

**PEASTER**  
**INDEPENDENT SCHOOL DISTRICT**  
**WEATHERFORD, TEXAS**  
**ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2024**



**PEASTER INDEPENDENT SCHOOL DISTRICT  
ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2024**

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## CERTIFICATE OF BOARD

<b>Peaster Independent School District</b>	<b>Parker</b>	<b>184908</b>
Name of School District	County	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 **June 30, 2024**, at a meeting of the Board of Trustees of such school district on the **17th** 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 is (are):  
(Attach list as necessary)



# James E. Rodgers and Company, P.C.

## Certified Public Accountants

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

Richard E. Rodgers CPA • Gerald L. Rodgers CPA

October 17, 2024

**Qualified Opinion (Scope Limitation) on Opinion Unit because of One Unaudited Component Unit 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  
Peaster Independent School District  
Weatherford, Texas 76088

#### Report on the Audit of the Financial Statements

##### *Qualified and Unmodified Opinions*

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the **Peaster Independent School District**, as of and for the year ended **June 30, 2024**, and the related notes to the financial statements, which collectively comprise the **Peaster Independent School District's** basic financial statements as listed in the table of contents.

##### *Summary of Opinions*

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Unmodified
Business-type Activities	Not Applicable - None
Aggregate Discretely Presented Component Units	Qualified
Governmental Major Fund – General Fund	Unmodified
Governmental Major Fund – SSA - PCCPS	Unmodified
Governmental Major Fund – Debt Service Funds	Unmodified
Governmental Major Fund – Capital Projects Fund	Unmodified
Enterprise Fund	Not Applicable – None
Aggregate Remaining Fund Information	Unmodified

#### Qualified Opinion on the Aggregate Discretely Presented Component Units

In our opinion, except for the possible effects of the matter discussed in the Basis for Qualified and Unmodified Opinions section of our report, the financial statements referred to above present fairly, in all material respects, the financial position of the aggregate discretely presented component units of the **Peaster Independent School District**, as of **June 30, 2024**, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

# James E. Rodgers and Company, P.C.

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## **Unmodified Opinions on Governmental Activities, Each Major Fund, and Aggregate Remaining Fund Information**

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 **Peaster Independent School District**, as of **June 30, 2024**, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Basis for Qualified and Unmodified 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 **Peaster 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 qualified and unmodified audit opinions.

## **Matter Giving Rise to Qualified Opinion on the Aggregate Discretely Presented Component Units**

The financial statements of the **Peaster Education Foundation Component Unit (PEFCU)** have not been audited, and we were not engaged to audit the PEFCU financial statements as part of our audit of the **Peaster Independent School District's** basic financial statements. PEFCU's financial activities are included in the **Peaster Independent School District's** basic financial statements as a part of the aggregate discretely presented component unit and represent 100 percent, 100 percent, and 100 percent of the assets, net position, and revenues, respectively, of the **Peaster Independent School District's** aggregate discretely presented component units.

## ***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 **Peaster 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.

## ***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.

# James E. Rodgers and Company, P.C.

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

## ***Supplementary Information***

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



# James E. Rodgers and Company, P.C.

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the Required TEA 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 17, 2024**, on our consideration of the **Peaster 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 **Peaster 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 **Peaster Independent School District's** internal control over financial reporting and compliance.

Respectfully submitted,



James E. Rodgers and Company, P.C.

# PEASTER INDEPENDENT SCHOOL DISTRICT

3602 Harwell Lake Rd,  
Weatherford, Texas 76088



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## MANAGEMENT'S DISCUSSION AND ANALYSIS

In this section of the Annual Financial and Compliance Report, we, the administration of **Peaster Independent School District**, discuss and analyze the District's financial performance for the year ended **June 30, 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

District's Total Net Position at the End of the Year	\$	274,434
Total District Revenues for the Current Fiscal Year	\$	26,244,651
Total District Expenses for the Current Fiscal Year	\$	27,628,459
Fund Balance in the General Fund at the End of Year	\$	2,703,177

#### Changes in the District's Finances from the Previous Fiscal Year

	<u>Increase (Decrease)</u>	
	<u>\$</u>	<u>%</u>
<u>Change in Net Position:</u>		
Change in the District's Total Net Position	\$ (1,383,808)	-83.45%
<u>Revenue Changes:</u>		
Change in the District's Total Revenues	\$ 1,019,330	4.04%
Change in the District's Property Tax Revenues	\$ 116,196	1.32%
Change in the District's State Aid Formula Grants	\$ 845,720	9.06%
Change in Operating Grants and Contributions	\$ 589,923	19.33%
<u>Expense Changes:</u>		
Change in the District's Total Expenses	\$ 3,314,808	13.63%
<u>Other Information:</u>		
Change in the District's General Fund Balance	\$ (2,103,726)	-43.76%
Excess (Deficit) of Actual Revenue over Budgeted Revenue	\$ (656,722)	-3.85%

## **USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements. The government-wide financial statements include the Statement of Net Position and the Statement of Activities. These statements provide information about the activities of the District as a whole and present a longer-term view of the District's property and debt obligations and other financial matters. They reflect the flow of total economic resources in a manner similar to the financial reports of a business enterprise.

Fund financial statements report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds. For governmental activities, these statements tell how services were financed in the short term as well as what resources remain for future spending. They reflect the flow of current financial resources and supply the basis for tax levies and the appropriations budget. For proprietary activities, fund financial statements tell how goods or services of the District were sold to departments within the District or to external customers and how the sales revenues covered the expenses of the goods or services. The remaining statements, fiduciary statements, provide financial information about activities for which the District acts solely as a trustee or agent for the benefit of those outside of the district. The notes to the financial statements provide narrative explanations or additional data needed for full disclosure in the government-wide statements or the fund financial statements.

The combining statements for non-major funds contain even more information about the District's individual funds. These are not required by TEA. The sections labeled TEA Required Schedules and Federal Awards Section contain data used by monitoring or regulatory agencies for assurance that the District is using funds supplied in compliance with the terms of grants.

### **Reporting the District as a Whole**

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

The analysis of the District's overall financial condition and operations begins with the Statement of Net Position (Exhibit A-1). Its primary purpose is to show whether the District is better off or worse off as a result of the year's activities. The Statement of Net Position includes all the District's assets and liabilities at the end of the year while the Statement of Activities includes all the revenues and expenses generated by the District's operations during the year. These apply the accrual basis of accounting which is the basis used by private sector companies.

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

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

In the Statement of Net Position and the Statement of Activities, we combine the District into one kind of activity (all governmental activities).

Governmental activities—All of the District's basic services are reported here, including instruction, counseling, co-curricular activities, food services, transportation, maintenance, community services, and general administration. Property taxes, tuition, fees, and state and federal grants finance most of these activities.

## **Reporting the District's Most Significant Funds**

### ***Fund Financial Statements***

The fund financial statements begin with the Governmental Funds Balance Sheet (Exhibit C-1) and provide detailed information about the most significant funds—not the District as a whole. Laws and contracts require the District to establish some funds, such as grants received under the “Elementary and Secondary Education Act (ESEA) Title I, Part A, Improving Basic Programs” act from the U.S. Department of Education. The District's administration establishes many other funds to help it control and manage money for particular purposes (like campus activities). The District's two kinds of funds (governmental and proprietary) use different accounting approaches.

Governmental funds—Most of the District's basic services are reported in governmental funds. These funds use modified accrual accounting (a method that measures the receipt and disbursement of cash and all other financial assets that can be readily converted to cash) and report balances that are available for future spending. The governmental fund statements provide a detailed short-term view of the District's general operations and the basic services it provides. We describe the differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in a reconciliation schedule following each of the fund financial statements.

Proprietary funds—The District does not maintain proprietary funds at present.

## **The District as Trustee**

### ***Reporting the District's Fiduciary Responsibilities***

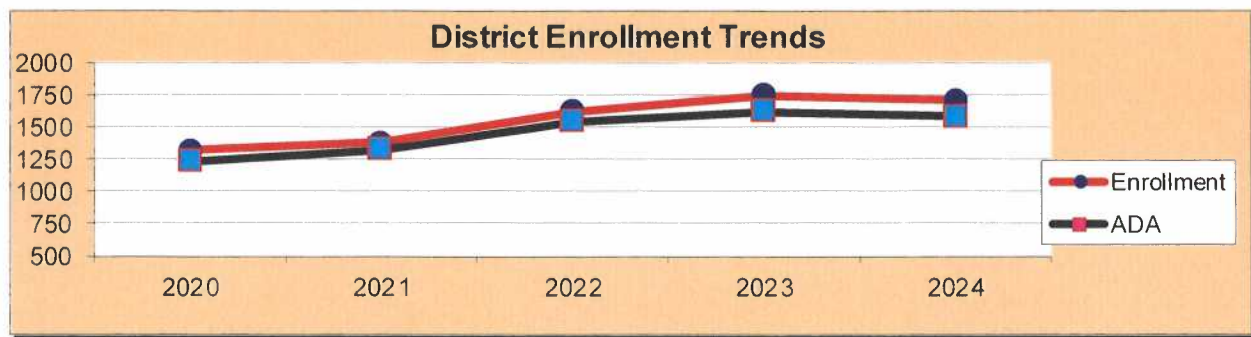
The District is the trustee, or fiduciary, for money raised by student activities and alumni scholarship programs. All of the District's fiduciary activities are reported in separate Statements of Fiduciary Net position (Exhibit E-1). We exclude these resources from the District's other financial statements because the District cannot use these assets to finance its operations. The District is only responsible for ensuring that the assets reported in these funds are used for their intended purposes.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

State funding 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, bilingual, and compensatory education programs. The demographics of the District and the types of coursework students pursue are continuing to evolve in the District. The following chart details the enrollment trends of the District.

### ENROLLMENT TRENDS

Year	Enrollment	ADA
2020	1322	1237.7
2021	1382	1329.2
2022	1625	1544.7
2023	1750	1623.8
2024	1706	1585.6



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

**Table I**  
**PEASTER INDEPENDENT SCHOOL DISTRICT**  
**Net Position**

	Governmental Activities		Business-Type Activities		Totals	
	2023	2024	2023	2024	2023	2024
Current and other assets	\$ 18,523,732	\$ 15,714,618	\$ -	\$ -	\$ 18,523,732	\$ 15,714,618
Capital assets	44,731,234	45,791,253	-	-	44,731,234	45,791,253
Deferred Outflows	5,403,916	5,325,254	-	-	5,403,916	5,325,254
<b>Total assets &amp; deferred outflows</b>	<b>\$ 68,658,882</b>	<b>\$ 66,831,125</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 68,658,882</b>	<b>\$ 66,831,125</b>
Long-term liabilities	\$ 50,057,366	\$ 48,114,715	\$ -	\$ -	\$ 50,057,366	\$ 48,114,715
Other liabilities	2,829,546	4,079,447	-	-	2,829,546	4,079,447
Net pension liability	5,271,059	6,392,461	-	-	5,271,059	6,392,461
Net OPEB liability	3,312,201	3,125,101	-	-	3,312,201	3,125,101
Deferred Inflows	5,530,468	4,844,967	-	-	5,530,468	4,844,967
<b>Total liabilities &amp; deferred inflows</b>	<b>\$ 67,000,640</b>	<b>\$ 66,556,691</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 67,000,640</b>	<b>\$ 66,556,691</b>
Net Position:						
Net Investment in capital assets	\$ 3,202,683	\$ 1,272,674	\$ -	\$ -	\$ 3,202,683	\$ 1,272,674
Restricted	4,910,666	5,307,512	-	-	4,910,666	5,307,512
Unrestricted	(6,455,107)	(6,305,752)	-	-	(6,455,107)	(6,305,752)
<b>Total Net Position</b>	<b>\$ 1,658,242</b>	<b>\$ 274,434</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,658,242</b>	<b>\$ 274,434</b>



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

<b>Table II</b> <b>PEASTER INDEPENDENT SCHOOL DISTRICT</b> <b>Changes in Net Postion</b>						
	Governmental Activities		Business-Type Activities		Totals	
	2023	2024	2023	2024	2023	2024
Program Revenues:						
Charges for Services	\$ 2,492,445	\$ 2,742,597	\$ -	\$ -	\$ 2,492,445	\$ 2,742,597
Operating grants & contributions	3,051,896	3,641,819	-	-	3,051,896	3,641,819
General Revenues:						
Maintenance & operations taxes	5,573,904	5,125,079	-	-	5,573,904	5,125,079
Debt service taxes	3,255,167	3,820,188	-	-	3,255,167	3,820,188
State aid - formula grants	9,339,134	10,184,854	-	-	9,339,134	10,184,854
Grants and contributions not restricted to specific functions	-	-	-	-	-	-
Investment earnings	661,210	461,492	-	-	661,210	461,492
Miscellaneous	851,565	268,622	-	-	851,565	268,622
<b>Total Revenues</b>	<b>\$ 25,225,321</b>	<b>\$ 26,244,651</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 25,225,321</b>	<b>\$ 26,244,651</b>
Expenses						
Instruction, curriculum & media services	\$ 12,514,854	\$ 14,155,492	\$ -	\$ -	\$ 12,514,854	\$ 14,155,492
Instructional & school leadership	1,411,590	1,712,983	-	-	1,411,590	1,712,983
Student support services	2,251,241	2,386,478	-	-	2,251,241	2,386,478
Food Services	790,857	947,643	-	-	790,857	947,643
Extracurricular activities	1,765,601	1,768,250	-	-	1,765,601	1,768,250
General administration & data processing	1,649,329	1,435,546	-	-	1,649,329	1,435,546
Plant maintenance & security	2,023,614	3,448,640	-	-	2,023,614	3,448,640
Community Services	-	-	-	-	-	-
Interest & fees on long term debt	1,547,909	1,341,223	-	-	1,547,909	1,341,223
Other business-type activities & intergovernmental	358,656	432,204	-	-	358,656	432,204
<b>Total Expenses</b>	<b>\$ 24,313,651</b>	<b>\$ 27,628,459</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 24,313,651</b>	<b>\$ 27,628,459</b>
<b>Increase in net position before transfers and special items</b>	<b>\$ 911,670</b>	<b>\$ (1,383,808)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 911,670</b>	<b>\$ (1,383,808)</b>
Transfers	-	-	-	-	-	-
Extraordinary & special items	-	-	-	-	-	-
Prior period adjustment	(23,603)	-	-	-	(23,603)	-
Net position at 9/1	770,175	1,658,242	-	-	770,175	1,658,242
<b>Total Net Position</b>	<b>\$ 1,658,242</b>	<b>\$ 274,434</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,658,242</b>	<b>\$ 274,434</b>

An analysis of the change in the net position for governmental activities is as follows:

Excess of Revenues Over Expenditures for Governmental Funds	\$ (4,101,507)
Net Gain (Loss) of Internal Service Funds	-
Current Year Purchases of Capital Assets	3,149,149
Current Year Debt Principal Payments	1,766,681
Depreciation	(1,864,424)
Other Modified to Full Accrual Revenue Adjustments	(20,033)
Net Adjustment to Pension Expense per GASB 68	(821,586)
Net Adjustment for OPEB plan required by GASB 75	507,912
<b>Change in Net Position of Governmental Activities</b>	<b>\$ (1,383,808)</b>

## 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	Capital Projects Fund	Total
Revenues	\$ 16,413,557	\$ 5,800,342	\$ 4,334,613	\$ 198,956	\$ 26,747,468
Expenditures	(18,517,283)	(6,087,775)	(3,147,747)	(3,096,170)	(30,848,975)
Other Financing Sources	-	-	-	-	-
Other Financing Uses	-	-	-	-	-
Net Change in Fund Balance	\$ (2,103,726)	\$ (287,433)	\$ 1,186,866	\$ (2,897,214)	\$ (4,101,507)
Beginning Fund Balance	4,806,903	1,271,174	3,564,870	5,834,363	15,477,310
Prior Period Adjustment	-	-	-	-	-
<b>Ending Fund Balance</b>					
<b>All Governmental Funds</b>	\$ 2,703,177	\$ 983,741	\$ 4,751,736	\$ 2,937,149	\$ 11,375,803

The District modified its budget several times during the year resulting in a net change in budgeted expenditures between the original and final budget in the District's General Fund. The current year general fund original and amended budget is detailed in Exhibit G-1.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

At the end of the current year end, the District had invested in a broad range of capital assets, including facilities and equipment for instruction, transportation, food services and maintenance. This year's major additions and the net change in total capital assets are as follows:

Field House, Intermediate School, & Security Fencing	\$ 3,043,086
Cafeteria Equipment New Intermediate	26,455
FB Sound System	20,328
HVAC	16,504
Security Doors - Junior High	18,590
Kawasaki Mule	11,686
Golf Cart	12,500
<b>TOTAL</b>	<b>\$ 3,149,149</b>
Total Additions	\$ 3,149,149
Total Deletions	-
<b>Net Change</b>	<b>\$ 3,149,149</b>

The District's next fiscal year general fund capital budget indicates no significant additions except for construction completion.

## Debt

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

	Interest Rate on Issue	Amounts Original Issue	Interest Current Year	Outstanding 6/30/2024	Next Year's Total Principal and Interest Requirement
2014B School Building Bonds	2.00%-3.00%	\$ 5,745,000	\$ 12,600	\$ 290,000	\$ 294,350
2015 Tax Refunding Bonds	2.00%-4.00%	\$ 3,555,000	104,775	2,595,000	264,675
2018 Tax Refunding Bonds	0.50%-4.00%	\$ 6,900,000	252,250	5,130,000	579,150
2018A Tax Refunding Bonds	2.00%-5.00%	\$ 3,699,429	11,875	1,474,429	520,000
2018B Tax Refunding Bonds	3.34%-4.00%	\$ 2,177,877	46,800	2,177,877	46,800
2020 Tax Refunding Bonds	4.00%-4.00%	\$ 4,710,000	143,348	4,650,000	143,349
2021 Tax School Building Bonds	3.00%-5.00%	\$ 24,300,000	762,400	23,935,000	875,650
2022 Tax School Building Bonds	4.00%-5.00%	\$ 3,470,000	144,750	3,180,000	415,375
2020 Series Maintenance Tax Notes	3.00%-4.00%	\$ 318,000	7,543	242,100	26,990
Right-to-Use Lease Asset Liabilities	4.00%-12.40%	\$ 570,861	7,960	62,191	38,246
SBITA Asset Liabilities	4.00%-4.00%	\$ 7,020	200	4,186	1,709
<b>Totals</b>			\$ 1,494,501	\$ 43,740,783	\$ 3,206,294

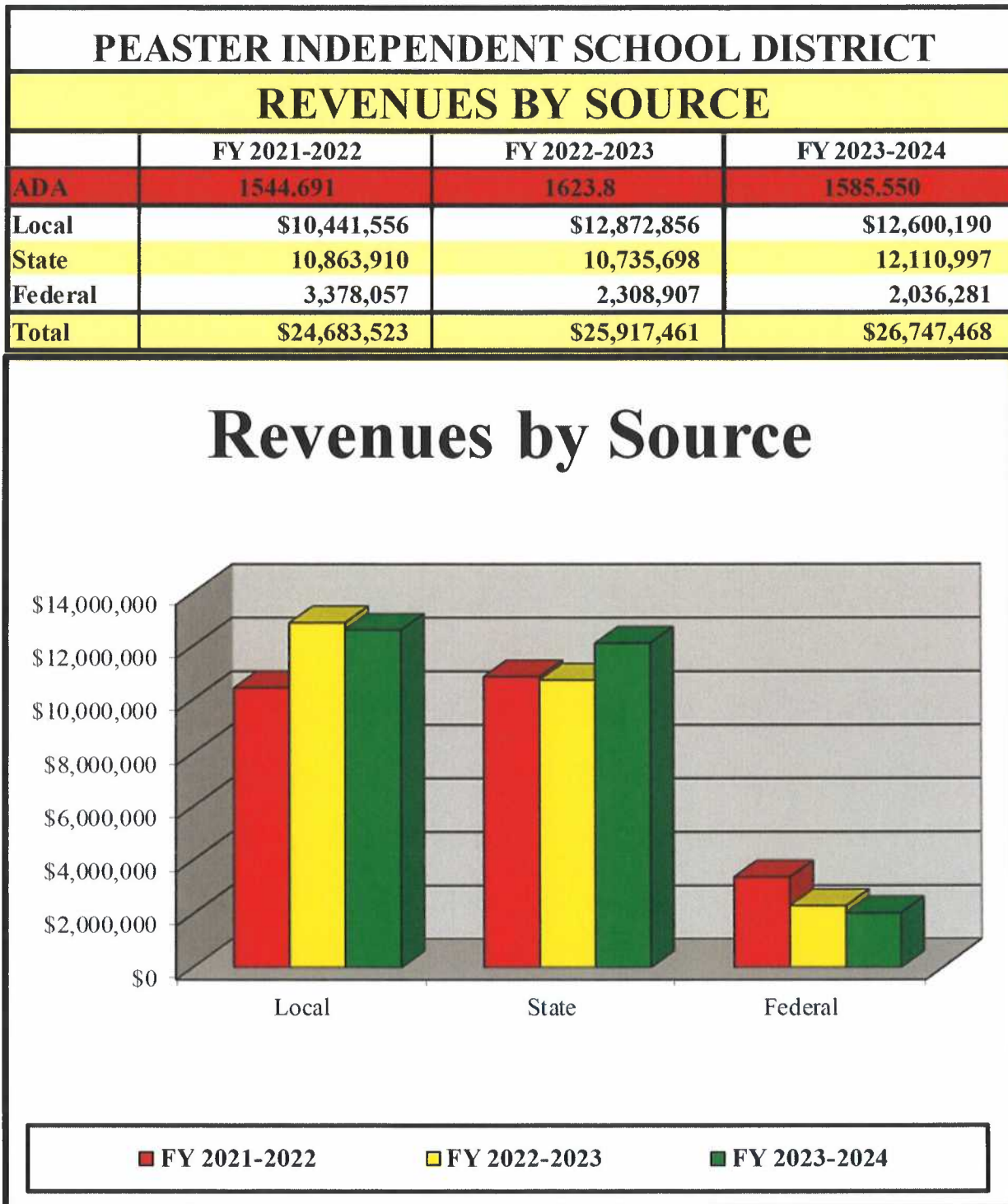
## ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The District's elected and appointed officials considered many factors when setting the next fiscal year budget and tax rates. Property values along with expected student enrollment 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:

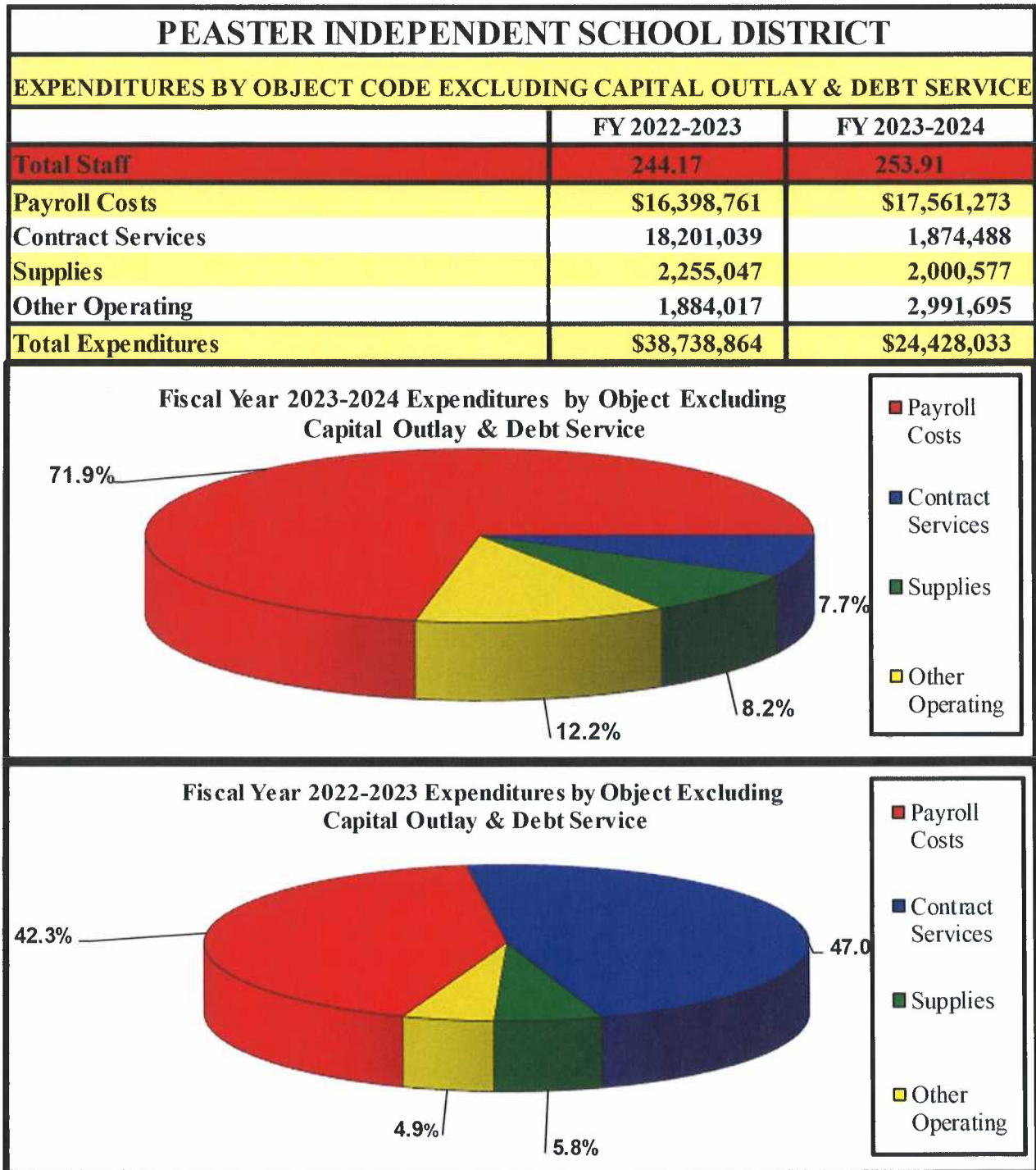
Fiscal Year 2024 - 2025 Adopted Budget				
	General Fund	Child Nutrition Fund	Debt Service Fund	TOTALS
Revenues	\$ 16,470,919	\$ 890,616	\$ 3,255,000	\$ 20,616,535
Expenditures	(18,428,275)	(909,122)	(3,143,348)	(22,480,745)
Other Financing Sources	-	-	-	-
Other Financing Uses	-	-	-	-
Net Change in Fund Balance	\$ (1,957,356)	\$ (18,506)	\$ 111,652	\$ (1,864,210)
Beginning of Year Fund Balance	2,703,177	222,195	4,751,736	7,677,108
Projected End of Year Fund Balance	\$ 745,821	\$ 203,689	\$ 4,863,388	\$ 5,812,898



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



The following graph indicates the District's operating expenditures by object for the last two years.



#### CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's business office, at **Peaster Independent School District, 3602 Harwell Lake Road, Weatherford, Texas 76088: (817) 341-5000.**

## **BASIC FINANCIAL STATEMENTS**

PEASTER INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2024

EXHIBIT A-1

Data Control Codes	Primary Government <hr/> Governmental Activities
<b>ASSETS</b>	
1110 Cash and Cash Equivalents	\$ 3,289,663
1120 Current Investments	8,254,119
1220 Property Taxes - Delinquent	345,825
1230 Allowance for Uncollectible Taxes	(86,456)
1240 Due from Other Governments	3,911,467
Capital Assets:	
1510 Land	1,021,906
1520 Buildings, Net	22,361,052
1530 Furniture and Equipment, Net	1,638,639
1550 Right-to-Use Leased Assets, Net	49,130
1553 SBITA Assets, Net	4,212
1560 Library Books and Media, Net	3,319
1580 Construction in Progress	20,712,995
1000 Total Assets	<hr/> 61,505,871
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
1701 Deferred Charge for Refunding	234,976
1705 Deferred Outflow Related to TRS Pension	2,963,510
1706 Deferred Outflow Related to TRS OPEB	2,126,768
1700 Total Deferred Outflows of Resources	<hr/> 5,325,254
<b>LIABILITIES</b>	
2110 Accounts Payable	290,822
2150 Payroll Deductions and Withholdings	265,024
2160 Accrued Wages Payable	1,494,408
2180 Due to Other Governments	1,236,304
2190 Due to Student Groups	441
2200 Accrued Expenses	118,389
2300 Unearned Revenue	674,059
Noncurrent Liabilities:	
2501 Due Within One Year: Loans, Note, Leases, etc.	2,122,112
Due in More than One Year:	
2502 Bonds, Notes, Loans, Leases, etc.	45,992,603
2540 Net Pension Liability (District's Share)	6,392,461
2545 Net OPEB Liability (District's Share)	3,125,101
2000 Total Liabilities	<hr/> 61,711,724
<b>DEFERRED INFLOWS OF RESOURCES</b>	
2605 Deferred Inflow Related to TRS Pension	302,205
2606 Deferred Inflow Related to TRS OPEB	4,542,762
2600 Total Deferred Inflows of Resources	<hr/> 4,844,967
<b>NET POSITION</b>	
3200 Net Investment in Capital Assets and Right-to-Use Lease Assets	1,272,674
Restricted:	
3820 Restricted for Federal and State Programs	222,195
3850 Restricted for Debt Service	4,323,771
3870 Restricted for Campus Activities	761,546
3900 Unrestricted	(6,305,752)
3000 Total Net Position	<hr/> <hr/> \$ 274,434

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

PEASTER INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2024

EXHIBIT B-1

Data Control Codes	1	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		3	4	
		Charges for Services	Operating Grants and Contributions	
	Expenses			6 Primary Gov. Governmental Activities
<b>Primary Government:</b>				
GOVERNMENTAL ACTIVITIES:				
11 Instruction	\$ 13,879,782	\$ 1,555,577	\$ 1,831,119	\$ (10,493,086)
12 Instructional Resources and Media Services	240,126	-	9,536	(230,590)
13 Curriculum and Instructional Staff Development	35,584	-	-	(35,584)
21 Instructional Leadership	632,102	465,661	46,098	(120,343)
23 School Leadership	1,080,881	-	46,798	(1,034,083)
31 Guidance, Counseling, and Evaluation Services	1,341,799	-	896,479	(445,320)
33 Health Services	212,814	-	10,803	(202,011)
34 Student (Pupil) Transportation	831,865	-	19,996	(811,869)
35 Food Services	947,643	410,607	447,454	(89,582)
36 Extracurricular Activities	1,768,250	154,021	34,469	(1,579,760)
41 General Administration	1,095,048	-	28,662	(1,066,386)
51 Facilities Maintenance and Operations	3,185,788	131,731	36,393	(3,017,664)
52 Security and Monitoring Services	262,852	-	201,106	(61,746)
53 Data Processing Services	340,498	-	32,906	(307,592)
72 Debt Service - Interest on Long-Term Debt	1,337,274	-	-	(1,337,274)
73 Debt Service - Bond Issuance Cost and Fees	3,949	-	-	(3,949)
93 Payments Related to Shared Services Arrangements	297,248	25,000	-	(272,248)
99 Other Intergovernmental Charges	134,956	-	-	(134,956)
[TP] TOTAL PRIMARY GOVERNMENT:	\$ 27,628,459	\$ 2,742,597	\$ 3,641,819	(21,244,043)
Data Control Codes	General Revenues:			
	Taxes:			
MT	Property Taxes, Levied for General Purposes			5,125,079
DT	Property Taxes, Levied for Debt Service			3,820,188
SF	State Aid - Formula Grants			10,184,854
IE	Investment Earnings			461,492
MI	Miscellaneous Local and Intermediate Revenue			493,326
FR	Loss on Disposal of Property			(224,704)
TR	Total General Revenues & Transfers			19,860,235
CN	Change in Net Position			(1,383,808)
NB	Net Position - Beginning			1,658,242
NE	Net Position - Ending			\$ 274,434

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



PEASTER INDEPENDENT SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2024

Data Control Codes	10 General Fund	458 Local Funded Special Ed	50 Debt Service Fund
<b>ASSETS</b>			
1110 Cash and Cash Equivalents	\$ 871,560	\$ 584,069	\$ 323,851
1120 Investments - Current	1,892,187	-	4,260,538
1220 Property Taxes - Delinquent	209,759	-	136,066
1230 Allowance for Uncollectible Taxes	(52,440)	-	(34,016)
1240 Due from Other Governments	3,125,669	11,600	192,246
1260 Due from Other Funds	812,563	41,023	-
1000 Total Assets	<u>\$ 6,859,298</u>	<u>\$ 636,692</u>	<u>\$ 4,878,685</u>
<b>LIABILITIES</b>			
2110 Accounts Payable	\$ 44,050	\$ 74,290	\$ -
2150 Payroll Deductions and Withholdings Payable	265,024	-	-
2160 Accrued Wages Payable	1,159,697	41,111	-
2170 Due to Other Funds	1,098,112	99,463	-
2180 Due to Other Governments	1,211,405	-	24,899
2190 Due to Student Groups	-	-	-
2200 Accrued Expenditures	84,444	2,873	-
2300 Unearned Revenue	-	418,955	-
2000 Total Liabilities	<u>3,862,732</u>	<u>636,692</u>	<u>24,899</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
2601 Unavailable Revenue - Property Taxes	157,319	-	102,050
2600 Total Deferred Inflows of Resources	<u>157,319</u>	<u>-</u>	<u>102,050</u>
<b>FUND BALANCES</b>			
Restricted Fund Balance:			
3450 Federal or State Funds Grant Restriction	-	-	-
3470 Capital Acquisition and Contractual Obligation	-	-	-
3480 Retirement of Long-Term Debt	-	-	4,751,736
3490 Other Restricted Fund Balance	-	-	-
3600 Unassigned Fund Balance	2,839,247	-	-
3000 Total Fund Balances	<u>2,839,247</u>	<u>-</u>	<u>4,751,736</u>
4000 Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 6,859,298</u>	<u>\$ 636,692</u>	<u>\$ 4,878,685</u>

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

60 Capital Projects	Other Funds	Total Governmental Funds
\$ 702,000	\$ 808,183	\$ 3,289,663
2,099,079	2,315	8,254,119
-	-	345,825
-	-	(86,456)
-	581,952	3,911,467
-	1,342,349	2,195,935
<u>\$ 2,801,079</u>	<u>\$ 2,734,799</u>	<u>\$ 17,910,553</u>
\$ -	\$ 172,481	\$ 290,821
-	-	265,024
-	293,600	1,494,408
-	1,002,299	2,199,874
-	-	1,236,304
-	441	441
-	27,133	114,450
-	255,104	674,059
<u>-</u>	<u>1,751,058</u>	<u>6,275,381</u>
-	-	259,369
-	-	259,369
-	222,195	222,195
2,801,079	-	2,801,079
-	-	4,751,736
-	761,546	761,546
-	-	2,839,247
<u>2,801,079</u>	<u>983,741</u>	<u>11,375,803</u>
<u>\$ 2,801,079</u>	<u>\$ 2,734,799</u>	<u>\$ 17,910,553</u>

PEASTER INDEPENDENT SCHOOL DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE  
STATEMENT OF NET POSITION  
JUNE 30, 2024

EXHIBIT C-2

<b>Total Fund Balances - Governmental Funds</b>	<b>\$ 11,375,803</b>
1 The District does use internal service funds to charge the costs of certain activities, such as self-insurance and printing, to appropriate functions in other funds. The assets and liabilities of the internal service funds would be included in governmental activities in the statement of net position if applicable. The net effect of this consolidation does not increase or decrease net position.	-
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 was \$69,265,080 and the accumulated depreciation was \$24,533,846. In addition, long-term liabilities, including bonds payable, 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 net position.	(5,071,673)
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 decrease net position.	4,915,830
4 Included in the items related to debt is the recognition of the District's proportionate share of the net pension liability required by GASB 68. The net position related to TRS included a deferred resource outflow in the amount \$2,963,510, a deferred resource inflow in the amount of \$302,205, and a net pension liability in the amount of \$6,392,461. This resulted in a decrease in net position.	(3,731,156)
5 Included in the items related to debt is the recognition of the District's proportionate share of the net OPEB liability required by GASB 75. The net position related to OPEB included a deferred resource outflow in the amount of \$2,126,768, a deferred resource inflow in the amount of \$4,542,762, and a net OPEB liability in the amount of \$3,125,101. This resulted in a decrease in net position.	(5,541,095)
6 The current year depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position.	(1,864,424)
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 bond sales as an increase in bonds payable, 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.	191,149
<b>29 Net Position of Governmental Activities</b>	<b>\$ 274,434</b>

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

PEASTER INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2024

Data Control Codes	10 General Fund	458 Local Funded Special Ed	50 Debt Service Fund
REVENUES:			
5700 Total Local and Intermediate Sources	\$ 5,544,984	\$ 918,341	\$ 3,932,799
5800 State Program Revenues	10,862,575	38,596	401,814
5900 Federal Program Revenues	5,998	-	-
5020 Total Revenues	16,413,557	956,937	4,334,613
EXPENDITURES:			
Current:			
0011 Instruction	9,639,018	805,535	-
0012 Instructional Resources and Media Services	246,703	-	-
0013 Curriculum and Instructional Staff Development	29,256	3,828	-
0021 Instructional Leadership	147,196	147,574	-
0023 School Leadership	1,085,113	-	-
0031 Guidance, Counseling, and Evaluation Services	430,724	-	-
0033 Health Services	215,260	-	-
0034 Student (Pupil) Transportation	672,389	-	-
0035 Food Services	-	-	-
0036 Extracurricular Activities	1,187,362	-	-
0041 General Administration	1,089,873	-	-
0051 Facilities Maintenance and Operations	2,777,357	-	-
0052 Security and Monitoring Services	133,911	-	-
0053 Data Processing Services	256,344	-	-
Debt Service:			
0071 Principal on Long-Term Liabilities	50,712	-	1,665,000
0072 Interest on Long-Term Liabilities	12,791	-	1,478,798
0073 Bond Issuance Cost and Fees	-	-	3,949
Capital Outlay:			
0081 Facilities Acquisition and Construction	-	-	-
Intergovernmental:			
0093 Payments to Fiscal Agent/Member Districts of SSA	272,248	-	-
0099 Other Intergovernmental Charges	134,956	-	-
6030 Total Expenditures	18,381,213	956,937	3,147,747
1200 Net Change in Fund Balances	(1,967,656)	-	1,186,866
0100 Fund Balance - July 1 (Beginning)	4,806,903	-	3,564,870
3000 Fund Balance - June 30 (Ending)	\$ 2,839,247	\$ -	\$ 4,751,736

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

	60 Capital Projects	Other Funds	Total Governmental Funds
\$	198,956	\$ 2,005,110	\$ 12,600,190
	-	808,012	12,110,997
	-	2,030,283	2,036,281
	198,956	4,843,405	26,747,468
	-	2,241,238	12,685,791
	-	-	246,703
	-	2,500	35,584
	-	342,141	636,911
	-	-	1,085,113
	-	879,581	1,310,305
	-	-	215,260
	-	-	672,389
	-	928,190	928,190
	-	390,185	1,577,547
	-	5,447	1,095,320
	-	85,505	2,862,862
	-	200,990	334,901
	-	26,873	283,217
	54,452	1,469	1,771,633
	1,193	1,719	1,494,501
	-	-	3,949
	3,176,595	-	3,176,595
	-	25,000	297,248
	-	-	134,956
	3,232,240	5,130,838	30,848,975
	(3,033,284)	(287,433)	(4,101,507)
	5,834,363	1,271,174	15,477,310
\$	2,801,079	\$ 983,741	\$ 11,375,803

PEASTER 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 JUNE 30, 2024

EXHIBIT C-4

<b>Total Net Change in Fund Balances - Governmental Funds</b>	\$ (4,101,507)
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The District does use internal service funds to charge the costs of certain activities, such as self-insurance, to appropriate functions in other funds. The net income (loss) of internal service funds is reported with governmental activities. The net effect of this consolidation did not increase or decrease net position.	-
--	---

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 year capital outlays and debt principal payments is to decrease net position.	4,915,830
--	-----------

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.	(1,864,424)
---	-------------

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 bond sales, 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.	(20,033)
---	----------

GASB 68 required 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 by \$474,085. 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 totaling \$401,275. Finally, the proportionate share of the TRS pension expense on the plan as a whole had to be recorded. The net pension expense decreased the change in net position by \$894,396. The net result is a decrease in the change in net position.	(821,586)
--	-----------

GASB 75 required 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 by \$114,713. 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 totaling \$103,017. Finally, the proportionate share of the TRS pension expense on the plan as a whole had to be recorded. The net pension expense increased the change in net position by \$496,216. The net result is an increase in the change in net position.	507,912
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<b>Change in Net Position of Governmental Activities</b>	<div style="border-top: 1px solid black; border-bottom: 3px double black; padding: 2px 0;">\$ (1,383,808)</div>
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The notes to the financial statements are an integral part of this statement.

PEASTER INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2024

	Governmental Activities -
	Internal Service Fund
ASSETS	
Current Assets:	
Due from Other Funds	\$ 3,939
Total Assets	3,939
LIABILITIES	
Current Liabilities:	
Accrued Expenses	3,939
Total Liabilities	3,939
NET POSITION	
Restricted for Other Purposes	-
Total Net Position	\$ -

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

PEASTER INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2024

	Governmental Activities -
	Internal Service Fund
OPERATING REVENUES:	
Local and Intermediate Sources	\$ 3,042
Total Operating Revenues	3,042
OPERATING EXPENSES:	
Other Operating Costs	3,042
Total Operating Expenses	3,042
Operating Income	-
Total Net Position - July 1 (Beginning)	-
Total Net Position - June 30 (Ending)	\$ -

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



PEASTER INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2024

EXHIBIT D-3

	Governmental Activities -
	Internal Service Fund
Net Increase in Cash and Cash Equivalents	-
Cash and Cash Equivalents at Beginning of Year	-
Cash and Cash Equivalents at End of Year	\$ -
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>	
<u>Provided by Operating Activities:</u>	
Operating Income (Loss):	\$ -
Effect of Increases and Decreases in Current Assets and Liabilities:	
Decrease (increase) in Receivables	(3,042)
Increase (decrease) in Accrued Expenditures	3,042
Net Cash Provided by Operating Activities	\$ -

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

PEASTER INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2024

	Private Purpose Trust Funds	Custodial Fund
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 596,953	\$ 28,331
Restricted Assets	399,762	-
Total Assets	<u>996,715</u>	<u>\$ 28,331</u>
<b>LIABILITIES</b>		
Accounts Payable	-	219
Total Liabilities	<u>-</u>	<u>219</u>
<b>NET POSITION</b>		
Restricted for Scholarships	596,953	-
Restricted for Other Purposes	399,762	28,112
Total Net Position	<u>\$ 996,715</u>	<u>\$ 28,112</u>

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

PEASTER INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2024

	Private Purpose Trust Funds	Custodial Fund
<b>ADDITIONS:</b>		
Enterprising Services Revenue	\$ 425,779	\$ -
Cocurricular Services or Activities	-	64,019
Earnings from Temporary Deposits	17,705	-
Contributions, Gifts and Donations	44,500	-
Total Additions	<u>487,984</u>	<u>64,019</u>
<b>DEDUCTIONS:</b>		
Other Deductions	<u>447,758</u>	<u>69,176</u>
Total Deductions	<u>447,758</u>	<u>69,176</u>
Change in Fiduciary Net Position	40,226	(5,157)
Total Net Position - July 1 (Beginning)	<u>956,489</u>	<u>33,269</u>
Total Net Position - June 30 (Ending)	<u><u>\$ 996,715</u></u>	<u><u>\$ 28,112</u></u>

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

**PEASTER INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2024**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Peaster 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. It also has the primary accountability for fiscal matters. Therefore, the District is a financial reporting entity as defined by the Governmental Accounting Standards Board ("GASB") in its Statement No. 14, "The Financial Reporting Entity as amended by GASB Statement 61. The only component unit included within the reporting entity is the Peaster Educational Foundation which is included as a fiduciary component unit.

**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 on all of the **Peaster 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. If revenue is not program revenue, it is general revenue used to support all of 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 un-matured interest and principal on long-term debt, which is recognized when due. The expenditures related to certain compensated absences and 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 actually 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 deferred 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 invested in capital assets net of related debt, 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.

**Special Revenue Funds** - The District did maintain a major special revenue governmental fund during the current year which was the SSA Brazos River Coop Fund.

**Debt Service Fund** - The District did maintain major debt service governmental funds during the current year.

**Capital Projects Fund** - The District did maintain a major capital projects governmental fund during the current year.

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 when applicable.

##### **Proprietary 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. The District did maintain internal service funds during the current year.

## **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. The District did maintain private purpose trust funds to provide scholarships for students that have graduated from the District during the current year.

**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.

There is a balance due to the internal service funds from the general fund. This balance resulted from obligations made to maintain capital for the operation of each internal service fund for such activities as self-insurance; the balance is not scheduled to be collected in the subsequent year.

All remaining balances, if any, resulted from the time lag between the dates that (1) inter-fund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

During the current year, the District did not make a one-time transfer of funds from the general fund to the debt service fund to subsidize, in part, the District's obligation of interest and sinking fund requirements.

## **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, if material. 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 (if any) including food commodities are recorded as an asset and a corresponding amount of expenditures are reduced at year-end. There were no material inventories as of June 30.
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.

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
<b>Buildings</b>	<b>50</b>
<b>Buildings and Improvements</b>	<b>40</b>
<b>Infrastructure</b>	<b>40</b>
<b>Vehicles</b>	<b>10</b>
<b>Office Equipment</b>	<b>10</b>
<b>Computer Equipment</b>	<b>10</b>
<b>Right-to-Use Lease Assets</b>	<b>Term of Lease</b>
<b>SBITA Long-Term Assets</b>	<b>Term of Obligation</b>

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 Districts that participate in self-funded workers' compensation programs execute inter-local agreements that define the responsibilities of the parties. The program, if applicable, 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 positions are 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 classifications.

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. The deferred outflow of resources reported in this year's government-wide financial statements arise from inclusion of the GASB 68 Liability for the unfunded portion of the TRS Retirement and GASB 75 Liability. No deferred outflows of resources affect the governmental funds financial statements in the current year.

15. Deferred Inflows 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 only three types of 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. Accordingly, deferred property taxes, private grants, and prepaid meals are reported in the governmental funds balance sheet. The District only reported deferred inflows of resources in its government-wide or proprietary fund financial statements for the current year for the inclusion of the GASB 68 Liability for the unfunded portion of the TRS Retirement, GASB 75 liabilities and prepaid meals.

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. Other Post-Employment Benefits:

The fiduciary net position of the Teacher Retirement System of Texas (TRS) TRS-Care Plan has been determined using the flow of economic 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	\$ 1,021,906	\$ -	\$ 1,021,906	
Buildings and Improvements	41,195,958	(20,383,990)	20,811,968	
Furniture and Equipment	5,771,575	(3,856,585)	1,914,990	
Library Books and Media	3,983	(265)	3,718	
Construction in Progress	20,712,995	-	20,712,995	
Long-Term Right to Use Lease Assets	551,643	(291,602)	260,041	
Long-Term SBITA Assets	7,020	(1,404)	5,616	
<b>Change in Net Position</b>				\$ 44,731,234
Long-term Liabilities and Deferred Outflows and Inflows at the Beginning of the Year			Payable at Beginning of Year	
Bonds Payable			\$ 45,097,306	
Accreted Interest on Bonds			449,443	
Add Unamortized Bond Premium / Discount			3,681,852	
Notes and Financed Purchase Obligations Payable			261,101	
Long-Term RTU Leases & SBITA's Payable			143,364	
Accrued Interest - Bonds, Notes, and Financed Purch. Oblig.			418,606	
Deferred Charge for Bond Refunding			(248,765)	
<b>Change in Net Position</b>				49,802,907
<b>Net Adjustment to Net Position</b>				\$ (5,071,673)

**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 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:

	<b>Amount</b>	<b>Adjustments To Changes in Net Position</b>	<b>Adjustments to Net Position</b>
<b>Current Year Capital Outlay</b>			
Land	\$ -		
Buildings & Improvements	3,043,086		
Furniture & Equipment & Books & Media	106,063		
Construction in Progress	-		
Long-Term Right to Use Lease Assets	-		
Long-Term SBITA Assets	-		
<b>Total Capital Outlay</b>	<b>3,149,149</b>	<b>3,149,149</b>	<b>3,149,149</b>
<b>Debt Principal Payments</b>			
Bond Principal	1,665,000		
Note Principal Payments	19,000		
Financed Purchase Obligation Payments	-		
Long-Term Right to Use Lease Payments	81,173		
Long-Term SBITA Liabilities	1,508		
<b>Total Principal Payments</b>	<b>1,766,681</b>	<b>1,766,681</b>	<b>1,766,681</b>
<b>Total Adjustment to Net Position</b>		<b>\$ 4,915,830</b>	<b>\$ 4,915,830</b>

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
<b>Adjustments to Revenue, Deferred Inflows, Beg. Net Position:</b>			
Beg. of Year Unearned Tax Revenue/Internal Service	\$ 211,182	\$ 211,182	\$ -
Property tax adjustments to convert from the modified accrual basis to the full accrual basis of accounting	42,492	42,492	42,492
Other Revenue/Expense Adjustments	99,654	99,654	99,654
<b>Reclassify Proceeds of Bonds, Loans &amp; Financed Purch. Oblig.:</b>			
New Bond Issue Proceeds	\$ -	-	-
Discount (Premium) or Deferred Charge on Issuance of Bonds	-	-	-
New Loans Proceeds	-	-	-
New Right to Use Lease / SBITA Proceeds	-	-	-
<b>Reclassify Certain Expenditures to Full Accrual From Modified Accrual:</b>			
Deferred Charge on Refunding Bonds Amortization	\$ (13,789)	(13,789)	(13,789)
Adjust Interest and Fees on Long-term Debt	(251,671)	(251,671)	(251,671)
Amortization of Bond Premium	199,472	199,472	199,472
Accretion of Interest on Bonds	(96,191)	(96,191)	(96,191)
N/A	-	-	-
<b>Totals</b>		<b>\$ 191,149</b>	<b>\$ (20,033)</b>

### **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 TEA Exhibits.

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

1. Prior to June 20, the District prepares a budget for the next succeeding fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Board is then called for the purpose of adopting the proposed budget. At least ten days public notice of the meeting must be given.

3. Prior to July 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. **These amendments included additional appropriation for various functions as detailed in Exhibit G-1.**

4. 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 follows:

	<b>June 30, 2024</b>
	<b>Fund Balance</b>
Appropriated Budget Funds - Food Service Special Revenue Fund	\$ 222,195
Appropriated Budget Funds - Parker Co. SSA Special Revenue Fund	602,763
Non-appropriated Budget Funds	158,783
<b>All Special Revenue Funds</b>	<b>\$ 983,741</b>

#### **B. BUDGETARY STEWARDSHIP, COMPLIANCE and ACCOUNTABILITY**

The District has disclosed budgetary stewardship, compliance, and accountability 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 school 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:

<b>CASH AND CASH EQUIVALENTS BY ACCOUNT TYPE</b>	<b>6/30/2024</b>
Cash Deposits in Bank	\$ 3,315,947
Certificates of Deposit Maturity to 3 months	-
Cash on Hand	2,055
Restricted Cash Deposits in Bank	996,707
<b>Total Cash and Cash Equivalents by Account Type</b>	<b>\$ 4,314,709</b>
<b>CASH AND CASH EQUIVALENTS BY FUND</b>	<b>6/30/2024</b>
Cash and Cash Equivalents:	
General Fund	\$ 735,490
Major Governmental Funds	1,745,990
Non-Major Governmental Funds	808,183
Enterprise Funds	-
Internal Service Funds	-
Custodial Funds	28,331
Trust Funds	596,953
Other Funds	399,762
<b>Total Cash and Cash Equivalents by Fund</b>	<b>\$ 4,314,709</b>

###### 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:

<b>CUSTODIAL CREDIT RISK</b>	<b>HIGHEST CASH BALANCE</b>	<b>6/30/2024</b>
Name of Depository Bank: First Financial Bank, Weatherford, TX		
Total amount of FDIC Insurance (FDIC)	\$ 500,000	\$ 500,000
Amount of Bond or Securities Pledged	12,684,941	9,705,803
Total FDIC, Bond or Securities Pledged	\$ 13,184,941	\$ 10,205,803
Cash Deposits and Cash Investments in Bank	\$ 12,376,496	\$ 4,238,976
<b>Excess or (Shortage) FDIC and Bond or Pledged Securities Pledged</b>	<b>\$ 808,445</b>	<b>\$ 5,966,827</b>
<b>The District's cash deposits were entirely covered by FDIC Insurance or by bond or pledged collateral by the Depository Bank</b>	<b>YES</b>	<b>YES</b>

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 of 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.

The *Texpool* investment pool is an external investment pool measured at amortized cost. In order to meet the criteria to be recorded at amortized cost, the investment pool must transact at a stable net asset value per share and maintain certain maturity, quality, liquidity and diversification requirements within the investment pool. The investment pool transacts at a net asset value of \$1.00 per share, has weighted average maturities of 60 days or less and weighted average lives of 120 days or less, investments held are highly rated by nationally recognized statistical rating organizations, have no more than 5% of portfolio with one issuer (excluding U.S. government securities), and can meet reasonably foreseeable redemptions. Texpool has a redemption notice period of one day and may redeem daily. The investment pool's authority may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium or national state of emergency that affects the pool's liquidity. Texpool is subject to regulatory oversight by the State Treasurer, although it is not registered with the Securities and Exchange Commission.

The *Lone Star* and *TexStar* investment pools are external investment pools measured at net asset value. Lone Star and TexStar's strategy are to seek preservation of principal, liquidity and current income through investment in a diversified portfolio of short-term marketable securities. The District has no unfunded commitments related to the investment pools. Lone Star and TexStar have a redemption notice period of one day and may redeem daily. The investment pools' authorities may only impose restrictions on redemptions in the event of a general suspension of trading on major securities market, general banking moratorium or national or state emergency that affects the pool's liquidity. LoneStar and TexStar are subject to regulatory oversight by the State Treasurer, although the pools are not registered with the Securities and Exchange Commission.

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

Investments	June 30, 2024 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 Investment s	Weighted Average Maturity (Days)	Credit Risk
Investments measured at amortized cost -							
Investment pools:							
Texpool	\$ 2,315	\$ -	\$ -	\$ -	0.03%	38	AAAm*
Investments measured at net asset value (NAV)-							
Investment pools:							
LoneStar	8,251,804	-	-	-	99.97%	52	AAAm*
TexStar	-	-	-	-	0.00%	-	AAAm*
Investments measured by fair value level -							
U.S. Government Agency Securities:							
Federal Home Loan Bank	-	-	-	-	0.00%		AA+ to Aaa
Fannie Mae	-	-	-	-	0.00%		AAAm*
U.S. Treasury Bonds	-	-	-	-	0.00%		AAAm*
Money Market Mutual Funds	-	-	-	-	0.00%	-	Not rated
Certificates of Deposit	-	-	-	-	0.00%	-	BBB+ to AA-
Commercial Paper	-	-	-	-	0.00%	-	BBB+ to AA-
Restricted Investments-	-	-	-	-	0.00%	-	BBB+ to AA-
Scholarship Funds-Certificates of Deposit	-	-	-	-	0.00%	-	BBB+ to AA-
Education Foundation-Certificates of Deposit	-	-	-	-	0.00%	-	BBB+ to AA-
<b>Total Investments</b>	<b>\$ 8,254,119</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>100.00%</b>		

## 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:

<b>FUND</b>	<b>Due From Other Funds</b>	<b>Due To Other Funds</b>
<b>General Fund</b>		
Major Governmental Funds	\$ 99,463	\$ 41,023
Non-major Governmental Funds	713,100	1,053,150
Internal Service Funds	-	3,939
All Others	-	-
Total General Fund	<u>\$ 812,563</u>	<u>\$ 1,098,112</u>
<b>Major Governmental Funds</b>		
General Fund	\$ 41,023	\$ 99,463
Major Governmental Funds	-	-
Non-major Governmental Funds	-	-
Internal Service Funds	-	-
All Others	-	-
Total Major Governmental Funds	<u>\$ 41,023</u>	<u>\$ 99,463</u>
<b>Non-major Governmental Funds</b>		
General Fund	\$ 1,342,349	\$ 536,059
Non-major Governmental Funds	-	466,240
Total Non-major Governmental Funds	<u>\$ 1,342,349</u>	<u>\$ 1,002,299</u>
<b>Internal Service Funds</b>		
General Fund	\$ 3,939	\$ -
Major Governmental Fund	-	-
Non-major Governmental Funds	-	-
Total Internal Service Funds	<u>\$ 3,939</u>	<u>\$ -</u>
<b>Total Interfund Receivables / Payables</b>	<u><b>\$ 2,199,874</b></u>	<u><b>\$ 2,199,874</b></u>

The balance of \$99,463 and \$713,100 from major and non-major governmental funds to the general fund resulted from working capital amounts that will be transferred to the general fund the following year. The balance of \$41,023 and \$1,053,150 is a short-term loan from the general fund to major and non-major funds to cover cash balance shortages. The balance of \$289,199 is a short-term loan from the non-major governmental funds to other non-major governmental funds to cover a cash balance shortage at year-end. The balance of \$3,939 is a working capital loan to the insurance internal service fund.

Inter-fund transfers for the current year end consisted of the following individual amounts:

<b>FUND</b>	<b>Transfers In</b>	<b>Transfers Out</b>
<b>General Fund</b>		
Major Governmental Funds	\$ -	\$ -
Non-major Governmental Funds	-	-
Other Funds	\$ -	\$ -
Total General Fund	\$ -	\$ -
<b>Major Governmental Funds</b>		
General Fund	\$ -	\$ -
Non-major Governmental Funds	-	-
Total Major Governmental Funds	\$ -	\$ -
<b>Non-major Governmental Funds</b>		
General Fund	\$ -	\$ -
Other Major Governmental Funds	-	-
All Others	-	-
Total Non-major Governmental Funds	\$ -	\$ -
<b>Total Interfund Transfers</b>	<b>\$ -</b>	<b>\$ -</b>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to cover operating deficits in funds such as the Food Service Funds. The District did not make an operating transfer during the current year.

During the current year, the District did not make a one-time transfer of funds from the general fund to the debt service fund to subsidize, in part, the District's obligation of interest and sinking fund requirements.

#### **E. DISAGGREGATION OF RECEIVABLES AND PAYABLES**

Receivables at year end were as follows:

	<b>Property Taxes</b>	<b>Other Governments</b>	<b>Due From Other Funds</b>	<b>Other</b>	<b>Total Receivables</b>
<b>Governmental Activities:</b>					
General Fund	\$ 209,759	\$ 3,125,669	\$ 812,563	\$ -	\$ 4,147,991
Major Governmental Funds	136,066	203,846	41,023	-	380,935
Non-major Governmental Funds	-	581,952	1,342,349	-	1,924,301
Internal Service Funds	-	-	3,939	-	3,939
<b>Total Governmental Activities</b>	<b>\$ 345,825</b>	<b>\$ 3,911,467</b>	<b>\$ 2,199,874</b>	<b>\$ -</b>	<b>6,457,166</b>
Amounts not scheduled for collection during subsequent year	\$ -	\$ -	\$ -	\$ -	\$ -

**Payables at year end were as follows:**

	Accounts Payable	Salaries Payable	Accrued Expenditures/Expense Payable	Due To Other Funds	Due To Other Govt.	Other	Total Payables
<b>Governmental Activities:</b>							
General Fund	\$ 44,050	\$ 1,159,697	\$ 349,468	\$1,098,112	\$1,211,405	\$ -	\$ 3,862,732
Major Governmental Funds	74,290	41,111	2,873	99,463	24,899	-	242,636
Non-major Governmental Funds	172,481	293,600	27,133	1,002,299	-	441	1,495,954
Internal Service Funds	-	-	3,939	-	-	-	3,939
<b>Total Governmental Type Activities</b>	<b>\$290,821</b>	<b>\$ 1,494,408</b>	<b>\$ 383,413</b>	<b>\$2,199,874</b>	<b>\$1,236,304</b>	<b>\$ 441</b>	<b>\$ 5,605,261</b>
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	Retirements/Reclassifications, Prior Period Adjustments	Ending Balance
<b>Governmental Activities:</b>				
Non-Depreciable Assets-				
Land	\$ 1,021,906	\$ -	\$ -	\$ 1,021,906
Depreciable Assets-				
Buildings and Improvements	41,195,958	3,043,086	(164,025)	44,075,019
Furniture and Equipment	5,771,575	106,063	(296,573)	5,581,065
Long-Term Right to Use Lease Assets	551,643	-	(442,800)	108,843
Long-Term SBITA Assets	7,020	-	-	7,020
Library Books and Media	3,983	-	-	3,983
Construction In Progress	20,712,995	-	-	20,712,995
<b>Totals at Historic Cost</b>	<b>\$ 69,265,080</b>	<b>\$ 3,149,149</b>	<b>\$ (903,398)</b>	<b>\$ 71,510,831</b>
<b>Less Accumulated Depreciation &amp; Amortization for:</b>				
Buildings and Improvements	\$ 20,383,990	\$ 1,425,736	\$ (95,759)	21,713,967
Furniture and Equipment	3,856,585	361,427	(275,586)	3,942,426
Long-Term Right to Use Lease Assets	291,602	75,459	(307,348)	59,713
Long-Term SBITA Assets	1,404	1,404	-	2,808
Library Books and Media	265	398	1	664
<b>Total Accumulated Depreciation and Amortization</b>	<b>\$ 24,533,846</b>	<b>\$ 1,864,424</b>	<b>\$ (678,692)</b>	<b>\$ 25,719,578</b>
<b>Governmental Activities Capital Assets-Net</b>	<b>\$ 44,731,234</b>	<b>\$ 1,284,725</b>	<b>\$ -</b>	<b>\$ 45,791,253</b>

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**Depreciation & Amortization expense was charged to governmental functions as follows:**

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Instruction	\$ 1,219,278
Instructional Resources and Media Services	398
School Leadership	-
Student (Pupil) Transportation	177,059
Food Services	13,619
Cocurricular/Extracurricular Activities	188,673
General Administration	4,127
Plant Maintenance and Operations	190,396
Security and Monitoring Service	12,555
Data Processing Services	58,319
<b>Total Depreciation Expense</b>	<b>\$ 1,864,424</b>

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The District has no capital assets that are not being depreciated as of the current fiscal year end except for land and construction in progress.

### **LONG-TERM LEASE ASSETS**

#### **Intangible Right-to-Use Assets**

In the fiscal year 2022, the District implemented the guidance in **GASBS No. 87, *Leases***, and recognized the value of copiers, postage machines, and software leased under long-term contracts and portable buildings leased for a campus facility.

As of **June 30, 2024**, the District had several lease agreements in place for copiers, postage machines, software, and portable buildings. In the previous fiscal year, the District entered into new lease agreements to replace the copiers leased under previous leases with new leased equipment. The terms of the new lease agreements require amortization and payments over 5 years.

As of **June 30, 2024**, the District had leased portable buildings for District use. The District leased portable buildings from Mobile Modular Management, to use as temporary classrooms until current construction of facilities can be completed. There was a building lease renewed during the previous year. The District does not plan to renew this lease in the future and will likely complete the construction of the new facility building to replace this leased property in the next year. The intangible right-to-use asset is being amortized over 3 years, the term of the current building lease. Terms of this lease are described in Note H.

### **SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA'S)**

During the fiscal year 2023, the District implemented GASB 96 which required the capitalization of Subscription Based Information Technology Arrangements (SBITA) with a subscription term longer than one year. The District is currently obligated for a software agreement with time frames longer than one year. The imputed interest rate used was 4.0%. The terms of the agreements require amortization of the agreements over a 5 year period.

## 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 currently has no short-term debt payable.

## H. LONG-TERM LIABILITY OBLIGATIONS

The following is a summary of the District's long-term debt for the year ended June 30, 2024:						
	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year	
<b>Governmental Activities</b>						
<b>Long-Term Debt Payable:</b>						
General Obligation Bonds	\$ 45,097,306	\$ -	\$ 1,665,000	\$ 43,432,306	\$ 1,637,954	
Maintenance Tax Notes	261,100	-	19,000	242,100	20,000	
Financed Purchase Obligations	-	-	-	-	-	
Long-Term Right to Use Leases	148,316	-	86,125	62,191	34,624	
Long-Term SBITA Liabilities	5,694	-	1,508	4,186	1,569	
<b>Total Long-Term Debt Payable</b>	<b>\$ 45,512,416</b>	<b>\$ -</b>	<b>\$ 1,771,633</b>	<b>\$ 43,740,783</b>	<b>\$ 1,694,147</b>	
<b>Other Liabilities:</b>						
Accretion Interest	\$ 449,442	\$ 96,191	\$ 82,046	463,587	\$ -	
Premium on Bond Issuance	3,681,852	-	199,472	3,482,380	-	
Accrued Interest Payable	418,606	427,965	418,606	427,965	427,965	
<b>Total Other Liabilities</b>	<b>\$ 4,549,900</b>	<b>\$ 524,156</b>	<b>\$ 700,124</b>	<b>\$ 4,373,932</b>	<b>\$ 427,965</b>	
<b>Total Governmental Activities</b>						
<b>All Long-Term Debt Payable</b>	<b>\$ 50,062,316</b>	<b>\$ 524,156</b>	<b>\$ 2,471,757</b>	<b>\$ 48,114,715</b>	<b>\$ 2,122,112</b>	



Governmental Activities Long-Term Debt By Issue:								
Description	Interest Rate	Original Issue	Interest Current Year	Beginning Balance 7/1/2023	Additions	Reductions	Ending Balance 6/30/2024	
<b>General Obligation Bonds:</b>								
U/L TAX SCHOOL BUILDING BONDS 2021 SERIES	3.00-5.00%	\$ 24,300,000	\$ 762,400	\$ 24,085,000	\$ -	\$ 150,000	\$ 23,935,000	
U/L TAX SCHOOL BUILDING BONDS 2014B SERIES	2.00-4.00%	\$ 5,745,000	12,600	550,000	-	260,000	290,000	
U/L TAX REFUNDING BONDS 2015 SERIES	0.05-4.00%	\$ 3,555,000	104,775	2,770,000	-	175,000	2,595,000	
U/L TAX REFUNDING BONDS 2018 SERIES	2.00-5.00%	\$ 6,900,000	252,250	5,445,000	-	315,000	5,130,000	
U/L TAX SCHOOL BUILDING BONDS 2018A SERIES	2.00-5.00%	\$ 3,699,429	11,875	1,949,429	-	475,000	1,474,429	
U/L TAX SCHOOL BUILDING BONDS 2018B SERIES	3.34-4.00%	\$ 2,177,877	46,800	2,177,877	-	-	2,177,877	
U/L TAX REFUNDING BONDS 2020 SERIES	1.57-5.00%	\$ 4,710,000	143,348	4,650,000	-	-	4,650,000	
U/L TAX SCHOOL BUILDING BONDS 2022 SERIES	4.00-5.00%	\$ 3,470,000	144,750	3,470,000	-	290,000	3,180,000	
<b>Total General Obligation Bonds</b>				<b>\$ 1,478,798</b>	<b>\$ 45,097,306</b>	<b>\$ -</b>	<b>\$ 1,665,000</b>	<b>\$ 43,432,306</b>
<b>Maintenance Tax Notes:</b>								
2020 SERIES MAINTENANCE TAX NOTES	3.00-4.00%	\$ 318,000	\$ 7,543	\$ 261,100	\$ -	\$ 19,000	\$ 242,100	
N/A	0.00%	\$ -	-	-	-	-	-	
<b>Total Maintenance Tax Notes</b>				<b>\$ 7,543</b>	<b>\$ 261,100</b>	<b>\$ -</b>	<b>\$ 19,000</b>	<b>\$ 242,100</b>
<b>Financed Purchase Obligations:</b>								
N/A	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
N/A	0.00%	\$ -	-	-	-	-	-	
<b>Total Financed Purchase Obligations</b>				<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>Long-Term Right to Use Leases:</b>								
XEROX COPY MACHINE LEASES	7.4-12.4%	\$ 165,283	\$ 5,079	\$ 49,227	\$ -	\$ 17,438	\$ 31,789	
KONICA COPY MACHINE LEASES PCCSS	10.00%	\$ 13,841	833	9,544	-	2,695	6,849	
K STATE BANK PHONE	4.00%	\$ 42,711	855	26,625	-	11,539	15,086	
MOBILE MODULAR PORTABLE BUILDING LEASES	4.00%	\$ 349,026	1,193	62,920	-	54,453	8,467	
<b>Total Long-Term Right to Use Leases</b>				<b>\$ 7,960</b>	<b>\$ 148,316</b>	<b>\$ -</b>	<b>\$ 86,125</b>	<b>\$ 62,191</b>
<b>Long-Term SBITA Liabilities</b>								
YSOFT SOFTWARE XEROX FINANCIAL SABITA'S	4.00%	\$ 7,020	\$ 200	\$ 5,694	\$ -	\$ 1,508	\$ 4,186	
N/A	0.00%	\$ -	-	-	-	-	-	
<b>Total Long-Term SBITA Liabilities</b>				<b>\$ 200</b>	<b>\$ 5,694</b>	<b>\$ -</b>	<b>\$ 1,508</b>	<b>\$ 4,186</b>
<b>Total Governmental Activities Long-Term Debt Payable</b>				<b>\$ 1,494,501</b>	<b>\$ 45,512,416</b>	<b>\$ -</b>	<b>\$ 1,771,633</b>	<b>\$ 43,740,783</b>

The following table summarizes the District's governmental activities annual debt service requirements for long-term debt as of June 30, 2024:

	General Obligation Bonds		Maintenance Tax Notes		Financed Purchase Obligations	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 1,637,955	\$ 1,501,394	\$ 20,000	\$ 6,990	\$ -	\$ -
2026	1,473,502	1,462,571	19,000	7,277	-	-
2027	1,508,938	1,415,935	20,000	6,790	-	-
2028	1,549,034	1,369,239	21,000	6,073	-	-
2029	1,636,911	1,271,212	21,000	5,338	-	-
2030-2034	8,929,349	5,330,192	116,000	16,360	-	-
2035-2039	7,071,617	3,791,181	25,100	520	-	-
2040-2044	6,590,000	2,547,975	-	-	-	-
2045-2049	7,695,000	1,432,375	-	-	-	-
2050-2054	5,340,000	262,475	-	-	-	-
<b>Totals</b>	<b>\$ 43,432,306</b>	<b>\$ 20,384,549</b>	<b>\$ 242,100</b>	<b>\$ 49,347</b>	<b>\$ -</b>	<b>\$ -</b>
	Long-Term Right to Use Leases		Long-Term SBITA Liab.		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 34,624	\$ 3,622	\$ 1,570	\$ 139	\$ 1,694,149	\$ 1,512,145
2026	18,696	1,741	1,633	75	1,512,831	1,471,664
2027	7,699	407	983	13	1,537,620	1,423,145
2028	1,172	28	-	-	1,571,206	1,375,340
2029	-	-	-	-	1,657,911	1,276,550
2030-2034	-	-	-	-	9,045,349	5,346,552
2035-2039	-	-	-	-	7,096,717	3,791,701
2040-2044	-	-	-	-	6,590,000	2,547,975
2045-2049	-	-	-	-	7,695,000	1,432,375
2050-2054	-	-	-	-	5,340,000	262,475
<b>Totals</b>	<b>\$ 62,191</b>	<b>\$ 5,798</b>	<b>\$ 4,186</b>	<b>\$ 227</b>	<b>\$ 43,740,783</b>	<b>\$ 20,439,921</b>

The District did issue \$3,470,000 in Unlimited Tax School Building bonds during the previous year 2023 to supplement the construction of a new educational facility. The District did issue \$24,300,000 in Unlimited Tax School Building bonds during the previous year 2022 for construction of a new educational facility.

The District did issue refunding bonds during previous years, but not during the current year. On October 8, 2020, the District issued general obligation bonds (Series 2020 Unlimited Tax Refunding Bonds) of \$4,710,000 (par value) with an interest rates ranging between 1.57% and 5.00%. The District issued the bonds to refund \$4,720,000 of the 2014 Series Tax School Building Bonds with interest rates ranging between 4.0% and 4.0%. The refunding bonds were issued at par, and after receiving a premium of \$525,414 and accrued interest of \$0, paying issuance costs of \$149,707, the net proceeds were \$5,085,708. The net proceeds were used to retire the 2014 School Building Bonds and accrued interest during the year ended June 30, 2021, except for \$995,000 that will be paid in future years. As a result of the refunding, the District decreased its total debt service requirement by \$672,393, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$599,286 during the 2021 year.

In prior years, the District has defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, trust account assets and liabilities for the defeased bonds are not included in the District's financial statements. After the 2018 retirement of defeased bonds, the District had \$0 in bonds considered defeased and still outstanding.

There are a number of limitations and restrictions contained in the general obligation bond indenture. District administration has indicated that the District is in compliance with all significant limitations and restrictions at year end.

## **LONG-TERM LEASE OBLIGATIONS**

### **Intangible Right-to-Use Lease Liabilities**

In the fiscal year 2022, the District implemented the guidance of GASB Statement No. 87, *Leases*, for accounting and reporting leases that had previously been reported as operating leases.

#### ***Copier Leases***

The District leases a variety of copier/printers from Xerox for a term of 60 months. The District entered into a new lease during 2022 which requires a minimum monthly lease payment of \$956, plus additional charges for excess usage and excluding applicable taxes. For purposes of discounting future payments on the 2023 leases, the District used the interest rate (10%) 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.

#### ***Software and Phone Leases***

The District leases phones from K State Bank for a term of 36 months. The phone lease requires a minimum monthly lease payments of \$1,033, plus additional charges for excess usage and excluding applicable taxes. For purposes of discounting future payments on the 2022 lease, the District used the interest rate (4%) 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.

### ***Building Leases***

The District leases portable buildings from Mobile Modular Management for a term of 36 months. The terms of the prior year leases were required minimum monthly lease payments of \$1,181 and \$11,068. The District did lease buildings as of June 30, 2024. The District entered into new building leases in 2023, which requires a minimum monthly lease payment of \$2,789, plus additional charges for a personal property fee. For purposes of discounting future payments on the 2023 building leases, the District used the interest rate (4%) on its financing agreements to determine an appropriate discount rate. The prior year building leases were discounted using an imputed rate of 4.00% to determine the discounted lease liability that matched the buyout payment. The leased buildings and accumulated amortization of the right-to-use assets are outlined in Note F.

### **SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA)**

During the fiscal year 2023, the District implemented GASB 96 which required the capitalization of Subscription Based Information Technology Arrangements (SBITA) with a subscription term longer than one year. The District is currently obligated for YSOFT software arrangements with time frames longer than one year. The imputed interest rate used is 4.0%. The terms of the arrangements require amortization of the agreements over a five-year period.

## **I. COMMITMENTS UNDER SHORT-TERM 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.

## **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 to the plan. Employees, at their option, authorized payroll withholdings to pay premiums for dependents. The plan was authorized by Article 3.51-2, Texas Insurance Code and was documented by contractual agreement.

**L. UNEARNED REVENUE AND DEFERRED INFLOWS OF RESOURCES- UNAVAILABLE REVENUE - GOVERNMENTAL FUND FINANCIAL STATEMENTS**

Unearned revenue and Deferred Inflows of Resources – Unavailable Revenue at year-end consisted of the following:

	General Fund	Special Revenue Funds	Debt Service Fund	Total
<b>Unearned Revenue:</b>				
Unearned Grant Revenue	\$ -	\$ 255,104	\$ -	\$ 255,104
Other Unearned Revenue	-	418,955	-	418,955
<b>Total Unearned Revenue</b>	<b>\$ -</b>	<b>\$ 674,059</b>	<b>\$ -</b>	<b>\$ 674,059</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable Revenue-Property Taxes	\$ 157,319	\$ -	\$ 102,050	\$ 259,369
Other Unavailable Revenue	-	-	-	-
<b>Total Deferred Inflows</b>	<b>\$ 157,319</b>	<b>\$ -</b>	<b>\$ 102,050</b>	<b>\$ 259,369</b>

**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 Per Capita Programs. Amounts due from federal and state governments at year end are summarized below. All federal grants shown below are passed through the TEA and are reported on the combined financial statements as “Due from State Agencies” except for some federal programs which are received directly from the federal government for grants.

FUND	DUE FROM STATE - FOUNDATION ENTITLEMENTS	DUE FROM STATE-STATE & FEDERAL GRANTS	DUE FROM OTHER GOVERNMENTS	TOTAL
General	\$ 3,125,669	\$ -	\$ -	\$ 3,125,669
Special Revenue	-	581,952	11,600	593,552
Debt Service	-	-	192,246	192,246
<b>Totals</b>	<b>\$ 3,125,669</b>	<b>\$ 581,952</b>	<b>\$ 203,846</b>	<b>\$ 3,911,467</b>

## N. REVENUE FROM LOCAL AND INTERMEDIATE SOURCES

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

	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Fund	Total
Property Taxes	\$ 5,054,239	\$ -	\$ 3,757,006	\$ -	\$ 8,811,245
Penalties, Interest and Other Tax- Related Income	55,775	-	35,754	-	91,529
Investment Income	98,364	24,133	140,039	198,956	461,492
Foundations, Gifts and Bequests	43,922	10,500	-	-	54,422
Food Sales	-	410,607	-	-	410,607
Co-curricular Student Activities	83,304	330,674	-	-	413,978
Insurance Recovery, SSA, & Other	209,380	2,147,537	-	-	2,356,917
<b>Totals</b>	<b>\$ 5,544,984</b>	<b>\$2,923,451</b>	<b>\$ 3,932,799</b>	<b>\$ 198,956</b>	<b>\$12,600,190</b>

## 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 not aware of pending exposure to claims related to these areas.

## P. CONSTRUCTION & OTHER SIGNIFICANT COMMITMENTS & CONTINGENCIES

The District at year end had not incurred or made any additional commitments and/or contingencies in connection with construction or other areas of significance except for the completion of the current facility construction which was very minor as of **June 30, 2024**.

## Q. JOINT VENTURE-SHARED SERVICE ARRANGEMENTS

The District was a member of the Parker County Shared Services Arrangements ("SSA"). The SSA provides services for special education to member districts. Peaster Independent School District is the fiscal agent for the SSA. In addition to the District, other member districts participated in the special education cooperative. The fiscal agent provided SSA services. The member districts provided the funds to the fiscal agent. The Shared Services Arrangements – Special Education had been accounted for using Model 3 in the SSA section of the TEA Resource Guide. The District had accounted for the payments to the fiscal agent of the SSA from the General Fund as intergovernmental expenditures. The District's expenditures to the SSA for the current year were as follows:

Shared Services Arrangement	Type of Services	Fiscal Agent	Funding Source	Fiscal Agent Special Revenue Fund	District Special Revenue Fund	Program Expenditures Current Year
Parker County Coop	Special Education	Peaster ISD	State Revenue	437	N.A.	\$ 272,248
Parker County Coop	DHH	Peaster ISD	State Revenue	458	N.A.	\$ -
<b>TOTAL FUNCTION 93 EXPENDITURES</b>						<b>\$ 272,248</b>

The district does participate in shared service arrangements with other school districts for various other 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 share services arrangement.

#### R. SUBSEQUENT EVENTS

In preparing the basic financial statements, District administration has evaluated events and transactions for potential recognition or disclosure through **October 17, 2024**, the date this Annual Financial Report was issued. No material subsequent events had occurred in the period of **June 30, 2024**, through that date.

#### S. RELATED ORGANIZATIONS

The District at present does maintain an Educational Foundation (the "Foundation"). 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 is a "related organization" of the District as defined by *Governmental Accounting Standards Board Statement No. 61*. The members of the board of the Foundation are appointed by an outside taxpayer group and is a separate legal entity; however, the support for the District is material to the financial statements and is included as a discretely presented fiduciary component unit per Schedule E Exhibits.

#### T. RELATED PARTY TRANSACTIONS

The District does not incur related party transactions with businesses owned or employers for various members of the board of trustees. Therefore, the District did not incur any material reportable related party transactions or balances as of and during the current year end.

#### U. FUND BALANCE / NET POSITION ADJUSTMENTS

During the current fiscal year, the District did not make a prior period fund balance adjustment or a net position adjustment during the current year.

	General Fund	Debt Service Fund	Special Revenue Funds	Total
<b>Governmental Fund Balance:</b>				
Increase (Decrease) Beginning of Year Fund Balance				
From Prior Period Adjustment	\$ -	\$ -	\$ -	\$ -
Increase (Decrease) Beginning of Year Fund Balance				
From Prior Period Adjustment	-	-	-	-
<b>Total Fund Balance Adjustment</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Government Wide Net Position:</b>				
<b>Increase (Decrease) Beg of Year Net Position:</b>				
Prior Period Adjustment			\$ -	-
<b>Total Net Position Adjustment</b>			<b>\$ -</b>	<b>-</b>

## **V. RISK FINANCING AND OTHER COVERAGE**

### **Workers' Compensation Program**

During the current year, the District met its statutory workers' compensation obligations through participation in the Public Workers' Compensation Program (PWCP). The Program was created and is operated under the provisions of the Inter-local Cooperation Act, Chapter 791 of the Texas Government Code. The Program's workers' compensation program is authorized by Chapter 504, Texas Labor Code. All members participating in the Fund execute Inter-local Agreements that define the responsibilities of the parties. The Fund provides statutory workers' compensation benefits to its members and their injured employees.

The Fund and its members are protected against higher-than-expected claims costs through the purchase of stop loss coverage for any claim in excess of the Program's self-insured retention. The Program uses the services of an independent actuary to determine reserve adequacy and fully funds those reserves. As of **June 30, 2024**, the Fund carries a discounted reserve of \$3,908,000 for future development on reported claims and claims that have been incurred but not yet reported. For the current year, the Program anticipates no additional liability to members beyond their contractual obligation for payment of contributions.

The Program 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 Program's Board of Trustees in February of the following year. The Program's audited financial statements as of **August 31, 2024**, are available at the Public Workers' Compensation Program (PWCP) website and have been filed with the Texas Department of Insurance in Austin, Texas.

The District also has prior year workers' compensation coverage (1995-2010) with Claims Administrative Services, Inc. (CAS). The current estimated liability for CAS is \$3,997 as of **June 30, 2024**.

### **Property / Casualty Program**

During the current year ended, the District purchased commercial insurance with Edwards Risk Management, Inc. and TASB Risk Management Fund with coverage for the following:

- 1) Crime,
- 2) General Liability,
- 3) Property and Band Floater,
- 4) Sexual Misconduct Endorsement, and
- 5) SP Legal Liability.

### **Unemployment Compensation Program**

During the current year ended, the District provided unemployment compensation coverage to its employees through participation in the TASB Risk Management Fund (the Fund). The Fund was created and is operated under the provisions of the Inter-local 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 Inter-local Agreements that define the responsibilities of the parties.

The Fund meets its quarterly obligations to the Texas Workforce Commission. Expenses are accrued each month until the quarterly payment has been made. Expenses can be reasonably estimated; therefore, there is no need for specific or aggregate stop loss coverage for Unemployment Compensation pool members.



The Fund engages the services of an independent auditor to conduct 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 **August 31, 2024**, are available at the TASB Risk Management Fund website 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.*** **Peaster 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 workload and who are not exempted from membership under Texas Government Code, Title 8, Section 822.002 are covered by the system.

***Pension Plan Fiduciary Net Position.*** Detailed information about 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](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 is 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.

	<b>Contribution Rates</b>	
	<b>2023</b>	<b>2024</b>
Member	8.00%	8.25%
Non-Employer Contributing Entity (State)	8.00%	8.25%
Employers	8.00%	8.25%
Current fiscal year employer contributions		\$ 550,427
Current fiscal year member contributions		\$ 1,137,324
2023 measurement year NECE on-behalf contributions		\$ 739,495
<u>Payments made by the State On-Behalf of the District for Medicare, Part D:</u>		
Fiscal year 2022 Medicare, Part D On-Behalf		\$ 49,651
Fiscal year 2023 Medicare, Part D On-Behalf		\$ 68,332
Fiscal year 2024 Medicare, Part D On-Behalf		\$ 76,978

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' 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)
<b>Net Pension Liability</b>	<b>\$ 68,690,350,942</b>
<b>Net Position as Percentage of Total Pension Liability</b>	<b>73.15 %</b>

### *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:

Table 3.A.1: Asset Allocations			
Asset Class	Target Allocation %**	Long-Term Expected Geometric Real Rate of Return***	Expected Contribution to Long-Term Portfolio Returns
<b>Global Equity</b>			
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
<b>Stable Value</b>			
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
<b>Real Return</b>			
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
<b>Risk Parity</b>	8.0	4.5	0.4
<b>Asset Allocation Leverage</b>			
Cash	2.0	3.7	0.0
Asset Allocation Leverage	(6.0)	4.4	(0.1)
Inflation Expectation			2.3
Volatility Drag****			(0.9)
<b>Expected Return</b>	<b>100.0 %</b>		<b>8.0 %</b>
*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 pension liability:	\$ 9,557,083	\$ 6,392,461	\$ 3,761,076

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.** As of **June 30, 2024**, **Peaster Independent School District** reported a liability of \$6,392,461 for its proportionate share of the TRS's net pension liability.

This liability reflects a reduction for State pension support provided to Peaster Independent School District. The amount recognized by **Peaster 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 Peaster Independent School District were as follows:

District's proportionate share of the collective net pension liability	\$ 6,392,461
State's proportionate share that is associated with the District	9,882,063
Total	<u>\$ 16,274,524</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**.

As of **August 31, 2023**, the employer's proportion of the collective net pension liability was 0.0093061988% which was an increase(decrease) of 0.0004274942% 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** - 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 in January 2024. Therefore, this contingent liability was not reflected as of **August 31, 2023**.

For the year ended **June 30, 2024, Peaster Independent School District** recognized pension expense of \$2,787,777 and revenue of \$1,492,106 for support provided by the State in the Government Wide Statement of Activities.

Year Ended June 30, 2023 pension expense	\$ 2,787,777
Revenue for support provided by the State	\$ 1,492,106

As of **June 30, 2024, Peaster 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: (The amounts shown below will be the cumulative layers from the current and prior years combined.)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual actuarial experiences	\$ 227,766	\$ 77,406
Changes in actuarial assumptions	604,602	147,960
Differences between projected and actual investment earnings	930,258	-
Changes in proportion and differences between the employer's contributions and the proportionate share of contributions	726,799	76,839
Total as of August 31, 2023 measurement date	\$ 2,489,425	\$ 302,205
Contributions paid to TRS subsequent to the measurement date	474,085	
Total as of fiscal year-end	\$ 2,963,510	\$ 302,205

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 pensions will be recognized by the district in pension expense as follows:

Fiscal year ended June 30,	Pension Expense Amount
2025	\$ 521,088
2026	342,733
2027	924,354
2028	352,325
2029	46,720
Thereafter	-

## 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 **Peaster 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](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.

	<b>Contribution Rates</b>	
	<b><u>2023</u></b>	<b><u>2024</u></b>
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		\$ 134,057
2023 Member Contributions		\$ 90,043
2023 NECE On-behalf Contributions		\$ 147,761

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	\$ 3,680,718	\$ 3,125,101	\$ 2,671,704

**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	\$ 2,573,364	\$ 3,125,101	\$ 3,834,912

**OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs.** As of **June 30, 2024**, **Peaster Independent School District** reported a liability of \$3,125,101 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 **Peaster Independent School District** were as follows:

District's proportionate share of the collective net OPEB liability	\$ 3,125,101
State's proportionate share that is associated with the District	3,770,915
Total	<u>\$ 6,896,016</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**.

As of **August 31, 2023**, the employer's proportion of the collective net OPEB liability was 0.0141162611% compared to the 0.0141190926% as of **August 31, 2022**. This is an increase (decrease) of 0.0000028315%.

**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 **June 30, 2024**, **Peaster Independent School District** recognized OPEB expense of \$(1,199,341) and revenue of \$(806,142) for support provided by the State.

As of **June 30, 2024**, Peaster 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	\$ 141,387	\$ 2,629,180
Changes in actuarial assumptions	426,553	1,913,582
Differences between projected and actual investment earnings	1,350	-
Changes in proportion and differences between the employer's contributions and the proportionate share of contributions	1,442,765	-
Contributions paid to TRS subsequent to the measurement date	114,713	
<b>Total as of fiscal year-end</b>	<b>\$ 2,126,768</b>	<b>\$ 4,542,762</b>

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 June 30,	OPEB Expense Amount
2025	\$ (633,876)
2026	(490,542)
2027	(296,492)
2028	(383,184)
2029	(334,493)
Thereafter	(392,120)

**REQUIRED SUPPLEMENTARY INFORMATION**

PEASTER INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 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	\$ 6,952,575	\$ 5,852,575	\$ 5,544,984	\$ (307,591)
5800 State Program Revenues	10,111,805	11,211,805	10,862,575	(349,230)
5900 Federal Program Revenues	1	5,899	5,998	99
5020 Total Revenues	17,064,381	17,070,279	16,413,557	(656,722)
EXPENDITURES:				
Current:				
0011 Instruction	9,898,240	10,409,233	9,639,018	770,215
0012 Instructional Resources and Media Services	191,959	315,420	246,703	68,717
0013 Curriculum and Instructional Staff Development	143,553	74,750	29,256	45,494
0021 Instructional Leadership	116,834	184,006	147,196	36,810
0023 School Leadership	1,136,567	1,194,647	1,085,113	109,534
0031 Guidance, Counseling, and Evaluation Services	459,290	500,730	430,724	70,006
0033 Health Services	217,884	245,144	215,260	29,884
0034 Student (Pupil) Transportation	650,132	725,120	672,389	52,731
0036 Extracurricular Activities	1,268,124	1,263,537	1,187,362	76,175
0041 General Administration	1,235,930	1,166,256	1,089,873	76,383
0051 Facilities Maintenance and Operations	1,982,129	2,490,193	2,777,357	(287,164)
0052 Security and Monitoring Services	189,885	189,278	133,911	55,367
0053 Data Processing Services	376,105	377,816	256,344	121,472
Debt Service:				
0071 Principal on Long-Term Liabilities	101,222	100,322	50,712	49,610
0072 Interest on Long-Term Liabilities	13,629	13,629	12,791	838
Capital Outlay:				
0081 Facilities Acquisition and Construction	40,000	40,000	-	40,000
Intergovernmental:				
0093 Payments to Fiscal Agent/Member Districts of SSA	272,248	272,248	272,248	-
0099 Other Intergovernmental Charges	190,000	190,000	134,956	55,044
6030 Total Expenditures	18,483,731	19,752,329	18,381,213	1,371,116
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,419,350)	(2,682,050)	(1,967,656)	714,394
OTHER FINANCING SOURCES (USES):				
7913 Right-to-Use Lease and SBITA Proceeds	-	1	-	(1)
7915 Transfers In	-	1	-	(1)
8911 Transfers Out (Use)	-	(2)	-	2
7080 Total Other Financing Sources (Uses)	-	-	-	-
1200 Net Change in Fund Balances	(1,419,350)	(2,682,050)	(1,967,656)	714,394
0100 Fund Balance - July 1 (Beginning)	4,806,903	4,806,903	4,806,903	-
3000 Fund Balance - June 30 (Ending)	\$ 3,387,553	\$ 2,124,853	\$ 2,839,247	\$ 714,394

PEASTER INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
TEACHER RETIREMENT SYSTEM OF TEXAS  
FOR THE YEAR ENDED JUNE 30, 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)	0.009306199%	0.008878705%	0.00722097%
District's Proportionate Share of Net Pension Liability (Asset)	\$ 6,392,461	\$ 5,271,059	\$ 1,838,925
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	9,882,063	8,393,246	3,756,681
Total	<u>\$ 16,274,524</u>	<u>\$ 13,664,305</u>	<u>\$ 5,595,606</u>
District's Covered Payroll	\$ 12,766,753	\$ 11,705,059	\$ 10,377,814
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	50.07%	45.03%	17.72%
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
0.00721161%	0.007695106%	0.006641639%	0.006362207%	0.00429352%	0.0042022%	0.0015934%
\$ 3,862,391	\$ 4,000,157	\$ 3,655,719	\$ 2,034,291	\$ 1,622,457	\$ 1,485,422	\$ 425,619
7,736,841	6,861,027	7,550,195	4,318,042	4,570,145	4,287,110	3,655,568
\$ 11,599,232	\$ 10,861,184	\$ 11,205,914	\$ 6,352,333	\$ 6,192,602	\$ 5,772,532	\$ 4,081,187
\$ 10,035,988	\$ 9,124,317	\$ 8,531,822	\$ 7,971,169	\$ 7,970,209	\$ 7,486,629	\$ 7,142,445
38.49%	43.84%	42.85%	25.52%	20.36%	19.84%	5.96%
75.54%	75.24%	73.74%	82.17%	78.00%	78.43%	83.25%

PEASTER INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR PENSIONS  
TEACHER RETIREMENT SYSTEM OF TEXAS  
FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023	2022
Contractually Required Contribution	\$ 550,427	\$ 463,815	\$ 393,965
Contribution in Relation to the Contractually Required Contribution	(550,427)	(463,815)	(393,965)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 13,852,713	\$ 12,466,039	\$ 11,458,373
Contributions as a Percentage of Covered Payroll	3.97%	3.72%	3.44%

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
\$ 303,080	\$ 296,180	\$ 267,414	\$ 224,038	\$ 212,190	\$ 188,331	\$ 167,053
(303,080)	(296,180)	(267,414)	(224,038)	(212,190)	(188,331)	(167,053)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 10,378,404	\$ 10,032,056	\$ 9,191,639	\$ 8,531,822	\$ 7,970,209	\$ 7,932,279	\$ 7,486,629
2.92%	2.95%	2.91%	2.63%	2.66%	2.37%	2.23%

PEASTER INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY  
TEACHER RETIREMENT SYSTEM OF TEXAS  
FOR THE YEAR ENDED JUNE 30, 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	0.014116261%	0.013833112%	0.011814234%
District's Proportionate Share of Net OPEB Liability (Asset)	\$ 3,125,101	\$ 3,312,201	\$ 4,557,278
State's Proportionate Share of the Net OPEB Liability (Asset) Associated with the District	3,770,915	4,040,365	6,105,737
Total	<u>\$ 6,896,016</u>	<u>\$ 7,352,566</u>	<u>\$ 10,663,015</u>
District's Covered Payroll	\$ 12,766,753	\$ 11,705,059	\$ 10,377,814
District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	24.48%	28.30%	43.91%
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.

<u>FY 2021</u> <u>Plan Year 2020</u>	<u>FY 2020</u> <u>Plan Year 2019</u>	<u>FY 2019</u> <u>Plan Year 2018</u>	<u>FY 2018</u> <u>Plan Year 2017</u>
0.011726948%	0.011474755%	0.010917044%	0.010513538%
\$ 4,457,943	\$ 5,426,550	\$ 5,450,980	\$ 4,571,943
5,990,406	7,210,674	7,260,525	6,174,825
<u>\$ 10,448,349</u>	<u>\$ 12,637,224</u>	<u>\$ 12,711,505</u>	<u>\$ 10,746,768</u>
\$ 10,035,988	\$ 9,124,317	\$ 8,531,822	\$ 7,971,169
44.42%	59.47%	63.89%	57.36%
4.99%	2.66%	1.57%	0.91%

PEASTER INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR OTHER POSTEMPLOYMENT BENEFITS (OPEB)  
TEACHER RETIREMENT SYSTEM OF TEXAS  
FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023	2022
Contractually Required Contribution	\$ 134,057	\$ 120,326	\$ 109,640
Contribution in Relation to the Contractually Required Contribution	(134,057)	(120,326)	(109,640)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 13,852,713	\$ 12,466,039	\$ 11,458,373
Contributions as a Percentage of Covered Payroll	0.97%	0.97%	0.96%

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	
\$	91,282	\$	86,312	\$	81,197	\$	75,012
	(91,282)		(86,312)		(81,197)		(75,012)
\$	-	\$	-	\$	-	\$	-
<hr/>		<hr/>		<hr/>		<hr/>	
\$	10,378,404	\$	10,032,056	\$	9,191,639	\$	8,531,822
	0.88%		0.86%		0.88%		0.88%



**PEASTER INDEPENDENT SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE TEN MONTHS ENDED JUNE 30, 2024**

**A. Notes to Schedules for the TRS Pension**

**Changes of benefit terms**

The 2023 Texas 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 on-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 was to be paid January 2024. Therefore, this contingent liability was not reflected as of August 31, 2023.

**Changes of assumptions**

There were no changes in the actuarial assumptions. The single discount rate remained at 7.00 percent.

**B. Notes to Schedules for the TRS OPEB Plan**

**Changes in Benefits**

There were no changes in benefits.

**Changes in 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 if applicable, the debt service fund. The budgets must be prepared by June 19 and adopted by the local school board before expenditures are made and, if applicable, before the tax rate for the year is set. The required supplementary information for the general fund budget is located in Exhibit G-1 "Budgetary Comparison Schedule – General Fund. The required Texas Education Agency (TEA) schedule for the food service fund is located in Exhibit J-2 "Budgetary Comparison Schedule – Child Nutrition Fund and the debt service fund is located in 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 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 June 30, 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.

**PEASTER INDEPENDENT SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE TEN MONTHS ENDED JUNE 30, 2024**

**Expenditures Exceeding Appropriation**

1. The current year expenditures did exceed appropriations in function 51 of the general fund by a material amount of \$287,164 as detailed in Exhibit G-1 "Budgetary Comparison Schedule -General Fund". This excess was not identified until adjustments resulted in additional expenditures.
2. The current year expenditures did not exceed appropriations by a material amount in any functions in the food service fund as detailed in Exhibit J-2 "Budgetary Comparison Schedule -Child Nutrition Fund". The function 35 expenditures did exceed the appropriations by an immaterial amount of \$6,599.
3. 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 AND INDIVIDUAL SCHEDULES**

PEASTER INDEPENDENT SCHOOL DISTRICT  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2024

Data Control Codes		211 ESEA I, A Improving Basic Program	240 National Breakfast and Lunch Program	255 ESEA II, A Training and Recruiting	281 ESSER II CRRSA Act Supplemental
<b>ASSETS</b>					
1110	Cash and Cash Equivalents	\$ -	\$ 259,608	\$ -	\$ -
1120	Investments - Current	-	-	-	-
1240	Due from Other Governments	24,354	-	1,717	-
1260	Due from Other Funds	-	-	-	-
1000	Total Assets	<u>\$ 24,354</u>	<u>\$ 259,608</u>	<u>\$ 1,717</u>	<u>\$ -</u>
<b>LIABILITIES</b>					
2110	Accounts Payable	\$ -	\$ 1,550	\$ -	\$ -
2160	Accrued Wages Payable	-	33,892	-	-
2170	Due to Other Funds	24,354	-	1,717	-
2190	Due to Student Groups	-	-	-	-
2200	Accrued Expenditures	-	1,971	-	-
2300	Unearned Revenue	-	-	-	-
2000	Total Liabilities	<u>24,354</u>	<u>37,413</u>	<u>1,717</u>	<u>-</u>
<b>FUND BALANCES</b>					
Restricted Fund Balance:					
3450	Federal or State Funds Grant Restriction	-	222,195	-	-
3490	Other Restricted Fund Balance	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>222,195</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities and Fund Balances	<u>\$ 24,354</u>	<u>\$ 259,608</u>	<u>\$ 1,717</u>	<u>\$ -</u>

282 ESSER III ARP Act	283 ESSER-SUPP	284 IDEA B Formula ARP Act	289 ESEA Title IV, Part A	313 SSA IDEA, Part B Formula	314 SSA IDEA, Part B Preschool	315 SSA IDEA, Part B Discretionary	340 SSA - IDEA C Deaf - Early Intervention
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 80,908	\$ 543
-	-	-	-	-	-	-	-
-	75,109	-	-	152,495	-	-	-
-	-	-	-	352,404	12,979	-	-
<u>\$ -</u>	<u>\$ 75,109</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 504,899</u>	<u>\$ 12,979</u>	<u>\$ 80,908</u>	<u>\$ 543</u>
\$ -	\$ -	\$ -	\$ -	\$ 1,200	\$ -	\$ 80,908	\$ -
-	-	-	-	166,867	-	-	-
-	75,109	-	-	316,838	12,979	-	543
-	-	-	-	-	-	-	-
-	-	-	-	19,994	-	-	-
-	-	-	-	-	-	-	-
-	75,109	-	-	504,899	12,979	80,908	543
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 75,109</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 504,899</u>	<u>\$ 12,979</u>	<u>\$ 80,908</u>	<u>\$ 543</u>

PEASTER INDEPENDENT SCHOOL DISTRICT  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2024

Data Control Codes		364 SSA - IDEA B Formula ARP Act	365 SSA - IDEA B Preschool ARP Act	410 State Instructional Materials	429 State Grants Special Revenue Funds
<b>ASSETS</b>					
1110	Cash and Cash Equivalents	\$ 8,418	\$ -	\$ 255,104	\$ -
1120	Investments - Current	-	-	-	-
1240	Due from Other Governments	71,125	5,967	-	151,576
1260	Due from Other Funds	-	-	-	-
1000	Total Assets	<u>\$ 79,543</u>	<u>\$ 5,967</u>	<u>\$ 255,104</u>	<u>\$ 151,576</u>
<b>LIABILITIES</b>					
2110	Accounts Payable	\$ -	\$ -	\$ -	\$ -
2160	Accrued Wages Payable	-	-	-	-
2170	Due to Other Funds	79,543	5,967	-	151,576
2190	Due to Student Groups	-	-	-	-
2200	Accrued Expenditures	-	-	-	-
2300	Unearned Revenue	-	-	255,104	-
2000	Total Liabilities	<u>79,543</u>	<u>5,967</u>	<u>255,104</u>	<u>151,576</u>
<b>FUND BALANCES</b>					
Restricted Fund Balance:					
3450	Federal or State Funds Grant Restriction	-	-	-	-
3490	Other Restricted Fund Balance	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities and Fund Balances	<u>\$ 79,543</u>	<u>\$ 5,967</u>	<u>\$ 255,104</u>	<u>\$ 151,576</u>

435 SSA Regional Day School - Deaf	437 SSA Special Education	461 Campus Activity Funds	Total Nonmajor Special Revenue Funds	699 Capital Proj. is Major Funds	Total Nonmajor Governmental Funds
\$ -	\$ 7,153	\$ 196,449	\$ 808,183	\$ -	\$ 808,183
-	2,315	-	2,315	-	2,315
99,609	-	-	581,952	-	581,952
234,064	732,402	10,500	1,342,349	-	1,342,349
<u>\$ 333,673</u>	<u>\$ 741,870</u>	<u>\$ 206,949</u>	<u>\$ 2,734,799</u>	<u>\$ -</u>	<u>\$ 2,734,799</u>
\$ -	\$ 41,098	\$ 47,725	\$ 172,481	\$ -	\$ 172,481
-	92,841	-	293,600	-	293,600
333,673	-	-	1,002,299	-	1,002,299
-	-	441	441	-	441
-	5,168	-	27,133	-	27,133
-	-	-	255,104	-	255,104
<u>333,673</u>	<u>139,107</u>	<u>48,166</u>	<u>1,751,058</u>	<u>-</u>	<u>1,751,058</u>
-	-	-	222,195	-	222,195
-	602,763	158,783	761,546	-	761,546
<u>-</u>	<u>602,763</u>	<u>158,783</u>	<u>983,741</u>	<u>-</u>	<u>983,741</u>
<u>\$ 333,673</u>	<u>\$ 741,870</u>	<u>\$ 206,949</u>	<u>\$ 2,734,799</u>	<u>\$ -</u>	<u>\$ 2,734,799</u>

PEASTER INDEPENDENT SCHOOL DISTRICT  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2024

Data Control Codes	211 ESEA I, A Improving Basic Program	240 National Breakfast and Lunch Program	255 ESEA II,A Training and Recruiting	281 ESSER II CRRSA Act Supplemental
<b>REVENUES:</b>				
5700 Total Local and Intermediate Sources	\$ -	\$ 410,607	\$ -	\$ -
5800 State Program Revenues	-	24,217	-	-
5900 Federal Program Revenues	66,165	408,426	17,244	-
5020 Total Revenues	66,165	843,250	17,244	-
<b>EXPENDITURES:</b>				
Current:				
0011 Instruction	66,165	-	16,952	-
0013 Curriculum and Instructional Staff Development	-	-	-	-
0021 Instructional Leadership	-	-	292	-
0031 Guidance, Counseling, and Evaluation Services	-	-	-	-
0035 Food Services	-	928,190	-	-
0036 Extracurricular Activities	-	-	-	-
0041 General Administration	-	-	-	-
0051 Facilities Maintenance and Operations	-	-	-	-
0052 Security and Monitoring Services	-	-	-	-
0053 Data Processing Services	-	-	-	-
Debt Service:				
0071 Principal on Long-Term Liabilities	-	-	-	-
0072 Interest on Long-Term Liabilities	-	-	-	-
Intergovernmental:				
0093 Payments to Fiscal Agent/Member Districts of SSA	-	-	-	-
6030 Total Expenditures	66,165	928,190	17,244	-
1200 Net Change in Fund Balance	-	(84,940)	-	-
0100 Fund Balance - July 1 (Beginning)	-	307,135	-	-
3000 Fund Balance - June 30 (Ending)	\$ -	\$ 222,195	\$ -	\$ -



282 ESSER III ARP Act	283 ESSER-SUPP	284 IDEA B Formula ARP Act	289 ESEA Title IV, Part A	313 SSA IDEA, Part B Formula	314 SSA IDEA, Part B Preschool	315 SSA IDEA, Part B Discretionary	340 SSA - IDEA C Deaf - Early Intervention
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	219,208	-	179	1,098,220	25,806	161,816	523
-	219,208	-	179	1,098,220	25,806	161,816	523
-	143,971	-	179	273,098	25,806	161,816	523
-	-	-	-	-	-	-	-
-	19,063	-	-	-	-	-	-
-	29,301	-	-	825,122	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	26,873	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	219,208	-	179	1,098,220	25,806	161,816	523
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

PEASTER INDEPENDENT SCHOOL DISTRICT  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2024

Data Control Codes	364 SSA - IDEA B Formula ARP Act	365 SSA - IDEA B Preschool ARP Act	410 State Instructional Materials	429 State Grants Special Revenue Funds
REVENUES:				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800 State Program Revenues	-	-	-	236,445
5900 Federal Program Revenues	29,571	3,125	-	-
5020 Total Revenues	29,571	3,125	-	236,445
EXPENDITURES:				
Current:				
0011 Instruction	7,899	3,125	-	36,310
0013 Curriculum and Instructional Staff Development	-	-	-	-
0021 Instructional Leadership	-	-	-	-
0031 Guidance, Counseling, and Evaluation Services	21,672	-	-	-
0035 Food Services	-	-	-	-
0036 Extracurricular Activities	-	-	-	-
0041 General Administration	-	-	-	-
0051 Facilities Maintenance and Operations	-	-	-	-
0052 Security and Monitoring Services	-	-	-	200,135
0053 Data Processing Services	-	-	-	-
Debt Service:				
0071 Principal on Long-Term Liabilities	-	-	-	-
0072 Interest on Long-Term Liabilities	-	-	-	-
Intergovernmental:				
0093 Payments to Fiscal Agent/Member Districts of SSA	-	-	-	-
6030 Total Expenditures	29,571	3,125	-	236,445
1200 Net Change in Fund Balance	-	-	-	-
0100 Fund Balance - July 1 (Beginning)	-	-	-	-
3000 Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ -	\$ -

435 SSA Regional Day School - Deaf	437 SSA Special Education	461 Campus Activity Funds	Total Nonmajor Special Revenue Funds	699 Capital Proj. is Major Funds	Total Nonmajor Governmental Funds
\$ -	\$ 1,255,081	\$ 339,422	\$ 2,005,110	-	\$ 2,005,110
468,882	78,468	-	808,012	-	808,012
-	-	-	2,030,283	-	2,030,283
468,882	1,333,549	339,422	4,843,405	-	4,843,405
468,882	1,036,512	-	2,241,238	-	2,241,238
-	2,500	-	2,500	-	2,500
-	322,786	-	342,141	-	342,141
-	3,486	-	879,581	-	879,581
-	-	-	928,190	-	928,190
-	-	390,185	390,185	-	390,185
-	5,447	-	5,447	-	5,447
-	85,505	-	85,505	-	85,505
-	855	-	200,990	-	200,990
-	-	-	26,873	-	26,873
-	1,469	-	1,469	-	1,469
-	1,719	-	1,719	-	1,719
-	25,000	-	25,000	-	25,000
468,882	1,485,279	390,185	5,130,838	-	5,130,838
-	(151,730)	(50,763)	(287,433)	-	(287,433)
-	754,493	209,546	1,271,174	-	1,271,174
\$ -	\$ 602,763	\$ 158,783	\$ 983,741	-	\$ 983,741

PEASTER INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF FIDUCIARY NET POSITION  
 PRIVATE PURPOSE TRUST FUNDS  
 JUNE 30, 2024

	816 Private Purpose PCCSS Scholar	817 Private Purpose Pilgrim Sch	818 Private Purpose C Baker Sch	819 Private Purpose Waller Sch
ASSETS				
Cash and Cash Equivalents	\$ 8	\$ 4,209	\$ 212,459	\$ 305,164
Restricted Assets	-	-	-	-
Total Assets	<u>8</u>	<u>4,209</u>	<u>212,459</u>	<u>305,164</u>
NET POSITION				
Restricted for Scholarships	8	4,209	212,459	305,164
Restricted for Other Purposes	-	-	-	-
Total Net Position	<u>\$ 8</u>	<u>\$ 4,209</u>	<u>\$ 212,459</u>	<u>\$ 305,164</u>

820 Private Purpose General Sch	825 Peaster ISD Education Foundation	Total Private Purpose Trust Funds
\$ 75,113	\$ -	\$ 596,953
-	399,762	399,762
<u>75,113</u>	<u>399,762</u>	<u>996,715</u>
75,113	-	596,953
-	399,762	399,762
<u>\$ 75,113</u>	<u>\$ 399,762</u>	<u>\$ 996,715</u>

PEASTER INDEPENDENT SCHOOL DISTRICT  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
PRIVATE PURPOSE TRUST FUNDS  
FOR THE YEAR ENDED JUNE 30, 2024

	816 Private Purpose PCCSS Scholar	817 Private Purpose Pilgrim Sch	818 Private Purpose C Baker Sch	819 Private Purpose Waller Sch
ADDITIONS:				
Enterprising Services Revenue	\$ -	\$ -	\$ -	\$ -
Earnings from Temporary Deposits	-	-	-	-
Contributions, Gifts and Donations	-	-	4,000	-
Total Additions	-	-	4,000	-
DEDUCTIONS:				
Other Deductions	3,000	-	14,300	3,418
Total Deductions	3,000	-	14,300	3,418
Change in Net Position	(3,000)	-	(10,300)	(3,418)
Net Position - July 1 (Beginning)	3,008	4,209	222,759	308,582
Net Position - June 30 (Ending)	\$ 8	\$ 4,209	\$ 212,459	\$ 305,164

820 Private Purpose General Sch	825 Peaster ISD Education Foundation	Total Private Purpose Trust Funds
\$ -	\$ 425,779	\$ 425,779
8,536	9,169	17,705
40,500	-	44,500
49,036	434,948	487,984
35,243	391,797	447,758
35,243	391,797	447,758
13,793	43,151	40,226
61,320	356,611	956,489
\$ 75,113	\$ 399,762	\$ 996,715

## **REQUIRED TEA SCHEDULES**



**PEASTER INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF DELINQUENT TAXES RECEIVABLE  
FOR THE YEAR ENDED JUNE 30, 2024**

Last 10 Years	(1)	(2)	(3)
	Tax Rates		Assessed/Appraised Value for School Tax Purposes
	Maintenance	Debt Service	
2015 and prior years	Various	Various	\$ Various
2016	1.040000	0.360000	289,277,240
2017	1.040000	0.360000	295,353,771
2018	1.040000	0.400000	316,919,931
2019	1.040000	0.400000	356,874,646
2020	0.970000	0.400000	411,162,090
2021	0.908900	0.410000	450,964,922
2022	0.872000	0.500000	566,631,792
2023	0.854600	0.500000	647,337,054
2024 (School year under audit)	0.669200	0.500000	760,472,074
1000 TOTALS			
8000 Total Taxes Refunded Under Section 26.1115, Tax Code			

(10) Beginning Balance 7/1/2023	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 6/30/2024	(99) Taxes Refunded Under Section 26.1115c
\$ 27,311	\$ -	\$ 1,921	\$ 601	\$ (23)	\$ 24,766	
3,820	-	376	130	(1)	3,313	
2,792	-	454	157	-	2,181	
2,988	-	579	223	1	2,187	
3,901	-	437	168	(360)	2,936	
9,227	-	651	268	(415)	7,893	
8,244	-	3,398	1,533	2,175	5,488	
43,720	-	24,664	14,142	4,151	9,065	
187,166	-	75,740	44,313	(29,065)	38,048	
-	8,891,438	4,946,019	3,695,471	-	249,948	
<u>\$ 289,169</u>	<u>\$ 8,891,438</u>	<u>\$ 5,054,239</u>	<u>\$ 3,757,006</u>	<u>\$ (23,537)</u>	<u>\$ 345,825</u>	

\$ -

PEASTER INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - CHILD NUTRITION PROGRAM  
FOR THE YEAR ENDED JUNE 30, 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	\$ 370,659	\$ 420,659	\$ 410,607	\$ (10,052)
5800 State Program Revenues	76,801	76,801	24,217	(52,584)
5900 Federal Program Revenues	345,540	345,540	408,426	62,886
5020 Total Revenues	793,000	843,000	843,250	250
EXPENDITURES:				
Current:				
0035 Food Services	870,634	921,591	928,190	(6,599)
6030 Total Expenditures	870,634	921,591	928,190	(6,599)
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	(77,634)	(78,591)	(84,940)	(6,349)
OTHER FINANCING SOURCES (USES):				
7915 Transfers In	-	1	-	(1)
1200 Net Change in Fund Balances	(77,634)	(78,590)	(84,940)	(6,350)
0100 Fund Balance - July 1 (Beginning)	307,135	307,135	307,135	-
3000 Fund Balance - June 30 (Ending)	\$ 229,501	\$ 228,545	\$ 222,195	\$ (6,350)

PEASTER INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - DEBT SERVICE FUND  
FOR THE YEAR ENDED JUNE 30, 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	\$ 4,385,762	\$ 3,089,821	\$ 3,936,753	\$ 846,932
5800 State Program Revenues	-	1	401,814	401,813
5020 Total Revenues	4,385,762	3,089,822	4,338,567	1,248,745
EXPENDITURES:				
Debt Service:				
0071 Principal on Long-Term Liabilities	1,665,000	1,665,000	1,665,000	-
0072 Interest on Long-Term Liabilities	1,478,798	1,478,798	1,478,798	-
0073 Bond Issuance Cost and Fees	4,000	4,000	3,949	51
6030 Total Expenditures	3,147,798	3,147,798	3,147,747	51
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	1,237,964	(57,976)	1,190,820	1,248,796
OTHER FINANCING SOURCES (USES):				
7911 Capital Related Debt Issued	-	1	-	(1)
7916 Premium or Discount on Issuance of Bonds	-	1	-	(1)
7080 Total Other Financing Sources (Uses)	-	2	-	(2)
1200 Net Change in Fund Balances	1,237,964	(57,974)	1,190,820	1,248,794
0100 Fund Balance - July 1 (Beginning)	3,564,870	3,564,870	3,564,870	-
3000 Fund Balance - June 30 (Ending)	\$ 4,802,834	\$ 3,506,896	\$ 4,755,690	\$ 1,248,794

PEASTER INDEPENDENT SCHOOL DISTRICT  
USE OF FUNDS REPORT - SELECT STATE ALLOTMENT PROGRAMS  
FOR THE YEAR ENDED JUNE 30, 2024

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**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.	\$679,371
AP4	Actual direct program expenditures for state compensatory education programs during the district's fiscal year. (PICs 24,26,28,29,30)	\$516,418

**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.	\$28,996
AP8	Actual direct program expenditures for bilingual education programs during the district's fiscal year. (PIC 25)	\$33,909

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

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# James E. Rodgers and Company, P.C.

## Certified Public Accountants

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

Richard E. Rodgers CPA • Gerald L. Rodgers CPA

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October 17, 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  
Peaster Independent School District  
Weatherford, Texas 76088**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of **Peaster Independent School District**, as of and for the year ended **June 30, 2024**, and the related notes to the financial statements, which collectively comprise **Peaster Independent School District's** basic financial statements, and have issued our report thereon dated **October 17, 2024**. The financial statements of **Peaster Education Foundation** Component Unit were not audited in accordance with *Government Auditing Standards* and accordingly this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with **Peaster Education Foundation** Component Unit.

#### **Report On Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered **Peaster 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 **Peaster Independent School District's** internal control. Accordingly, we do not express an opinion on the effectiveness of **Peaster 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2024-001 that we consider to be material weaknesses.

# James E. Rodgers and Company, P.C.

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## Report On Compliance and Other Matters

As part of obtaining reasonable assurance about whether **Peaster 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and which is described in the accompanying Schedule of Findings and Questioned Costs as Finding 2024-001 and 2024-002.

## School District's Response to Findings

*Government Auditing Standards* requires the auditor to perform limited procedures on the Peaster Independent School District's response to the findings identified in our audit and described in the accompanying schedule of finding and questioned costs. The Peaster Independent School District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

## 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*

James E. Rodgers and Company, P.C.



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# James E. Rodgers and Company, P.C.

Certified Public Accountants

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

Richard E. Rodgers CPA • Gerald L. Rodgers CPA

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October 17, 2024

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

To the Board of Trustees  
Peaster Independent School District  
Weatherford, Texas 76088

### Report on Compliance for Each Major Federal Program

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

We have audited **Peaster 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 **Peaster Independent School District's** major federal programs for the year ended **June 30, 2024**. **Peaster 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, **Peaster 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 **June 30, 2024**.

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

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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 **Peaster 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 **Peaster 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 **Peaster 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 **Peaster 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 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 **Peaster 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 **Peaster 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 **Peaster 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 **Peaster 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.

## James E. Rodgers and Company, P.C.

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

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

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

Respectfully submitted,

A handwritten signature in blue ink that reads "James E. Rodgers and Company". The signature is written in a cursive, flowing style.

James E. Rodgers and Company, P.C.

# James E. Rodgers and Company, P.C.

## Certified Public Accountants

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### PEASTER INDEPENDENT SCHOOL DISTRICT SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2024

#### I. Summary of the Auditor's Results:

1.	The type of auditor's report opinion on whether the financial statements of the District were prepared in accordance with GAAP (generally accepted accounting standards):	Unmodified	
2.	Internal control over financial reporting during the audit of the financial statements:		
(a)	Significant deficiencies in internal control identified that are not considered to be material weaknesses.		No
(b)	Material weaknesses identified.		Yes
3.	Noncompliance, which is material to the financial statements.		Yes
4.	Internal Control over major federal programs:		
(a)	Significant deficiencies in internal control identified that are not considered to be material weaknesses.		No
(b)	Material weaknesses identified.		No
5.	Type of auditor's report opinion on compliance with major programs.	Unmodified	
6.	Audit findings that are required to report under Uniform Guidance 2 CFR Section 200.516(a).		No
7.	Identification of programs tested as major programs: • <b>Special Education Cluster</b> IDEA Part B, Formula – Federal Assistance Listing No. 84.027 IDEA Part B, Preschool – Federal Assistance Listing No. 84.173		
8.	Dollar threshold used to distinguish between Type A and Type B programs.	\$750,000	
9.	District qualified as a low-risk auditee.	Yes	



**PEASTER INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2024**

**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 (Material Weakness in Internal Control):**

a.	Condition:	Cash in Bank account balances were not reconciled as of June 30, 2024.
b.	Criteria:	Proper internal controls over cash require monthly bank reconciliations to identify all sources and uses of cash have been properly accounted for.
c.	Cause:	The reconciliation process was not completed monthly during the current year.
d.	Effect:	The failure to reconcile required audit adjustments of \$2,590,573 to cash that were material to the financial statements.
e.	Recommendation:	Now that the reconciliations have been completed through June 30, 2024, the District should return to the monthly procedures for reconciliation of all accounts on a timely and monthly basis.
f.	District Response:	The District has employed a new business manager that will immediately resume the process of monthly bank reconciliations of all accounts on a timely basis.

**Finding 2024-002 (Noncompliance material to the financial statements):**

a.	Condition:	Expenditures in Function 51 of Fund 199 exceeded the appropriations final amended budget by \$287,164 from year-end audit adjustments.
b.	Criteria:	It is a violation of State Law for expenditures to exceed the budget by function.
c.	Cause:	Several audit adjustments of \$548,775 were made in function 51 of fund 199 after completion of bank reconciliations through June 30, 2024.
d.	Effect:	The expenditures exceeded the appropriations budget in the general fund function 51 after audit adjustments reconciling cash.
e.	Recommendation:	The District should amend the appropriations budget after posting all financial transactions as determined during the monthly cash reconciliations.
f.	District Response:	The District has employed a new business manager that will immediately resume the process of monthly bank reconciliations of all accounts on a timely basis that will provide the District with the necessary financial information to properly amend appropriation budgets as necessary.

**III. Findings and Questioned Costs Related to the Federal Awards**

**Finding 2024-003:**

a.	Condition:	<b>None</b>
b.	Criteria:	<b>N/A</b>
c.	Cause:	<b>N/A</b>
d.	Effect:	<b>N/A</b>
e.	Recommendation:	<b>N/A</b>
f.	District Response:	<b>N/A</b>

# Peaster Independent School District

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Peaster, TX 76485

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817-341-5000  
Fax: 817-341-5003

## **SCHEDULE OF STATUS OF PRIOR AUDIT FINDINGS FOR THE YEAR ENDED JUNE 30, 2023**

**Finding 2023-001: The District had excess cash balances in the food service fund of \$74,557 as of June 30, 2023. The excess cash balances were eliminated during the current fiscal year ended June 30, 2024.**

# Peaster Independent School District

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## **CORRECTIVE ACTION PLAN FOR THE YEAR ENDED JUNE 30, 2024**

The name of the contact person responsible for corrective action:

**Robert Helm, Business Manager**

**District Phone Number: 817-341-5000**

### **The corrective action for Finding 2024-001:**

The District has employed a new business manager with prior school district experience in performing bank reconciliations. The reconciliations are current as of June 30, 2024, and will be completed monthly during the year ended June 30, 2025.

### **The corrective action for Finding 2024-002:**

The District has employed a new business manager with prior school district experience in performing bank reconciliations. The reconciliations are current as of June 30, 2024, and will be completed monthly during the year ended June 30, 2025. This process will provide the district with financial information necessary to amend appropriation budgets as necessary during the year ended June 30, 2025.

PEASTER INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2024

(1) FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	(2) Federal Assistance Listing No.	(3) Pass-Through Entity Identifying Number	(4) Federal Expenditures
<b>U.S. DEPARTMENT OF EDUCATION</b>			
<u>Passed Through Texas Education Agency</u>			
ESEA, Title I, Part A - Improving Basic Programs	84.010A	24610101184908	\$ 66,165
*SSA - IDEA - Part B, Formula	84.027	246600011849086000	1,098,220
*SSA - IDEA - Part B, Discretionary	84.027	246600111849086000	161,816
*COVID 19 -SSA - IDEA,B,Formula - ARP	84.027X	225350021849085000	29,571
Total Assistance Listing Number 84.027			1,289,607
*SSA - IDEA - Part B, Preschool	84.173	246610011849086000	25,806
*COVID 19 -SSA - IDEA,B,Preschool - ARP	84.173X	225360021849085360	3,125
Total Assistance Listing Number 84.173			28,931
Total Special Education Cluster (IDEA)			1,318,538
SSA - IDEA, Part C - Early Intervention (Deaf)	84.181A	243911011849083000	523
ESEA, Title II, Part A, Teacher Principal Training	84.367A	24694501184908	17,244
COVID 19 - Supplemental ESSER Fund	84.425U	21528043184908	219,208
ESEA, Title IV, Part A	84.424A	24680101184908	179
Total Passed Through Texas Education Agency			1,621,857
<b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>			1,621,857
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
<u>Passed Through the Texas Department of Agriculture</u>			
*School Breakfast Program	10.553	71402401	61,920
*National School Lunch Program - Cash Assistance	10.555	71302401	318,852
*National School Lunch Prog. - Non-Cash Assistance	10.555	71302401	27,654
Total Assistance Listing Number 10.555			346,506
Total Child Nutrition Cluster			408,426
Total Passed Through the Texas Department of Agriculture			408,426
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>			408,426
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			\$ 2,030,283
*Clustered Programs			



**PEASTER INDEPENDENT SCHOOL DISTRICT  
NOTES TO SCHEDULE OF EXPENDITURES FOR FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2024**

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 di minimis cost rate of 10% as described at 2CFR §200.414(f) – Indirect (F&A) Costs.

**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.

Federal program revenues per Exhibit C-3	\$ <u>2,036,281</u>
School Health & Related Services (SHARS) & (ERATE)	
Reimbursement not reported to the SEFA	\$ <u>5,998</u>
Total federal expenditures on Exhibit K-1	\$ <u>2,030,283</u>

8. The District did make payments to subrecipients during the current year.

## SCHOOLS FIRST QUESTIONNAIRE

EXHIBIT L-1

Peaster 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?	Yes
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?	Yes
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.	\$463,587