

**MANOR INDEPENDENT
SCHOOL DISTRICT**

ANNUAL FINANCIAL REPORT

Year Ended June 30, 2024



MANOR INDEPENDENT SCHOOL DISTRICT

TABLE OF CONTENTS

	<u>Page</u>	<u>Exhibit</u>
Certificate of 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	16	A-1
Statement of Activities	17	B-1
Governmental Fund Financial Statements:		
Balance Sheet	18	C-1
Reconciliation of Governmental Funds Balance Sheet to Statement of Net Position	21	C-1R
Statement of Revenues, Expenditures, and Changes in Fund Balance	22	C-2
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance for Governmental Funds to the Statement of Activities	24	C-2R
Fiduciary Fund Financial Statements:		
Statement of Fiduciary Net Position	25	E-1
Statement of Changes in Fiduciary Net Position	26	E-2
Notes to the Financial Statements	27	F-1
Required Supplementary Information:		
Budgetary Comparison Schedule - General Fund	56	G-1
Notes to Required Supplementary Information - Budgetary Schedule	57	
Schedule of the District's Proportionate Share of the Net Pension Liability – TRS	58	G-2
Schedule of District's Retirement Contributions – TRS	59	G-3
Notes to Required Supplementary Information - Pension	60	
Schedule of the District's Proportionate Share of the Net OPEB Liability – TRS	61	G-4
Schedule of District's OPEB Contributions – TRS	62	G-5
Notes to Required Supplementary Information - OPEB	63	
Other Supplementary Information:		
Combining Fund Statements:		
Nonmajor Governmental Funds:		
Combining Balance Sheet	66	H-1
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	72	H-2
Required TEA Schedules:		
Schedule of Delinquent Taxes Receivable	80	J-1
Budgetary Comparison Schedule - Child Nutrition Fund	82	J-2
Budgetary Comparison Schedule - Debt Service Fund	83	J-3
Compensatory Education Program and Bilingual Education Program Compliance Responses	84	J-4
Required Responses to Selected School FIRST Indicators	85	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 <i>Government Auditing Standards</i>	89	
Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance	91	
Schedule of Findings and Questioned Costs	94	
Schedule of Expenditures of Federal Awards	96	K-1
Notes to Schedule of Expenditures of Federal Awards	98	K-2
Summary Schedule of Prior Audit Findings	99	
Corrective Action Plan	100	



CERTIFICATE OF BOARD

Manor Independent School District

Name of School District

Travis

County

227-907

Co. - Dist. No.

We, the undersigned, certify that the attached annual financial reports of the above named school district were reviewed and approved for the year ended June 30, 2024, at a meeting of the Board of Trustees of such school district on November 18, 2024.



President of the Board



Secretary of the Board



FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Manor 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 Manor 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 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The 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.

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

Austin, Texas
November 18, 2024



MANOR INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Manor Independent School District (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2024.

Financial Highlights

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$43,988,993 (*net position*). Of this amount, (\$31,182,959) represents unrestricted net position (*deficit*). This deficit in unrestricted net position is due to the District's noncurrent liabilities of \$41,062,411 for the District's portion of the Teacher's Retirement System (TRS) net pension liability and \$16,259,814 for the District's portion of the TRS net other post-employment benefits liability.
- The District's total net position increased by \$3,208,746 in the current fiscal year.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$120,475,955, a decrease of \$75,688,536 in comparison with the prior year. The debt service fund balance increased by \$15,166,600 and the capital projects fund balance decreased by \$79,845,444.
- During the current fiscal year, unassigned fund balance for the general fund decreased by \$10,502,347, to \$29,850,932, unassigned fund balance at year-end is 27 percent of general fund expenditures. Total fund balance for the general fund as of year-end was \$29,850,932, a decrease of \$10,502,347 (26 percent) over prior year.
- The District's total bonded debt decreased by \$12,685,000 (2 percent) during the current fiscal year as the result of regular principal payments during the fiscal year.

Overview of the Financial Statements

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

Government-wide financial statements

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

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

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

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

MANOR INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Fund financial statements

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

Governmental funds

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

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

The District maintains individual governmental funds for general, special revenue, debt service, and capital project funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, capital projects fund and the debt service fund, all of which are considered to be major funds. Data from the other governmental funds is combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in the financial statements. The District adopts an annual appropriated budget for its general fund, debt service fund, and National School Breakfast and Lunch Program special revenue fund.

Fiduciary funds

The fiduciary funds are used to account for resources held for the benefit of students and employees. The District's *custodial fund* is used to account for resources held in a custodial capacity by the District and consists of funds that are the property of students or others. The fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the District's own programs. The funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operation.

Notes to financial statements

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

Required supplementary information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information that further explains and supports the information in the financial statements. The required supplementary information relates to comparison of the original adopted budget, the final amended budget, and the actual amounts for the fiscal year. This is required supplementary information for the general fund and any major special revenue funds. The District did not have any major special revenue funds, therefore only the general fund is presented as required supplementary information. The Required Supplementary Information also includes information related to the required pension system information and the required other post-employment benefit system information.

MANOR INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Other information

The combining and individual fund statements and schedules and other supplementary information are presented immediately following the required supplementary information.

Government-wide Financial Analysis

Net Position

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 \$43,988,993 at the close of the most recent fiscal year.

A portion of the District's net position, \$19,207,869 reflects its investment in capital assets (e.g., land, buildings and improvements, furniture and equipment, construction in progress, and right to use lease assets), 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.

Condensed Statements of Net Position
June 30, 2024 and 2023

	Governmental Activities	
	2024	2023
Assets		
Current and other assets	\$ 147,312,600	\$ 262,122,493
Capital assets	535,566,890	469,415,642
Total Assets	682,879,490	731,538,135
Deferred Outflows of Resources		
Deferred outflows	29,107,927	28,069,860
Total Deferred Outflows of Resources	29,107,927	28,069,860
Liabilities		
Current liabilities	30,453,383	68,909,292
Long-term liabilities	607,055,760	614,191,394
Total Liabilities	637,509,143	683,100,686
Deferred Inflows of Resources		
Deferred inflows	30,489,281	35,727,062
Total Deferred Inflows of Resources	30,489,281	35,727,062
Net Position		
Net investment in capital assets	19,207,869	19,497,515
Restricted	55,964,083	41,268,730
Unrestricted	(31,182,959)	(19,985,998)
Total Net Position	\$ 43,988,993	\$ 40,780,247

MANOR INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Net position in the governmental activities are restricted for various purposes as follows:

	Governmental Activities	
	2024	2023
Federal and State Grant Programs	\$ 3,262,090	\$ 3,777,568
Debt Service	52,701,993	37,491,162
	<u>\$ 55,964,083</u>	<u>\$ 41,268,730</u>

At the end of the current fiscal year, the District reports positive balances in the total net position, which increased by \$3,208,746 during the current fiscal year. Unrestricted net position for governmental activities, the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements, amounted to \$31.18 million at June 30, 2024, a deficit of \$11.20 million from the deficit of \$19.99 million in the prior year.

Comparative Schedule of Changes in Net Position
For the Years Ended June 30, 2024 and 2023

	Governmental Activities	
	2024	2023
Revenues		
Program revenues:		
Charges for services	\$ 2,448,345	\$ 6,081,392
Operating grants	28,111,409	24,061,399
General revenues:		
Property taxes	116,945,084	125,763,640
State Aid - Formula Grants	11,889,454	5,530,202
Interest earnings	9,065,064	10,392,437
Other	182,218	295,240
Total Revenues	<u>168,641,574</u>	<u>172,124,310</u>
Expenses		
Instruction	71,319,026	63,425,298
Instructional resources and media services	1,058,889	1,187,009
Curriculum and staff development	1,590,135	1,341,303
Instructional leadership	3,315,675	4,424,834
School leadership	7,655,730	7,287,282
Guidance, counseling, and evaluation services	2,621,699	2,403,384
Social work services	1,798,332	1,800,834
Health services	1,398,124	1,245,488
Student transportation	7,962,630	6,630,216
Food service	10,241,292	7,223,345
Extracurricular activities	5,377,993	4,808,051
General administration	4,384,391	5,168,975
Facilities, maintenance and operations	15,116,168	12,124,935
Security and monitoring services	3,156,237	2,403,350
Data processing services	3,780,788	3,191,167
Community services	1,489,706	1,427,075
Interest on long-term debt	18,684,012	19,018,783
Bond issuance cost and fees	25,380	717,212
Other facility costs	3,846,256	3,032,904
Contracted instructional services between schools	-	10,304,222
Payments to Juvenile Justice Alternative Education	946	-
Other governmental charges	609,419	550,889
Total Expenses	<u>165,432,828</u>	<u>159,716,556</u>
Increase in net position	3,208,746	12,407,754
Net Position - Beginning	<u>40,780,247</u>	<u>28,372,493</u>
Net Position - Ending	<u>\$ 43,988,993</u>	<u>\$ 40,780,247</u>

MANOR INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Governmental activities

Governmental activities increased the District's net position by \$3,208,746. Revenues are generated primarily from three sources. Property taxes, state-aid formula grants, operating grants and contributions, and interest earnings represent 98 percent of total revenues. The remaining 2 percent is generated from charges for services and miscellaneous revenues.

	Total Revenues	% of Total Revenues
Property taxes	\$ 116,945,084	69%
State Aid - formula grants	11,889,454	7%
Operating grants and contributions	28,111,409	17%
Interest earnings	9,065,064	5%
Other revenue	2,630,563	2%
Total Revenues	\$ 168,641,574	100%

The primary functional expense of the District is instruction, which represents 43 percent of total expenses. Food service, interest on long-term debt, school leadership, facilities maintenance and operations, and student transportation represent 6 percent, 11 percent, 5 percent, 9 percent, and 5 percent, respectively, of the total expenses. The remaining individual functional categories of expenses are each less than 5 percent of total expenses.

	Total Expenses	Expenses
Instruction	\$ 71,319,026	43%
Food service	10,241,292	6%
Interest on long-term debt	18,684,012	11%
School leadership	7,655,730	5%
Facilities maintenance and operations	15,116,168	9%
Student transportation	7,962,630	5%
Other expenses	34,453,970	21%
Total Expenses	\$ 165,432,828	100%

Financial Analysis of the Government's Funds

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

Governmental funds

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

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$120,475,955, a decrease of \$75,688,536 in comparison with the prior year. The decrease in ending governmental fund balances is primarily due to a \$79.85 million decrease in Capital Projects fund balance.

The general fund is the chief operating fund of the District. At the end of the current fiscal year, total fund balance of the general fund was \$29,850,932, which is unassigned. As a measure of the general fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. Total fund balance represents 27 percent of total general fund expenditures. The fund balance of the District's general fund decreased by \$10,502,347 during the current fiscal year.

MANOR INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

The debt service fund has a total fund balance of \$59,358,006, all of which is restricted for the payment of debt service. The net increase in the debt service fund balance during the current year of \$15,166,600 was attributable to the increase in property tax revenues along with higher investment income.

The capital projects fund has a total fund balance of \$27,717,551, all of which is restricted for capital acquisitions as authorized by the issued bonds. The net decrease in the capital projects fund balance during the current year of \$79,845,444 was attributable to acquisition of capital assets and the cost of ongoing construction in the current year.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget of the general fund can be briefly summarized as follows:

	Budget	
	Original	Final Amended
Total revenues	\$ 116,627,000	\$ 96,030,276
Total expenditures	140,524,581	116,203,981
Net change in fund balance	<u>\$ (23,897,581)</u>	<u>\$ (20,173,705)</u>

Budget amendments were adopted by the Board of Trustees due to varying revenue estimates and a reallocation of district expenditures. Each budget amendment was a projection of the district's categorization of funds and authorized allocation.

Capital Assets and Long-term Liabilities

Capital Assets

The District's investment in capital assets for its governmental type activities as of June 30, 2024, includes land, buildings and improvements, furniture and equipment, and construction in progress. The following table summarizes the investment in capital assets (net of accumulated depreciation) as of June 30, 2024 and 2023.

	June 30, 2024	June 30, 2023
Land	\$ 24,259,965	\$ 24,487,849
Buildings and improvements	431,571,958	419,883,774
Furniture and equipment	35,727,124	34,339,906
Construction in progress	208,345,792	142,167,542
Right to use lease assets	1,128,239	453,333
Total	<u>701,033,078</u>	<u>621,332,404</u>
Less accumulated depreciation/amortization for:		
Buildings and improvements	(138,449,913)	(126,340,156)
Furniture and equipment	(26,895,229)	(25,274,385)
Right to use lease assets	(121,046)	(302,221)
Total Accumulated Depreciation/Amortization	<u>(165,466,188)</u>	<u>(151,916,762)</u>
Net Capital Assets	<u><u>\$ 535,566,890</u></u>	<u><u>\$ 469,415,642</u></u>

Additional information on the District's capital assets can be found in the notes to the financial statements.

MANOR INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Long-term Liabilities

At the end of the current fiscal year, the District had \$501,474,999 in bonded debt outstanding, a decrease of \$12,685,000 over the previous year. The District's bonds were sold with an "AAA" rating and are guaranteed through the Texas Permanent School Fund Guarantee Program or by a municipal bond insurance policy. The underlying rating of the bonds from Standard and Poor's is "AA-" and from Moody's Investors Service is "A1" for general obligation debt.

Changes in bonds payable for the year ended June 30, 2024 are as follows:

Outstanding 07/01/23	Issued	Retired	Outstanding 06/30/24
\$ 514,159,999	\$ -	\$ (12,685,000)	\$ 501,474,999

Additional information on the District's long-term liabilities can be found in the notes to the financial statements.

Economic Factors and Next Year's Budgets and Rates

Multiple factors were integrated into the process of budget development by the District's Administration for the 2024-2025 fiscal year. Those factors include the following:

- Increase in the assessed values for properties within the District's boundaries by 12%;
- Increased District student average daily attendance by 410 or 4.82% over the previous year;
- Availability of ESSER III, and TCLAS grant funds, which expire during the fall of 2024; and
- The assumption of current law student funding estimates, since this is a non-legislative year.

Moreover, with the hiring of the new CFO, the District has updated its plans to meet its financial goals to reduce its current budget deficit by more than 30% for the 2024-2025 fiscal year. This will be realized through various budgeting initiatives ranging from reducing payroll cost by \$8-9 million and reducing department expenditures in the areas of contracted services, general supplies, and staff travel, by \$6 million.

The District is also proposing a Voter Approved Tax Rate Election (VATRE) to increase the Maintenance and Operations tax rate by three (3) cents, which could provide up to \$4 million in new revenue. A portion of the revenue would go to employee compensation, security, and mental health services. However, if the VATRE fails, there would not be any new raises, and the District would be compelled to further reduce payroll by another \$2 million. These changes to the 2024-2025 budget would be implemented via budget amendment during the fall of 2024.

Revenue in the adopted budget is based on the following rates:

- Maintenance and Operation (M&O): \$0.7113
- Interest and Sinking (I&S): \$0.3701
- Total Property Tax Rate: \$1.0814

(Rates are per \$100 of taxable value for each property located within the boundaries of the District.)

For comparative purposes, rates for the prior year were \$0.6916 for M&O and \$0.3945 for I&S resulting in a total property tax rate of \$1.0861.

Requests for Information

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, contact the District's Business Office at Manor Independent School District, 10335 US Hwy 290E Manor, Texas 78653, (512) 278-4000.



BASIC FINANCIAL STATEMENTS

MANOR INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
June 30, 2024

Exhibit A-1

Data Control Codes		Governmental Activities
	Assets	
1110	Cash and cash equivalents	\$ 137,757,272
1225	Property taxes receivables, net	4,543,279
1240	Due from other governments	4,759,598
1290	Other receivables, net	62,217
1300	Inventories	190,234
	Capital assets not subject to depreciation:	
1510	Land	24,259,965
1580	Construction in progress	208,345,792
	Capital assets net of depreciation:	
1520	Buildings and improvements, net	293,122,045
1530	Furniture and equipment, net	8,831,895
1559	Right to use assets, net	1,007,193
1000	Total Assets	682,879,490
	Deferred Outflows of Resources	
	Deferred outflows of resources - loss on refunding	5,656,963
	Deferred outflows of resources - pension activities	17,260,714
	Deferred outflows of resources - OPEB activities	6,190,250
1700	Total Deferred Outflows of Resources	29,107,927
	Liabilities	
2110	Accounts payable	16,758,659
2140	Interest payable	8,160,017
2150	Payroll deductions and withholdings	626,977
2160	Accrued wages payable	4,607,661
2180	Due to other governments	154,747
2190	Due to student groups	28,762
2300	Unearned revenue	116,560
	Noncurrent Liabilities:	
2501	Due within one year	13,702,502
2502	Due in more than one year	536,031,033
2540	Net pension liability	41,062,411
2545	Net Other Post Employment Benefits (OPEB) liability	16,259,814
2000	Total Liabilities	637,509,143
	Deferred Inflows of Resources	
	Deferred inflows of resources - pension activities	3,304,794
	Deferred inflows of resources - OPEB activities	27,184,487
2600	Total Deferred Inflows of Resources	30,489,281
	Net Position	
3200	Net investment in capital assets	19,207,869
	Restricted for:	
3820	Federal and state programs	3,262,090
3850	Debt service	52,701,993
3900	Unrestricted	(31,182,959)
3000	Total Net Position	\$ 43,988,993

MANOR INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2024

Exhibit B-1

Data Control Codes	Functions/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Position
		Expenses	Charges for Services	Operating Grants and Contributions	Primary
					Governmental
					Governmental Activities
	Governmental Activities:				
11	Instruction	\$ 71,319,026	\$ 196,452	\$ 10,663,194	\$ (60,459,380)
12	Instructional resources and media services	1,058,889	-	-	(1,058,889)
13	Curriculum and staff development	1,590,135	10,074	776,049	(804,012)
21	Instructional leadership	3,315,675	-	276,125	(3,039,550)
23	School leadership	7,655,730	5,037	332,102	(7,318,591)
31	Guidance, counseling, and evaluation services	2,621,699	-	310,106	(2,311,593)
32	Social work services	1,798,332	75,558	897,286	(825,488)
33	Health services	1,398,124	-	404,882	(993,242)
34	Student transportation	7,962,630	-	-	(7,962,630)
35	Food service	10,241,292	642,114	8,734,547	(864,631)
36	Extracurricular activities	5,377,993	653,701	1,179	(4,723,113)
41	General administration	4,384,391	-	1,241,311	(3,143,080)
51	Facilities, maintenance and operations	15,116,168	865,409	-	(14,250,759)
52	Security and monitoring services	3,156,237	-	262,982	(2,893,255)
53	Data processing services	3,780,788	-	340,072	(3,440,716)
61	Community services	1,489,706	-	824,674	(665,032)
72	Interest expense	18,684,012	-	3,046,900	(15,637,112)
73	Bond issuance cost and fees	25,380	-	-	(25,380)
81	Other facility costs	3,846,256	-	-	(3,846,256)
95	Payments to Juvenile Justice Alternative Education Programs	946	-	-	(946)
99	Other governmental charges	609,419	-	-	(609,419)
TG	Total Governmental Activities	\$ 165,432,828	\$ 2,448,345	\$ 28,111,409	(134,873,074)

Data Control Codes		
	General Revenues:	
	Taxes:	
MT	Property taxes, levied for general purposes	74,253,474
DT	Property taxes, levied for debt service	42,691,610
SF	State-aid formula grants	11,889,454
IE	Investment earnings	9,065,064
MI	Miscellaneous	182,218
TR	Total General Revenues	138,081,820
CN	Change in Net Position	3,208,746
NB	Net Position - Beginning	40,780,247
NE	Net Position - Ending	\$ 43,988,993

MANOR INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
June 30, 2024

Exhibit C-1
Page 1 of 2

Data Control Codes		General Fund	Debt Service Fund	Capital Projects Fund
Assets				
1110	Cash and cash equivalents	\$ 35,580,546	\$ 58,483,471	\$ 43,232,908
	Receivables:			
1220	Delinquent property taxes	3,866,914	1,826,260	-
1230	Allowance for uncollectible taxes (credit)	(827,641)	(322,254)	-
1240	Receivables from other governments	998,904	862,510	-
1260	Due from other funds	468,586	13,578	381,098
1290	Other receivables	32,749	-	29,468
1300	Inventories, at cost	-	-	-
1000	Total Assets	\$ 40,120,058	\$ 60,863,565	\$ 43,643,474
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities:				
2110	Accounts payable	\$ 1,179,076	\$ -	\$ 15,124,030
2150	Payroll deduction and withholdings payable	539,206	-	419
2160	Accrued wages payable	4,323,309	-	-
2170	Due to other funds	1,004,800	1,553	801,474
2180	Due to state	154,700	-	-
2190	Due to student groups	28,762	-	-
2300	Unearned revenue	-	-	-
2000	Total Liabilities	7,229,853	1,553	15,925,923
Deferred Inflows of Resources				
	Unavailable revenues - property taxes	3,039,273	1,504,006	-
2600	Total Deferred Inflows of Resources	3,039,273	1,504,006	-
Fund Balances:				
	Nonspendable:			
3410	Inventories	-	-	-
	Restricted:			
3450	Federal/State grant restrictions	-	-	-
3470	Capital acquisitions	-	-	27,717,551
3480	Debt service	-	59,358,006	-
3490	Local grants	-	-	-
	Committed:			
3545	Other purposes	-	-	-
3600	Unassigned	29,850,932	-	-
3000	Total Fund Balances	29,850,932	59,358,006	27,717,551
4000	Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 40,120,058	\$ 60,863,565	\$ 43,643,474

MANOR INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
June 30, 2024

Exhibit C-1
Page 2 of 2

Data Control Codes		Nonmajor Governmental Funds	Total Governmental Funds
Assets			
1110	Cash and cash equivalents	\$ 460,347	\$ 137,757,272
	Receivables:		
1220	Delinquent property taxes	-	5,693,174
1230	Allowance for uncollectible taxes (credit)	-	(1,149,895)
1240	Receivables from other governments	2,898,184	4,759,598
1260	Due from other funds	4,038,818	4,902,080
1290	Other receivables	-	62,217
1300	Inventories, at cost	190,234	190,234
1000	Total Assets	\$ 7,587,583	\$ 152,214,680
Liabilities, Deferred Inflows of Resources, and Fund Balances			
Liabilities:			
2110	Accounts payable	\$ 455,553	\$ 16,758,659
2150	Payroll deduction and withholdings payable	87,352	626,977
2160	Accrued wages payable	284,352	4,607,661
2170	Due to other funds	3,094,253	4,902,080
2180	Due to state	47	154,747
2190	Due to student groups	-	28,762
2300	Unearned revenue	116,560	116,560
2000	Total Liabilities	4,038,117	27,195,446
Deferred Inflows of Resources			
	Unavailable revenues - property taxes	-	4,543,279
2600	Total Deferred Inflows of Resources	-	4,543,279
Fund Balances:			
	Nonspendable:		
3410	Inventories	-	-
	Restricted:		
3450	Federal/State grant restrictions	3,124,867	3,124,867
3470	Capital acquisitions	-	27,717,551
3480	Debt service	-	59,358,006
3490	Local grants	137,223	137,223
	Committed:		
3545	Other purposes	287,376	287,376
3600	Unassigned	-	29,850,932
3000	Total Fund Balances	3,549,466	120,475,955
4000	Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 7,587,583	\$ 152,214,680



MANOR INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO
STATEMENT OF NET POSITION
June 30, 2024

Exhibit C-1R

Data Control Codes		
	Total Fund Balance, Governmental Funds	\$ 120,475,955
	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.	535,566,890
2	Property taxes receivable have been levied and are due this year, but are not available soon enough to pay for the current period's expenditures, these property taxes and related penalty and interest amounts (net of allowance for uncollectible accounts).	4,543,279
3	Deferred charge on refunding	5,656,963
4	Deferred inflows and outflows related to pension activities	13,955,920
5	Deferred inflows and outflows related to OPEB activities	(20,994,237)
	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	(501,474,999)
7	Premiums on issuance	(47,254,411)
8	Lease liability	(1,004,125)
9	Accrued interest payable	(8,160,017)
10	Net pension liability	(41,062,411)
11	Net OPEB liability	(16,259,814)
19	Net Position - Governmental Activities	\$ 43,988,993

MANOR INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - GOVERNMENTAL FUNDS
For the Year Ended June 30, 2024

Exhibit C-2

Page 1 of 2

Data Control Codes		General Fund	Debt Service Fund	Capital Projects Fund
Revenues				
5700	Local, intermediate, and out-of-state	\$ 78,946,570	\$ 44,890,351	\$ 4,152,480
5800	State program revenues	17,873,641	3,046,900	-
5900	Federal program revenues	1,769,093	-	-
5020	Total Revenues	98,589,304	47,937,251	4,152,480
Expenditures				
Current:				
0011	Instruction	55,761,091	-	3,809,006
0012	Instructional resources and media services	776,756	-	324,235
0013	Curriculum and staff development	769,219	-	-
0021	Instructional leadership	3,210,894	-	-
0023	School leadership	7,508,442	-	-
0031	Guidance, counseling and evaluation services	2,418,974	-	-
0032	Social work services	945,786	-	-
0033	Health services	1,437,994	-	-
0034	Student transportation	6,853,914	-	179,871
0035	Food services	106,153	-	7,844
0036	Extracurricular activities	2,846,618	-	73,630
0041	General administration	4,253,485	-	5,580
0051	Facilities maintenance and operations	15,329,599	-	8,869
0052	Security and monitoring services	3,310,994	-	180,017
0053	Data processing services	3,252,334	-	2,083,438
0061	Community services	753,223	-	-
Debt Service:				
0071	Principal on long-term debt	280,786	12,685,000	371,177
0072	Interest on long-term debt	14,398	20,060,271	30,025
0073	Bond issuance costs and fees	-	25,380	-
Capital Outlay:				
0081	Facilities acquisition and construction	6,749	-	76,924,232
Intergovernmental:				
0095	Payments to Juvenile Justice Alt. Ed. Prgm.	946	-	-
0099	Other governmental charges	609,419	-	-
6030	Total Expenditures	110,447,774	32,770,651	83,997,924
1100	Excess (deficiency) of revenues over expenditures	(11,858,470)	15,166,600	(79,845,444)
Other Financing Sources (Uses)				
7912	Sale of real or personal property	227,884	-	-
7913	Issuances of leases	1,128,239	-	-
7080	Total Other Financing Sources (Uses)	1,356,123	-	-
1200	Net change in fund balances	(10,502,347)	15,166,600	(79,845,444)
0100	Fund Balance - Beginning	40,353,279	44,191,406	107,562,995
3000	Fund Balance - Ending	\$ 29,850,932	\$ 59,358,006	\$ 27,717,551

MANOR INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - GOVERNMENTAL FUNDS
For the Year Ended June 30, 2024

Exhibit C-2

Page 2 of 2

Data Control Codes		Nonmajor Governmental Funds	Total Governmental Funds
Revenues			
5700	Local, intermediate, and out-of-state	\$ 1,541,616	\$ 129,531,017
5800	State program revenues	4,297,403	25,217,944
5900	Federal program revenues	18,906,751	20,675,844
5020	Total Revenues	24,745,770	175,424,805
Expenditures			
Current:			
0011	Instruction	10,845,179	70,415,276
0012	Instructional resources and media services	127	1,101,118
0013	Curriculum and staff development	784,968	1,554,187
0021	Instructional leadership	276,125	3,487,019
0023	School leadership	336,346	7,844,788
0031	Guidance, counseling and evaluation services	310,106	2,729,080
0032	Social work services	883,347	1,829,133
0033	Health services	-	1,437,994
0034	Student transportation	-	7,033,785
0035	Food services	9,924,984	10,038,981
0036	Extracurricular activities	569,035	3,489,283
0041	General administration	7,942	4,267,007
0051	Facilities maintenance and operations	-	15,338,468
0052	Security and monitoring services	265,282	3,756,293
0053	Data processing services	225,000	5,560,772
0061	Community services	824,674	1,577,897
Debt Service:			
0071	Principal on long-term debt	-	13,336,963
0072	Interest on long-term debt	-	20,104,694
0073	Bond issuance costs and fees	-	25,380
Capital Outlay:			
0081	Facilities acquisition and construction	-	76,930,981
Intergovernmental:			
0095	Payments to Juvenile Justice Alt. Ed. Prgm.	-	946
0099	Other governmental charges	-	609,419
6030	Total Expenditures	25,253,115	252,469,464
1100	Excess (deficiency) of revenues over expenditures	(507,345)	(77,044,659)
Other Financing Sources (Uses)			
7912	Sale of real or personal property	-	227,884
7913	Issuances of leases	-	1,128,239
7080	Total Other Financing Sources (Uses)	-	1,356,123
1200	Net change in fund balances	(507,345)	(75,688,536)
0100	Fund Balance - Beginning	4,056,811	196,164,491
3000	Fund Balance - Ending	\$ 3,549,466	\$ 120,475,955

MANOR INDEPENDENT SCHOOL DISTRICT

Exhibit C-2R

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE FOR 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-2)	\$ (75,688,536)
	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.	81,357,191
2	Depreciation and amortization expense taken to Statement of Activities.	(14,978,059)
3	The net effect of the disposition of capital assets is not recorded in the governmental funds. The (gain)/loss on disposal of capital assets decreases net position at the government-wide level.	(227,884)
4	Repayment of bond principal, financed purchase and lease liability principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Proceeds from issuance of long-term debt is reported as an other financing source in the governmental funds. In the government-wide financial statements, proceeds are treated as an increase in long term liabilities.	13,336,963
5	Issuance of leases	(1,128,239)
6	Property tax revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 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 governmental funds:	(890,306)
7	Changes in net pension liabilities and related deferred outflows and inflows of resources	(3,952,115)
8	Changes in net OPEB liabilities and related deferred outflows and inflows of resources	3,959,049
9	Decrease in interest payable not recognized in fund statements	224,856
10	Amortization of premium on issuance	1,583,732
11	Amortization of deferred charge on refunding	(387,906)
	Change in Net Position of Governmental Activities (see B-1)	\$ 3,208,746

MANOR INDEPENDENT SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2024

Exhibit E-1

	<u>Custodial Fund</u>
Assets	
Due from others	\$ 28,762
Total Assets	<u>28,762</u>
Liabilities	
Other liabilities	<u>313</u>
Total Liabilities	<u>313</u>
Net Position	
Restricted for student scholarships and other activities	28,449
Total Net Position	<u><u>\$ 28,449</u></u>

MANOR INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Year Ended June 30, 2024

Exhibit E-2

	<u>Custodial</u>
Additions	
Student activities	\$ 40,597
Total Additions	<u>40,597</u>
Deductions	
Operating expenses	<u>83,743</u>
Total Deductions	<u>83,743</u>
Change in net position	(43,146)
Net Position, Beginning of Year	<u>71,595</u>
Net Position, End of Year	<u><u>\$ 28,449</u></u>

Note 1 - Summary of Significant Accounting Policies

Reporting Entity

The Manor Independent School District (the "District") is governed by a seven-member Board of Trustees (the "Board"), which has governance responsibilities over all activities related to public elementary and secondary education within the District. Because members of the Board are elected by the public; have authority to make decisions; appoint management and significantly influence operations; and have primary accountability for fiscal matters; the District is not included in any other governmental reporting entity. There are no component units, entities for which the District is considered to be financially accountable, included within the reporting entity.

The District receives funding from local, state and federal government sources and must comply with the requirements of these funding source entities.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities* normally are supported by taxes and intergovernmental revenues.

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

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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 fund financial statement reflects the District's custodial fund. The fiduciary fund is accounted using an 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.

Note 1 - Summary of Significant Accounting Policies (continued)

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

Grant revenues and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental funds:

- The *general fund* is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The *capital projects fund* accounts for the proceeds from long-term debt financing and revenues and expenditures related to authorized acquisition, construction, or renovations as well as furnishing and equipping capital facilities.
- The *debt service fund* accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

The District reports the following nonmajor governmental funds:

- The *special revenue funds* account for resources restricted to or committed for specific purposes by a grantor, or for resources that are committed for specific purposes by the Board. 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.

Additionally, the District reports the following fiduciary fund:

- The *custodial fund* is used to account for assets held by the District as a custodian for student organizations. The fund is custodial in nature.

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

Amounts reported as *program revenues* include 1) charges to students or users for goods, services, or privileges provided and 2) operating grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes and investment income.

Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, certificates of deposit, investment pools, and short-term investments with original maturities of one year or less from the date of acquisition.

Investments with an original maturity greater than one year from date of purchase are stated at fair value based on quoted market prices as of year-end, except for nonparticipating interest-earning investment contracts which are reported at cost. Investments with an original maturity of less than one year are reported at amortized cost.

The District categorizes fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Note 1 - Summary of Significant Accounting Policies (continued)

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

Property tax receivables include unpaid property taxes at year-end and are shown net of an allowance for uncollectibles. Revenues from property taxes are recognized when levied to the extent they are available. The District considers property taxes as available when collected. However, not all outstanding property taxes are expected to be collected within one year of the date of the financial statements. Property values are determined by the Travis Central Appraisal District as of January 1 of each year. Prior to July 1 of each year, the District must adopt its annual budget and as soon thereafter as practicable, shall adopt a tax rate thus creating the tax levy.

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

Capital Assets

As the District constructs or acquires capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost (except for intangible right-to-use lease assets. See Note 6). The reported value excludes normal maintenance and repairs, which are amounts spent in relation to capital assets that do not increase the asset's capacity or efficiency or increase its estimated useful life. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class.

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

Assets	Years
Building improvements	10 to 40 years
Furniture and equipment	4 to 10 years
Right to Use Lease Assets	4 to 10 years

Compensated Absences

Compensated absences are absences for which employees will be paid. Exempt and nonexempt employees in positions normally requiring 12 months of service shall not receive paid nonduty days. The employee's work schedule shall be set in accordance with the District calendar and the number of days in the employee's duty year (scheduled workdays per the employee's assignment and contract, as applicable).

Note 1 - Summary of Significant Accounting Policies (continued)

Leases

The District is a lessee for noncancellable leases of equipment. The District recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide and internal service fund financial statements. The District recognizes lease liabilities with an initial, individual value of \$5,000 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 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 and purchase option price that the District is reasonably certain to exercise.

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

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Long-term Obligations

In the government-wide financial statements, long-term debt and long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Premiums and discounts are presented as a component of liabilities while deferred charges on refundings are presented as deferred outflows of resources. Both items are deferred and amortized over the life of the related debt using the straight-line method. Long-term debt is reported net of the applicable premium or discount. Bond issuance costs are expensed in the year 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. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

The current requirements for general obligation bonds principal and interest expenditures are accounted for in the debt service fund.

Note 1 - Summary of Significant Accounting Policies (continued)

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.
- *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 post-employment 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 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.

Note 1 - Summary of Significant Accounting Policies (continued)

Pensions

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

Other 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.

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.
- Restricted for Debt Service - this component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. The assets arise from bond issuances which have constraints placed on them by the bond covenants for the purpose of future debt service payments.
- 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)

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. There is no amount of fund balance that is considered nonspendable at the end of the year. If there is a constraint on how the eventual proceeds can be spent, the fund balance is classified to reflect that constraint (restricted, committed, or assigned), rather than included as part of nonspendable fund balance.
- 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.
- 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.
- 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.

Data Control Codes

The Data Control Codes refer to the account code structure prescribed by the Texas Education Agency (TEA) in the Financial Accountability System Resource Guide (FASRG). TEA 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.

In accordance with the FASRG, the District has adopted and installed an accounting system which meets at least the minimum requirements prescribed by the Texas State Board of Education and approved by the State Auditor. Specifically, the District's accounting system uses codes and the code structure presented in the FASRG. Mandatory codes are recorded in the order provided in the FASRG.

Note 1 - Summary of Significant Accounting Policies (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 and did not have a material impact on the financial statements.

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.

Use of Estimates

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

Note 2 - Deposits and Investments

Cash Deposits

The District's funds are required to be deposited and invested under the terms of a depository contract pursuant to the Texas School Depository Act. The depository bank pledges securities which comply with state law and these securities are held for safekeeping and trust with the District's and the depository bank's agent bank. The pledged securities are approved by the Texas Education Agency and shall be in an amount sufficient to protect District funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation (FDIC) insurance. At June 30, 2024, the District's cash in bank totaled \$19,922,611 while the carrying value was \$18,252,236. The District's bank balance were not exposed to custodial credit risk because it was insured and collateralized with securities held by the District's agent in the District's name.

The District's investment policy is in accordance with the Public Funds Investment Act, the Public Funds Collateral Act, and federal and state laws. The District further limits its investments to obligations of the U.S. Treasury or the State of Texas, certain U.S. Agencies, certificates of deposit, collateralized mortgage obligations, no-load money market mutual funds, certain municipal securities, qualified commercial paper, repurchase agreements, or investment pools.

Investments

For fiscal year 2024, the District invested in the MBIA Texas Class Investment Pool. Texas Class operates in a manner consistent with the Security and Exchange Commission's Rule 2a7 of the Investment Company Act of 1940.

MBIA Texas Class Pool is duly chartered by the State of Texas Interlocal Cooperation Act, is administered and managed by MBIA Municipal Investors Service Corporation. The primary objectives of MBIA Texas Class Pool, is to maintain safety of principal while providing participating government entities (Participants) with the highest possible rate of return for invested funds.

In accordance with GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, the Local Government Investment Pool does not have any limitations and restrictions on withdrawals such as notice periods or maximum transaction amounts. These pools do not impose any liquidity fees or redemption gates.

At year-end, the District's cash and investment balances and the weighted average maturity of these investments were as follows:

	Carrying Value	Weighted Average Maturity (Days)
Governmental Activities		
Cash and deposits	\$ 18,252,236	N/A
Demand deposits	39,624,281	N/A
Investments		
Local Government Investment Pools:		
Texas CLASS	79,880,755	25
Total Local Government Investment Pools	<u>79,880,755</u>	25
Total Investments	<u>79,880,755</u>	
Total Governmental Activities	<u>\$ 137,757,272</u>	

Note 2 - Deposits and Investments (continued)

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates may adversely affect the value of the investments. To limit the risk that changes in interest rates will adversely affect the fair value of the investments, the District monitors interest rate risk utilizing weighted average maturity (WAM) analysis. The District requires its investment portfolio to have maturities of less than one year on a WAM basis. However, specific to the District's debt service funds, maturities longer than one year are authorized within legal limits and as long as sufficient investment liquidity to timely meet debt service payment obligations is maintained.

	Carrying value	Investment Maturity in Years	
		Less than 1	1-5
Local Government Investment Pools:			
Texas CLASS	\$ 79,880,755	\$ 79,880,755	\$ -
Total Local Government Investment Pools	<u>\$ 79,880,755</u>	<u>\$ 79,880,755</u>	<u>\$ -</u>

Credit Risk

State law and the District's investment policy limits investments in all categories to top ratings issued by nationally recognized statistical rating organizations. As of June 30, 2024, the District's investments were rated as follows:

<u>Investment</u>	<u>Rating</u>	<u>Rating Agency</u>
Texas CLASS	AAAm	Standard and Poor's

Concentration of Credit Risk

For temporary investments, to limit the risk of loss attributed to the magnitude of a government's investment in a single issuer, the District's policy states that the portfolio must be diversified. Concentration of Credit Risk is not applicable to investment pools since the purpose of these pools is to diversify the District's investment portfolio. For long-term investments - To limit the risk of loss attributed to the magnitude of a government's investment in a single issuer, the District's policy states that the portfolio must be diversified.

Investment Type	<u>Carrying Value</u>	<u>Percentage of Portfolio</u>
Texas CLASS	\$ 79,880,755	100.00%

Note 3 - Receivables and Unearned Revenues

Receivables as of year-end for the District's individual major and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total
Property taxes	\$ 3,866,914	\$ 1,826,260	\$ -	\$ -	\$ 5,693,174
Receivables from other governments	998,904	862,510	-	2,898,184	4,759,598
Other	32,749	-	29,468	-	62,217
Gross receivables	4,898,567	2,688,770	29,468	2,898,184	10,514,989
Less allowance for doubtful accounts	(827,641)	(322,254)	-	-	(1,149,895)
Net Total Receivables	\$ 4,070,926	\$ 2,366,516	\$ 29,468	\$ 2,898,184	\$ 9,365,094

Governmental funds report unearned revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period or in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, District reported unearned revenues in the governmental funds in the amount of \$116,560, for grant funds received prior to meeting all eligibility requirements.

Note 4 - Interfund Receivables, Payables, and Transfers

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

The composition of interfund balances as of June 30, 2024, is as follows:

	Interfund Receivable	Interfund Payable	Net
Governmental Activities			
General Fund	\$ 468,586	\$ 1,004,800	\$ (536,214)
Debt Service Fund	13,578	1,553	12,025
Capital Projects Fund	381,098	801,474	(420,376)
Nonmajor Governmental Funds	4,038,818	3,094,253	944,565
Total Governmental Activities	\$ 4,902,080	\$ 4,902,080	\$ -

Interfund transfers are defined as "flows of assets without equivalent flow of assets in return and without a requirement for repayment." There were no interfund transfers during the year ended June 30, 2024.

Note 5 - Capital Assets

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

	Beginning Balance July 1, 2023	Additions	Transfers/ Adjustments	Ending Balance June 30, 2024
Capital Assets, Not Being Depreciated:				
Land	\$ 24,487,849	\$ -	\$ (227,884)	\$ 24,259,965
Construction in progress	142,167,542	77,866,434	(11,688,184)	208,345,792
Total Capital Assets, Not Being Depreciated	166,655,391	77,866,434	(11,916,068)	232,605,757
Capital Assets, Being Depreciated/Amortized:				
Buildings and improvements	419,883,774	-	11,688,184	431,571,958
Furniture and equipment	34,339,906	2,362,518	(975,300)	35,727,124
Right to use lease assets	453,333	1,128,239	(453,333)	1,128,239
Total Capital Assets, Being Depreciated/Amortized	454,677,013	3,490,757	10,259,551	468,427,321
Less Accumulated Depreciation/Amortization for:				
Buildings and improvements	(126,340,156)	(12,109,757)	-	(138,449,913)
Furniture and Equipment	(25,274,385)	(2,596,144)	975,300	(26,895,229)
Right to use lease assets	(302,221)	(272,158)	453,333	(121,046)
Total Accumulated Depreciation/Amortization	(151,916,762)	(14,978,059)	1,428,633	(165,466,188)
Governmental Activities Capital Assets	\$ 469,415,642	\$ 66,379,132	\$ (227,884)	\$ 535,566,890
				Less associated bonds \$ (548,729,410)
				Less leases payable (1,004,125)
				Plus unspent bond proceeds 27,717,551
				Plus deferred charge on refunding 5,656,963
				Net Investment in Capital Assets \$ 19,207,869

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

Function	Depreciation/ Amortization Expense
Instruction	\$ 6,299,217
Instructional resources and media services	320,911
Curriculum and staff development	127,513
School leadership	180,446
Guidance, counseling and evaluation services	65,460
Social work services	11,860
Health services	31,058
Student transportation	1,235,576
Food services	754,969
Extracurricular activities	2,080,038
General administration	260,094
Facilities maintenance and operations	53,403
Security and monitoring services	127,153
Data processing services	378,307
Community services	26,025
Facilities construction	3,026,029
Total Depreciation/Amortization Expense	\$ 14,978,059

Note 5 - Capital Assets (continued)

Construction budgets and remaining commitments under related construction contracts as of June 30, 2024, follows:

Project	Approved Construction Budget	Construction in Progress	Remaining Commitment
Assessment Misc	\$ 391,072	\$ 391,072	\$ -
Assessment Misc	83,637	83,637	-
Assessment Misc	1,545	1,545	-
F&C Assessment Assessments - Paving, Plumbing, Electrical, Mechanical	24,100,596	17,701,906	6,398,690
Police Department Startup	1,135,093	1,022,848	112,245
New Transportation Center	22,051,703	20,100,401	1,951,302
Manor Early College HS	33,688,589	33,511,720	176,869
Technology	6,875,343	2,148,021	4,727,322
Multi-Purpose Facility MSHS	7,563,696	7,563,696	-
Multi-Purpose Facility MNTHS Braun & Butler	8,389,193	7,690,891	698,302
New Practice Gym MSHS - Braun & Butler	5,647,068	4,640,421	1,006,647
Track & Field Event Space - MSHS	50,826	50,826	-
Kitchen/Food Service Upgrades	15,474,450	7,647,704	7,826,746
Assessment Misc	1,675,954	1,675,954	-
Roof Repairs & Replacements	3,366,477	3,366,477	-
PA Systems Replacement	273,140	273,140	-
Program Management/Owner Rep.	4,830,136	4,780,636	49,500
New Elementary School #10 - Wildhorse	42,932,277	40,783,927	2,148,350
New K-8 Campus - Manor RISE Academy	56,318,502	54,910,970	1,407,532
	<u>\$ 234,849,297</u>	<u>\$ 208,345,792</u>	<u>\$ 26,503,505</u>

Note 6 - Leases

In July 2023, the District has entered into an agreement to lease wide area network (WAN) fiber. The lease agreement requires monthly payment in the amount of \$8,295 and expires in July 2027. The lease qualifies as other than short-term leases as defined by Government Accounting Standards Board (GASB) Statement No. 87 ("GASB 87"). Therefore, the District has recorded right to use lease assets and the lease liability at an amount equal to the initial measurement of the related lease liability. The lease liability was measured at a discount rate of 2.19%. The right to use assets are amortized on a straight-line basis over the life of the related lease.

In August 2023, the District had an amendment of the agreement to lease wide area network fiber. The lease modification involves an addition of a lease asset for the remainder of the agreement term and requires additional monthly payments in the amount of \$395. The lease qualifies as other than short-term leases as defined by Government Accounting Standards Board (GASB) Statement No. 87 ("GASB 87"). Therefore, the District has recorded right to use lease assets and the lease liability at an amount equal to the initial measurement of the related lease liability. The lease liability was measured at a discount rate of 2.72%. The right to use assets are amortized on a straight-line basis over the life of the related lease.

In April 2024, the District has entered into an agreement to lease copiers and printers. The lease agreement requires monthly payment in the amount of \$15,887 and expires in February 2028. The lease qualifies as other than short-term leases as defined by Government Accounting Standards Board (GASB) Statement No. 87 ("GASB 87"). Therefore, the District has recorded right to use lease assets and the lease liability at an amount equal to the initial measurement of the related lease liability. The lease liability was measured at a discount rate of 2.70%. The right to use assets are amortized on a straight-line basis over the life of the related lease.

Note 6 - Leases (continued)

The following table lists the lease liabilities and right to use lease assets as of fiscal year ended June 30, 2024.

Description	Start Date	End Date	Interest Rate	Lease Liability		Lease Asset		
				Original Amount	Liability as of June 30, 2024	Original Amount	Accumulated Amortization June 30, 2024	Net Amount June 30, 2024
Copiers and printers	04/01/24	04/01/28	2.70%	\$ 722,143	\$ 693,581	\$ 722,143	\$ 30,088	\$ 692,055
WAN fiber	07/01/23	07/01/27	2.19%	388,504	296,540	388,504	87,215	301,289
WAN fiber	08/01/23	07/01/27	2.72%	17,592	14,004	17,592	3,743	13,849
				<u>\$ 1,128,239</u>	<u>\$ 1,004,125</u>	<u>\$ 1,128,239</u>	<u>\$ 121,046</u>	<u>\$ 1,007,193</u>

The future principal and interest lease payment as of June 30, 2024 are as follows:

Fiscal Year	Principal	Interest	Total
2025	\$ 272,502	\$ 22,422	\$ 294,924
2026	279,449	15,475	294,924
2027	286,575	8,349	294,924
2028	165,599	1,961	167,560
Total	<u><u>\$ 1,004,125</u></u>	<u><u>\$ 48,207</u></u>	<u><u>\$ 1,052,332</u></u>

Note 7 - Long-term Liabilities

The District's long-term liabilities consist of bond indebtedness and leases and financed purchases. The current requirements for general obligation bonds principal and interest expenditures are accounted for in the debt service fund. The current requirements for leases and financed purchases are accounted for in the General Fund.

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2024, was as follows:

	Balance July 1, 2023	Additions	Retirements	Balance June 30, 2024	Due Within One Year
General Obligation Bonds	\$ 514,159,999	\$ -	\$ (12,685,000)	\$ 501,474,999	\$ 13,430,000
Issuance Premium on Bonds	48,838,143	-	(1,583,732)	47,254,411	-
Financed purchase	371,177	-	(371,177)	-	-
Lease liabilities	156,672	1,128,239	(280,786)	1,004,125	272,502
Total Governmental Long-Term Liabilities	<u><u>\$ 563,525,991</u></u>	<u><u>\$ 1,128,239</u></u>	<u><u>\$ (14,920,695)</u></u>	<u><u>\$ 549,733,535</u></u>	<u><u>\$ 13,702,502</u></u>

General Obligation Bonds

General obligation bonds are direct obligations and pledge the full faith and credit of the District. These are issued as current interest bonds and term bonds with various amounts of principal maturing each year.

Note 7 - Long-term Liabilities (continued)

General Obligation Bonds (continued)

General obligation bonds currently outstanding are as follows:

Issue	Original Issuance amount	Interest Rate (%)	Fiscal Year Maturity	Debt Outstanding
Unlimited Tax Refunding Bonds, Series 2012	\$ 8,779,999	2-3.5%	2027	\$ 9,999
Unlimited Tax Refunding Bonds, Series 2014	43,585,000	2-5%	2026	3,135,000
Unlimited Tax School Building Bonds, Series 2014	116,095,000	2-5%	2026	2,925,000
Unlimited Tax Refunding Bonds, Series 2015	25,995,000	4-5%	2039	9,385,000
Unlimited Tax Refunding Bonds, Series 2016	18,315,000	2-5%	2034	14,035,000
Unlimited Tax School Building Bonds, Series 2017	29,955,000	2-5%	2047	23,075,000
Unlimited Tax School Building Bonds, Series 2017A	51,190,000	3-5%	2048	37,675,000
Unlimited Tax School Building Bonds, Series 2020	181,715,000	3-5%	2051	176,885,000
Unlimited Tax Refunding Bonds, Series 2021A	6,625,000	3-5%	2030	6,510,000
Unlimited Tax Refunding Bonds, Series 2021B	155,035,000	2.389-5%	2045	151,760,000
Unlimited Tax School Building Bonds, Series 2022	77,210,000	4-5%	2053	76,080,000
				<u>\$ 501,474,999</u>

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

Year Ending June 30,	Principal	Interest	Totals
2025	\$ 13,430,000	\$ 19,424,349	\$ 32,854,349
2026	14,080,000	18,747,449	32,827,449
2027	13,624,999	18,970,075	32,595,074
2028	14,095,000	17,369,524	31,464,524
2029	14,785,000	16,661,708	31,446,708
2030 - 2034	91,955,000	70,996,608	162,951,608
2035 - 2039	110,070,000	49,993,289	160,063,289
2040 - 2044	100,575,000	32,643,408	133,218,408
2045 - 2049	89,120,000	14,777,246	103,897,246
2050 - 2054	39,740,000	2,423,850	42,163,850
	<u>\$ 501,474,999</u>	<u>\$ 262,007,506</u>	<u>\$ 763,482,505</u>

There are a number of limitations and restrictions contained in the general obligation bond indentures. Management has indicated that the District is in compliance with all significant limitations and restrictions at June 30, 2024.

Deferred Charge on Refunding

The balance of deferred charge on refunding at June 30, 2024 is presented as a deferred outflow of resources in the Statement of Net Position as follows:

	Balance July 1, 2023	Deferred Charge on New Issues	Retirements	Balance June 30, 2024
Deferred charge on refunding	<u>\$ 6,044,869</u>	<u>\$ -</u>	<u>\$ (387,906)</u>	<u>\$ 5,656,963</u>

Note 7 - Long-term Liabilities (continued)

Defeased Debt

The District has also defeased general obligation in prior years by placing the proceeds of bonds and the District's own resources into irrevocable trust accounts to provide for all future debt service payments on the old bonds. Accordingly, those trust account assets and the liability for those defeased bonds are not included in the District's financial statements. At June 30, 2024, \$12,830,000 of defeased bonds remain outstanding.

Financed Purchase

In 2019, the District entered into an agreement to finance marquees, football scoring systems, and an indoor video system. The agreement carried an interest rate of 5.3%, annual principal and interest payment of \$200,602, and matured during the fiscal year 2024.

Note 8 - Revenues from Local, Intermediate, and Out-of-State Sources

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

	General Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total
Property taxes	\$ 74,550,202	\$ 42,687,302	\$ -	\$ -	\$ 117,237,504
Penalties, interest and other tax related revenue	412,953	184,933	-	-	597,886
Investment income	3,043,537	2,018,081	4,003,446	-	9,065,064
Co-curricular student activities	885,680	-	-	551,707	1,437,387
Food sales	-	-	-	486,189	486,189
Other	54,198	35	149,034	503,720	706,987
	<u>\$ 78,946,570</u>	<u>\$ 44,890,351</u>	<u>\$ 4,152,480</u>	<u>\$ 1,541,616</u>	<u>\$ 129,531,017</u>

Note 9 - Defined Benefit Pension Plan

A. Plan Description

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

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

B. Pension Plan Fiduciary Net Position

Detail information about the Teacher Retirement System's fiduciary net position is available in a separately issued Comprehensive Annual 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.

Note 9 - Defined Benefit Pension Plan (continued)

C. 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 post-employment benefit changes, including automatic COLAs. Ad hoc post-employment benefit changes, including ad hoc COLAs, can be granted by the Texas Legislature as noted in the Plan description above.

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

D. 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.

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, 2022 to August 31, 2023
Member	8.25%	8.00%
Non-employer contributing agency	8.25%	8.00%
Employers	8.25%	8.00%

	Current Fiscal Year Contributions	
Employer (District)	\$	3,206,707
Employee (Member)		6,444,663
Non-employer Contributing Entity		
On-behalf Contributions (State)		4,504,119

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).

Note 9 - Defined Benefit Pension Plan (continued)

D. Contributions (continued)

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 is an additional surcharge 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% 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.

E. 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 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.

Note 9 - Defined Benefit Pension Plan (continued)

E. Actuarial Assumptions (continued)

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 pension plan investments of 7.0%. The projection of 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% 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.

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

Asset Class	Target Allocation²	Long-Term Expected Geometric Real Rate of Return³	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 9 - Defined Benefit Pension Plan (continued)

F. 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	\$ 61,390,578	\$ 41,062,411	\$ 24,159,529

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

At June 30, 2024, the District reported a liability of \$41,062,411 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 collective net pension liability	\$ 41,062,411
State's proportionate share that is associated with the District	53,907,183
Total	<u>\$ 94,969,594</u>

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

At August 31, 2023, the District's proportion of the collective net pension liability was 0.0598% which was an increase of 0.0037% 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.

For the year ended June 30, 2024, the District recognized pension expense of \$7,158,704. The District also recognized an additional on behalf revenue and expense of \$8,139,518 representing for support provided by the State.

Note 9 - Defined Benefit Pension Plan (continued)

G. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources Inflows of Resources Related to Pension (continued)

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 1,463,068	\$ (497,221)
Changes of assumption	3,883,700	(950,430)
Net difference between projected and actual earnings on pension plan investments	5,975,578	-
Changes in proportion and differences between District contributions and proportionate share of contributions	3,201,800	(1,857,141)
District contributions subsequent to the measurement date of the net pension liability	2,736,568	-
Total	\$ 17,260,714	\$ (3,304,792)

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 pensions will be recognized in pension expense as follows:

Fiscal Year Ended June 30,	Pension Expense Amount
2025	\$ 2,294,870
2026	1,234,092
2027	5,336,070
2028	2,003,515
2029	350,807
	\$ 11,219,354

The District will continue to make the required pension 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 Pension 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 10 - Defined Other Post-Employment Benefit Plans

A. 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 benefit OPEB plan with a special funding situation. The TRS-Care program was established in 1986 by the Texas Legislature.

Note 10 - Defined Other Post-Employment Benefit Plans (continued)

A. Plan Description (continued)

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

B. 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.

C. Benefits Provided

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

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

The premium rates for retirees are 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

D. 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.

Note 10 - Defined Other Post-Employment Benefit Plans (continued)

D. Contributions (continued)

		Contribution Rates	
		September 1, 2023 to August 31, 2024	September 1, 2022 to August 31, 2023
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)	\$	655,389
Employee (member)		510,355
Non-employer Contributing Entity		
On-behalf Contributions (State)		1,381,933

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.

E. 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:

Component	Result
Valuation Date	August 31, 2022, rolled forward to August 31, 2023
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Single Discount Rate	4.13% as of August 31, 2023
Aging Factors	Based on plan specific experience
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted 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.
Ad hoc post-employment benefit changes	None

Note 10 - Defined Other Post-Employment Benefit Plans (continued)

E. Actuarial Assumptions (continued)

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.

F. 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 proportionate share of the net OPEB liability:	\$ 19,150,676	\$ 16,259,814	\$ 13,900,803

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

On June 30, 2024, the District reported a liability of \$16,259,814 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 net OPEB liability	\$ 16,259,814
State's proportionate share of the net OPEB liability associated with the District	19,619,965
Total	<u>\$ 35,879,779</u>

Note 10 - Defined Other Post-Employment Benefit Plans (continued)

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

The Net OPEB Liability was measured as of August 31, 2022 and rolled forward to August 31, 2023 and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of that date. The District's proportion of the Net OPEB Liability was based on the District's contributions to 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 0.0734% which was an increase of 0.0009% 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	1% Increase
District's proportional share of the net OPEB liability	\$ 13,389,143	\$ 16,259,814	\$ 19,952,942

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.

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 \$3,299,098. The District also recognized negative on-behalf expense and revenue of \$4,194,334 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 experience		
Changes of assumption	\$ 735,633	\$ (13,679,554)
Net difference between projected and actual earnings on OPEB plan investments	2,219,346	(9,956,316)
Changes in proportion and differences between District contributions and proportionate share of contributions	7,025	-
District contributions subsequent to the measurement date	2,676,142	(3,548,617)
Total	552,104	-
	\$ 6,190,250	\$ (27,184,487)

Note 10 - Defined Other Post-Employment Benefit Plans (continued)

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

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
2025	\$ (4,652,466)
2026	(3,906,704)
2027	(2,897,071)
2028	(3,287,121)
2029	(3,045,991)
Thereafter	(3,756,988)
	<u>\$ (21,546,341)</u>

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.

H. 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 \$457,862, \$410,437, and \$282,620, 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 11 - Risk Management

Property/Liability

The District is exposed to various risks of loss related to property/liability losses for which the District carries commercial insurance. The district is covered on property insurance with a limit of \$463,376,263.

Note 12 - Contingent Liabilities

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

The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of management and the District's counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the District.

Note 13 - Tax Abatement

On December 17, 2012, the Manor ISD Board of Trustees approved an Agreement with Samsung Austin Semiconductor, LLC (Samsung) for a Limitation On Appraised Value of Property for School District Maintenance and Operations Taxes pursuant to the Chapter 313 of the Texas Tax Code, i.e., the Texas Economic Development Act, as set forth in Chapter 313 of the Texas Tax Code, as amended. Samsung qualified for a tax limitation agreement under Texas Tax Code §313.024(b)(5), as a manufacturing project.

Value limitation agreements are a part of a state program, originally created in 2001 which allows school districts to limit the taxable value of an approved project for Maintenance and Operations (M&O) for a period of years specified in statute. The project(s) under the Chapter 313 agreement must be consistent with the state's goal to "encourage large scale capital investments in this state". Chapter 313 of the Tax Code grants eligibility to companies engaged in manufacturing, research and development, renewable electric energy production, clean coal projects, nuclear power generation and data centers.

In order to qualify for a value limitation agreement, each applicant, including Samsung has been required to meet a series of capital investment, job creation, and wage requirements specified by state law. At the time of the application's approval, the agreement was found to have done so by both the District's Board of Trustees and the Texas Comptroller's Office, which recommended approval of the project.

After approval, the applicant company must maintain a viable presence in the district for the entire period of the value limitation plus a period of years thereafter. In addition, there are specific reporting requirements, which are monitored on an annual and biennial basis in order to ensure relevant job, wage, and operational requirements are being met.

During fiscal year 2024, the District has two active agreements with Samsung. The agreements did not impact fiscal year 2024 and will impact future fiscal periods.

Note 14 – Subsequent Events

On October 22, 2024, the Board of Trustees authorized a borrowing of \$13,100,000 for maintenance and operations expenses. This debt will be repaid from the District's levy of maintenance and operations tax.



REQUIRED SUPPLEMENTARY INFORMATION

MANOR INDEPENDENT SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2024

Exhibit G-1

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Local revenues	\$ 104,608,000	\$ 81,186,358	\$ 78,946,570	\$ (2,239,788)
State program revenues	8,919,000	13,243,918	17,873,641	4,629,723
Federal program revenues	3,100,000	1,600,000	1,769,093	169,093
Total Revenues	116,627,000	96,030,276	98,589,304	2,559,028
Expenditures				
Current:				
Instruction	57,583,948	57,141,839	55,761,091	1,380,748
Instructional resources and media services	834,148	840,726	776,756	63,970
Curriculum and staff development	1,054,949	1,086,189	769,219	316,970
Instructional leadership	3,693,924	3,521,187	3,210,894	310,293
School leadership	7,461,957	7,680,702	7,508,442	172,260
Guidance, counseling and evaluation services	2,972,292	2,979,479	2,418,974	560,505
Social work services	892,574	1,035,384	945,786	89,598
Health services	1,517,097	1,536,617	1,437,994	98,623
Student transportation	6,732,308	6,910,808	6,853,914	56,894
Food service	70,000	105,000	106,153	(1,153)
Extracurricular activities	2,787,929	2,905,525	2,846,618	58,907
General administration	4,323,485	4,515,813	4,253,485	262,328
Facilities maintenance and operations	14,862,356	16,573,966	15,329,599	1,244,367
Security and monitoring services	3,390,725	4,090,900	3,310,994	779,906
Data processing services	4,343,258	3,353,658	3,252,334	101,324
Community services	1,086,631	1,042,188	753,223	288,965
Debt Service:				
Principal on long-term debt	-	241,000	280,786	(39,786)
Interest on long-term debt	-	16,000	14,398	1,602
Capital Outlay:				
Facilities acquisition and construction	12,000	12,000	6,749	5,251
Intergovernmental:				
Contracted instructional services	26,300,000	-	-	-
Payments to Juvenile Justice Alt. Ed. Prgm.	5,000	5,000	946	4,054
Payments to other governments	600,000	610,000	609,419	581
Total Expenditures	140,524,581	116,203,981	110,447,774	5,756,207
Other Financing Sources (Uses)				
Sale of real or personal property	-	-	227,884	227,884
Issuances of leases	-	-	1,128,239	1,128,239
Total Other Financing Sources (Uses)	-	-	1,356,123	1,356,123
Net change in fund balances	(23,897,581)	(20,173,705)	(10,502,347)	9,671,358
Fund Balances - Beginning	40,353,279	40,353,279	40,353,279	-
Fund Balances - Ending	\$ 16,455,698	\$ 20,179,574	\$ 29,850,932	\$ 9,671,358

MANOR INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY SCHEDULE
For the Year Ended June 30, 2024

The District adopts annual appropriations type budgets for the General Fund, Child Nutrition Program Special Revenue Fund, and the Debt Service Fund using the same method of accounting as for financial reporting, as required by law. The remaining Special Revenue Funds (primarily federal grant programs) utilize a managerial type budget approved at the fund level by the Board of Trustees upon acceptance of the grants. These grants are subject to federal, state, and locally imposed project length budgets and monitoring through submission of reimbursement reports. The General Fund Budget report is presented on Exhibit G-1, the Child Nutrition Program Special Revenue fund budget report and the Debt Service Fund budget report appear on Exhibit J-2 and J-3, respectively.

Expenditures may not legally exceed budgeted appropriations at the function or activity level. Expenditure requests which would require an increase in total budgeted appropriations must be approved by the Trustees through formal budget amendment. State law prohibits trustees from making budget appropriations in excess of funds available and estimated revenues. State law also prohibits amendment of the budget after fiscal year end. Supplemental appropriations were made during the fiscal year ended June 30, 2024.

The administrative level at which responsibility for control of budgeted appropriations begins is at the organizational level within each function of operations. The finance department reviews the expenditure requests submitted by the various organizational heads (principal and department heads) throughout the year to ensure proper spending compliance. No public funds of the District shall be expended in any manner other than as provided for in the budget adopted by the Board of Trustees.

The official school budget was prepared for adoption for budgeted governmental fund types by June 30, 2024. The budget was formally adopted by the Board of Trustees at a duly advertised public meeting prior to the expenditure of funds. The final amended budget is filed with the Texas Education Agency (TEA) through inclusion in the annual financial and compliance report.

Encumbrance accounting is utilized in all government fund types. Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under Texas law, appropriations lapse at year-end and encumbrances outstanding at that time are appropriately provided for in the subsequent year's budget.

For the year ended June 30, 2024, the District's expenditures exceeded appropriations in the general fund as follows:

Food service	\$ (1,153)
Principal on long-term debt	(39,786)

For the year ended June 30, 2024, the District's expenditures exceeded appropriations in the debt service fund as follows:

Interest on long-term debt	\$ (19,428)
Bond issuance costs and fees	(950)

MANOR INDEPENDENT SCHOOL DISTRICT

Exhibit G-2

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY REQUIRED SUPPLEMENTARY INFORMATION Teacher Retirement System of Texas For the Last Ten Measurement Years Ended June 30

	2023	2022	2021	2020	2019
District's proportion of the net pension liability	0.0598%	0.0561%	0.0507%	0.0530%	0.0612%
District's proportionate share of the net pension liability	\$ 41,062,411	\$ 33,301,046	\$ 12,910,709	\$ 28,362,529	\$ 31,793,033
State's proportionate share of the net pension liability associated with the District	53,907,183	43,779,245	21,773,959	47,645,326	43,607,318
Total	\$ 94,969,594	\$ 77,080,291	\$ 34,684,668	\$ 76,007,855	\$ 75,400,351
District's covered payroll (for Measurement Year)	\$ 75,765,103	\$ 69,754,411	\$ 65,195,080	\$ 65,795,575	\$ 63,455,415
District's proportionate share of the net pension liability as a percentage of covered payroll	54.20%	47.74%	19.80%	43.11%	50.10%
Plan's fiduciary net position as a percentage of the total pension liability *	73.15%	75.65%	88.79%	75.54%	75.24%
Plan's net pension liability as a percentage of covered payroll *	122.32%	112.72%	51.08%	110.36%	114.93%
	2018	2017	2016	2015	2014
District's proportion of the net pension liability	0.0599%	0.0545%	0.0585%	0.0565%	0.0424%
District's proportionate share of the net pension liability	\$ 32,953,005	\$ 17,423,755	\$ 22,092,768	\$ 19,972,776	\$ 11,330,541
State's proportionate share of the net pension liability associated with the District	45,591,662	28,233,322	33,022,025	30,171,032	23,732,728
Total	\$ 78,544,667	\$ 45,657,077	\$ 55,114,793	\$ 50,143,808	\$ 35,063,269
District's covered payroll (for Measurement Year)	\$ 59,939,410	\$ 57,223,710	\$ 57,282,739	\$ 52,822,628	\$ 48,547,788
District's proportionate share of the net pension liability as a percentage of its covered payroll	54.98%	30.45%	38.57%	37.81%	23.34%
Plan's fiduciary net position as a percentage of the total pension liability *	73.74%	82.17%	78.00%	78.43%	83.25%
Plan's net pension liability as a percentage of covered payroll *	126.11%	75.93%	92.75%	91.94%	72.89%

The amounts presented for each Plan year which ends the preceding August 31 of the Districts fiscal year

* Per Teacher retirement System of Texas' comprehensive annual financial report

MANOR INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S RETIREMENT CONTRIBUTIONS - TRS
REQUIRED SUPPLEMENTARY INFORMATION
Teacher Retirement System of Texas
For the Last Ten Fiscal Years Ended June 30

Exhibit G-3

	2024	2023	2022	2021	2020
Contractually required contributions	\$ 3,206,707	\$ 3,054,028	\$ 2,536,488	\$ 2,155,638	\$ 2,187,009
Contributions in relation to the contractually required contributions	3,206,707	3,054,028	2,536,488	2,155,638	2,187,009
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 78,516,896	\$ 75,102,189	\$ 68,851,471	\$ 64,695,584	\$ 65,770,930
Contributions as a percentage of covered payroll	4.08%	4.07%	3.68%	3.33%	3.33%
	2019	2018	2017	2016	2015
Contractually required contributions	\$ 2,182,736	\$ 2,058,940	\$ 1,695,335	\$ 1,876,432	\$ 1,719,011
Contributions in relation to the contractually required contributions	2,182,736	2,058,940	1,695,335	1,695,335	1,719,011
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 62,950,545	\$ 61,951,863	\$ 54,437,245	\$ 57,058,223	\$ 51,812,156
Contributions as a percentage of covered payroll	3.47%	3.32%	3.11%	3.29%	3.32%

MANOR INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PENSION
Teacher Retirement System of Texas

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.

Changes in Benefit Terms

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

Other Information

Effective September 1, 2014, employers who did not contribute to Social Security for TRS-eligible employees were required to contribute an additional 1.5% of TRS-eligible compensation which nearly doubled the District's contributions into the Plan. Because the District's proportional share of the plan is determined by its proportional share of contributions, the District recognized a corresponding increase in its share of net pension liability.

MANOR INDEPENDENT SCHOOL DISTRICT
Exhibit G-4

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
REQUIRED SUPPLEMENTARY INFORMATION
Teacher Retirement System of Texas
For the Last Seven Measurement Years Ended August 31**

	2023	2022	2021	2020
District's proportion of the net OPEB liability	0.0734%	0.0725%	0.0701%	0.0749%
District's proportionate share of the net OPEB liability	\$ 16,259,814	\$ 17,364,357	\$ 27,054,715	\$ 28,463,653
State's proportionate share of the net OPEB liability associated with the District	19,619,965	21,181,787	36,247,289	38,248,327
Total	\$ 35,879,779	\$ 38,546,144	\$ 63,302,004	\$ 66,711,980
District's covered payroll (for Measurement Year)	\$ 75,765,103	\$ 69,754,411	\$ 65,195,080	\$ 65,795,575
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	21.46%	24.89%	41.50%	43.26%
Plan fiduciary net position as a percentage of the total OPEB liability	14.94%	11.52%	6.18%	4.99%
Plan's net OPEB liability as a percentage of covered payroll	51.86%	59.10%	100.13%	101.46%
	2019	2018	2017	
District's proportion of the net OPEB liability	0.0794%	0.0763%	0.0751%	
District's proportionate share of the net OPEB liability	\$ 37,541,156	\$ 38,077,606	\$ 32,654,012	
State's proportionate share of the net OPEB liability associated with the District	49,883,799	51,207,637	45,260,096	
Total	\$ 87,424,955	\$ 89,285,243	\$ 77,914,108	
District's covered payroll (for Measurement Year)	\$ 63,455,415	\$ 59,939,410	\$ 57,223,710	
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	59.16%	63.53%	57.06%	
Plan fiduciary net position as a percentage of the total OPEB liability	2.66%	1.57%	132.55%	
Plan's net OPEB liability as a percentage of covered payroll	135.21%	146.64%		

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.

MANOR INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S OPEB CONTRIBUTIONS
REQUIRED SUPPLEMENTARY INFORMATION
Teacher Retirement System of Texas
For the Last Nine Fiscal Years Ended June 30

Exhibit G-5

	2024	2023	2022	2021	2020
Contractually required contributions	\$ 655,389	\$ 625,279	\$ 574,112	\$ 472,858	\$ 571,426
Contributions in relation to the contractually required contributions	655,389	625,279	574,112	472,858	571,426
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 78,516,896	\$ 75,102,189	\$ 68,851,471	\$ 64,695,584	\$ 65,770,930
Contributions as a percentage of covered payroll	0.83%	0.83%	0.83%	0.73%	0.87%
	2019	2018	2017	2016	
Contractually required contributions	\$ 568,234	\$ 536,486	\$ 372,044	\$ 374,993	
Contributions in relation to the contractually required contributions	568,234	536,486	372,044	374,993	
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
District's covered payroll	\$ 62,950,545	\$ 61,951,863	\$ 54,437,245	\$ 51,812,156	
Contributions as a percentage of covered payroll	0.90%	0.87%	0.68%	0.72%	

Notes:

- Ten years of data should be presented in this schedule but data is unavailable prior to 2016.
- Contribution data will be presented prospectively in accordance with GASB 75.

MANOR INDEPENDENT SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - OPEB

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.

Changes of Benefit Terms

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



OTHER SUPPLEMENTARY INFORMATION

MANOR INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
ALL NONMAJOR GOVERNMENTAL FUNDS
June 30, 2024

Exhibit H-1
Page 1 of 6

		206	211	224	225
Data Control Codes		ESEA Title X Part			
		C - Education for Homeless Children	ESEA Title I Part A - Improving Basic Programs	IDEA - Part B Formula	IDEA - Part B Preschool
Assets					
1110	Cash and cash equivalents	\$ 962	\$ 12,598	\$ 18,130	\$ -
	Receivables:				
1240	Receivables from other governments	6,265	183,119	266,155	14,890
1260	Due from other funds	-	-	-	-
1310	Inventories, at cost	-	-	-	-
1000	Total Assets	\$ 7,227	\$ 195,717	\$ 284,285	\$ 14,890
Liabilities and Fund Balances					
Liabilities:					
Current Liabilities:					
2110	Accounts payable	\$ -	\$ -	\$ 9,691	\$ -
2150	Payroll deduction and withholdings payable	262	18,943	9,054	-
2160	Accrued wages payable	-	-	-	-
2170	Due to other funds	6,965	176,774	265,540	14,890
2180	Due to other governments	-	-	-	-
2300	Unearned revenues	-	-	-	-
2000	Total Liabilities	7,227	195,717	284,285	14,890
Fund Balances:					
Restricted:					
3450	Federal/State grant restrictions	-	-	-	-
3490	Local grants	-	-	-	-
Committed:					
3545	Other purposes	-	-	-	-
3000	Total Fund Balances	-	-	-	-
4000	Total Liabilities and Fund Balances	\$ 7,227	\$ 195,717	\$ 284,285	\$ 14,890

MANOR INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
ALL NONMAJOR GOVERNMENTAL FUNDS
June 30, 2024

Exhibit H-1

Page 2 of 6

		240	244	255	263
Data Control Codes		Child Nutrition	Career and Technical - Basic Grant	Title II, Part A - Supportive Effective Instruction	Title III, Part A - English Language Acquisition
Assets					
1110	Cash and cash equivalents	\$ 21,797	\$ 106	\$ 52	\$ 36,928
	Receivables:				
1240	Receivables from other governments	71,646	18,234	1,305	72,171
1260	Due from other funds	3,145,847	-	2,295	-
1310	Inventories, at cost	190,234	-	-	-
1000	Total Assets	\$ 3,429,524	\$ 18,340	\$ 3,652	\$ 109,099
Liabilities and Fund Balances					
Liabilities:					
Current Liabilities:					
2110	Accounts payable	\$ 1,227	\$ -	\$ -	\$ 34,997
2150	Payroll deduction and withholdings payable	22,464	106	376	1,831
2160	Accrued wages payable	284,352	-	-	-
2170	Due to other funds	-	18,234	-	72,271
2180	Due to other governments	-	-	-	-
2300	Unearned revenues	-	-	-	-
2000	Total Liabilities	308,043	18,340	376	109,099
Fund Balances:					
Restricted:					
3450	Federal/State grant restrictions	3,121,481	-	3,276	-
3490	Local grants	-	-	-	-
Committed:					
3545	Other purposes	-	-	-	-
3000	Total Fund Balances	3,121,481	-	3,276	-
4000	Total Liabilities and Fund Balances	\$ 3,429,524	\$ 18,340	\$ 3,652	\$ 109,099

MANOR INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
ALL NONMAJOR GOVERNMENTAL FUNDS
June 30, 2024

Exhibit H-1
Page 3 of 6

		274	278	279	280
Data Control Codes			ESSER - ARP - Homeless Children and Youth (ARP-HCY)	ESSER III - TCLASS	ARP Homeless II
Assets					
1110	Cash and cash equivalents	\$ -	\$ 24	\$ 340,064	\$ -
	Receivables:				
1240	Receivables from other governments	-	1,641	590,624	-
1260	Due from other funds	-	-	-	-
1310	Inventories, at cost	-	-	-	-
1000	Total Assets	\$ -	\$ 1,665	\$ 930,688	\$ -
Liabilities and Fund Balances					
Liabilities:					
Current Liabilities:					
2110	Accounts payable	\$ -	\$ -	\$ 339,802	\$ -
2150	Payroll deduction and withholdings payable	-	721	262	-
2160	Accrued wages payable	-	-	-	-
2170	Due to other funds	-	944	590,624	-
2180	Due to other governments	-	-	-	-
2300	Unearned revenues	-	-	-	-
2000	Total Liabilities		1,665	930,688	
Fund Balances:					
Restricted:					
3450	Federal/State grant restrictions	-	-	-	-
3490	Local grants	-	-	-	-
Committed:					
3545	Other purposes	-	-	-	-
3000	Total Fund Balances	-	-	-	-
4000	Total Liabilities and Fund Balances	\$ -	\$ 1,665	\$ 930,688	\$ -

MANOR INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
ALL NONMAJOR GOVERNMENTAL FUNDS
June 30, 2024

Exhibit H-1
Page 4 of 6

		282	289	385	397
Data Control Codes		ESSER III - ARP	Federally Funded Special Revenue Funds	State Supplemental Visually Impaired	Advanced Placement Initiatives
Assets					
1110	Cash and cash equivalents	\$ 16,990	\$ 911	\$ -	\$ -
	Receivables:				
1240	Receivables from other governments	246,216	12,052	2,797	-
1260	Due from other funds	-	-	-	3,915
1310	Inventories, at cost	-	-	-	-
1000	Total Assets	\$ 263,206	\$ 12,963	\$ 2,797	\$ 3,915
Liabilities and Fund Balances					
Liabilities:					
Current Liabilities:					
2110	Accounts payable	\$ 3,225	\$ 2	\$ -	\$ -
2150	Payroll deduction and withholdings payable	10,004	911	-	-
2160	Accrued wages payable	-	-	-	-
2170	Due to other funds	249,977	12,050	2,797	-
2180	Due to other governments	-	-	-	-
2300	Unearned revenues	-	-	-	3,805
2000	Total Liabilities	263,206	12,963	2,797	3,805
Fund Balances:					
Restricted:					
3450	Federal/State grant restrictions	-	-	-	110
3490	Local grants	-	-	-	-
Committed:					
3545	Other purposes	-	-	-	-
3000	Total Fund Balances	-	-	-	110
4000	Total Liabilities and Fund Balances	\$ 263,206	\$ 12,963	\$ 2,797	\$ 3,915

MANOR INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
ALL NONMAJOR GOVERNMENTAL FUNDS
June 30, 2024

Exhibit H-1
Page 5 of 6

		410	429	461	499
Data Control Codes		Instructional Materials Allotment	State Special Revenue Fund	Campus Activity Funds	Local Grants
Assets					
1110	Cash and cash equivalents	\$ -	\$ 637	\$ 6,289	\$ 4,859
	Receivables:				
1240	Receivables from other governments	-	1,411,069	-	-
1260	Due from other funds	23,843	-	289,908	573,010
1310	Inventories, at cost	-	-	-	-
1000	Total Assets	<u>\$ 23,843</u>	<u>\$ 1,411,706</u>	<u>\$ 296,197</u>	<u>\$ 577,869</u>
Liabilities and Fund Balances					
	Liabilities:				
	Current Liabilities:				
2110	Accounts payable	\$ -	\$ -	\$ 61,750	\$ 4,859
2150	Payroll deduction and withholdings payable	-	22,176	-	242
2160	Accrued wages payable	-	-	-	-
2170	Due to other funds	-	1,336,554	-	346,633
2180	Due to other governments	-	-	47	-
2300	Unearned revenues	23,843	-	-	88,912
2000	Total Liabilities	<u>23,843</u>	<u>1,358,730</u>	<u>61,797</u>	<u>440,646</u>
	Fund Balances:				
	Restricted:				
3450	Federal/State grant restrictions	-	-	-	-
3490	Local grants	-	-	-	137,223
	Committed:				
3545	Other purposes	-	52,976	234,400	-
3000	Total Fund Balances	<u>-</u>	<u>52,976</u>	<u>234,400</u>	<u>137,223</u>
4000	Total Liabilities and Fund Balances	<u>\$ 23,843</u>	<u>\$ 1,411,706</u>	<u>\$ 296,197</u>	<u>\$ 577,869</u>

MANOR INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
ALL NONMAJOR GOVERNMENTAL FUNDS
June 30, 2024

Exhibit H-1
Page 6 of 6

Data Control Codes		Total Nonmajor Governmental Funds
	Assets	
1110	Cash and cash equivalents	\$ 460,347
	Receivables:	
1240	Receivables from other governments	2,898,184
1260	Due from other funds	4,038,818
1310	Inventories, at cost	190,234
1000	Total Assets	\$ 7,587,583
	Liabilities and Fund Balances	
	Liabilities:	
	Current Liabilities:	
2110	Accounts payable	\$ 455,553
2150	Payroll deduction and withholdings payable	87,352
2160	Accrued wages payable	284,352
2170	Due to other funds	3,094,253
2180	Due to other governments	47
2300	Unearned revenues	116,560
2000	Total Liabilities	4,038,117
	Fund Balances:	
	Restricted:	
3450	Federal/State grant restrictions	3,124,867
3490	Local grants	137,223
	Committed:	
3545	Other purposes	287,376
3000	Total Fund Balances	3,549,466
4000	Total Liabilities and Fund Balances	\$ 7,587,583

MANOR INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - ALL NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2024

Exhibit H-2

Page 1 of 6

		206	211	224	225
Data Control Codes		ESEA Title X Part C - Education for Homeless Children	ESEA Title I Part A - Improving Basic Programs	IDEA - Part B Formula	IDEA - Part B Preschool
	Revenues				
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-	-
5900	Federal program revenues	42,546	1,531,425	1,721,721	-
5020	Total Revenues	42,546	1,531,425	1,721,721	-
	Expenditures				
	Current:				
0011	Instruction	-	711,052	1,475,746	-
0012	Instruction resources and media services	-	-	-	-
0013	Curriculum and instructional staff development	-	162,383	-	-
0021	Instructional leadership	-	8,080	-	-
0023	School leadership	-	16,286	-	-
0031	Guidance, counseling and evaluation services	-	-	245,975	-
0032	Social work services	42,546	90,741	-	-
0035	Food service	-	-	-	-
0036	Extracurricular activities	-	-	-	-
0041	General administration	-	2,941	-	-
0052	Security and monitoring services	-	-	-	-
0053	Data processing services	-	-	-	-
0061	Community services	-	539,942	-	-
6030	Total Expenditures	42,546	1,531,425	1,721,721	-
	Excess (deficiency) of revenues				
1100	over expenditures	-	-	-	-
1200	Net change in fund balances	-	-	-	-
0100	Fund Balance - Beginning	-	-	-	-
3000	Fund Balance - Ending	\$ -	\$ -	\$ -	\$ -

MANOR INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - ALL NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2024

Exhibit H-2

Page 2 of 6

		240	244	255	263
Data Control Codes		Child Nutrition	Career and Technical - Basic Grant	Title II, Part A - Supportive Effective Instruction	Title III, Part A - English Language Acquisition
Revenues					
5700	Local, intermediate, and out-of-state	\$ 486,189	\$ -	\$ -	\$ -
5800	State program revenues	31,917	-	-	-
5900	Federal program revenues	8,702,630	114,645	182,322	392,586
5020	Total Revenues	9,220,736	114,645	182,322	392,586
Expenditures					
Current:					
0011	Instruction	-	101,801	-	93,055
0012	Instruction resources and media services	-	-	-	-
0013	Curriculum and instructional staff development	-	12,844	176,687	245,260
0021	Instructional leadership	-	-	5,635	52,464
0023	School leadership	-	-	-	1,807
0031	Guidance, counseling and evaluation services	-	-	-	-
0032	Social work services	-	-	-	-
0035	Food service	9,736,214	-	-	-
0036	Extracurricular activities	-	-	-	-
0041	General administration	-	-	-	-
0052	Security and monitoring services	-	-	-	-
0053	Data processing services	-	-	-	-
0061	Community services	-	-	-	-
6030	Total Expenditures	9,736,214	114,645	182,322	392,586
1100	Excess (deficiency) of revenues over expenditures	(515,478)	-	-	-
1200	Net change in fund balances	(515,478)	-	-	-
0100	Fund Balance - Beginning	3,636,959	-	3,276	-
3000	Fund Balance - Ending	\$ 3,121,481	\$ -	\$ 3,276	\$ -

MANOR INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - ALL NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2024

Exhibit H-2

Page 3 of 6

		274	278	279	280
Data Control Codes			ESSER - ARP - Homeless Children and Youth (ARP-HCY)	ESSER III - TCLASS	ARP Homeless II
Revenues		GEAR UP			
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-	-
5900	Federal program revenues	27,986	26,385	1,898,373	4,783
5020	Total Revenues	27,986	26,385	1,898,373	4,783
Expenditures					
Current:					
0011	Instruction	-	7,653	1,701,001	-
0012	Instruction resources and media services	-	-	-	-
0013	Curriculum and instructional staff development	-	-	23,803	-
0021	Instructional leadership	27,986	-	173,569	-
0023	School leadership	-	-	-	-
0031	Guidance, counseling and evaluation services	-	-	-	-
0032	Social work services	-	18,732	-	4,783
0035	Food service	-	-	-	-
0036	Extracurricular activities	-	-	-	-
0041	General administration	-	-	-	-
0052	Security and monitoring services	-	-	-	-
0053	Data processing services	-	-	-	-
0061	Community services	-	-	-	-
6030	Total Expenditures	27,986	26,385	1,898,373	4,783
1100	Excess (deficiency) of revenues over expenditures	-	-	-	-
1200	Net change in fund balances	-	-	-	-
0100	Fund Balance - Beginning	-	-	-	-
3000	Fund Balance - Ending	\$ -	\$ -	\$ -	\$ -

MANOR INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - ALL NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2024

Exhibit H-2

Page 4 of 6

		282	289	385	397
Data Control Codes			Federally Funded Special Revenue Funds	State Supplemental Visually Impaired	Advanced Placement Initiatives
		ESSER III - ARP			
Revenues					
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ -	\$ -
5800	State program revenues	-	-	2,645	-
5900	Federal program revenues	4,056,337	205,012	-	-
5020	Total Revenues	<u>4,056,337</u>	<u>205,012</u>	<u>2,645</u>	<u>-</u>
Expenditures					
Current:					
0011	Instruction	3,940,314	10,790	2,645	-
0012	Instruction resources and media services	-	-	-	-
0013	Curriculum and instructional staff development	14,473	-	-	-
0021	Instructional leadership	-	-	-	-
0023	School leadership	11,550	-	-	-
0031	Guidance, counseling and evaluation services	-	-	-	-
0032	Social work services	90,000	194,222	-	-
0035	Food service	-	-	-	-
0036	Extracurricular activities	-	-	-	-
0041	General administration	-	-	-	-
0052	Security and monitoring services	-	-	-	-
0053	Data processing services	-	-	-	-
0061	Community services	-	-	-	-
6030	Total Expenditures	<u>4,056,337</u>	<u>205,012</u>	<u>2,645</u>	<u>-</u>
1100	Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1200	Net change in fund balances	-	-	-	-
0100	Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>110</u>
3000	Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 110</u>

MANOR INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - ALL NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2024

Exhibit H-2

Page 5 of 6

		410	429	461	499
Data Control Codes		Instructional Materials Allotment	State Special Revenue Fund	Campus Activity Funds	Local Grants
Revenues					
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ 551,707	\$ 503,720
5800	State program revenues	1,031,537	3,231,304	-	-
5900	Federal program revenues	-	-	-	-
5020	Total Revenues	<u>1,031,537</u>	<u>3,231,304</u>	<u>551,707</u>	<u>503,720</u>
Expenditures					
Current:					
0011	Instruction	1,031,537	1,576,831	3	192,751
0012	Instruction resources and media services	-	-	-	127
0013	Curriculum and instructional staff development	-	140,599	-	8,919
0021	Instructional leadership	-	8,391	-	-
0023	School leadership	-	302,459	-	4,244
0031	Guidance, counseling and evaluation services	-	64,131	-	-
0032	Social work services	-	365,000	-	77,323
0035	Food service	-	-	-	188,770
0036	Extracurricular activities	-	1,179	538,570	29,286
0041	General administration	-	-	5,001	-
0052	Security and monitoring services	-	262,982	-	2,300
0053	Data processing services	-	225,000	-	-
0061	Community services	-	284,732	-	-
6030	Total Expenditures	<u>1,031,537</u>	<u>3,231,304</u>	<u>543,574</u>	<u>503,720</u>
1100	Excess (deficiency) of revenues over expenditures	-	-	8,133	-
1200	Net change in fund balances	-	-	8,133	-
0100	Fund Balance - Beginning	-	52,976	226,267	137,223
3000	Fund Balance - Ending	<u>\$ -</u>	<u>\$ 52,976</u>	<u>\$ 234,400</u>	<u>\$ 137,223</u>

MANOR INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - ALL NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2024

Exhibit H-2

Page 6 of 6

Data Control Codes		Total Nonmajor Governmental Funds
Revenues		
5700	Local, intermediate, and out-of-state	\$ 1,541,616
5800	State program revenues	4,297,403
5900	Federal program revenues	18,906,751
5020	Total Revenues	<u>24,745,770</u>
Expenditures		
Current:		
0011	Instruction	10,845,179
0012	Instruction resources and media services	127
0013	Curriculum and instructional staff development	784,968
0021	Instructional leadership	276,125
0023	School leadership	336,346
0031	Guidance, counseling and evaluation services	310,106
0032	Social work services	883,347
0035	Food service	9,924,984
0036	Extracurricular activities	569,035
0041	General administration	7,942
0052	Security and monitoring services	265,282
0053	Data processing services	225,000
0061	Community services	824,674
6030	Total Expenditures	<u>25,253,115</u>
	Excess (deficiency) of revenues	
1100	over expenditures	<u>(507,345)</u>
1200	Net change in fund balances	(507,345)
0100	Fund Balance - Beginning	<u>4,056,811</u>
3000	Fund Balance - Ending	<u>\$ 3,549,466</u>



REQUIRED TEA SCHEDULES

MANOR INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
For the Year Ended June 30, 2024

Exhibit J-1
Page 1 of 2

	1	2	3	10	20
	Tax Rates		Net Assessed/Appraised	Beginning	Current
Last Ten	Maintenance	Debt Service	Value For School Tax Purposes	Balance 7/1/2023	Year's Total Levy
Fiscal Years					
2015 and prior	Various	Various	Various	\$ 337,974	\$ -
2016	1.040000	0.475000	3,902,520,528	43,160	-
2017	1.040000	0.475000	4,670,138,746	50,457	-
2018	1.040000	0.475000	4,893,258,086	62,692	-
2019	1.040000	0.475000	4,895,991,089	137,808	-
2020	0.970000	0.500000	5,630,810,408	319,170	-
2021	0.942700	0.499970	6,186,063,064	502,856	-
2022	0.872000	0.480000	6,419,658,961	774,306	-
2023	0.974600	0.377400	10,307,084,005	1,871,164	-
2024	0.691600	0.394500	11,109,717,062	-	118,967,454
1000 Totals				<u>\$ 4,099,587</u>	<u>\$ 118,967,454</u>

8000 Taxes Refunded

9000 Tax Increment

* The District is affected by an economic exemption which applies only to the Maintenance and Operations rate per Texas Property Tax Code Section 313.027:

MANOR INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
For the Year Ended June 30, 2024

Exhibit J-1
Page 2 of 2

	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	\$ 4,614	\$ 1,267	\$ (46,395)	\$ 285,698	
2016	692	316	-	42,152	
2017	3,170	1,448	-	45,839	
2018	4,760	2,174	-	55,758	
2019	5,774	2,637	(36,072)	93,325	
2020	26,749	13,788	(31,553)	247,080	
2021	130,621	69,276	(21,806)	281,153	
2022	148,436	81,708	(99,840)	444,322	
2023	(440,136)	(170,437)	(1,678,405)	803,332	
2024	74,651,586	42,582,491	-	1,733,377	
1000 Totals	<u>\$ 74,536,266</u>	<u>\$ 42,584,668</u>	<u>\$ (1,914,071)</u>	<u>4,032,036</u>	
				<u>1,661,138</u>	
				<u>\$ 5,693,174</u>	
8000 Taxes Refunded					<u>\$ 28,156</u>
9000 Tax Increment	<u>\$ -</u>				

* The District is affected by an economic exemption which applies only to the Maintenance and Operations rate per Texas Property Tax Code Section 313.027:

MANOR INDEPENDENT SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
CHILD NUTRITION PROGRAM
For the Year Ended June 30, 2024

Exhibit J-2

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
Revenues				
Local revenues	\$ 550,000	\$ 550,000	\$ 486,189	\$ (63,811)
State program revenues	75,000	75,000	31,917	(43,083)
Federal program revenues	7,554,000	7,554,000	8,702,630	1,148,630
Total Revenues	8,179,000	8,179,000	9,220,736	1,041,736
Expenditures				
Current:				
Food services	7,524,945	9,757,816	9,736,214	21,602
Total Expenditures	7,524,945	7,524,945	9,736,214	21,602
Net change in fund balances	654,055	654,055	(515,478)	1,063,338
Fund Balances - Beginning	3,636,959	3,636,959	3,636,959	-
Fund Balances - Ending	\$ 4,291,014	\$ 4,291,014	\$ 3,121,481	\$ 1,063,338

MANOR INDEPENDENT SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
For the Year Ended June 30, 2024

Exhibit J-3

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
Revenues				
Local revenues	\$ 45,841,098	\$ 45,841,098	\$ 44,890,351	\$ (950,747)
State program revenues	-	-	3,046,900	3,046,900
Total Revenues	<u>45,841,098</u>	<u>45,841,098</u>	<u>47,937,251</u>	<u>2,096,153</u>
Expenditures				
Debt Service:				
Principal on long-term debt	12,685,000	12,685,000	12,685,000	-
Interest on long-term debt	20,040,843	20,040,843	20,060,271	(19,428)
Bond issuance costs and fees	24,430	24,430	25,380	(950)
Total Expenditures	<u>32,750,273</u>	<u>32,750,273</u>	<u>32,770,651</u>	<u>(20,378)</u>
Net change in fund balances	13,090,825	13,090,825	15,166,600	2,075,775
Fund Balances - Beginning	<u>44,191,406</u>	<u>44,191,406</u>	<u>44,191,406</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 57,282,231</u>	<u>\$ 57,282,231</u>	<u>\$ 59,358,006</u>	<u>\$ 2,075,775</u>

MANOR 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.	\$ 9,563,745
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal year. (PICs 24, 26, 28, 29, 30)	\$ 6,064,883
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.	\$ 2,639,134
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PIC 25)	\$ 1,309,012

MANOR INDEPENDENT SCHOOL DISTRICT
REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS
For the Year Ended June 30, 2024

Schedule L-1

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.	\$ -0-
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).	



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**

To the Board of Trustees
Manor 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 Manor 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 District’s basic financial statements, and have issued our report thereon dated November 18, 2024.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

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
Manor Independent School District

Purpose of this Report

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

Whitley Penn LLP

Austin, Texas
November 18, 2024

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

To the Board of Trustees
Manor Independent School District

Report on Compliance for Each Major Federal Program

Opinion On Each Major Federal Program

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

In our opinion, the District’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
Manor 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

Austin, Texas
November 18, 2024

MANOR 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?	None reported
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:

<u>Name of Federal Program or Cluster</u>	<u>Assistance Listing Number (ALN)</u>
--	--

U.S. Department of Agriculture	
Child Nutrition Cluster	
<i>Supply Chain Assistance</i>	10.555
<i>USDA Commodities</i>	10.555
<i>Fresh Fruit and Vegetable Program</i>	10.582
<i>School Breakfast Program</i>	10.553
<i>School Breakfast Program - SSO</i>	10.553
<i>National School Lunch Program</i>	10.555
<i>National School Lunch Program - SSO</i>	10.555
Dollar Threshold Considered Between Type A and Type B Federal Programs	\$750,000
Auditee qualified as low-risk auditee?	Yes

MANOR INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
For the Year Ended June 30, 2024

II. Financial Statement Findings

None Reported

III. Federal Awards Findings and Questioned Costs

None Reported

MANOR INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2024

Exhibit K-1
Page 1 of 2

Fund Code	(1) Federal Grantor/ Pass-Through Grantor/ Program Title	(2) Federal ALN	(2A) Pass-Through Entity Identifying Number	(3) Federal Expenditures
U. S. Department of Education				
Passed Through Texas Education Agency:				
206	<i>Texas Education for Homeless Children and Youth</i>	84.196A	244600057110060	\$ 39,122
206	<i>Texas Education for Homeless Children and Youth</i>	84.196A	234600057110053	3,424
	<i>Total ALN 84.196</i>			<u>42,546</u>
211	<i>Title I Part A - Improving Basic Programs</i>	84.010A	24610101227907	1,205,095
211	<i>Title I Part A - Improving Basic Programs</i>	84.010A	23610101227907	98,238
211	<i>Title 1 1003- School Improvement</i>	84.010A	24610141227907	29,782
211	<i>School Action Fund - Continuation</i>	84.010A	236101627110021	267,827
	<i>Total ALN 84.010</i>			<u>1,600,942</u>
224	<i>IDEA B - Formula</i>	84.027A	246600012279076600	1,693,220
224	<i>IDEA B - Preschool</i>	84.173A	246610012279076610	104,565
	<i>Total Special Education Cluster (ALN 84.173 and 84.027)</i>			<u>1,797,785</u>
244	<i>Carl D. Perkins Basic Formula</i>	84.048A	24420006227907	107,827
244	<i>Carl D. Perkins Basic Formula</i>	84.048A	23420006227907	6,818
	<i>Total ALN 84.048</i>			<u>114,645</u>
255	<i>Title II, Part A - Supporting Effective Instruction</i>	84.367A	24694501227907	172,306
255	<i>Title II, Part A - Supporting Effective Instruction</i>	84.367A	23694501227907	17,795
	<i>Total ALN 84.367</i>			<u>190,101</u>
263	<i>Title III, Part A - ELA</i>	84.365A	24671001227907	380,632
263	<i>Title III, Part A - ELA</i>	84.365A	23671001227907	29,121
	<i>Total ALN 84.365</i>			<u>409,753</u>
278	<i>COVID - 19 - Homeless ARP - TEHCY Supplemental</i>	84.425W	215330017110053	35,542
280	<i>COVID - 19 - ARP Homeless II</i>	84.425W	21533002227907	4,783
282	<i>COVID - 19 - ESSER III - ARP</i>	84.425U	21528001227907	4,210,135
282	<i>COVID - 19 - ADSY Summer Learning Accelerator</i>	84.425U	21528088227907	3,864
282	<i>COVID - 19 - TCLAS High-Quality After-School</i>	84.425U	215280587110095	515,410
279	<i>COVID - 19 - ESSER III - TCLAS</i>	84.425U	21528042227907	2,274,308
	<i>Total ALN 84.425</i>			<u>7,044,042</u>
289	<i>Title IV, Part A, Subpart 1</i>	84.424A	24680101227907	203,393
289	<i>Title IV, Part A, Subpart 1</i>	84.424A	23680101227907	11,298
	<i>Total ALN 84.424</i>			<u>214,691</u>
199	<i>Summer School LEP</i>	84.369A	69552302	10,769
Passed Through University of Texas at Austin:				
274	<i>Gaining Early Awareness and Readiness for Undergraduate Programs</i>	84.334	P334A170079	27,986
	Total U. S. Department of Education			<u>11,453,260</u>

MANOR INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2024

Exhibit K-1

Page 2 of 2

Fund Code	(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			
199	<i>Medicaid Administrative Claiming Program - MAC - Cluster</i>	93.778	HHS000537900263	\$ 9,638
	Total U.S. Department of Health and Human Services			9,638
	U.S. Department of Agriculture			
	Passed Through Texas Department of Agriculture			
240	<i>Supply Chain Assistance</i>	10.555	NT4XL1YGLGC5	346,630
240	<i>USDA Commodities</i>	10.555	NT4XL1YGLGC5	501,402
240	<i>Fresh Fruit and Vegetable Program</i>	10.582	NT4XL1YGLGC5	28,618
	Passed Through Texas Education Agency			
240	<i>School Breakfast Program</i>	10.553	71402401	2,117,032
240	<i>School Breakfast Program - SSO</i>	10.553	71402401	37,862
240	<i>National School Lunch Program</i>	10.555	71302401	5,163,158
240	<i>National School Lunch Program - SSO</i>	10.555	71302401	86,361
	<i>Total Child Nutrition Cluster (ALN 10.553, 10.555, 10.582)</i>			8,281,063
	Passed Through Texas Department of Agriculture			
240	<i>Local Food for Schools Cooperative</i>	10.185	NT4XL1YGLGC5	30,538
240	<i>Child and Adult Food Care Program</i>	10.558	NT4XL1YGLGC5	382,919
240	<i>State Administrative Expense (SAE) Funds</i>	10.560	NT4XL1YGLGC5	8,110
	Total Department of Agriculture			8,702,630
	Total Expenditures of Federal Awards			\$ 20,165,528

MANOR INDEPENDENT SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2024

Exhibit K-2

Note 1 - Summary of Significant Accounting Policies

The District accounts for all awards under federal programs in the General and Special Revenue Funds in accordance with the Texas Education Agency's *Financial Accountability System Resource Guide* (FASRG). 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.

Expenditures reported on the Schedule of Expenditures of Federal Awards are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The District has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

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.

All federal grants are subject to review by the grantor agencies. Any expenditures identified by the grantor agencies as disallowed could require reimbursement to the grantor agency from the District's general fund.

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 District's fiscal year ended June 30, 2024. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Uniform Guidance. Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position or cash flows of the District.

Note 3 - Reconciliation to Basic Financial Statements

The following is a reconciliation of expenditures of federal awards program per Exhibit K-1 and expenditures reported on Exhibit C-2:

Total shown on Schedule of Expenditures of Federal Awards	\$ 20,165,528
Federal Revenue Accounted for in Governmental Funds:	
SHARS	395,244
E-Rate	115,072
Total Expenditures of Federal Awards per SEFA	510,316
Total Federal Revenue - Exhibit C-2	\$ 20,675,844

Note 4 - General Fund Expenditures

Federal Awards reported in the general fund are summarized as follows:

SHARS	\$ 395,244
E-Rate	115,072
Summer School LEP (ALN 84.369A)	10,769
Medicaid Administrative Claiming Program - MAC (ALN 93.778)	9,638
Indirect Costs	1,238,370
	<u>\$ 1,769,093</u>

MANOR 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.

G. Prior Audit Findings

No prior audit findings.

MANOR 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."

I. Corrective Action Plan

Not Applicable.