DUNCANVILLE

Independent School District

Duncanville, Texas

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Annual Financial Report

For the Year Ended June 30, 2024

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT

ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2024

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
TABLE OF CONTENTS

	Page	Exhibit
Certificate of the Board	i	
Financial Section		
Independent Auditor's Report	3	
Management's Discussion and Analysis	7	
Basic Financial Statements:		
Government-wide Financial Statements:		
Statement of Net Position	17	A-1
Statement of Activities	18	B-1
Governmental Fund Financial Statements:		
Balance Sheet	20	C-1
Reconciliation of Balance Sheet for Governmental Funds to Statement of Net Position	23	C-1R
Statement of Revenues, Expenditures, and Changes in Fund Balance	24	C-2
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities	26	C-2R
Proprietary Fund Financial Statements:		
Statement of Net Position	27	D-1
Statement of Revenues, Expenses, and Changes and Changes in Net Position	28	D-2
Statement of Cash Flows	29	D-3
Fiduciary Fund Financial Statements:		
Statement of Net Position	30	E-1
Statement of Changes in Net Position	31	E-2
Notes to the Financial Statements	33	F-1
Required Supplementary Information:		
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	68	G-1
Notes to Required Supplementary Information - Budgets	69	
Schedule of District's Proportionate Share of the Net Pension Liability	70	G-2
Schedule of District Pension Contributions - Teachers Retirement System of Texas	71	G-3
Notes to the Required Supplementary Information - Pensions	72	
Schedule of District's Proportionate Share of the Net OPEB Liability	73	G-4
Schedule of District OPEB Contributions - Teachers Retirement System of Texas	74	G-5
Notes to the Required Supplementary Information - OPEB	75	
Other Supplementary Information:		
Combining and Individual Fund Statements and Schedules:		
Nonmajor Governmental Funds:		
Combining Balance Sheet	78	H-1
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	83	H-2
Combining Statement of Net Position - Internal Service Funds	88	H-3
Combining Statement of Revenues, Expenses, and Changes in Net Position - Internal Service Funds	89	H-4
Combining Statement of Cash Flows - Internal Service Funds	90	H-5

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT

TABLE OF CONTENTS (continued)

Financial Section *(continued)*	Page	Table Exhibit
Required TEA Information:		
Schedule of Delinquent Taxes Receivable	92	J-1
Budgetary Comparison Schedule - Child Nutrition Fund	94	J-2
Budgetary Comparison Schedule - Debt Service Fund	95	J-3
Compensatory Education Program and Bilingual Education Program Compliance Responses	96	J-4
Required Responses to Selected School FIRST Indicators	97	L-1
Federal Awards Section		
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*	101	
Independent Auditor's Report on Compliance for each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	103	
Schedule of Findings and Questioned Costs	106	
Schedule of Expenditures of Federal Awards	108	K-1
Notes to Schedule of Expenditures of Federal Awards	110	K-2
Summary Schedule of Prior Audit Findings	111	
Corrective Action Plan	112	

CERTIFICATE OF BOARD

Duncanville Independent School District	**Dallas**	**057-907**
Name of School District	County	Co. - Dist. No.

We, the undersigned, certify that the attached annual financial reports of the above named school district were reviewed and __X__**approved/** _____ **disapproved** for the year ended June 30, 2024, at a meeting of the Board of Trustees of such school district on November 18, 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 is/are (attach list if necessary):


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FINANCIAL SECTION


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whitleypenn

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Duncanville Independent School District

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2024, and the respective changes in financial position, and, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Schedule L-1 but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2024 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Whitley Penn LLP

Dallas, Texas
November 18, 2024


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This section of Duncanville Independent School District's annual financial report presents our discussion and analysis of the District's financial performance during the year ended June 30, 2024. Please read it in conjunction with the District's financial statements, which follow this section.

Financial Highlights

On a Government-Wide Basis

The District's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $17,073,477.

The District's total net position increased by $12,969,419 during the fiscal year.

The total cost of the District's programs was $163,994,253 for the year ended June 30, 2024.

In Accordance with Fund Accounting

The District's governmental funds financial statements reported a combined ending fund balance of $265,894,054.

- The General fund includes $539,063 of nonspendable funds, and $71,223,995 of unassigned fund balance available for spending at the District's discretion. The District's General Fund reported an unassigned fund balance of $71,223,995 or 58.7% of the total General Fund expenditures for the year ended June 30, 2024.
- The ARPA - ESSER III fund report a fund balance of $0.
- The Capital Projects fund reported a fund balance of $167,360,445 that is restricted for capital acquisitions.
- The Debt Service fund reported a fund balance of $22,697,732 that is restricted for debt obligations.
- The Non-major governmental funds reported a fund balance of $4,072,819. Of this amount, $223,685 is nonspendable fund balance and the remaining fund balance is restricted or committed.

Overview of the Financial Statements

The Financial Section of this annual comprehensive financial report consists of the *independent auditor's report*, *management's discussion and analysis* (this section), the *basic financial statements*, and *other supplementary information*. The basic financial statements include two kinds of statements that present different views of the District:

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

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the financial statements.

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

The two government-wide statements, *statement of net position* and *statement of activities*, report the District's *net position* and how it has changed. Net position – the difference of the District's assets, and deferred outflows and resources; less liabilities, and deferred inflows of resources – is one way to measure the District's financial health or *position*.

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

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

The government-wide financial statements of the District include the *governmental activities*. These statements recognize the District's functions, such as instruction, extracurricular activities, curriculum and staff development, health services, and general administration as being primarily supported by property taxes and intergovernmental revenues. The government-wide financial statements can be found on Exhibits A-1 and B-1 of this report.

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

Some funds are required by State law and by bond covenants.

The Board of Trustees establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

All of the District's funds can be divided into three categories:

Governmental Funds. Most of the District's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because the focus of the governmental funds is shorter-term than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's short-term financing decisions. In addition, reconciliations are provided following the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances to aid in the comparison between *governmental funds* and *governmental activities*. The basic governmental fund financial statements can be found on Exhibits C-1, C-2, C-3, and C-4 of this report.

Proprietary Funds. Services for which the District charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long-and short-term financial information. There are two types of proprietary funds:

Internal Service Funds are used to report activities that provide supplies and services for the District's other programs and activities, such as the District's Worker's Compensation Self Insurance Fund.

Enterprise Funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The District does not maintain any enterprise funds.

The basic proprietary fund financial statements can be found on Exhibits D-1, D-2, and D-3 of this report.

Fiduciary Funds. The District is the custodian, or *fiduciary*, for certain funds. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position that can be found on Exhibits E-1 and E-2 of this report. We exclude these activities from the District's government-wide financial statements because the District cannot use these assets to finance its operations.

Notes to the Financial Statements. The notes provide additional information that is essential to a complete understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 33 of this report.

Other Information. *T*his report also presents certain required supplementary information, combining schedules, *and other information* required by the Texas Education Agency that further explains and supports the information in the financial statements. The required supplementary information, combining schedules, and other TEA required information can be found beginning on page 78 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a District's financial position. In the case of the District, assets and deferred outflows exceeded liabilities and deferred inflows by $17,073,477 (net position) at the close of the most recent fiscal year.

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

The District's Net Position

	Governmental Activities	
	2024	**2023**
Assets		
Current and other assets	$ 291,364,887	$ 117,917,084
Capital assets, net	187,897,181	184,437,805
Total Assets	479,262,068	302,354,889
Deferred Outflows of Resources		
Deferred outflows	22,278,451	23,183,926
Total Deferred Outflows of Resources	22,278,451	23,183,926
Liabilities		
Current liabilities	20,466,749	26,628,721
Non-current liabilities	428,081,338	264,972,905
Total Liabilities	448,548,087	291,601,626
Deferred Inflows of Resources		
Deferred inflows	35,918,955	41,632,094
Total Deferred Inflows of Resources	35,918,955	41,632,094
Net Position		
Net investment in capital assets	(4,970,333)	(13,322,799)
Restricted	24,349,917	19,700,827
Unrestricted	(2,306,107)	(14,072,933)
Total Net Position	$ 17,073,477	$ (7,694,905)

Net position of the District's governmental activities increased from a net deficit of $7,694,905 to a net position of $17,073,477. Significant changes in net position from the prior year are explained as follows:

Total assets increased $176.9 million at the end of current year compared to the balance at the end of the prior fiscal year. Total liabilities increased $156.9 million at the end of the current year compared to the balance at the end of the prior year. Both increases are mainly due to the issuance of $166.0 million in bonds during the current year.

Deferred outflows, net pension liability, net other post-employment liability, and deferred inflows changed due to assignment of pension liability and other post-employment benefits liability from the Teacher Retirement System.

Change in Net Position. Overall revenues increase approximately $3.3 million compared to prior year. For the current fiscal year, the District's total revenues were $176,963,672. 39.9% of the District's revenues comes from state allocations – formula grants and 36.9% from property taxes. 19.1% of revenues relates to grants and contributions (including federal funds). The increase in net position resulted primarily from an increase in state aid of approximately $19.9 million offset by a decrease in property tax revenues of approximately $15.7 million. The overall increase in revenues was offset by an increase in total expenses of approximately $4.1 million.

Changes in the District's Net Position

	Governmental Activities	
	2024	**2023**
Revenues		
Program Revenues:		
Charges for services	$ 1,564,073	$ 1,477,788
Operating grants & contributions	33,854,154	35,312,470
General Revenues:		
Property taxes	65,356,730	81,033,699
State aid (grants)	70,656,734	50,782,465
Investment earnings	4,508,463	2,923,988
Miscellaneous local and intermediate - other	1,023,518	2,155,173
Total Revenues	176,963,672	173,685,583
Expenses		
Instruction	76,334,387	74,728,834
Instructional resources and media services	1,773,921	1,780,015
Curriculum and staff development	5,479,845	4,473,519
Instructional leadership	5,388,902	5,657,994
School leadership	9,890,830	8,773,066
Guidance, counseling, and evaluation services	6,902,907	6,240,991
Social work services	442,628	233,006
Health services	1,665,317	1,584,305
Student transportation	4,192,242	4,850,471
Food service	7,610,396	7,163,629
Extracurricular activities	5,311,531	4,754,919
General administration	5,796,553	5,229,620
Facilities maintenance and operations	16,261,764	18,615,822
Security and monitoring services	2,428,061	2,317,604
Data processing services	4,330,042	7,176,735
Community services	755,363	686,526
Interest on long-term debt	6,192,057	6,028,207
Debt issuance costs and fees	1,366,063	-
Facility acquisition and construction	1,559,573	277,043
Payments to JJAEP	12,804	11,892
Other intergovernmental charges	299,067	275,938
Total Expenses	163,994,253	160,860,136
Change in net position	12,969,419	12,825,447
Beginning Net Position	(7,694,905)	(20,520,352)
Prior period adjustment	11,798,963	-
Ending Net Position	$ 17,073,477	$ (7,694,905)

Financial Analysis of the District's Funds

Revenues of the General Fund totaled $128,209,745, an increase of 5.3% compared to the preceding period's General Fund revenues. Local revenues decreased 21.9% primarily due to a decrease in property taxes. State revenues increased by 33.1% due to increases in state aid. Federal revenues in the General Fund increased 232.9% related to more SHARS money received in the current year.

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

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of $265.9 million. Approximately 27% of this total amount or $71.2 million constitutes the unassigned fund balance. The remainder of fund balance is nonspendable, restricted, or assigned to indicate that it is not available for new spending because it has already been: 1) restricted for retirement of long-term debt $22.7 million, 2) restricted for capital projects $167.4 million, 3) restricted for federal and state grants $3.2 million, 4) committed or assigned for other purposes $607.8 thousand, and 5) nonspendable $762.7 thousand.

The general fund is the primary operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the general fund was $71.2 million.

The general fund reported an ending fund balance of $71.8 million. The net change in fund balance resulted in an increase in the general fund balance from the prior year in the amount of $7.4 million. The increase in fund balance was the result of an overall increase in state program revenues of approximately $18 million, offset by a decrease in property tax revenue of $15 million, while overall expenditures stayed consistent with prior period.

The debt service fund has a total fund balance of $22.7 million, all of which is restricted for the payment of debt service. The net increase in fund balance during the period in the debt service fund was $5.2 million. The increase is due to property tax revenues exceeding the debt service requirements for the fiscal year.

The capital projects fund has a total fund balance of $167.4 million, all of which is restricted for construction projects. The net increase in fund balance during the period in the capital projects fund was $167.3 million. The increase is due to the issuance of $166 million in bond proceeds during the fiscal year.

The ESSER III fund has a total fund balance of $0. This is a result of expenditures in the amount of $8.7 million equaling federal revenues in the amount of $8.7 million.

The nonmajor governmental funds has a total fund balance of $4.1 million which represents an increase of $0.1 million.

General Fund Budgetary Highlights

The District amends the budget as needed throughout the year. Changes to the general fund budget are summarized below:

Total Revenues	$ 127,488,672	$ 127,488,672
Total Expenditures	132,737,108	145,991,444
Net Change in Fund Balance	$ (5,248,436)	$ (18,502,772)

Capital Assets and Debt Administration

Capital Assets. As of June 30, 2024, the District had invested $187,897,181 in a broad range of capital assets, including land, land improvements, buildings and improvements, furniture and equipment, right to use leased asset, and subscription-based IT arrangements. This amount represents a net increase of $3,459,376 or 1.9% more than last year.

The District's Capital Assets

	Governmental Activities	
	2024	**2023**
Land	$ 5,151,359	$ 5,151,359
Buildings and improvements	379,325,170	376,987,077
Furniture and equipment	32,398,845	31,214,996
Right-to-use leased assets	1,340,680	1,340,680
Subscription based IT arrangements (SBITA) assets	893,907	893,907
Construction in progress	2,033,189	-
Totals at Historical Costs	421,143,150	415,588,019
Total Accumulated Depreciation/Amortization	(233,245,969)	(231,150,214)
Net Capital Assets	$ 187,897,181	$ 184,437,805

More detailed information about the District's capital assets is presented in Note 7 to the financial statements.

Long-Term Debt

At June 30, 2024, the District had $333,240,000 in bonds payable. More detailed information about the District's debt is presented in Note 9 to the financial statements.

	2024	2023	Total % Change
General obligation bonds	$ 333,240,000	$ 180,145,000	85%
Accreted interest	156,987	94,742	66%
Bond premium & CAB premium	26,905,677	20,774,474	30%
SBITA liability	135,292	511,393	-74%
RTU lease liability	318,236	668,043	-52%
	$ 360,756,192	$ 202,193,652	78%

Bond Ratings

The District's bonds presently carry "AAA" ratings with underlying ratings as follows: Moody's Investor Services "Aa3" and Standard & Poor's "AA-".

Economic Factors and Next Year's Budgets and Rates

The 2024-25 General Fund expense budget is estimated at greater than 8% increase over prior year, due to reduction of Elementary and Secondary School Emergency Relief funds.

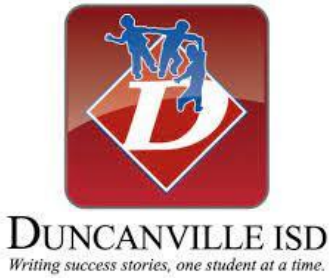
The District has experienced a loss in ADA over the past few years and the revenue projections for the General Fund were not based on student growth in overall ADA.

The 2024-25 budget is based on a total property tax rate of $1.057 per hundred dollars of assessed value. The property tax rate for maintenance and operations is $0.7452 per hundred dollars of assessed value. The debt service tax rate is $0.3605 per hundred dollars of assessed value. The District's taxable value for 2024-25 increased just under 8% due to an increase in commercial and residential property values.

Contacting the District's Financial Management

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

BASIC FINANCIAL STATEMENTS


DUNCANVILLE ISD
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DUNCANVILLE INDEPENDENT SCHOOL DISTRICT

Exhibit A-1

STATEMENT OF NET POSITION

June 30, 2024

Data Control Codes		Governmental Activities
	Assets	
1110	Cash and cash equivalents	$ 252,281,112
1220	Delinquent property taxes receivables	3,707,056
1230	Allowance for uncollectable taxes (credit)	(185,352)
1240	Due from other governments	34,799,323
1300	Inventories	316,333
1410	Prepaid items	446,415
	Capital Assets, not subject to depreciation/amortization:	
1510	Land	5,151,359
1580	Construction in Progress	2,033,189
	Capital Assets, net of accumulated depreciation/amortization:	
1520	Buildings and improvements, net	176,466,005
1530	Furniture and equipment, net	3,810,162
1550	Right to use assets, net	436,466
1000	**Total Assets**	479,262,068
	Deferred Outflows of Resources	
	Deferred charge on refunding	371,246
	Deferred outflows - pension	16,521,685
	Deferred outflows - OPEB	5,385,520
1700	**Total Deferred Outflows of Resources**	22,278,451
	Liabilities	
2110	Accounts payable	2,159,227
2140	Interest payable	2,556,171
2150	Payroll deductions & withholdings	1,085,120
2160	Accrued wages payable	10,663,379
2180	Due to other governments	3,741,565
2200	Accrued expenses	259,587
2300	Unearned revenue	1,700
	Noncurrent Liabilities:	
2501	Due within one year	11,149,419
2502	Due in more than one year	349,606,773
2540	Net pension liability	47,308,141
2545	Net OPEB liability	20,017,005
2000	**Total Liabilities**	448,548,087
	Deferred Inflows of Resources	
	Deferred inflows - pension	2,623,483
	Deferred inflows - OPEB	33,295,472
2600	**Total Deferred Inflows of Resources**	35,918,955
	Net Position	
3200	Net investment in capital assets	(4,970,333)
	Restricted for:	
3820	Federal and state programs	3,245,028
3850	Debt service	21,104,889
3900	Unrestricted	(2,306,107)
3000	**Total Net Position**	$ 17,073,477

Data Control Codes	Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions
	Governmental Activities:			
11	Instruction	$ 76,334,387	$ 151,533	$ 16,089,689
12	Instructional resources and media services	1,773,921	-	131,608
13	Curriculum and staff development	5,479,845	-	2,739,597
21	Instructional leadership	5,388,902	-	2,211,531
23	School leadership	9,890,830	-	689,256
31	Guidance, counseling, and evaluation services	6,902,907	-	1,151,190
32	Social work services	442,628	-	149,875
33	Health services	1,665,317	-	126,393
34	Student transportation	4,192,242	-	284,225
35	Food service	7,610,396	643,796	7,107,280
36	Extracurricular activities	5,311,531	723,393	253,582
41	General administration	5,796,553	-	342,137
51	Facilities maintenance and operations	16,261,764	28,651	1,886,898
52	Security and monitoring services	2,428,061	-	265,137
53	Data processing services	4,330,042	-	191,911
61	Community services	755,363	16,700	233,845
72	Interest on long-term debt	6,192,057	-	-
73	Debt issuance costs and fees	1,366,063	-	-
81	Facility acquisition and construction	1,559,573	-	-
95	Payments to JJAEP	12,804	-	-
99	Other intergovernmental charges	299,067	-	-
TG	**Total Governmental Activities**	$ 163,994,253	$ 1,564,073	$ 33,854,154

Data Control Codes	Functions/Programs	Net (Expense) Revenue and Changes in Net Position Governmental Activities
	Governmental Activities:	
11	Instruction	$ (60,093,165)
12	Instructional resources and media services	(1,642,313)
13	Curriculum and staff development	(2,740,248)
21	Instructional leadership	(3,177,371)
23	School leadership	(9,201,574)
31	Guidance, counseling, and evaluation services	(5,751,717)
32	Social work services	(292,753)
33	Health services	(1,538,924)
34	Student transportation	(3,908,017)
35	Food service	140,680
36	Extracurricular activities	(4,334,556)
41	General administration	(5,454,416)
51	Facilities maintenance and operations	(14,346,215)
52	Security and monitoring services	(2,162,924)
53	Data processing services	(4,138,131)
61	Community services	(504,818)
72	Interest on long-term debt	(6,192,057)
73	Debt issuance costs and fees	(1,366,063)
81	Facility repairs and maintenance	(1,559,573)
95	Payments to JJAEP	(12,804)
99	Other intergovernmental charges	(299,067)
TG	**Total Governmental Activities**	(128,576,026)
	General Revenues:	
	Taxes:	
MT	Property taxes, levied for general purposes	46,023,790
DT	Property taxes, levied for debt service	19,332,940
SF	State-aid formula grants	70,656,734
IE	Investment earnings	4,508,463
MI	Miscellaneous	1,023,518
TR	**Total General Revenues**	141,545,445
CN	Change in net position	12,969,419
	Net Position - Beginning, as previously stated	(7,694,905)
PA	Prior period adjustments	11,798,963
NB	**Net Position - Beginning, as restated**	4,104,058
NE	**Net Position - Ending**	$ 17,073,477

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2024

Data Control Codes		General Fund	ARPA - ESSER III	Debt Service Fund
	Assets			
1110	Cash and cash equivalents	$ 54,548,828	$ -	$ 22,739,786
	Receivables:			
1220	Delinquent property taxes receivables	2,693,027	-	1,014,029
1230	Allowance for uncollectible taxes (credit)	(134,651)	-	(50,701)
1240	Receivables from other governments	21,732,495	7,771,117	52,918
1260	Due from other funds	12,517,301	-	-
1300	Inventories	92,648	-	-
1410	Prepaid items	446,415	-	-
1000	**Total Assets**	$ 91,896,063	$ 7,771,117	$ 23,756,032
	Liabilities, Deferred Inflows of Resources, and Fund Balances			
	Liabilities:			
2110	Accounts payable	$ 541,283	$ 78,467	$ -
2150	Payroll deduction and withholdings payable	995,113	1,947	-
2160	Accrued wages payable	9,993,530	30,019	-
2170	Due to other funds	-	7,660,684	-
2180	Due to other governments	3,646,593	-	94,972
2300	Unearned revenue	1,700	-	-
2000	**Total Liabilities**	15,178,219	7,771,117	94,972
	Deferred Inflows of Resources			
	Unavailable revenue - property taxes	2,558,376	-	963,328
	Unavailable revenue - SHARS	2,396,410	-	-
2600	**Total Deferred Inflows of Resources**	4,954,786	-	963,328
	Fund Balances:			
	Nonspendable:			
3410	Inventories	92,648	-	-
3430	Prepaid Items	446,415	-	-
	Restricted for:			
3450	Grants	-	-	-
3470	Capital acquisitions and contractual obligations	-	-	-
3480	Debt service	-	-	22,697,732
	Committed for:			
3545	Other/campus activity funds	-	-	-
3600	**Unassigned**	71,223,995	-	-
3000	**Total Fund Balances**	71,763,058	-	22,697,732
4000	**Total Liabilities, Deferred Inflows of Resources and Fund Balances**	$ 91,896,063	$ 7,771,117	$ 23,756,032

Data Control Codes		Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
	Assets			
1110	Cash and cash equivalents	$ 169,393,634	$ 4,788,813	$ 251,471,061
	Receivables:			
1220	Delinquent property taxes receivables	-	-	3,707,056
1230	Allowance for uncollectible taxes (credit)	-	-	(185,352)
1240	Receivables from other governments	-	5,242,793	34,799,323
1260	Due from other funds	-	239,367	12,756,668
1300	Inventories	-	223,685	316,333
1410	Prepaid items	-	-	446,415
1000	**Total Assets**	$ 169,393,634	$ 10,494,658	$ 303,311,504
	Liabilities, Deferred Inflows of Resources, and Fund Balances			
	Liabilities:			
2110	Accounts payable	$ 940,500	$ 601,187	$ 2,161,437
2150	Payroll deduction and withholdings payable	-	85,850	1,082,910
2160	Accrued wages payable	-	639,830	10,663,379
2170	Due to other funds	1,092,689	5,094,972	13,848,345
2180	Due to other governments	-	-	3,741,565
2300	Unearned revenue	-	-	1,700
2000	**Total Liabilities**	2,033,189	6,421,839	31,499,336
	Deferred Inflows of Resources			
	Unavailable revenue - property taxes	-	-	3,521,704
	Unavailable revenue - SHARS	-	-	2,396,410
2600	**Total Deferred Inflows of Resources**	-	-	5,918,114
	Fund Balances:			
	Nonspendable:			
3410	Inventories	-	223,685	316,333
3430	Prepaid Items	-	-	446,415
	Restricted for:			
3450	Grants	-	3,245,028	3,245,028
3470	Capital acquisitions and contractual obligations	167,360,445	-	167,360,445
3480	Debt service	-	-	22,697,732
	Committed for:			
3545	Other/campus activity funds	-	607,833	607,833
3600	**Unassigned**	-	(3,727)	71,220,268
3000	**Total Fund Balances**	167,360,445	4,072,819	265,894,054
4000	**Total Liabilities, Deferred Inflows of Resources and Fund Balances**	$ 169,393,634	$ 10,494,658	$ 303,311,504


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DUNCANVILLE INDEPENDENT SCHOOL DISTRICT *Exhibit C-1R*

RECONCILIATION OF BALANCE SHEET FOR GOVERNMENTAL FUNDS TO STATEMENT OF NET POSITION

June 30, 2024

Data Control Codes		
	Total Fund Balance, Governmental Funds	$ 265,894,054
	Amounts reported for governmental activities in the statement of net position (A-1) are different because:	
1	Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. Capital assets at historical cost, net of accumulated depreciation and amortization, where applicable.	187,897,181
2	Revenue reported as a deferred inflow of resources in the governmental fund financial statements was recorded as revenue in the government-wide financial statements.	5,918,114
3	Deferred charges on refunding	371,246
4	Deferred outflows of resources - pension related	16,521,685
5	Deferred outflows of resources - OPEB related	5,385,520
	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. Long-term liabilities at year end consist of:	
6	General obligation bonds	(333,240,000)
7	Premium on bonds	(24,051,592)
8	Accreted interest and premium on capital appreciation bonds	(3,011,072)
9	Right to Use lease liability	(318,236)
10	SBITA liability	(135,292)
11	Net pension liability	(47,308,141)
12	Net OPEB liability	(20,017,005)
13	Accrued interest payable	(2,556,171)
14	Deferred inflows of resources - pension related	(2,623,483)
15	Deferred inflows of resources - OPEB related	(33,295,472)
16	The District uses internal service funds to charge the cost of certain activities, such as self-insurance, to appropriate functions in other funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	1,642,141
29	**Total Net Position - Governmental Activities**	$ 17,073,477

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS

For the Year Ended June 30, 2024

Data Control Codes		General Fund	ARPA - ESSER III	Debt Service Fund
	Revenues			
5700	Local, intermediate, and out-of-state	$ 50,306,600	$ -	$ 20,021,955
5800	State program revenues	75,269,373	-	2,834,316
5900	Federal program revenues	2,633,772	8,687,008	-
5020	**Total Revenues**	128,209,745	8,687,008	22,856,271
	Expenditures			
	Current:			
0011	Instruction	58,914,045	5,175,776	-
0012	Instructional resources and media services	1,651,423	53,307	-
0013	Curriculum and staff development	3,411,206	196,195	-
0021	Instructional leadership	3,767,786	1,227,510	-
0023	School leadership	9,659,087	295,467	-
0031	Guidance, counseling and evaluation services	6,184,644	199,877	-
0032	Social work services	325,241	123,787	-
0033	Health services	1,651,102	54,678	-
0034	Student transportation	3,730,219	125,654	-
0035	Food services	-	-	-
0036	Extracurricular activities	4,447,534	130,308	-
0041	General administration	5,106,784	188,203	-
0051	Facilities maintenance and operations	14,551,738	411,025	-
0052	Security and monitoring services	2,287,259	165,572	-
0053	Data processing services	4,033,456	118,814	-
0061	Community services	580,182	25,363	-
	Debt service:			
0071	Principal on long-term debt	534,606	191,302	12,925,000
0072	Interest on long-term debt	29,794	4,170	7,512,454
0073	Debt issuance costs and fees	-	-	12,725
	Capital outlay:			
0081	Facilities acquisition and construction	243,584	-	-
	Intergovernmental:			
0095	Payments to Juvenile Justice Alt. Ed. Prgm.	12,804	-	-
0099	Other intergovernmental charges	299,067	-	-
6030	**Total Expenditures**	121,421,561	8,687,008	20,450,179
1100	Excess (deficiency) of revenues over expenditures	6,788,184	-	2,406,092
	Other Financing Sources (Uses)			
7911	Capital-related debt issued	-	-	-
7915	Transfers in	563,595	-	2,843,415
7916	Premium or discount on issuance of bonds	-	-	-
8911	Transfers out	-	-	-
7080	**Total Other Financing Sources (Uses)**	563,595	-	2,843,415
1200	Net change in fund balances	7,351,779	-	5,249,507
0100	**Fund Balance - July 1 (beginning)**	64,411,279	-	17,448,225
1300	Change within financial reporting entity (nonmajor to major)	-	-	-
	Fund Balance - July 1 (beginning, as restated)	64,411,279	-	17,448,225
3000	**Fund Balance - June 30 (ending)**	$ 71,763,058	$ -	$ 22,697,732

Data Control Codes		Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
	Revenues			
5700	Local, intermediate, and out-of-state	$ 327,184	$ 1,861,718	$ 72,517,457
5800	State program revenues	-	1,944,601	80,048,290
5900	Federal program revenues	-	15,944,159	27,264,939
5020	**Total Revenues**	327,184	19,750,478	179,830,686
	Expenditures			
	Current:			
0011	Instruction	-	6,779,418	70,869,239
0012	Instructional resources and media services	-	49,048	1,753,778
0013	Curriculum and staff development	-	2,030,908	5,638,309
0021	Instructional leadership	-	484,115	5,479,411
0023	School leadership	-	5,773	9,960,327
0031	Guidance, counseling and evaluation services	-	618,005	7,002,526
0032	Social work services	-	-	449,028
0033	Health services	-	-	1,705,780
0034	Student transportation	-	54,345	3,910,218
0035	Food services	-	7,610,015	7,610,015
0036	Extracurricular activities	-	777,617	5,355,459
0041	General administration	-	8,302	5,303,289
0051	Facilities maintenance and operations	17,370	1,230,939	16,211,072
0052	Security and monitoring services	-	64,336	2,517,167
0053	Data processing services	49,148	-	4,201,418
0061	Community services	-	160,032	765,577
	Debt service:			
0071	Principal on long-term debt	-	-	13,650,908
0072	Interest on long-term debt	-	-	7,546,418
0073	Debt issuance costs and fees	1,353,338	-	1,366,063
	Capital outlay:			
0081	Facilities acquisition and construction	1,956,273	-	2,199,857
	Intergovernmental:			
0095	Payments to Juvenile Justice Alt. Ed. Prgm.	-	-	12,804
0099	Other intergovernmental charges	-	-	299,067
6030	**Total Expenditures**	3,376,129	19,872,853	173,807,730
1100	Excess (deficiency) of revenues over expenditures	(3,048,945)	(122,375)	6,022,956
	Other Financing Sources (Uses)			
7911	Capital-related debt issued	166,020,000	-	166,020,000
7915	Transfers in	-	239,367	3,646,377
7916	Premium or discount on issuance of bonds	8,176,753	-	8,176,753
8911	Transfers out	(3,894,358)	-	(3,894,358)
7080	**Total Other Financing Sources (Uses)**	170,302,395	239,367	173,948,772
1200	Net change in fund balances	167,253,450	116,992	179,971,728
0100	**Fund Balance - July 1 (beginning)**	-	4,062,822	85,922,326
1300	Change within financial reporting entity (nonmajor to major)	106,995	(106,995)	-
	Fund Balance - July 1 (beginning, as restated)	106,995	3,955,827	85,922,326
3000	**Fund Balance - June 30 (ending)**	$ 167,360,445	$ 4,072,819	$ 265,894,054

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT

Exhibit C-2R

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2024

Data Control Codes		
	Net Change in Fund Balances - Total Governmental Funds (from C-3)	$ 179,971,728
	Amounts reported for governmental activities in the statement of activities (B-1) are different because:	
	Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	
1	Capitalized expenditures reclassified to assets	2,674,020
2	Depreciation and amortization expense taken to Statement of Activities	(11,013,607)
3	Certain revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(527,493)
4	Repayment of bond principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	12,925,000
5	Repayment of lease and SBITA liability principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	725,908
	Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in the governmental funds:	
6	Amortization of bond premiums	1,822,459
7	Accreted interest and premium on capital appreciation bonds	160,846
8	Decrease in interest payable not recognized in fund statements	153,945
9	Amortization of deferred gain on refunding	(782,889)
10	Bond proceeds from issuance of debt	(166,020,000)
11	Premium on issuance of debt	(8,176,753)
12	Changes in net pension liabilities and related deferred outflows and inflows of resources	(3,937,573)
13	Changes in net OPEB liabilities and related deferred outflows and inflows of resources	4,982,233
14	The District uses internal service funds to charge the costs of self-insurance to appropriate functions in other funds. The net effect of this consolidation is to increase net position.	11,595
15	**Change in Net Position of Governmental Activities (see B-1)**	$ 12,969,419

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT *Exhibit D-1*

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2024

	Governmental Activities Total Internal Service Funds
Assets	
Current Assets:	
Cash and cash equivalents	$ 810,051
Receivables:	
Due from other funds	1,091,677
Total Assets	$ 1,901,728
Liabilities	
Current Liabilities:	
Accrued expenses	$ 259,587
Total Liabilities	$ 259,587
Net Position	
Unrestricted	$ 1,642,141
Total Net Position	$ 1,642,141

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT

Exhibit D-2

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended June 30, 2024

	Governmental Activities Total Internal Service Funds
Operating Revenues	
Total local and intermediate sources	$ 207,351
State program revenues	7,953
Total Operating Revenues	215,304
Operating Expenses	
Payroll costs	101,252
Supplies and materials	111,196
Claims expense and other operating expenses	239,242
Total Operating Expenses	451,690
Operating Income (Loss)	(236,386)
Transfers	
Transfers in	247,981
Total Transfers	247,981
Change in Net Position	11,595
Net Position - July 1 (Beginning)	1,630,546
Net Position - June 30 (Ending)	$ 1,642,141

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT

Exhibit D-3

STATEMENT OF CASH FLOWS
PROPRIETARY FUND
For the Year Ended June 30, 2024

	Governmental Activities Total Internal Service Funds
Cash Flows from Operating Activities:	
Internal activity - payments from other funds	$ 216,588
Cash payments to employees for services	97,573
Cash payments from insurance claims	(239,242)
Cash payments for suppliers	(111,196)
Net Cash Provided by (Used for) Operating Activities	(36,277)
Cash Flows from Non-Capital Financing Activities:	
Transfers In	247,981
Net Cash Provided by (Used for) Non-Capital Financing Activities	247,981
Net Change in Cash and Cash Equivalents	211,704
Cash and Cash Equivalents at Beginning of Year	598,347
Cash and Cash Equivalents at End of Year	$ 810,051
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:	
Operating Income (Loss)	$ (236,386)
Change in Assets, Liabilities, Deferred Inflows and Outflows:	
Increase (decrease) in accrued expenses	198,825
Decrease (increase) in interfund receivables	1,284
Net Cash Provided by (Used for) Operating Activities	$ (36,277)

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT

Exhibit E-1

STATEMENT OF NET POSITION
FIDUCIARY FUNDS
June 30, 2024

	Custodial Funds
Assets	
Cash and cash equivalents	$ 189,147
Other receivables	542
Total Assets	189,689
Net Position	
Restricted for scholarships and other activities	189,689
Total Net Position	$ 189,689

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT

Exhibit E-2

STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
For the Year Ended June 30, 2024

	Custodial Funds
Additions	
Miscellaneous revenues from student groups	$ 197,743
Total Additions	197,743
Deductions	
Student activities	129,084
Total Deductions	129,084
Change in net position	68,659
Total Net Position July 1 (Beginning)	121,030
Total Net Position June 30 (Ending)	$ 189,689


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Note 1 - Summary of Significant Accounting Policies

Duncanville 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 promulgated by the Governmental Accounting Standards Board and other authoritative sources; and it 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. The following is a summary of the more significant accounting policies of the District.

Reporting Entity

The Board of Trustees (the Board) is elected by the public and it 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*. There are no component units included within the reporting entity and the District is not included in any other governmental reporting entity.

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 Duncanville 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 District has no business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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 emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All other revenues and expenses are non-operating.

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.

Note 1 - Summary of Significant Accounting Policies (continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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.

Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the susceptible to accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available.

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 amounts.

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

Fund Accounting

Governmental Funds

The District reports the following major governmental funds:

General Fund

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

Debt Service Fund

The debt service fund is utilized to account for the accumulation of resources and the payment of general long-term debt principal, interest, and related costs arising from general obligation bonds.

Note 1 - Summary of Significant Accounting Policies (continued)

Fund Accounting (continued)

Governmental Funds (continued)

Capital Projects Fund

The capital projects fund is utilized to account for financial resources to be used for the acquisition or construction of major capital facilities. Such resources are derived from proceeds of General Obligation Bonds and interest earned on such monies and local sources designated for such purpose.

ARPA – ESSER III

The District accounts for resources of ESSER III restricted to, or designated for, specific purposes by the District or a grantor in a special revenue fund. The federal revenue is accounted for in a special revenue fund and any unused balances must be returned to the grantor at the close of the specified grant period.

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

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.

Proprietary Funds

Internal Service Funds

Revenues and expenses related to services provided to organizations inside the District on a cost reimbursement basis are accounted for in an internal service fund. The District's Internal Service Funds are for transportation and the District's worker's compensation self-insurance fund.

Fiduciary Funds

Custodial Funds

The District accounts for resources held for others in a custodial capacity in custodial funds. The District accounts for resources held for others in a custodial capacity in a custodial fund. The District's custodial fund are the student activity fund and various scholarship funds. The fund is used to account for assets held by the District as a custodian for student and other organizations.

Financial Statement Accounts

Cash and Cash Equivalents

For the purposes of the statement of cash flows for proprietary and similar fund types, the District considers highly liquid investments to be cash equivalents if they have a maturity of three months or less when purchased.

Note 1 - Summary of Significant Accounting Policies (continued)

Financial Statement Accounts (continued)

Investments

In accordance with GASB Statement Nos. 31 and 72, the District's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes.

Inventories of Supplies and Materials

Supplies and materials to be utilized in governmental funds are recorded as expenditures under the consumption method. Under the consumption method, cost is recorded as an expenditure in the period supplies and materials are utilized. Supplies and materials purchased for the subsequent year are recorded by specific identification. All inventories are capitalized at cost using the first-in, first-out valuation method.

Property Taxes

Property taxes are levied by October 1, on the assessed value listed as of 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.

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.

Capital Assets

Capital assets, which include land, buildings, furniture and equipment, right to use leased equipment and subscription-based IT arrangements (SBITA) assets are reported in the governmental activities column 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 (except for intangible right to use leased and SBITA assets) and an estimated useful life in excess of two years. Such assets are recorded at historical cost (except for intangible right to use leased and SBITA assets) or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value.

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

Note 1 - Summary of Significant Accounting Policies (continued)

Financial Statement Accounts (continued)

Capital Assets (continued)

Land is not depreciated. The other tangible and intangible property, equipment, the right to use leased equipment, SBITA assets and infrastructure of the primary government are depreciated/amortized using the straight-line method over the following estimated useful lives:

Asset Class	Years
Buildings	50
Building Improvements	7-30
Vehicles	5-10
Office Equipment	5-20
Computer Equipment	5
Right to Use Asset	3-5
Subscription Based IT Arrangements	Term of subscription

Leases

The District is a lessee for noncancellable leases of property and equipment. The District recognizes a lease liability, reported with long-term debt, and a right-to-use lease asset (lease asset), reported with other capital assets, in the government-wide financial statements. The District recognizes lease liabilities with an initial, individual value of $25,000 or more.

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

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

- The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease payments included in the measurement of the lease liability are composed of fixed payments, variable payments fixed in substance or that depend on an index or a rate, purchase option price that the District is reasonably certain to exercise, lease incentives receivable from the lessor, and any other payments that are reasonably certain of being required based on an assessment of all relevant factors.

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

Note 1 - Summary of Significant Accounting Policies (continued)

Financial Statement Accounts (continued)

Subscription-Based Information Technology Arrangements (SBITA)

The District is under contracts for SBITA for various financial and educational software. The agreements/contracts are noncancellable and the District recognizes a SBITA liability and an intangible right-to-use SBITA asset in the government-wide financial statements. The District recognizes SBITA liabilities with an initial, individual value of $25,000 or more.

At the commencement of the SBITA, the District initially measures the SBITA liability at the present value of payments expected to be made during the SBITA term. Subsequently, the SBITA liability is reduced by the principal portion of SBITA payments made. The SBITA asset is initially measured as the initial amount of the SBITA liability, adjusted for payments made at or before the SBITA commencement date, plus certain initial direct costs. Subsequently, the SBITA asset is amortized on a straight-line basis over its useful life. Key estimates and judgments related to SBITA include how the District determines (1) the discount rate it uses to discount the expected SBITA payments to present value, (2) SBITA term, and (3) SBITA payments.

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

The District monitors changes in circumstances that would require a remeasurement of its SBITA and will remeasure the SBITA asset and liability if certain changes occur that are expected to significantly affect the amount of the SBITA liability. SBITA assets are reported with other capital assets and SBITA liabilities are reported with long-term debt on the statement of net position.

Deferred Outflows/Inflows of Resources

Deferred outflows and inflows of resources are reported in the statement of financial position as described below:

A *deferred outflow of resources* is a consumption of a government's net assets (a decrease in assets in excess of any related decrease in liabilities or an increase in liabilities in excess of any related increase in assets) by the government that is applicable to a future reporting period. The District has three items that qualify for reporting in this category:

- *Deferred charge on refunding* - Reported in the government-wide statement of net position, this deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- *Deferred outflows relating to pension activities* – Reported in the government-wide financial statement of net position, this deferred outflow results from pension plan contributions made after the measurement date of the net pension liability and the results 1) changes in the District's proportional share of pension liabilities, 2) changes in actuarial assumptions; and 3) differences between expected and actual actuarial experiences. The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the next fiscal year. The remaining pension related deferred outflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with pensions through the pension plan.

Note 1 - Summary of Significant Accounting Policies (continued)

Financial Statement Accounts (continued)

Deferred Outflows/Inflows of Resources (continued)

- *Deferred outflows of resources for post-employment benefits* – Reported in the government wide financial statement of net position, this deferred outflow results from pension plan contributions made after the measurement date of the net pension liability and the results of 1) changes in the District's proportional share of post-employment liabilities; 2) changes in actuarial assumptions; 3) differences between expected and actual actuarial experiences and 4) differences between projected and actual earnings on post-employment plan investments. The deferred outflows of resources related to post-employment benefits resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net post-employment benefit liability in the next fiscal year. The deferred outflows resulting from differences between projected and actual earnings on OPEB plan investments will be amortized over a closed five year period. The remaining deferred outflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with post-employment benefits through the postemployment benefit plan.

A *deferred inflow of resources* is an acquisition of a government's net assets (an increase in assets in excess of any related increase in liabilities or a decrease in liabilities in excess of any related decrease in assets) by the government that is applicable to a future reporting period. The District has three items that qualify for reporting in this category:

- *Deferred inflows of resources for unavailable revenues* – Reported only in the governmental funds balance sheet, unavailable revenues from property taxes arise under the modified accrual basis of accounting. These amounts are deferred and recognized as an inflow or resources in the period that the amounts become available.
- *Deferred inflows relating to pension activities* – Reported in the government-wide financial statement of net position, these deferred inflows result primarily from 1) changes in the District's proportional share of pension liabilities; 2) changes in actuarial assumptions; 3) differences between expected and actual actuarial experiences and 4) differences between projected and actual earnings on pension plan investments. The deferred inflows resulting from differences between projected and actual earnings on pension plan investments will be amortized over a closed five year period. The remaining pension related deferred inflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with pensions through the pension plan.
- *Deferred inflows of resources for post-employment benefits* – Reported in the government wide financial statement of net position, these deferred inflows result primarily from 1) changes in actuarial assumptions and 2) differences between expected and actual actuarial experiences. These post-employment related deferred inflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with post-employment benefits through the post-employment benefit plan.

Long-Term Debt

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 governmental 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. Bond issuance costs are expensed when incurred.

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.

Note 1 - Summary of Significant Accounting Policies (continued)

Financial Statement Accounts (continued)

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation until expended or accrued as a liability of the fund, is employed as an integral part of the accounting system. There were no material encumbrances outstanding as of year-end.

Data Control Codes

The Data Control Codes refer to the account code structure prescribed by 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 ensure accuracy in building a statewide database for policy development and funding plans.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

The amount of state foundation revenue a school district earns for a year can and does vary until the time when final values for each of the factors in the formula become available. Availability can be as late as midway into the next fiscal year. It is at least reasonably possible that the foundation revenue estimate as of June 30, 2024 will change.

Pension

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

Other Post-Employment Benefits (OPEB)

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.

Note 1 - Summary of Significant Accounting Policies (continued)

Financial Statement Accounts (continued)

Fund Balance

The fund balance in governmental funds has been classified as follows to describe the nature and relative strength of the spending constraints:

- Nonspendable fund balance – amounts that are not in spendable form or are required to be maintained intact. At June 2024, the District's nonspendable fund balance totals $762,748.
- Restricted fund balance – Amounts that can be spent only for specific purposes because of local, state or federal laws, or externally imposed conditions by grantors or creditors. At June 30, 2024, the District's restricted fund balance totals $22,697,732.
- Committed fund balance – amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority (i.e. the Board of Trustees). To be reported as committed, amounts cannot be used for any other purposes unless the District takes the same highest level of action to remove or change the constraint. The District establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. The District has committed 100 percent of fund 461 Campus Activity Funds' fund balance as well as for future expenditures related to the purchase of band equipment, school buses, technology, instructional materials, and property insurance. At June 30, 2024, the District's committed fund balance totals $607,833.
- Assigned fund balance – amounts the District intends to use for a specific purpose. Intent can be expressed by the District or by an official or body to which the Board of Trustees delegates the authority. The Board of Trustees has retained this authority. There is no amount of fund balance assigned at the end of the year.
- Unassigned fund balance – amounts that are available for any purpose. Positive amounts are reported only in the General Fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Trustees have provided otherwise in their commitment or assignment actions. In the fund financial statements, certain governmental funds report restrictions of the entire fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Since the entire fund balance is restricted for these funds, all assets are in essence restricted for their specified purpose. When the District incurs an expense for which it may use either restricted or unrestricted resources, it uses the restricted resources first unless unrestricted resources will have to be returned because they were not used.

At June 30, 2024, the Local Miscellaneous Grant, a special revenue fund, had a net deficit fund balance of $3,727.

Net Position

Net Position on the Statement of Net Position includes the following:

- *Net investment in capital assets* - this component of net position consists of capital assets, net accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt will be included in this component of net position.
- *Restricted for federal and state programs* - this component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets, which are restricted by federal and state granting agencies.
- *Unrestricted net position* - this component of net position is the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

Note 1 - Summary of Significant Accounting Policies (continued)

Financial Statement Accounts (continued)

Implementation of New Accounting Standards

GASB issued Statement No. 99, *Omnibus 2022,* in April 2022. This Statement was issued to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements and accounting and financial reporting for financial guarantees. The requirements of this statement had various effective dates and specific provisions were implemented prior to fiscal year 2024. The remaining requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The remaining requirements of this statement were implemented in fiscal year 2024 and did not have a material impact on the financial statements.

GASB issued Statement No. 100, *Accounting Changes and Error Corrections - an Amendment of GASB Statement No. 62,* in June 2022. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The requirements of this statement were implemented in fiscal year 2024.

GASB issued Implementation Guide 2021-1, *Implementation Guidance Update - 2021*, in May 2021. The primary objective of this Implementation Guide is to provide guidance that clarifies, explains, or elaborates on GASB Statements. The requirements of this Implementation Guide had various effective dates and specific provisions were implemented prior to fiscal year 2024. The remaining requirement, an amendment to Question 7.9.8 in Implementation Guide 2015-1 effective for reporting periods beginning after June 15, 2023, requires governments to capitalize assets whose individual acquisition costs are less than the threshold for an individual asset if those assets in the aggregate are significant. The requirements of this statement were implemented in fiscal year 2024 and did not have a material impact on the financial statements.

GASB issued Implementation Guide 2023-1, *Implementation Guidance Update - 2023*, in June 2023. The primary objective of this Implementation Guide is to provide guidance that clarifies, explains, or elaborates on GASB Statements. This Implementation Guide amends Implementation Guide No. 2019-3, *Leases*, Question 4.16, and Implementation Guide No. 2021-1, *Implementation Guidance Update--2021*, Question 4.13. The requirements of this Implementation Guide are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The requirements of this Implementation Guide were implemented in fiscal year 2024 and did not have a material impact on the financial statements.

Note 2 - Stewardship, Compliance, and Accountability

Budgetary Data

The Board of Trustees adopts an "appropriated budget" on a basis consistent with generally accepted accounting principles for the General Fund, Debt Service Fund and the Child Nutrition 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 Budgetary Comparison and Schedule appear as required supplementary information (Exhibit G-1). The Debt Service Budgetary Comparison and Schedule and Child Nutrition Budgetary Comparison and Schedule are reflected as other supplementary information (Exhibit J-3 and J-2, respectively).

The following procedures are followed in establishing the budgetary data reflected in the general purpose 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 the 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.
4. The Texas Education Agency requires these budgets to be filed with the Texas Education Agency. The budget should not be exceeded in any functional expenditure category under TEA requirements. The original and final amended versions of these budgets are used in this report.

Note 3 - Deposits and Investments

Cash Deposits: The funds of the District must be deposited and invested under the terms of a contract, contents of which are set out in the Depository Contract Law. The depository bank places approved pledged securities for safekeeping and trust with the District's agent bank in an amount sufficient to protect District funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

On June 30, 2024, the carrying amount of the District's cash deposits (cash and interest-bearing accounts) was $15,247,711 and the bank balance was $16,856,946. The District's cash deposits on June 30, 2024, were entirely covered by FDIC Insurance or by pledged collateral held by the District's agent bank in the District's name.

Investments: The District's investment policy is in accordance with the Public Funds Investment Act (Government Code Chapter 2256). Statutes authorize the District to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas; (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers' acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, (10) and common trust funds.

Note 3 - Deposits and Investments (continued)

The State Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports, and establishment of appropriate policies. It requires the District to adopt, implement, and publicize an investment policy. The investment policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit. Statutes authorize the District to invest in (1) obligations of the United States Treasury, certain United States agencies, and obligations of the State of Texas; (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers' acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, and (10) common trust funds. Management of the District believes it is in compliance with the requirements of the Act and with local policies.

The District's investments are in investment pools that are measured either at net asset value or at amortized cost and are exempt for fair value reporting.

The TexPool and Lone Star investment pools are external investment pools measured at amortized cost. In order to meet the criteria to be recorded at amortized cost, investment pools 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 pools transact at a net asset value of $1.00 per share, have weighted average maturity of 60 days or less and weighted average life of 120 days or less, investments held are highly rated by nationally recognized statistical rating organization, have no more than 5% of portfolio with one issuer (excluding US government securities), and can meet reasonably foreseeable redemptions. TexPool and Lone Star have a redemption notice period of one day and no maximum transaction amounts. 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 pools' liquidity.

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

Note 4 - Deposits and Investments

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

The Lone Star Investment Pool is an investment pool available to governmental entities. The pool was established under the guidance of the Texas Public Funds Investment Act. A board of directors made up of members of the pool is responsible for the overall operation of the pool. The Board has employed various third party organizations to assist in the operations. These third parties are as follows: American Beacon Advisors- Investment Managers, CAPTRUST Financial Advisors- Investment Consultant, State Street Bank- Custodian, and First Public- Administration. In combination with these third party organizations, the pool has received an AAA rating from Standard & Poor's. This rating allows the pool to meet the standards required by the Texas Public Funds Investment Act.

Note 4 - Deposits and Investments (continued)

LOGIC is duly chartered by the State of Texas Interlocal Cooperation Act, is administered by First Southwest Asset Management, Inc. and J.P. Morgan Investment Management, Inc. (JPMIM), and managed by JPMIM. J.P. Morgan Chase provides custody, fund accounting and transfer agency services. LOGIC may invest in obligations of the U.S. or its agencies and instrumentalities; repurchase agreements; SEC-registered money market funds rated in the highest rating category by at least one nationally recognized statistical rating organization (NRSRO); and commercial paper rated A-1, P-1 or equivalent by on NRSRO and is fully secured by an irrevocable letter of credit.

Furthermore, Public Trust Advisors, LLC provides specialized investment opportunities and a broad range of services to state and local governments, academic institutions, and other public and private-sector investors.

The Texas Cooperative Liquid Assets Securities System Trust (Texas CLASS) was created as an investment pool for its participants pursuant to Section 2256.016 of the Public Funds Investment Act, Texas Government Code. The Texas CLASS Trust Agreement (Trust) is an agreement of indefinite term regarding the investment, reinvestment and withdrawal of local government funds. The parties to the Trust Agreement are Texas local government entities that choose to participate (the Participants), MBIA Municipal Investors Service Corporation as Program Administrator (the Program Administrator) and Wells Fargo Bank Texas, NA as Custodian (the Custodian).

Texas CLASS is supervised by a Board of Trustees who are elected by the Participants. The Board of Trustees supervises the Trust and its affairs and acts as the liaison between the Participants, the Custodian, and the Program Administrator. The Board administers the affairs of the Trust. It also selects the consultants for Texas CLASS, including the Program Administrator and the Custodian. The Board of Trustees has appointed an Advisory Board composed of Participants and other persons who do not have a business relationship with the Trust and are qualified to advise the Trust. The Advisory Board provides advice to the Board of Trustees and the Program Administrator about the investment policy and investment strategy of the Trust and about other matters as requested by the Board of Trustees and the Program Administrator. The Fund is rated AAA by Standard & Poor's rating agency. This rating is the highest principal stability fund rating assigned by Standard & Poor's.

The State Comptroller of Public Accounts exercises responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters.

Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. TexPool operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. TexPool uses amortized cost rather than the fair value to report net position to compute share prices. Accordingly, the fair value of the position in TexPool is the same as the value of TexPool shares. TexPool is rated AAAm by Standard & Poor's rating agency. This rating is the highest principal stability fund rating assigned by Standard & Poor's.

Note 4 - Deposits and Investments (continued)

At June 30, 2024, the District's cash and investment balances, the weighted average maturity, and the credit ratings of these investments were as follows:

	Carrying Value	Weighted Average Maturity (Days)	Credit Rating
Cash and Deposits:			
Governmental Activities	$ 15,156,028		
Fiduciary Funds	88,503		
Total Cash and Deposits	15,244,531		
Investments			
Governmental Activities:			
Logic Investment Pool	123,542	46	AAAm
TexPool Investment Pool	190,618,369	36	AAAm
Lone Star Investment Pool	44,853,972	34	AAAm
Texas CLASS	1,529,201	25	AAAm
Fiduciary Funds:			
Lone Star Investment Pool	100,644	34	AAAm
Total Investments	237,225,728	36	
Total Cash and Investments	$ 252,470,259		

Due to the immediate availability of the funds, the District's temporary investments at June 30, 2024 are included in cash and cash equivalents. Local government investment pools are recorded at amortized cost which approximates fair value. TexPool, Lone Star, Texas Class, and LOGIC do not have any limitations and restrictions on withdrawals such as notice periods or maximum transaction amounts. The pools do not impose any liquidity fees or redemption gates.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The table above presents, and the actual rating as of the year-end for each investment type held by the District. The District is not exposed to credit risk as of June 30, 2024.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is 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 its investment or collateral securities that are in the possession of another party. Investments held by third parties were fully collateralized and held in the District's name.

Concentration of Credit Risk

This is the risk of loss attributed to the magnitude of the District's investment in a single issuer (i.e., lack of diversification). Concentration risk is defined as positions of 5 percent or more in the securities of a single issuer. The District's investments in public funds investment pools are not subject to the concentration risk.

Note 4 - Deposits and Investments (continued)

Interest Rate Risk

This is the risk that changes in interest rates will adversely affect the fair value of an investment. The District manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than one year from the time of purchase. The weighted average maturity for each investment pool is less than 90 days.

Foreign Currency Risk

This is the risk that exchange rates will adversely affect the fair value of an investment. At June 30, 2024, the District was not exposed to foreign currency risk.

Note 5 - 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 as of June 30, 2024, are summarized below. All federal grants shown below are passed through the TEA and are reported on the combined financial statements as Due from Other Governments.

Fund	State Entitlements	Federal Grants	Total
General	$ 17,910,721	$ 3,821,774	$ 21,732,495
ARPA - ESSER III	-	7,771,117	7,771,117
Debt Service Fund	52,918	-	52,918
Capital Projects	-	-	-
Non-major governmental	-	5,242,793	5,242,793
Total	$ 17,963,639	$ 16,835,684	$ 34,799,323

Note 6 - Interfund Receivables, Payables, and Transfers

Interfund balances at June 30, 2024 consisted of the following individual fund receivables and payables:

Fund	Interfund Receivable	Interfund Payable
General Fund	$ 12,517,301	$ -
ARPA - ESSER III	-	7,660,684
Capital Projects	-	1,092,689
Non-major governmental	239,367	5,094,972
Internal service funds	1,091,677	-
	$ 13,848,345	$ 13,848,345

Note 6 - Interfund Receivables, Payables, and Transfers (continued)

Interfund transfers are defined as "flows of assets without equivalent flow of assets in return and without a requirement for repayment." Transfers are the use of funds collected in one fund and are transferred to finance various programs accounted for in other funds. The following is a summary of the District's transfers for the fiscal year ended June 30, 2024:

Transfers Out	Transfers In	Amount	Purpose
General Fund	Internal Service Funds	$ 167,429	Transfer to workers compensation
Capital Projects	Internal Service Funds	80,552	To reimburse internal service funds
Capital Projects	General Fund	970,391	To reimburse general fund for bond expenditures
General Fund	Child Nutrition Program	239,367	To cover Child Nutrition deficit
Capital Projects	Debt Service Fund	2,843,415	To deposit bond issuance into Debt Service

Note 7 - Capital Assets

Capital assets activity for the District for the year ended June 30, 2024, was as follows:

	Beginning Balance (Restated)	Additions	Disposals	Ending Balance
Capital Assets, Not Being Depreciated/Amortized				
Land	$ 5,151,359	$ -	$ -	$ 5,151,359
Construction in progress	-	2,033,189	-	2,033,189
Total Capital Assets, Not Being Depreciated/Amortized	5,151,359	2,033,189	-	7,184,548
Capital Assets, Being Depreciated/Amortized				
Buildings and improvements	379,200,500	124,670	-	379,325,170
Furniture and equipment	31,882,684	516,161	-	32,398,845
Right-to-use leased equipment	1,340,680	-	-	1,340,680
Subscription based IT arrangements	893,907	-	-	893,907
Total Capital Assets, Being Depreciated/Amortized	413,317,771	640,831	-	413,958,602
Less accumulated depreciation/amortization				
Buildings and improvements	(193,080,575)	(9,778,590)	-	(202,859,165)
Furniture and equipment	(28,064,958)	(523,725)	-	(28,588,683)
Right-to-use leased equipment	(689,872)	(344,936)	-	(1,034,808)
Subscription based IT arrangements	(396,957)	(366,356)	-	(763,313)
Total Accumulated Depreciation/Amortization	(222,232,362)	(11,013,607)	-	(233,245,969)
Governmental (Net) Capital Assets	$ 196,236,768	$ (8,339,587)	$ -	$ 187,897,181

Note 7 - Capital Assets (continued)

Depreciation/amortization expense was charged to governmental functions as follows:

Function	Depreciation/ Amortization Expense
Instruction	$ 7,341,082
Instructional resources and media services	69,053
Curriculum and staff development	4,130
Instructional leadership	119,038
School leadership	174,183
Guidance, counseling and evaluation services	59,013
Social work services	1,003
Health services	3,842
Student transportation	392,815
Food Services	213,251
Extracurricular activities	37,342
General administration	287,803
Facilities maintenance and operations	357,615
Security and monitoring services	116,856
Data processing services	436,066
Community services	7,610
Facilities acquisition and construction	1,392,905
Total Depreciation/Amortization expense	$ 11,013,607

As of June 30, 2024 the District had $3.7 million construction commitments for ongoing projects.

As of June 30, 2024, the District's calculation of net investments in capital assets is as follows:

Capital Assets, net	$ 187,897,181
Related Debt	(360,599,205)
Deferred charges from refunding	371,246
Unspent bond proceeds	167,360,445
Net Investment in Capital Assets	$ (4,970,333)

Note 8 - Unearned and Unavailable Revenue

Unearned and unavailable revenue reported in the governmental funds at June 30, 2024 consisted of the following:

	General Fund	Debt Service Fund	Total
Net tax unavailable revenue	$ 2,558,376	$ 963,328	$ 3,521,704
SHARS unavailable revenue	2,396,410	-	2,396,410
Total Unavailable Revenue	4,954,786	963,328	5,918,114
Other unearned revenue	1,700	-	1,700
Total Unearned and Unavailable Revenue	$ 4,956,486	$ 963,328	$ 5,919,814

Revenue that is not considered available at year end is reported as a deferred inflow of resources in the governmental funds and is recorded as revenue in the government-wide financial statements. Accordingly, property tax and SHARS unavailable revenues are reported as revenue in the government-wide financial statements.

Note 9 - Long-Term Debt

Long-Term obligation activities during the year ended June 30, 2024, were as follows:

	Balance July 01, 2023	Additions	Retirements	Balance June 30, 2024	Due Within One Year
General Obligation Bonds	$ 180,145,000	$ 166,020,000	$ (12,925,000)	$ 333,240,000	10,495,000
Premium on Capital Appreciation Bonds	3,077,176	-	(223,091)	2,854,085	269,516
Accumulated Accretion on Capital Appreciation Bonds	94,742	74,154	(11,909)	156,987	48,478
Premium on Bonds	17,697,298	8,176,753	(1,822,459)	24,051,592	-
Total Bonds Payable	201,014,216	174,270,907	(14,982,459)	360,302,664	10,812,994
Net Pension Liability	40,505,846	6,802,295	-	47,308,141	-
Net OPEB Liability	22,273,407	-	(2,256,402)	20,017,005	-
Right to Use Lease Liability	668,043	-	(349,807)	318,236	277,059
SBITA Liability	511,393	-	(376,101)	135,292	59,366
Total Long-Term Liabilities	$ 264,972,905	$ 181,073,202	$ (17,964,769)	$ 428,081,338	$ 11,149,419

Bonds Payable

General Obligation Bonds outstanding, at June 30, 2024, are comprised of the following:

Description	Amount of Original Issue	Interest Rate (%)	Maturity Date
Unlimited Tax School Building Bonds - Series 2015	$ 88,170,000	2.00 - 5.00%	2/15/2035
Unlimited Tax Refunding Bonds - Series 2015	54,460,000	2.00 - 5.00%	2/15/2032
Unlimited Tax Refunding Bonds - Series 2020	24,165,000	3.00 - 4.00%	2/15/2026
Unlimited Tax Refunding Bonds - Series 2022A	13,055,000	5.00%	2/15/2033
Unlimited Tax Refunding Bonds - Series 2022B	107,180,000	2.48 - 5.00%	2/15/2045
Unlimited Tax School Building Bonds - Series 2024	166,020,000	4.125 - 5.00%	2/15/2054

Note 9 - Long-Term Debt (continued)

Bonds payable (continued)

Unlimited tax bonds outstanding as of June 30, 2024, are as follows:

Description	Amount Outstanding July 1, 2023	Issued	Retired	Amount Outstanding June 30, 2024	Amount Due Within One Year
Unlimited Tax School Building Bonds - Series 2015	$ 23,930,000	$ -	$ (5,025,000)	$ 18,905,000	$ 2,370,000
Unlimited Tax Refunding Bonds - Series 2015	12,870,000	-	-	12,870,000	-
Unlimited Tax Refunding Bonds - Series 2020	24,165,000	-	(7,775,000)	16,390,000	8,055,000
Unlimited Tax Refunding Bonds - Series 2022A	13,010,000	-	-	13,010,000	-
Unlimited Tax Refunding Bonds - Series 2022B	106,170,000	-	(125,000)	106,045,000	70,000
Unlimited Tax School Building Bonds - Series 2024	-	166,020,000	-	166,020,000	-
	$ 180,145,000	$ 166,020,000	$ (12,925,000)	$ 333,240,000	$ 10,495,000

Debt service requirements are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	$ 10,495,000	$ 12,391,268	$ 22,886,268
2026	10,930,000	14,801,006	25,731,006
2027	9,045,000	16,579,606	25,624,606
2028	12,640,000	13,571,106	26,211,106
2029	13,800,000	12,939,106	26,739,106
2030 - 2034	70,545,000	54,124,145	124,669,145
2035 - 2039	46,725,000	41,152,136	87,877,136
2040 - 2044	57,210,000	30,797,058	88,007,058
2045 - 2049	47,765,000	18,783,022	66,548,022
2050 - 2054	54,085,000	7,156,150	61,241,150
	$ 333,240,000	$ 222,294,603	$ 555,534,603

The District has one bond series, 2022B, that includes capital appreciation bonds and capital appreciation bond premiums. No interest is paid on these bonds prior to maturity. The bonds mature variously in 2024. Interest accrues on these bonds each February 15 and August 15 even though the interest is not paid until maturity.

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

The District placed the proceeds of the 2020 and 2022B refunding bonds in an irrevocable trust that will provide all future debt service payments on the original bonds. As of June 30, 2024, the outstanding balance of defeased bonds is $16,390,000 and $106,170,000 respectively.

Debt Issuance in Current Year

The District issued $166,020,000 Unlimited Tax School Building Bonds, Series 2024 on May 29, 2024. Proceeds from the sale of the Bonds will be used (i) for the construction, acquisition, renovation, improvement and equipment of school buildings, including equipment used for school safety and security purposes, Career and Technical Education additions, and for the purchase of new school buses and retrofitting of school buses with emergency, safety, or security equipment; (ii) for the acquisition, improvement, equipment and updating of technology, including interactive monitors, computers and tablet devices for students in the District; (iii) to fund capitalized interest on the Bonds; and (iv) to pay costs of issuance related to the Bonds. The stated interest rate is 4.125% to 5.000% and the Bonds mature fully in 2054.

Note 9 - Long-Term Debt (continued)

Right to Use Leases payable

The District has several agreements to lease copier, mail equipment, and a fiber network. As of June 30, 2024, the value of the lease liability was $318,236. The District is required to make monthly principal and interest payments ranging from $433 to $28,903. The leases have an interest rate of 4.00%. The corresponding RTU assets estimated useful lives are the same as their corresponding lease terms. The value of the right-to-use assets as of the end of the current fiscal year was $305,872 which includes the asset at $1,340,680 and accumulated amortization of $1,034,808.

The future principal and interest lease payments as of June 30, 2024, were as follows:

Year Ending June 30,	Principal	Interest	Amount
2025	$ 277,059	$ 6,337	$ 283,396
2026	17,681	1,255	18,936
2027	17,504	566	18,070
2028	5,992	32	6,024
Total	$ 318,236	$ 8,190	$ 326,426

SBITA Liability

As of June 30, 2024, the value of the lease liability was $135,292. The District is required to make monthly principal and interest payments ranging from $1,714 to $16,289. The SBITAs have an interest rate of 4.00%. The corresponding SBITA assets estimated useful lives are the same as their corresponding agreement terms. The value of the SBITA assets as of the end of the current fiscal year was $305,872 which includes the asset at $893,907 and accumulated amortization of $763,313.

The future principal and interest SBITA payments as of June 30, 2024, were as follows:

Year Ending June 30,	Principal	Interest	Amount
2025	$ 59,366	$ 4,331	$ 63,697
2026	17,860	2,712	20,572
2027	18,588	1,984	20,572
2028	19,345	1,227	20,572
2029	20,133	439	20,572
Total	$ 135,292	$ 10,693	$ 145,985

Note 10 - Defined Benefit Pension Plan Employees' Retirement Plan

Plan Description

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

All employees of public, state-supported educational institutions in Texas who are employed for one-half or more of the standard 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 that includes financial statements and required supplementary information. That report may be obtained on the internet at https://www.trs.texas.gov/Pages/about_publications.aspx, or by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698, or by calling (512) 542-6592.

Benefits Provided

TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using 2.3 percent (multiplier) times the average of the five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, the three highest annual salaries are used. The normal service retirement is at age 65 with 5 years of credited service or when the sum of the member's age and years of credited service equals 80 or more years. Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered in under a previous rule. There are no automatic postemployment 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 section 821.006 prohibits benefit improvements, if, as a result of the particular action, the time required to amortize TRS's unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action. Actuarial implications of the funding provided in this manner are determined by the TRS actuary.

Contributions

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

Note 10 - Defined Benefit Pension Plan Employees' Retirement Plan (continued)

Contributions (continued)

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	
	September 1, 2023 to August 31, 2024	**September 1, 2023 to August 31, 2024**
Member	8.25%	8.00%
Non-employer contributing agency	8.25%	8.00%
Employers	8.25%	8.00%

	Current Fiscal Year Contributions
Employer (District)	$ 3,730,488
Employee (Member)	7,881,958
Non-employer Contributing Entity On-behalf Contributions (State)	5,647,790

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

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

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

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

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

Note 10 - Defined Benefit Pension Plan Employees' Retirement Plan (continued)

Actuarial Assumptions

The total pension liability in the August 31, 2022 actuarial valuation was determined using the following actuarial 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 2020	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
Benefit changes during the year	None
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 actuarial valuation report dated November 22, 2022.

Discount Rate

A single discount rate of 7.00% was used to measure the total pension liability. The single discount rate was based on the expected rate of return on plan investments of 7.00%. The projection of cash flows used to determine this single discount rate assumed that contributions from active members, employers and the non-employer contributing entity will be made at the rates set by the legislature during the 2019 session. It is assumed that future employer and state contributions will be 8.50 percent of payroll in fiscal year 2020 gradually increasing to 9.50% of payroll in fiscal year 2024 increasing to 9.56% in fiscal year 2025 and thereafter. This includes all employer and state contributions for active and rehired retirees.

Based on those assumptions, the 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%. 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.

Note 10 - Defined Benefit Pension Plan Employees' Retirement Plan (continued)

Actuarial Methods and Assumptions (continued)

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, are summarized below:

Asset Class[1]	Target Allocation[2]	Long-Term Expected Geometric Real Rate of Return[3]	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
USA	18.00%	4.00%	1.00%
Non-U.S. Developed	13.00%	4.50%	0.90%
Emerging Markets	9.00%	4.80%	0.70%
Private Equity[1]	14.00%	7.00%	1.50%
Stable Value			
Government Bonds	16.00%	2.50%	0.50%
Absolute Return[1]	0.00%	3.60%	0.00%
Stable Value Hedge Funds	5.00%	4.10%	0.20%
Real Return			
Real Estate	15.00%	4.90%	1.10%
Energy, Natural Resources & Infrastructure	6.00%	4.80%	0.40%
Commodities	0.00%	4.40%	0.00%
Risk Parity	8.00%	4.50%	0.40%
Asset Allocation Leverage			
Cash	2.00%	3.70%	0.00%
Asset Allocation Leverage	-6.00%	4.40%	-0.10%
Inflation Expectation			2.30%
Volatility Drag[4]			-0.90%
Expected Return	100.00%		8.00%

[1] Absolute Return includes Credit Sensitive Investments.

[2] Target allocations are based on the fiscal year 2023 policy model.

[3] Capital Market Assumptions come from Aon Hewitt as of August 31, 2023.

[4] The volatility drag results from the conversion between arithmetic and geometric mean returns.

Note 10 - Defined Benefit Pension Plan Employees' Retirement Plan (continued)

Discount Rate Sensitivity Analysis

The following table presents the District's proportional share of the Net Pension Liability of the plan using the discount rate of 7.00%, and what the Net Pension Liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate.

	Discount Rate		
	1% Decrease 6.00%	Current Rate 7.00%	1% Increase 8.00%
District's proportional share of the net pension liability	$ 70,728,290	$ 47,308,141	$ 27,834,274

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

On June 30, 2024, the District reported a liability of $47,308,141 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	$ 47,308,141
State's proportionate share of the net pension liability associated with the District	67,131,513
Total	$ 114,439,654

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 District's proportion of the net pension liability was based on the employer's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2022 through August 31, 2023.

On August 31, 2023, the employer's proportion of the collective net pension liability was 0.0689% which was an increase of 0.0007% from its proportion measured as of August 31, 2022.

Changes in Assumptions and Benefits 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.

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.

Note 10 - Defined Benefit Pension Plan Employees' Retirement Plan (continued)

Changes in Assumptions and Benefits Since the Prior Actuarial Valuation (continued)

For the year ended June 30, 2024, the District recognized pension expense of $7,667,467. The District also recognized on-behalf pension expense and revenue of $10,136,278 for support provided by the State.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual actuarial experience	$ 1,685,605	$ (572,850)
Changes in actuarial assumptions	4,474,423	(1,094,993)
Difference between projected and actual Investment earnings	6,884,483	-
Changes in proportion and differences between District contributions and proportionate share of contributions	348,849	(955,640)
Contributions paid to TRS subsequent to the measurement date	3,128,325	-
Total	$ 16,521,685	$ (2,623,483)

Deferred outflows of resources resulting from District contributions subsequent to the measurement date in the amount of $3,128,325 will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. The net amounts of the employer's balances of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30	Amount
2025	$ 2,043,342
2026	1,149,640
2027	5,641,759
2028	1,725,426
2029	209,710
Thereafter	-
	$ 10,769,877

Note 11 - Defined Other Post-Employment Benefit Plan

Plan Description

The District participates in the Texas Public School Retired Employees Group Insurance Program (TRS-Care). It is a multiple-employer, cost-sharing, defined Other Post-Employment Benefit (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 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, or 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. The Board of Trustees of TRS is granted the authority to establish basic and optional group insurance coverage for participants as well as to amend benefit terms as needed under Chapter 1575.052.

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

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

Note 11 - Defined Other Post-Employment Benefit Plan (continued)

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 participating employers based on active employee compensation. 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 salary. Section 1575.204 establishes a public school contribution rate of not less than 0.25% or not more than 0.75% of the salary of each active employee of the employer. The actual public school contribution rate is prescribed by the Legislature in the General Appropriations Act, which is 0.75% of each active employee's pay for fiscal year 2023. The following table shows contributions to the TRS-Care plan by type of contributor.

	Contribution Rates Measurement Year	
	2023	**2022**
Member	0.65%	0.65%
Non-employer contributing agency	1.25%	1.25%
Employers	0.75%	0.75%
Federal/private funding	1.25%	1.25%

	Current Fiscal Year Contributions
Employer (District)	$ 816,846
Employee (Member)	624,118
Non-employer Contributing Entity	
On-behalf Contributions (State)	1,657,106

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

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.

Note 11 - Defined Other Post-Employment Benefit Plan (continued)

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:

Additional Actuarial Methods and Assumptions	
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 claim costs.
Projected Salary Increases	2.95% to 8.95% including inflation
Healthcare Trend Rates	The initial medical trend rates were 7.75% for Medicare retirees and 7.00% for non-Medicare retirees. The initial prescription drug trend was 7.75% for all retirees. The initial trend rates decrease to an ultimate trend rate of 4.25% over a period of 12 years.
Election Rates	Normal Retirement: 62% participation rate prior to age 65 and 25% participation rate after age 65. Pre-65 retirees: 30% of pre-65 retirees are assumed to discontinue coverage at age 65.
Ad hoc post-employment benefit changes	None

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: (a) Rates of Mortality, (b) Rates of Retirement, (c) Rates of Termination, (d) Rates of Disability, (e) General Inflation, and (f) 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.

Discount Rate

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

Because the investments are held in cash and there is no intentional objective to advance fund the benefits, the 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.

Note 11 - Defined Other Post-Employment Benefit Plan (continued)

Discount Rate Sensitivity Analysis

The following schedule shows the impact of the Net OPEB Liability if the discount rate used was 1 percentage point lower than and 1 percentage point higher than the discount rate that was used (4.13%) in measuring the Net OPEB Liability.

	Discount Rate		
	1% Decrease (3.13%)	Current Rate (4.13%)	1% Increase (5.13%)
District's proportional share of the net OPEB liability	$ 23,575,863	$ 20,017,005	$ 17,112,892

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

At June 30, 2024, the District reported a liability of $20,017,005 for its proportionate share of the TRS's Net OPEB Liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the collective net OPEB liability	$ 20,017,005
State's proportionate share that is associated with the District	24,153,593
Total	$ 44,170,598

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 through August 31, 2023.

On August 31, 2023 the District's proportion of the collective Net OPEB Liability was 0.0904% which was a decrease of 0.0026% from its proportion measured as of August 31, 2022.

The following schedule shows the impact of the Net OPEB Liability if a healthcare trend rate that is 1% less than and 1% greater than the assumed healthcare cost trend rate:

	Healthcare Cost Trend Rate		
	1% Decrease	Current Rate	1% Increase
District's proportional share of the net OPEB liability	$ 16,483,002	$ 20,017,005	$ 24,563,512

Changes Since the Prior Actuarial Valuation

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

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

Note 11 - Defined Other Post-Employment Benefit Plan (continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (continued)

Changes of Benefit Terms Since the Prior Measurement Date

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

For the year ended June 30, 2024, the District recognized negative OPEB expense of $4,165,386. The District also recognized an additional negative on-behalf expense and revenue of $5,163,528 for support provided by the State

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 905,618	$ (16,840,518)
Changes of assumption	2,732,175	(12,256,943)
Net difference between projected and actual earnings on OPEB plan investments	8,649	-
Changes in proportion and differences between District contributions and proportionate share of contributions	1,054,650	(4,198,011)
District contributions subsequent to the measurement date	684,428	-
Total	$ 5,385,520	$ (33,295,472)

The deferred outflows of resources resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. The net amounts of the employer's balances of deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year	OPEB Expense Amount	Balance of Deferred Outflows (Inflows)
2025	$ (5,831,480)	$ (22,762,900)
2026	(4,913,399)	(17,849,501)
2027	(3,670,463)	(14,179,038)
2028	(4,386,299)	(9,792,739)
2029	(3,824,896)	(5,967,843)
Thereafter	(5,967,843)	-
	$ (28,594,380)	

The District will continue to make the required OPEB contributions based on the statutorily determined rates established by the Teacher Retirement System of Texas (TRS). TRS will apply the District's contributions to the Net OPEB Liability on an annual basis. The contributions are paid by the funds that pay the employees' salaries. These funding sources include the General Fund and Special Revenue funds.

Note 11 - Defined Other Post-Employment Benefit Plan (continued)

Medicare Part D

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, effective. January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the fiscal years ended June 30, 2024, 2023, and 2022, the subsidy payments received by TRS-Care on-behalf of the District were $518,842, $469,045, and $361,491, respectively. The information for the year ended June 30, 2024 is an estimate provided by the Teacher Retirement System. These payments are recorded as equal revenues and expenditures in the governmental funds financial statements of the District.

Note 12 - Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. There were no significant reductions in coverage in the past fiscal year, and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

The District maintains a self –insured worker's compensation plan through membership in a self-insured pool. For this pool, stop-loss coverage was in effect for individual claims exceeding $450,000 with an aggregate limit of $2,000,000. The District is partially self-funded to a loss fund maximum of $383,655. Additionally, the District incurred fixed costs of $236,596 for its share of claims administration, loss control, record keeping, and cost of excess insurance.

Settled claims have not exceeded the aggregate coverage in any of the past three fiscal years. Insurance coverage has not been reduced for the year from the prior year. Self-insurance fund revenues and expenses are recognized on the accrual basis. Unpaid claims filed prior to June 30 and subsequently approved by the administrator of the plan are recorded as a liability.

The District accrues a liability for incurred but not reported claims if considered material.

	2024	2023
Claims Payable, Beginning of Year	$ 60,762	$ 58,181
Claims incurred and changes in estimates	438,067	100,028
Claims payments	(239,242)	(97,447)
Claims Payable, End of Year	$ 259,587	$ 60,762

Note 13 - Prior Period Adjustment

Presented in accordance with GASB Statement No. 100, *Accounting Changes and Error Corrections—an Amendment of GASB Statement No. 62*, the District had the following prior period adjustments for the year ended June 30, 2024.

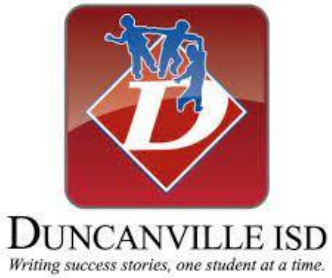
Change Within the Reporting Entity. The District had a change in major funds presented for the year ended. The Capital Projects fund and ARPA - ESSER II I funds are presented as major funds with a restated beginning balance of $106,995 and $0, respectively. These funds were previously presented as non-major governmental funds. This represents a change within the reporting entity, affecting the beginning balance of the non-major governmental funds by the change in major funds presented in the fund financial statements (Exhibits C-1 and C-2).

Note 13 - Prior Period Adjustment (continued)

Error Correction. In the previous years, the District miscalculated accumulated depreciation and failed to capitalize ESSER III HVAC project. This error understated fixed assets and accumulated depreciation, causing an understatement of net position of governmental activities in the government-wide statements.

See the table below for a summary of the prior period adjustment and its effect on fund balance and net position.

	Reporting Units Affected by Adjustments to and Restatements of Beginning Balances		
	Funds		Government-Wide
	Capital Projects	Nonmajor Governmental	Governmental Activities
June 30, 2023, as previously reported	$ -	$ 4,062,822	$ (7,694,905)
Change from nonmajor to major fund	106,995	(106,995)	-
Error correction	-	-	11,798,964
June 30, 2023, as restated	$ 106,995	$ 3,955,827	$ 4,104,059


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REQUIRED SUPPLEMENTARY INFORMATION

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT

Exhibit G-1

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND

For the Year Ended June 30, 2024

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues				
Local and intermediate sources	$ 64,859,175	$ 50,859,175	$ 50,306,600	$ (552,575)
State program revenues	59,084,497	73,084,497	75,269,373	2,184,876
Federal program revenues	3,545,000	3,545,000	2,633,772	(911,228)
Total Revenues	127,488,672	127,488,672	128,209,745	721,073
Expenditures				
Current:				
Instruction	71,512,696	72,335,214	58,914,045	13,421,169
Instructional resources and media services	1,713,724	1,781,281	1,651,423	129,858
Curriculum and staff development	3,395,034	4,085,379	3,411,206	674,173
Instructional leadership	3,703,582	3,941,334	3,767,786	173,548
School leadership	9,498,679	9,945,186	9,659,087	286,099
Guidance, counseling and evaluation services	5,815,133	6,502,307	6,184,644	317,663
Social work services	324,030	339,109	325,241	13,868
Health services	1,757,780	1,812,458	1,651,102	161,356
Student transportation	4,039,518	6,853,172	3,730,219	3,122,953
Extracurricular activities	4,453,623	4,628,510	4,447,534	180,976
General administration	6,050,347	6,583,550	5,106,784	1,476,766
Facilities maintenance and operations	13,213,660	14,712,105	14,551,738	160,367
Security and monitoring services	2,172,299	2,460,321	2,287,259	173,062
Data processing services	3,819,612	4,220,425	4,033,456	186,969
Community services	815,391	840,755	580,182	260,573
Debt Service:				
Principal on long-term debt	-	-	534,606	(534,606)
Interest on long-term debt	-	-	29,794	(29,794)
Capital outlay:				
Facilities acquisition and construction	97,000	4,595,338	243,584	4,351,754
Intergovernmental:				
Payments to Juvenile Justice Alternative Ed. Program	25,000	25,000	12,804	12,196
Other intergovernmental charges	330,000	330,000	299,067	30,933
Total Expenditures	132,737,108	145,991,444	121,421,561	24,569,883
Excess (deficiency) of revenues over expenditures	(5,248,436)	(18,502,772)	6,788,184	25,290,956
Other Financing Sources (Uses)				
Transfers in	-	-	563,595	563,595
Total Other Financing Sources (Uses)	-	-	563,595	563,595
Net change in fund balances	(5,248,436)	(18,502,772)	7,351,779	25,854,551
Fund Balances - Beginning	64,411,279	64,411,279	64,411,279	-
Fund Balances - Ending	$ 59,162,843	$ 45,908,507	$ 71,763,058	$ 25,854,551

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - BUDGETS

For the Year Ended June 30, 2024

Budgets

The Board of Trustees adopts an "appropriated budget" for the General Fund, Debt Service Fund and the Child Nutrition Program, which is reported as a nonmajor governmental fund. 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 Exhibits H-3 and H-4.

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

1. Prior to June 29, the District prepared a budget for the next succeeding fiscal year beginning July 1. The operating budget included proposed expenditures and the means of financing them.

2. A meeting of the Board was 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. The budget was properly amended throughout the period by the Board of Trustees.

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

Excess of expenditures over appropriations

For the year ended June 30, 2024, expenditures exceeded appropriations in the following functions by these amounts:

General Fund:		
Principal on long-term debt	$	534,606
Interest on long-term debt	$	29,794

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT

Exhibit G-2

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Teacher Retirement System of Texas

Last Ten Measurement Years

	2023	2022	2021	2020	2019
District's Proportion of the Net Pension Liability	0.0689%	0.0682%	0.0681%	0.0693%	0.0719%
District's proportionate share of the net pension liability	$ 47,308,141	$ 40,505,846	$ 17,332,445	$ 37,089,083	$ 37,368,701
State's proportionate share of the net pension liability associated with the District	67,131,513	62,331,510	30,332,403	64,571,953	61,037,063
Total	$ 114,439,654	$ 102,837,356	$ 47,664,848	$ 101,661,036	$ 98,405,764
District's covered payroll (for Measurement Year)	$ 92,118,936	$ 89,358,635	$ 90,424,969	$ 88,966,315	$ 83,495,378
District's proportionate share of the net pension liability as a percentage of its covered payroll	51.4%	45.3%	19.2%	41.7%	44.8%
Plan fiduciary net position as a percentage of the total pension liability *	73.15%	75.65%	88.79%	75.54%	75.24%

	2018	2017	2016	2015	2014
District's Proportion of the Net Pension Liability	0.0749%	0.0733%	0.0752%	0.0821%	5.7314%
District's proportionate share of the net pension liability	$ 41,239,726	$ 23,430,930	$ 28,419,455	$ 29,012,526	$ 15,309,415
State's proportionate share of the net pension liability associated with the District	65,761,572	40,129,144	47,451,454	43,742,911	37,101,536
Total	$ 107,001,298	$ 63,560,074	$ 75,870,909	$ 72,755,437	$ 52,410,951
District's covered payroll (for Measurement Year)	$ 82,292,474	$ 81,112,207	$ 78,643,878	$ 76,040,667	$ 72,292,518
District's proportionate share of the net pension liability as a percentage of its covered payroll	50.1%	28.9%	36.1%	38.2%	21.2%
Plan fiduciary net position as a percentage of the total pension liability *	73.74%	82.17%	78.00%	78.43%	83.25%

The amounts presented for each Plan year which ends the preceding August 31 of the District's fiscal year.

Net pension liability is calculated using an new methodology and will be presented prospectively in accordance with GASB 68.

* Per Teachers Retirement System of Texas Annual Comprehensive Financial Report

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT

Exhibit G-3

SCHEDULE OF THE DISTRICT'S PENSION CONTRIBUTIONS

Teacher Retirement System of Texas

Last Ten Fiscal Years

	2024	2023	2022	2021	2020
Contractually required contributions	$ 3,730,488	$ 3,499,030	$ 3,122,230	$ 2,812,548	$ 2,829,666
Contributions in relation to the contractual required contributions	3,730,488	3,499,030	3,122,230	2,812,548	2,829,666
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 96,017,912	$ 91,657,744	$ 89,832,847	$ 89,547,650	$ 88,966,315
Contributions as a percentage of covered payroll	3.89%	3.82%	3.48%	3.14%	3.18%

	2019	2018	2017	2016	2015
Contractually required contributions	$ 2,399,531	$ 2,401,684	$ 2,385,794	$ 2,363,167	$ 2,299,184
Contributions in relation to the contractual required contributions	2,399,531	2,401,684	2,385,794	2,363,167	2,299,184
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 83,047,979	$ 81,866,064	$ 81,246,452	$ 77,893,794	$ 75,286,832
Contributions as a percentage of covered payroll	2.89%	2.93%	2.94%	3.03%	3.05%

Changes of Assumptions

Measurement Year 2018: The discount rate changed from 8.0% as of August 31, 2017 to a blended rate of 6.907% as of August 31, 2018. The long-term assumed rate of return changed from 8.0% as of August 31, 2017 to 7.25% as of August 31, 2018. Demographic and economic assumptions were updated based on the experience study performed for TRS for the period ending August 31, 2017. The total pension liability as of August 31, 2018 was developed using a roll-forward method from the August 31, 2017 valuation.

Measurement Year 2020: The state and employer contribution rate changed from 6.8% to 7.5%. The 1.5% public education employer contribution applied to just employers whose employees were not covered by OASDI in 2019 and it changed in 2020 to apply to all public schools, charter schools and regional education centers irrespective of participation in OASDI.

Measurement Year 2021: The public education employer contribution rate changed from 1.5% in 2020 to 1.6% in 2021.

Measurement Year 2022: The discount rate changed from 7.25% to 7.00%.

Measurement Year 2023: None.

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT

Exhibit G-4

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY

Teacher Retirement System of Texas

Last Seven Measurement Years

	2023	2022	2021	2020
District's proportion of the net OPEB liability	0.0904%	0.0930%	0.0959%	0.0995%
District's proportionate share of the net OPEB liability	$ 20,017,005	$ 22,273,407	$ 37,003,986	$ 37,825,718
State's proportionate share of the net OPEB liability associated with the District	24,153,593	27,170,057	49,577,094	50,828,697
Total	$ 44,170,598	$ 49,443,464	$ 86,581,080	$ 88,654,415
District's covered payroll (for Measurement Year)	$ 92,118,936	$ 89,358,635	$ 90,424,969	$ 88,966,315
District's proportionate share of the net OPEB liability as a percentage of it's covered payroll	21.7%	24.9%	40.9%	42.5%
Plan fiduciary net position as a percentage of the total OPEB liability *	14.94%	11.52%	6.18%	4.99%

	2019	2018	2017
District's proportion of the net OPEB liability	0.0995%	0.0997%	0.0947%
District's proportionate share of the net OPEB liability	$ 47,040,271	$ 49,803,886	$ 41,186,633
State's proportionate share of the net OPEB liability associated with the District	62,505,998	69,692,806	63,621,467
Total	$ 109,546,269	$ 119,496,692	$ 104,808,100
District's covered payroll (for Measurement Year)	$ 83,495,378	$ 82,292,474	$ 81,112,207
District's proportionate share of the net OPEB liability as a percentage of it's covered payroll	56.3%	60.5%	50.8%
Plan fiduciary net position as a percentage of the total OPEB liability *	2.66%	1.57%	0.91%

The amounts presented for each Plan year which ends the preceding August 31 of the District's fiscal year.

Net OPEB liability is calculated using an new methodology and will be presented prospectively in accordance with GASB 75.

* Per Teachers Retirement System of Texas Annual Comprehensive Financial Report

Note: Ten years of data should be presented in this schedule but data is unavailable prior to 2017. Net OPEB liability and related ratios will be presented prospectively as data becomes available.

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT *Exhibit G-5*

SCHEDULE OF THE DISTRICT'S OPEB CONTRIBUTIONS

Teacher Retirement System of Texas

Last Seven Fiscal Years

	2024	2023	2022	2021
Contractually required contributions	$ 816,846	$ 780,861	$ 753,342	$ 748,288
Contributions in relation to the contractual required contributions	816,846	780,861	753,342	748,288
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 96,017,912	$ 91,657,744	$ 89,832,847	$ 89,547,650
Contributions as a percentage of covered payroll	0.85%	0.85%	0.84%	0.84%

	2020	2019	2018
Contractually required contributions	$ 753,718	$ 682,608	$ 492,408
Contributions in relation to the contractual required contributions	753,718	682,608	492,408
Contribution deficiency (excess)	$ -	$ -	$ -
District's covered payroll	$ 88,966,315	$ 83,047,979	$ 81,866,064
Contributions as a percentage of covered payroll	0.85%	0.82%	0.60%

Note: Ten years of data should be presented in this schedule but data is unavailable prior to 2018. Net OPEB liability and related ratios will be presented prospectively as data becomes available.

Changes of Assumptions

Measurement Year 2018: The discount rate changed from 3.42% as of August 31, 2017 to 3.69% as of August 31, 2018, updated the health care trend rate assumption, and revised demographic and economic assumptions based on the TRS experience study.

Measurement Year 2019: The discount rate changed from 3.69% as of August 31, 2018 to 2.63% as of August 31, 2019, lowered the participation rates and updated the health care trend rate assumption.

Measurement Year 2020: The discount rate changed from 2.63% as of August 31, 2019 to 2.33% as of August 31, 2020, lowered the participation rate assumption for employees who retire after the age of 65, and lowered the ultimate health care trend rate assumption to reflect the repeal of the excise (Cadillac) tax on high-cost employer health plans.

Measurement Year 2021: The discount rate changed from 2.33% as of August 31, 2020 to 1.95% as of August 31, 2021.

Measurement Year 2022: The discount rate changed from 1.95% as of August 31, 2021 to 3.91% as of August 31, 2022, lowered the participation rates, and updated the healthcare trend rate assumption.

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


DUNCANVILLE ISD
Writing success stories, one student at a time.

OTHER SUPPLEMENTARY INFORMATION

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT *Exhibit H-1*

COMBINING BALANCE SHEET *Page 1 of 5*

ALL NONMAJOR GOVERNMENTAL FUNDS

June 30, 2024

Data Control Codes		211 ESEA Title I, Part A	224 IDEA - Part B Formula	225 IDEA - Part B Preschool	240 Child Nutrition Program
	Assets				
1110	Cash and temporary investments	$ -	$ -	$ -	$ 4,085,026
	Receivables:				
1240	Receivables from other governments	3,092,740	772,647	2,211	-
1260	Due from other funds	-	-	-	239,367
1300	Inventories	-	-	-	223,685
1000	**Total Assets**	$ 3,092,740	$ 772,647	$ 2,211	$ 4,548,078
	Liabilities and Fund Balance				
	Liabilities:				
	Current Liabilities:				
2110	Accounts payable	$ 508,450	$ -	$ -	$ 6,805
2150	Payroll deduction and withholdings payable	29,293	14,850	3	41,583
2160	Accrued wages payable	321,491	183,353	-	129,068
2170	Due to other funds	2,233,506	574,444	2,208	1,092,617
2000	**Total Liabilities**	3,092,740	772,647	2,211	1,270,073
	Fund Balance:				
	Nonspendable:				
3410	Inventories	-	-	-	223,685
	Restricted:				
3450	Grants	-	-	-	3,054,320
	Committed:				
3545	Campus activity funds	-	-	-	-
3600	**Unassigned**	-	-	-	-
3000	**Total Fund Balances**	-	-	-	3,278,005
4000	**Total Liabilities and Fund Balances**	$ 3,092,740	$ 772,647	$ 2,211	$ 4,548,078

Data Control Codes		244 Career and Technical Basic Grant	255 ESSA II, A Training and Recruiting	263 ESSA III, A English Lang. Acquisition	280 ARPA - Education for Homeless
	Assets				
1110	Cash and temporary investments	$ -	$ -	$ -	$ -
	Receivables:				
1240	Receivables from other governments	140,981	61,187	78,795	10,937
1260	Due from other funds	-	-	-	-
1300	Inventories	-	-	-	-
1000	**Total Assets**	$ 140,981	$ 61,187	$ 78,795	$ 10,937
	Liabilities and Fund Balance				
	Liabilities:				
	Current Liabilities:				
2110	Accounts payable	$ 24,279	$ 3,306	$ -	$ -
2150	Payroll deduction and withholdings payable	-	121	-	-
2160	Accrued wages payable	-	5,918	-	-
2170	Due to other funds	116,702	51,842	78,795	10,937
2000	**Total Liabilities**	140,981	61,187	78,795	10,937
	Fund Balance:				
	Nonspendable:				
3410	Inventories	-	-	-	-
	Restricted:				
3450	Grants	-	-	-	-
	Committed:				
3545	Campus activity funds	-	-	-	-
3600	**Unassigned**	-	-	-	-
3000	**Total Fund Balances**	-	-	-	-
4000	**Total Liabilities and Fund Balances**	$ 140,981	$ 61,187	$ 78,795	$ 10,937

Data Control Codes		281 CRRSAA - ESSER II	284 IDEA PART B - ARP	285 IDEA Part B Preschool - ARP	289 Other Federal Special Revenue Funds
	Assets				
1110	Cash and temporary investments	$ -	$ -	$ -	$ -
	Receivables:				
1240	Receivables from other governments	-	-	-	135,115
1260	Due from other funds	-	-	-	-
1300	Inventories	-	-	-	-
1000	**Total Assets**	$ -	$ -	$ -	$ 135,115
	Liabilities and Fund Balance				
	Liabilities:				
	Current Liabilities:				
2110	Accounts payable	$ -	$ -	$ -	$ 11,537
2150	Payroll deduction and withholdings payable	-	-	-	-
2160	Accrued wages payable	-	-	-	-
2170	Due to other funds	-	-	-	44,275
2000	**Total Liabilities**	-	-	-	55,812
	Fund Balance:				
	Nonspendable:				
3410	Inventories	-	-	-	-
	Restricted:				
3450	Grants	-	-	-	79,303
	Committed:				
3545	Campus activity funds	-	-	-	-
3600	**Unassigned**	-	-	-	-
3000	**Total Fund Balances**	-	-	-	79,303
4000	**Total Liabilities and Fund Balances**	$ -	$ -	$ -	$ 135,115

Data Control Codes		397 Advanced Placement Incentives	410 State Textbook Fund	429 State Funded Special Revenue Funds	461 Campus Activity Funds
	Assets				
1110	Cash and temporary investments	$ 8,318	$ 66,251	$ -	$ 629,218
	Receivables:				
1240	Receivables from other governments	-	-	948,180	-
1260	Due from other funds	-	-	-	-
1300	Inventories	-	-	-	-
1000	**Total Assets**	$ 8,318	$ 66,251	$ 948,180	$ 629,218
	Liabilities and Fund Balance				
	Liabilities:				
	Current Liabilities:				
2110	Accounts payable	$ -	$ -	$ 25,425	$ 21,385
2150	Payroll deduction and withholdings payable	-	-	-	-
2160	Accrued wages payable	-	-	-	-
2170	Due to other funds	-	-	885,919	-
2000	**Total Liabilities**	-	-	911,344	21,385
	Fund Balance:				
	Nonspendable:				
3410	Inventories	-	-	-	-
	Restricted:				
3450	Grants	8,318	66,251	36,836	-
	Committed:				
3545	Campus activity funds	-	-	-	607,833
3600	**Unassigned**	-	-	-	-
3000	**Total Fund Balances**	8,318	66,251	36,836	607,833
4000	**Total Liabilities and Fund Balances**	$ 8,318	$ 66,251	$ 948,180	$ 629,218

Data Control Codes		499 Local Miscellaneous Grants	Total Nonmajor Governmental Funds	Capital Projects Fund	Total Nonmajor Governmental Funds
	Assets				
1110	Cash and temporary investments	$ -	$ 4,788,813	$ -	$ 4,788,813
	Receivables:		-		
1240	Receivables from other governments	-	5,242,793	-	5,242,793
1260	Due from other funds	-	239,367	-	239,367
1300	Inventories	-	223,685	-	223,685
1000	**Total Assets**	$ -	$ 10,494,658	$ -	$ 10,494,658
	Liabilities and Fund Balance				
	Liabilities:				
	Current Liabilities:				
2110	Accounts payable	$ -	$ 601,187	$ -	$ 601,187
2150	Payroll deduction and withholdings payable	-	85,850	-	85,850
2160	Accrued wages payable	-	639,830	-	639,830
2170	Due to other funds	3,727	5,094,972	-	5,094,972
2000	**Total Liabilities**	3,727	6,421,839	-	6,421,839
	Fund Balance:				
	Nonspendable:				
3410	Inventories	-	223,685	-	223,685
	Restricted:				
3450	Grants	-	3,245,028	-	3,245,028
	Committed:				
3545	Campus activity funds	-	607,833	-	607,833
3600	**Unassigned**	(3,727)	(3,727)	-	(3,727)
3000	**Total Fund Balances**	(3,727)	4,072,819	-	4,072,819
4000	**Total Liabilities and Fund Balances**	$ -	$ 10,494,658	$ -	$ 10,494,658

Data Control Codes		211 ESEA Title I, Part A	224 IDEA - Part B Formula	225 IDEA - Part B Preschool	240 Child Nutrition Program
	Revenues				
5700	Local, intermediate, and out-of-state	$ -	$ -	$ -	$ 797,453
5800	State program revenues	-	-	-	152,667
5900	Federal program revenues	4,642,495	3,069,825	32,713	6,779,886
5020	**Total Revenues**	4,642,495	3,069,825	32,713	7,730,006
	Expenditures				
	Current:				
0011	Instruction	3,080,244	2,017,623	19,175	-
0012	Instruction resources and media services	-	-	-	-
0013	Curriculum and instructional staff development	1,096,645	386,844	-	-
0021	Instructional leadership	256,524	175,846	-	-
0023	School leadership	-	-	-	-
0031	Guidance, counseling and evaluation services	-	489,512	13,538	-
0032	Social work services	-	-	-	-
0033	Health services	-	-	-	-
0034	Student transportation	54,345	-	-	-
0035	Food service	-	-	-	7,610,015
0036	Extracurricular activities	-	-	-	-
0041	General administration	-	-	-	-
0051	Facilities maintenance and operations	7,513	-	-	167,618
0052	Security and monitoring services	-	-	-	38,434
0053	Data processing services	-	-	-	-
0061	Community services	147,224	-	-	-
	Debt service:				
0071	Principal on long-term debt	-	-	-	-
0072	Interest on long-term debt	-	-	-	-
6030	**Total Expenditures**	4,642,495	3,069,825	32,713	7,816,067
1100	Excess (deficiency) of revenues over expenditures	-	-	-	(86,061)
	Other Financing Sources (Uses)				
7915	Transfers in	-	-	-	239,367
7080	**Total Other Financing Sources (Uses)**	-	-	-	239,367
1200	Net change in fund balances	-	-	-	153,306
0100	**Fund Balance - July 1 (beginning)**	-	-	-	3,124,699
1300	Change within financial reporting entity (nonmajor to major)	-	-	-	-
	Fund Balance - July 1 (beginning, as restated)	-	-	-	3,124,699
3000	**Fund Balance - June 30 (ending)**	$ -	$ -	$ -	$ 3,278,005

Data Control Codes		244 Career and Technical Basic Grant	255 ESSA II, A Training and Recruiting	263 ESSA III, A English Lang. Acquisition	280 ARPA - Education for Homeless
	Revenues				
5700	Local, intermediate, and out-of-state	$ -	$ -	$ -	$ -
5800	State program revenues	-	-	-	-
5900	Federal program revenues	196,029	223,449	272,454	42,120
5020	**Total Revenues**	196,029	223,449	272,454	42,120
	Expenditures				
	Current:				
0011	Instruction	195,918	31,327	142,704	-
0012	Instruction resources and media services	-	-	-	-
0013	Curriculum and instructional staff development	-	191,139	116,123	-
0021	Instructional leadership	111	983	1,268	42,120
0023	School leadership	-	-	-	-
0031	Guidance, counseling and evaluation services	-	-	-	-
0032	Social work services	-	-	-	-
0033	Health services	-	-	-	-
0034	Student transportation	-	-	-	-
0035	Food service	-	-	-	-
0036	Extracurricular activities	-	-	-	-
0041	General administration	-	-	-	-
0051	Facilities maintenance and operations	-	-	-	-
0052	Security and monitoring services	-	-	-	-
0053	Data processing services	-	-	-	-
0061	Community services	-	-	12,359	-
	Debt service:				
0071	Principal on long-term debt	-	-	-	-
0072	Interest on long-term debt	-	-	-	-
6030	**Total Expenditures**	196,029	223,449	272,454	42,120
1100	Excess (deficiency) of revenues over expenditures	-	-	-	-
	Other Financing Sources (Uses)				
7915	Transfers in	-	-	-	-
7080	**Total Other Financing Sources (Uses)**	-	-	-	-
1200	Net change in fund balances	-	-	-	-
0100	**Fund Balance - July 1 (beginning)**	-	-	-	-
1300	Change within financial reporting entity (nonmajor to major)	-	-	-	-
	Fund Balance - July 1 (beginning, as restated)	-	-	-	-
3000	**Fund Balance - June 30 (ending)**	$ -	$ -	$ -	$ -

Data Control Codes		281 CRRSAA - ESSER II	284 IDEA PART B - ARP	285 IDEA Part B Preschool - ARP	289 Other Federal Special Revenue Funds
	Revenues				
5700	Local, intermediate, and out-of-state	$ -	$ -	$ -	$ -
5800	State program revenues	-	-	-	-
5900	Federal program revenues	220,936	196,887	20,244	247,121
5020	**Total Revenues**	220,936	196,887	20,244	247,121
	Expenditures				
	Current:				
0011	Instruction	19,354	126,319	10,244	218,194
0012	Instruction resources and media services	-	-	-	-
0013	Curriculum and instructional staff development	-	-	-	28,927
0021	Instructional leadership	-	7,263	-	-
0023	School leadership	-	-	-	-
0031	Guidance, counseling and evaluation services	41,650	63,305	10,000	-
0032	Social work services	-	-	-	-
0033	Health services	-	-	-	-
0034	Student transportation	-	-	-	-
0035	Food service	-	-	-	-
0036	Extracurricular activities	-	-	-	-
0041	General administration	-	-	-	-
0051	Facilities maintenance and operations	159,932	-	-	-
0052	Security and monitoring services	-	-	-	-
0053	Data processing services	-	-	-	-
0061	Community services	-	-	-	-
	Debt service:				
0071	Principal on long-term debt	-	-	-	-
0072	Interest on long-term debt	-	-	-	-
6030	**Total Expenditures**	220,936	196,887	20,244	247,121
1100	Excess (deficiency) of revenues over expenditures	-	-	-	-
	Other Financing Sources (Uses)				
7915	Transfers in	-	-	-	-
7080	**Total Other Financing Sources (Uses)**	-	-	-	-
1200	Net change in fund balances	-	-	-	-
0100	**Fund Balance - July 1 (beginning)**	-	-	-	79,303
1300	Change within financial reporting entity (nonmajor to major)	-	-	-	-
	Fund Balance - July 1 (beginning, as restated)	-	-	-	79,303
3000	**Fund Balance - June 30 (ending)**	$ -	$ -	$ -	$ 79,303

Data Control Codes		397 Advanced Placement Incentives	410 State Textbook Fund	429 State Funded Special Revenue Funds	461 Campus Activity Funds
	Revenues				
5700	Local, intermediate, and out-of-state	$ -	$ -	$ -	$ 1,064,265
5800	State program revenues	-	481,212	1,310,722	-
5900	Federal program revenues	-	-	-	-
5020	**Total Revenues**	-	481,212	1,310,722	1,064,265
	Expenditures				
	Current:				
0011	Instruction	-	481,212	177,714	259,390
0012	Instruction resources and media services	-	-	-	49,048
0013	Curriculum and instructional staff development	-	-	211,230	-
0021	Instructional leadership	-	-	-	-
0023	School leadership	-	-	-	5,773
0031	Guidance, counseling and evaluation services	-	-	-	-
0032	Social work services	-	-	-	-
0033	Health services	-	-	-	-
0034	Student transportation	-	-	-	-
0035	Food service	-	-	-	-
0036	Extracurricular activities	-	-	-	777,617
0041	General administration	-	-	-	8,302
0051	Facilities maintenance and operations	-	-	895,876	-
0052	Security and monitoring services	-	-	25,902	-
0053	Data processing services	-	-	-	-
0061	Community services	-	-	-	449
	Debt service:				
0071	Principal on long-term debt	-	-	-	-
0072	Interest on long-term debt	-	-	-	-
6030	**Total Expenditures**	-	481,212	1,310,722	1,100,579
1100	Excess (deficiency) of revenues over expenditures	-	-		(36,314)
	Other Financing Sources (Uses)				
7915	Transfers in	-	-	-	-
7080	**Total Other Financing Sources (Uses)**	-	-		-
1200	Net change in fund balances	-	-	-	(36,314)
0100	**Fund Balance - July 1 (beginning)**	8,318	66,251	36,836	644,147
1300	Change within financial reporting entity (nonmajor to major)	-	-	-	-
	Fund Balance - July 1 (beginning, as restated)	8,318	66,251	36,836	644,147
3000	**Fund Balance - June 30 (ending)**	$ 8,318	$ 66,251	$ 36,836	$ 607,833

Data Control Codes		499 Local Miscellaneous Grants	Total Nonmajor Special Revenue Funds	Capital Projects Fund	Total Nonmajor Governmental Funds
	Revenues				
5700	Local, intermediate, and out-of-state	$ -	$ 1,861,718	$ -	$ 1,861,718
5800	State program revenues	-	1,944,601	-	1,944,601
5900	Federal program revenues	-	15,944,159	-	15,944,159
5020	**Total Revenues**	-	19,750,478	-	19,750,478
	Expenditures				
	Current:				
0011	Instruction	-	6,779,418	-	6,779,418
0012	Instruction resources and media services	-	49,048	-	49,048
0013	Curriculum and instructional staff development	-	2,030,908	-	2,030,908
0021	Instructional leadership	-	484,115	-	484,115
0023	School leadership	-	5,773	-	5,773
0031	Guidance, counseling and evaluation services	-	618,005	-	618,005
0032	Social work services	-	-	-	-
0033	Health services	-	-	-	-
0034	Student transportation	-	54,345	-	54,345
0035	Food service	-	7,610,015	-	7,610,015
0036	Extracurricular activities	-	777,617	-	777,617
0041	General administration	-	8,302	-	8,302
0051	Facilities maintenance and operations	-	1,230,939	-	1,230,939
0052	Security and monitoring services	-	64,336	-	64,336
0053	Data processing services	-	-	-	-
0061	Community services	-	160,032	-	160,032
	Debt service:				
0071	Principal on long-term debt	-	-	-	-
0072	Interest on long-term debt	-	-	-	-
6030	**Total Expenditures**	-	19,872,853	-	19,872,853
1100	Excess (deficiency) of revenues over expenditures	-	(122,375)	-	(122,375)
	Other Financing Sources (Uses)				
7915	Transfers in	-	239,367	-	239,367
7080	**Total Other Financing Sources (Uses)**	-	239,367	-	239,367
1200	Net change in fund balances	-	116,992	-	116,992
0100	**Fund Balance - July 1 (beginning)**	(3,727)	3,955,827	106,995	4,062,822
1300	Change within financial reporting entity (nonmajor to major)	-	-	(106,995)	(106,995)
	Fund Balance - July 1 (beginning, as restated)	(3,727)	3,955,827	-	3,955,827
3000	**Fund Balance - June 30 (ending)**	$ (3,727)	$ 4,072,819	$ -	$ 4,072,819

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT *Exhibit H-3*

COMBINING STATEMENT OF NET POSITION - INTERNAL SERVICE FUNDS

June 30, 2024

	751 Transportation	753 Workers' Compensation Insurance	Total
Assets			
Current Assets:			
Cash and cash equivalents	$ 627,295	$ 182,756	$ 810,051
Receivables:			
Due from other funds	-	1,091,677	1,091,677
Total Assets	627,295	1,274,433	1,901,728
Liabilities			
Current Liabilities:			
Accrued expenses	-	259,587	259,587
Total Liabilities	-	259,587	259,587
Net Position			
Unrestricted	627,295	1,014,846	1,642,141
Total Net Position	$ 627,295	$ 1,014,846	$ 1,642,141

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT

Exhibit H-4

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - INTERNAL SERVICE FUNDS

For the Year Ended June 30, 2024

	751 Transportation	753 Workers' Compensation Insurance	Total
Operating Revenues			
Total local and intermediate sources	$ 166,029	$ 41,322	$ 207,351
State program revenues	-	7,953	7,953
Total Operating Revenues	166,029	49,275	215,304
Operating Expenses			
Payroll costs	-	101,252	101,252
Supplies and materials	111,196	-	111,196
Claims expense and other operating expenses	-	239,242	239,242
Total Operating Expenses	111,196	340,494	451,690
Operating Income (Loss)	54,833	(291,219)	(236,386)
Transfers			
Transfers in	-	247,981	247,981
Total Transfers	-	247,981	247,981
Change in Net Position	54,833	(43,238)	11,595
Net Position - July 1 (Beginning)	572,462	1,058,084	1,630,546
Net Position - June 30 (Ending)	$ 627,295	$ 1,014,846	$ 1,642,141

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT *Exhibit H-5*

COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS

For the Year Ended June 30, 2024

	751 Transportation	753 Workers' Compensation Insurance	Total
Increase (Decrease) in Cash and Cash Equivalents			
Cash Flows from Operating Activities:			
Internal activity - payment to other funds	$ 166,029	$ 50,559	$ 216,588
Cash payments to employees for services	-	97,573	97,573
Cash payments from insurance claims and other expenses	-	(239,242)	(239,242)
Cash payments for suppliers	(111,196)	-	(111,196)
Net Cash Provided by (Used for) Operating Activities	54,833	(91,110)	(36,277)
Cash Flows from Non-Capital Financing Activities:			
Transfers In	-	247,981	247,981
Net Cash Provided by (Used for) Non-Capital Financing Activities	-	247,981	247,981
Net Change in Cash and Cash Equivalents	54,833	156,871	211,704
Cash and Cash Equivalents at Beginning of Year	572,462	25,885	598,347
Cash and Cash Equivalents at End of Year	$ 627,295	$ 182,756	$ 810,051
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Operating Income (Loss)	$ 54,833	$ (291,219)	$ (236,386)
Change in Assets and Liabilities:			
Increase in accrued expenses	-	198,825	198,825
Decrease (Increase) in interfund receivable	-	1,284	1,284
Net Cash Provided by (Used for) Operating Activities	$ 54,833	$ (91,110)	$ (36,277)

TEA REQUIRED INFORMATION

	1	2	3	10	20
Last Ten Fiscal Years	Tax Rates		Net Assessed/Appraised Value For School Tax Purposes	Beginning Balance 7/1/2023	Current Year's Total Levy
	Maintenance	Debt Service			
2015 and prior	Various	Various	Various	$ 537,696	$ -
2016	1.0400	0.4895	3,687,252,487	127,541	-
2017	1.0400	0.4815	3,938,843,053	102,608	-
2018	1.0400	0.4815	4,267,725,999	124,759	-
2019	1.1700	0.3500	4,716,946,896	149,668	-
2020	1.0683	0.3500	5,079,772,408	435,288	-
2021	1.0176	0.3500	5,207,012,365	316,825	-
2022	0.9759	0.3400	5,768,240,506	412,732	-
2023	0.9329	0.3200	6,249,795,514	1,053,082	-
2024	0.7628	0.3200	6,048,424,455	-	65,492,340
1000 Totals				$ 3,260,199	$ 65,492,340
8000 Taxes Refunded					
9000 Tax Increment					

	31	32	40	50	99
Last Ten Fiscal Years	Maintenance Total Collections	Debt Service Total Collections	Entire Year's Adjustments	Ending Balance 6/30/2024	Total Taxes Refunded Under Section 26.1115(c)
2015 and prior	$ 42,409	$ 13,731	$ (33,524)	$ 448,032	
2016	3,481	1,639	113	122,534	
2017	4,177	1,934	600	97,097	
2018	10,863	5,029	2,422	111,289	
2019	19,577	5,856	5,882	130,117	
2020	25,907	8,488	2,126	403,019	
2021	45,776	15,745	7,290	262,594	
2022	26,698	9,302	(66,022)	310,710	
2023	50,051	17,169	(340,653)	645,209	
2024	45,486,810	19,082,038	252,963	1,176,455	
1000 Totals	$ 45,715,749	$ 19,160,931	$ (168,803)	$ 3,707,056	
8000 Taxes Refunded					$ -
9000 Tax Increment	$ -				

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT *Exhibit J-2*

BUDGETARY COMPARISON SCHEDULE
CHILD NUTRITION FUND
For the Year Ended June 30, 2024

	Budget			
	Original	Final	Actual	Variance with Final Budget
Revenues				
Local, intermediate, and out-of-state	$ 670,989	$ 670,989	$ 797,453	$ 126,464
State program revenues	32,500	32,500	152,667	120,167
Federal program revenues	7,129,346	7,129,346	6,779,886	(349,460)
Total Revenues	7,832,835	7,832,835	7,730,006	(102,829)
Expenditures				
Current:				
Food services	7,625,835	7,600,835	7,610,015	(9,180)
Facilities maintenance and operations	192,000	192,000	167,618	24,382
Security and monitoring services	15,000	40,000	38,434	1,566
Total Expenditures	7,832,835	7,832,835	7,816,067	16,768
Excess (Deficiency) Revenues Over Expenditures	-	-	(86,061)	(86,061)
Other Financing Sources (Uses)				
Transfers In	-		239,367	239,367
Total other financing sources (uses)	-	-	239,367	239,367
Net change in fund balance	-	-	153,306	153,306
Fund Balance - Beginning	3,124,699	3,124,699	3,124,699	-
Fund Balance - Ending	$ 3,124,699	$ 3,124,699	$ 3,278,005	$ 153,306

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT *Exhibit J-3*

BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
For the Year Ended June 30, 2024

	Budget			
	Original	Final	Actual	Variance with Final Budget
Revenues				
Local, intermediate, and out-of-state	$ 17,825,357	$ 20,825,357	$ 20,021,955	$ (803,402)
State program revenues	-	-	2,834,316	2,834,316
Total Revenues	17,825,357	20,825,357	22,856,271	2,030,914
Expenditures				
Current:				
Debt Service:				
Principal and interest on long-term debt	10,300,178	13,300,178	12,925,000	375,178
Interest on long-term debt	7,512,454	7,512,454	7,512,454	-
Debt issuance costs and fees	12,725	12,725	12,725	-
Total Expenditures	17,825,357	20,825,357	20,450,179	375,178
Excess (deficiency) of revenues over expenditures	-	-	2,406,092	2,406,092
Other Financing Sources (Uses)				
Transfers in	-	-	2,843,415	2,843,415
Total Other Financing Sources (Uses)	-	-	2,843,415	2,843,415
Net change in fund balance	-	-	5,249,507	5,249,507
Fund Balance - Beginning	17,448,225	17,448,225	17,448,225	-
Fund Balance - Ending	$ 17,448,225	$ 17,448,225	$ 22,697,732	$ 5,249,507

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT ***Exhibit J-4***

COMPENSATORY EDUCATION PROGRAM AND BILINGUAL EDUCATION PROGRAM COMPLIANCE RESPONSES

For the Year Ended June 30, 2024

Data Codes	Section A: Compensatory Education Programs	Responses
AP1	Did your LEA expend any state compensatory education program state allotment funds during the district's fiscal year?	Yes
AP2	Does the LEA have written policies and procedures for its state compensatory education program?	Yes
AP3	List the total state allotment funds received for state compensatory education programs during the district's fiscal year.	$ 14,541,180
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal year. (PICs 24, 26, 28, 29, 30)	$ 9,982,426
	Section B: Bilingual Education Programs	
AP5	Did your LEA expend any bilingual education program state allotment funds during the LEA's fiscal year?	Yes
AP6	Does the LEA have written policies and procedures for its bilingual education program?	Yes
AP7	List the total state allotment funds received for bilingual education programs during the LEA's fiscal year.	$ 1,787,120
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PIC 25)	$ 1,971,972

SF1	Was there an unmodified opinion in the Annual Financial Report on the financial statements as a whole?	Yes
SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement at fiscal year end?	No
SF3	Did the school district make timely payments to the Teacher Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies? (If the school district was issued a warrant hold and the warrant hold was not cleared within 30 days from the date the warrant hold was issued, the school district is considered **to not have made** timely payments.) Payments to the TRS and TWC are considered timely if a warrant hold that was issued in connection to the untimely payment was cleared within 30 days from the date the warrant hold was issued. Payments to the IRS are considered timely if a penalty or delinquent payment notice was cleared within 30 days from the date the notice was issued.	Yes
SF4	Was the school district issued a warrant hold? Even if the issue surrounding the initial warrant hold was resolved and cleared within 30 days, the school district is considered to have been issued a warrant hold.	No
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds?	No
SF6	Was there any disclosure in the Annual Financial Report of material noncompliance for grants, contracts, and laws related to local, state, or federal funds?	No
SF7	Did the school district post the required financial information on its website in accordance with Government Code, Local Government Code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules that were in effect at the school district's fiscal year end?	Yes
SF8	Did the school board members discuss the school district's property values at a board meeting within 120 days before the school district adopted its budget?	Yes
SF9	Total accumulated accretion on CABs included in government-wide financial statements at fiscal year-end.	$ 156,987

NOTE: This schedule is to be included as part of the annual financial audit report (AFR) submission on the required due date and published as a part of the school district's AFR. This schedule should be submitted in the data feed file and submitted as an Adobe Acrobat portable document file (pdf).



DUNCANVILLE ISD

Writing success stories, one student at a time.

FEDERAL AWARDS SECTION


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

To the Board of Trustees
Duncanville Independent School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Duncanville Independent School District (the "District"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 18, 2024.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. However, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2024-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

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

To the Board of Trustees
Duncanville Independent School District

The District's Response to Findings

The District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Dallas, Texas
November 18, 2024

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

To the Board of Trustees
Duncanville Independent School District

Report on Compliance for Each Major Federal Program

Opinion on Each Major Program

We have audited Duncanville Independent School District's (the "District") compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2024. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District's complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

To the Board of Trustees
Duncanville Independent School District

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.

Whitley Penn LLP

Dallas, Texas
November 18, 2024

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2024

I. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	Yes, #2024-001
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	None reported
Type of auditors' report issued on compliance with major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No

Identification of major programs:

Name of Federal Program or Cluster	Assistance Listing Number (ALN)
U.S. Department of Education	
COVID-19 ARP Homeless II	84.425W
COVID-19 CRRSA Esser II	84.425D
COVID-19 ARP Esser III	84.425U
U.S. Department of Agriculture	
Child Nutrition Cluster	10.553, 10.555
Dollar Threshold Considered Between Type A and Type B Federal Programs	$783,695
Auditee qualified as low risk auditee?	Yes

II. Financial Statement Findings

Finding 2024-001 Internal Control Over Financial Reporting: Financial Close and Reporting Processes

Criteria:

Proper controls over financial reporting include a system designed to provide for the preparation of the financial statements and accompanying notes to the financial statements that are materially correct and in accordance with accounting principles generally accepted in the United States of America. Monthly and annual reconciliations are necessary to ensure that accounts are properly stated.

Condition:

Numerous accounts were not properly reconciled during the year or at the end of the year. As a result, significant adjusting journal entries were identified during the audit of the financial statements that were not previously identified or corrected in a timely manner by the District.

Cause:

Internal controls not properly designed to regularly reconcile accounts leads to inaccurate balances and reporting at the end of a reporting period.

Effect:

The lack of internal controls increases the risk of misappropriation of assets and potential misreporting of financial statement amounts due to error or fraud.

Recommendation:

We recommend that the District review its internal control procedures over financial reporting to ensure controls are in place to identify and record all transactions in the correct period and reconcile accounts on a timely basis. Management should follow its financial close procedures and ensure that all reconciliations are completed monthly for all significant financial accounts, which includes timely and effective review and/or approval of all transactions and reconciliations of account balances by the appropriate level of management. In addition, management should retain supporting documentation for all transactions entered into its general ledger.

View of Responsible Official:

Management agrees with finding. See corrective action plan.

III. Federal Awards Findings and Questioned Costs

None Reported

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal ALN	Pass Through Entity Identifying Number	Federal Expenditures
U.S. Department of Agriculture			
Passed Through Texas Education Agency:			
Cash Assistance:			
School Breakfast Program	10.553	71402401	$ 945,162
School Breakfast Program - SSO	10.553	71402401	8,194
National School Lunch Program	10.555	71302401	4,705,258
National School Lunch Program - SSO	10.555	71302401	41,049
Passed Through Texas Department of Agriculture:			
Non Cash Assistance (Commodities):			
USDA Commodities	10.555	NT4XL1YGLGC5	618,332
Cash Assistance:			
Supply Chain Assistance	10.555	NT4XL1YGLGC5	454,470
Total Child Nutrition Cluster (ALN 10.555, 10.553)			6,772,465
Passed Through Texas Department of Agriculture:			
Cash Assistance:			
State Administrative Expense (SAE) Funds	10.560	NT4XL1YGLGC5	7,421
Total U.S. Department of Agriculture			**6,779,886**
U.S. Department of Education			
Passed Through Texas Education Agency:			
ESEA Title I, Part A - Improving Basic Programs	84.010A	24610101057907	4,024,865
ESEA Title I, Part A - Improving Basic Programs	84.010A	23610101057907	378,290
2023-2025 Title I 1003 ESF Focused Support Grant	84.010A	24610101057907	227,583
Title I 1003 School Improvement	84.010A	23610141057907	13,379
Total ALN 84.010			4,644,117
IDEA - Part B, Formula	84.027A	246600010579076600	2,410,696
IDEA - Part B, Formula	84.027A	236600010579076600	659,129
IDEA - Part B, Formula - ARP - COVID 19	84.027X	225350010579075350	196,887
IDEA - Part B, Preschool	84.173A	246610010579076610	19,544
IDEA - Part B, Preschool	84.173A	236610010579076610	13,169
IDEA - Part B, Preschool - ARP - COVID 19	84.173X	225350010579075360	20,244
Total Special Education Cluster (ALN 84.027, 84.173)			3,319,669
Career and Technical - Basic Grant	84.048A	24420006057907	163,448
Career and Technical - Basic Grant	84.048A	23420006057907	32,581
Total ALN 84.048			196,029
Title II Part A-Supporting Effective Instruction	84.367A	24694501057907	134,424
Title II Part A-Supporting Effective Instruction	84.367A	23694501057907	89,025
Total ALN 84.367			223,449
ESEA, Title III, Part A - English Language Acquisition	84.365A	24671001057907	219,645
ESEA, Title III, Part A - English Language Acquisition	84.365A	23671001057907	52,809
Total ALN 84.365			272,454
Title IV Part A - Student Support and Academic Enrichment	84.424A	24680101057907	237,509
Title IV Part A - Student Support and Academic Enrichment	84.424A	23680101057907	2,265
Total ALN 84.424			239,774
LEP Summer School	84.369A	69552302	7,347
Total ALN 84.369			7,347
COVID-19 ARP Homeless II	84.425W	21533002057907	42,120
COVID-19 CRRSA Esser II	84.425D	21521001057907	220,936
COVID-19 ARP Esser III	84.425U	21528001057907	10,112,372
Total ALN 84.425			10,375,428
Total U.S. Department of Education			**19,278,267**

(1) Federal Grantor/ Pass-Through Grantor/ Program Title	(2) Federal ALN	(2A) Pass Through Entity Identifying Number	(3) Federal Expenditures
U.S. Department of Health and Human Services			
Passed Through Texas Health and Human Services Commission:			
Medicaid Administrative Claiming (MAC) Program	93.778	529-07-0157-00167	$ 65,027
Total Medicaid Cluster (ALN 93.778)			65,027
Total U.S. Department of Health and Human Services			**65,027**
Total Expenditures of Federal Awards			**$ 26,123,180**

Note 1 - **Basis of Accounting**

The District accounts for all awards under federal programs in the General and Certain Special Revenue Funds in accordance with the Texas Education Agency's *Financial Accountability System Resource Guide*. These programs are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e. revenues and other financing sources) and decreases (i.e. expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used for these 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 liability is incurred, if measurable, except for certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources. Expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited to reimbursement. Pass-through entity identifying numbers are presented where available.

Federal grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant, and accordingly, when such funds are received, they are recorded as unearned revenues until earned. Generally, unused balances are returned to the grantor at the close of specified project periods. The District has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 2 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the District under programs of the federal government for the year ended June 30, 2024. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. Because the schedule presents on a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position or cash flows of the District.

Note 3 - Reconciliation to Basic Financial Statements

The following is a reconciliation of the federal program revenues reported in the District's Annual Financial Report and total expenditures per the Schedule of Expenditures of Federal Awards:

Total Expenditures of Federal Awards per Exhibit K-1	$	26,123,180
Medicaid SHARS		1,141,759
Total Federal Revenues per Exhibit C-2	$	27,264,939

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Year Ended June 30, 2024

Federal regulations, Title 2 U.S. Code of Federal Regulations Section 200.511 states, "The auditee is responsible for follow-up and corrective action on all audit findings. As part of this responsibility, the auditee must prepare a summary schedule of prior audit findings." The summary schedule of prior audit findings must report the status of the following:

- All audit findings included in the prior audit's schedule of findings and questioned costs, and
- All audit findings reported in the prior audit's summary schedule of prior audit findings except audit findings listed as corrected.

I. Prior Audit Findings

None

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT

CORRECTIVE ACTION PLAN

For the Year Ended June 30, 2024

Federal regulations, Title 2 U.S. Code of Federal Regulations §200.511 states, “At the completion of the audit, the auditee must prepare, in a document separate from the auditor's findings described in §200.516 Audit findings, a corrective action plan to address each audit finding included in the current year auditor's reports.”

The Correction Action Plan for the year June 30, 2023, has been prepared to address these requirements.

I. Corrective Action Plan

Finding 2024-001 Internal Control Over Financial Reporting: Financial Close and Reporting Processes

Response: Duncanville Independent School District has developed a corrective action plan in response to Finding 2024-001, which highlighted weaknesses in the district's financial close and reporting processes.

Corrective Action Plan: These issues arose due to changes in auditor expectations and a transition in the Chief Financial Officer role. To address these deficiencies, the district will implement several corrective measures, including aligning financial procedures with updated auditing standards, enhancing leadership transition protocols, standardizing financial close procedures, providing comprehensive staff training, and increasing oversight of financial processes. The CFO, Brandy Mayo, along with the finance team, will lead these initiatives. Immediate actions will include rolling out a standardized financial checklist and training sessions, with further enhancements planned over the next 90 to 180 days. Progress will be monitored through timely financial reporting, staff feedback, and quarterly updates to the Superintendent. The District will implement a series of comprehensive enhancements to internal control processes throughout the 2024-25 fiscal year, aimed at strengthening financial oversight, ensuring compliance with updated audit standards, and improving the accuracy and efficiency of financial reporting.

Responsible Party: Brandy Mayo, Chief Financial Officer