

SAN FELIPE DEL RIO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

ANNUAL FINANCIAL REPORT

For the year ended June 30, 2024

SAN FELIPE DEL RIO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

ANNUAL FINANCIAL REPORT
For the year ended June 30, 2024

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CERTIFICATE OF BOARD

San Felipe Del Rio Consolidated Independent School District
Name of School District

Val Verde
County

233-901
Co. Dist. Number

We, the undersigned, clarify that the attached annual financial reports of the above named school district were reviewed and (check one) X approved _____ disapproved for the year ended June 30, 2024, at a meeting of the Board of Trustees of such school district on the 21 day of November, 2024



Signature of Board Secretary



Signature of Board President

If the Board of Trustees disapproved of the auditors' report, the reason(s) for disapproving it is (are):

(attach list as necessary)

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
San Felipe Del Rio Consolidated Independent School District

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 the San Felipe Del Rio Consolidated Independent School District (the "District"), as of and for the year ended June 30, 2024, 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 referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2024 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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, budgetary comparison information, schedules of the District's proportionate share of the net pension and other postemployment benefits liability, and schedules of contributions on pages 5-11 and 52-56 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information, such as the combining statements and schedules and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost*

(Continued)

Principles, and Audit Requirements for Federal Awards are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements and schedules and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and the schedule of required responses to selected school first indicators but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2024 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Crowe LLP

Houston, Texas
November 21, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

SAN FELIPE DEL RIO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended June 30, 2024

The purpose of the Management's Discussion and Analysis (MD&A) is to give the readers an objective and easily readable analysis of the financial activities of San Felipe Del Rio Consolidated Independent School District (the "District") for the year ending June 30, 2024. The analysis is based on currently known facts, decisions, or economic conditions. It presents short and long-term analysis of the District's activities, compares current year results with those of the prior year, and discusses the positive and negative aspects of that comparison. Please read the MD&A in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The District's total combined net position at June 30, 2024 was \$42,189,041.
- For the fiscal year ended June 30, 2024, the District's general fund reported a total fund balance of \$40,046,325, of which \$592,947 is nonspendable for inventories, \$6,869,935 is committed for construction, equipment, and other projects, and \$32,583,443 is unassigned.
- At the end of the fiscal year, the District's governmental funds (the general fund plus all state and federal grant funds, the debt service fund, and the capital projects fund) reported a combined ending fund balance of \$44,520,377.

OVERVIEW OF THE FINANCIAL STATEMENTS

The annual report consists of three parts – *Management's Discussion and Analysis* (this section), the *Basic Financial Statements*, and *Required Supplementary Information*. The basic financial statements include two kinds of statements that present different views of the District.

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the District's overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the government, reporting the District's operations in more detail than the government-wide statements.
- The *governmental funds* statements tell how *general government* services were financed in the *short-term*, as well as what remains for future spending.
- The *proprietary fund* statements provide information about the financial relationships in which the District acts in a manner similar to that of a private business. These statements include the District's internal service fund.
- *Fiduciary fund* statements provide information about the financial relationships in which the District acts solely as a trustee or custodian for the benefit of others, to whom the fiduciary resources belong. This fund is related to student activity.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The notes to the financial statements are followed by a section entitled *Required Supplementary Information* that further explains and supports the information in the financial statements.

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SAN FELIPE DEL RIO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended June 30, 2024

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide statements report information about the District as a whole. These statements include transactions and balances relating to all assets, including infrastructure capital assets. These statements are designed to provide information about cost of services, operating results, and financial position of the District as an economic entity. The Statement of Net Position and the Statement of Activities, which appear first in the District's financial statements, report information on the District's activities that enable the reader to understand the financial condition of the District. These statements are prepared using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account even if cash has not yet changed hands.

The Statement of Net Position presents information on all of the District's assets, liabilities, and deferred outflows/inflows of resources, with the difference 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. Other nonfinancial factors, such as changes in the District's tax base, staffing patterns, enrollment, and attendance, need to be considered in order to assess the overall health of the District.

The Statement of Activities presents information showing how the District's net position changed during the most recent 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 – the accrual method rather than modified accrual that is used in the fund level statements.

The Statement of Net Position and the Statement of Activities include the following class of activities:

Governmental Activities – Most of the District's basic services such as instruction, extracurricular activities, curriculum and staff development, health services, general administration, and plant operations and maintenance are included in *governmental activities*. Locally assessed property taxes, together with State foundation program entitlements, which are based upon student enrollment and attendance, finance most of the governmental activities.

The government-wide financial statements can be found after the MD&A.

FUND FINANCIAL STATEMENTS

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

- Some funds are required by State law and other funds are mandated by bond agreements or bond covenants.
- The Board of Trustees (the "Board") establishes other funds to control and manage money set aside for particular purposes or to show that the District is properly using certain taxes and grants.
- Other funds are used to account for assets held by the District in a custodial capacity – these assets do not belong to the District, but the District is responsible to properly account for them.

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SAN FELIPE DEL RIO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended June 30, 2024

The District has the following kinds of funds:

- *Governmental funds* – Most of the District's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explain the relationship (or differences) between them.
- *Proprietary funds* – The District maintains an internal service fund as a proprietary fund. Internal service funds account for services provided to other departments of the District on a cost-reimbursement basis. The District uses this fund to account for health insurance activity. The District accumulates resources in the health insurance fund from all District funds. Normal expenses in the health insurance fund are expenses related to claims and administrative expenses.
- *Fiduciary funds* – The District serves as the trustee, or fiduciary, for certain funds such as student activity funds. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and statement of changes in fiduciary net position. We exclude these activities from the District's government-wide financial statements because the District cannot use these assets to finance its governmental operations.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The District's combined net position was \$42,189,041 at June 30, 2024. Table 1 focuses on net position while Table 2 shows the revenues and expenses that changed the net position balance during the fiscal year ended June 30, 2024. *Table 1* indicates the District's net position increased \$6,616,119 in total from the prior year. The details of this increase can be seen in *Table 2*. Current assets and liabilities both experienced decreases in the current year. Capital assets increased largely due to an increase in capital additions in the current year. This increase was offset by a decrease in current assets largely due to the use of cash from bond proceeds in the current year for capital additions. Long-term liabilities increased slightly compared to the prior year primarily due to an increase in the net pension liability and a new lease agreement. This increase was offset by current year principal payments and a decrease in the net other post-employment liability. Current liabilities decreased primarily due to a decrease in accounts payable due at fiscal year end and unearned grant revenue. Total deferred outflows of resources and total deferred inflows of resources related to pension and other postemployment benefit (OPEB) plans decreased compared to the prior year due to changes in actuarially determined amounts that are deferred for pension and OPEB plan assets.

The District experienced a net increase in total revenue of \$15,579,411 or roughly 11% compared to the prior year. This increase was largely due to an increase in capital grants and contributions, grants and contributions not restricted for specific programs, and investment earnings. Capital grants and contributions largely increased due to funds received in the current year from the Environment Protection Agency Clean School Bus Program to purchase electric buses and charging stations and contributions from the City of Del Rio for a renovation project. Grants and contributions not restricted for specific programs primarily increased compared to the prior year due to an increase in foundation revenue. Investment earnings increased due to an increase in interest rates during the current year. Additionally, property tax revenue decreased due to a decrease in the property tax rate in the current year.

(Continued)

SAN FELIPE DEL RIO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended June 30, 2024

Expenses increased by \$14,822,797, or 11%, primarily due to an increase in payroll and benefit related expenses.

Table 1
Net Position

	<u>Governmental Activities</u>		<u>Total Change</u>
	<u>2024</u>	<u>2023</u>	<u>2024-2023</u>
ASSETS			
Current assets	\$ 74,392,571	\$ 79,452,706	\$ (5,060,135)
Capital assets	115,341,372	107,190,605	8,150,767
Total assets	<u>189,733,943</u>	<u>186,643,311</u>	<u>3,090,632</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	496,294	657,359	(161,065)
Deferred outflows - pensions	20,128,051	20,580,602	(452,551)
Deferred outflows - OPEB	9,194,676	10,934,994	(1,740,318)
Total deferred outflows of resources	<u>29,819,021</u>	<u>32,172,955</u>	<u>(2,353,934)</u>
LIABILITIES			
Current liabilities	19,613,454	20,049,362	(435,908)
Long-term liabilities	120,466,631	119,910,735	555,896
Total liabilities	<u>140,080,085</u>	<u>139,960,097</u>	<u>119,988</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows - pensions	2,867,748	4,328,729	(1,460,981)
Deferred inflows - OPEB	34,416,090	38,954,518	(4,538,428)
Total deferred inflows of resources	<u>37,283,838</u>	<u>43,283,247</u>	<u>(5,999,409)</u>
NET POSITION			
Net investment in capital assets	65,020,432	53,857,334	11,163,098
Restricted	4,788,729	3,816,328	972,401
Unrestricted	<u>(27,620,120)</u>	<u>(22,100,740)</u>	<u>(5,519,380)</u>
Total net position	<u>\$ 42,189,041</u>	<u>\$ 35,572,922</u>	<u>\$ 6,616,119</u>

(Continued)

SAN FELIPE DEL RIO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended June 30, 2024

Table 2
Changes in Net Position

	<u>Governmental Activities</u>		<u>Total Change</u>
	<u>2024</u>	<u>2023</u>	<u>2024-2023</u>
Revenues			
Program revenues:			
Charges for services	\$ 719,778	\$ 881,288	\$ (161,510)
Operating grants and contributions	41,509,708	41,491,421	18,287
Capital grants and contributions	8,755,000	-	8,755,000
General revenues:			
Property Taxes	25,155,864	29,700,965	(4,545,101)
Grants and contributions not restricted for specific programs	76,150,814	64,571,484	11,579,330
Investment earnings	3,282,174	2,336,239	945,935
Other revenue	145,296	1,147,495	(1,002,199)
Special items	-	10,331	(10,331)
Total revenues	<u>155,718,634</u>	<u>140,139,223</u>	<u>15,579,411</u>
Expenses			
Instruction	71,253,821	65,315,669	5,938,152
Instructional resources and media services	1,863,668	1,589,999	273,669
Curriculum/instructional staff development	3,612,667	3,151,077	461,590
Instructional leadership	3,123,113	2,549,135	573,978
School leadership	6,376,106	5,229,621	1,146,485
Guidance, counseling, and evaluation services	6,600,322	5,445,892	1,154,430
Social work services	318,277	299,030	19,247
Health services	1,917,391	1,563,311	354,080
Student (pupil) transportation	4,892,605	4,008,788	883,817
Food services	8,866,993	7,775,707	1,091,286
Extracurricular activities	3,620,075	3,693,049	(72,974)
General administration	7,348,721	8,226,182	(877,461)
Plant maintenance and operations	17,051,533	14,702,255	2,349,278
Security and monitoring services	4,315,920	3,518,440	797,480
Data processing services	3,312,040	3,361,573	(49,533)
Community services	1,348,026	1,087,019	261,007
Debt service - interest	1,735,609	1,864,744	(129,135)
Debt service - Other fees	55,717	-	55,717
Facilities acquisition and construction	791,354	229,745	561,609
Other intergovernmental charges	698,557	668,482	30,075
Total expenses	<u>149,102,515</u>	<u>134,279,718</u>	<u>14,822,797</u>
Change in net position	6,616,119	5,859,505	756,614
Net position - beginning of year	<u>35,572,922</u>	<u>29,713,417</u>	<u>5,859,505</u>
Net position - end of year	<u>\$ 42,189,041</u>	<u>\$ 35,572,922</u>	<u>\$ 6,616,119</u>

(Continued)

SAN FELIPE DEL RIO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended June 30, 2024

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

At the close of the year ending June 30, 2024, the District's governmental funds reported a combined fund balance of \$44,520,377. This compares to a combined fund balance of \$47,785,205 at June 30, 2023. The fund balance in the general fund decreased by \$1,359,560. Compared to the prior year, revenues increased by \$10,669,276 primarily due to an increase in foundation revenue, grant revenue, investment earnings and a cash contribution from the City of Del Rio for the remodeling of the Cody Wardlaw Gymnasium. Additionally, property tax revenue decreased due to a decrease in the maintenance and operations tax rate. Compared to the prior year, expenditures increased by \$13,271,041 across most functions largely due to an increase in payroll-related expenditures.

The debt service fund had an increase in fund balance of \$451,626 due to an increase in state allotment payments and property tax revenues due to an increase in the debt service tax rate.

GENERAL FUND BUDGETARY HIGHLIGHTS

In accordance with State law and generally accepted accounting principles, the District prepares an annual budget for the general fund, the food service special revenue fund, and the debt service fund. The District budgets the capital projects fund for each project, which normally cover multiple years. Special revenue funds have budgets approved by the funding agency and are amended throughout the year as required.

During the period ended June 30, 2024, the District amended its budget as required by State law and to reflect current levels of revenue and anticipated expenses. The general fund's actual revenues exceeded budget revenues by a net \$2,747,871 primarily due to more foundation and grant revenues received than anticipated. Budgeted expenditures exceeded actual expenditures by \$10,713,263 primarily due to positive variances in function 51, plant maintenance and operations, and function 81, facilities acquisition and construction, due to less capital outlay expenditures than expected.

CAPITAL ASSETS

Capital assets are generally defined as those items that have useful lives of two years or more and have an initial cost or value (if donated) of an amount determined by the Board. During the fiscal year ended June 30, 2024, the District used a capitalization threshold of \$5,000, which means that all capital type assets, including library books, with a cost or initial value of less than \$5,000 were not included in the capital assets inventory.

At June 30, 2024, the District had a total of \$215,081,490 invested in capital assets such as land, buildings and District equipment. This total includes \$14,150,038 invested during the fiscal year ended June 30, 2024.

More detailed information about the District's capital assets can be found in the notes to the financial statements.

LONG-TERM DEBT

At year end, the District had \$44,769,993 in general obligation bonds and a maintenance tax note outstanding versus \$49,129,993 last year. The District paid \$4,360,000 in principal payments during the current period. At year end, the District had \$1,267,170 in lease payable obligations outstanding.

More detailed information about the District's long-term liabilities is presented in the notes to the financial statements.

(Continued)

SAN FELIPE DEL RIO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended June 30, 2024

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The District's budgeted expenditures for the 2024-2025 school year total \$119,087,213 for the general fund, food service fund, and the debt service fund combined compared to budgeted revenues of \$115,979,717. The District's Board adopted a Maintenance and Operations tax rate of \$0.7486 and an Interest and Sinking tax rate of \$0.1877 for a combined rate of \$0.9363 per \$100 of valuation, which is a decrease of \$0.0023 from the prior year.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's business office at San Felipe Del Rio Consolidated Independent School District, Administration Building, 315 Griner Street, Del Rio, Texas 78840 or by calling (830) 778-4005. The District's website address is www.sfdr-cisd.org.

BASIC FINANCIAL STATEMENTS

SAN FELIPE DEL RIO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION - EXHIBIT A-1
June 30, 2024

Data Control Codes	1 Governmental Activities
ASSETS	
1110 Cash and cash equivalents	\$ 45,809,973
1120 Current investments	4,836,797
1220 Property taxes receivable	7,330,812
1230 Allowance for uncollectible taxes	(369,473)
1240 Due from other governments	12,154,216
1290 Other receivables	4,009,420
1300 Inventories	592,947
1410 Prepaids	27,879
	<u>74,392,571</u>
Capital assets	
1510 Land	4,859,983
1520 Buildings and improvements, net	97,690,972
1530 Vehicles, furniture and equipment, net	11,300,889
1550 Right-to-use assets, net	1,254,994
1580 Construction in progress	234,534
	<u>115,341,372</u>
1000 Total assets	<u>189,733,943</u>
DEFERRED OUTFLOW OF RESOURCES	
1701 Deferred charge on refunding	496,294
1705 Deferred outflows - pensions	20,128,051
1710 Deferred outflows - OPEB	9,194,676
1700 Total deferred outflows of resources	<u>29,819,021</u>
LIABILITIES	
2110 Accounts payable	2,203,223
2120 Other liabilities	3,903,747
2140 Accrued interest payable	712,309
2150 Payroll deductions payable	1,956,539
2160 Accrued wages payable	9,358,466
2300 Unearned revenue	1,479,170
	<u>19,613,454</u>
Noncurrent liabilities	
2501 Long-term liabilities due within one year	5,792,264
2502 Long-term liabilities due in more than one year	48,214,599
2540 Net pension liability	47,288,943
2545 Net OPEB liability	19,170,825
	<u>120,466,631</u>
2000 Total liabilities	<u>140,080,085</u>
DEFERRED INFLOWS OF RESOURCES	
2605 Deferred inflows - pensions	2,867,748
2610 Deferred inflows - OPEB	34,416,090
2600 Total deferred inflows of resources	<u>37,283,838</u>
NET POSITION	
3200 Net investment in capital assets	65,020,432
Restricted for:	
3820 Federal and state programs	3,181,174
3850 Debt service	1,475,731
3870 Campus activities	131,824
3900 Unrestricted	(27,620,120)
	<u>(23,831,591)</u>
3000 Total net position	<u>\$ 42,189,041</u>

See Notes to Financial Statements.

SAN FELIPE DEL RIO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES - EXHIBIT B-1
For the year ended June 30, 2024

Data Control Codes	Functions/Programs	1 Expenses	Program Revenues			6 Primary Gov. Governmental Activities	Net (Expense) Revenue and Changes in Net Position
			3 Charges for Services	4 Operating Grants and Contributions	5 Capital Grants and Contributions		
	Primary government						
	Governmental activities						
11	Instruction	\$ 71,253,821	\$ 14,927	\$ 20,684,651	\$ -	\$ (50,554,243)	
12	Instructional resources						
12	and media services	1,863,668	44,217	207,878	-	(1,611,573)	
13	Curriculum/instructional						
13	staff development	3,612,667	-	1,968,386	-	(1,644,281)	
21	Instructional leadership	3,123,113	-	1,067,309	-	(2,055,804)	
23	School leadership	6,376,106	20,404	975,374	-	(5,380,328)	
31	Guidance, counseling, and						
31	evaluation services	6,600,322	-	1,735,277	-	(4,865,045)	
32	Social work services	318,277	-	219,917	-	(98,360)	
33	Health services	1,917,391	-	205,935	-	(1,711,456)	
34	Student (pupil) transportation	4,892,605	158,801	709,682	7,505,000	3,480,878	
35	Food services	8,866,993	389,132	8,255,066	-	(222,795)	
36	Extracurricular activities	3,620,075	57,191	300,030	-	(3,262,854)	
41	General administration	7,348,721	4,379	461,509	-	(6,882,833)	
51	Plant maintenance and operations	17,051,533	-	1,717,837	-	(15,333,696)	
52	Security and monitoring services	4,315,920	-	1,527,940	-	(2,787,980)	
53	Data processing services	3,312,040	-	284,484	-	(3,027,556)	
61	Community services	1,348,026	30,727	1,188,433	-	(128,866)	
72	Debt service - interest	1,735,609	-	-	-	(1,735,609)	
73	Debt service - other fees	55,717	-	-	-	(55,717)	
81	Facilities acquisition and construction	791,354	-	-	1,250,000	458,646	
99	Other intergovernmental charges	698,557	-	-	-	(698,557)	
TG	Total governmental activities	<u>149,102,515</u>	<u>719,778</u>	<u>41,509,708</u>	<u>8,755,000</u>	<u>(98,118,029)</u>	
TP	Total primary government	<u>\$ 149,102,515</u>	<u>\$ 719,778</u>	<u>\$ 41,509,708</u>	<u>\$ 8,755,000</u>	<u>\$ (98,118,029)</u>	
	General revenues						
MT	Property taxes, levied for general purposes					20,032,570	
DT	Property taxes, levied for debt service					5,123,294	
GC	Grants and contributions not restricted for						
GC	specific programs					76,150,814	
IE	Investment earnings					3,282,174	
MI	Miscellaneous local and intermediate revenue					145,296	
TR	Total general revenues					<u>104,734,148</u>	
CN	Change in net position					6,616,119	
NB	Beginning net position					<u>35,572,922</u>	
NE	Ending net position					<u>\$ 42,189,041</u>	

See Notes to Financial Statements.

SAN FELIPE DEL RIO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS - EXHIBIT C-1
June 30, 2024

Data Control Codes	10	50	ONMF Other Nonmajor Governmental Funds	98
	<u>General</u>	<u>Debt Service</u>	<u>Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
1110 Cash and cash equivalents	\$ 35,210,002	\$ 818,866	\$ 6,200,335	\$ 42,229,203
1120 Investments - current	4,836,797	-	-	4,836,797
1220 Taxes receivable	6,529,483	801,329	-	7,330,812
1230 Allowance for uncollectible taxes	(329,086)	(40,387)	-	(369,473)
1240 Due from other governments	9,498,910	170,202	2,485,104	12,154,216
1260 Due from other funds	2,188,338	-	171,908	2,360,246
1290 Other receivables	3,568,578	438,030	2,812	4,009,420
1300 Inventories	592,947	-	-	592,947
1410 Prepaid items	-	-	27,879	27,879
1000 Total assets	<u>\$ 62,095,969</u>	<u>\$ 2,188,040</u>	<u>\$ 8,888,038</u>	<u>\$ 73,172,047</u>
LIABILITIES				
2110 Accounts payable	\$ 644,178	\$ -	\$ 1,556,781	\$ 2,200,959
2120 Other liabilities	125,473	-	11,283	136,756
2150 Payroll deductions	1,594,900	-	361,639	1,956,539
2160 Accrued wages payable	8,080,353	-	1,278,113	9,358,466
2170 Due to other funds	362,866	-	2,188,338	2,551,204
2300 Unearned revenue	1,472,270	-	6,900	1,479,170
2000 Total liabilities	<u>12,280,040</u>	<u>-</u>	<u>5,403,054</u>	<u>17,683,094</u>
DEFERRED INFLOWS OF RESOURCES				
2600 Unavailable revenue - property taxes	9,769,604	1,198,972	-	10,968,576
2600 Total deferred inflows of resources	<u>9,769,604</u>	<u>1,198,972</u>	<u>-</u>	<u>10,968,576</u>
FUND BALANCES				
Nonspendable				
3410 Inventories	592,947	-	-	592,947
3430 Prepaid items	-	-	27,879	27,879
Restricted				
3450 Federal or state funds grant restrictions	-	-	3,181,174	3,181,174
3470 Capital acquisitions	-	-	171,986	171,986
3480 Retirement of long-term debt	-	989,068	-	989,068
3490 Other restricted fund balance	-	-	131,824	131,824
Committed				
3510 Construction	4,025,596	-	-	4,025,596
3530 Capital expenditures for equipment	463,317	-	-	463,317
3545 Other committed fund balance	2,381,022	-	-	2,381,022
3600 Unassigned	32,583,443	-	(27,879)	32,555,564
3000 Total fund balances	<u>40,046,325</u>	<u>989,068</u>	<u>3,484,984</u>	<u>44,520,377</u>
4000 Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 62,095,969</u>	<u>\$ 2,188,040</u>	<u>\$ 8,888,038</u>	<u>\$ 73,172,047</u>

See Notes to Financial Statements.

SAN FELIPE DEL RIO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION - EXHIBIT C-1R
June 30, 2024

Total fund balances for governmental funds	\$	44,520,377
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Amounts reported for governmental activities in the Statement of
Net Position are different because:

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

Capital assets - nondepreciable/amortizable	5,094,517	
Capital assets - depreciable/amortizable, net	110,246,855	
		115,341,372

Other long-term assets are not available to pay for current
period expenditures and, therefore, are deferred in the
governmental funds.

10,968,576

The assets and liabilities of the internal service funds are
included in the governmental activities in the Statement of
Net Position.

2,473

Some liabilities, including bonds payable, net pension and net
other postemployment benefits (OPEB), are not reported as
liabilities in the governmental funds.

Deferred charges on refunding	496,294	
Deferred outflows - pensions	20,128,051	
Deferred outflows - OPEB	9,194,676	
Deferred inflows - pensions	(2,867,748)	
Deferred inflows - OPEB	(34,416,090)	
Net pension liability	(47,288,943)	
Net OPEB liability	(19,170,825)	
Accrued interest payable	(712,309)	
Noncurrent liabilities due in one year	(5,792,264)	
Noncurrent liabilities due in more than one year	(48,214,599)	
		(128,643,757)

Net position of governmental activities	\$	42,189,041
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See Notes to Financial Statements.

SAN FELIPE DEL RIO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS - EXHIBIT C-2
For the year ended June 30, 2024

Data		10	50	ONMF	98
Control				Other	Total
Codes		General	Debt Service	Nonmajor Governmental	Governmental Funds
Revenues					
5700	Local, intermediate, and out-of-state	\$ 23,650,932	\$ 4,788,988	\$ 833,413	\$ 29,273,333
5800	State program revenues	80,658,946	753,230	3,099,576	84,511,752
5900	Federal program revenues	4,565,497	-	29,196,899	33,762,396
5020	Total revenues	108,875,375	5,542,218	33,129,888	147,547,481
Expenditures					
Current					
0011	Instruction	53,478,081	-	10,612,528	64,090,609
0012	Instructional resources and media services	1,757,564	-	63,214	1,820,778
0013	Curriculum and instructional				
0013	staff development	1,808,159	-	1,475,753	3,283,912
0021	Instructional leadership	2,257,817	-	691,245	2,949,062
0023	School leadership	5,919,482	-	272,706	6,192,188
0031	Guidance, counseling,				
0031	and evaluation services	5,377,894	-	890,260	6,268,154
0032	Social work services	323,400	-	-	323,400
0033	Health services	1,728,646	-	132,783	1,861,429
0034	Student (pupil) transportation	3,803,427	-	7,788,800	11,592,227
0035	Food service	157,417	-	8,213,344	8,370,761
0036	Extracurricular activities	3,262,288	-	65,961	3,328,249
0041	General administration	4,294,480	-	4,379	4,298,859
0051	Plant maintenance and operations	16,856,911	-	555,954	17,412,865
0052	Security and monitoring services	3,136,322	-	1,219,244	4,355,566
0053	Data processing services	3,025,894	-	151,230	3,177,124
0061	Community services	166,108	-	1,000,121	1,166,229
Debt service					
0071	Principal	845,829	3,695,000	-	4,540,829
0072	Interest	669,671	1,343,775	-	2,013,446
0073	Other debt service fees	400	51,817	3,500	55,717
Capital outlay					
0081	Facilities acquisition and construction	1,696,580	-	2,345,760	4,042,340
Intergovernmental					
0099	Other intergovernmental charges	698,557	-	-	698,557
6030	Total expenditures	111,264,927	5,090,592	35,486,782	151,842,301
1100	Excess (deficiency) of revenues				
1100	over (under) expenditures	(2,389,552)	451,626	(2,356,894)	(4,294,820)
Other financing sources (uses)					
7913	Proceeds from right-of-use assets	1,220,950	-	-	1,220,950
8911	Transfers (out)	(190,958)	-	-	(190,958)
7080	Total other financing sources	1,029,992	-	-	1,029,992
1200	Net change in fund balances	(1,359,560)	451,626	(2,356,894)	(3,264,828)
0100	Beginning fund balances	41,405,885	537,442	5,841,878	47,785,205
3000	Ending fund balances	\$ 40,046,325	\$ 989,068	\$ 3,484,984	\$ 44,520,377

See Notes to Financial Statements.

SAN FELIPE DEL RIO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES - EXHIBIT C-3
For the year ended June 30, 2024

Net change in fund balances - total governmental funds	\$ (3,264,828)
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense.

Depreciation/amortization	(5,999,271)
Capital outlay	12,929,088
Capital outlay, leases	1,220,950

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	1,122,356
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The issuance of long-term debt (e.g., bonds, leases, certificates of obligation) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when it is first issued; whereas, these amounts are deferred and amortized in the Statement of Activities.

Principal repayments on bonds	4,360,000
Principal repayments on leases	180,829
Lease proceeds	(1,220,950)
Loss on refunding	(161,065)
Amortization of premiums, net of additions	527,280
Accreted interest	(142,651)
Accrued interest	54,273

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Change in compensated absences	(487,663)
Change in net pension liability	(6,145,260)
Amortization of deferred outflows - pensions	(452,551)
Amortization of deferred inflows - pensions	1,460,981
Change in net OPEB liability	2,372,519
Amortization of deferred outflows - OPEB	(1,740,318)
Amortization of deferred inflows - OPEB	4,538,428
Net on-behalf contributions adjustment - revenues	11,789,797
Net on-behalf contributions adjustment - expenses	(11,789,797)

Some revenues/expenditures reported in the governmental funds are not recognized as revenues/expenditures in the Statement of Activities.

Fund level on-behalf adjustment - revenues	(4,898,423)
Fund level on-behalf adjustment - expenditures	4,898,423

The internal service fund is used by management to charge the costs of certain activities, such as self-insurance, to individual funds. The net revenue (expense) of the internal service fund is reported with governmental activities.

(2,536,028)

Change in net position of governmental activities	<u>\$ 6,616,119</u>
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See Notes to Financial Statements.

SAN FELIPE DEL RIO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS - EXHIBIT D-1
June 30, 2024

<u>Data Control Codes</u>		<u>Internal Service</u>
ASSETS		
1110	Cash and cash equivalents	\$ 3,580,770
1260	Due from other funds	<u>190,958</u>
1000	Total assets	3,771,728
LIABILITIES		
Current liabilities		
2110	Accounts payable	2,264
2120	Other liabilities	<u>3,766,991</u>
2000	Total liabilities	3,769,255
NET POSITION		
3900	Unrestricted net position	<u>2,473</u>
4000	Total net position	<u>\$ 2,473</u>

See Notes to Financial Statements.

SAN FELIPE DEL RIO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS - EXHIBIT D-2
For the year ended June 30, 2024

<u>Data Control Codes</u>		<u>Internal Service</u>
	Operating revenues	
5700	Local and intermediate sources	\$ 14,816,103
5020	Total operating revenues	<u>14,816,103</u>
	Operating expenses	
6200	Professional and contracted services	1,651,236
6400	Other operating costs	<u>15,891,853</u>
6030	Total operating expenses	<u>17,543,089</u>
	Operating income (loss)	(2,726,986)
	Nonoperating revenues (expenses)	
7915	Transfer in	<u>190,958</u>
1200	Change in net position	(2,536,028)
0100	Beginning net position	<u>2,538,501</u>
3000	Ending net position	<u>\$ 2,473</u>

See Notes to Financial Statements.

SAN FELIPE DEL RIO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS - EXHIBIT D-3
For the year ended June 30, 2024

	<u>Internal Service</u>
Cash flows from operating activities	
Cash received from user charges	\$ 14,645,175
Cash payments for insurance claims	(13,607,589)
Cash payments for professional and contracted services	<u>(1,648,972)</u>
Net cash provided (used) by operating activities	<u>(611,386)</u>
Cash flows from noncapital and financing activities	
Transfers from other funds	<u>190,958</u>
Net cash provided by noncapital and financing activities	<u>190,958</u>
Net (decrease) increase in cash and cash equivalents	(420,428)
Beginning cash and cash equivalents	<u>4,001,198</u>
Ending cash and cash equivalents	<u>\$ 3,580,770</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities	
Operating income (loss)	\$ (2,726,986)
Adjustments to reconcile operating (loss) to net cash (used) by operating activities:	
Increase in accounts payable	2,264
(Increase) decrease in due from other funds	(170,928)
Increase (decrease) in other liabilities	<u>2,284,264</u>
Net cash (used) by operating activities	<u>\$ (611,386)</u>

See Notes to Financial Statements.

SAN FELIPE DEL RIO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND - EXHIBIT E-1
June 30, 2024

<u>Data Control Codes</u>		<u>Custodial</u>
	ASSETS	
1110	Cash and cash equivalents	\$ 409,165
1290	Other receivables	<u>38,489</u>
1000	Total assets	<u>447,654</u>
	LIABILITIES	
2110	Accounts payable	<u>8,413</u>
2000	Total liabilities	<u>8,413</u>
	NET POSITION	
3800	Restricted for individuals and organizations	<u>439,241</u>
3000	Total net position	<u>\$ 439,241</u>

See Notes to Financial Statements.

SAN FELIPE DEL RIO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND - EXHIBIT E-2
For the year ended June 30, 2024

	<u>Custodial</u>
Additions	
Donations	\$ 69,500
State revenue	533
Fundraising	373,924
Scholarships	13,000
Summer sports camp fees	18,881
Education foundation teaching grants	30,144
Total additions	<u>505,982</u>
Deductions	
Scholarships	13,000
Summer sports camp	19,924
Education foundation teaching grants	30,144
Extracurricular student activity	422,274
Total deductions	<u>485,342</u>
Change in net position	20,640
Beginning net position	<u>418,601</u>
Ending net position	<u>\$ 439,241</u>

See Notes to Financial Statements.

SAN FELIPE DEL RIO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The District is an independent political subdivision of the State governed by a board elected by the public and it has the authority to make decisions, appoint administrators and managers, and significantly influence operations, and is considered a primary government. As required by generally accepted accounting principles (GAAP), these basic financial statements have been prepared based on considerations regarding the potential for inclusion of other entities, organizations, or functions as part of the District's financial reporting entity. No other entities have been included in the District's reporting entity. Additionally, as the District is considered a primary government for financial reporting purposes, its activities are not considered a part of any other governmental or other type of reporting entity.

Considerations regarding the potential for inclusion of other entities, organizations, or functions in the District's financial reporting entity are based on criteria prescribed by GAAP. These same criteria are evaluated in considering whether the District is a part of any other governmental or other type of reporting entity. The overriding elements associated with the prescribed criteria considered in determining that the District's financial reporting entity status is that of a primary government are that it has a separately elected governing body, it is legally separate, and it is fiscally independent of other state and local governments. Additionally, prescribed criteria under GAAP include considerations pertaining to organizations for which the primary government is financially accountable, and considerations pertaining to organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

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. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately.

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 and internal service funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

(Continued)

SAN FELIPE DEL RIO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, proprietary, and fiduciary - are presented. The emphasis of fund financial statements is on major governmental and proprietary funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The District reports the following governmental funds:

General Fund: The general fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The general fund is always considered a major fund for reporting purposes.

Debt Service Fund: The debt service fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest on all long-term debt of the District. The primary source of revenue for debt service is local property taxes. The debt service fund is not considered a major fund for reporting purposes but the District has elected to present as major due to its significance.

Capital Projects Fund: The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlay, including the acquisition or construction of capital facilities and other capital assets. The capital projects fund is not considered a major fund for reporting purposes.

Special Revenue Funds: The special revenue funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specific purposes other than debt service or capital projects. The restricted proceeds of specific revenue sources comprise a substantial portion of the inflows of these special revenue funds. Most federal and some state financial assistance is accounted for in a special revenue fund which are not considered major funds for reporting purposes.

Proprietary Funds: Proprietary funds are used to account for activities that are similar to those often found in the private sector. The measurement focus is on determination of net income, financial position, and cash flows. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues include charges for services. Operating expenses include costs of professional and contracted services, claims, and administrative costs. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The proprietary fund types used by the District includes the following:

Internal Service Funds: These funds are used to account for and report revenue and expenses related to services provided to parties inside the District on a cost-reimbursement basis. This fund accounts for the District's self-insured health insurance plan. Because the principal users of the internal service funds are the District's governmental activities, this fund type is included in the governmental activities column of the governmental-wide financial statements.

Fiduciary Funds: The fiduciary funds account for assets held by the District in a trustee capacity, or resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs.

(Continued)

SAN FELIPE DEL RIO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The District has the following type of fiduciary funds:

Custodial Fund: The custodial fund reports resources, not in a trust, that are held by the District for other parties outside of the District. Custodial funds are accounted for using the accrual basis of accounting. This fund is used to account for activities of student groups.

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 and internal service 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 included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

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, proprietary fund, 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 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 under accrual accounting. However, debt services expenditures, as well as expenditures related to compensated absences and 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 leases are reported as other financing sources.

Property taxes, grant revenue, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have 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 are considered to be measurable and available only when cash is received by the District.

(Continued)

SAN FELIPE DEL RIO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Cash and Cash Equivalents: The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments: Investments, except for certain investment pools, commercial paper, money market funds, and investment contracts, are reported at fair value. The investment pools operate in accordance with appropriate state laws and regulations and are reported at amortized cost. Money market funds, which are short-term highly liquid debt instruments that may include U.S. Treasury and agency obligations and commercial paper that have a remaining maturity of one year or less upon acquisition, are reported at amortized cost. Investments in nonparticipating interest earning contracts, such as certificates of deposit, are reported at cost.

The District has adopted a written investment policy regarding the investment of its funds as defined in the Public Funds Investment Act, Chapter 2256, Texas Government Code. In summary, the District is authorized to invest in the following:

- Direct obligations of the U.S. Government
- Fully collateralized certificates of deposit and money market accounts
- Government investment pools and commercial paper

Inventories and Prepaid Items: The costs of governmental fund type inventories are recorded as expenditures when the related liability is incurred (i.e., the purchase method). Certain payments to vendors reflect costs applicable to the future accounting period (prepaid expenditures) are recognized as expenditures when utilized. Federal food commodities inventory is stated at fair value and at year end is recorded as unearned revenue. Revenue is recognized at fair value when commodities are distributed to the schools.

Capital Assets: Capital assets, which include land and land improvements, buildings and improvements, furniture and equipment, and construction in progress are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Major outlays for capital assets and improvements are capitalized as projects are constructed.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

(Continued)

SAN FELIPE DEL RIO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, plant, and equipment of the primary government are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Description</u>	<u>Estimated Useful Life</u>
Buildings	40 years
Buildings and improvements	40 years
Vehicles	10 years
Office equipment	5 years
Computer equipment	5 years

Deferred Outflows/Inflows of Resources: In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so 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/other postemployment benefits (OPEB) activities are amortized over the average of the expected service lives of pension/OPEB plan members, except for the net differences between the projected and actual investment earnings on the pension/OPEB plan assets, which are amortized over a period of five years.
- For employer pension/OPEB plan contributions that were made subsequent to the measurement date through the end of the District's fiscal year, the amount is deferred and recognized as a reduction to the net pension/OPEB liability during the measurement period in which the contributions were made.
- A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

At the fund level, the District has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

Compensated Employee Absences: The State has created a minimum leave program consisting of five days of personal leave per year with no limit on accumulation and transferability among school districts for every person regularly employed in Texas public schools. Local school districts may provide additional sick leave beyond the State minimum. District employees are granted local sick leave depending upon their calendar. The District's policy is to use substitute personnel when classroom employees utilize their earned sick days.

(Continued)

SAN FELIPE DEL RIO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A full-time employee who retires from employment with the District and is eligible for monthly retirement benefits of the Teacher Retirement System of Texas (TRS) shall, upon completion of employment, receive a lump sum payment for accrued local sick leave. The employee shall be reimbursed for each day of local sick leave to a maximum of 60 days at the employee's daily rate of pay at the time of retirement.

Long-Term Obligations: In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method, if material. Bonds payable are reported net of the applicable bond premium or discount.

Long-term debt for governmental funds is not reported as a liability in the fund financial statements until due. The debt proceeds are reported as other financing sources, net of the applicable premium or discount, and payment of principal and interest is reported as expenditures. In the governmental fund types, issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. However, claims and judgments paid from governmental funds are reported as a liability in the fund financial statements only for the portion expected to be financed from expendable, available financial resources.

The property tax rate is allocated each year between the general and debt service funds. The full amount estimated to be required for debt service on general obligation debt is provided by the tax along with the interest earned in the debt service fund.

Leases: The District is a lessee for a noncancellable lease of equipment. The District recognizes a lease liability and an intangible, right-to-use lease asset (the "lease asset") in the government-wide financial statements. The District recognizes lease liabilities with an initial, individual value of \$15,000 or more.

At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date. Subsequently, the lease asset amortized on a straight-line basis over the term of the lease.

Key estimates and judgments include how the District determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease payments.

- The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease payments included in the measurement of the lease liability are composed of fixed payments and the purchase option price that the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease receivable and deferred inflow of resources if certain changes occur that are expected to significantly affect the amount of the lease liability.

(Continued)

SAN FELIPE DEL RIO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the Statement of Net Position.

Subscription-Based Information Technology Arrangements: The District has noncancellable subscription-based information technology arrangements (SBITAs) to finance the use of information technology software. The District would recognize a liability (the "subscription liability") and an intangible, right-to-use subscription asset (the "subscription asset") in the government-wide financial statements. The District's SBITAs to report are immaterial to the financial statements as a whole and are not recognized as a subscription liability or a subscription asset.

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

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.

Fund Balance Policies: Fund balances of governmental funds are 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).

Amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact are classified as nonspendable fund balance. Amounts that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions are classified as restricted fund balance.

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 District's Board is the highest level of decision-making authority for the District that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) 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 District's 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 only 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.

(Continued)

SAN FELIPE DEL RIO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Data Control Codes: The data control codes refer to the account code structure prescribed by TEA in the Resource Guide. The 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.

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

Other Postemployment Benefits: The fiduciary net position of the TRS Texas Public School Retired Employees Group Insurance Program ("TRS-Care") has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, 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.

Self-Funded Program: The District sponsors a modified self-funded plan to provide health care benefits for its employees. The District accounts for health care claims in accordance with GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, as amended by GASB Statement No. 30, *Risk Financing Omnibus, an Amendment of GASB Statement No. 10*.

Indirect Expenses: School districts are required to report all expenses by function, except certain indirect expenses. General administration and data processing service functions (data control codes 41 and 53, respectively) include expenses that are indirect expenses of other functions. These indirect expenses are not allocated to other functions.

Revenues and Expenditures/Expenses:

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 (including special assessments) 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.

(Continued)

SAN FELIPE DEL RIO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property Taxes: All taxes due to the District on real or personal property are payable at the Office of the Tax Assessor-Collector and may be paid at any time after the tax rolls for the year have been completed and approved, which is no later than October 1. Taxes are due by January 31, and all taxes not paid prior to this date are deemed delinquent and are subject to such penalty and interest.

Property taxes attach as an enforceable lien on property as of January 1 each year. Taxes are levied on October 1 and are payable prior to the next February 1. District property tax revenues are recognized when collected.

Proprietary Funds Operating and Nonoperating Revenues and Expenses: Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing deliverable goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the internal service fund are charges to other departments of the District for services provided. Operating expenses for the internal service fund include the cost of sales and services, and claims and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Annual budgets are adopted on a basis consistent with GAAP. The original budget is adopted by the District prior to the beginning of the year. The legal level of control is the function code stated in the approved budget. Appropriations lapse at the end of the year, excluding capital project budgets. Supplemental budget appropriations were made for the year.

In accordance with State law and generally accepted accounting standards, the District prepares an annual budget for the general fund, the national school breakfast and lunch program special revenue fund, and the debt service fund. The District budgets the capital projects fund for each *project*, which normally covers multiple years. Special revenue funds have budgets approved by the funding agency and are amended throughout the year as required.

NOTE 3 - DETAILED NOTES ON ALL FUNDS

Deposits and Investments: As of June 30, 2024, the District had the following investments:

	<u>Amount</u>	Maturity (Years) <u>Weighted Average</u>
Commercial paper	\$ 4,836,797	0.29
Investment pools		
Lone Star	6,144,030	0.12
TexPool	<u>25,450,348</u>	0.10
Total	<u>\$ 36,431,175</u>	
Portfolio weighted average maturity		0.13

(Continued)

SAN FELIPE DEL RIO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

Fair Value Measurements: The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. GASB Statement No. 72, *Fair Value Measurement and Application*, provides a framework for measuring fair value establishing a three-level fair value hierarchy that describes the inputs used to measure assets and liabilities:

- Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- Level 2 inputs are inputs other than quoted prices within Level 1 that are observable for an asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for an asset or liability.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. If the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

Fair value is measured in a manner consistent with one of the three approaches: market approach, cost approach, and the income approach. The valuation methodology used is based upon whichever technique is the most appropriate and provides the best representation of fair value for that particular asset or liability. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets, liabilities, or groups of assets and liabilities. The cost approach reflects the amount that would be required to replace the present service capacity of an asset. The income approach converts future amounts, such as cash flows, to a single current (discounted) amount.

As of June 30, 2024, the District had the following fair value measurements:

<u>Description</u>	<u>Amount</u>	Significant Other Observable Inputs (Level 2)
Investments by Fair Value		
Commercial paper	<u>\$ 4,836,797</u>	<u>\$ 4,836,797</u>

Commercial paper is classified in Level 2 of the fair value hierarchy and is valued using the market approach.

Interest rate risk. In accordance with its investment policy, the District manages its exposure to declines in fair values by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations and invest operating funds primarily in short-term securities.

(Continued)

SAN FELIPE DEL RIO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

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. The District's investment policy requires funds on deposit at the depository bank to be collateralized. As of June 30, 2024, deposit accounts were entirely insured or collateralized with securities as provided by State laws and regulations and FDIC insurance.

Custodial credit risk – investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. A portion of the District's investments are held in external investment pools which are not subject to custodial credit risk. Investments in money market mutual funds and investment pools must be rated at least "AAA" by Standard & Poor's. Investments in commercial paper must be rated no less than "A1/P1" or its equivalent by two nationally recognized rating agencies, not to exceed 180 days to stated maturity. Certificates of deposit must be fully insured or collateralized. Obligations of, or guaranteed by, the U.S. government, its agencies, and instrumentalities may not exceed three years to stated maturity.

TexPool - TexPool was established as a trust company with the Treasurer of the State as trustee, segregated from all other trustees, investments, and activities of the trust company. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The advisory board members review the investment policy and management fee structure. Finally, Standard & Poor's rates TexPool 'AAAm'. As a requirement to maintain the rating, weekly portfolio information must be submitted to Standard & Poor's, as well as to the office of the Comptroller of Public Accounts for review.

TexPool is an external investment pool measured at amortized cost. In order to meet the criteria to be recorded at amortized cost, TexPool must transact at a stable net asset value per share and maintain certain maturity, quality, liquidity, and diversification requirements within TexPool. TexPool transacts at a net asset value of \$1.00 per share, has weighted average maturities of 60 days or less, and weighted average lives of 120 days or less. Investments held are highly rated by nationally recognized statistical rating organizations, have no more than five percent of portfolio with one issuer (excluding U.S. government securities), and can meet reasonably foreseeable redemptions. TexPool has a redemption notice period of one day and may redeem daily. TexPool's authority may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium, or national state of emergency that affects TexPool's liquidity.

Lone Star - Lone Star is a public funds investment pool organized under the authority of the Interlocal Cooperation Act of the Texas Government Code, Chapter 791, and the Public Funds Investment Act, Texas Government Code, Chapter 2256. Lone Star is sponsored by the Texas Association of School Boards. The Lone Star Investment Pool Board (the "Board") acts as trustee and is comprised of 11 members representing school districts that have adopted the investment agreement, including school board members, school administrators, and school business officials. The Board has entered into an agreement with First Public, LLC to act as administrator for Lone Star. Responsibilities of First Public include daily servicing of participants' accounts, negotiating contracts with investment advisors and other service providers, and performing related administrative services. Finally, Standard & Poor's rates Lone Star "AAAm". As a requirement to maintain the rating, weekly portfolio information must be submitted to Standard & Poor's, as well as to the office of the Comptroller of Public Accounts for review.

(Continued)

SAN FELIPE DEL RIO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

Lone Star investments are measured at net asset value. Lone Star has a redemption notice of one day which may be redeemed daily. Lone Star may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium, or a national state of emergency that affects Lone Star's liquidity. The District has no unfunded commitments related to Lone Star.

Capital Assets: A summary of changes in capital assets for governmental activities at year end is as follows:

	Beginning Balances	Increase	(Decreases)	Ending Balances
<u>Governmental activities</u>				
Capital assets not being depreciated:				
Land	\$ 4,859,983	\$ -	\$ -	\$ 4,859,983
Construction in progress	16,110,470	3,261,875	(19,137,811)	234,534
Total capital assets not being depreciated	20,970,453	3,261,875	(19,137,811)	5,094,517
Other capital assets:				
Buildings and improvements	157,491,446	19,176,121	-	176,667,567
Vehicles, furniture, and equipment	22,979,579	9,628,903	(575,559)	32,032,923
Right-to-use assets	762,506	1,220,950	(696,973)	1,286,483
Total other capital assets	181,233,531	30,025,974	(1,272,532)	209,986,973
Less accumulated depreciation/amortization for:				
Buildings and improvements	(75,047,091)	(3,929,504)	-	(78,976,595)
Vehicles, furniture, and equipment	(19,435,947)	(1,871,646)	575,559	(20,732,034)
Right-to-use assets	(530,341)	(198,121)	696,973	(31,489)
Total accumulated depreciation	(95,013,379)	(5,999,271)	1,272,532	(99,740,118)
Other capital assets, net	86,220,152	24,026,703	-	110,246,855
Governmental activities capital assets, net	\$ 107,190,605	\$ 27,288,578	\$ (19,137,811)	115,341,372
		Less associated debt		(50,989,220)
		Plus deferred charge on refunding		496,294
		Plus unspent bond proceeds		171,986
		Net investment in capital assets		\$ 65,020,432

(Continued)

SAN FELIPE DEL RIO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

Depreciation/amortization was charged to governmental functions as follows:

<u>Data Control Codes</u>		<u>Governmental Activities</u>
11	Instruction	\$ 2,983,334
12	Instructional resources/media services	32,180
21	Instructional leadership	20,525
23	School leadership	58,253
34	Student (pupil) transportation	949,464
35	Food services	155,242
36	Extracurricular activities	373,193
41	General administration	91,450
51	Facilities maintenance and operations	188,376
52	Security and monitoring services	94,934
53	Data processing services	260,966
81	Facilities acquisition and construction	791,354
	Total depreciation/amortization expense	<u>\$ 5,999,271</u>

(Continued)

SAN FELIPE DEL RIO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

Long-Term Debt: The following is a summary of changes in the District's total governmental long-term liabilities for the year ended June 30, 2024. In general, the District uses the general and debt service funds to liquidate governmental long-term liabilities.

	Beginning Balances	Additions	(Reductions)	Ending Balances	Amounts Due Within One Year
<u>Governmental activities</u>					
Bonds payable					
Series 2007	\$ 339,993	\$ -	\$ -	\$ 339,993	\$ -
Series 2013	3,840,000	-	(1,890,000)	1,950,000	1,950,000
Series 2015	3,900,000	-	(930,000)	2,970,000	955,000
Series 2016	6,585,000	-	(490,000)	6,095,000	510,000
Series 2017	4,390,000	-	(95,000)	4,295,000	100,000
Series 2020	15,975,000	-	(290,000)	15,685,000	305,000
Maintenance tax note					
Series 2018	14,100,000	-	(665,000)	13,435,000	690,000
Leases payable	227,049	1,220,950	(180,829)	1,267,170	240,291
	<u>49,357,042</u>	<u>1,220,950</u>	<u>(4,540,829)</u>	<u>46,037,163</u>	<u>4,750,291</u>
Other liabilities:					
Compensated absences	670,086	737,100	(249,437)	1,157,749	1,041,973
Unamortized premium	5,479,337	-	(527,280)	4,952,057	-
Accreted interest	1,717,243	142,651	-	1,859,894	-
Net pension liability	41,143,683	6,145,260	-	47,288,943	-
Net OPEB liability	21,543,344	-	(2,372,519)	19,170,825	-
Total governmental activities	<u>\$ 119,910,735</u>	<u>\$ 8,245,961</u>	<u>\$ (7,690,065)</u>	<u>\$ 120,466,631</u>	<u>\$ 5,792,264</u>
Long-term liabilities due in more than one year				<u>\$ 114,674,367</u>	
Debt associated with capital assets				<u>\$ 50,989,220</u>	

Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities in the governmental funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.

(Continued)

SAN FELIPE DEL RIO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

Long-term debt at year end was comprised of the following debt issues:

<u>Description</u>	<u>Interest Rate</u>	<u>Balance</u>
General Obligation Bonds		
Unlimited Tax Refunding Bonds		
Series 2007	4.51 - 4.53%	\$ 339,993
Series 2013	2.00 - 5.00%	1,950,000
Series 2015	3.00 - 4.00%	2,970,000
Series 2016	3.00 - 4.00%	6,095,000
Series 2017	2.00 - 4.00%	4,295,000
Series 2020	4.00 - 5.00%	15,685,000
Total general obligation bonds		<u>\$ 31,334,993</u>
Maintenance Tax Notes		
Series 2018	4.00 - 5.00%	\$ 13,435,000
Total maintenance tax notes		<u>\$ 13,435,000</u>
Leases Payable		
Right-to-use assets	3.45 - 3.50%	\$ 1,267,170
Total leases payable		<u>\$ 1,267,170</u>

The annual requirements to amortize bond and notes issuances outstanding at year end were as follows:

<u>Year Ended</u> <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Requirements</u>
2025	\$ 4,510,000	\$ 1,855,075	\$ 6,365,075
2026	2,660,000	1,681,875	4,341,875
2027	2,790,000	1,562,125	4,352,125
2028	1,908,577	1,460,425	3,369,002
2029	1,971,416	1,377,775	3,349,191
2030 - 2034	13,615,000	4,989,125	18,604,125
2035 - 2039	8,190,000	2,609,425	10,799,425
2040 - 2044	3,285,000	1,507,100	4,792,100
2045 - 2049	4,005,000	779,900	4,784,900
2050 - 2054	<u>1,835,000</u>	<u>74,100</u>	<u>1,909,100</u>
Total	<u>\$ 44,769,993</u>	<u>\$ 17,896,925</u>	<u>\$ 62,666,918</u>

(Continued)

SAN FELIPE DEL RIO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

The annual requirements to amortize lease payable obligations outstanding at year end were as follows:

<u>Year Ended</u> <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Requirements</u>
2025	\$ 240,291	\$ 39,973	\$ 280,264
2026	248,722	33,762	282,484
2027	257,449	22,815	280,264
2028	259,406	13,833	273,239
2029	<u>261,302</u>	<u>4,910</u>	<u>266,212</u>
Total	<u>\$ 1,267,170</u>	<u>\$ 115,293</u>	<u>\$ 1,382,463</u>

The District has entered into various leases ranging from four to five-year lease agreements as a lessee for the acquisition and use of copiers. During the current year the District entered into a new copier lease agreement with an initial lease liability of \$1,220,950. As of June 30, 2024 the value of the lease liabilities was \$1,267,170. The District is required to make monthly principal and interest payments of approximately \$1,170 to \$22,527. The leases have interest rates of 3.45 - 3.50%. The equipment has a four to five year estimated useful life. The value of the right-to-use lease assets as of the end of the current fiscal year was \$1,286,483 and had accumulated amortization of \$31,489.

Federal Arbitrage: The Tax Reform Act of 1986 instituted certain arbitrage restrictions consisting of complex regulations with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years for applicable bond issues. Accordingly, there is the risk that if such calculations are not performed, or are not performed correctly, a substantial liability to the District could result. The District periodically engages an arbitrage consultant to perform the calculations in accordance with the rules and regulations of the IRS.

Interfund Transactions: Amounts recorded as due to/from are considered to be temporary loans and will be repaid during the following year.

<u>Due To</u>	<u>Due From</u>	<u>Amounts</u>
General fund	Nonmajor governmental funds	\$ 2,188,338
Nonmajor governmental funds	General fund	171,908
Internal service fund	General fund	<u>190,958</u>
		<u>\$ 2,551,204</u>

(Continued)

SAN FELIPE DEL RIO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

Amounts recorded as due to/from are considered to be temporary loans and will be repaid during the following year.

<u>Transfers Out</u>	<u>Transfers In</u>	<u>Amount</u>
General fund	Internal service fund	<u>\$ 190,958</u>

Amounts recorded as transfers are for contributions to the self-insurance fund.

NOTE 4 - OTHER INFORMATION

Risk Management: The District is exposed to risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omission; injuries to employees; and natural disasters for which the District purchases insurance from Liberty Mutual Insurance and Amtrust Insurance Company. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage amounts in the past three years.

The District provides a health insurance plan (the "Plan"), and pays the contribution for all employees. The employee pays for any family member coverage. This is provided through a self-insured plan and the District hired the Kempton Group Administrators, Inc to administer the Plan through December 2024. The District also pays for stop-loss coverage. Transactions related to the Plan are accounted for in an internal service fund.

Contingent Liabilities: Amounts received or receivable from granting agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount of expenditures which may be disallowed by the grantor cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts, and other economic and social factors.

Defined Benefit Pension Plan:

Teacher Retirement System

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

(Continued)

SAN FELIPE DEL RIO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 4 - OTHER INFORMATION (Continued)

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

Pension Plan Fiduciary Net Position: Detailed information about the TRS's fiduciary net position is available in a separately issued Annual Comprehensive Financial Report that includes financial statements and Required Supplementary Information. That report may be obtained on the Internet at <https://www.trs.texas.gov/Pages/aboutpublications.aspx>, or by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698, or by calling (512) 542-6592.

Benefits Provided: TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in the State. 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, 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 noted in the Plan Description above.

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

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

Employee contribution rates are set in state statute, Texas Government Code 825.402. The TRS Pension Reform Bill (Senate Bill 12) of the 86th Texas Legislature amended Texas Government Code 825.402 for member contributions and increased employee and employer contribution rates for fiscal years 2019 through 2025.

(Continued)

SAN FELIPE DEL RIO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 4 - OTHER INFORMATION (Continued)

Contribution Rates			
<u>Fiscal Year</u>	<u>State</u>	<u>Public Education Employer</u>	<u>Active Employee</u>
2023	8.00%	1.80%	8.00%
2024	8.25%	1.90%	8.25%
2025	8.25%	2.00%	8.25%

Contribution Rates			
		<u>2023</u>	<u>2024</u>
Members		8.00%	8.25%
NECE (State)		8.00%	8.25%
Employers		8.00%	8.25%

	<u>Measurement Year 2023</u>	<u>Fiscal Year Year 2024</u>
District contributions	\$ 3,538,728	\$ 3,484,624
Member contributions	\$ 5,904,793	\$ 6,337,350
NECE on-behalf contributions	\$ 3,392,190	\$ 4,090,139

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

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

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

(Continued)

SAN FELIPE DEL RIO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 4 - OTHER INFORMATION (Continued)

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

- All public schools, charter schools, and regional educational service centers must contribute 1.8% of the member's salary beginning in fiscal year 2023, gradually increasing to 2.0% in fiscal year 2025.
- When employing a retiree of TRS, the District shall pay both the member contribution and the state contribution as an employment after retirement surcharge.

Actuarial Assumptions: The total pension liability (TPL) in the August 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

Valuation date	August 31, 2022 rolled forward to August 31, 2023
Actuarial cost method	Individual entry age normal
Asset valuation method	Fair value
Single discount rate	7.00%
Long-term expected investment rate of return	7.00%
Municipal bond rate as of August 2023	4.13% - 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"
Inflation	2.30%
Salary increases including inflation	2.95% to 8.95%, including inflation
Benefit changes during the year	None
Ad hoc postemployment benefit changes	None

The actuarial methods and assumptions used in the determination of the TPL are the same assumptions used in the actuarial valuation as of ending August 31, 2022. For a full description of these assumptions, please see the TRS actuarial valuation report dated November 22, 2022.

Discount Rate: A single discount rate of 7.00% was used to measure the TPL. The single discount rate was based on the expected rate of return on plan investments of 7.00%. The projection of cash flows used to determine this single discount rate assumed that contributions from active members, employers, and the NECE will be made at the rates set by the Legislature during the 2019 session. It is assumed that future employer and state contributions will be 9.50% of payroll in fiscal year 2024 increasing to 9.56% in fiscal year 2025 and thereafter. This includes all employer and state contributions for active and rehired retirees.

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

The long-term rate of return on pension plan investments is 7.00%. The long-term expected rate of return on TRS 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.

(Continued)

SAN FELIPE DEL RIO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 4 - OTHER INFORMATION (Continued)

Best estimates of geometric real rates of return for each major asset class included in TRS's target asset allocation as of August 31, 2023 are summarized below:

Teacher Retirement System of Texas
Asset Allocation and Long-Term Expected Real Rate of Return
As of August 31, 2023

<u>Asset Class</u>	<u>Target Allocation (1)</u>	<u>Geometric Real Rate of Return (2)</u>	<u>Long-Term Portfolio Returns</u>
Global Equity			
U.S.	18.00%	4.00%	1.00%
Non-U.S. Developed	13.00%	4.50%	0.90%
Emerging Markets	9.00%	4.80%	0.70%
Private Equity*	14.00%	7.00%	1.50%
Stable Value			
Government Bonds	16.00%	2.50%	0.50%
Absolute Return*	0.00%	3.60%	0.00%
Stable Value Hedge Funds	5.00%	4.10%	0.20%
Real Return			
Real Estate	15.00%	4.90%	1.10%
Energy, Natural Resources, and Infrastructure	6.00%	4.80%	0.40%
Commodities	0.00%	4.40%	0.00%
Risk Parity			
Risk Parity	8.00%	4.50%	0.40%
Asset Allocation Leverage			
Cash	2.00%	3.70%	0.00%
Asset Allocation Leverage	<u>-6.00%</u>	<u>4.40%</u>	-0.10%
Inflation Expectation			2.30%
Volatility Drag (3)			<u>-0.90%</u>
Total	<u>100.00%</u>	<u>57.20%</u>	<u>8.00%</u>

* Absolute Return includes Credit Sensitive Investments

(1) Target allocations are based on the FY2023 policy model.

(2) Capital Market Assumptions come from Aon Hewitt (as of 06/30/2023).

(3) The volatility drag results from the conversion between arithmetic and geometric mean returns.

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SAN FELIPE DEL RIO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 4 - OTHER INFORMATION (Continued)

Discount Rate Sensitivity Analysis: The following table presents the net pension liability (NPL) of TRS using the discount rate of 7%, and what the NPL would be if it was calculated using a discount rate that is 1% point lower (6%) or 1% point higher (8%) than the current rate:

	1% Decrease in Discount Rate (6%)	Current Discount Rate (7%)	1% Increase in Discount Rate (8%)
District's proportionate share of the net pension liability	<u>\$ 70,699,588</u>	<u>\$ 47,288,943</u>	<u>\$ 27,822,978</u>

Pension Liability, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions:
At June 30, 2024, the District reported a liability of \$47,288,943 for its proportionate share of the TRS's NPL. 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 NPL, the related State support, and the total portion of the NPL that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	\$ 47,288,943
State's proportionate share that is associated with the District	<u>45,330,726</u>
Total	<u>\$ 92,619,669</u>

The NPL was measured as of August 31, 2022 and rolled forward to August 31, 2023 and the TPL used to calculate the NPL was determined by an actuarial valuation as of that date. The District's proportion of the NPL was based on the District's contributions to TRS relative to the contributions of all employers to TRS for the period September 1, 2022 through August 31, 2023.

At August 31, 2023, the District's proportion of the collective NPL was 0.0688436%, which was a decrease of 0.0004599% from its proportion measured as of August 31, 2022.

Changes Since the Prior Actuarial Valuation: The actuarial assumptions and methods are the same as used in the determination of the prior year's NPL.

The Texas 2023 Legislature passed legislation that provides a one-time stipend to certain retired teachers. The stipend was paid to retirees beginning in September of 2023. The Legislature appropriated funds to pay for this one-time stipend so there will be no impact on the NPL of TRS. In addition, the Legislative also provided for a COLA to retirees which was approved during the November 2023 election which will be paid in January 2024. Therefore, this contingent liability was not reflected as of August 31, 2023.

The amount of pension expense recognized by the District for the reporting period was \$8,649,142.

For the year ended June 30, 2024, the District recognized pension expense of \$6,844,547 and revenue of \$6,844,547 for support provided by the State.

(Continued)

SAN FELIPE DEL RIO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 4 - OTHER INFORMATION (Continued)

At June 30, 2024, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual economic experience	\$ 1,684,921	\$ (572,617)
Changes in actuarial assumptions	4,472,608	(1,094,549)
Difference between projected and actual investment earnings	6,881,689	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	4,214,671	(1,200,582)
Contributions paid to TRS subsequent to the measurement date	<u>2,874,162</u>	<u>-</u>
	<u>\$ 20,128,051</u>	<u>\$ (2,867,748)</u>

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

<u>Fiscal Year Ended June 30</u>	<u>Pension Expense</u>
2025	\$ 3,058,412
2026	2,169,437
2027	6,603,550
2028	2,404,581
2029	<u>150,161</u>
Total	<u>\$ 14,386,141</u>

Defined Other Postemployment Benefits Plan:

Plan Description: The District participates in TRS-Care. It is a multiple-employer, cost-sharing defined OPEB plan with a special funding situation. TRS-Care was established in 1986 by the Texas Legislature.

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

OPEB Plan Fiduciary Net Position: Detailed information about TRS-Care's fiduciary net position is available in a separately issued TRS Annual Comprehensive Financial Report that includes financial statements and Required Supplementary Information. That report may be obtained on the Internet at https://www.trs.texas.gov/Pages/about_publications.aspx; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

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SAN FELIPE DEL RIO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 4 - OTHER INFORMATION (Continued)

Components of the net OPEB liability of TRS-Care as of August 31, 2023 are as follows:

Total OPEB liability	\$ 26,028,070,267
Less: plan fiduciary net position	<u>(3,889,765,203)</u>
Net OPEB Liability	<u>\$ 22,138,305,064</u>
Net position as a percentage of total OPEB liability	14.94%

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

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

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

TRS-Care Monthly Premium Rates			
		<u>Medicare</u>	<u>Non-Medicare</u>
Retiree or surviving spouse	\$	135	\$ 200
Retiree and spouse	\$	529	\$ 689
Retiree or surviving spouse and children	\$	468	\$ 408
Retiree and family	\$	1,020	\$ 999

Contributions: Contribution rates for TRS-Care are established in state statute by the Texas Legislature and there is no continuing obligation to provide benefits beyond each fiscal year. TRS-Care is currently funded on a pay-as-you-go basis and is subject to change based on available funding. Funding for TRS-Care is provided by retiree premium contributions and contributions from the State, active employees, and participating employer based upon active employee compensation. The TRS Board 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 a public school contribution rate of not less than 0.25% or not more than 0.75% of the salary of each active employee of the employer. The actual public school contribution rate is prescribed by the Legislature in the GAA, which is 0.75% of each active employee's pay for fiscal year 2023.

(Continued)

SAN FELIPE DEL RIO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 4 - OTHER INFORMATION (Continued)

The following table shows contributions to TRS-Care by type of contributor:

	Contribution Rates	
	<u>2023</u>	<u>2024</u>
Active employee	0.65%	0.65%
NECE (State)	1.25%	1.25%
Employers	0.75%	0.75%
Federal/private funding remitted by employers	1.25%	1.25%

	Measurement		Fiscal	
	<u>Year (2023)</u>		<u>Year (2024)</u>	
District contributions	\$	751,196	\$	731,979
Meber contributions	\$	240,276	\$	249,653
NECE on-behalf contributions	\$	906,433	\$	960,205

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

TRS-Care received supplemental appropriations from the State as the NECE in the amount of \$21.3 million in fiscal year 2023 provided by Rider 14 of the Senate Bill GAA of the 87th Legislature. These amounts were re-appropriated from amounts received by the pension and TRS-Care funds in excess of the state's actual obligation and then transferred to TRS-Care.

Actuarial Assumptions: The actuarial valuation was performed as of August 31, 2022. Update procedures were used to roll forward the total OPEB liability to August 31, 2023.

The actuarial valuation of the OPEB plan offered through TRS-Care is similar to the actuarial valuation performed for the TRS pension plan, except that the OPEB valuation is more complex. The demographic assumptions were updated based on the experience study performed for TRS for the period ending August 31, 2021. The following assumptions and other inputs used for members of TRS-Care are based on an established pattern of practice and are identical to the assumptions used in the August 31, 2022 TRS pension actuarial valuation that was rolled forward to August 31, 2023:

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

The active mortality rates were based on PUB(2010), Amount-Weighted, Below-Median Income, Teacher male and female tables (with two-year set forward for males). The post-retirement mortality rates for healthy lives were based on the 2021 TRS of Texas Health Pensioner Mortality Tables. The rates were projected on a fully generational basis using the ultimate improvement rates from mortality projection scale MP-2021.

(Continued)

SAN FELIPE DEL RIO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 4 - OTHER INFORMATION (Continued)

Additional actuarial methods and assumptions are as follows:

Valuation date	August 31, 2022 rolled forward to August 31, 2023
Actuarial cost method	Individual entry age normal
Inflation	2.30%
Discount rate	4.13% as of August 31, 2023
Aging factors	Based on plan-specific experience
Election rates	Normal retirement: 62% participation prior to age 65 and 25% participation after age 65. 30% of pre-65 retirees are assumed to discontinue coverage at age 65.
Expenses	Third-party administrative expenses related to the delivery of healthcare benefits are included in the age-adjusted claims costs.
Projected salary increases	2.95% to 8.95%, including inflation
Ad hoc postemployment benefit changes	None
Healthcare trend rates	Medical trend rates: 7.75% (Medicare retirees) and 7.00% (non-Medicare retirees) Prescription drug trend rate: 7.75%. The initial trend rates decrease to an ultimate trend rate of 4.25% over a period of 12 years.

Discount Rate: A single discount rate of 4.13% was used to measure the total OPEB liability. There was an increase of 0.22% in the discount rate since the previous year.

Because the investments are held in cash and there is no intentional objective to advance fund the benefits, the discount rate is equal to the prevailing municipal bond rate.

The source of the municipal bond rate is the Fidelity "20-year Municipal GO AA Index" as of August 31, 2023 using the Fixed Income Market Data/Yield Curve/ Data Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds.

Sensitivity of the Net OPEB Liability: Discount Rate Sensitivity Analysis – The following schedule shows the impact of the net OPEB liability if the discount rate used was 1 percentage point lower than and 1 percentage point higher than the discount rate that was used (4.13%) in measuring the net OPEB liability:

	1% Decrease in Discount Rate (3.13%)	Current Discount Rate (4.13%)	1% Increase in Discount Rate (5.13%)
District's proportionate share of the net OPEB liability	\$ 22,579,240	\$ 19,170,825	\$ 16,389,478

(Continued)

SAN FELIPE DEL RIO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 4 - OTHER INFORMATION (Continued)

Healthcare Cost Trend Rates Sensitivity Analysis - The following presents the net OPEB liability of TRS-Care 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% less than or 1% higher than the assumed healthcare cost trend rate:

	<u>1% Decrease Healthcare Cost Trend Rate</u>	<u>Current Healthcare Cost Trend Rate</u>	<u>1% Increase in Healthcare Cost Trend Rate</u>
District's proportionate share of the net OPEB liability	\$ 15,786,215	\$ 19,170,825	\$ 23,525,137

OPEB Liability, OPEB Expense, and Deferred Outflows/Inflows of Resources Related to OPEB: At June 30, 2024, the District reported a liability of \$19,170,825 for its proportionate share of TRS-Care's net OPEB liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the collective net OPEB liability	\$ 19,170,825
State's proportionate share that is associated with the District	<u>23,132,547</u>
Total	<u>\$ 42,303,372</u>

The net OPEB liability was measured as of August 31, 2022 and rolled forward to August 31, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability was based on the District's contributions to TRS-Care relative to the contributions of all employers to TRS-Care for the period September 1, 2022 through August 31, 2023.

At August 30, 2023, the District's proportion of the collective net OPEB liability was 0.0865957% percent, which was a decrease of 0.0033782% as of, August 30, 2022.

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

- The discount rate changed from 3.91% as of August 31, 2022 to 4.13% as of August 31, 2023, accompanied by revised demographic and economic assumptions based on the TRS experience study.

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

The amount of OPEB expense recognized by the District in the reporting period was a credit balance of \$4,401,594.

For the year ended June 30, 2024 the District recognized OPEB expense of \$4,945,250 and revenue of \$4,945,250 for support provided by the State.

(Continued)

SAN FELIPE DEL RIO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 4 - OTHER INFORMATION (Continued)

At June 30, 2024, the District reported its proportionate share of TRS-Care's deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual economic experience	\$ 867,334	\$ (16,128,618)
Changes in actuarial assumptions	2,616,678	(11,738,805)
Difference between projected and actual investment earnings	8,283	-
Changes in proportion and difference between the District's contributions and the proportionate share of contributions	5,103,400	(6,548,667)
Contributions paid to TRS subsequent to the measurement date	<u>598,981</u>	<u>-</u>
	<u>\$ 9,194,676</u>	<u>\$ (34,416,090)</u>

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

<u>Fiscal Year Ended June 30</u>	<u>OPEB Expense</u>
2025	\$ (5,997,260)
2026	(5,117,986)
2027	(3,927,596)
2028	(3,683,997)
2029	(3,061,642)
Thereafter	<u>(4,031,914)</u>
Total	<u>\$ (25,820,395)</u>

Medicare Part D Subsidies: The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, which was effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for TRS-Care to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the fiscal years ended June 30, 2022, 2023 and 2024, the subsidy payments received by TRS-Care on behalf of the District were \$283,470, \$397,928, and \$411,916, respectively.

(Continued)

SAN FELIPE DEL RIO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 4 - OTHER INFORMATION (Continued)

Employee Health Care Coverage: During the year ended June 30, 2024, the District contributed \$640 per month for each employee which was deposited into the health insurance fund (the "Fund"). The contribution is deposited monthly into the Fund account and administrative costs are expensed when incurred and reported. The District obtained excess loss insurance (stop-loss coverage), which limited the amount of claims for any one individual to \$600,000 and a \$1,000,000 maximum annual aggregate stop-loss coverage. Claims payable, including an estimate for claims incurred but not reported, at June 30, 2024 are \$3,766,991. The Plan is funded to discharge liabilities for the Fund as they become due.

Shared Service Arrangements: The District participates in a shared service arrangement for American Rescue Plan Homeless II funding year 2023-2024 with 34 other school districts. Although 32.80% of the activity of the shared service arrangement is attributed to the District's participation, the District does not account for revenues or expenditures in this program and does not disclose them in their financial statements. The District neither has a joint ownership interest in capital assets purchased by the fiscal agent, Education Service Center Region 15, nor does the District have a net equity interest in the 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. Revenues and expenditures attributed to the District's participation were \$43,822.

REQUIRED SUPPLEMENTARY INFORMATION

SAN FELIPE DEL RIO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND - EXHIBIT G-1
For the year ended June 30, 2024

Data Control Codes		Budgeted Amounts		Actual	Variance with Final Budget
		Original	Final		
	Revenues				
5700	Local and intermediate sources	\$ 26,418,796	\$ 25,668,796	\$ 23,650,932	\$ (2,017,864)
5800	State program revenues	73,132,458	79,057,458	80,658,946	1,601,488
5900	Federal program revenues	1,773,000	1,401,250	4,565,497	3,164,247
5020	Total Revenues	101,324,254	106,127,504	108,875,375	2,747,871
	Expenditures				
	Current				
0011	Instruction	54,733,799	53,761,068	53,478,081	282,987
0012	Instructional resources and				
0012	media services	1,831,981	1,859,984	1,757,564	102,420
0013	Curriculum/instructional				
0013	staff development	1,514,391	2,023,194	1,808,159	215,035
0021	Instructional leadership	2,311,090	2,413,371	2,257,817	155,554
0023	School leadership	5,910,500	6,009,416	5,919,482	89,934
0031	Guidance, counseling, and				
0031	evaluation service	5,143,765	5,458,983	5,377,894	81,089
0032	Social work services	311,490	420,434	323,400	97,034
0033	Health services	1,522,988	2,082,855	1,728,646	354,209
0034	Student (pupil) transportation	3,560,004	4,380,071	3,803,427	576,644
0035	Food services	16,961	316,189	157,417	158,772
0036	Extracurricular activities	3,402,807	3,506,882	3,262,288	244,594
0041	General administration	4,585,183	4,596,159	4,294,480	301,679
0051	Plant maintenance and operations	14,632,964	20,772,511	16,856,911	3,915,600
0052	Security and monitoring services	2,841,878	4,082,096	3,136,322	945,774
0053	Data processing services	3,174,936	3,404,834	3,025,894	378,940
0061	Community services	188,794	201,901	166,108	35,793
	Debt service:				
0071	Principal	1,086,887	1,062,887	845,829	217,058
0072	Interest	671,596	671,196	669,671	1,525
0073	Other debt service fees	-	400	400	-
	Capital outlay:				
0081	Facilities acquisition and				
0081	construction	-	4,154,425	1,696,580	2,457,845
	Intergovernmental:				
0099	Other governmental charges	756,000	799,334	698,557	100,777
6030	Total expenditures	108,198,014	121,978,190	111,264,927	10,713,263
1100	Excess (deficiency) of				
1100	revenues over (under)				
1100	expenditures	(6,873,760)	(15,850,686)	(2,389,552)	13,461,134
	Other financing sources (uses)				
7913	Proceeds from right-to-use assets	-	-	1,220,950	1,220,950
7918	Special item	-	25,000	-	(25,000)
8911	Transfers (out)	-	-	(190,958)	(190,958)
8949	Other (uses)	-	(200,000)	-	200,000
7080	Total other financing sources	-	(175,000)	1,029,992	1,204,992
1200	Net Change in Fund Balance	(6,873,760)	(16,025,686)	(1,359,560)	14,666,126
0100	Beginning fund balance	41,405,885	41,405,885	41,405,885	-
3000	Ending Fund Balance	\$ 34,532,125	\$ 25,380,199	\$ 40,046,325	\$ 14,666,126

Notes to Required Supplementary Information:

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

SAN FELIPE DEL RIO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS (TRS) - EXHIBIT G-2
For the year ended June 30, 2024

	Measurement Year									
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability (asset)	0.0688436%	0.0693035%	0.0543958%	0.0566277%	0.0589495%	0.0600850%	0.0606732%	0.0623701%	0.0645439%	0.0428135%
District's proportionate share of the net pension liability (asset)	\$ 47,288,943	\$ 41,143,683	\$ 13,852,673	\$ 30,328,636	\$ 30,643,770	\$ 33,072,215	\$ 19,400,017	\$ 23,568,734	\$ 22,815,410	\$ 11,436,077
State's proportionate share of the net pension liability (asset) associated with the District	<u>45,330,726</u>	<u>39,197,319</u>	<u>20,740,875</u>	<u>46,474,391</u>	<u>42,673,474</u>	<u>46,682,985</u>	<u>28,746,378</u>	<u>35,021,451</u>	<u>32,665,742</u>	<u>29,038,237</u>
Total	<u>\$ 92,619,669</u>	<u>\$ 80,341,002</u>	<u>\$ 34,593,548</u>	<u>\$ 76,803,027</u>	<u>\$ 73,317,244</u>	<u>\$ 79,755,200</u>	<u>\$ 48,146,395</u>	<u>\$ 58,590,185</u>	<u>\$ 55,481,152</u>	<u>\$ 40,474,314</u>
District's covered payroll*	\$ 73,809,918	\$ 68,519,006	\$ 64,536,271	\$ 66,446,100	\$ 60,882,047	\$ 59,999,224	\$ 59,508,901	\$ 59,432,234	\$ 56,506,425	\$ 55,211,617
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	64.07%	60.05%	21.46%	45.64%	50.33%	55.12%	32.60%	39.66%	40.38%	20.71%
Plan fiduciary net position as a percentage of the total pension liability	73.15%	75.62%	88.79%	75.54%	75.24%	73.74%	82.17%	78.00%	78.43%	83.25%

* As of measurement date

Notes to Required Supplementary Information:

1. *Changes in Assumptions:* There were no changes in the discount rate in the current year.
2. *Changes in Benefits:* There were no changes of benefit terms that affected measurement of the TPL during the measurement period.

SAN FELIPE DEL RIO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
TEACHER RETIREMENT SYSTEM OF TEXAS (TRS) - EXHIBIT G-3
For the year ended June 30, 2024

	Fiscal Year			Ten Months*	Fiscal Year					
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 3,484,624	\$ 3,476,515	\$ 3,097,341	\$ 1,916,884	\$ 2,338,148	\$ 2,063,331	\$ 2,010,730	\$ 1,988,526	\$ 1,979,560	\$ 1,911,172
Contributions in relation to the contractually required contribution	<u>3,484,624</u>	<u>3,476,515</u>	<u>3,097,341</u>	<u>1,916,884</u>	<u>2,338,148</u>	<u>2,063,331</u>	<u>2,010,730</u>	<u>1,988,526</u>	<u>1,979,560</u>	<u>1,911,172</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 76,816,368	\$ 73,226,739	\$ 67,724,236	\$ 53,001,652	\$ 66,446,100	\$ 60,882,047	\$ 59,999,224	\$ 59,508,901	\$ 59,432,234	\$ 56,506,425
Contributions as a percentage of covered payroll	4.54%	4.75%	4.57%	3.62%	3.52%	3.39%	3.35%	3.34%	3.33%	3.38%

* Beginning September 1, 2020, the District changed the fiscal year end to June 30; therefore, the District's covered payroll and contributions includes only ten months of payroll expenditures.

SAN FELIPE DEL RIO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
TEXAS PUBLIC SCHOOL RETIRED EMPLOYEES GROUP INSURANCE PROGRAM (TRS-CARE) EXHIBIT G-4
For the year ended June 30, 2024

	Measurement Year*						
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's proportion of the collective net OPEB liability (asset)	0.0865957%	0.0899739%	0.0790061%	0.0836492%	0.0857678%	0.0867435%	0.0960894%
District's proportionate share of the collective net OPEB liability (asset)	\$ 19,170,825	\$ 21,543,344	\$ 30,476,180	\$ 31,798,820	\$ 40,560,646	\$ 43,311,812	\$ 41,785,687
State's proportionate share of the collective net OPEB liability (asset) associated with the District	<u>23,132,547</u>	<u>26,279,496</u>	<u>40,831,289</u>	<u>42,729,992</u>	<u>53,896,025</u>	<u>47,391,624</u>	<u>43,290,532</u>
Total	<u>\$ 42,303,372</u>	<u>\$ 47,822,840</u>	<u>\$ 71,307,469</u>	<u>\$ 74,528,812</u>	<u>\$ 94,456,671</u>	<u>\$ 90,703,436</u>	<u>\$ 85,076,219</u>
District's covered payroll**	\$ 73,809,918	\$ 68,519,006	\$ 64,536,271	\$ 66,446,100	\$ 60,882,047	\$ 59,999,224	\$ 59,508,901
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	25.97%	31.44%	47.22%	47.86%	66.62%	72.19%	70.22%
Plan fiduciary net position as a percentage of the total OPEB liability	14.94%	11.52%	6.18%	4.99%	2.66%	1.57%	0.91%

*Only seven years' worth of information is currently available.

**As of measurement date

Notes to Required Supplementary Information:

1. *Changes in Assumptions:* The discount rate was changed from 3.91% as of August 31, 2022 to 4.13% as of August 31, 2023, accompanied by revised demographic and economic assumptions based on the TRS experience study.
2. *Changes in Benefits:* There were no changes of benefit terms since the prior measurement date.

SAN FELIPE DEL RIO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF CONTRIBUTIONS
TEXAS PUBLIC SCHOOL RETIRED EMPLOYEES GROUP INSURANCE PROGRAM (TRS-CARE) EXHIBIT G-5
For the year ended June 30, 2024

	Fiscal Year*			Ten Months**	Fiscal Year*		
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Statutorily required contributions	\$ 731,979	\$ 712,598	\$ 763,929	\$ 510,229	\$ 645,285	\$ 606,307	\$ 594,838
Contributions in relation to the statutorily required contributions	<u>731,979</u>	<u>712,598</u>	<u>763,929</u>	<u>510,229</u>	<u>645,285</u>	<u>606,307</u>	<u>594,838</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 76,816,368	\$ 73,226,739	\$ 67,724,236	\$ 53,001,652	\$ 66,446,100	\$ 60,882,047	\$ 59,999,224
Contributions as a percentage of covered payroll	0.95%	0.97%	1.13%	0.96%	0.97%	1.00%	0.99%

* Only seven years' worth of information is currently available.

** Beginning September 1, 2020, the District changed the fiscal year end to June 30; therefore, the District's covered payroll and contributions includes only ten months of payroll expenditures.

OTHER SUPPLEMENTARY INFORMATION

SAN FELIPE DEL RIO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - EXHIBIT H-1
June 30, 2024

		Special Revenue Funds						
		205	211	212	224	225	240	242
Data			Title I	ESEA			National School	Summer
Control			Part A	Title I, Pt. C	IDEA-B	IDEA-B	Breakfast and	Feeding
Codes		Head	Improving	Migrant	Formula	Preschool	Lunch Program	Program
		Start	Basic Prog					
ASSETS								
1110	Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,986,380	\$ 487,919
1240	Due from other governments	550,263	657,106	16,727	440,474	5,919	-	105,030
1260	Due from other funds	-	-	-	-	-	104,421	-
1290	Other receivables	-	-	-	-	-	-	-
1410	Prepaid items	17,879	-	-	-	-	-	-
1000	Total Assets	<u>\$ 568,142</u>	<u>\$ 657,106</u>	<u>\$ 16,727</u>	<u>\$ 440,474</u>	<u>\$ 5,919</u>	<u>\$ 3,090,801</u>	<u>\$ 592,949</u>
LIABILITIES								
2110	Accounts payable	\$ 44,660	\$ 1,037	\$ 1,252	\$ 25,509	\$ -	\$ 5,907	\$ 1,498
2120	Other liabilities	1,526	994	-	1,020	9	6,890	-
2150	Payroll deductions payable	58,988	91,952	206	42,051	714	123,831	42
2160	Accrued wages payable	241,805	288,418	-	178,197	2,461	316,066	-
2170	Due to other funds	221,163	274,705	15,269	193,697	2,735	218,886	45,109
2300	Unearned revenue	-	-	-	-	-	-	-
2000	Total Liabilities	<u>568,142</u>	<u>657,106</u>	<u>16,727</u>	<u>440,474</u>	<u>5,919</u>	<u>671,580</u>	<u>46,649</u>
FUND BALANCES								
Nonspendable								
3430	Prepaid items	17,879	-	-	-	-	-	-
Restricted								
3450	Federal/state fund grant restrictions	-	-	-	-	-	2,419,221	546,300
3470	Capital acquisitions and contracts	-	-	-	-	-	-	-
3490	Other restrictions of fund balance	-	-	-	-	-	-	-
3600	Unassigned	(17,879)	-	-	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,419,221</u>	<u>546,300</u>
4000	Total liabilities and fund balances	<u>\$ 568,142</u>	<u>\$ 657,106</u>	<u>\$ 16,727</u>	<u>\$ 440,474</u>	<u>\$ 5,919</u>	<u>\$ 3,090,801</u>	<u>\$ 592,949</u>

(Continued)

SAN FELIPE DEL RIO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - EXHIBIT H-1
June 30, 2024

Data Control Codes	Special Revenue Funds						
	244 Career and Technical Basic	255 ESEA Title II Part A Training	263 Title III Part A ELA	265 Nita M. Lowey 21st Century	270 Title V, Part B Rural & Low Income School	272 Medicaid Admin. Claim MAC	279 TCLAS ESSER III
ASSETS							
1110	Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 150,945	\$ -
1240	Due from other governments	24,825	154,777	40,758	183,325	10,552	8,729
1260	Due from other funds	-	16,627	-	-	-	-
1290	Other receivables	-	-	-	-	-	-
1410	Prepaid items	-	10,000	-	-	-	-
1000	Total Assets	<u>\$ 24,825</u>	<u>\$ 181,404</u>	<u>\$ 40,758</u>	<u>\$ 183,325</u>	<u>\$ 150,945</u>	<u>\$ 8,729</u>
LIABILITIES							
2110	Accounts payable	\$ -	\$ 15,495	\$ -	\$ 2,604	\$ 800	\$ -
2120	Other liabilities	22	268	78	-	-	-
2150	Payroll deductions payable	809	10,785	3,366	541	115	14
2160	Accrued wages payable	6,534	78,703	22,868	-	-	-
2170	Due to other funds	17,460	76,153	14,446	180,180	10,437	8,715
2300	Unearned revenue	-	-	-	-	-	-
2000	Total Liabilities	<u>24,825</u>	<u>181,404</u>	<u>40,758</u>	<u>183,325</u>	<u>10,552</u>	<u>8,729</u>
FUND BALANCES							
Nonspendable							
3430	Prepaid items	-	10,000	-	-	-	-
Restricted							
3450	Federal/state fund grant restrictions	-	-	-	-	150,145	-
3470	Capital acquisitions and contracts	-	-	-	-	-	-
3490	Other restrictions of fund balance	-	-	-	-	-	-
3600	Unassigned	-	(10,000)	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>150,145</u>	<u>-</u>
4000	Total liabilities and fund balances	<u>\$ 24,825</u>	<u>\$ 181,404</u>	<u>\$ 40,758</u>	<u>\$ 183,325</u>	<u>\$ 150,945</u>	<u>\$ 8,729</u>

(Continued)

SAN FELIPE DEL RIO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - EXHIBIT H-1
June 30, 2024

Data Control Codes	Special Revenue Funds						
	282	284	285	289	386	397	410
	ESSER III	IDEA-B Formula ARP	IDEA-B Preschool ARP	Miscellaneous Federal Grants	Regional Day School for the Deaf	Advanced Placement Incentives	State Textbook
ASSETS							
1110 Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,681	\$ 677,281
1240 Due from other governments	234,446	-	-	14,045	24,650	-	-
1260 Due from other funds	-	-	-	-	8,375	-	-
1290 Other receivables	-	-	-	9	-	-	-
1410 Prepaid items	-	-	-	-	-	-	-
1000 Total Assets	<u>\$ 234,446</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,054</u>	<u>\$ 33,025</u>	<u>\$ 1,681</u>	<u>\$ 677,281</u>
LIABILITIES							
2110 Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 665,980
2120 Other liabilities	367	-	-	-	21	-	-
2150 Payroll deductions payable	23,461	-	-	-	961	-	-
2160 Accrued wages payable	109,906	-	-	-	6,708	-	-
2170 Due to other funds	100,712	-	-	12,149	25,335	-	-
2300 Unearned revenue	-	-	-	-	-	-	6,900
2000 Total Liabilities	<u>234,446</u>	<u>-</u>	<u>-</u>	<u>12,149</u>	<u>33,025</u>	<u>-</u>	<u>672,880</u>
FUND BALANCES							
Nonspendable							
3430 Prepaid items	-	-	-	-	-	-	-
Restricted							
3450 Federal/state fund grant restrictions	-	-	-	1,905	-	1,681	4,401
3470 Capital acquisitions and contracts	-	-	-	-	-	-	-
3490 Other restrictions of fund balance	-	-	-	-	-	-	-
3600 Unassigned	-	-	-	-	-	-	-
3000 Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,905</u>	<u>-</u>	<u>1,681</u>	<u>4,401</u>
4000 Total liabilities and fund balances	<u>\$ 234,446</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,054</u>	<u>\$ 33,025</u>	<u>\$ 1,681</u>	<u>\$ 677,281</u>

(Continued)

SAN FELIPE DEL RIO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - EXHIBIT H-1
June 30, 2024

Data Control Codes		Special Revenue Funds				Capital Project Fund	Total Nonmajor Governmental Funds
		429	461	469	487	699	
		Miscellaneous State Special Revenue Program	Campus Activity	EPA School Bus Rebate	Healthy Futures of Texas	Capital Projects	
ASSETS							
1110	Cash and cash equivalents	\$ 16,523	\$ 131,824	\$ -	\$ 15,789	\$ 1,731,993	\$ 6,200,335
1240	Due from other governments	13,478	-	-	-	-	2,485,104
1260	Due from other funds	42,485	-	-	-	-	171,908
1290	Other receivables	-	-	-	2,803	-	2,812
1410	Prepaid items	-	-	-	-	-	27,879
1000	Total Assets	<u>\$ 72,486</u>	<u>\$ 131,824</u>	<u>\$ -</u>	<u>\$ 18,592</u>	<u>\$ 1,731,993</u>	<u>\$ 8,888,038</u>
LIABILITIES							
2110	Accounts payable	\$ 3,219	\$ -	\$ -	\$ -	\$ 788,820	\$ 1,556,781
2120	Other liabilities	88	-	-	-	-	11,283
2150	Payroll deductions payable	3,803	-	-	-	-	361,639
2160	Accrued wages payable	26,447	-	-	-	-	1,278,113
2170	Due to other funds	-	-	-	-	771,187	2,188,338
2300	Unearned revenue	-	-	-	-	-	6,900
2000	Total Liabilities	<u>33,557</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,560,007</u>	<u>5,403,054</u>
FUND BALANCES							
Nonspendable							
3430	Prepaid items	-	-	-	-	-	27,879
Restricted							
3450	Federal/state fund grant restrictions	38,929	-	-	18,592	-	3,181,174
3470	Capital acquisitions and contracts	-	-	-	-	171,986	171,986
3490	Other restrictions of fund balance	-	131,824	-	-	-	131,824
3600	Unassigned	-	-	-	-	-	(27,879)
3000	Total Fund Balances	<u>38,929</u>	<u>131,824</u>	<u>-</u>	<u>18,592</u>	<u>171,986</u>	<u>3,484,984</u>
4000	Total liabilities and fund balances	<u>\$ 72,486</u>	<u>\$ 131,824</u>	<u>\$ -</u>	<u>\$ 18,592</u>	<u>\$ 1,731,993</u>	<u>\$ 8,888,038</u>

SAN FELIPE DEL RIO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - EXHIBIT H-2
For the year ended June 30, 2024

			Special Revenue Funds						
			205	211	212	224	225	240	242
Data				Title I	ESEA			National School	Summer
Control			Head	Part A	Title I, Pt. C	IDEA-B	IDEA-B	Breakfast and	Feeding
Codes			Start	Improving	Migrant	Formula	Preschool	Lunch Program	Program
Revenues									
5700	Local, intermediate, and out-of-state		\$ -	\$ -	\$ -	\$ -	\$ -	\$ 565,287	\$ 174
5800	State program revenues		-	-	-	-	-	85,201	-
5900	Federal program revenues		3,001,127	3,405,876	185,504	2,038,599	39,435	7,471,235	119,817
5020	Total Revenues		3,001,127	3,405,876	185,504	2,038,599	39,435	8,121,723	119,991
Expenditures									
Current									
0011	Instruction		2,077,297	2,286,974	1,365	1,446,628	39,435	-	-
0012	Instructional resources and media services		8,896	10,101	-	-	-	-	-
0013	Curriculum/instructional staff development		58,200	154,847	-	-	-	-	-
0021	Instructional leadership		133,936	103,385	99,818	141,144	-	-	-
0023	School leadership		-	5,162	-	-	-	-	-
0031	Guidance, counseling, and evaluation services		109,407	55,455	-	450,827	-	-	-
0033	Health services		93,855	15,900	465	-	-	-	-
0034	Student transportation		139,981	42,783	542	-	-	-	-
0035	Food service		17,755	-	-	-	-	8,120,780	74,809
0036	Extracurricular activities		-	-	-	-	-	-	-
0041	General administration		-	-	-	-	-	-	-
0051	Plant maintenance and operations		172,160	19,635	3,703	-	-	23,512	-
0052	Security and monitoring services		-	1,468	-	-	-	-	-
0053	Data processing services		-	267	-	-	-	-	-
0061	Community services		189,640	709,899	79,611	-	-	-	-
Capital outlay									
0081	Facilities acquisition and construction		-	-	-	-	-	-	-
6030	Total expenditures		3,001,127	3,405,876	185,504	2,038,599	39,435	8,144,292	74,809
1200	Net Change in Fund Balances		-	-	-	-	-	(22,569)	45,182
0100	Beginning fund balances		-	-	-	-	-	2,441,790	501,118
3000	Ending Fund Balances		\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,419,221	\$ 546,300

(Continued)

SAN FELIPE DEL RIO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - EXHIBIT H-2
For the year ended June 30, 2024

		Special Revenue Funds						
		244	255	263	265	270	272	279
Data		Career	ESEA		Nita	Title V, Part B	Medicaid	
Control		and	Title II		M. Lowey	Rural & Low	Admin. Claim	
Codes		Technical	Part A	Title III	21st Century	Income School	MAC	TCLAS
		Basic	Training	Part A ELA				ESSER III
Revenues								
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-	-	-	-	-
5900	Federal program revenues	167,653	748,895	170,165	1,422,753	366,451	52,930	126,580
5020	Total Revenues	167,653	748,895	170,165	1,422,753	366,451	52,930	126,580
Expenditures								
Current								
0011	Instruction	71,311	50,525	-	1,173,883	230,703	-	14,957
0012	Instructional resources and media services	-	-	-	-	-	-	-
0013	Curriculum/instructional staff development	-	466,314	168,801	-	123,136	-	111,623
0021	Instructional leadership	-	22,699	1,364	150,831	9,159	-	-
0023	School leadership	-	209,017	-	-	-	-	-
0031	Guidance, counseling, and evaluation services	96,342	340	-	-	3,453	-	-
0033	Health services	-	-	-	-	-	10,750	-
0034	Student transportation	-	-	-	87,307	-	-	-
0035	Food service	-	-	-	-	-	-	-
0036	Extracurricular activities	-	-	-	-	-	-	-
0041	General administration	-	-	-	-	-	-	-
0051	Plant maintenance and operations	-	-	-	-	-	-	-
0052	Security and monitoring services	-	-	-	-	-	-	-
0053	Data processing services	-	-	-	-	-	-	-
0061	Community services	-	-	-	10,732	-	-	-
Capital outlay								
0081	Facilities acquisition and construction	-	-	-	-	-	-	-
6030	Total expenditures	167,653	748,895	170,165	1,422,753	366,451	10,750	126,580
1200	Net Change in Fund Balances	-	-	-	-	-	42,180	-
0100	Beginning fund balances	-	-	-	-	-	107,965	-
3000	Ending Fund Balances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 150,145	\$ -

(Continued)

SAN FELIPE DEL RIO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - EXHIBIT H-2
For the year ended June 30, 2024

		Special Revenue Funds						
		282	284	285	289	386	397	410
Data Control Codes		ESSER III	IDEA-B Formula ARP	IDEA-B Preschool ARP	Miscellaneous Federal Grants	Regional Day School for the Deaf	Advanced Placement Incentives	State Textbook
Revenues								
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-	-	42,257	-	1,463,488
5900	Federal program revenues	2,006,538	15,230	547	352,564	-	-	-
5020	Total Revenues	2,006,538	15,230	547	352,564	42,257	-	1,463,488
Expenditures								
Current								
0011	Instruction	1,257,196	-	547	317,932	42,257	-	1,471,859
0012	Instructional resources and media services	-	-	-	-	-	-	-
0013	Curriculum/instructional staff development	349,898	-	-	6,086	-	-	-
0021	Instructional leadership	20,577	-	-	8,332	-	-	-
0023	School leadership	38,123	-	-	-	-	-	-
0031	Guidance, counseling, and evaluation services	32,495	14,812	-	12,714	-	-	-
0033	Health services	11,813	-	-	-	-	-	-
0034	Student transportation	12,987	-	-	-	-	-	-
0035	Food service	-	-	-	-	-	-	-
0036	Extracurricular activities	-	-	-	-	-	-	-
0041	General administration	-	-	-	-	-	-	-
0051	Plant maintenance and operations	283,449	418	-	-	-	-	-
0052	Security and monitoring services	-	-	-	-	-	-	-
0053	Data processing services	-	-	-	-	-	-	-
0061	Community services	-	-	-	7,500	-	-	-
Capital outlay								
0081	Facilities acquisition and construction	-	-	-	-	-	-	-
6030	Total expenditures	2,006,538	15,230	547	352,564	42,257	-	1,471,859
1200	Net Change in Fund Balances	-	-	-	-	-	-	(8,371)
0100	Beginning fund balances	-	-	-	1,905	-	1,681	12,772
3000	Ending Fund Balances	\$ -	\$ -	\$ -	\$ 1,905	\$ -	\$ 1,681	\$ 4,401

(Continued)

SAN FELIPE DEL RIO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - EXHIBIT H-2
For the year ended June 30, 2024

		Special Revenue Funds				Capital Project Fund	
		429	461	469	487	699	
Data Control Codes		Miscellaneous State Special Revenue Program	Campus Activity	EPA School Bus Rebate	Healthy Futures of Texas	Capital Projects	Total Nonmajor Governmental Funds
Revenues							
5700	Local, intermediate, and out-of-state	\$ -	\$ 140,475	\$ -	\$ -	\$ 127,477	\$ 833,413
5800	State program revenues	1,508,630	-	-	-	-	3,099,576
5900	Federal program revenues	-	-	7,505,000	-	-	29,196,899
5020	Total Revenues	1,508,630	140,475	7,505,000	-	127,477	33,129,888
Expenditures							
Current							
0011	Instruction	118,314	11,345	-	-	-	10,612,528
0012	Instructional resources and media services	-	44,217	-	-	-	63,214
0013	Curriculum/instructional staff development	36,848	-	-	-	-	1,475,753
0021	Instructional leadership	-	-	-	-	-	691,245
0023	School leadership	-	20,404	-	-	-	272,706
0031	Guidance, counseling, and evaluation services	114,415	-	-	-	-	890,260
0033	Health services	-	-	-	-	-	132,783
0034	Student transportation	-	200	7,505,000	-	-	7,788,800
0035	Food service	-	-	-	-	-	8,213,344
0036	Extracurricular activities	-	65,961	-	-	-	65,961
0041	General administration	-	4,379	-	-	-	4,379
0051	Plant maintenance and operations	34,817	-	-	-	18,260	555,954
0052	Security and monitoring services	1,217,776	-	-	-	-	1,219,244
0053	Data processing services	-	-	-	-	150,963	151,230
0061	Community services	-	2,739	-	-	-	1,000,121
Debt service							
0073	Other debt service fees	-	-	-	-	3,500	3,500
Capital outlay							
0081	Facilities acquisition and construction	-	-	-	-	2,345,760	2,345,760
6030	Total expenditures	1,522,170	149,245	7,505,000	-	2,518,483	35,486,782
1200	Net Change in Fund Balances	(13,540)	(8,770)	-	-	(2,391,006)	(2,356,894)
0100	Beginning fund balances	52,469	140,594	-	18,592	2,562,992	5,841,878
3000	Ending Fund Balances	\$ 38,929	\$ 131,824	\$ -	\$ 18,592	\$ 171,986	\$ 3,484,984

SAN FELIPE DEL RIO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
EXHIBIT J-1
For the year ended June 30, 2024

		1	2	3	10	20	31	32	40	50
		Tax Rates		Net Assessed/ Appraised Value For School Tax Purposes	Beginning Balance 06/30/23	Current Year's Total Levy	Maintenance Total Collected	Debt Service Total Collected	Entire Year's Adjustments	Ending Balance 06/30/24
Last Ten Years		Maintenance	Debt Services							
2015 and prior	Various	Various	Various	\$ 665,240	\$ -	\$ 44,780	\$ 5,406	\$ (4,424)	\$ 610,630	
2016	\$ 1.0400	\$ 0.1203	\$ 1,562,522,724	141,245	-	15,331	1,773	(442)	123,699	
2017	1.0400	0.1198	1,657,294,791	178,717	-	24,489	2,821	(360)	151,047	
2018	1.0400	0.1198	1,673,625,065	215,377	-	28,224	3,251	(319)	183,583	
2019	1.1598	-	1,818,164,684	298,004	-	55,858	-	(387)	241,759	
2020	1.0617	-	2,000,294,331	983,297	-	90,553	-	(1,439)	891,305	
2021	0.9927	0.0570	2,272,172,907	1,135,731	-	109,322	6,277	1,684	1,021,816	
2022	0.9752	0.0570	2,305,023,542	1,192,010	-	127,662	7,462	(76,882)	980,004	
2023	0.9559	0.1771	2,618,595,427	1,848,967	-	353,847	65,574	(293,093)	1,136,453	
2024	0.7509	0.1877	2,601,008,523	-	25,711,438	17,938,514	4,484,036	(1,298,372)	1,990,516	
1000	Totals			\$ 6,658,588	\$ 25,711,438	\$ 18,788,580	\$ 4,576,600	\$ (1,674,034)	\$ 7,330,812	
8000	Taxes refunded					\$ 344,934				
9000	Tax increment					\$ -				

SAN FELIPE DEL RIO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
NATIONAL SCHOOL BREAKFAST AND LUNCH PROGRAM FUND - EXHIBIT J-2
For the year ended June 30, 2024

Data Control Codes		Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
		Original	Final		
	Revenues				
5700	Local and intermediate sources	\$ 417,288	\$ 587,117	\$ 565,287	\$ (21,830)
5800	State program revenues	30,000	75,432	85,201	9,769
5900	Federal program revenues	<u>7,041,401</u>	<u>7,788,901</u>	<u>7,471,235</u>	<u>(317,666)</u>
5020	Total Revenues	<u>7,488,689</u>	<u>8,451,450</u>	<u>8,121,723</u>	<u>(329,727)</u>
	Expenditures				
	Current:				
0035	Food services	6,929,496	8,238,149	8,120,780	117,369
0051	Plant maintenance and				
0051	operations	<u>2,696</u>	<u>64,005</u>	<u>23,512</u>	<u>40,493</u>
6030	Total expenditures	<u>6,932,192</u>	<u>8,302,154</u>	<u>8,144,292</u>	<u>157,862</u>
1200	Net Change in Fund Balance	556,497	149,296	(22,569)	(171,865)
0100	Beginning fund balance	<u>2,441,790</u>	<u>2,441,790</u>	<u>2,441,790</u>	<u>-</u>
3000	Ending Fund Balance	<u>\$ 2,998,287</u>	<u>\$ 2,591,086</u>	<u>\$ 2,419,221</u>	<u>\$ (171,865)</u>

Notes to Supplementary Information:

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

SAN FELIPE DEL RIO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND - EXHIBIT J-3
For the year ended June 30, 2024

Data Control Codes		Budgeted Amounts			Variance with Final Budget Positive (Negative)
		Original	Final	Actual	
	Revenues				
5700	Local and intermediate sources	\$ 5,088,049	\$ 4,671,347	\$ 4,788,988	\$ 117,641
5800	State program revenues	436,470	936,470	753,230	(183,240)
5020	Total Revenues	<u>5,524,519</u>	<u>5,607,817</u>	<u>5,542,218</u>	<u>(65,599)</u>
	Expenditures				
	Debt service:				
0071	Principal	3,695,000	3,695,000	3,695,000	-
0072	Interest	1,343,775	1,343,775	1,343,775	-
0073	Other debt service fees	<u>55,500</u>	<u>55,000</u>	<u>51,817</u>	<u>3,183</u>
6030	Total expenditures	<u>5,094,275</u>	<u>5,093,775</u>	<u>5,090,592</u>	<u>3,183</u>
1200	Net Change in Fund Balance	430,244	514,042	451,626	(62,416)
0100	Beginning fund balance	<u>537,442</u>	<u>537,442</u>	<u>537,442</u>	<u>-</u>
3000	Ending Fund Balance	<u>\$ 967,686</u>	<u>\$ 1,051,484</u>	<u>\$ 989,068</u>	<u>\$ (62,416)</u>

Notes to Supplementary Information:

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

SAN FELIPE DEL RIO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
USE OF FUNDS REPORT
FOR SELECT STATE ALLOTMENT PROGRAMS - EXHIBIT J-4
For the year ended June 30, 2024

<u>Data Control Codes</u>		<u>Responses</u>
<u>Section A: Compensatory Education Programs</u>		
AP1	Did the District expend any state compensatory education program state allotment funds during the District's fiscal year?	Yes
AP2	Does the District have written policies and procedures for its state compensatory education program?	Yes
AP3	List the total state allotment funds received for state compensatory education programs during the District's fiscal year.	\$11,436,533
AP4	List the actual direct program expenditures for state compensatory education programs during the District's fiscal year. (PICs 24, 26, 28, 29, 30, 34)	\$6,476,742
<u>Section B: Bilingual Education Programs</u>		
AP5	Did the District expend any bilingual education program state allotment funds during the District's fiscal year?	Yes
AP6	Does the District have written policies and procedures for its bilingual education program?	Yes
AP7	List the total state allotment funds received for bilingual education programs during the District's fiscal year.	\$1,177,744
AP8	List the actual direct program expenditures for bilingual education programs during the District's fiscal year. (PICs 25, 35).	\$814,062

FEDERAL AWARDS AND COMPLIANCE SECTION

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

To the Board of Trustees of
San Felipe Del Rio Consolidated Independent School District:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of San Felipe Del Rio Consolidated Independent School District (the "District") as of and for the year ended June 30, 2024, 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 21, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion 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*.

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.

A handwritten signature in black ink that reads "Crowe LLP". The signature is written in a cursive, flowing style.

Crowe LLP

Houston, Texas
November 21, 2024

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

To the Board of Trustees of
San Felipe Del Rio Consolidated Independent School District:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited San Felipe Del Rio Consolidated 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 June 30, 2024. 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 June 30, 2024.

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.

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.

(Continued)

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.

A handwritten signature in black ink that reads "Crowe LLP". The signature is written in a cursive, flowing style.

Crowe LLP

Houston, Texas
November 21, 2024

SAN FELIPE DEL RIO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
For the year ended June 30, 2024

SUMMARY OF PRIOR YEAR AUDIT FINDINGS

No prior year findings.

SAN FELIPE DEL RIO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2024

SECTION I - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	No

FEDERAL AWARDS

Internal control over major federal programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of audit report issued on compliance for major federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulation (CFR) Part 200.516(a)?	No
Identification of major programs:	
<u>Assistance Listing (AL) Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.553/10.555	Child Nutrition Cluster
84.287C	Nita M. Lowey 21st Century
Dollar threshold used to distinguish between Type A and Type B programs:	\$750,434
Auditee qualify as low-risk auditee?	Yes

SECTION II - FINANCIAL STATEMENT FINDINGS

None identified.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None identified.

SAN FELIPE DEL RIO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - EXHIBIT K-1
For the year ended June 30, 2024

(1) Federal Grantor/Pass-Through Grantor/Program Title or Cluster Title	(2) Federal AL Number	(2A) Pass-Through Entity Identifying Number	(3) Federal Expenditures
U.S. DEPARTMENT OF EDUCATION			
Direct Program			
Impact Aid - P.L. 81.874	84.041	233-901	\$ 384,154
Passed Through Texas Department of Education			
Title I, Part A - Improving Basic Programs	84.010A	23610101233901	416,727
Title I, Part A - Improving Basic Programs	84.010A	24610101233901	3,131,244
Title I, 1003 ESF-Focused Support	84.010A	226101577110018	10,062
Title I, 1003 ESF-Focused Support	84.010A	246101397110092	27,503
Title I, Part C - Migrant	84.011A	23615001233901	14,276
Title I, Part C - Migrant	84.011A	24615001233901	181,013
Title III, Part A, ELA	84.365A	23671001233901	1,240
Title III, Part A, ELA	84.365A	24671001233901	172,327
Career and Technical, Basic Grant	84.048A	23420006233901	1,961
Career and Technical, Basic Grant	84.048A	24420006233901	174,074
Nita M. Lowey 21st Century	84.287C	246950337110041	1,493,891
Title II, Part A, Teacher and Principal	84.367A	23694501233901	84,368
Title II, Part A, Teacher and Principal	84.367A	24694501233901	467,163
2023-2024 Principal Residency	84.367A	236945677110018	225,000
COVID-19, ARP ESSER III	84.425U	21528001233901	4,252,482
COVID-19, TCLAS ESSER III	84.425U	21528042233901	126,580
Title V, Part B, Subpart 2 - Rural and Low Income School	84.358B	23696001233901	177,198
Title V, Part B, Subpart 2 - Rural and Low Income School	84.358B	24696001233901	208,584
Summer School LEP	84.369A	69552302	4,408
Title IV, Part A, Subpart 1	84.424A	23680101233901	192,418
Title IV, Part A, Subpart 1	84.424A	24680101233901	174,103
Special Education Cluster:			
IDEA B, Formula Grant*	84.027A	236600012339016000	31,186
IDEA B, Formula Grant*	84.027A	246600012339016000	2,114,949
COVID-19, IDEA B, Formula Grant - ARP Carryover*	84.027X	225350022339015000	16,033
IDEA B, Preschool*	84.173A	236610012339016000	143
IDEA B, Preschool*	84.173A	246610012339016000	41,372
COVID-19, IDEA B, Preschool - ARP Carryover*	84.173X	225360022339015000	577
Total U.S. Department of Education			<u>14,125,036</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Pass-Through Texas Health and Human Services Commission			
Medicaid Administrative Claiming Program - MAC	93.778	HHS000537900065	52,930
Direct Program			
Head Start	93.600	06CH011187-04-00	103,042
Head Start	93.600	06CH011187-05-00	2,549,201
COVID-19, Head Start - American Rescue Plan	93.600	06HE000745-01-C6	348,884
Total U.S. Department of Health and Human Services			<u>3,054,057</u>

See accompanying notes to schedule of expenditures of federal awards.

SAN FELIPE DEL RIO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - EXHIBIT K-1
For the year ended June 30, 2024

(1) <u>Federal Grantor/Pass-Through Grantor/Program Title or Cluster Title</u>	(2) <u>Federal AL Number</u>	(2A) <u>Pass-Through Entity Identifying Number</u>	(3) <u>Federal Expenditures</u>
U.S. DEPARTMENT OF AGRICULTURE			
Pass-Through Texas Department of Education			
Child Nutrition Cluster:			
School Breakfast Program*	10.553	806780706	\$ 1,465,952
National School Lunch Program - Cash Assistance*	10.555	806780706	5,156,145
Summer Feeding Program*	10.553	806780706	30,999
Summer Feeding Program*	10.555	806780706	88,818
Child and Adult Care Food Program	10.558	806780706	515,423
Commodity Delivery Fee Reimbursement	10.560	806780706	2,439
Direct Program			
Commodity Supplemental Food Program	10.565	806780706	572,544
Total U.S. Department of Agriculture			<u>7,832,320</u>
FEDERAL COMMUNICATIONS COMMISSION			
Direct Program			
Emergency Connectivity Fund Program (ECF)	32.009	233-901	3,039
Total Federal Communications Commission			<u>3,039</u>
Total Federal Expenditures			<u>\$ 25,014,452</u>

* Indicates clustered program under OMB Uniform Guidance (2.CFR.200)
The accompanying notes are an integral part of this schedule

Federal revenue per SEFA	\$ 25,014,452
SHARS	23,074
IRS Refund	234
ROTC	67,679
Universal E-Rate	31,742
EPA School Bus Rebate	7,505,000
Prior year ECF unearned revenues	1,120,215
C-2 Federal revenue	<u>\$ 33,762,396</u>

(Continued)

SAN FELIPE DEL RIO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2024

NOTE 1 - BASIS OF ACCOUNTING

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3 - INDIRECT COST RATE

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

SAN FELIPE DEL RIO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REQUIRED RESPONSES TO
SELECTED SCHOOL FIRST INDICATORS - EXHIBIT L-1
For the year ended June 30, 2024

<u>Data Control Codes</u>		<u>Responses</u>
SF1	Was there an unmodified opinion in the annual financial report on the financial statements as a whole?	Yes
SF2	Were there any disclosures in the annual financial report and/or other sources of information concerning nonpayment of any terms of any debt agreement at fiscal year end?	No
SF3	Did the District make timely payments to the Teacher Retirement System, Texas Workforce Commission, Internal Revenue, and other governmental agencies?	Yes
SF4	Was the District issued a warrant hold?	No
SF5	Did the annual financial report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds?	No
SF6	Was there any disclosure in the annual financial report of material noncompliance for grants, contracts, and laws related to local, state, or federal funds?	No
SF7	Did the 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 District's fiscal year end?	Yes
SF8	Did the Board members discuss the District's property values at a board meeting within 120 days before the District adopted its budget?	Yes
SF9	Total accumulated accretion on capital appreciation bonds included in government-wide financial statements at fiscal year end.	\$1,859,894