ (3,931,862)</u></b>

#### Actuarial Methods and Assumptions

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

The actuarial valuation of the OPEB plan offered through TRS-Care is similar to the actuarial valuation performed for the pension plan, except that the OPEB valuation is more complex. The following assumptions used for the valuation of the TRS-Care OPEB liability are identical to the assumptions employed in the August 31, 2021 TRS pension actuarial valuation that was rolled forward to August 31, 2022:

<u>Demographic Assumptions</u>	<u>Economic Assumptions</u>
Rates of mortality	General inflation
Rates of retirement	Wage inflation
Rates of termination	
Rates of disability	

See Note 4.C for detail on these assumptions. The demographic assumptions were developed in the experience study performed for TRS for the period ending August 31, 2017.

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

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

## Onalaska Independent School District

### Notes to the Financial Statements

The following methods and additional assumptions were used in the TRS-Care OPEB valuation:

Actuarial cost method	Individual entry age normal
Single discount rate	3.91%
Aging factors	Based on plan specific experience
Election rates	Normal retirement: 62% participation prior to age 65 and 25% after age 65. Pre-65 retirees: 30% of pre-65 retirees are assumed to discontinue coverage at age 65.
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
Ad hoc postemployment benefit changes	None

#### Discount Rate

A single discount rate of 3.91% was used to measure the total OPEB liability at August 31, 2022. This was an increase of 1.96% in the discount rate since the August 31, 2021 measurement date. The plan is essentially a "pay-as-you-go" plan, and based on the assumption that contributions are made at the statutorily required rates, the OPEB plan's fiduciary net position was projected to not be able to make all future benefit payments to current plan members and therefore, the single discount rate is equal to the prevailing municipal bond rate. 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" as of August 31, 2022.

#### Sensitivity Analysis of Rates

##### Discount Rate

The following table presents the District's proportionate share of the TRS-Care net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that was 1% less than and 1% greater than the discount rate that was used (3.91%) in measuring the net OPEB liability.

	1% Decrease (2.91%)	Current Discount Rate (3.91%)	1% Increase (4.91%)
District's proportionate share of the net OPEB liability	\$ 3,501,810	\$ 2,969,953	\$ 2,539,080

# Onalaska Independent School District

## Notes to the Financial Statements

### Healthcare Cost Trend Rates

The following table presents the District's proportionate share of net OPEB liability using the assumed healthcare cost trend rate, as well as what the net OPEB liability would be if it were calculated using a trend rate that is 1% lower or 1% higher than the assumed health-care cost trend rate:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	\$ 2,447,254	\$ 2,969,953	\$ 3,647,564

### **Change of Assumptions Since the Prior Measurement Date**

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

- The discount rate changed from 1.95% as of August 31, 2021 to 3.91% as of August 31, 2022. This change increased the total OPEB liability.
- Lower participation rates and updates to the health care trend rate assumptions were also factors that decreased the total OPEB liability.

### **Change of Benefit Terms Since the Prior Measurement Date**

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

### **E. Joint Venture-Shared Service Arrangement**

The District participates in the following shared service arrangement:

#### *Polk County Special Services Cooperative*

The District participates in a shared service arrangement for special education funded under IDEA-B Formula and Preschool and for the education of students with a visual impairment funded under State Supplemental Visually Impaired Funds with other school districts. The District does not account for revenues or expenditures in these programs and does not disclose them in these financial statements. The revenues and expenditures are disclosed in the financial statements of the fiscal agent, Corrigan-Camden I.S.D. The District neither has a joint ownership interest in fixed assets purchased by the fiscal agent, nor does the District have a net equity interest in the fiscal agent. The fiscal agent is neither accumulating significant financial resources nor fiscal exigencies that would give rise to a future additional benefit or burden to the District. The fiscal agent manager is responsible for all financial activities of the shared service arrangement.



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## **Required Supplementary Information**

**Onalaska Independent School District**

**Exhibit G-1**

Schedule of Revenues, Expenditures, and Changes in  
Fund Balance – Budget and Actual  
General Fund  
For the Fiscal Year Ended August 31, 2023

Data Control Codes		Budgeted Amounts		Actual	Variance with Final Budget
		Original	Final		Positive (Negative)
<b>REVENUES</b>					
5700	Local and intermediate sources	\$ 6,613,918	\$ 6,613,918	\$ 7,108,590	\$ 494,672
5800	State program revenues	7,340,456	7,501,916	8,325,143	823,227
5900	Federal program revenues	150,000	150,000	102,352	(47,648)
5020	Total revenues	14,104,374	14,265,834	15,536,085	1,270,251
<b>EXPENDITURES</b>					
Current:					
0011	Instruction	7,617,217	7,865,807	7,795,924	69,883
0012	Instructional resources and media services	23,000	23,000	19,288	3,712
0013	Curriculum and instructional staff development	198,506	237,506	189,847	47,659
0021	Instructional leadership	449,975	474,975	456,874	18,101
0023	School leadership	819,500	818,500	804,440	14,060
0031	Guidance, counseling, and evaluation services	294,654	171,327	120,091	51,236
0033	Health services	122,850	122,850	69,969	52,881
0034	Student transportation	749,650	774,650	746,332	28,318
0036	Extracurricular activities	451,575	515,643	489,093	26,550
0041	General administration	661,197	661,197	610,602	50,595
0051	Plant maintenance and operations	1,509,750	1,509,750	1,432,263	77,487
0052	Security and monitoring services	186,000	236,000	184,737	51,263
0053	Data processing services	384,500	219,370	190,155	29,215
Debt service:					
0071	Principal on long-term debt	52,000	96,266	96,266	-
0072	Interest on long-term debt	-	21,062	17,715	3,347
Intergovernmental:					
0093	Payments related to shared services arrangements	420,000	415,000	328,958	86,042
0099	Other intergovernmental charges	164,000	169,000	168,126	874
6030	Total expenditures	14,104,374	14,331,903	13,720,680	611,223
1200	Net change in fund balance	-	(66,069)	1,815,405	1,881,474
0100	Fund balance - beginning	10,366,219	10,366,219	10,366,219	-
3000	<b>FUND BALANCE - ENDING</b>	<b>\$ 10,366,219</b>	<b>\$ 10,300,150</b>	<b>\$ 12,181,624</b>	<b>\$ 1,881,474</b>

The Notes to the Required Supplementary Information are an integral part of this schedule.

## Onalaska Independent School District

## Exhibit G-2

Schedule of the District's Proportionate Share of the Net Pension Liability of a Cost-Sharing Multiple-Employer Pension Plan Teacher Retirement System of Texas For the Last Nine Fiscal Years\*

Year	District's Proportion of Net Pension Liability	District's Proportionate Share of the Net Pension Liability	State's Proportionate Share of the Net Pension Liability Associated with the District	Total	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2023	0.0078973%	\$ 4,688,408	\$ 5,820,377	\$ 10,508,785	\$ 8,765,147	53.49%	75.62%
2022	0.0064515%	1,642,959	2,913,131	4,556,090	8,427,854	19.49%	88.79%
2021	0.0064887%	3,475,208	6,064,872	9,540,080	8,146,190	42.66%	75.54%
2020	0.0067112%	3,488,690	5,280,650	8,769,340	7,178,324	48.60%	75.24%
2019	0.0075265%	4,142,789	5,650,413	9,793,202	6,864,319	60.35%	73.74%
2018	0.0070437%	2,252,182	3,275,411	5,527,593	6,379,090	35.31%	82.17%
2017	0.0066222%	2,502,442	3,636,219	6,138,661	5,679,385	44.06%	78.00%
2016	0.0057989%	2,049,834	3,598,759	5,648,593	5,311,762	38.59%	78.43%
2015	0.0041913%	1,119,555	3,161,613	4,281,168	5,298,625	21.13%	83.25%

\* The amounts presented for the fiscal years were determined as of the Plan's fiscal year end, August 31 of the prior year. Ten years of data is not available.

**Onalaska Independent School District****Exhibit G-3**

Schedule of the District's Contributions to the  
Teacher Retirement System of Texas Pension Plan  
For the Last Nine Fiscal Years\*

<b>Year</b>	<b>Contractually Required Contributions</b>	<b>Contributions in Relation to the Contractually Required Contributions</b>	<b>Contribution Deficiency (Excess)</b>	<b>District's Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
2023	\$ 445,153	\$ (445,153)	\$ -	\$ 9,479,418	4.70%
2022	368,510	(368,510)	-	8,765,147	4.20%
2021	275,314	(275,314)	-	8,427,854	3.27%
2020	267,725	(267,725)	-	8,146,190	3.29%
2019	234,900	(234,900)	-	7,178,324	3.27%
2018	249,195	(249,195)	-	6,864,319	3.63%
2017	228,877	(228,877)	-	6,379,090	3.59%
2016	210,311	(210,311)	-	5,679,385	3.70%
2015	171,426	(171,426)	-	5,311,762	3.23%

\* The amounts presented for the fiscal years were determined as of the District's fiscal year end.  
Ten years of data is not available.

## Onalaska Independent School District

Exhibit G-4

Schedule of the District's Proportionate Share of the Net OPEB Liability of a Cost-Sharing Multiple-Employer OPEB Plan Teacher Retirement System of Texas For the Last Six Fiscal Years\*

Year	District's Proportion of Net OPEB Liability	District's Proportionate Share of the Net OPEB Liability	State's Proportionate Share of the Net OPEB Liability Associated with the District	Total	District's Covered Payroll	District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2023	0.0124037%	\$ 2,969,953	\$ 3,622,876	\$ 6,592,829	\$ 8,765,147	33.88%	11.52%
2022	0.0106282%	4,099,753	5,492,755	9,592,508	8,427,854	48.65%	6.18%
2021	0.0102408%	3,892,979	5,231,230	9,124,209	8,146,190	47.79%	4.99%
2020	0.0107333%	5,075,930	6,744,773	11,820,703	7,178,324	70.71%	2.66%
2019	0.0126054%	6,293,974	5,790,672	12,084,646	6,864,319	91.69%	1.57%
2018	0.0136607%	5,940,515	5,032,061	10,972,576	6,379,090	93.12%	0.91%

\* The amounts presented for the fiscal years were determined as of the Plan's fiscal year end, August 31 of the prior year. Ten years of data is not available.

**Onalaska Independent School District**  
 Schedule of the District's Contributions to the  
 Teacher Retirement System of Texas OPEB Plan  
 For the Last Six Fiscal Years\*

**Exhibit G-5**

<b>Year</b>	<b>Contractually Required Contributions</b>	<b>Contributions in Relation to the Contractually Required Contributions</b>	<b>Contribution Deficiency (Excess)</b>	<b>District's Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
2023	\$ 110,084	\$ (110,084)	\$ -	\$ 9,479,418	1.16%
2022	101,877	(101,877)	-	8,765,147	1.16%
2021	82,495	(82,495)	-	8,427,854	0.98%
2020	77,837	(77,837)	-	8,146,190	0.96%
2019	76,177	(76,177)	-	7,178,324	1.06%
2018	84,284	(84,284)	-	6,864,319	1.23%

\* The amounts presented for the fiscal years were determined as of the District's fiscal year end.  
 Ten years of data is not available.

**Onalaska Independent School District**  
Notes to the Required Supplementary Information

**Note 1. Budget**

**A. Budgetary Information**

Each school district in Texas is required by law to prepare annually a budget of anticipated revenues and expenditures for the general fund, debt service fund, and the National School Breakfast and Lunch Program special revenue fund. The Texas Education Code requires the budget to be prepared not later than August 20 and adopted by August 31 of each year. The budgets are prepared on a basis of accounting that is used for reporting in accordance with generally accepted accounting principles.

The following procedures are followed in establishing the budgetary data reflected in the fund financial schedules:

1. Prior to August 20 of the preceding fiscal year, the District prepares a budget for the next succeeding fiscal year beginning September 1. The operating budget includes proposed expenditures and the means of financing them.
2. 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.
3. Prior to September 1, the budget is formally approved and adopted by the Board.

The appropriated budget is prepared by fund and function. The District's campus/department heads may make transfers of appropriations within a campus or department. Transfers of appropriations between campuses or departments require the approval of the District's management. Increasing any one of the functional spending categories, or revenues object accounts and other resources require the approval of the Board. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the function level within a fund. All annual appropriations lapse at fiscal year-end.

**Note 2. Net Pension Liability and Net OPEB Liability**

The following factors significantly affect trends in the amounts reported for the District's proportionate share of the net pension liability and net OPEB liability:

**Changes in Actuarial Assumptions and Inputs**

Measurement Date August 31,	Net Pension Liability		Net OPEB Liability
	Discount Rate	Long-term Expected Rate of Return	Discount Rate
2022	7.000%	7.000%	3.910%
2021	7.250%	7.250%	1.950%
2020	7.250%	7.250%	2.330%
2019	7.250%	7.250%	2.630%
2018	6.907%	7.250%	3.690%
2017	8.000%	8.000%	3.420%
2016	8.000%	8.000%	
2015	8.000%	8.000%	
2014	8.000%	8.000%	



## Onalaska Independent School District

### Notes to the Required Supplementary Information

#### Changes in Demographic and Economic Assumptions

For measurement date August 31, 2018 – Net Pension Liability and Net OPEB Liability:

- Demographic assumptions including post-retirement mortality, termination rates, and rates of retirement and economic assumptions, including rates of salary increase for individual participants were updated based on the experience study performed for TRS for the period ending August 31, 2017.

#### Changes in Benefit Terms

For measurement date August 31, 2018 – Net OPEB Liability:

- Changes of benefit terms were made effective September 1, 2017 by the 85th Texas Legislature.

#### Other Changes

For measurement date August 31, 2022 – Net OPEB Liability:

- The participation rate for pre-65 retirees was lowered from 65% to 62%. The participation rate for post-65 retirees was lowered from 40% to 25%.

For measurement date August 31, 2020 – Net OPEB Liability:

- The participation rate for pre-65 retirees was lowered from 50% to 40%.
- The ultimate healthcare trend rate assumption decreased to reflect the repeal of the excise (Cadillac) tax on high-cost employer health plans.

For measurement date August 31, 2019 – Net Pension Liability:

- With the enactment of SB3 by the 2019 Texas Legislature, an assumption was made about how this would impact future salaries. It is assumed that eligible active members will each receive a \$2,700 increase in fiscal year 2020. This is in addition to the salary increase expected based on the actuarial assumptions.

For measurement date August 31, 2019 – Net OPEB Liability:

- The participation rate for pre-65 retirees was lowered from 70% to 65%. The participation rate for post-65 retirees was lowered from 75% to 50%. 25% of pre-65 retirees are assumed to discontinue their coverage at age 65.
- The trend rates were reset to better reflect the plan's anticipated experience.
- The percentage of retirees who are assumed to have two-person coverage was lowered from 20% to 15%. In addition, the participation assumption for the surviving spouses of employees that die while actively employed was lowered from 20% to 10%.

For measurement date August 31, 2018 – Net OPEB Liability:

- Adjustments were made for retirees that were known to have discontinued their health care coverage in fiscal year 2018.
- The health care trend rate assumption was updated to reflect the anticipated return of the Health Insurer Fee (HIF) in 2020.

## **Supplementary Information**

# Onalaska Independent School District

Combining Balance Sheet  
 Nonmajor Governmental Funds  
 Special Revenue Funds  
 August 31, 2023

Data Control Codes		211	240	255
		ESSA Title I Improving Basic Programs	National School Breakfast/ Lunch Program	ESSA Title II Training and Recruiting
<b>ASSETS</b>				
1110	Cash and cash equivalents	\$ -	\$ 608,320	\$ -
1240	Due from other governments	242,253	100,622	40,820
1290	Other receivables	-	1,400	-
1300	Inventories	-	84,050	-
1000	<b>TOTAL ASSETS</b>	<u>\$ 242,253</u>	<u>\$ 794,392</u>	<u>\$ 40,820</u>
<b>LIABILITIES</b>				
2110	Accounts payable	\$ -	\$ 59,110	\$ -
2160	Accrued wages payable	20,027	55,711	-
2170	Due to other funds	222,226	-	40,820
2000	Total liabilities	242,253	114,821	40,820
<b>FUND BALANCES</b>				
3410	Nonspendable - inventories	-	84,050	-
3450	Restricted - grant funds	-	595,521	-
3545	Committed - other	-	-	-
3000	Total fund balances	-	679,571	-
4000	<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 242,253</u>	<u>\$ 794,392</u>	<u>\$ 40,820</u>

	270	289	410	429	461	
		Federally Funded Special Revenue Funds	State Textbook Fund	State Funded Special Revenue Funds	Campus Activity Funds	Total Nonmajor Funds (See Exhibit C-1)
	\$ -	\$ 1	\$ -	\$ -	\$ 110,117	\$ 718,438
	38,809	24,511	12,563	19,867	-	479,445
	-	-	-	-	-	1,400
	-	-	-	-	-	84,050
	<u>\$ 38,809</u>	<u>\$ 24,512</u>	<u>\$ 12,563</u>	<u>\$ 19,867</u>	<u>\$ 110,117</u>	<u>\$ 1,283,333</u>
	\$ -	\$ -	\$ -	\$ -	\$ 4,278	\$ 63,388
	-	-	-	-	-	75,738
	38,809	24,512	12,563	19,867	-	358,797
	38,809	24,512	12,563	19,867	4,278	497,923
	-	-	-	-	-	84,050
	-	-	-	-	-	595,521
	-	-	-	-	105,839	105,839
	-	-	-	-	105,839	785,410
	<u>\$ 38,809</u>	<u>\$ 24,512</u>	<u>\$ 12,563</u>	<u>\$ 19,867</u>	<u>\$ 110,117</u>	<u>\$ 1,283,333</u>

# Onalaska Independent School District

Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Governmental Funds  
Special Revenue Funds  
For the Fiscal Year Ended August 31, 2023

<b>Data Control Codes</b>	<b>211</b>	<b>240</b>	<b>255</b>
	<b>ESSA Title I Improving Basic Programs</b>	<b>National School Breakfast/ Lunch Program</b>	<b>ESSA Title II Training and Recruiting</b>
<b>REVENUES</b>			
5700 Local and intermediate sources	\$ -	\$ 113,148	\$ -
5800 State program revenues	-	3,863	-
5900 Federal program revenues	473,499	1,251,042	55,070
5020 Total revenues	473,499	1,368,053	55,070
<b>EXPENDITURES</b>			
Current:			
0011 Instruction	283,688	-	23,207
0013 Curriculum and instructional staff development	84,590	-	31,863
0021 Instructional leadership	93,037	-	-
0033 Health services	-	-	-
0034 Student transportation	12,184	-	-
0035 Food services	-	1,306,937	-
0036 Extracurricular activities	-	-	-
0052 Security and monitoring services	-	-	-
6030 Total expenditures	473,499	1,306,937	55,070
1200 Net change in fund balances	-	61,116	-
0100 Fund balances - beginning	-	618,455	-
3000 <b>FUND BALANCES - ENDING</b>	<b>\$ -</b>	<b>\$ 679,571</b>	<b>\$ -</b>

	270	289	410	429	461	
	Rural and Low- Income Program	Federally Funded Special Revenue Funds	State Textbook Fund	State Funded Special Revenue Funds	Campus Activity Funds	Total Nonmajor Funds (See Exhibit C-2)
\$	-	\$ -	\$ -	\$ -	\$ 174,536	\$ 287,684
	-	-	64,157	20,217	-	88,237
	43,847	83,458	-	-	-	1,906,916
	43,847	83,458	64,157	20,217	174,536	2,282,837
	43,847	46,571	64,157	350	-	461,820
	-	-	-	-	-	116,453
	-	-	-	-	-	93,037
	-	36,887	-	-	-	36,887
	-	-	-	-	-	12,184
	-	-	-	-	-	1,306,937
	-	-	-	-	171,724	171,724
	-	-	-	19,867	-	19,867
	43,847	83,458	64,157	20,217	171,724	2,218,909
	-	-	-	-	2,812	63,928
	-	-	-	-	103,027	721,482
\$	-	\$ -	\$ -	\$ -	\$ 105,839	\$ 785,410

**Onalaska Independent School District**  
 Schedule of Delinquent Taxes Receivable  
 For the Fiscal Year Ended August 31, 2023

Year Ended August 31,	1		2		3	
	Tax Rates					
	Maintenance		Debt Service		Assessed/ Appraised Value for School Tax Purposes	
2014 and prior years	\$	Various	\$	Various	\$	Various
2015		1.0400		0.25883		447,789,780
2016		1.0400		0.23980		480,533,599
2017		1.0400		0.19500		506,208,907
2018		1.0400		0.20890		545,051,806
2019		1.0600		0.18890		555,868,044
2020		0.9900		0.18890		600,502,926
2021		0.9764		0.18890		608,381,018
2022		0.9086		0.17530		679,050,433
2023		0.8646		0.17530		755,928,166

**1000 TOTALS**

8000 - Taxes refunded under section 26.1115, tax code, for owners who received an exemption as provided by section 11.42(f), tax code

Exhibit J-1

10	20	31	32	40	50
<u>Beginning Balance 9/1/2022</u>	<u>Current Year's Total Levy</u>	<u>Maintenance Collections</u>	<u>Debt Service Collections</u>	<u>Entire Year's Adjustments</u>	<u>Ending Balance 8/31/2023</u>
\$ 98,736	\$ -	\$ 4,455	\$ 536	\$ (11,046)	\$ 82,699
19,120	-	1,554	387	(38)	17,141
18,089	-	1,935	446	(38)	15,670
19,770	-	2,835	531	(36)	16,368
31,088	-	5,268	1,059	(36)	24,725
33,265	-	7,455	1,329	(933)	23,548
40,298	-	9,575	1,827	(1,945)	26,951
98,650	-	23,461	4,539	(4,276)	66,374
228,024	-	97,638	18,838	(13,284)	98,264
-	7,860,897	6,266,746	1,270,836	(63,684)	259,631
<u>\$ 587,040</u>	<u>\$ 7,860,897</u>	<u>\$ 6,420,922</u>	<u>\$ 1,300,328</u>	<u>\$ (95,316)</u>	<u>\$ 631,371</u>
		<u>\$ 6,742</u>			



**Onalaska Independent School District**

**Exhibit J-2**

Schedule of Revenues, Expenditures, and Changes  
in Fund Balance – Budget and Actual  
National School Breakfast and Lunch Program  
For the Fiscal Year Ended August 31, 2023

Data Control Codes		Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
		Original	Final		
<b>REVENUES</b>					
5700	Local and intermediate sources	\$ 62,501	\$ 62,501	\$ 113,148	\$ 50,647
5800	State program revenues	8,500	8,500	3,863	(4,637)
5900	Federal program revenues	1,023,700	1,023,700	1,251,042	227,342
5020	Total revenues	1,094,701	1,094,701	1,368,053	273,352
<b>EXPENDITURES</b>					
Current:					
0035	Food services	1,094,701	1,379,221	1,306,937	72,284
6030	Total expenditures	1,094,701	1,379,221	1,306,937	72,284
1200	Net change in fund balance	-	(284,520)	61,116	345,636
0100	Fund balance - beginning	618,455	618,455	618,455	-
3000	<b>FUND BALANCE - ENDING</b>	<b>\$ 618,455</b>	<b>\$ 333,935</b>	<b>\$ 679,571</b>	<b>\$ 345,636</b>

**Onalaska Independent School District**

**Exhibit J-3**

Schedule of Revenues, Expenditures, and Changes  
in Fund Balance – Budget and Actual  
Debt Service Fund  
For the Fiscal Year Ended August 31, 2023

Data Control Codes		Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
		Original	Final		
<b>REVENUES</b>					
5700	Local and intermediate sources	\$ 1,116,306	\$ 1,116,306	\$ 1,348,015	\$ 231,709
5800	State program revenues	24,694	24,694	56,606	31,912
5020	Total revenues	1,141,000	1,141,000	1,404,621	263,621
<b>EXPENDITURES</b>					
Debt service:					
0071	Principal on long-term debt	746,408	746,408	746,408	-
0072	Interest on long-term debt	347,175	632,824	594,267	38,557
0073	Issuance costs and fees	47,417	16,819	16,819	-
6030	Total expenditures	1,141,000	1,396,051	1,357,494	38,557
1200	Net change in fund balance	-	(255,051)	47,127	302,178
0100	Fund balance - beginning	1,745,133	1,745,133	1,745,133	-
3000	<b>FUND BALANCE - ENDING</b>	<u>\$ 1,745,133</u>	<u>\$ 1,490,082</u>	<u>\$ 1,792,260</u>	<u>\$ 302,178</u>

**Onalaska Independent School District**  
 Use of Funds Report – Select State Allotment  
 For the Fiscal Year Ended August 31, 2023

**Exhibit J-4**

<u>Data Codes</u>		<u>Responses</u>
<b><u>Section A: Compensatory Education Programs</u></b>		
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.	\$ 1,209,080
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)	\$ 868,791
<b><u>Section B: Bilingual Education Programs</u></b>		
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.	\$ 12,500
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PICs 25, 35)	\$ 11,597

**Overall Compliance, Internal Control Section  
and Federal Awards**

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

To the Board of Trustees of  
Onalaska Independent School District  
Onalaska, Texas

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, each major fund, and the aggregate remaining fund information of Onalaska Independent School District (the District) as of and for the fiscal year ended August 31, 2023 and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 14, 2023.

**Report on Internal Control over Financial Reporting**

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

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

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

**Report on Compliance and Other Matters**

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

The Board of Trustees of  
Onalaska Independent School District

**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.

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P.

Conroe, Texas  
November 14, 2023

**Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with the Uniform Guidance**

To the Board of Trustees of  
Onalaska Independent School District  
Onalaska, Texas

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

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

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

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

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

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (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 the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

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



### **Auditor's Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 the 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 the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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

### **Report on Internal Control Over Compliance**

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

The Board of Trustees of  
Onalaska Independent School District

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.

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P.

Conroe, Texas  
November 14, 2023

**Onalaska Independent School District**  
 Schedule of Findings and Questioned Costs  
 For the Fiscal Year Ended August 31, 2023

**Section 1. Summary of Auditor's Results**

**Financial Statements**

- 1. Type of auditor's report issued Unmodified
- 2. Internal control over financial reporting:
  - a. Material weakness(es) identified? No
  - b. Significant deficiency(ies) identified that are not considered to be material weaknesses? None reported
- 3. Noncompliance material to financial statements noted? No

**Federal Awards**

- 4. Internal control over major programs:
  - a. Material weakness(es) identified? No
  - b. Significant deficiency(ies) identified that are not considered to be material weaknesses? None reported
- 5. Type of auditor's report issued on compliance with major programs Unmodified
- 6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? No
- 7. Identification of major programs 84.425 – Elementary and Secondary School Emergency Relief
- 8. Dollar threshold used to distinguish between Type A and Type B federal programs \$750,000
- 9. Auditee qualified as a low-risk auditee? Yes

**Section 2. Financial Statement Findings**

None reported

**Section 3. Federal Awards Findings and Questioned Costs**

None reported

**Onalaska Independent School District**  
Summary Schedule of Prior Audit Findings  
For the Fiscal Year Ended August 31, 2023

**Prior Year Findings**

None reported

**Onalaska Independent School District**  
 Schedule of Expenditures of Federal Awards  
 For the Fiscal Year Ended August 31, 2023

**Exhibit K-1**

(1)	(2)	(2A)	(3)
<b>Federal Grantor/ Pass-Through Grantor/ Program Title</b>	<b>Federal Assistance Listing Number</b>	<b>Pass-Through Identifying Number</b>	<b>Federal Expenditures</b>
<b>U.S. DEPARTMENT OF EDUCATION</b>			
Passed Through State Department of Education:			
ESEA Title I, Part A-Improving Basic Programs	84.010A	23610101187910	\$ 473,499
ESEA Title VI, Part B, Subpart 2 - Rural and Low Income School	84.358B	23696001187910	43,847
ESEA Title II, Part A-Teacher and Principal Training and Recruiting	84.367A	23694501187910	55,070
ESEA Title IV, Part A, Subpart 1	84.424A	23680101187910	46,570
COVID-19 - Coronavirus Response and Relief Supplemental Appropriations Act- ESSER II	84.425D	21521001187910	<u>1,447,756</u>
<b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>			2,066,742
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
Passed Through Region VI Education Service Center:			
COVID-19 Public Health Workforce	93.354	223934017110006	<u>36,888</u>
<b>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			36,888
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
Child Nutrition Cluster:			
Passed Through State Department of Education- Cash Assistance:			
School Breakfast Program	10.553	71402301	388,232
Passed Through State Department of Agriculture - Non Cash Assistance:			
National School Lunch Program	10.555	806780706	64,082
Passed Through State Department of Agriculture:			
COVID-19 - Supply Chain Assistance Program	10.555	806780706	30,659
Passed Through State Department of Agriculture:			
National School Lunch Program	10.555	71302301	<u>761,733</u>
Total Assistance Listing Number 10.555			<u>856,474</u>
Total Child Nutrition Cluster			1,244,706
2021 P-EBT Admin Expense Reimbursement	10.649	806780706	<u>6,336</u>
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>			<u>1,251,042</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>\$ 3,354,672</u>

The Notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

# Onalaska Independent School District

Notes to the Schedule of Expenditures of Federal Awards

## Note 1. Summary of Significant Accounting Policies

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Onalaska Independent School District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Single Audit Act Amendments of 1996 and 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 presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

National School Lunch Program non-cash commodities are recorded at their estimated market value at the time of donation.

## Note 2. De Minimis Cost Rate

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

## Note 3. Reconciliation to Basic Financial Statements

Presented below is a reconciliation of federal revenues:

Total expenditures of federal awards per Exhibit K-1	\$ 3,354,672
General fund - federal revenue:	
School health and related services (SHARS)	<u>102,352</u>
<b>Total federal revenues per Exhibit C-2</b>	<u><u>\$ 3,457,024</u></u>

**Onalaska Independent School District**  
 Schedule of Required Responses to Selected  
 School FIRST Indicators (Unaudited)  
 For the Year Ending August 31, 2023

**Exhibit L-1**

<u>Data Codes</u>		<u>Responses</u>
SF1	Was there an unmodified opinion in the Annual Financial Report on the financial statements as a whole?	Yes
SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement at fiscal year-end?	No
SF3	Did the school district make timely payments to the Teacher Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies? (If the school district was issued a warrant hold and the warrant hold was not cleared within 30 days from the date the warrant hold was issued, the school district is considered to not have made timely payments.)	Yes
	Payments to the TRS and TWC are considered timely if a warrant hold that was issued in connection to the untimely payment was cleared within 30 days from the date the warrant hold was issued.	
	Payments to the IRS are considered timely if a penalty or delinquent payment notice was cleared within 30 days from the date the notice was issued.	
SF4	Was the school district issued a warrant hold? Even if the issue surrounding the initial warrant hold was resolved and cleared within 30 days, the school district is considered to have been issued a warrant hold.	No
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds?	No
SF6	Was there any disclosure in the Annual Financial Report of material noncompliance for grants, contracts, and laws related to local, state, or federal funds?	No
SF7	Did the school district post the required financial information on its website in accordance with Government Code, Local Government Code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules 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.	\$ 595,124