

**HAMLIN COLLEGIATE
INDEPENDENT SCHOOL DISTRICT
JONES COUNTY, TEXAS
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED AUGUST 31, 2024**

HAMLIN COLLEGIATE INDEPENDENT SCHOOL DISTRICT **ANNUAL FINANCIAL REPORT** **FOR THE YEAR ENDED AUGUST 31, 2024**

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CERTIFICATE OF BOARD

**Hamlin Collegiate Independent
School District**

Name of School District

Jones

County

127903

County – District Number

We, the undersigned, certify that the attached annual financial reports of the above-named school district were reviewed and (check one) ☒ approved ☐ disapproved for the year ended **August 31, 2024**, at a meeting of the Board of Trustees of such school district on the **8th** day of **October, 2024**.

Signature of Board President

Signature of Board Secretary

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

James E. Rodgers and Company, P.C.

Certified Public Accountants

20 Southwest Third Street • PO Box 669 • Hamlin, Texas 79520 • Tel: 325-576-2356 • Fax: 325-576-3525

E-mail: rodgerscpa@att.net

Member of Texas Society of CPA's and American Institute of CPA's

Richard E. Rodgers CPA • Gerald L. Rodgers CPA

October 8, 2024

**Unmodified Report on Financial Statements Issued in Accordance with *Government Auditing Standards*
and a Single Audit Accompanied by Required Supplementary Information, Supplementary Information,
and Other Information**

INDEPENDENT AUDITOR'S REPORT

**To the Board of Trustees
Hamlin Collegiate Independent School District
Hamlin, Texas 79520**

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Hamlin Collegiate Independent School District, as of and for the year ended August 31, 2024, and the related notes to the financial statements, which collectively comprise the Hamlin Collegiate Independent School District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Hamlin Collegiate Independent School District, as of August 31, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Hamlin Collegiate Independent School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 Hamlin Collegiate Independent School 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.

James E. Rodgers and Company, P.C.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Hamlin Collegiate Independent School 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 Hamlin Collegiate Independent School District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and budgetary comparison information reported in Exhibit G-1, and schedules for pension and OPEB liabilities and contributions reported in Exhibits G-2, G-3, G-4, and G-5 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.

James E. Rodgers and Company, P.C.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Hamlin Collegiate Independent School District's basic financial statements. The accompanying combining nonmajor fund financial statements, required Texas Education Agency 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 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 nonmajor fund financial statements, required Texas Education Agency Schedules, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Schools First Questionnaire but does not include the basic financial statements and our auditor's report 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 October 8, 2024, on our consideration of the Hamlin Collegiate Independent School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Hamlin Collegiate Independent School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Hamlin Collegiate Independent School District's internal control over financial reporting and compliance.

Respectfully submitted,



James E. Rodgers and Company, P.C.



MANAGEMENT'S DISCUSSION AND ANALYSIS

In this section of the Annual Financial and Compliance Report, we, the administration of **Hamlin Collegiate Independent School District**, discuss and analyze the District's financial performance for the **fiscal year ended August 31, 2024**. Please read it in conjunction with the independent auditor's report and the District's Basic Financial Statements.

FINANCIAL HIGHLIGHTS

Highlights of Current Fiscal Year Finances

Government Wide Total Net Position at the End of the Year	\$	12,397,609
Government Wide Revenues for the Current Fiscal Year		7,959,515
Government Wide Expenses for the Current Fiscal Year		8,104,670
Fund Balance in the General Fund at the End of Year		2,920,830

Changes in the Government Wide Finances from the Previous Fiscal Year

	Increase (Decrease)	
	\$	%
<u>Change in Net Position:</u>		
Change in the Government Wide Total Net Position	\$ (247,956)	-1.96%
<u>Revenue Changes:</u>		
Change in the Government Wide Total Revenues	\$ (6,401,881)	-44.58%
Change in the Government Wide Property Tax Revenues	(194,688)	-8.90%
Change in the Government Wide State Aid Formula Grants	59,926	1.54%
Change in Operating Grants and Contributions	(2,548,304)	-59.82%
<u>Expense Changes:</u>		
Change in the Government Wide Total Expenses	\$ (63,341)	-0.78%
<u>Other Information:</u>		
Change in General Fund Balance	\$ (407,773)	-12.25%
Excess (Deficit) of Actual Revenue over Budgeted Revenue	62,019	3.37%

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

The *statement of net position* presents information on all of the District's assets and deferred outflows of resources, and liabilities and deferred inflows of resources with the difference between the two reported a *net position*. Over time, increases or decreases in net position may serve as a useful indicator as to whether the financial position of the District is improving or deteriorating.

The *statement of activities* presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods such as uncollected property tax and earned but unused sick and vacation leave.

The government-wide financial statements distinguish functions of the District that are principally supported by taxes, intergovernmental revenues, and user fees & charges (*governmental activities*). The governmental activities of the District include the education of District students and the programs necessary to support such education.

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between *governmental funds* and *governmental activities*. The District maintains numerous individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General and Debt Service Funds as they are considered major funds. Data from the other funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The District adopts an annual appropriated budget for the General Fund. A budgetary comparison schedule has been provided for this fund to demonstrate compliance with this budget. Supplementary budgetary comparison schedules have also been prepared for the Child Nutrition and Debt Service Funds and are included in the other supplementary information section of this report.

Proprietary funds. The District maintains an *internal service fund* as an accounting device used to accumulate and allocate costs internally among the District's various functions. The District uses this internal service fund to account for its workers compensation self-insurance. Internal service funds are generally considered a *governmental activity* and are included in the government-wide financial statements.

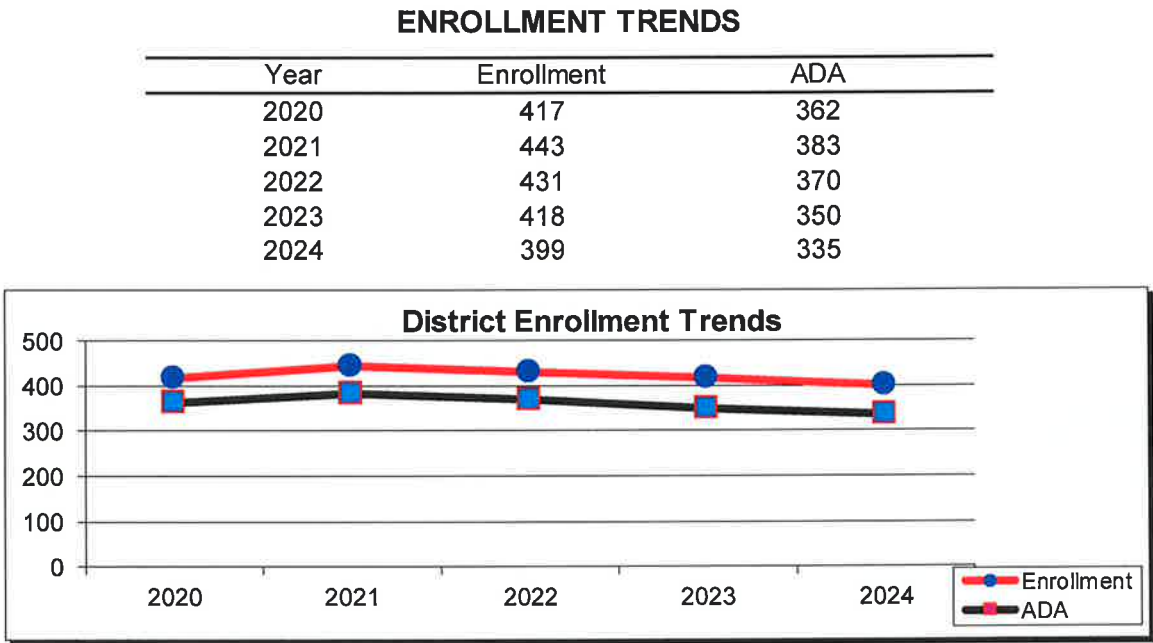
Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the District's own programs. The District maintains student activity accounts and scholarship funds as fiduciary funds.

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

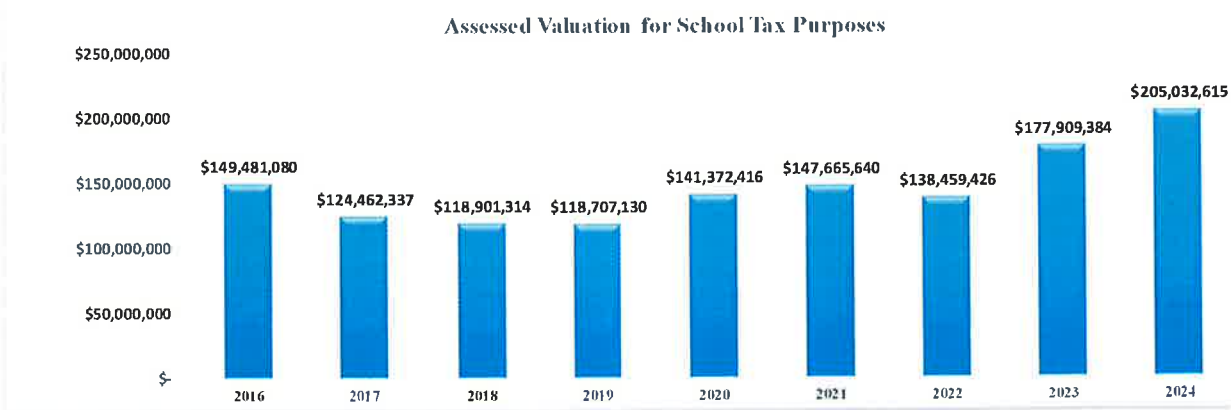
Other information. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. In addition, certain information required by the Texas Education Agency and the federal government regarding tax collection and grant expenditures is also presented along with required supplementary information related to the District’s contributions to a cost-sharing pension plan with the Teacher Retirement System of Texas.

DISTRICT FINANCES

District’s activities are primarily funded from local property tax revenues and education funding from the State of Texas. State funding for public education in Texas is based upon the District’s average daily attendance, thus the District’s revenue is highly dependent on enrollment trends. The District receives additional weighted funding for students enrolled in career and technology coursework, gifted and talented, special education, bilingual, and compensatory education programs. The demographics of the District and the types of coursework students pursue are constantly changing and thus affecting funding. The following chart details the enrollment trends of the District.



A history of the District’s assessed valuation for school tax purposes is as follows:



Both student enrollment and the local property tax base are important attributes affecting District’s finances.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following table indicates the net position of the District at the end of the current and prior fiscal years.

Table I
Net Position

	Governmental Activities	
	2023	2024
Current and other assets	\$ 5,168,853	\$ 4,479,913
Capital assets	13,869,482	13,930,106
Deferred outflow of resources	2,879,046	2,580,218
Total assets & deferred outflows	\$ 21,917,381	\$ 20,990,237
Long-term liabilities	\$ 2,763,381	\$ 2,413,538
Other liabilities	856,433	588,463
Net pension liability	1,983,555	2,360,137
Net OPEB liability	1,331,271	1,231,946
Deferred inflow of resources	2,337,176	1,998,544
Total liabilities & deferred inflows	\$ 9,271,816	\$ 8,592,628
Net Position:		
Net Investment in Capital Assets	\$ 11,205,561	\$ 11,596,236
Restricted	706,900	787,624
Unrestricted	733,104	13,749
Total net position	\$ 12,645,565	\$ 12,397,609

The following table indicates the changes in net position of the District during the current and prior fiscal years.

Table II
Changes in Net Position

	Governmental Activities	
	2023	2024
Program Revenues:		
Charges for Services	\$ 52,807	\$ 52,628
Operating grants & contributions	4,259,780	1,711,476
General Revenues:		
Maintenance & operations taxes	1,687,494	1,556,122
Debt service taxes	501,149	437,833
State aid - formula grants	3,884,396	3,944,322
Other Grants & Contributions	223,840	140,073
Investment earnings	31,637	49,557
Insurance Receovery and Miscellaneous	3,720,293	67,504
Total Revenues	\$ 14,361,396	\$ 7,959,515
Expenses		
Instruction	\$ 4,296,177	\$ 4,080,839
Instructional Resources & Media Services	5,541	20,887
Curriculum & Instructional Staff Development	17,617	26,167
Instructional Leadership	97,608	19,154
School Leadership	348,576	444,317
Guidance, Counseling & Evaluation Services	69,084	46,087
Health Services	39,824	40,314
Student (Pupil) Transportation	225,748	229,976
Food Services	312,791	277,729
Extracurricular Activities	377,155	462,260
General Administration	637,469	615,890
Facilities Maintenance and Operations	1,122,623	1,170,438
Security and Monitoring Services	125,114	49,642
Data Processing Services	169,354	196,911
Community Services	4,938	69,654
Debt Service - Interest on Long Term Debt	98,842	90,627
Debt Service - Bond Issuance Cost and Fees	3,800	3,800
Payments to Fiscal Agent/Member Districts of SSA	170,315	209,607
Other Intergovernmental Charges	45,435	50,371
Total Expenses	\$ 8,168,011	\$ 8,104,670
Increase in Net Position before transfers and special items	\$ 6,193,385	\$ (145,155)
Prior Period Adjustments	-	(102,801)
Net position at 9/1	6,452,180	12,645,565
Total Net Position	\$ 12,645,565	\$ 12,397,609

An analysis of the change in Government Wide Net Position is as follows:

<u>Change in Government Wide Net Position:</u>	
Excess of Revenues Over Expenditures for Governmental Funds	\$ (328,946)
Net Income (Loss) of Internal Service Funds	(4,079)
Current Year Purchases of Capital Assets	993,869
Current Year Debt Principal Payments	323,962
Depreciation	(933,245)
Other Modified to Full Accrual Revenue Adjustments	21,957
Net Adjustment to Pension Expense per GASB 68	(339,469)
Net Adjustments for OPEB Plan required by GASB 75	120,796
Change in Net Position of Governmental Activities	\$ (145,155)

THE DISTRICT'S FUNDS

A financial summary of the District's funds for the current year is as follows:

Governmental Fund Financial Statements

	General Fund	Special Revenue Funds	Debt Service Fund	Total
Revenues	\$ 5,966,673	\$ 1,707,586	\$ 472,453	\$ 8,146,712
Expenditures	(6,374,446)	(1,769,487)	(331,725)	(8,475,658)
Other Financing Sources	-	-	-	-
Other Financing Uses	-	-	-	-
Net Change in Fund Balance	\$ (407,773)	\$ (61,901)	\$ 140,728	\$ (328,946)
Prior Period Adjustment	(102,801)	-	-	(102,801)
Beginning Fund Balance	3,431,404	121,438	552,741	4,105,583
Ending Fund Balance All Governmental Funds	\$ 2,920,830	\$ 59,537	\$ 693,469	\$ 3,673,836

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of the current fiscal year, the District had invested in a broad range of capital assets, including facilities and equipment for instruction, transportation, athletics, administration, and maintenance.

This year's major additions and the net change in total capital assets are as follows:

Current Year Capital Assets Additions and Deletions:

Elementary Building Roof	\$	447,646
CT Equipment (JET Grant)		141,382
2024 Suburban		58,863
Food Service Equipment		77,413
Security Fence and Equipment		68,044
Other Facility Improvements		70,008
Sprinkler System		50,873
Other Equipment		79,640
Total Additions	\$	993,869
Total Deletions	\$	-
Net Change	\$	993,869

The District's next fiscal year General Fund capital expenditures budget includes \$42,500 capital outlay appropriations.

Debt

The District's long-term debt as of the end of the current fiscal year is as follows:

Long-Term Debt					
Debt	Interest Rate on Issue	Amounts Original Issue	Interest Current Year	Outstanding End of Year	Next Year's Total Principal and Interest Requirement
2015 Tax Refunding Bonds	3.00-4.00%	3,765,000	92,925	2,235,000	324,600
2018 Girardin Bus Lease	2.18%	115,385	1,537	-	-
2021 Blue Bird Bus Lease	2.78%	98,650	566	-	-
Copiers Lease - Xerox	3.00%	118,979	2,700	74,213	24,642
TOTALS		\$ 4,098,014	\$ 97,728	\$ 2,309,213	\$ 349,242

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

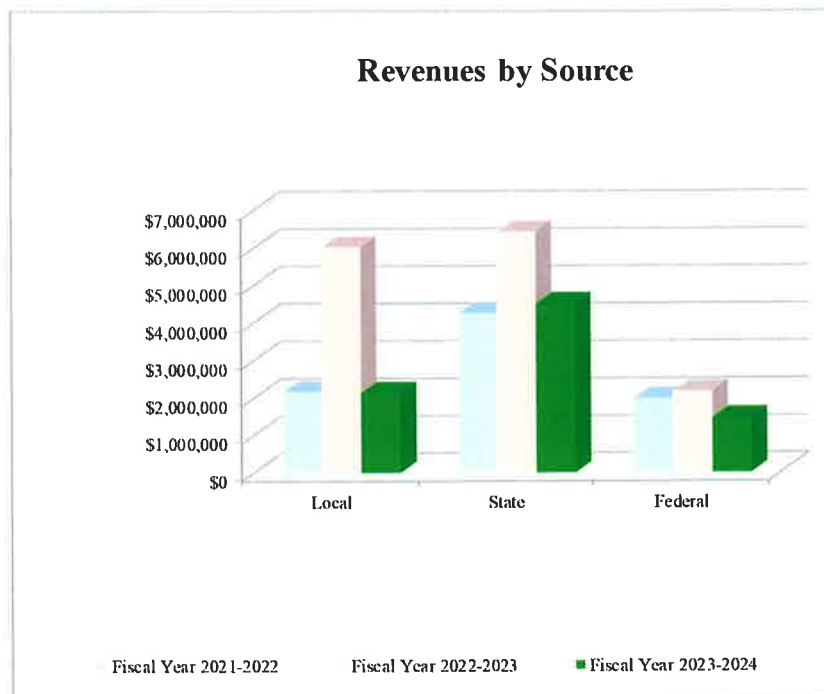
The District's elected and appointed officials considered many factors when setting the next fiscal year budget and tax rates. Expected student enrollment and the effect on state funding, and property valuation for ad valorem taxes and the effect on property tax revenues were implicit in the expected revenue and expenditures when adopting the budget for next year. A summary of the subsequent fiscal year budget for funds legally required to be budgeted is as follows:

Fiscal Year 2024 - 2025 Adopted Budget			
	General Fund	Child Nutrition Fund	Debt Service Fund
Revenues	\$ 5,598,405	\$ 279,784	\$ 351,600
Expenditures	(6,178,656)	(279,784)	(335,000)
Net Change in Fund Balance	\$ (580,251)	\$ -	\$ 16,600
Beginning of Year Fund Balance	2,920,830	51,914	693,469
Projected End of Year Fund Balance	\$ 2,340,579	\$ 51,914	\$ 710,069

HISTORICAL FINANCIAL ANALYSIS

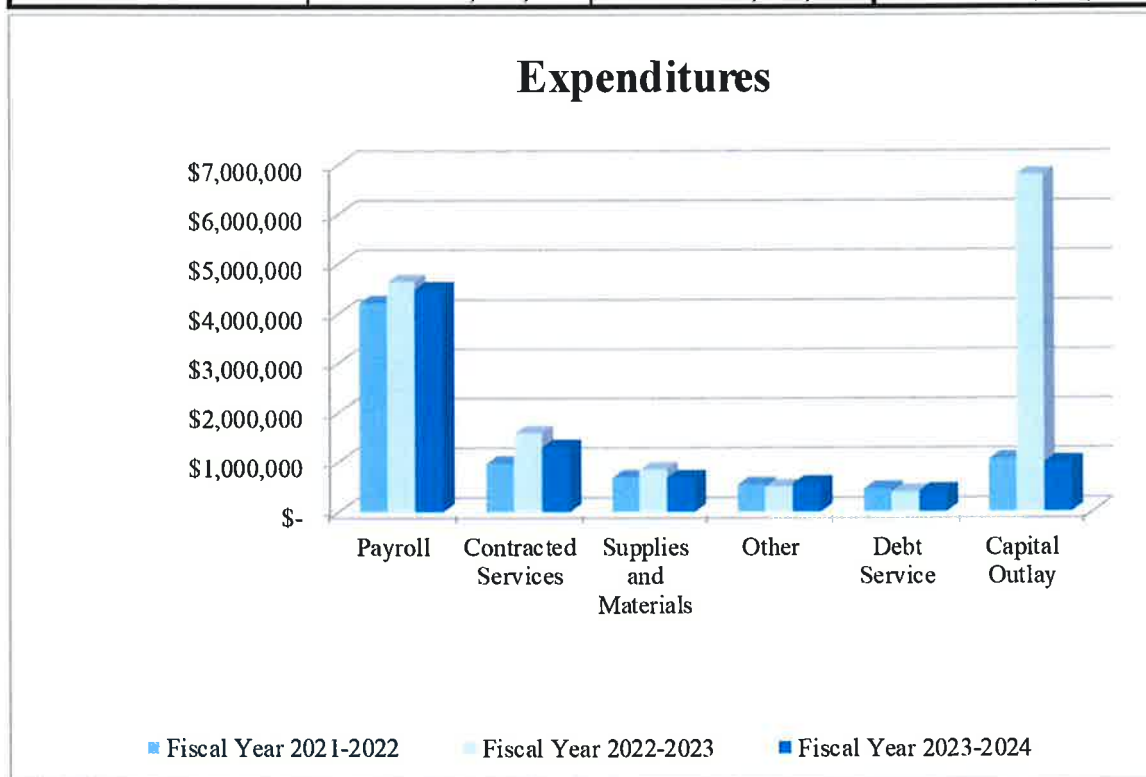
The following graph indicates District revenues by source for the last three years.

REVENUES BY SOURCE			
	Fiscal Year 2021-2022	Fiscal Year 2022-2023	Fiscal Year 2023-2024
ADA	370	350	335
Local	\$2,180,186	\$6,035,882	\$2,148,703
State	4,269,817	6,434,096	4,521,702
Federal	1,992,388	2,175,918	1,476,307
Total	\$8,442,391	\$14,645,896	\$8,146,712



The following graph indicates expenditures by type for the last three years.

Expenditures By Type			
	Fiscal Year 2021-2022	Fiscal Year 2022-2023	Fiscal Year 2023-2024
Total Staff	80	84	77
Payroll	\$ 4,216,667	\$ 4,647,394	\$ 4,495,432
Contracted Services	979,848	1,586,161	1,300,937
Supplies and Materials	696,933	857,104	685,444
Other	546,817	505,179	574,486
Debt Service	462,684	401,078	425,490
Capital Outlay	1,061,935	6,795,901	993,869
Total	\$ 7,964,884	\$ 14,792,817	\$ 8,475,658



CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our students and parents, 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 **Hamlin Collegiate Independent School District, 450 SW Avenue F, Hamlin, Texas 79520; (325) 576-3624** or visit us at our website at <http://www.hamlincollegiate.com>.

BASIC FINANCIAL STATEMENTS

HAMLIN COLLEGIATE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
AUGUST 31, 2024

EXHIBIT A-1

Data Control Codes	Primary Government
	Governmental Activities
ASSETS	
1110 Cash and Cash Equivalents	\$ 3,338,864
1120 Current Investments	500,000
1220 Property Taxes - Delinquent	286,267
1230 Allowance for Uncollectible Taxes	(71,567)
1240 Due from Other Governments	417,760
1250 Accrued Interest	8,589
Capital Assets:	
1510 Land	59,400
1520 Buildings, Net	10,878,016
1530 Equipment and Vehicles, Net	2,919,408
1550 Right-to-Use Leased Assets, Net	67,987
1553 SBITA Assets, Net	5,295
1000 Total Assets	<u>18,410,019</u>
DEFERRED OUTFLOWS OF RESOURCES	
1701 Deferred Charge for Refunding	76,050
1705 Deferred Outflow Related to TRS Pension	1,225,742
1706 Deferred Outflow Related to TRS OPEB	1,278,426
1700 Total Deferred Outflows of Resources	<u>2,580,218</u>
LIABILITIES	
2110 Accounts Payable	123,189
2150 Payroll Deductions and Withholdings	40,963
2160 Accrued Wages Payable	129,145
2180 Due to Other Governments	266,018
2200 Accrued Expenses	19,679
2300 Unearned Revenue	9,469
Noncurrent Liabilities:	
2501 Due Within One Year: Loans, Note, Leases, etc.	266,333
Due in More than One Year:	
2502 Bonds, Notes, Loans, Leases, etc.	2,147,205
2540 Net Pension Liability (District's Share)	2,360,137
2545 Net OPEB Liability (District's Share)	1,231,946
2000 Total Liabilities	<u>6,594,084</u>
DEFERRED INFLOWS OF RESOURCES	
2605 Deferred Inflow Related to TRS Pension	97,879
2606 Deferred Inflow Related to TRS OPEB	1,900,665
2600 Total Deferred Inflows of Resources	<u>1,998,544</u>
NET POSITION	
3200 Net Investment in Capital Assets and Right-to-Use Lease Assets	11,596,236
Restricted:	
3820 Restricted for Federal and State Programs	51,914
3850 Restricted for Debt Service	732,796
3890 Restricted for Other Purposes	2,914
3900 Unrestricted	13,749
3000 Total Net Position	<u>\$ 12,397,609</u>

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

HAMLIN COLLEGIATE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2024

EXHIBIT B-1

Data Control Codes		Program Revenues			Net (Expense) Revenue and Changes in Net Position
		1	3	4	
		Expenses	Charges for Services	Operating Grants and Contributions	Primary Gov. Governmental Activities
Primary Government:					
GOVERNMENTAL ACTIVITIES:					
11	Instruction	\$ 4,080,839	\$ -	\$ 1,127,217	\$ (2,953,622)
12	Instructional Resources and Media Services	20,887	-	-	(20,887)
13	Curriculum and Instructional Staff Development	26,167	-	7,096	(19,071)
21	Instructional Leadership	19,154	-	7,897	(11,257)
23	School Leadership	444,317	-	167,379	(276,938)
31	Guidance, Counseling, and Evaluation Services	46,087	-	166	(45,921)
33	Health Services	40,314	-	298	(40,016)
34	Student (Pupil) Transportation	229,976	-	540	(229,436)
35	Food Services	277,729	7,427	278,884	8,582
36	Extracurricular Activities	462,260	42,529	1,420	(418,311)
41	General Administration	615,890	-	3,173	(612,717)
51	Facilities Maintenance and Operations	1,170,438	2,672	3,103	(1,164,663)
52	Security and Monitoring Services	49,642	-	81,687	32,045
53	Data Processing Services	196,911	-	970	(195,941)
61	Community Services	69,654	-	479	(69,175)
72	Debt Service - Interest on Long-Term Debt	90,627	-	-	(90,627)
73	Debt Service - Bond Issuance Cost and Fees	3,800	-	-	(3,800)
93	Payments Related to Shared Services Arrangements	209,607	-	31,167	(178,440)
99	Other Intergovernmental Charges	50,371	-	-	(50,371)
[TP] TOTAL PRIMARY GOVERNMENT:		\$ 8,104,670	\$ 52,628	\$ 1,711,476	(6,340,566)
Data Control Codes	General Revenues:				
	Taxes:				
MT	Property Taxes, Levied for General Purposes				1,556,122
DT	Property Taxes, Levied for Debt Service				437,833
SF	State Aid - Formula Grants				3,944,322
GC	Other Grants and Contributions				140,073
IE	Investment Earnings				49,557
MI	Miscellaneous Local and Intermediate Revenue				67,504
TR	Total General Revenues				6,195,411
CN	Change in Net Position				(145,155)
NB	Net Position - Beginning				12,645,565
PA	Prior Period Adjustment				(102,801)
NE	Net Position - Ending				\$ 12,397,609

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

HAMLIN COLLEGIATE INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
AUGUST 31, 2024

Data Control Codes	10 General Fund	50 Debt Service Fund	Other Funds	Total Governmental Funds
ASSETS				
1110 Cash and Cash Equivalents	\$ 2,529,416	\$ 686,205	\$ 100,855	\$ 3,316,476
1120 Investments - Current	500,000	-	-	500,000
1220 Property Taxes - Delinquent	229,007	57,260	-	286,267
1230 Allowance for Uncollectible Taxes	(57,252)	(14,315)	-	(71,567)
1240 Due from Other Governments	356,639	7,264	53,857	417,760
1250 Accrued Interest	8,589	-	-	8,589
1260 Due from Other Funds	10,184	-	-	10,184
1000 Total Assets	<u>\$ 3,576,583</u>	<u>\$ 736,414</u>	<u>\$ 154,712</u>	<u>\$ 4,467,709</u>
LIABILITIES				
2110 Accounts Payable	\$ 72,897	\$ -	\$ 50,292	\$ 123,189
2150 Payroll Deductions and Withholdings Payable	40,963	-	-	40,963
2160 Accrued Wages Payable	101,961	-	27,184	129,145
2170 Due to Other Funds	-	-	5,297	5,297
2180 Due to Other Governments	266,018	-	-	266,018
2200 Accrued Expenditures	2,159	-	2,933	5,092
2300 Unearned Revenue	-	-	9,469	9,469
2000 Total Liabilities	<u>483,998</u>	<u>-</u>	<u>95,175</u>	<u>579,173</u>
DEFERRED INFLOWS OF RESOURCES				
2601 Unavailable Revenue - Property Taxes	171,755	42,945	-	214,700
2600 Total Deferred Inflows of Resources	<u>171,755</u>	<u>42,945</u>	<u>-</u>	<u>214,700</u>
FUND BALANCES				
Restricted Fund Balance:				
3450 Federal or State Funds Grant Restriction	-	-	51,914	51,914
3480 Retirement of Long-Term Debt	-	693,469	-	693,469
Committed Fund Balance:				
3510 Construction	900,000	-	-	900,000
3545 Other Committed Fund Balance	600,000	-	-	600,000
Assigned Fund Balance:				
3590 Other Assigned Fund Balance	-	-	7,623	7,623
3600 Unassigned Fund Balance	1,420,830	-	-	1,420,830
3000 Total Fund Balances	<u>2,920,830</u>	<u>693,469</u>	<u>59,537</u>	<u>3,673,836</u>
4000 Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 3,576,583</u>	<u>\$ 736,414</u>	<u>\$ 154,712</u>	<u>\$ 4,467,709</u>

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

HAMLIN COLLEGIATE INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
AUGUST 31, 2024

EXHIBIT C-2

Total Fund Balances - Governmental Funds	\$ 3,673,836
1 The District uses internal service funds to charge the costs of certain activities, such as workers compensation self-insurance, to appropriate functions in other funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. The net effect of this consolidation is to increase net position.	2,914
2 Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. At the beginning of the year, the cost of these assets less the accumulated depreciation (net book value) is included in net position. In addition, long-term liabilities are not due and payable in the current period, and, therefore are not reported as liabilities in the funds. The net effect of including the beginning balances for capital assets (net of depreciation) and long-term debt in the governmental activities is to increase government-wide net position.	11,200,931
3 Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of including the current year capital outlays and debt principal payments is to increase net position.	1,317,831
4 Recognition of the GASB 68 reporting requirements for the District's pension plan through TRS requires that additional items be reported in the government-wide statements. The District's share of the TRS pension plan resulted in a net pension liability, a deferred outflow related to the TRS pension, and a deferred inflow related to the TRS pension. This resulted in a reduction of reported ending net position.	(1,232,274)
5 Recognition of the GASB 75 reporting requirements for the District's OPEB plan through TRS-Care requires that additional items be reported in the government-wide statements.. The District's share of the TRS-Care plan resulted in a net OPEB liability, a deferred outflow related to TRS OPEB, and a deferred inflow related to TRS OPEB. This resulted in a reduction of reported ending net position.	(1,854,185)
6 The current year depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position.	(933,245)
7 Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unavailable revenue from property taxes as revenue, reclassifying the proceeds of issuing long-term debt as an increase in long-term liabilities, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase net position.	221,801
29 Net Position of Governmental Activities	\$ 12,397,609

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

HAMLIN COLLEGIATE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2024

Data Control Codes	10 General Fund	50 Debt Service Fund	Other Funds	Total Governmental Funds
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 1,682,931	\$ 439,921	\$ 25,851	\$ 2,148,703
5800 State Program Revenues	4,184,137	32,532	305,033	4,521,702
5900 Federal Program Revenues	99,605	-	1,376,702	1,476,307
5020 Total Revenues	5,966,673	472,453	1,707,586	8,146,712
EXPENDITURES:				
Current:				
0011 Instruction	2,406,704	-	1,108,997	3,515,701
0012 Instructional Resources and Media Services	20,887	-	-	20,887
0013 Curriculum and Instructional Staff Development	19,070	-	7,097	26,167
0021 Instructional Leadership	10,638	-	7,840	18,478
0023 School Leadership	264,063	-	165,570	429,633
0031 Guidance, Counseling, and Evaluation Services	47,030	-	-	47,030
0033 Health Services	41,637	-	-	41,637
0034 Student (Pupil) Transportation	202,018	-	-	202,018
0035 Food Services	-	-	349,283	349,283
0036 Extracurricular Activities	410,654	-	17,975	428,629
0041 General Administration	605,642	-	-	605,642
0051 Facilities Maintenance and Operations	1,728,090	-	-	1,728,090
0052 Security and Monitoring Services	29,434	-	81,558	110,992
0053 Data Processing Services	195,841	-	-	195,841
0061 Community Services	70,162	-	-	70,162
Debt Service:				
0071 Principal on Long-Term Liabilities	88,962	235,000	-	323,962
0072 Interest on Long-Term Liabilities	4,803	92,925	-	97,728
0073 Bond Issuance Cost and Fees	-	3,800	-	3,800
Intergovernmental:				
0093 Payments to Fiscal Agent/Member Districts of SSA	178,440	-	31,167	209,607
0099 Other Intergovernmental Charges	50,371	-	-	50,371
6030 Total Expenditures	6,374,446	331,725	1,769,487	8,475,658
1200 Net Change in Fund Balances	(407,773)	140,728	(61,901)	(328,946)
0100 Fund Balance - September 1 (Beginning)	3,431,404	552,741	121,438	4,105,583
1300 Increase (Decrease) in Fund Balance	(102,801)	-	-	(102,801)
3000 Fund Balance - August 31 (Ending)	\$ 2,920,830	\$ 693,469	\$ 59,537	\$ 3,673,836

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

HAMLIN COLLEGIATE INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2024

EXHIBIT C-4

Total Net Change in Fund Balances - Governmental Funds	\$ (328,946)
The District uses internal service funds to charge the costs of certain activities, such as workers compensation self-insurance, to appropriate functions in other funds. The net income (loss) of internal service funds are reported with governmental activities. The net effect of this consolidation is to decrease net position.	(4,079)
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of removing the current fiscal year capital outlays and debt principal payments is to decrease net position.	1,317,831
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net position.	(933,245)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unavailable revenue from property taxes as revenue, adjusting current year revenue to show the revenue earned from the current year's tax levy, reclassifying the proceeds of long-term debt issued, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to decrease net position.	21,957
Current year changes due to GASB 68 increased revenues, but also increased expenditures. The net effect on the change in the ending net position was a decrease in the change in net position.	(339,469)
GASB 75 requires that certain plan expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of the plan caused the change in ending net position to increase. Contributions made before the measurement date and during the previous fiscal year were also expended and recorded as a reduction in net pension liability. This caused a decrease in the change in net position. Finally, the proportionate share of the TRS OPEB expense on the plan as a whole had to be recorded. The net OPEB expense increased the change in net position. The net result is an increase in the change in net position.	120,796
Change in Net Position of Governmental Activities	\$ (145,155)

HAMLIN COLLEGIATE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AUGUST 31, 2024

EXHIBIT D-1

	Governmental Activities -
	Internal Service Fund
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 22,388
Total Assets	<u>22,388</u>
LIABILITIES	
Current Liabilities:	
Due to Other Funds	4,887
Accrued Expenses	<u>14,587</u>
Total Liabilities	<u>19,474</u>
NET POSITION	
Restricted for Other Purposes	<u>2,914</u>
Total Net Position	<u><u>\$ 2,914</u></u>

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

HAMLIN COLLEGIATE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2024

	Governmental Activities -
	Internal Service Fund
OPERATING REVENUES:	
Local and Intermediate Sources	\$ 25,369
Total Operating Revenues	25,369
OPERATING EXPENSES:	
Professional and Contracted Services	29,533
Total Operating Expenses	29,533
Operating Income (Loss)	(4,164)
NONOPERATING REVENUES (EXPENSES):	
Earnings from Temporary Deposits & Investments	85
Total Nonoperating Revenues (Expenses)	85
Change in Net Position	(4,079)
Total Net Position September 1 (Beginning)	6,993
Total Net Position August 31 (Ending)	\$ 2,914

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

HAMLIN COLLEGIATE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2024

EXHIBIT D-3

	Governmental Activities -
	Internal Service Fund
<u>Cash Flows from Operating Activities:</u>	
Cash Received from Assessments - Other Funds	\$ 25,369
Cash Payments for Insurance Claims	(15,584)
Cash Payments for Other Operating Expenses	(11,997)
Net Cash Used for Operating Activities	(2,212)
<u>Cash Flows from Investing Activities:</u>	
Interest and Dividends on Investments	85
Net Decrease in Cash and Cash Equivalents	(2,127)
Cash and Cash Equivalents at Beginning of Year	24,515
Cash and Cash Equivalents at End of Year	\$ 22,388
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>	
<u>Used for Operating Activities:</u>	
Operating Income (Loss):	\$ (4,164)
Effect of Increases and Decreases in Current Assets and Liabilities:	
Increase (decrease) in Accrued Claims Liability	1,952
Net Cash Used for Operating Activities	\$ (2,212)
<u>Reconciliation of Total Cash and Cash Equivalents:</u>	
Cash and Cash Equivalents on Balance Sheet	\$ 22,388
Pooled Cash and Cash Equivalents on Balance Sheet	-
Total Cash and Cash Equivalents	\$ 22,388

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

HAMLIN COLLEGIATE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
AUGUST 31, 2024

EXHIBIT E-1

	Private Purpose Trust Funds	Custodial Fund
ASSETS		
Cash and Cash Equivalents	\$ 45,301	\$ 60,074
Investments - Current	15,330	-
Total Assets	60,631	\$ 60,074
NET POSITION		
Restricted for Campus Activities	-	60,074
Restricted for Scholarships	60,631	-
Total Net Position	\$ 60,631	\$ 60,074

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

HAMLIN COLLEGIATE INDEPENDENT SCHOOL DISTRICT
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2024

	Private Purpose Trust Funds	Custodial Fund
ADDITIONS:		
Enterprising Services Revenue	\$ -	\$ 154,884
Earnings from Temporary Deposits	904	-
Total Additions	904	154,884
DEDUCTIONS:		
Professional and Contracted Services	1,302	-
Other Deductions	-	177,044
Total Deductions	1,302	177,044
Change in Fiduciary Net Position	(398)	(22,160)
Total Net Position September 1 (Beginning)	61,029	82,234
Total Net Position August 31 (Ending)	\$ 60,631	\$ 60,074

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

**HAMLIN COLLEGIATE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2024**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Hamlin Collegiate Independent School District (the "District") is a public educational agency operating under the applicable laws and regulations of the State of Texas. It is governed by a seven member Board of Trustees (the "Board") elected by registered voters of the District. The District prepares its basic financial statements in conformity with generally accepted accounting principles accepted in the United States of America as applied to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The District also complies with the requirements of the appropriate version of Texas Education Agency's Financial Accountability System Resource Guide (the "Resource Guide") and the requirements of contracts and grants of agencies from which it receives funds.

A. REPORTING ENTITY

The Board of Trustees (the "Board") is elected by the public and has the authority to make decisions, appoint administrators and managers, and significantly influence operations. For financial reporting purposes, the accompanying financial statements include all operations over which the District is financially accountable. The District applies current GASB criteria to potential component units and other related entities in evaluating the potential inclusion in the reporting entity. The criteria for inclusion in the reporting entity involves whether the District or its officials appoint a voting majority of an organization's governing body, and is either able to impose its will on the organization or there is a potential for the organization to provide specific financial benefits or to impose specific financial burdens on the District such that exclusion of such information would cause the District's financial statements to be incomplete. For the current fiscal year, the reporting entity of the District does not include any component units.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The Statement of Net Position and the Statement of Activities are government-wide financial statements. They report information for the **Hamlin Collegiate Independent School District** non-fiduciary activities with most of the inter-fund activities removed. *Governmental activities* include programs supported primarily by taxes, state foundation funds, grants, and other intergovernmental revenues. *Business-type activities* include operations that rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates how other people or entities that participate in programs the District operates have shared in the payment of the direct costs. The "charges for services" column includes payments made by parties that purchase, use, or directly benefit from goods or services provided by a given function or segment of the District. Examples include tuition paid by students not residing in the district, school lunch charges, etc. The "grants and contributions" column includes amounts paid by organizations outside the District to help meet the operational or capital requirements of a given function. Examples include grants under the Elementary and Secondary Education Act and ESSER covid relief funding. If revenue is not program revenue, it is general revenue used to support all the District's functions. Taxes are always general revenues.

Inter-fund activities between governmental funds and between governmental funds and proprietary funds appear as due to/due from on the Governmental Fund Balance Sheet and Proprietary Fund Statement of Net Position and as other resources and other uses on the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance and on the Proprietary Fund Statement of Revenues, Expenses and Changes in Fund Net Position. All inter-fund transactions between governmental funds and between governmental funds and internal service funds are eliminated on the government-wide statements. Inter-fund activities between governmental funds and enterprise funds remain on the government-wide statements and appear on the government-wide Statement of Net Position as internal balances and on the Statement of Activities as Inter-fund transfers. Inter-fund activities between governmental funds and fiduciary funds remain as due to/due from on the government-wide Statement of Activities.

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues result from providing goods and services in connection with a proprietary fund's principal ongoing operations; they usually come from exchange or exchange-like transactions. All other revenues are non-operating. Operating expenses can be tied specifically to the production of the goods and services, such as materials and labor and direct overhead. Other expenses are non-operating.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

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

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

The modified accrual basis of accounting recognizes revenues in the accounting period in which they become both measurable and available, and it recognizes expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest and principal on long-term debt, which is recognized when due. The expenditures related to certain compensated absences, claims, and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources. The District considers all revenues available if they are collectible within 60 days after year-end.

Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the "susceptible to accrual" concept, that is, when they are both measurable and available. The District considers them "available" if they will be collected within 60 days of the end of the fiscal year. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until received. Investment earnings are recorded as earned, since they are both measurable and available.

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

The Proprietary Fund Types and Fiduciary Funds are accounted for on a flow of economic resources measurement focus and utilize the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred and become measurable. The District applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless these pronouncements conflict or contradict GASB pronouncements.

With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the fund Statement of Net Position. The fund equity is segregated into net investment in capital assets, restricted net position, and unrestricted net position.

D. FUND ACCOUNTING

The District reports the following major governmental funds:

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

Debt Service Fund – This fund accounts for the resources accumulated to service the District's general obligation long-term debt.

The District does not report any major enterprise funds.

Additionally, the District reports the following fund type(s):

Governmental Funds:

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

Debt Service Funds – The District accounts for resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds in a debt service fund.

Capital Projects Funds – Proceeds from long-term debt financing and revenues and expenditures related to authorized construction and other capital asset acquisitions are accounted for in a capital projects fund. The District did not maintain capital projects funds during the current fiscal year.

Proprietary Funds:

Enterprise Funds – The District's activities for which outside users are charged a fee roughly equal to the cost of providing the goods or services of those activities are accounted for in an enterprise fund. The District does not maintain enterprise funds.

Internal Service Funds – Revenues and expenses related to services provided to organizations inside the District on a cost reimbursement basis (such as workers' compensation) are accounted for in an internal service fund when applicable.

Fiduciary Funds:

Private Purpose Trust Funds – The District accounts for donations for which the donor has stipulated that both the principal and the income may be used for purposes that benefit parties outside the District. When applicable, the District maintains a private purpose trust fund to provide scholarships for students that have graduated from the District.

Custodial Funds – The District accounts for resources held for others in a custodial capacity in custodial funds including funds used to account for student activities.

Transactions between funds that are representative of lending / borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to / from other funds". While these balances are reported in the fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included in the governmental activities column. Similarly, balances between the funds included in any business-type activities are eliminated so that only the net amount is included as internal balances in the business-type 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 the 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. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

E. OTHER ACCOUNTING POLICIES

1. For purposes of the statement of cash flows for proprietary funds, the District considers highly liquid investments to be cash equivalents if they have maturity of three months or less when purchased.
2. The District reports inventories of supplies using the first-in, first-out inventory cost method. The supplies include consumable maintenance, instructional, office, athletic, and transportation items. Under the purchase method, supplies are recorded as expenditures when they are purchased. Inventories of food commodities are recorded at market values supplied by the Department of Agriculture. Although commodities are received at no cost, their fair market value is supplied by the Department of Agriculture and recorded as revenue and expenditures when received. Material inventories including food commodities are recorded as an asset and a corresponding amount of expenditures are reduced at year-end. No material inventories existed at the end of the fiscal year.

3. In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenditures in the year the related debt is issued.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

4. It is the District's policy to permit some employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the District does not have a policy to pay any amounts when employees separate from service with the District. All vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.
5. Capital assets, which include land, buildings, furniture and equipment and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Buildings, furniture and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

ASSETS	YEARS
Buildings	40
Building Improvements	30
Vehicles and Equipment	10
Right-to-Use Lease Assets	Lease Term
Subscription Based Information Technology Arrangements (SBITA) Assets	Subscription Term

6. Since Internal Service Funds in the District support the operations of governmental funds, they are consolidated with the governmental funds in the government-wide financial statements. The expenditures of governmental funds that create the revenues of internal service funds are eliminated to avoid "grossing up" the revenues and expenses of the District as a whole.
7. Restricted assets, if applicable, of the District are limited to cash and certificates of deposit which have been gifted to the District with the stipulation that only the earnings are available for current and future scholarship recipients.

8. The District participates in a self-funded workers' compensation program and executes an inter-local agreement that define the responsibilities of the parties. The program provides statutory workers' compensation benefits to its members and their injured employees.

9. Net Position and Fund Balances:

Government-wide and Proprietary Fund Net Position:

Government-wide and proprietary fund net position is divided into three components:

- Net investment in capital assets—consist of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets plus deferred outflows of resources less deferred inflows of resources related to those assets.
- Restricted net position—consist of assets that are restricted by the District's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors.
- Unrestricted—all other net position is reported in this category.

Governmental Fund Balances:

In the governmental fund financial statements, fund balances are classified as follows:

- Non-spendable—Amounts that cannot be spent either because they are in a non-spendable form or because they are legally or contractually required to be maintained intact.
- Restricted—Amounts that can be spent only for specific purposes because of the District's state or federal laws, or externally imposed conditions by grantors or creditors.
- Committed—Amounts that can be used only for specific purposes determined by a formal action by Board of Trustees' ordinance.
- Assigned—Amounts that are designated by the Superintendent for a particular purpose but are not spendable until a budget ordinance is passed or there is a majority vote approval (for capital projects or debt service) by the Board of Trustees.
- Unassigned—All amounts not included in other spendable classification.

10. Use of Restricted Resources:

When an expenditure/expense is incurred that can be paid using either restricted or unrestricted resources (net position), the District's policy is to first apply the expenditure/expense toward restricted resources and then toward unrestricted resources. In governmental funds, the District's policy is to first apply the expenditure toward restricted fund balance and then to other, less-restrictive classifications—committed and then assigned fund balances before using unassigned fund balances.

11. The District applies Governmental Accounting Standards Board ("GASB") Statement No. 72, Fair Market Value Measurement and Application. GASB Statement No. 72 provides guidance for determining a fair value measurement for reporting purposes and applying fair value to certain investments and disclosures related to all fair value measurements.
12. Investment income reported in one fund has not been assigned directly to another fund by the District.
13. The Data Control Codes refer to the account code structure prescribed by the Texas Education Agency (TEA) in the *Financial Accountability System Resource Guide*. Texas Education Agency requires school districts to display these codes in the financial statements filed with the Agency in order to insure accuracy in building a statewide database for policy development and funding plans.

14. **Deferred Outflows of Resources:** The District reports decreases in net assets that relate to future periods as deferred outflows of resources in a separate section of its government-wide and proprietary funds statements of net position. Deferred outflows of resources related to pension and other post-employment benefits reporting is presented in the government wide statements.
15. **Deferred Inflow of Resources:** The District's governmental funds report a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in net assets that applies to a future period(s). The District will not recognize the related revenues until a future event occurs. The District has various items which occur because governmental fund revenues are not recognized until available (collected not later than 60 days after the end of the District's fiscal year) under the modified accrual basis of accounting that qualifies for reporting in this category. Deferred property taxes and grants are reported in the governmental funds balance sheet. A deferred inflow related to pension and other post-employment benefits reporting is presented on the government wide statements.
16. **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.
17. **The fiduciary net position of the Teacher Retirement System of Texas (TRS) TRS-Care Plan** has been determined using the flow of economic resource measurement focus and full accrual basis of accounting. This includes for purposes of measuring the new OPEB liability, deferred outflows of resources and deferred inflows or resources related to other post-employment benefits, OPEB expense, and information about assets, liabilities and additions to/deductions from TRS-Care's fiduciary net position. Benefit payments are recognized when due and payable in accordance with the benefit terms. There are no investments as this is a pay-as-you-go plan and all cash is held in a cash account.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND BALANCE SHEET AND THE GOVERNMENT-WIDE STATEMENT OF NET POSITION

Exhibit C-2 provides the reconciliation between the fund balance for total governmental funds on the governmental fund balance sheet and the net position for governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that capital assets are not financial resources and are therefore not reported in governmental funds. In addition, long-term liabilities, including bonds payable, are not due and payable in the current period and are not reported as liabilities in the funds. The details of capital assets and long-term debt at the beginning of the year were as follows:

Capital Assets at the Beginning of the Year	Historical Cost	Accumulated Depreciation	Net Value at Beginning of Year	Change in Net Position
Land	\$ 59,400	\$ -	\$ 59,400	
Buildings and Improvements	18,104,432	(7,324,914)	10,779,518	
Equipment and Vehicles	4,574,491	(1,645,166)	2,929,325	
Right-to-Use Lease Assets	118,979	(28,329)	90,650	
SBITA Assets	15,883	(5,294)	10,589	
Change in Net Position				\$ 13,869,482

Long-Term Liabilities at the Beginning of the Year	Payable at Beginning of Year
Bonds Payable	\$ 2,470,000
Financed Purchase Obligations	67,021
Unamortized Premium on Bonds	125,576
Right-to-Use Lease Liabilities	96,154
SBITA Liabilities	-
Accrued Interest - Bonds and Financed Purchase Obligations	4,630
Less: Deferred Charge on Refunding	(94,830)
Change in Net Position	2,668,551
Net Adjustment to Net Position	\$ 11,200,931

B. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES AND THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

Exhibit C-4 provides a reconciliation between the net changes in fund balance as shown on the governmental fund statement of revenues, expenditures, and changes in fund balances and the changes in net position of governmental activities as reported on the government-wide statement of activities. One element of that reconciliation explains that current year capital outlays and debt principal payments are expenditures in the fund financial statements, but should be shown as increases in capital assets and decreases in long-term debt in the government-wide statements. This adjustment affects both the net position balance and the change in net position shown in Exhibit C-2 and Exhibit C-4. The details of this adjustment are as follows:

	Amount	Adjustments to Net Position	Adjustments To Changes in Net Position
Current Year Capital Outlay			
Land	\$ -		
Buildings & Improvements	636,573		
Equipment and Vehicles	357,296		
Total Capital Outlay	\$ 993,869	\$ 993,869	\$ 993,869
Debt Principal Payments			
Bond Principal	\$ 235,000		
Financed Purchase Obligations	67,021		
Right-to-Use Lease Liabilities	21,941		
Total Principal Payments	\$ 323,962	323,962	323,962
Total Adjustment to Net Position		\$ 1,317,831	\$ 1,317,831

Another element of the reconciliation on Exhibits C-2 and C-4 are described as various other reclassifications and eliminations necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. This adjustment is the result of several items. The details of this adjustment are as follows:

	Amount	Adjustments to Net Position	Adjustments to Change in Net Position
<u>Adjustments to Revenue, Unearned Revenue, Beginning Net Position</u>			
Begin Year Unearned Property Tax Revenue	\$ 199,844	\$ 199,844	\$ -
Modified to Full Accrual Property Tax Adjustments	14,856	14,856	14,856
<u>Reclassify Certain Expenditures to Full Accrual From Modified Accrual:</u>			
Adjust Interest Expense on Long-term Debt	1,012	1,012	1,012
Current Year Amortization of Bond Premium	24,869	24,869	24,869
Amortization of Deferred Charge on Refunding	18,780	(18,780)	(18,780)
Totals		\$ 221,801	\$ 21,957

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY DATA

The Board of Trustees adopts an "appropriated budget" for the General Fund, Debt Service Fund, and the Food Service Fund (which is included in the Special Revenue Funds). The District is required to present the adopted and final amended budgeted revenues and expenditures for each of these funds. The District compares the final amended budget to actual revenues and expenditures. The General Fund Budget report appears in Exhibit G-1 and the other two reports are in the J Exhibits as reported in the required Texas Education Agency Exhibits.

The following procedures are followed in establishing the budgetary data reflected in the basic financial statements:

- Prior to August 20, the District prepares a budget for the next succeeding fiscal year beginning September 1. The operating budget includes proposed expenditures and the means of financing them.
- A meeting of the Board is then called for the purpose of adopting the proposed budget. At least ten days public notice of the meeting must be given.
- Prior to September 1, the budget is legally enacted through passage of a resolution by the board. Once a budget is approved, it can only be amended at the function and fund level by approval of a majority of the members of the Board. Amendments are presented to the Board at its regular meetings. Each amendment must have Board approval. As required by law, such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year end. Because the District has a policy of careful budgetary control, several amendments were necessary during the year. Significant amendments were made in the instruction and transportation function.
- Each budget is controlled by the budget coordinator at the revenue and expenditure function/object level. Budgeted amounts are as adopted and amended by the Board of Trustees. All budget appropriations lapse at year-end. A reconciliation of fund balances for both appropriated budget and non-appropriated budget special revenue funds is as follows:

	End of Year Fund Balance
Appropriated Budget Special Revenue Funds	\$ 51,914
Non-appropriated Budget Special Revenue Funds	7,623
All Special Revenue Funds	\$ 59,537

B. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

Budget accountability and compliance is disclosed in Section C of the Notes to Required Supplementary Information.

C. DEFICIT FUND EQUITY

The District did not incur a deficit fund balance in any fund during the current fiscal year.

IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

A. CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash and Cash Equivalents

The carrying amount of the District's cash and temporary investments at the end of the fiscal year follows:

<u>Cash and Cash Equivalents by Type</u>	<u>End of Fiscal Year</u>
Cash Deposits in Bank	\$ 3,443,439
Cash on Hand	800
Total Cash and Cash Equivalents by Account Type	\$ 3,444,239

<u>Cash and Cash Equivalents by Fund:</u>	<u>End of Fiscal Year</u>
Cash and Cash Equivalents:	
General Fund	\$ 2,529,416
Major Governmental Funds	686,205
Non-Major Governmental Funds	100,855
Cash and Investments - Enterprise	
Internal Service Funds	22,388
Custodial Funds	45,301
Trust Funds	60,074
Total Cash and Cash Equivalents by Fund	\$ 3,444,239

District Policies and Legal and Contractual Provisions Governing Deposits

Custodial Credit Risk for Deposits: State law requires governmental entities to contract with financial institutions in which funds will be deposited to secure those deposits with insurance or pledged securities with a fair value equaling or exceeding the amount on deposit at the end of each business day. The pledged securities must be in the name of the governmental entity and held by the entity or its agent. The District's cash deposits subject to custodial credit risk at the date of the highest cash balance and at year end were:

<u>Custodial Credit Risk</u>	<u>Highest Cash Balance</u>	<u>End of Fiscal Year</u>
Name of Depository Bank:	First National Bank, Aspermont	
Total amount of FDIC Insurance (FDIC)	\$ 750,000	\$ 750,000
Pledged Securities and Letters of Credit	7,414,028	4,159,647
Total FDIC, Bond or Securities Pledged	\$ 8,164,028	\$ 4,909,647
Cash Deposits and Cash Investments in Bank	\$ 4,652,289	\$ 4,037,798
Excess or (Shortage) of Deposits compared to FDIC and Letter of Credit	\$ 3,511,739	\$ 871,849
The District's cash deposits were entirely covered by FDIC		
Insurance or by bond or pledged collateral by the Depository Bank	YES	YES

Foreign Currency Risk: The District limits the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit by limiting all deposits denominated in a foreign currency.

Investments

District Policies and Legal and Contractual Provisions Governing Investments

Compliance with the Public Funds Investment Act

The **Public Funds Investment Act** (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports, and establishment of appropriate policies. Among other things, it requires a governmental entity to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit.

Statutes authorize the entity to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas and its agencies; (2) guaranteed or secured certificates of deposit issued by state and national banks domiciled in Texas; (3) obligations of states, agencies, counties, cities and other political subdivisions of any state having been rated as to investment quality not less than an "A"; (4) No load money market funds with a weighted average maturity of 90 days or less; (5) fully collateralized repurchase agreements; (6) commercial paper having a stated maturity of 270 days or less from the date of issuance and is not rated less than A-1 or P-1 by two nationally recognized credit rating agencies OR one nationally recognized credit agency and is fully secured by an irrevocable letter of credit; (7) secured corporate bonds rated not lower than "AA-" or the equivalent; (8) public funds investment pools; and (9) guaranteed investment contracts for bond proceeds investment only, with a defined termination date and secured by U.S. Government direct or agency obligations approved by the Texas Public Funds Investment Act in an amount equal to the bond proceeds. The Act also requires the entity to have independent auditors perform test procedures related to investment practices as provided by the Act. The District is in substantial compliance with the requirements of the Act and with local policies.

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

Credit Risk: To limit the risk that an issuer or other counterparty to an investment will not fulfill its obligations, the District limits investments in commercial paper, corporate bonds, and mutual bond funds to the top 2 or 3 ratings issued by nationally recognized statistical rating organizations (NRSROs). As of the current fiscal year, the district's investments were rated by Standard & Poor's, Fitch Ratings, etc.

Custodial Credit Risk for Investments: To limit the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in possession of an outside party the District requires counterparties to register the securities in the name of the district and hand them over to the District or its designated agent. This includes securities in securities lending transactions. All the securities are in the District's name and held by the District or its agent.

Concentration of Credit Risk: To limit the risk of loss attributed to the magnitude of a government's investment in a single issuer, the District limits investments to less than 5% of its total investments. The District further limits investments in a single issuer to 20% when they would cause investment risks to be significantly greater in the governmental and business-type activities, individual major funds, aggregate non-major funds and fiduciary fund types than they are in the primary government.

Interest Rate Risk: To limit the risk that changes in interest rates will adversely affect the fair value of investments, the District requires at least half of the investment portfolio to have maturities of less than one year on a weighted average maturity basis.

Foreign Currency Risk for Investments: The District limits the risk that changes in exchange rates will adversely affect the fair value of an investment by avoiding all investments denominated in a foreign currency.

The District categorizes its fair value measurements with the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below. In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The District's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

As of the end of the current fiscal year, the District had the following investments:

Investments	End of Year Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Percent of Total Investments	Weighted Average Maturity (Days)
Investments measured by fair value level -						
Certificates of Deposit	500,000	-	500,000	-	97.03%	194
Restricted Investments-						
Scholarship Funds-Certificates of Deposit	15,330	-	15,330	-	2.97%	4
Total Investments	\$ 515,330	\$ -	\$ 515,330	\$ -	100.00%	

B. PROPERTY TAXES

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the District in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 31 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available (1) when they become due or past due and receivable within the current period and (2) when they are expected to be collected during a 60-day period after the close of the school fiscal year.

C. DELINQUENT TAXES RECEIVABLE

Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. Allowances for uncollectible tax receivables within the General and Debt Service Funds are based on historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

D. INTERFUND BALANCES AND TRANSFERS

Inter-fund balances at year end consisted of the following amounts:

FUND TYPE	Due From Other Funds	Due To Other Funds	Purpose of Due To / From
Governmental Fund Types			
General Fund	\$ 10,184	\$ -	Short-term funding to other funds as explained below.
Special Revenue Funds	-	5,297	Short-term funding for grant costs
Proprietary Fund Types			
Internal Service Funds	-	4,887	Excess funding to internal service fund
Total Interfund Receivables / Payables	\$ 10,184	\$ 10,184	

There were no inter-fund transfers during the current year.

E. DISAGGREGATION OF RECEIVABLES AND PAYABLES

Receivables at year end were as follows:

	Property Taxes	Other Governments	Due From Other Funds	Other	Total Receivables
Governmental Activities:					
General Fund	\$ 229,007	\$ 356,639	\$ 10,184	\$ 8,589	\$ 604,419
Other Major Governmental Funds	57,260	7,264	-	-	64,524
Non-major Governmental Funds	-	53,857	-	-	53,857
Internal Service Funds	-	-	-	-	-
Total Governmental Activities	\$ 286,267	\$ 417,760	\$ 10,184	\$ 8,589	\$ 722,800
Amounts not scheduled for collection during subsequent year	\$ -	\$ -	\$ -	\$ -	\$ -

Payables at year end were as follows:

	Accounts Payable	Accrued Wages Payable	Payroll Liabilities and Accrued Expenditures	Due To Other Funds	Due to Other Governments	Total Payables
Governmental Activities:						
General Fund	\$ 72,897	\$ 101,961	\$ 43,122	\$ -	\$ 266,018	\$ 483,998
Non-major Governmental Funds	50,292	27,184	2,933	5,297	-	85,706
Internal Service Funds	-	-	14,587	4,887	-	19,474
Total Governmental Type Activities	\$ 123,189	\$ 129,145	\$ 60,642	\$ 10,184	\$ 266,018	\$ 589,178
Amounts not scheduled for payment during subsequent year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

F. CAPITAL ASSET ACTIVITY

Capital asset activity for the District for the current year was as follows:

Primary Government				
	Beginning Balance	Additions	Deletions, Reclassifications, Prior Period Adjustments	Ending Balance
Governmental Activities:				
<u>Capital Assets Not Being Depreciated:</u>				
Land	\$ 59,400	\$ -	\$ -	\$ 59,400
<u>Capital Assets Being Depreciated:</u>				
Buildings and Improvements	18,104,432	636,573	-	18,741,005
Equipment and Vehicles	4,574,491	357,296	-	4,931,787
Right-to-Use Lease Assets	118,979	-	-	118,979
SBITA Assets	15,883	-	-	15,883
Totals at Historic Cost	\$ 22,873,185	\$ 993,869	\$ -	\$ 23,867,054
Less Accumulated Depreciation / Amortization:				
Buildings and Improvements	\$ 7,324,914	\$ 538,075	\$ -	\$ 7,862,989
Equipment and Vehicles	1,645,166	367,213	-	2,012,379
Right-to-Use Lease Assets	28,329	22,663	-	50,992
SBITA Assets	5,294	5,294	-	10,588
Total Accumulated Depreciation	\$ 9,003,703	\$ 933,245	\$ -	\$ 9,936,948
Governmental Activities Capital Assets-Net	\$ 13,869,482	\$ 60,624	\$ -	\$ 13,930,106

Depreciation expense was charged to governmental activities functions as follows:

Instruction	\$ 745,994
Student (Pupil) Transportation	89,200
Food Services	6,058
Extracurricular Activities	53,820
General Administration	3,769
Facilities Maintenance and Operations	21,939
Security and Monitoring	7,171
Data Processing Services	5,294
In addition, depreciation on capital assets held by the District's Internal Service Fund(s) is charged to the various functions based on their usage of the assets	
-	
Total Depreciation Expense - Governmental Activities	\$ 933,245

The District has no capital assets that are not being depreciated as of the current fiscal year end except for land as listed previously.

The District applies the guidance in **GASBS No. 87, *Leases***, recognizing the value of copiers leased under long-term contracts. In May 2022, the District entered into a new lease agreement to replace the copiers leased under the previous lease with new leased equipment. The terms of the new lease agreement requires amortization and payments over 5 years. The lease agreement meets the criteria as established in **GASB 87**.

The District also applies the guidance in **GASBS 96 *Subscription Based Information Technology Arrangements*** (SBITA's). One such software arrangement is for the District's cybersecurity software. The entire three-year subscription costs were paid in a prior fiscal year. As such, SBITA assets were recorded and are being amortized over the subscription term. No liability existed at the end of the year since the three-year contract was fully paid at the beginning subscription term.

G. SHORT-TERM DEBT PAYABLE

The District accounts for short-term debts for maintenance purposes through the General Fund. Short-term debts include notes made in accordance with the provisions of the Texas Education Code Section 45.108. The proceeds from loans are shown in the governmental fund financial statements as Other Resources and principal payments are shown as Other Uses. The District had no short-term debt obligations at any time during the current fiscal year.

H. LONG-TERM OBLIGATIONS and AMOUNTS DUE WITHIN ONE YEAR

The following is a summary of long-term obligations activity for the current fiscal year:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
<u>Long-Term Obligations</u>					
General Obligation Bonds	\$ 2,470,000	\$ -	\$ 235,000	\$ 2,235,000	\$ 240,000
Financed Purchase Obligations	67,021	-	67,021	-	-
RTU Lease Liabilities	96,154	-	21,941	74,213	22,715
SBITA Subscription Liabilities	-	-	-	-	-
Total Long-Term Obligations	\$ 2,633,175	\$ -	\$ 323,962	\$ 2,309,213	\$ 262,715
<u>Other Liabilities</u>					
Accrued Interest Payable	\$ 4,630	\$ 94,016	\$ 95,028	3,618	\$ 3,618
Premium on Bond Issuance	125,576	-	24,869	100,707	-
Total Other Liabilities	\$ 130,206	\$ 94,016	\$ 119,897	\$ 104,325	\$ 3,618
Total Governmental Activities Long-Term Liabilities	\$ 2,763,381	\$ 94,016	\$ 443,859	\$ 2,413,538	\$ 266,333

Reconciliation of amounts reported on Exhibit A-1 Statement of Net Position:

Long-Term Obligations - Amounts due within one year	\$ 266,333
Long-Term Obligations - Amounts due after one year	2,147,205
Total Long - Term Obligations Payable	\$ 2,413,538

Reconciliation of amount reported for liability reduction to principal payments reported on Exhibit C-3:

Total principal reductions to long-term obligations as presented above	\$ 323,962
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Long-term obligations details by debt obligation:

Long-Term Obligations - Governmental Activities

Description	Interest Rate	Original Issue / NPV at Issuance	Interest Current Year	Begin Year Balance	Additions	Reductions	End of Year Balance
<u>General Obligation Bonds Payable:</u>							
2015 Tax Refunding Bonds	3% - 4%	\$ 3,765,000	\$ 92,925	\$ 2,470,000	\$ -	\$ 235,000	\$ 2,235,000
Total General Obligation Bonds			\$ 92,925	\$ 2,470,000	\$ -	\$ 235,000	\$ 2,235,000
Premium on Bond Issuance				\$ 125,576	\$ -	\$ 24,869	\$ 100,707
<u>Financed Purchase Obligations:</u>							
2018 Girardin Bus Lease	2.18%	\$ 115,385	\$ 1,537	\$ 46,711	\$ -	\$ 46,711	\$ -
2021 Blue Bird Bus Lease	2.78%	98,650	566	20,310	-	20,310	-
Total Financed Purchase Obligations			\$ 2,103	\$ 67,021	\$ -	\$ 67,021	\$ -
<u>Right-to-Use Lease Liabilities:</u>							
Copiers Lease - Xerox	3.00%	\$ 118,979	\$ 2,700	\$ 96,154	\$ -	\$ 21,941	\$ 74,213
Total Right-to-Use Lease Liabilities			\$ 2,700	\$ 96,154	\$ -	\$ 21,941	\$ 74,213
Total Long-Term Obligations - Governmental Activities			\$ 97,728	\$ 2,633,175	\$ -	\$ 323,962	\$ 2,309,213

Annual debt service requirements for each type of long-term debt obligation is as follows:

Fiscal Year	General Obligation Bonds		RTU Lease Liabilities		Financed Purchase Obligations		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 240,000	\$ 84,600	\$ 22,715	\$ 1,927	\$ -	\$ -	\$ 262,715	\$ 86,527
2026	250,000	74,800	23,406	1,236	-	-	273,406	76,036
2027	265,000	64,500	24,118	524	-	-	289,118	65,024
2028	275,000	53,700	3,974	132	-	-	278,974	53,832
2029	285,000	42,500	-	-	-	-	285,000	42,500
2030-2034	920,000	56,200	-	-	-	-	920,000	56,200
Totals	\$ 2,235,000	\$ 376,300	\$ 74,213	\$ 3,819	\$ -	\$ -	\$ 2,309,213	\$ 380,119

Intangible Right-to-Use Lease Liabilities

The District applies the guidance of GASB Statement No. 87, *Leases*, for accounting and reporting of long-term leases.

Copiers Lease

The District leases a variety of copier/printers from Xerox for a term of 63 months. The District's copier lease requires a minimum monthly lease payment of \$2,043, plus additional charges for excess usage and maintenance. For purposes of discounting future payments on the copier lease, the District used the interest rate (3%) on its financing agreements to determine an appropriate discount rate. The leased equipment and accumulated amortization of the right-to-use assets are outlined in Note F. The lease payments to maturity are noted above.

Subscription Based Information Technology Arrangements Liabilities

The District also applies the guidance in **GASBS 96** *Subscription Based Information Technology Arrangements* (SBITA's). One such software arrangement is for the District's cybersecurity software. The entire three-year subscription costs were paid in the current fiscal year. As such, SBITA assets were recorded and are being amortized over the subscription term. No liability existed at the end of the year since the three-year contract was fully paid at the beginning of the subscription term.

I. COMMITMENTS UNDER OPERATING LEASES

Commitments under short-term lease agreements for equipment are reported as rental expenditures in appropriate functional categories depending on the related usage of the equipment. Those leases provide for month-to-month or other short term rental obligations of 12 months or less.

J. ACCUMULATED UNPAID VACATION AND SICK LEAVE BENEFITS

Upon retirement or death of certain employees, the District pays any accrued sick leave and vacation leave in "lump sum" cash payment to such employee or his/her estate. Individuals employed after October 1, 1985, are not eligible to receive the lump sum payments. The District had no accrued compensated absence liability at the end of the fiscal year.

K. HEALTH CARE COVERAGE

The District provided health insurance coverage for employees under the provisions of the Teacher Retirement System of Texas (TRS) active care health insurance plan during the current year. The District paid premiums per month per employee as set by District policy to the plan. Employees, at their option, authorized payroll withholdings to pay premiums for the excess of employee's total premium over the amount funded by the District. The plan was authorized by Article 3.51-2, Texas Insurance Code and was documented by contractual agreement.

L. DEFERRED INFLOWS of RESOURCES / UNEARNED REVENUES – GOVERNMENTAL FUND STATEMENTS

Unearned revenue and deferred inflows at year-end for the governmental fund statements consisted of the following:

	General Fund	Special Revenue Funds	Debt Service Fund	Total
<u>Deferred Inflows:</u>				
Unavailable Revenue - Property Taxes	\$ 171,755	\$ -	\$ 42,945	\$ 214,700
<u>Unearned Revenue:</u>				
State and Federal Grants	-	9,469	-	9,469
Other	-	-	-	-
Total Deferred Inflows / Unearned Revenues	\$ 171,755	\$ 9,469	\$ 42,945	\$ 224,169

M. DUE FROM OTHER GOVERNMENTS

The District participates in a variety of federal and state programs from which it receives grants to partially or fully finance certain activities. In addition, the District receives entitlements from the State through the School Foundation and Program. Amounts due from federal and state governments at year end are summarized below. All federal grants shown below are passed through the TEA or the Region 14 ESC and are reported on the combined financial statements as "Due from Other Governments."

FUND	Due from State - Foundation Revenue	Due from Pass Through Grantor Agencies	Due from Tax Collector / Appraisal District	Other	TOTAL
General	330572	\$ -	\$ 26,067	\$ -	\$ 356,639
Special Revenue		53,857	-	-	53,857
Debt Service		-	7,264	-	7,264
Totals		\$ 53,857	\$ 33,331	\$ -	\$ 417,760

N. REVENUE FROM LOCAL AND INTERMEDIATE SOURCES

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

	General Fund	Special Revenue Funds	Debt Service Fund	Total
Property Taxes	\$ 1,523,638	\$ -	\$ 427,596	\$ 1,951,234
Property Tax Penalty and Interest	21,891	-	5,973	27,864
Investment Income	41,972	1,148	6,352	49,472
Charges - Food Service & Athletic Events	25,254	7,428	-	32,682
Donations and Private Grants	46,917	-	-	46,917
Insurance Recovery	5,597	-	-	5,597
Other Miscellaneous Revenues	17,662	17,275	-	34,937
Totals	\$ 1,682,931	\$ 25,851	\$ 439,921	\$ 2,148,703

O. LITIGATION

The District is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District is aware of the potential of exposure to claims related to these areas; however, legal counsel and the District do not expect any financial exposure to assets of the District.

P. SIGNIFICANT COMMITMENTS AND CONTINGENCIES

The District had no pending commitments or contingencies relative to construction or substantial facilities improvements at the end of the fiscal year.

Q. JOINT VENTURE-SHARED SERVICE ARRANGEMENTS

The District is a member of various shared services arrangements (SSA's) that are accounted for using Model 3 in the Texas Education Agency (TEA) accounting guide for school districts. The SSA's provides services for member districts. Other districts serve as the fiscal agent for the SSA's. In addition to the District, other member districts participate in the shared services arrangements also. The fiscal agent for each SSA provides SSA services. The member districts provide the funds to the fiscal agent. According to guidance provided in the TEA's Resource Guide, the fiscal agent for each SSA has accounted for the fiscal agent's activities of the SSA in special revenue funds. The Shared Services Arrangements listed below have been accounted for using Model 3 in the SSA section of the Resource Guide. The District has accounted for the payments to the fiscal agent in the General Fund No. 199 as intergovernmental expenditures (function 93). A chart detailing the District's participation in those shared services arrangement is a follows:

Shared Services Arrangement	Type of Services	Fiscal Agent	Funding Source	Fiscal Agent Special Revenue Fund	District Fund	Program Expenditures Current Year
Tri-County Special Education SSA	Special Education	Stamford ISD	Special Education	437	199	\$ 145,256
Pregnancy Education & Parenting SSA	Compensatory	Rotan ISD	Local	456	199	2,292
Tri-County Residential Place	Special Education	Stamford ISD	Special Education	437	199	23,392
Abstinence Education SSA	Compensatory	Rotan ISD	Local	457	199	7,500
TOTAL FUNCTION 93 EXPENDITURES						\$ 178,440

The District also participates in shared service arrangements with other school districts / education service centers for various educational activities. In addition to the District, other member districts participate in the educational cooperatives and the fiscal agent provides SSA services. The funding for each activity is received by the fiscal agent from the grantor agency. The fiscal agent then provides the funds to the member districts. According to guidance provided in TEA's Resource Guide, the Fiscal Agent has accounted for the fiscal agent's activities of the SSA in a Special Revenue Fund. The Shared Services Arrangements has been accounted for using Model 1 in the SSA section of the TEA Resource Guide. The District neither has a joint ownership interest in fixed assets purchased by the fiscal agent, nor does the district have a net equity interest in the fiscal agent. The fiscal agent is neither accumulating significant financial resources nor fiscal exigencies that would give rise to a future additional benefit or burden to the District. The fiscal agent manager is responsible for all financial activities of the shared services arrangement. Presented below are the shared service arrangements in which the District participates and the extent of funding received and expended under each program.

Shared Services Arrangement	Type of Services	Fiscal Agent	Funding Source	District Special Revenue Fund	Program Expenditures Current Year
Region 14 ESC	Head Start	Region 14	Head Start	205	\$ 204,473
Region 14 ESC	General Education	Region 14	ESSA, IX, Part A	206	5,098
Tri-County Special Education SSA	Special Education	Stamford ISD	IDEA, Part B	225	17,540
Region 14 ESC	General Education	Region 14	ESEA, Title II, Part A	255	14,847
Region 14 ESC	General Education	Region 14	ESEA, Title IV, Part A	289	11,627
Tri-County Special Education SSA	Special Education	Stamford ISD	SPED Capacity Grant	289	31,167

R. SUBSEQUENT EVENTS

In preparing the basic financial statements, District administration has evaluated events and transactions for potential recognition or disclosure through October 8, 2024, the date this Annual Financial Report was available to be issued. No materials subsequent events had occurred.

S. RELATED ORGANIZATIONS

The District at present does benefit from an educational foundation. The Hamlin Collegiate Education Foundation was formed during fiscal year 2021. This entity was established as a not-for-profit entity to provide assistance and support for teachers and students to develop special programs and projects and other school district support activities. This entity would be a "related organization" of the District as defined by *Governmental Accounting Standards Board*, but the members of the board of the Foundation are appointed by an outside group and the support for the District is immaterial. Other booster clubs and parent teacher organizations that support the District are considered immaterial to the financial statements. and HCISD does not receive material support from related entities as defined under current governmental accounting standards.

T. RELATED PARTY TRANSACTIONS

The District did not incur any material reportable related party transactions or balances as of and during the current year.

U. FUND BALANCE / NET POSITION ADJUSTMENTS

During the current fiscal year, the District did make fund balance and net position adjustments as follows:

Governmental Fund Balance	General Fund	Debt Service Fund	Total
Increase (Decrease) Begin Year Fund Balance:			
Excess estimated insurance recovery receivable at end of prior fiscal year	\$ (102,801)	\$ -	\$ (102,801)
Total Governmental Fund Balance Adjustments	\$ (102,801)	\$ -	\$ (102,801)

Government Wide Net Position	Governmental Activities
Increase (Decrease) Beginning of Year Net Position:	
Excess estimated insurance recovery receivable at end of prior fiscal year	\$ (102,801)
Total Prior Period Adjustments - Government Wide Net Position	\$ (102,801)

V. RISK FINANCING AND OTHER COVERAGE

Workers' Compensation Pool

The District participates in a self-insurance plan for workers' compensation benefits as authorized by Section 504.011 of the Labor Code. The District participates in this plan (School Comp. self-funded workers' compensation program) along with other participating entities. The District contributes annual amounts determined by School Comp. As claims arise, they are submitted to and paid by School Comp. on behalf of the District under terms of a contractual agreement. According to state statute, the District is protected against unanticipated catastrophic claims and aggregate loss by coverage carried through a commercial insurer licensed or eligible to do business in Texas in accordance with the Texas Insurance Code. Coverage was in effect for specific occurrences exceeding loss limits in the policy and includes a aggregate retention loss limit. The costs associated with this self-insurance plan are reported as interfund transactions to the extent of amounts actuarially determined. Accordingly, they are treated as operating revenues of the Internal Service Fund and operating expenditures of the General Fund. The liabilities of the plan include incurred but not reported claims. These liabilities reported in the funds at August 31, are based on the requirements of Governmental Accounting Standards Board No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. These liabilities include an amount for claims that have been incurred but not reported.

Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines and damage awards, the process used in computing claims liability does not necessarily result in an exact amount. Claims liabilities are reevaluated periodically to take into consideration recently settled claims, the frequency of claims and other economic and social factors. Workers' compensation liabilities for incurred losses to be settled by fixed or reasonably determinable payments over a long period of time were computed by an actuary and are reported at their present value using an expected future investment yield assumption.

Estimates of claims payable and of claims incurred, but not reported at August 31 are reflected as accounts and claims payable of the Fund. The plan is funded to discharge liabilities of the Fund as they become due. Changes in the balances of claims liabilities during the past year are as follows:

	Previous Fiscal Year	Current Fiscal Year
Unpaid claims, beginning of year	\$ 9,725	\$ 12,635
Incurred claims (including IBNR'S)	15,307	17,535
Claim Payments	(12,397)	(15,583)
Unpaid claims, end of year	\$ 12,635	\$ 14,587

Unemployment Compensation Program

During the year ended August 31, 2024, Hamlin Collegiate ISD provided unemployment compensation coverage to its employees through participation in the TASB Risk Management Fund (the Fund). The Fund was created and is operated under the provisions of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. The Fund's Unemployment Compensation Program is authorized by Section 22.005 of the Texas Education Code and Chapter 172 of the Texas Local Government Code. All members participating in the Fund execute Interlocal Agreements that define the responsibilities of the parties.

The Fund meets its quarterly obligation to the Texas Workforce Commission. Expenses are accrued monthly until the quarterly payment has been made. Expenses can be reasonably estimated; therefore there is no need for specific or aggregate stop loss coverage for the Unemployment Compensation pool. For the year ended August 31, 2024, the Fund anticipates that Hamlin Collegiate ISD has no additional liability beyond the contractual obligation for payment of contribution

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

W. DEFINED BENEFIT PENSION PLAN

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

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

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

Pension Plan Fiduciary Net Position. Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately issued Annual Comprehensive Financial Report (ACFR) that includes financial statements and required supplementary information. That report may be obtained on the Internet at https://www.trs.texas.gov/pages/about_publications.aspx; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.T

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

Texas Government Code, Title 8, Section 821.006 prohibits benefit improvements, if, as a result of the particular action, the time required to amortize TRS unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action. Actuarial implications of the funding provided in the manner are determined by the System's actuary.

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

Employee contribution rates are set in state statute, Texas Government Code 825.402. The TRS Pension Reform Bill (Senate Bill 12) of the 86th Texas Legislature amended Texas Government Code 825.402 for member contributions and increased employee and employer contribution rates for fiscal years 2019 thru 2025. Contribution rates can be found in the TRS 2023 ACFR, Note 11, on page 88.

The following table shows contribution rates by type of contributor for the fiscal years 2023 and 2024 and the contributions by type of contributions reported by TRS which were received by TRS during the TRS measurement year (FY 2023). The reported contributions from the member and the employers are included in the calculation of the district's proportionate share of the net pension liability.

	<u>Contribution Rates</u>	
	<u>2023</u>	<u>2024</u>
Member	8.00%	8.25%
Non-Employer Contributing Entity (State)	8.00%	8.25%
Employers	8.00%	8.25%
Current fiscal year employer contributions	\$	166,442
Current fiscal year member contributions	\$	269,156
2023 measurement year NECE on-behalf contributions	\$	161,610
<u>Payments made by the State On-Behalf of the District for Medicare, Part D:</u>		
Fiscal year 2022 Medicare, Part D On-Behalf	\$	13,181
Fiscal year 2023 Medicare, Part D On-Behalf	\$	16,955
Fiscal year 2024 Medicare, Part D On-Behalf	\$	17,228

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

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

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

In addition to the employer contributions listed above, there is a surcharge and employer is subject to.

- All public schools, charter schools, and regional educational service centers must contribute 1.8 percent of the members's salary beginning in fiscal year 2023, gradually increasing to 2 percent in fiscal year 2025. This surcharge amount is 1.9% for fiscal year 2023.
- When employing a retiree of the Teacher Retirement System, the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.

Net Pension Liability

Components of the net pension liability of the plan as of August 31, 2023 are disclosed below: (From TRS Annual Comprehensive Financial Report 2023, p. 89.)

Table 11.E.1: Net Pension Liability	
Components of Liability	Amount
Total Pension Liability	\$ 255,860,886,500
Less: Plan Fiduciary Net Position	(187,170,535,558)
Net Pension Liability	\$ 68,690,350,942
Net Position as Percentage of Total Pension Liability	73.15 %

Actuarial Assumptions.

The total pension liability in the August 31, 2022 actuarial valuation was determined using the following actuarial assumptions: Actuarial Assumptions can be found in the 2023 TRS ACFR, Note 11, page 89.

Table 11.F.1: Actuarial Methods and Assumptions	
Component	Result
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 Rate	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."
Last year ending August 31 in Projection Period (100 years)	2122
Inflation	2.30%
Salary Increases	2.95% to 8.95% including inflation
Ad hoc post-employment benefit changes	None

The actuarial methods and assumptions used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 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 percent was used to measure the total pension liability. The single discount rate was based on the expected rate of return on plan investments of 7.00 percent. The projection of cash flows used to determine this single discount rate assumed that contributions from active members, employers and the non-employer contributing entity will be made at the rates set by the legislature during the 2019 session. It is assumed that future employer and state contributions will be 9.50 percent of payroll in fiscal year 2024 increasing to 9.56 percent in fiscal year 2025 and thereafter. This includes all employer and state contributions for active and rehired retirees.

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

The long-term rate of return on pension plan investments is 7.00 percent. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan

investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of August 31, 2023 (see page 56 of the 2023 TRS ACFR) are summarized below:

Asset Class	Target Allocation %**	Long-Term Expected Geometric Real Rate of Return***	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
USA	18.0 %	4.0 %	1.0 %
Non-US Developed	13.0	4.5	0.9
Emerging Markets	9.0	4.8	0.7
Private Equity*	14.0	7.0	1.5
Stable Value			
Government Bonds	16.0	2.5	0.5
Absolute Return*	0.0	3.6	0.0
Stable Value Hedge Funds	5.0	4.1	0.2
Real Return			
Real Estate	15.0	4.9	1.1
Energy, Natural Resources & Infrastructure	6.0	4.8	0.4
Commodities	0.0	4.4	0.0
Risk Parity	8.0	4.5	0.4
Asset Allocation Leverage			
Cash	2.0	3.7	0.0
Asset Allocation Leverage	(6.0)	4.4	(0.1)
Inflation Expectation			2.3
Volatility Drag****			(0.9)
Expected Return	100.0 %		8.0 %
*Absolute Return includes Credit Sensitive Investments.			
**Target allocations are based on the FY2023 policy model.			
*** Capital Market Assumptions come from Aon Hewitt (as of 6/30/2023).			
****The volatility drag results from the conversion between arithmetic and geometric mean returns.			

Discount Rate Sensitivity Analysis. The following table presents the District's net pension liability of the plan using the discount rate of 7.00 percent, and what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current rate.

	1% Decrease in Discount Rate (6.00%)	Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
District's proportionate share of the net liability	\$ 3,528,536	\$ 2,360,137	\$ 1,388,613

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At August 31, 2024, Hamlin Collegiate Independent School District reported a liability of \$2,360,137 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to Hamlin Collegiate Independent School District. The amount recognized by Hamlin Collegiate Independent School District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with Hamlin Collegiate Independent School District were as follows:

District's proportionate share of the collective net pension liability	\$ 2,360,137
State's proportionate share that is associated with the District	2,159,630
Total	<u>\$ 4,519,767</u>

The net pension liability was measured as of August 31, 2022 and rolled forward to August 31, 2023

and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer's proportion of the net pension liability was based on the employer's contributions to the plan relative to the contributions of all employers to the plan for the period September 1, 2022 through August 31, 2023.

At August 31, 2023 the employer's proportion of the collective net pension liability was .0034359079% which was an increase(decrease) of 0.0000947578% from its proportion measured as of August 31, 2022.

Changes In Actuarial Assumptions Since the Prior Actuarial Valuation – The actuarial assumptions and methods are the same as used in the determination of the prior year's net pension liability.

Changes in Benefits - he 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 net pension liability of TRS. In addition, the Legislature also provided for a cost of living adjustment (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.

For the year ended August 31, 2024, Hamlin Collegiate Independent School District recognized pension expense of \$831,996 and revenue of \$326,085 for support provided by the State in the Government Wide Statement of Activities.

At August 31, 2024, Hamlin Collegiate Independent School District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual actuarial experiences	\$ 84,092	\$ 28,579
Changes in actuarial assumptions	223,223	54,628
Differences between projected and actual investment earnings	343,458	-
Changes in proportion and differences between the employer's contributions and the proportionate share of contributions	408,527	14,672
Total as of August 31, 2023 measurement date	\$ 1,059,300	\$ 97,879
Contributions paid to TRS subsequent to the measurement date	166,442	
Total as of fiscal year-end	\$ 1,225,742	\$ 97,879

The net amounts of the employer's balances of deferred outflows and inflows (not including the deferred contributions paid subsequent to the measurement date) of resources related to pensions will be recognized by the district in pension expense as follows:

Fiscal year ended August 31,	Pension Expense Amount
2025	\$ 225,929
2026	177,952
2027	394,671
2028	149,025
2029	13,845
Thereafter	(1)

X. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS

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

Plan Description. The Hamlin Collegiate Independent School District participates in the Texas Public School Retired Employees Group Insurance Program (TRS-Care). It is a multiple-employer, cost-sharing defined benefit other post-employment (OPEB) plan that has a special funding situation. The TRS-Care program was established in 1986 by the Texas Legislature.

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

OPEB Plan Fiduciary Net Position. Detail information about the TRS-Care's fiduciary net position is available in the separately issued TRS Annual Comprehensive Financial Report that includes financial statements and required supplementary information. That report may be obtained on the internet at http://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.

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

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

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

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

Contributions. Contribution rates for the TRS-Care plan are established in state statute by the Texas Legislature, and there is no continuing obligation to provide benefits beyond each fiscal year. The TRS-Care plan is currently funded on a pay-as-you-go basis and is subject to change based on

available funding. Funding for TRS-Care is provided by retiree premium contributions and contributions from the state, active employees, and school districts based upon public school district payroll. The TRS Board of Trustees does not have the authority to set or amend contribution rates. Texas Insurance Code, Section 1575.202 establishes the state's contribution rate which is 1.25% of the employee's salary. Section 1575.203 establishes the active employee's rate which is 0.65% of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25% or not more than 0.75% of the salary of each active employee of the public or charter school. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act. The following table shows contributions to the TRS-Care plan by type of contributor as reported for the district by TRS for the TRS measurement year. The district and member contributions reported are included in the calculation of the district's proportionate share of the Net TRS-Care liability for the measurement period.

	<u>Contribution Rates</u>	
	<u>2023</u>	<u>2024</u>
Active Employee	0.65%	0.65%
Non-Employer Contributing Entity (State)	1.25%	1.25%
Employers	0.75%	0.75%
Federal/Private Funding Remitted by Employers	1.25%	1.25%
2023 Employer Contributions		\$ 44,917
2023 Member Contributions		\$ 21,209
2023 NECE On-behalf Contributions		\$ 58,249

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

TRS-Care received supplemental appropriations from the State of Texas as the Non-Employer Contributing Entity in the amount of \$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 was determined using the following actuarial assumptions.

The actuarial valuation of the OPEB plan offered through TRS-Care is similar to the actuarial valuation performed for the pension plan, except that the OPEB valuation is more complex. The demographic assumptions were 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 a two-year set forward for males). The post-retirement mortality rates for healthy lives were based on the 2021 TRS of Texas Healthy Pensioner Mortality Tables. The rates were projected on a fully generational basis using the ultimate improvement rates from mortality projection scale MP-2021.

Table 9.F.1: Actuarial Methods and Assumptions	
Component	Result
Valuation Date	August 31, 2022 rolled forward to August 31, 2023
Actuarial Cost Method	Individual Entry-Age Normal
Inflation	2.30%
Single Discount Rate	4.13% as of August 31, 2023
Aging Factors	Based on plan specific experience
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
Salary Increases	2.95% to 8.95%, including inflation
Ad Hoc Post-Employment Benefit Changes	None

From 2023 TRS ACFR, Note 9, page 79.

The initial medical trend rates were 8.50 percent for Medicare retirees and 7.25 percent for non-Medicare retirees. There was an initial prescription drug trend rate of 8.25 percent for all retirees. The initial trend rates decrease to an ultimate trend rate of 4.25 percent over a period of 13 years.

Discount Rate. A single discount rate of 4.13 percent was used to measure the total OPEB liability. This was an increase of 0.22 percent in the discount rate since the previous year. The Discount Rate can be found in the 2023 TRS ACFR on page 80. Because the investments are held in cash and there is no intentional objective to advance fund the benefits, the Single 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% less than and 1% greater than the discount rate that was used (4.13%) in measuring the net OPEB liability.

	1% Decrease in Discount Rate (3.13%)	Discount Rate (4.13%)	1% Increase in Discount Rate (5.13%)
Proportionate share of the net OPEB liability	\$ 1,450,976	\$ 1,231,946	\$ 1,053,213

Healthcare Cost Trend Rates Sensitivity Analysis - The following presents the net OPEB liability of the plan 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 one-percentage point lower or one-percentage point higher than the assumed healthcare cost trend rate.

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Proportionate share of net OPEB liability	\$ 1,014,446	\$ 1,231,946	\$ 1,511,761

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs. At August 31, 2024, Hamlin Collegiate Independent School District reported a liability of \$1,231,941 for its proportionate share of the TRS's net OPEB liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with Hamlin Collegiate Independent School District were as follows:

District's proportionate share of the collective net OPEB liability	\$ 1,231,946
State's proportionate share that is associated with the District	1,486,533
Total	<u>\$ 2,718,479</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 employer's proportion of the net OPEB liability was based on the employer's contributions to OPEB relative to the contributions of all employers to the plan for the period September 1, 2022 thru August 31, 2023.

At August 31, 2023 the employer's proportion of the collective net OPEB liability was .0055647730% compared to the .005559933% as of August 31, 2022. This is an increase (decrease) of .0000000484%.

Changes in Actuarial Assumptions Since the Prior Actuarial Valuation – The following were changes to the actuarial assumptions or other inputs that affected measurement of the total OPEB liability (TOL) since the prior measurement period: These can be found in the 2023 TRS ACFR on page 80.

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

Changes in Benefit Terms: There were no changes in benefit terms since the prior measurement date.

For the year ended August 31, 2024, Hamlin Collegiate Independent School District recognized OPEB expense of \$(393,668) and revenue of \$(317,789) for support provided by the State.

At August 31, 2024, Hamlin Collegiate Independent School District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual actuarial experiences	\$ 55,736	\$ 1,036,450
Changes in actuarial assumptions	168,152	754,353
Differences between projected and actual investment earnings	533	-
Changes in proportion and differences between the employer's contributions and the proportionate share of contributions	1,009,088	109,862
Contributions paid to TRS subsequent to the measurement date	44,917	
Total as of fiscal year-end	\$ 1,278,426	\$ 1,900,665

The net amounts of the employer's balances of deferred outflows and inflows (not including the deferred contribution paid subsequent to the measurement date) of resources related to OPEBs will be recognized by the district in OPEB expense as follows:

Fiscal year ended August 31,	OPEB Expense Amount
2025	\$ (178,150)
2026	(121,647)
2027	(45,150)
2028	(129,540)
2029	(71,436)
Thereafter	(121,233)

Y. NEGATIVE OPERATING GRANTS AND CONTRIBUTIONS - STATEMENT OF ACTIVITIES

Expense activity is required to be recorded by districts who are participants in cost-sharing pension and OPEB benefit plans with a special funding situation where non-employer contributing entities (NECE) also participate in contributions to the plans. TRS-retirement and TRS-care benefit plans are both cost-sharing plans with special funding situations. Therefore, on-behalf expense activity of the NECE must be recorded at the government-wide level of reporting on the Statement of Activities in accordance with GASB 68 and 75.

During the year under audit, the NECE expense was negative due to changes in benefits within the TRS-care plan. The accrual for the proportionate share of that expense was a negative on-behalf revenue and negative on-behalf expense. This resulted in negative revenue for operating grants and contributions on the Statement of Activities. According to guidance provided directly from GASB, this is the correct reporting.

Following are the effect on the Statement of Activities resulting from negative on-behalf accruals:

Function	Operating Grants And Contributions	Negative On-Behalf Accruals	Operating Grants and Contributions (Excluding On-Behalf
11 Instruction	\$ 1,127,217	\$ (209,525)	\$ 1,336,742
13 Curriculum and Instructional Staff Development	7,096	-	7,096
21 Instructional Leadership	7,897	(661)	8,558
23 School Leadership	167,379	(20,812)	188,191
31 Guidance, Counseling, and Evaluation Services	166	(1,908)	2,074
33 Health Services	298	(3,433)	3,731
34 Student (Pupil) Transportation	540	(6,209)	6,749
35 Food Services	278,884	(655)	279,539
36 Extracurricular Activities	1,420	(16,332)	17,752
41 General Administration	3,173	(36,504)	39,677
51 Facilities Maintenance and Operations	3,103	(35,696)	38,799
52 Security and Monitoring Services	81,687	(1,488)	83,175
53 Data Processing Services	970	(11,166)	12,136
61 Community Services	479	(5,509)	5,988
93 Payments to Fiscal Agent/Member Districts of SSA	31,167	-	31,167
Totals	\$ 1,711,476	\$ (349,898)	\$ 2,061,374

REQUIRED SUPPLEMENTARY INFORMATION

HAMLIN COLLEGIATE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED AUGUST 31, 2024

Data Control Codes		Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
		Original	Final		
REVENUES:					
5700	Total Local and Intermediate Sources	\$ 1,471,000	\$ 1,471,000	\$ 1,682,931	\$ 211,931
5800	State Program Revenues	4,293,654	4,293,654	4,184,137	(109,517)
5900	Federal Program Revenues	140,000	140,000	99,605	(40,395)
5020	Total Revenues	5,904,654	5,904,654	5,966,673	62,019
EXPENDITURES:					
Current:					
0011	Instruction	2,489,880	2,481,880	2,406,704	75,176
0012	Instructional Resources and Media Services	23,606	23,606	20,887	2,719
0013	Curriculum and Instructional Staff Development	21,500	21,500	19,070	2,430
0021	Instructional Leadership	22,950	22,950	10,638	12,312
0023	School Leadership	271,879	271,879	264,063	7,816
0031	Guidance, Counseling, and Evaluation Services	94,103	94,103	47,030	47,073
0033	Health Services	46,668	46,668	41,637	5,031
0034	Student (Pupil) Transportation	148,074	208,074	202,018	6,056
0036	Extracurricular Activities	362,517	437,517	410,654	26,863
0041	General Administration	582,237	617,237	605,642	11,595
0051	Facilities Maintenance and Operations	1,135,016	1,739,016	1,728,090	10,926
0052	Security and Monitoring Services	25,000	41,000	29,434	11,566
0053	Data Processing Services	189,896	197,896	195,841	2,055
0061	Community Services	70,826	70,826	70,162	664
Debt Service:					
0071	Principal on Long-Term Liabilities	68,917	92,917	88,962	3,955
0072	Interest on Long-Term Liabilities	6,085	6,085	4,803	1,282
Capital Outlay:					
0081	Facilities Acquisition and Construction	100,000	-	-	-
Intergovernmental:					
0093	Payments to Fiscal Agent/Member Districts of SSA	180,500	180,500	178,440	2,060
0099	Other Intergovernmental Charges	65,000	65,000	50,371	14,629
6030	Total Expenditures	5,904,654	6,618,654	6,374,446	244,208
1200	Net Change in Fund Balances	-	(714,000)	(407,773)	306,227
0100	Fund Balance - September 1 (Beginning)	3,431,404	3,431,404	3,431,404	-
1300	Increase (Decrease) in Fund Balance	(102,801)	(102,801)	(102,801)	-
3000	Fund Balance - August 31 (Ending)	\$ 3,328,603	\$ 2,614,603	\$ 2,920,830	\$ 306,227

HAMLIN COLLEGIATE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED AUGUST 31, 2024

	FY 2024 Plan Year 2023	FY 2023 Plan Year 2022	FY 2022 Plan Year 2021
District's Proportion of the Net Pension Liability (Asset)	0.003435908%	0.00334115%	0.002486499%
District's Proportionate Share of Net Pension Liability (Asset)	\$ 2,360,137	\$ 1,983,555	\$ 633,223
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	2,159,630	1,965,112	973,814
Total	<u>\$ 4,519,767</u>	<u>\$ 3,948,667</u>	<u>\$ 1,607,037</u>
District's Covered Payroll	\$ 3,345,970	\$ 3,160,632	\$ 2,847,628
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	70.54%	62.76%	22.24%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	73.15%	75.62%	88.79%

Note: GASB Codification, Vol. 2, P20.183 requires that the information on this schedule be data from the period corresponding with the periods covered as of the measurement dates of August 31, 2023 for year 2024, August 31, 2022 for year 2023, August 31, 2021 for year 2022, August 31, 2020 for year 2021, August 31, 2019 for year 2020, August 31, 2018 for year 2019, August 31, 2017 for year 2018, August 31, 2016 for year 2017, August 31, 2015 for year 2016 and August 31, 2014 for year 2015.

FY 2021 Plan Year 2020	FY 2020 Plan Year 2019	FY 2019 Plan Year 2018	FY 2018 Plan Year 2017	FY 2017 Plan Year 2016	FY 2016 Plan Year 2015	FY 2015 Plan Year 2014
0.002002362%	0.001968732%	0.002149672%	0.001937441%	0.002073584%	0.00229222%	0.0015509%
\$ 1,072,424	\$ 1,023,409	\$ 1,183,231	\$ 619,489	\$ 783,576	\$ 810,262	\$ 414,267
2,011,429	1,682,453	1,876,829	1,256,167	1,634,730	1,704,925	1,699,625
\$ 3,083,853	\$ 2,705,862	\$ 3,060,060	\$ 1,875,656	\$ 2,418,306	\$ 2,515,187	\$ 2,113,892
\$ 2,583,475	\$ 2,189,779	\$ 2,117,714	\$ 2,279,745	\$ 2,503,505	\$ 2,501,734	\$ 2,880,535
41.51%	46.74%	55.87%	27.17%	31.30%	32.39%	14.38%
75.54%	75.24%	73.74%	82.17%	78.00%	78.43%	83.25%

HAMLIN COLLEGIATE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR PENSIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED AUGUST 31, 2024

	2024	2023	2022
Contractually Required Contribution	\$ 166,442	\$ 175,166	\$ 157,129
Contribution in Relation to the Contractually Required Contribution	(166,442)	(175,166)	(157,129)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 3,262,862	\$ 3,345,970	\$ 3,160,632
Contributions as a Percentage of Covered Payroll	5.10%	5.24%	4.97%

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

2021	2020	2019	2018	2017	2016	2015
\$ 106,482	\$ 81,881	\$ 68,807	\$ 78,725	\$ 63,498	\$ 67,874	\$ 39,319
(106,482)	(81,881)	(68,807)	(78,725)	(63,498)	(67,874)	(39,319)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 2,847,628	\$ 2,583,475	\$ 2,189,779	\$ 2,117,714	\$ 2,279,745	\$ 2,469,511	\$ 2,501,734
3.74%	3.17%	3.14%	3.72%	2.79%	2.75%	1.57%

HAMLIN COLLEGIATE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED AUGUST 31, 2024

	FY 2024 Plan Year 2023	FY 2023 Plan Year 2022	FY 2022 Plan Year 2021
District's Proportion of the Net Liability (Asset) for Other Postemployment Benefits	0.005564773%	0.005559933%	0.005003539%
District's Proportionate Share of Net OPEB Liability (Asset)	\$ 1,231,946	\$ 1,331,271	\$ 1,930,088
State's Proportionate Share of the Net OPEB Liability (Asset) Associated with the District	1,486,533	1,623,941	2,585,888
Total	<u>\$ 2,718,479</u>	<u>\$ 2,955,212</u>	<u>\$ 4,515,976</u>
District's Covered Payroll	\$ 3,345,970	\$ 3,160,632	\$ 2,847,628
District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	36.82%	42.12%	67.78%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	14.94%	11.52%	6.18%

Note: GASB Codification, Vol. 2, P50.238 states that the information on this schedule should be determined as of the measurement date. The amounts for FY 2024 are for the measurement date of August 31, 2023. The amounts for FY 2023 are for the measurement date of August 31, 2022. The amounts reported for FY 2022 are for measurement date August 31, 2021. The amounts reported for FY 2021 are for the measurement date of August 31, 2020. The amounts for FY 2020 are for the measurement date August 31, 2019. The amounts for FY 2019 are for the measurement date August 31, 2018. The amounts for FY 2018 are based on the August 31, 2017 measurement date.

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

FY 2021 Plan Year 2020		FY 2020 Plan Year 2019		FY 2019 Plan Year 2018		FY 2018 Plan Year 2017	
0.003853856%		0.003625216%		0.004020543%		0.003095973%	
\$	1,465,025	\$	1,714,411	\$	2,007,494	\$	1,346,323
	1,968,642		2,278,066		1,719,744		1,734,057
\$	3,433,667	\$	3,992,477	\$	3,727,238	\$	3,080,380
\$	2,583,475	\$	2,189,779	\$	2,117,714	\$	2,279,745
	56.71%		78.29%		94.80%		59.06%
	4.99%		2.66%		1.57%		0.09%

HAMLIN COLLEGIATE INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR OTHER POSTEMPLOYMENT BENEFITS (OPEB)
 TEACHER RETIREMENT SYSTEM OF TEXAS
 FOR THE YEAR ENDED AUGUST 31, 2024

	2024	2023	2022
Contractually Required Contribution	\$ 44,917	\$ 48,006	\$ 45,666
Contribution in Relation to the Contractually Required Contribution	(44,917)	(48,006)	(45,666)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 3,262,862	\$ 3,345,970	\$ 3,160,632
Contributions as a Percentage of Covered Payroll	1.38%	1.43%	1.44%

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

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

2021		2020		2019		2018	
\$	39,152	\$	29,175	\$	25,554	\$	28,006
	(39,152)		(29,175)		(25,554)		(28,006)
\$	-	\$	-	\$	-	\$	-
\$ 2,847,628		\$ 2,583,475		\$ 2,189,779		\$ 2,117,714	
1.37%		1.13%		1.17%		1.32%	

**HAMLIN COLLEGIATE INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (RSI)
YEAR ENDED AUGUST 31, 2024**

A. Notes to Schedules for the TRS Pension

Changes of Benefit Terms:

- 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 Net Pension Liability of TRS. In addition, the Legislature also provided for a cost of living adjustment (COLA) to retirees which was approved during the November 2023 election which will be paid January 2024. Therefore, this contingent liability was not reflected as of August 31, 2023.

Changes of Assumptions:

- There were no changes in assumptions.

B. Notes to Schedules for the TRS OPEB Plan

Benefits, Actuarial Methods, and Assumptions:

Changes of Benefits:

- There were no changes of benefits terms since the prior measurement date

Changes of Assumptions:

- The single discount rate changed from 3.91 percent as of August 31, 2022 to 4.13 percent as of August 31, 2023. This change decreased the total OPEB liability.

C. Stewardship, Compliance and Accountability

Budget

The Board of Trustees (local school board) is legally required to adopt an annual budget (on a 12-month basis) for the general fund, the food service fund, and the debt service fund. The budgets must be prepared by August 20 and adopted by the local school board before expenditures are made and, if applicable, before the tax rate for the year is adopted. The required supplementary information is reported as follows:

Exhibit G-1	Budgetary Comparison Schedule – General Fund
Exhibit J-2	Budgetary Comparison Schedule – Child Nutrition Fund
Exhibit J-3	Budgetary Comparison Schedule – Debt Service Fund.

Once a budget is approved, it can be amended at the fund and function level only by a majority vote of the members of the Board of Trustees.

Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under State of Texas law, appropriations lapse at year end August 31, and encumbrances outstanding at that time are to be either cancelled or appropriately provided for in the subsequent year's budget.

It is a violation of Texas State Law for expenditures to exceed the budget in any function of the general fund, the food service fund, or the debt service fund.

**HAMLIN COLLEGIATE INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (RSI)
YEAR ENDED AUGUST 31, 2024**

Expenditures Exceeding Appropriation

The following is disclosed related to expenditures and budget appropriations:

- The current year expenditures did not exceed appropriations in material amounts for any function of the general fund as detailed in Exhibit G-1 "Budgetary Comparison Schedule -General Fund". Immaterial excesses are reported for the general administration, security and monitoring, data processing, and other intergovernmental charges functions.
- The current year expenditures did not exceed appropriations in function 35 in the child nutrition fund as detailed in Exhibit J-2 "Budgetary Comparison Schedule -Child Nutrition Fund".
- The current year expenditures did not exceed appropriations in any functions in the debt service fund as detailed in Exhibit J-3 "Budgetary Comparison Schedule -Debt Service Fund".

**OTHER SUPPLEMENTARY INFORMATION –
COMBINING SCHEDULES**

HAMLIN COLLEGIATE INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AUGUST 31, 2024

Data Control Codes		205	206	211	225
			ESSA, IX, A	ESEA I, A	IDEA - Part B
		Head Start	Homeless Children Ed.	Improving Basic Program	Preschool
ASSETS					
1110	Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -
1240	Due from Other Governments	17,557	-	11,569	1,588
1000	Total Assets	<u>\$ 17,557</u>	<u>\$ -</u>	<u>\$ 11,569</u>	<u>\$ 1,588</u>
LIABILITIES					
2110	Accounts Payable	\$ -	\$ -	\$ -	\$ -
2160	Accrued Wages Payable	14,837	-	10,204	1,422
2170	Due to Other Funds	1,223	-	179	-
2200	Accrued Expenditures	1,497	-	1,186	166
2300	Unearned Revenue	-	-	-	-
2000	Total Liabilities	<u>17,557</u>	<u>-</u>	<u>11,569</u>	<u>1,588</u>
FUND BALANCES					
Restricted Fund Balance:					
3450	Federal or State Funds Grant Restriction	-	-	-	-
Assigned Fund Balance:					
3590	Other Assigned Fund Balance	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities and Fund Balances	<u>\$ 17,557</u>	<u>\$ -</u>	<u>\$ 11,569</u>	<u>\$ 1,588</u>

EXHIBIT H-1 (Cont'd)

240 National Breakfast and Lunch Program	244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	270 ESEA V, B,2 Rural & Low Income	279 ESSER III TCLAS ARP Act	289 Other Federal Special Revenue Funds	410 State Instructional Materials	427 JET Grant
\$ 93,232	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18,443	-	-	-	-	805	2,391	-
<u>\$ 111,675</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 805</u>	<u>\$ 2,391</u>	<u>\$ -</u>
\$ 50,292	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	721	-	-
-	-	-	-	-	-	2,391	-
-	-	-	-	-	84	-	-
9,469	-	-	-	-	-	-	-
<u>59,761</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>805</u>	<u>2,391</u>	<u>-</u>
51,914	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>51,914</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 111,675</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 805</u>	<u>\$ 2,391</u>	<u>\$ -</u>

HAMLIN COLLEGIATE INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 AUGUST 31, 2024

Data Control Codes	429 Other State Special Revenue Funds	461 Campus Activity Funds	Total Nonmajor Governmental Funds
ASSETS			
1110 Cash and Cash Equivalents	\$ -	\$ 7,623	\$ 100,855
1240 Due from Other Governments	1,504	-	53,857
1000 Total Assets	<u>\$ 1,504</u>	<u>\$ 7,623</u>	<u>\$ 154,712</u>
LIABILITIES			
2110 Accounts Payable	\$ -	\$ -	\$ 50,292
2160 Accrued Wages Payable	-	-	27,184
2170 Due to Other Funds	1,504	-	5,297
2200 Accrued Expenditures	-	-	2,933
2300 Unearned Revenue	-	-	9,469
2000 Total Liabilities	<u>1,504</u>	<u>-</u>	<u>95,175</u>
FUND BALANCES			
Restricted Fund Balance:			
3450 Federal or State Funds Grant Restriction	-	-	51,914
Assigned Fund Balance:			
3590 Other Assigned Fund Balance	-	7,623	7,623
3000 Total Fund Balances	<u>-</u>	<u>7,623</u>	<u>59,537</u>
4000 Total Liabilities and Fund Balances	<u>\$ 1,504</u>	<u>\$ 7,623</u>	<u>\$ 154,712</u>

HAMLIN COLLEGIATE INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2024

Data Control Codes	205 Head Start	206 ESSA, IX, A Homeless Children Ed.	211 ESEA I, A Improving Basic Program	225 IDEA - Part B Preschool
REVENUES:				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800 State Program Revenues	-	-	-	-
5900 Federal Program Revenues	204,473	5,098	449,787	17,540
5020 Total Revenues	204,473	5,098	449,787	17,540
EXPENDITURES:				
Current:				
0011 Instruction	204,473	5,098	337,857	17,540
0013 Curriculum and Instructional Staff Development	-	-	7,097	-
0021 Instructional Leadership	-	-	7,840	-
0023 School Leadership	-	-	96,993	-
0035 Food Services	-	-	-	-
0036 Extracurricular Activities	-	-	-	-
0052 Security and Monitoring Services	-	-	-	-
Intergovernmental:				
0093 Payments to Fiscal Agent/Member Districts of SSA	-	-	-	-
6030 Total Expenditures	204,473	5,098	449,787	17,540
1200 Net Change in Fund Balance	-	-	-	-
0100 Fund Balance - September 1 (Beginning)	-	-	-	-
3000 Fund Balance - August 31 (Ending)	\$ -	\$ -	\$ -	\$ -

240 National Breakfast and Lunch Program	244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	270 ESEA V, B,2 Rural & Low Income	279 ESSER III TCLAS ARP Act	289 Other Federal Special Revenue Funds	410 State Instructional Materials	427 JET Grant
\$ 8,576	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1,675	-	-	-	-	-	38,660	85,110
277,831	-	14,847	21,966	342,366	42,794	-	-
288,082	-	14,847	21,966	342,366	42,794	38,660	85,110
-	-	14,847	21,966	273,789	11,627	38,660	85,110
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	68,577	-	-	-
349,283	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	31,167	-	-
349,283	-	14,847	21,966	342,366	42,794	38,660	85,110
(61,201)	-	-	-	-	-	-	-
113,115	-	-	-	-	-	-	-
\$ 51,914	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

HAMLIN COLLEGIATE INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2024

Data Control Codes	429 Other State Special Revenue Funds	461 Campus Activity Funds	Total Nonmajor Governmental Funds
REVENUES:			
5700 Total Local and Intermediate Sources	\$ -	\$ 17,275	\$ 25,851
5800 State Program Revenues	179,588	-	305,033
5900 Federal Program Revenues	-	-	1,376,702
5020 Total Revenues	179,588	17,275	1,707,586
EXPENDITURES:			
Current:			
0011 Instruction	98,030	-	1,108,997
0013 Curriculum and Instructional Staff Development	-	-	7,097
0021 Instructional Leadership	-	-	7,840
0023 School Leadership	-	-	165,570
0035 Food Services	-	-	349,283
0036 Extracurricular Activities	-	17,975	17,975
0052 Security and Monitoring Services	81,558	-	81,558
Intergovernmental:			
0093 Payments to Fiscal Agent/Member Districts of SSA	-	-	31,167
6030 Total Expenditures	179,588	17,975	1,769,487
1200 Net Change in Fund Balance	-	(700)	(61,901)
0100 Fund Balance - September 1 (Beginning)	-	8,323	121,438
3000 Fund Balance - August 31 (Ending)	\$ -	\$ 7,623	\$ 59,537

HAMLIN COLLEGIATE INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 PRIVATE PURPOSE TRUST FUNDS
 AUGUST 31, 2024

	810 Ferguson Scholarship Fund	811 Hodges Scholarship Fund	812 Kelly Jeffrey Scholarship Fund	813 Smith Scholarship Fund	Total Private Purpose Trust Funds
ASSETS					
Cash and Cash Equivalents	\$ 37,808	\$ 2,739	\$ 4,754	\$ -	\$ 45,301
Investments - Current	15,330	-	-	-	15,330
Total Assets	53,138	2,739	4,754	-	60,631
NET POSITION					
Restricted for Scholarships	\$ 53,138	\$ 2,739	\$ 4,754	\$ -	\$ 60,631
Total Net Position	\$ 53,138	\$ 2,739	\$ 4,754	\$ -	\$ 60,631

HAMLIN COLLEGIATE INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 PRIVATE PURPOSE TRUST FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2024

	810 Ferguson Scholarship Fund	811 Hodges Scholarship Fund	812 Kelly Jeffrey Scholarship Fund	813 Smith Scholarship Fund	Total Private Purpose Trust Funds
ADDITIONS:					
Earnings from Temporary Deposits	\$ 828	\$ 26	\$ 47	\$ 3	\$ 904
Total Additions	828	26	47	3	904
DEDUCTIONS:					
Professional and Contracted Services	1,000	-	-	302	1,302
Total Deductions	1,000	-	-	302	1,302
Change in Net Position	(172)	26	47	(299)	(398)
Net Position - September 1 (Beginning)	53,310	2,713	4,707	299	61,029
Net Position August 31 (Ending)	\$ 53,138	\$ 2,739	\$ 4,754	\$ -	\$ 60,631

REQUIRED TEXAS EDUCATION AGENCY SCHEDULES

HAMLIN COLLEGIATE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
FOR THE YEAR ENDED AUGUST 31, 2024

Last 10 Years Ended August 31	(1)	(2)	(3)
	Tax Rates		Assessed/Appraised Value for School Tax Purposes
	Maintenance	Debt Service	
2015 and prior years	Various	Various	\$ Various
2016	1.170000	0.22500	149,481,080
2017	1.170000	0.22500	124,462,337
2018	1.170000	0.22500	118,901,314
2019	1.170000	0.22500	118,707,130
2020	1.068400	0.27660	141,372,416
2021	1.054700	0.27670	147,665,640
2022	1.051700	0.27670	138,459,426
2023	0.942900	0.27670	177,909,384
2024 (School year under audit)	0.757500	0.21210	205,032,615
1000 TOTALS			
8000 Total Taxes Refunded Under Section 26.1115, Tax Code			

(10) Beginning Balance 9/1/2023	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 8/31/2024	(99) Taxes Refunded Under Section 26.1115c
\$ 50,189	\$ -	\$ 146	\$ 24	\$ (1,438)	\$ 48,581	
12,153	-	166	32	(317)	11,638	
15,844	-	337	70	(1,375)	14,062	
22,535	-	650	125	(1,228)	20,532	
21,025	-	865	166	(1,301)	18,693	
21,989	-	1,186	309	(1,908)	18,586	
26,593	-	1,963	530	(1,446)	22,654	
36,577	-	4,832	1,192	(2,940)	27,613	
59,554	-	13,528	3,947	(7,342)	34,737	
-	1,990,336	1,499,966	421,199	-	69,171	
\$ 266,459	\$ 1,990,336	\$ 1,523,639	\$ 427,594	\$ (19,295)	\$ 286,267	

\$ -

HAMLIN COLLEGIATE INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - CHILD NUTRITION PROGRAM
 FOR THE YEAR ENDED AUGUST 31, 2024

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 8,784	\$ 8,784	\$ 8,576	\$ (208)
5800 State Program Revenues	1,000	1,000	1,675	675
5900 Federal Program Revenues	270,000	300,000	277,831	(22,169)
5020 Total Revenues	279,784	309,784	288,082	(21,702)
EXPENDITURES:				
Current:				
0035 Food Services	279,784	387,784	349,283	38,501
6030 Total Expenditures	279,784	387,784	349,283	38,501
1200 Net Change in Fund Balances	-	(78,000)	(61,201)	16,799
0100 Fund Balance - September 1 (Beginning)	113,115	113,115	113,115	-
3000 Fund Balance - August 31 (Ending)	\$ 113,115	\$ 35,115	\$ 51,914	\$ 16,799

HAMLIN COLLEGIATE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - DEBT SERVICE FUND
FOR THE YEAR ENDED AUGUST 31, 2024

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 419,000	\$ 419,000	\$ 439,921	\$ 20,921
5800 State Program Revenues	2,000	16,000	32,532	16,532
5900 Federal Program Revenues	16,000	-	-	-
5020 Total Revenues	437,000	435,000	472,453	37,453
EXPENDITURES:				
Debt Service:				
0071 Principal on Long-Term Liabilities	235,000	235,000	235,000	-
0072 Interest on Long-Term Liabilities	100,000	100,000	92,925	7,075
0073 Bond Issuance Cost and Fees	4,000	4,000	3,800	200
6030 Total Expenditures	339,000	339,000	331,725	7,275
1200 Net Change in Fund Balances	98,000	96,000	140,728	44,728
0100 Fund Balance - September 1 (Beginning)	552,741	552,741	552,741	-
3000 Fund Balance - August 31 (Ending)	\$ 650,741	\$ 648,741	\$ 693,469	\$ 44,728

HAMLIN COLLEGIATE INDEPENDENT SCHOOL DISTRICT
USE OF FUNDS REPORT - SELECT STATE ALLOTMENT PROGRAM
FOR THE YEAR ENDED AUGUST 31, 2024

Section A: Compensatory Education Programs

AP1	Did your district expend any state compensatory education program state allotment funds during the district's fiscal year?	Yes
AP2	Does the district have written policies and procedures for its state compensatory education program?	Yes
AP3	Total state allotment funds received for state compensatory education programs during the district's fiscal year.	\$421,498
AP4	Actual direct program expenditures for state compensatory education programs during the district's fiscal year. (PICs 24,26,28,29,30)	\$244,171

Section B: Bilingual Education Programs

AP5	Did your district expend any bilingual education program state allotment funds during the district's fiscal year?	Yes
AP6	Does the district have written policies and procedures for its bilingual education program?	Yes
AP7	Total state allotment funds received for bilingual education programs during the district's fiscal year.	\$11,286
AP8	Actual direct program expenditures for bilingual education programs during the district's fiscal year. (PIC 25)	\$7,654

**REPORTS ON COMPLIANCE, INTERNAL CONTROLS AND
FEDERAL AWARDS**

James E. Rodgers and Company, P.C.

Certified Public Accountants

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October 8, 2024

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
Hamlin Collegiate Independent School District
Hamlin, Texas 79520**

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 Hamlin Collegiate Independent School District, as of and for the year ended August 31, 2024, and the related notes to the financial statements, which collectively comprise Hamlin Collegiate Independent School District's basic financial statements, and have issued our report thereon dated October 8, 2024.

Report On Internal Control Over Financial Reporting

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

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

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

James E. Rodgers and Company, P.C.

Report On Compliance and Other Matters

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

Purpose of this Report

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

Respectfully submitted,



James E. Rodgers and Company, P.C.

James E. Rodgers and Company, P.C.

Certified Public Accountants

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October 8, 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
Hamlin Collegiate Independent School District
Hamlin, Texas 79520

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Hamlin Collegiate Independent School District's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Hamlin Collegiate Independent School District's major federal programs for the year ended August 31, 2024. Hamlin Collegiate Independent School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Hamlin Collegiate Independent School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

James E. Rodgers and Company, P.C.

over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

Respectfully submitted,



James E. Rodgers and Company, P.C.

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Certified Public Accountants

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HAMLIN COLLEGIATE INDEPENDENT SCHOOL DISTRICT SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED AUGUST 31, 2024

I. Summary of the Auditor's Results:

1.	Type of report issued on whether the financial statements were prepared in accordance with GAAP (generally accepted accounting standards):	Unmodified opinion
2.	Internal Control over financial reporting:	
2 (a).	Significant deficiencies in internal control:	None
(b).	Significant deficiencies that were material weaknesses:	None
3.	Noncompliance, which is material to the financial statements:	None
4.	Internal Control over major federal programs:	
4 (a).	Significant deficiencies in internal control over major programs	None
(b).	Material weaknesses in internal control over major programs identified	None
5.	Type of report issued on compliance with major programs	Unmodified opinion
6.	Audit findings that the auditor is required to report under 2 CFR 200.516(a):	None
7.	Identification of major programs: Title I, Part A Improving Basis Programs – Assistance Listing # 84.010A	
8.	Dollar threshold used to distinguish between Type A and Type B programs	\$750,000
9.	District qualified as a low-risk auditee	Yes

II. Findings Relating to the Financial Statements Which Are Required To Be Reported in Accordance with *Generally Accepted Government Auditing Standards (GAGAS)*.

Finding 2024-001:

a.	Condition:	Not applicable (no current year findings)
b.	Criteria:	Not applicable (no current year findings)
c.	Cause:	Not applicable (no current year findings)
d.	Effect:	Not applicable (no current year findings)
e.	Recommendation:	Not applicable (no current year findings)
f.	District Response:	Not applicable (no current year findings)

III. Findings and Questioned Costs for Federal Awards Including Audit Findings as Described in 6(a) – 6(f) above.

There were no audit findings or questioned costs for federal awards that are required to be reported.



**SCHEDULE OF STATUS OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED AUGUST 31, 2024**

Prior Year Finding 2023-001: The District did not have any prior year (fiscal year ended August 31, 2023) reportable findings.

Current Status: Not applicable since there were no prior findings.



**CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED AUGUST 31, 2024**

The name of the contact person responsible for corrective action:

Becky Terry, Business Manager

District Phone Number: 325-576-3624

There were no current year findings, thus, a corrective action plan is not required.

HAMLIN COLLEGIATE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2024

(1)	(2)	(3)	(4)
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	Federal Assistance Listing No.	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF EDUCATION			
<u>Passed Through Texas Education Agency</u>			
ESEA, Title I, Part A - Improving Basic Programs	84.010A	24610101127903	\$ 188,267
ESEA, Title I, Part A - School Action Fund Continuation	84.010A	246101647110008	278,273
Total Assistance Listing Number 84.010			466,540
IDEA - Part B, Preschool	84.173	246610011279066610	17,540
ESSA Title IX, Part A Homeless Children Education	84.196	244600057110031	5,098
ESEA, Title V, Part B,2 - Rural School Achievement	84.358A	S358A233666	21,966
ESEA, Title II, Part A, Teacher Principal Training	84.367A	24694501221950	14,847
COVID 19 - Learning Supports - (TCLAS) ESSER III	84.425U	21528042127903	410,021
Title IV Student Support	84.424A	24680101221950	11,627
SPED Capacity Grant	84.027A	66002412	31,167
Total Passed Through Texas Education Agency			978,806
TOTAL U.S. DEPARTMENT OF EDUCATION			978,806
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<u>Passed Through Region 14 ESC</u>			
*Early Head Start	93.600	06CH012174-02.01	88,493
*Head Start	93.600	06CH012174-02.01	82,314
*Early Head Start	93.600	06CH012174-03	19,266
*Head Start	93.600	06CH011543-03	14,400
Total Assistance Listing Number 93.600			204,473
Head Start Cluster			204,473
Total Passed Through Region 14 ESC			204,473
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			204,473
U.S. DEPARTMENT OF AGRICULTURE			
<u>Passed Through the Texas Department of Agriculture</u>			
*School Breakfast Program	10.553	71402401	82,828
*National School Lunch Program - Cash Assistance	10.555	71302301	165,137
*National School Lunch Prog. - Non-Cash Assistance	10.555	71302301	11,928
*Supply Chain Assistance (SCA)	10.555	236TX400N8903	17,938
Total Assistance Listing Number 10.555			195,003
Total Child Nutrition Cluster			277,831
Total Passed Through the Texas Department of Agriculture			277,831
TOTAL U.S. DEPARTMENT OF AGRICULTURE			277,831
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 1,461,110
*Clustered Programs			

See Accompanying Notes to the Schedule of Expenditures of Federal Awards

**HAMLIN COLLEGIATE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED AUGUST 31, 2024**

BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Hamlin Collegiate Independent School District (the "District") under programs of the federal government for the year ended August 31, 2024. The information in this Schedule 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 (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, change in net position, or cash flows of the District.

ACCOUNTING POLICIES

1. For all Federal programs, the District uses the fund types specified in Texas Education Agency's *Financial Accountability System Resource Guide*. Special revenue funds are used to account for resources restricted to, or designated for, specific purposes by a grantor. Federal and state financial assistance generally is accounted for in a Special Revenue Fund.
2. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Governmental Fund types and Expendable Trust Funds are accounted for using a current financial resources measurement focus. All Federal grant funds were accounted for in a Special Revenue Fund that is a Governmental Fund type. With this measurement focus, only current assets and current liabilities and the fund balance are included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets.
3. The modified accrual basis of accounting is used for the Governmental Fund types, the Expendable Trust Funds, and Agency Funds. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual, i.e., both measurable and available, and expenditures in the accounting period in which the fund liability is incurred, if measurable, except for un-matured interest on General Long-Term Debt, which is recognized when due, and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.
4. Federal grant funds are recorded as earned to the extent of expenditures made under the provisions of the grant, and, accordingly, when such funds are received, they are recorded as deferred revenues until earned.
5. The period of performance for federal grant funds for the purpose of liquidation of outstanding obligations made on or before the ending date of the federal project period extended 30 days beyond the federal project period ending date, in accordance with provisions in the Uniform Guidance.
6. Indirect Costs
The District did not elect to use a de minimis cost rate of 10% as described at 2CFR §200.414(f) – Indirect (F&A) Costs.

**HAMLIN COLLEGIATE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED AUGUST 31, 2024**

7. Reconciliation of Federal Awards

The following is a reconciliation of expenditures of federal awards in the SEFA and federal program Revenues in the Statement of Revenues, Expenditures and Changes in Fund Balance of the Governmental funds.

Reconciliation of Federal Revenue Reported (C-3) to Schedule of Expenditures of Federal Awards (SEFA):	
Total Federal Revenue reported per Exhibit C-3	\$ 1,476,307
Reconciling Items:	
Less School Health and Related Services (SHARS) reimbursements	(15,197)
Total Federal Expenditures per SEFA (Exhibit K-1)	\$ 1,461,110

- 8.** The District did not pass through any federal funding to sub-recipients during the current fiscal year.

SCHOOLS FIRST QUESTIONNAIRE

Hamlin Collegiate Independent School District

Fiscal Year 2024

SF1	Was there an unmodified opinion in the Annual Financial Report on the financial statements as a whole?	Yes
SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement at fiscal year-end?	No
SF3	Did the school district make timely payments to the Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies? (If payments were not made or warrant hold not cleared within 30 days of when due, then payments are NOT timely.)	Yes
SF4	Was the school district issued a warrant hold? (Even if the issue surrounding the initial warrant hold was resolved and cleared within 30 days, answer is still YES.)	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 and/or substantial doubt about the district's ability to continue as a going concern?	No
SF6	Was there any disclosure in the Annual Financial Report of material noncompliance for grants, contracts, and laws related to local, state, or federal funds?	No
SF7	Did the school district post the required financial information on its website in accordance with Government Code, Local Government Code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules that were in effect at the school district's fiscal year end?	Yes
SF8	Did the school district's administration and school board members discuss any changes and/or impact to local, state, and federal funding at a board meeting within 120 days before the school district adopted its budget?	Yes
SF9	Total accumulated accretion on CABs included in government-wide financial statements at fiscal year end.	\$ 0