

BULLARD
INDEPENDENT SCHOOL DISTRICT

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED AUGUST 31, 2024

Bullard Independent School District
Annual Financial Report
For The Year Ended August 31, 2024

TABLE OF CONTENTS

	<u>Page</u>	<u>Exhibit</u>
 INTRODUCTORY SECTION		
Certificate of Board.....	1	
 FINANCIAL SECTION		
Independent Auditors' Report.....	2	
Management's Discussion and Analysis (Required Supplementary Information).....	5	
 <u>Basic Financial Statements</u>		
Government-wide Financial Statements:		
Statement of Net Position.....	11	A-1
Statement of Activities.....	12	B-1
Fund Financial Statements:		
Balance Sheet - Governmental Funds.....	13	C-1
Reconciliation of the Governmental Funds		
Balance Sheet to the Statement of Net Position.....	15	C-1R
Statement of Revenues, Expenditures, and Changes in		
Fund Balances - Governmental Funds.....	16	C-2
Reconciliation of the Statement of Revenues, Expenditures, and Changes in		
Fund Balances of Governmental Funds to the Statement of Activities.....	18	C-3
Statement of Net Position - Proprietary Funds.....	19	D-1
Statement of Revenues, Expenses, and Changes in		
Fund Net Position - Proprietary Funds.....	20	D-2
Statement of Cash Flows - Proprietary Funds.....	21	D-3
Statement of Fiduciary Net Position - Fiduciary Funds.....	22	E-1
Statement of Changes in Fiduciary Net Position - Fiduciary Funds.....	23	E-2
Notes to the Financial Statements	24	
 <u>Required Supplementary Information</u>		
Budgetary Comparison Schedules:		
General Fund.....	51	G-1
Schedule of the District's Proportionate Share of the		
Net Pension Liability - Teacher Retirement System Of Texas.....	53	G-2
Schedule of District's Contributions - Teacher Retirement System Of Texas.....	54	G-3
Schedule of the District's Proportionate Share of the		
Net OPEB Liability - OPEB Plan.....	55	G-4
Schedule of District's Contributions - OPEB Plan.....	56	G-5
Notes to Required Supplementary Information.....	57	

Bullard Independent School District
Annual Financial Report
For The Year Ended August 31, 2024

TABLE OF CONTENTS

	<u>Page</u>	<u>Exhibit</u>
<u>Supplementary Information:</u>		
Special Revenue Funds:		
Combining Balance Sheet - Nonmajor Special Revenue Funds.....	59	H-1
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds.....	62	H-2
Capital Projects Funds:		
Budgetary Comparison Schedule:		
Capital Projects Fund.....	66	H-3
Schedule of Delinquent Taxes Receivable.....	67	J-1
Fund Balance and Cash Flow Calculation Worksheet (Unaudited)-General Fund.....	69	J-2
Use of Funds Report - Select State Allotment Program	70	J-3
Budgetary Comparison Schedules Required by the Texas Education Agency:		
National School Breakfast and Lunch Program.....	71	J-4
Debt Service Fund.....	72	J-5
 OVERALL COMPLIANCE, INTERNAL CONTROL SECTION AND FEDERAL AWARDS		
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>	73	
Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance Required by the Uniform Guidance.....	75	
Schedule of Findings and Questioned Costs	78	
Summary Schedule of Prior Audit Findings.....	79	
Corrective Action Plan.....	80	
Schedule of Expenditures of Federal Awards	81	K-1
Notes to the Schedule of Expenditures of Federal Awards.....	82	
 OTHER INFORMATION		
Schedule of Required Responses to Selected School First Indicators.....	83	K-2

Introductory Section

CERTIFICATE OF BOARD

Bullard Independent School District
Name of School District

Smith
County

212-902
Co.-Dist. Number

We, the undersigned, certify that the attached annual financial reports of the above named school district were reviewed and (check one) _____approved _____disapproved for the year ended August 31, 2024, at a meeting of the board of trustees of such school district on the ____ day of _____, _____.

Signature of Board Secretary

Signature of Board President

If the board of trustees disapproved of the auditors' report, the reason(s) for disapproving it is (are):
(attach list as necessary)

Financial Section

ANDERSON, MARX & BOHL, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

**FRANK MARX, III, CPA
DORI BOHL, CPA & CFE
CALEB MARX, CPA**

Independent Auditors' Report

To the Board of Trustees
Bullard Independent School District
1426B S Houston St
Bullard, Texas 75757

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Bullard Independent School District, as of August 31, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (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 Bullard Independent School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards*

will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, and required supplementary 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 Bullard Independent School District's basic financial statements. The introductory section and combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements. The accompanying other supplementary information is presented for purposes of additional analysis and is also not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and other supplementary information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information, except for that portion labeled "unaudited" on which

we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and other supplementary information and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information Included in the ACFR

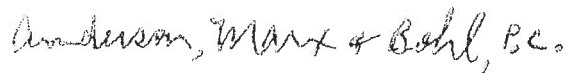
Management is responsible for the other information included in the ACFR. The other information as identified in the table of contents comprises the information included in the ACFR but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial 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 financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the 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 December 9, 2024 on our consideration of Bullard Independent School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 Bullard Independent School District's internal control over financial reporting and compliance.

Respectfully submitted,



Anderson, Marx & Bohl, P.C.

Corsicana, Texas
December 9, 2024



Bullard Independent School District

Excellence Through Education

1426B South Houston
Bullard, TX 75757

Phone (903) 894-6639

Fax (903) 894-9291

Dr. Jack Lee, Superintendent

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Bullard Independent School District's annual financial report presents our discussion and analysis of the District's financial performance during the year ended August 31, 2024. Please read it in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

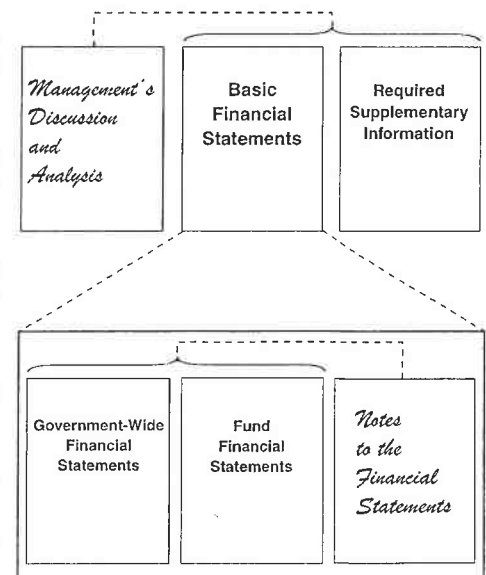
- The District's total combined net position on financial statement exhibit A-1 was \$23,696,623 on August 31, 2024.
- During the year, the District's primary government expenses on financial statement exhibit B-1 were \$5,901,598 less than the \$50,085,506 generated in taxes and other revenues for governmental activities.
- The total cost of the District's programs on financial statement exhibit C-2 increased \$30,745,528 from last year. An increase in capital outlay costs from the prior year accounted for a substantial portion of this increase.
- The general fund reported a fund balance this year on financial statement exhibit C-1 of \$9,770,310. The District began the current year with a fund balance in the amount of \$9,519,867.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts—*management's discussion and analysis* (this section), the *basic financial statements*, and *required supplementary information*. The basic financial statements include two kinds of statements that present different views of the District:

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

Figure A-1, Required Components of the District's Annual Financial Report



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

Summary  Detail

statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and related to one another.

Government-wide Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid. The two government-wide statements report the District's net position and how it has changed. Net position—the difference between the District's assets, deferred resource outflows, liabilities, and deferred resource inflows—is one way to measure the District's financial health or *position*.

- Over time, increases or decreases in the District's net position is an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the District, one needs to consider additional nonfinancial factors such as changes in the District's tax base.

The government-wide financial statements of the District include the *Governmental activities*. Most of the District's basic services are included here, such as instruction, extracurricular activities, curriculum and staff development, health services and general administration. Property taxes and grants finance most of these activities.

Fund Financial Statements

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

- Some funds are required by State law and by bond covenants.
- The Board of Trustees establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The District has the following kinds of funds:

- *Governmental funds*—Most of the District's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explain the relationship (or differences) between them.
- *Fiduciary funds*—The District is the trustee, or *fiduciary*, for certain funds. It is also responsible for other assets that—because of a trust arrangement—can be used only for the trust beneficiaries. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the District's government-wide financial statements because the District cannot use these assets to finance its operations.
- *Proprietary funds*—The District's workman's compensation insurance is accounted for in an internal service fund.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net position. The District's combined net position was \$23.697 million on August 31, 2024. (See Table A-1).

Table A-1
Bullard Independent School District's Net position
(In million dollars)

	Governmental Activities		Total Percentage Change
	<u>2024</u>	<u>2023</u>	<u>2024-2023</u>
Current assets:			
Cash and cash equivalents	\$ 35.936	\$ 66.566	-46
Investments	49.822	47.082	6
Due from other governments	2.300	2.718	-15
Due from other funds	.000	.000	**
Other receivables	1.489	1.547	-4
Unrealized expenses	.006	.014	-57
Debt Issuance Costs-Net	.000	.000	**
Total current assets:	<u>89.553</u>	<u>117.927</u>	-24
Noncurrent assets:			
Land, furniture and equipment	162.035	122.872	32
Less accumulated depreciation	(44.073)	(41.049)	-7
Total noncurrent assets	<u>117.962</u>	<u>81.823</u>	44
Total Assets	<u>207.515</u>	<u>199.750</u>	4
Deferred Outflows of Resources	8.906	7.533	18
Current liabilities:			
Accounts payable and accrued liabilities	9.855	5.440	81
Claims payable	.000	.000	**
Due to other funds	.000	.000	**
Due to other governments	.133	.000	**
Unavailable revenue	.312	.304	3
Payable from restricted assets	.130	.156	-17
Total current liabilities	<u>10.430</u>	<u>5.900</u>	77
Long-term liabilities:			
Noncurrent liabilities due in one year	2.598	2.950	-12
Noncurrent liabilities due more than 1 yr	157.322	160.102	-2
Net Pension Liability	9.243	7.031	31
Net OPEB Liability	4.935	4.779	3
Total Liabilities	<u>184.528</u>	<u>180.762</u>	2
Deferred Inflows of Resources	8.196	8.726	-6
Net Position:			
Net investment in capital assets	22.027	16.426	34
Restricted	4.702	4.368	8
Unrestricted	(3.032)	(2.999)	-1
Total Net Position	<u>\$ 23.697</u>	<u>\$ 17.795</u>	33

The District has \$4,701,664 in restricted net position that represents \$350,272 proceeds from federal and state programs, \$4,345,615 proceeds from debt service, and \$5,777 nonspendable for prepaid items. These proceeds when spent are restricted for the above purposes. The \$(3,032,069) of unrestricted net position represents a deficit of resources to be available to fund the programs of the District next year.

Changes in net position. The District's total revenues were \$50,085,506. A significant portion, 40 percent, of the District's revenue comes from taxes. (See Figure A-3.) 32 percent comes from state aid – formula grants, while only 3 percent relates to charges for services.

The total cost of all programs and services was \$44,183,908; 82 percent of these costs are for governmental activities associated with instructional and student services.

Governmental Activities

- Property tax rates decreased. For this reason, tax revenues decreased by \$2,791,112 or 12%.

Table A-2
Changes in Bullard Independent School District's Net Position
(In million dollars)

	Governmental Activities		Total % Change
	<u>2024</u>	<u>2023</u>	
Program Revenues:			
Charges for Services	\$1.577	\$ 1.614	-3
Operating Grants and Contributions	6.727	5.707	18
Capital Grants and Contributions	.000	.000	**
General Revenues			
Property Taxes	20.093	22.884	-12
State Aid – Formula	15.964	10.539	51
Investment Earnings	5.593	4.590	22
Gain (Loss) on Sale/Disposal of Assets	.002	(.015)	113
Other	.129	.131	2
Total Revenues	<u>50.085</u>	<u>45.450</u>	10
Instruction	19.581	18.065	8
Instructional Resources and Media Services	.267	.249	7
Curriculum Dev. And Instructional Staff Dev.	.969	.936	4
Instructional Leadership	.442	.458	-3
School Leadership	2.011	1.971	2
Guidance, Counseling and Evaluation Services	2.249	1.877	20
Health Services	.438	.385	14
Student (Pupil) Transportation	1.213	1.227	-1
Food Services	1.294	1.213	7
Curricular/Extracurricular Activities	2.489	2.334	7
General Administration	1.293	1.234	5
Plant Maintenance & Oper.	3.978	3.748	6
Security & Monitoring Svcs.	.684	.433	58
Data Processing Services	.761	.711	7
Community Services	.006	.007	-14
Debt Services	6.110	5.480	11
Facilities Acquisition and Construction	.000	.000	**
Contracted Instr. Services Between Public Schools	.000	.000	**
Increment Costs Associated Chapter 41 (WADA)	.000	.000	**
Payments to Fiscal Agent/Member Dist. - SSA	.000	.000	**
Public Education Grant Program	.000	.000	**
Payments to Juvenile Justice Alternative Ed. Program	.000	.001	**
Payments to Charter Schools	.000	.000	**
Other	.398	.328	21
Total Expenses	<u>44.183</u>	<u>40.657</u>	9
Excess (Deficiency) Before Other Resources,			
Uses & Transfers	5.902	4.793	23
Other Resources (Uses)	.000	.000	**
Transfers In (Out)	.000	.000	**
Prior Period Adjustment	.000	.000	**
Increase (Decrease) in Net Position	<u>\$5.902</u>	<u>\$4.793</u>	23

Table A-3 presents the cost of each of the District's largest functions as well as each function's net cost (total cost less fees generated by the activities and intergovernmental aid). The net cost reflects what was funded by state revenues as well as local tax dollars.

- The cost of all *governmental* activities this year was \$44.184 million.
- However, the amount that our taxpayers paid for these activities through property taxes was only \$20.093 million.
- Some of the cost was paid by those who directly benefited from the programs \$1.577 million, or
- By grants and contributions \$6.727 million.

Table A-3
Net Cost of Selected District Functions
(in millions of dollars)

	Total Cost of Services		% Change	Net Cost of Services		% Change
	<u>2024</u>	<u>2023</u>		<u>2024</u>	<u>2023</u>	
Instruction	19.581	18.065	8	16.851	15.830	6
School administration	1.293	1.234	5	1.228	1.167	5
Plant Maintenance & Operations	3.978	3.748	6	3.818	3.580	7
Debt Service – Interest & Fiscal Charges	6.110	5.480	11	4.842	5.206	-7

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Revenues from governmental fund types totaled \$50.520 million, while the previous year it was \$46.197 million. The decrease in local revenues is due to decreased tax rates. The increase in state revenues is a result of student population changes and changes in state funding formulas. The change in federal revenues is due to grant funding formulas distributed through other agencies.

General Fund Budgetary Highlights

Over the course of the year, the District revised its budget 8 times. Actual expenditures were \$290,019 below final budget amounts in the General Fund.

On the other hand, resources available were \$598,161 above the final budgeted amount with state revenue being over budget by \$1,998,882.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital and Right of Use Assets

At the end of 2024, the District had invested \$162,034,876 in a broad range of capital assets, including land, equipment, buildings, and right-to-use assets. (See Table A-4.) This amount represents an increase (including additions and deductions) of \$39,162,786 or 32% over last year.

Table A-4
District's Capital Assets
(In millions of dollars)

	Governmental Activities		Total Percentage Change <u>2024-2023</u>
	<u>2024</u>	<u>2023</u>	
Land	3.597	3.597	0
Construction in progress	47.138	8.629	446
Buildings and improvements	102.944	102.796	0
Equipment	7.982	7.569	5
Right-to-use assets	.374	.281	33
Totals at historical cost	162.035	122.872	32
Total accumulated	(44.073)	(41.049)	-7
Net capital assets	117.962	81.823	44

The District's fiscal year 2025 and 2026 capital budgets anticipate spending the remaining amount of the \$103,000,000 in approved bonds to complete construction and renovation of various ISD instructional and athletic facilities. More detailed information about the District's capital and right of use assets is presented in the notes to the financial statements.

Long Term Debt

At year-end the District had \$174.098 million in bonds, notes, right-of-use liabilities, pension and OPEB liabilities outstanding as shown in Table A-5. More detailed information about the District's debt is presented in the notes to the financial statements.

Table A-5
District's Long-Term Debt
(In millions of dollars)

	Governmental Activities		Total Percentage Change
	2024	2023	2024-2023
Bonds payable	152.800	155.570	-2
Notes payable	.837	.943	-11
Right-of-use lease liability	.174	.116	50
Right-of-use subscription liability	.047	.033	42
Pension liability	9.243	7.031	31
OPEB liability	4.935	4.779	3
Accreted interest	.444	.294	51
Premium on bonds	5.618	6.096	-8
Total debt payable	174.098	174.862	0

In November 2024 the District refinanced bonds and transferred \$29,926,814 to escrow for redemption scheduled to take place in February 2025.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- Appraised value used for the 2025 budget preparation is \$2,029,962,997, an increase of 12% from 2024.
- General operating fund spending per student increased in the 2025 budget from \$10,931 to \$11,904. This is a 9% increase. This number is based on the ADA that was used in each year's budget. If actual enrollment is used, it is \$10,931 to \$11,228. This is a 5% increase.
- The District's 2024 refined average daily attendance is expected to be 2,755, a decrease of 1 percent from last year.

These indicators were considered when adopting the general fund budget for 2025. Amounts available for appropriation in the general fund budget are \$32,797,990, an increase of 3 percent from the final 2024 budget.

If these estimates are realized, the District's budgetary general fund fund balance is not expected to change appreciably by the close of 2025.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Bullard Independent School District's Business Services Department at P.O. Box 250, Bullard, Texas 75757 or phone number 903-894-6639.

Basic Financial Statements

BULLARD INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
AUGUST 31, 2024

Data Control Codes		1	Governmental Activities
ASSETS:			
1110	Cash and Cash Equivalents	\$	35,936,138
1120	Current Investments		49,822,303
1225	Property Taxes Receivable (Net)		1,479,632
1240	Due from Other Governments		2,299,731
1290	Other Receivables (Net)		9,513
1410	Unrealized Expenses		5,777
Capital Assets:			
1510	Land		3,596,596
1520	Buildings and Improvements, Net		63,750,372
1530	Furniture and Equipment, Net		3,247,276
1550	Right to Use Assets, Net		229,813
1580	Construction in Progress		47,138,228
1000	Total Assets		<u>207,515,379</u>
DEFERRED OUTFLOWS OF RESOURCES:			
	Deferred Outflow Related to Bond Refunding		793,295
	Deferred Outflow Related to Pensions		4,406,497
	Deferred Outflow Related to OPEB		3,705,702
1700	Total Deferred Outflows of Resources		<u>8,905,494</u>
LIABILITIES:			
2110	Accounts Payable		7,658,332
2140	Interest Payable		300,373
2165	Accrued Liabilities		1,896,546
2180	Due to Other Governments		132,787
2300	Unearned Revenue		311,822
2400	Payable from Restricted Assets		129,793
Noncurrent Liabilities:			
2501	Due Within One Year		2,598,087
2502	Due in More Than One Year		157,322,287
2540	Net Pension Liability		9,243,048
2545	Net OPEB Liability		4,935,059
2000	Total Liabilities		<u>184,528,134</u>
DEFERRED INFLOWS OF RESOURCES:			
	Deferred Inflow Related to Pensions		672,056
	Deferred Inflow Related to OPEB		7,524,060
2600	Total Deferred Inflows of Resources		<u>8,196,116</u>
NET POSITION:			
3200	Net Investment in Capital Assets		22,027,028
Restricted For:			
3820	Federal and State Programs		350,272
3850	Debt Service		4,345,615
	Other Purposes		
3890	Nonexpendable		5,777
3900	Unrestricted		(3,032,069)
3000	Total Net Position	\$	<u>23,696,623</u>

The accompanying notes are an integral part of this statement.

BULLARD INDEPENDENT SCHOOL DISTRICT**STATEMENT OF ACTIVITIES**

FOR THE YEAR ENDED AUGUST 31, 2024

Data Control Codes	Functions/Programs	1 Expenses	3 Program Revenues		4 Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
			Charges for Services			
	Governmental Activities:					Governmental Activities
11	Instruction	\$ 19,580,867	\$ 308,614		\$ 2,421,384	\$ (16,850,869)
12	Instructional Resources and Media Services	267,084	--		18,091	(248,993)
13	Curriculum and Staff Development	969,203	--		339,888	(629,315)
21	Instructional Leadership	441,533	--		29,260	(412,273)
23	School Leadership	2,011,384	--		391,602	(1,619,782)
31	Guidance, Counseling, and Evaluation Services	2,249,001	--		535,128	(1,713,873)
33	Health Services	438,334	--		29,701	(408,633)
34	Student Transportation	1,212,876	--		73,258	(1,139,618)
35	Food Service	1,293,906	370,792		696,616	(226,498)
36	Cocurricular/Extracurricular Activities	2,489,368	888,405		72,864	(1,528,099)
41	General Administration	1,292,988	--		64,509	(1,228,479)
51	Facilities Maintenance and Operations	3,977,906	9,475		150,553	(3,817,878)
52	Security and Monitoring Services	684,480	--		578,412	(106,068)
53	Data Processing Services	761,093	--		53,638	(707,455)
61	Community Services	5,803	--		3,287	(2,516)
72	Interest on Long-term Debt	5,980,308	--		1,268,522	(4,711,786)
73	Bond Issuance Costs and Fees	129,851	--		--	(129,851)
99	Other Intergovernmental Charges	397,923	--		--	(397,923)
TG	Total Governmental Activities	<u>44,183,908</u>	<u>1,577,286</u>		<u>6,726,713</u>	<u>(35,879,909)</u>
TP	Total Primary Government	<u>\$ 44,183,908</u>	<u>\$ 1,577,286</u>		<u>\$ 6,726,713</u>	<u>(35,879,909)</u>
	General Revenues:					
MT	Property Taxes, Levied for General Purposes					12,056,888
DT	Property Taxes, Levied for Debt Service					8,036,363
IE	Investment Earnings					5,593,427
SF	State Aid-Formula Grants					15,964,055
MI	Miscellaneous					128,723
	Gain on Sale of Property					2,051
TR	Total General Revenues					<u>41,781,507</u>
CN	Change in Net Position					5,901,598
NB	Net Position - Beginning					17,795,025
NE	Net Position - Ending					<u>\$ 23,696,623</u>

The accompanying notes are an integral part of this statement.

BULLARD INDEPENDENT SCHOOL DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS

AUGUST 31, 2024

Data Control Codes		10 General Fund	50 Debt Service Fund
ASSETS:			
1110	Cash and Cash Equivalents	\$ 7,034,703	\$ 3,743,002
1120	Current Investments	2,904,730	166,888
1225	Taxes Receivable, Net	1,047,328	432,304
1240	Due from Other Governments	1,515,372	--
1260	Due from Other Funds	680,273	--
1290	Other Receivables	5,642	3,421
1410	Prepaid Expenditures	5,777	--
1000	Total Assets	<u>\$ 13,193,825</u>	<u>\$ 4,345,615</u>
LIABILITIES:			
Current Liabilities:			
2110	Accounts Payable	\$ 88,286	\$ --
2150	Payroll Deductions and Withholdings	13,779	--
2160	Accrued Wages Payable	1,770,067	--
2170	Due to Other Funds	1,682	--
2180	Due to Other Governments	132,787	--
2300	Unearned Revenue	239,793	--
2400	Payable from Restricted Assets	129,793	--
2000	Total Liabilities	<u>2,376,187</u>	<u>--</u>
DEFERRED INFLOWS OF RESOURCES:			
	Unavailable Revenue - Property Taxes	1,047,328	432,304
2600	Total Deferred Inflows of Resources	<u>1,047,328</u>	<u>432,304</u>
FUND BALANCES:			
Nonspendable Fund Balances:			
3430	Prepaid Items	5,777	--
Restricted Fund Balances:			
3450	Federal/State Funds Grant Restrictions	--	--
3470	Capital Acquisitions and Contractual Obligations	--	--
3480	Retirement of Long-Term Debt	--	3,913,311
Committed Fund Balances:			
3545	Other Committed Fund Balance-Capital Improv.	2,000,000	--
3545	Other Committed Fund Balance-Campus Activities	--	--
Assigned Fund Balances:			
3560	Claims and Judgments	139,824	--
3590	Other Assigned Fund Balance-Preventative Maint.	500,000	--
3600	Unassigned	7,124,709	--
3000	Total Fund Balances	<u>9,770,310</u>	<u>3,913,311</u>
4000	Total Liabilities, Deferred Inflow of Resources and Fund Balances	<u>\$ 13,193,825</u>	<u>\$ 4,345,615</u>

The accompanying notes are an integral part of this statement.

EXHIBIT C-1

60 Capital Projects Fund	onmf Other Governmental Funds	98 Total Governmental Funds
\$ 24,230,627	\$ 927,706	\$ 35,936,038
46,750,685	--	49,822,303
--	--	1,479,632
--	784,359	2,299,731
--	--	680,273
--	450	9,513
--	--	5,777
<u>\$ 70,981,312</u>	<u>\$ 1,712,515</u>	<u>\$ 90,233,267</u>
\$ 7,489,117	\$ 80,929	\$ 7,658,332
--	--	13,779
--	112,700	1,882,767
--	678,491	680,173
--	--	132,787
--	72,029	311,822
--	--	129,793
<u>7,489,117</u>	<u>944,149</u>	<u>10,809,453</u>
--	--	1,479,632
<u>--</u>	<u>--</u>	<u>1,479,632</u>
--	--	5,777
--	350,272	350,272
63,492,195	--	63,492,195
--	--	3,913,311
--	--	2,000,000
--	418,094	418,094
--	--	139,824
--	--	500,000
--	--	7,124,709
<u>63,492,195</u>	<u>768,366</u>	<u>77,944,182</u>
<u>\$ 70,981,312</u>	<u>\$ 1,712,515</u>	<u>\$ 90,233,267</u>

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

Total fund balances - governmental funds balance sheet	\$ 77,944,182
Amounts reported for governmental activities in the Statement of Net Position ("SNP") are different because:	
Capital assets used in governmental activities are not reported in the funds.	117,962,285
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	1,479,632
Payables for bond principal which are not due in the current period are not reported in the funds.	(152,800,000)
Payables for right-to-use leases which are not due in the current period are not reported in the funds.	(173,936)
Payables for debt interest which are not due in the current period are not reported in the funds.	(300,373)
Payables for notes which are not due in the current period are not reported in the funds.	(837,217)
Payables for right-to-use subscriptions which are not due in the current period are not reported in the funds.	(46,859)
Deferred Resource Outflows related to Bond Refunding are not reported in the funds.	793,295
Recognition of the District's proportionate share of the net pension liability is not reported in the funds.	(9,243,048)
Deferred Resource Inflows related to the pension plan are not reported in the funds.	(672,056)
Deferred Resource Outflows related to the pension plan are not reported in the funds.	4,406,497
The accumulated accretion of interest on capital appreciation bonds is not reported in the funds.	(444,365)
Bond premiums are amortized in the SNA but not in the funds.	(5,617,997)
Recognition of the District's proportionate share of the net OPEB liability is not reported in the funds.	(4,935,059)
Deferred Resource Inflows related to the OPEB plan are not reported in the funds.	(7,524,060)
Deferred Resource Outflows related to the OPEB plan are not reported in the funds.	3,705,702
Net position of governmental activities - Statement of Net Position	\$ <u>23,696,623</u>

The accompanying notes are an integral part of this statement.

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

Data Control Codes	10 General Fund	50 Debt Service Fund
REVENUES:		
5700 <i>Local and Intermediate Sources</i>	\$ 13,270,789	\$ 8,303,421
5800 <i>State Program Revenues</i>	18,196,782	1,268,522
5900 <i>Federal Program Revenues</i>	129,241	--
5020 <i>Total Revenues</i>	<u>31,596,812</u>	<u>9,571,943</u>
EXPENDITURES:		
Current:		
0011 <i>Instruction</i>	16,764,515	--
0012 <i>Instructional Resources and Media Services</i>	250,433	--
0013 <i>Curriculum and Staff Development</i>	597,281	--
0021 <i>Instructional Leadership</i>	408,620	--
0023 <i>School Leadership</i>	1,615,278	--
0031 <i>Guidance, Counseling, and Evaluation Services</i>	1,665,959	--
0033 <i>Health Services</i>	410,254	--
0034 <i>Student Transportation</i>	1,130,229	--
0035 <i>Food Service</i>	12,294	--
0036 <i>Cocurricular/Extracurricular Activities</i>	1,655,210	--
0041 <i>General Administration</i>	1,210,736	--
0051 <i>Facilities Maintenance and Operations</i>	3,760,485	--
0052 <i>Security and Monitoring Services</i>	572,532	--
0053 <i>Data Processing Services</i>	691,980	--
0061 <i>Community Services</i>	2,106	--
0071 <i>Principal on Long-term Debt</i>	195,589	2,770,000
0072 <i>Interest on Long-term Debt</i>	39,057	6,256,464
0073 <i>Bond Issuance Costs and Fees</i>	--	4,957
0081 <i>Capital Outlay</i>	136,660	--
0099 <i>Other Intergovernmental Charges</i>	397,923	--
6030 <i>Total Expenditures</i>	<u>31,517,141</u>	<u>9,031,421</u>
1100 <i>Excess (Deficiency) of Revenues Over (Under)</i>		
1100 <i>Expenditures</i>	<u>79,671</u>	<u>540,522</u>
Other Financing Sources and (Uses):		
7912 <i>Sale of Real or Personal Property</i>	2,050	--
7913 <i>Issuance of Right to Use Leased Assets</i>	137,807	--
7949 <i>Issuance of Right to Use Subscription Assets</i>	30,915	--
7080 <i>Total Other Financing Sources and (Uses)</i>	<u>170,772</u>	<u>--</u>
1200 <i>Net Change in Fund Balances</i>	<u>250,443</u>	<u>540,522</u>
0100 <i>Fund Balances - Beginning</i>	9,519,867	3,372,789
3000 <i>Fund Balances - Ending</i>	<u>\$ 9,770,310</u>	<u>\$ 3,913,311</u>

The accompanying notes are an integral part of this statement.

EXHIBIT C-2

60 Capital Projects Fund	onmf Other Governmental Funds	98 Total Governmental Funds
\$ 4,685,326	\$ 1,119,418	\$ 27,378,954
--	1,015,610	20,480,914
--	2,530,646	2,659,887
<u>4,685,326</u>	<u>4,665,674</u>	<u>50,519,755</u>
--	1,286,893	18,051,408
--	--	250,433
--	303,950	901,231
--	2,487	411,107
--	274,166	1,889,444
--	419,033	2,084,992
--	--	410,254
--	--	1,130,229
--	1,295,961	1,308,255
32,713	679,012	2,366,935
--	--	1,210,736
22,881	--	3,783,366
--	542,391	1,114,923
--	20,000	711,980
--	3,285	5,391
--	--	2,965,589
--	--	6,295,521
--	--	4,957
38,156,215	--	38,292,875
--	--	397,923
<u>38,211,809</u>	<u>4,827,178</u>	<u>83,587,549</u>
<u>(33,526,483)</u>	<u>(161,504)</u>	<u>(33,067,794)</u>
--	--	2,050
--	--	137,807
--	--	30,915
--	--	170,772
<u>(33,526,483)</u>	<u>(161,504)</u>	<u>(32,897,022)</u>
97,018,678	929,870	110,841,204
<u>\$ 63,492,195</u>	<u>\$ 768,366</u>	<u>\$ 77,944,182</u>

BULLARD INDEPENDENT SCHOOL DISTRICT

*RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2024*

Net change in fund balances - total governmental funds	\$ (32,897,022)
Amounts reported for governmental activities in the Statement of Activities ("SOA") are different because:	
Capital outlays are not reported as expenses in the SOA.	39,250,423
The depreciation of capital assets used in governmental activities is not reported in the funds.	(3,110,699)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	13,733
Revenues in the SOA not providing current financial resources are not reported as revenues in the funds.	(124,894)
Repayment of right-to-use subscription principal is an expenditure in the funds but is not an expense in the SOA.	17,105
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	2,770,000
Repayment of right-to-use lease principal is an expenditure in the funds but is not an expense in the SOA.	79,845
Repayment of loan principal is an expenditure in the funds but is not an expense in the SOA.	105,735
Bond issuance costs and similar items are amortized in the SOA but not in the funds.	478,464
The accretion of interest on capital appreciation bonds is not reported in the funds.	(150,302)
(Increase) decrease in accrued interest from beginning of period to end of period.	(20,046)
Proceeds of right-to-use leases do not provide revenue in the SOA, but are reported as current resources in the funds.	(137,806)
Proceeds of right-to-use subscriptions do not provide revenue in the SOA, but are reported as current resources in the funds.	(30,915)
Implementing GASB 68 required certain expenditures to be de-expended and recorded as deferred resource outflows.	(1,094,255)
Implementing GASB 75 required certain expenditures to be de-expended and recorded as deferred resource outflows.	752,232
Change in net position of governmental activities - Statement of Activities	<u>\$ 5,901,598</u>

The accompanying notes are an integral part of this statement.

BULLARD INDEPENDENT SCHOOL DISTRICT*STATEMENT OF NET POSITION**PROPRIETARY FUNDS**AUGUST 31, 2024*

Data Control Codes		Nonmajor Internal Service Fund
		Insurance Fund
ASSETS:		
Current Assets:		
1110	<i>Cash and Cash Equivalents</i>	\$ 100
	Total Current Assets	100
1000	Total Assets	100
LIABILITIES:		
Current Liabilities:		
2170	<i>Due to Other Funds</i>	100
	Total Current Liabilities	100
2000	Total Liabilities	100
NET POSITION:		
3000	Total Net Position	\$ --

The accompanying notes are an integral part of this statement.

BULLARD INDEPENDENT SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET POSITION - PROPRIETARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2024

Data Control Codes		Nonmajor Internal Service Fund	Insurance Fund
OPERATING REVENUES:			
5700	<i>Local and Intermediate Sources</i>	\$	28,416
5020	Total Revenues		28,416
OPERATING EXPENSES:			
6200	<i>Professional and Contracted Services</i>		28,416
6030	Total Expenses		28,416
1300	Change in Net Position		--
0100	Total Net Position - Beginning		--
3300	Total Net Position - Ending	\$	--

The accompanying notes are an integral part of this statement.

BULLARD INDEPENDENT SCHOOL DISTRICT**STATEMENT OF CASH FLOWS****PROPRIETARY FUNDS**

FOR THE YEAR ENDED AUGUST 31, 2024

	Nonmajor Internal Service Fund
	Insurance Fund
Cash Flows from Operating Activities:	
<i>Cash Received from Customers</i>	\$ 28,416
<i>Cash Payments to Other Suppliers for Goods and Services</i>	(28,416)
Net Cash Provided (Used) by Operating Activities	--
Cash Flows from Non-capital Financing Activities:	
<i>Transfers From (To) Other Funds</i>	--
Net Cash Provided (Used) by Non-capital Financing Activities	--
Cash Flows from Capital and Related Financing Activities:	
<i>Proceeds from Issuance of Long-term Debt</i>	--
Net Cash Provided (Used) for Capital and Related Financing Activities	--
Cash Flows from Investing Activities:	
<i>Interest and Dividends on Investments</i>	--
Net Cash Provided (Used) for Investing Activities	--
Net Increase (Decrease) in Cash and Cash Equivalents	--
Cash and Cash Equivalents at Beginning of Year	100
Cash and Cash Equivalents at End of Year	\$ 100
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating Income (Loss)	\$ --
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
<i>Provision for Uncollectible Accounts</i>	--
Change in Assets and Liabilities:	
<i>Decrease (Increase) in Receivables</i>	--
Total Adjustments	--
Net Cash Provided (Used) by Operating Activities	\$ --

The accompanying notes are an integral part of this statement.

BULLARD INDEPENDENT SCHOOL DISTRICT*STATEMENT OF FIDUCIARY NET POSITION**FIDUCIARY FUNDS**AUGUST 31, 2024*

		Custodial Funds
Data Control Codes		Student Activity
ASSETS:		
1110	<i>Cash and Cash Equivalents</i>	\$ 92,098
1000	Total Assets	<u>92,098</u>
LIABILITIES:		
Current Liabilities:		
2110	<i>Accounts Payable</i>	<u>2,507</u>
2000	Total Liabilities	<u>2,507</u>
NET POSITION:		
3800	<i>Restricted for Indiv., Org., and Other Gov.</i>	<u>89,591</u>
3000	Total Net Position	<u>\$ 89,591</u>

The accompanying notes are an integral part of this statement.

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

	Custodial Funds
	Student Activity
ADDITIONS:	
Student Group Fundraising Activities	\$ 196,898
Total Additions	<u>196,898</u>
DEDUCTIONS:	
Supplies and Materials	74,602
Other Expenses	125,509
Total Deductions	<u>200,111</u>
Change in Fiduciary Net Position	(3,213)
Net Position-Beginning of the Year	92,804
Net Position-End of the Year	<u>\$ 89,591</u>

The accompanying notes are an integral part of this statement.

BULLARD INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2024

A. Summary of Significant Accounting Policies

The basic financial statements of Bullard Independent School District (the "District") have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") applicable to governmental units in conjunction with the Texas Education Agency's Financial Accountability System Resource Guide ("Resource Guide"). The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

1. Reporting Entity

The Board of School Trustees ("Board"), a seven-member group, has governance responsibilities over all activities related to public elementary and secondary education within the jurisdiction of the District. The Board is elected by the public and has the exclusive power and duty to govern and oversee the management of the public schools of the District. All powers and duties not specifically delegated by statute to the Texas Education Agency ("TEA") or to the State Board of Education are reserved for the Board, and the TEA may not substitute its judgment for the lawful exercise of those powers and duties by the Board. The District receives funding from local, state and federal government sources and must comply with the requirements of those funding entities. However, the District is not included in any other governmental reporting entity and there are no component units included within the District's reporting entity.

2. Basis of Presentation, Basis of Accounting

a. Basis of Presentation

Government-wide Financial Statements: The statement of net position and the statement of activities include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The District does not allocate indirect expenses in the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the District's funds, with separate statements presented for each fund category. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

The District reports the following major governmental funds:

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

Debt Service Fund: This fund collects the dedicated taxes from Interest and Sinking Fund property taxes assessed and records the payments on bonded debt.

BULLARD INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2024

Capital Projects Funds: These funds are used to account for significant, ongoing capital projects of the District.

In addition, the District reports the following fund types:

Special Revenue Funds: These funds account for resources restricted or committed for specific purpose. Federal revenues are generally accounted for in special revenues funds, as is some state assistance. Amounts unspent may be returned to the grantor agency at the close of the applicable project periods.

Internal Service Funds: These funds are used to account for revenues and expenses related to services provided to parties inside the District. These funds facilitate distribution of support costs to the users of support services on a cost-reimbursement basis. Because the principal users of the internal services are the District's governmental activities, this fund type is included in the "Governmental Activities" column of the government-wide financial statements.

Custodial Funds: These funds are used to report student activity funds and other resources held in a purely custodial capacity. Custodial funds typically involve only the receipt, temporary investment, and remittance of the fiduciary resources to individuals, private organizations, or other governments.

Fiduciary funds are reported in the fiduciary fund financial statements. However, because their assets are held in a trustee or custodial capacity and are therefore not available to support District programs, these funds are not included in the government-wide statements.

b. **Measurement Focus, Basis of Accounting**

Government-wide, Proprietary, and Fiduciary Fund Financial Statements: These financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under lease contracts and subscription-based information technology arrangements are reported as other financing sources.

When the District incurs an expenditure or expense for which both restricted and unrestricted resources may be used, it is the District's policy to use restricted resources first, then unrestricted resources.

BULLARD INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AUGUST 31, 2024

3. Financial Statement Amounts

a. Cash and Cash Equivalents

For purposes of the statement of cash flows, highly liquid investments are considered to be cash equivalents if they have a maturity of three months or less when purchased.

b. Property Taxes

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

Allowances for uncollectible tax receivables within the General and Debt Service Funds are based upon historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature. For the current fiscal year, an allowance of \$10,233 is included in the financial statements.

c. Inventories and Prepaid Items

The District records purchases of supplies as expenditures, utilizing the purchase method of accounting for inventory in accordance with the Resource Guide.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

d. Capital and Right of Use Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated acquisition value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. A capitalization threshold of \$5,000 is used.

Capital assets are being depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings	30-45
Building Improvements	10-20
Vehicles	6-10
Equipment	5-15
Right-to-use Lease Assets	2-5
Right-to-use Subscription Assets	2-5

e. Deferred Outflows and Inflows of Resources

In addition to assets, the statements of financial position (the government-wide Statement of Net Position and governmental funds balance sheet) will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position and/or fund balance that applies to one or more future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then.

BULLARD INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AUGUST 31, 2024

In addition to liabilities, the statements of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to one or more future periods and so will not be recognized as an inflow of resources (revenue) until that time.

f. Receivable and Payable Balances

The District believes that sufficient detail of receivable and payable balances is provided in the financial statements to avoid the obscuring of significant components by aggregation. Therefore, no disclosure is provided which disaggregates those balances.

There are no significant receivables which are not scheduled for collection within one year of year end.

g. Interfund Activity

Interfund activity results from loans, services provided, reimbursements or transfers between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers In and Transfers Out are netted and presented as a single "Transfers" line on the government-wide statement of activities. Similarly, interfund receivables and payables are netted and presented as a single "Internal Balances" line of the government-wide statement of net position.

h. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions that affect the reported amounts of certain assets, deferred resource outflows, liabilities, deferred resource inflows, revenues, and expenditures, expenses, and other disclosures. Accordingly, actual results could differ from those estimates.

i. Data Control Codes

Data Control Codes appear in the rows and above the columns of certain financial statements. The TEA requires the display of these codes in the financial statements filed with TEA in order to ensure accuracy in building a statewide database for policy development and funding plans.

j. Fund Balances - Governmental Funds

Fund balances of the governmental funds are classified as follows:

Nonspendable Fund Balance - represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid insurance) or legally required to remain intact (such as notes receivable or principal of a permanent fund).

Restricted Fund Balance - represents amounts that are constrained by external parties, constitutional provisions or enabling legislation.

Committed Fund Balance - represents amounts that can only be used for a specific purpose because of a formal action by the District's Board of Trustees. Committed amounts cannot be used for any other purpose unless the Board of Trustees removes those constraints by taking the same type of formal action. Committed fund balance amounts may be used for other purposes with appropriate due process by the Board of Trustees. Commitments are typically done through adoption and amendment of the budget.

BULLARD INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2024

Committed fund balance amounts differ from restricted balances in that the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

Assigned Fund Balance - represents amounts which the District intends to use for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent may be stipulated by the Board of Trustees or by an official or body to which the Board of Trustees delegates the authority. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service or permanent fund are assigned for purposes in accordance with the nature of their fund type or the fund's primary purpose. Assignments within the general fund convey that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the District itself.

Unassigned Fund Balance - represents amounts which are unconstrained in that they may be spent for any purpose. Only the general fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification because of overspending for specific purposes for which amounts had been restricted, committed or assigned.

k. Net Position

Net position in the government-wide financial statements is classified as Net Investment in Capital Assets, Restricted, and Unrestricted. Net Investment in Capital Assets consists of capital assets, net of accumulated depreciation, and reduced by outstanding debt attributed to the acquisition of these assets. Restricted Net Position consists of assets, net of any related liabilities, which have had restrictions imposed on them by external creditors, grantors, contributors, or laws or regulations of other governments or laws through constitutional provisions or enabling legislations. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first then unrestricted resources, as they are needed. Unrestricted Net Position consists of amounts that do not meet the definition of Net Investment in Capital Assets or Restricted Net Position.

l. Net Position Flow Assumption

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

m. Fund Balance Flow Assumptions

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

4. 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 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.

BULLARD INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AUGUST 31, 2024

5. Other Post-Employment Benefits

The fiduciary net position of the Teacher Retirement System of Texas (TRS) TRS-Care Plan has been determined using the flow of economic 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.

6. Implementation of New Standards

In the current fiscal year, the District implemented the following new standards. The applicable provisions of the new standards are summarized below. Implementation is reflected in the financial statements and the notes to the financial statements.

GASB Statement No. 99, *Omnibus 2022*

The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The practice issues addressed by this Statement are as follows:

- Classification and reporting of derivative instruments that do not meet the definition of either an investment or a hedge
- Guidance clarification for short-term leases when there is a modification of terms
- Considerations for public-private partnerships (PPP) terminology as well as recognizing installment payments and transferring underlying PPP assets
- Clarifications of subscription-based information technology arrangement (SBITA) terms, and liability measurement and recognition
- Disclosures related to nonmonetary transactions
- Certain provisions of GASB Statement No. 34
- Pledges of future revenues when resources are not received by the pledging government
- Terminology updates related to deferred inflows and outflows of resources and net position
- Resource flows statements terminology related to GASB Statement No. 53
- Accounting for SNAP distributions
- Requirements related to the extension of the use of LIBOR

The requirements of GASB Statement No. 99 that relate to the extension of the use of LIBOR, accounting for SNAP distributions, disclosures for nonmonetary transactions, pledges of future revenues by pledging governments, clarifications of certain provisions in Statement 34, and terminology updates took effect upon issuance.

The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.

The 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 District implemented this Statement during the current year, with no impact to the financial statements.

BULLARD INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2024

GASB Statement No. 100, Accounting Changes and Error Corrections - An Amendment of GASB Statement No. 62

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.

This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. Furthermore, this Statement addresses how information that is effected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). For periods that are earlier than those included in the basic financial statements, information presented in RSI or SI should be restated for error corrections, if practicable, but not for changes in accounting principles.

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 District implemented this Statement during the current year, with no impact to the financial statements.

Future Implementation of New Standards

GASB Statement No. 101, Compensated Absences

This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability for certain types of compensated absences - including parental leave, military leave, and jury duty leave - should not be recognized until the leave commences. A liability for specific types of compensated absences should not be recognized until the leave is used.

This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. A liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities. With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources.

This Statement amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (as long as they identify it as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences.

The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and for all reporting periods thereafter.

GASB Statement No. 102, Certain Risk Disclosures

This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued.

BULLARD INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2024

If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to the financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact. The disclosure should include descriptions of the following:

- The concentration or constraint
- Each event associated with the concentration or constraint that could cause a substantial impact if the event had occurred or had begun to occur prior to the issuance of the financial statements
- Actions taken by the government prior to the issuance of the financial statements to mitigate the risk

The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and for all reporting periods thereafter.

B. Compliance and Accountability

1. Finance-Related Legal and Contractual Provisions

In accordance with GASB Statement No. 38, "Certain Financial Statement Note Disclosures," violations of finance-related legal and contractual provisions, if any, are reported below, along with actions taken to address such violations:

<u>Violation</u>	<u>Action Taken</u>
None reported	Not applicable

2. Deficit Fund Balance or Fund Net Position of Individual Funds

Following are funds having deficit fund balances or fund net position at year end, if any, along with remarks which address such deficits:

<u>Fund Name</u>	<u>Deficit Amount</u>	<u>Remarks</u>
None reported	Not applicable	Not applicable

C. Deposits and Investments

The District's funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust with the District's agent bank approved pledged securities 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.

1. Cash Deposits:

At August 31, 2024, the carrying amount of the District's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$36,028,236 and the bank balance was \$36,197,158. The District's cash deposits at August 31, 2024 and during the year ended August 31, 2024, were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name.

BULLARD INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2024

2. Investments:

The District is required by Government Code Chapter 2256, The Public Funds Investment Act, to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit.

The Public Funds Investment Act ("Act") requires an annual audit of investment practices. Audit procedures in this area conducted as a part of the audit of the basic financial statements disclosed that in the areas of investment practices, management reports and establishment of appropriate policies, the District adhered to the requirements of the Act. Additionally, investment practices of the District were in accordance with local policies.

The Act determines the types of investments which are allowable for the District. These include, with certain restrictions, 1) obligations of the U.S. Treasury, U.S. agencies, and the State of Texas, 2) certificates of deposit, 3) certain municipal securities, 4) securities lending program, 5) repurchase agreements, 6) bankers acceptances, 7) mutual funds, 8) investment pools, 9) guaranteed investment contracts, and 10) commercial paper.

The District's investment at August 31, 2024 is shown below.

<u>Investment or Investment Type</u>	<u>Maturity</u>	<u>Fair Value</u>
Lone Star	N/A	\$ 49,822,303
Total Investments		<u>\$ 49,822,303</u>

3. Analysis of Specific Deposit and Investment Risks

GASB Statement No. 40 requires a determination as to whether the District was exposed to the following specific investment risks at year end and if so, the reporting of certain related disclosures:

a. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. At year end, the District was not significantly exposed to credit risk.

b. Custodial Credit Risk

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the District's name.

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the District's name.

At year end, the District was not exposed to custodial credit risk.

c. Concentration of Credit Risk

This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At year end, the District was not exposed to concentration of credit risk.

BULLARD INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2024

d. Interest Rate Risk

This is the risk that changes in interest rates will adversely affect the fair value of an investment. At year end, the District was not exposed to interest rate risk.

e. Foreign Currency Risk

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

Investment Accounting Policy

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

Public Funds Investment Pools

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

The District's investments in Pools are reported at an amount determined by the fair value per share of the pool's underlying portfolio.

Lone Star

The Lone Star Investment Pool (Lone Star) is a public funds investment pool created pursuant to the Interlocal Cooperation Act, Texas Government Code, Chapter 791, and the Public Funds Investment Act, Texas Government Code, Chapter 2256. Lone Star is administered by First Public, a subsidiary of the Texas Association of School Boards (TASB), with Standish and American Beacon Advisors managing the investment and reinvestment of Lone Star's assets. State Street Bank provides custody and valuation services to Lone Star. All of the board of trustees' eleven members are Lone Star participants by either being employees or elected officials of a participant. Lone Star has established an advisory board composed of both pool members and non-members. Lone Star is rated AAA by Standard and Poor's and operated in a manner consistent with the Investment Company Act of 1940. The District is invested in the Corporate Overnight Plus Fund of Lone Star which seeks to maintain a net asset value of one dollar. Lone Star has 3 different funds: Government Overnight, Corporate Overnight and Corporate Overnight Plus. Government Overnight, Corporate Overnight and Corporate Overnight Plus maintain a net asset value of one dollar.

BULLARD INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AUGUST 31, 2024

D. Capital Assets

Capital and right of use asset activity for the year ended August 31, 2024, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<u>Governmental activities:</u>				
<i>Capital assets not being depreciated:</i>				
Land	\$ 3,596,596	\$ --	\$ --	\$ 3,596,596
Construction in progress	8,629,337	38,508,891	--	47,138,228
Total capital assets not being depreciated	12,225,933	38,508,891	--	50,734,824
<i>Capital assets being depreciated/amort.:</i>				
Buildings and improvements	102,796,334	147,254	--	102,943,588
Equipment	7,568,556	425,557	11,915	7,982,198
Right-to-use lease assets	243,624	137,806	75,722	305,708
Right-to-use subscription assets	37,643	30,915	--	68,558
Total capital assets being depreciated/amort.	110,646,157	741,532	87,637	111,300,052
Less accumulated depreciation/amort. for:				
Buildings and improvements	(36,620,072)	(2,573,144)	--	(39,193,216)
Equipment	(4,301,737)	(445,100)	(11,915)	(4,734,922)
Right-to-use lease assets	(124,541)	(75,515)	(75,722)	(124,334)
Right-to-use subscription assets	(3,179)	(16,940)	--	(20,119)
Total accumulated depreciation/amort.	(41,049,529)	(3,110,699)	(87,637)	(44,072,591)
Total capital assets being deprec./amort., net	69,596,628	(2,369,167)	--	67,227,461
Governmental activities capital assets, net	\$ 81,822,561	\$ 36,139,724	\$ --	\$ 117,962,285

Depreciation/amortization was charged to functions as follows:

Instruction	\$ 1,769,348
Instructional Resources and Media Services	18,966
Curriculum and Staff Development	69,306
Instructional Leadership	31,353
School Leadership	144,293
Guidance, Counseling, & Evaluation Services	159,488
Health Services	31,126
Student Transportation	86,126
Food Services	100,124
Extracurricular Activities	180,809
General Administration	92,324
Plant Maintenance and Operations	287,929
Security and Monitoring Services	85,050
Data Processing Services	54,045
Community Services	412
	<u>\$ 3,110,699</u>

BULLARD INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2024

E. Interfund Balances and Activities

1. Due To and From Other Funds

Balances due to and due from other funds at August 31, 2024, consisted of the following:

Due To Fund	Due From Fund	Amount	Purpose
General Fund	Other Governmental Funds	\$ 678,491	Short-term loans
General Fund	Nonmajor Internal Service Fund	100	Short-term loans
General Fund	General Fund	1,682	Short-term loans
	Total	\$ 680,273	

All amounts due are scheduled to be repaid within one year.

2. Transfers To and From Other Funds

There were no transfers to and from other funds during the fiscal year ended August 31, 2024.

F. Long-Term Obligations

1. Long-Term Obligation Activity

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended August 31, 2024, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<u>Governmental activities:</u>					
General Obligation Bonds	\$ 155,570,000	\$ --	\$ 2,770,000	\$ 152,800,000	\$ 2,405,000
Bond Premium	6,096,461	35,514	513,978	5,617,997	--
CAB Accretion	294,063	150,302	--	444,365	--
Lease liability	115,975	137,806	79,845	173,936	64,176
Subscriptions liability	33,049	30,915	17,105	46,859	20,360
Notes from Direct Borrowings and Direct Placements	95,952	--	22,735	73,217	23,551
Maintenance Tax Notes	847,000	--	83,000	764,000	85,000
Net Pension Liability *	7,030,687	2,212,361	--	9,243,048	--
Net OPEB Liability *	4,778,651	156,408	--	4,935,059	--
Total governmental activities	\$ 174,861,838	\$ 2,723,306	\$ 3,486,663	\$ 174,098,481	\$ 2,598,087

* Other long-term liabilities presented
with net increase / decrease amounts

The funds typically used to liquidate other long-term liabilities in the past are as follows:

Liability	Activity Type	Fund
Net Pension Liability *	Governmental	General Fund
Net OPEB Liability *	Governmental	General Fund

BULLARD INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2024

Bonds

In 2014, Unlimited Tax Refunding Bonds were issued in the amount of \$8,835,000 and were used to reduce the balance on the 2007 bonds. The Bonds carry an interest rate of 0.00% to 4.00% and mature in 2030 with annual payments of approximately \$384,238 to \$1,667,700 and the balance at August 31, 2024 is \$8,275,000 with \$350,000 considered CAB bonds.

In 2015, Unlimited Tax Refunding Bonds were issued in the amount of \$7,865,000 and were used to reduce the balance on the 2005 bonds. The Bonds carry an interest rate of 2.00% to 3.50% and mature in 2025 with annual payments of approximately \$250,000 to \$1,000,000. The balance at August 31, 2024 is \$265,000.

In 2015, Unlimited Tax Refunding Bonds were issued in the amount of \$45,140,000 and were used to reduce the balance on the 2007 bonds. The Bonds carry an interest rate of 2.00% to 5.00% and mature in 2045 with annual payments of approximately \$250,000 to \$3,190,000. The balance at August 31, 2024 is \$37,280,000.

In 2016, Unlimited Tax Refunding Bonds were issued in the amount of \$8,320,000 and were used to reduce the balance on the 2007 bonds. The Bonds carry an interest rate of 2.00% to 4.50% and mature in 2034 with annual payments of approximately \$131,300 to \$2,400,000. The balance at August 31, 2024 is \$8,320,000.

In fiscal year 2022, Fixed Rate Unlimited Tax School Building Bonds, Series 2022, were issued in the amount of \$60,610,000 for the purpose of the construction and remodel of various ISD instructional and athletic facilities. The Bonds carry an interest rate of 4% and mature in 2052 with annual payments of approximately \$800,000 to \$4,525,000. The balance at August 31, 2024 is \$59,240,000.

In fiscal year 2022, Adjustable Rate Unlimited Tax School Building Bonds, Series 2022, were issued in the amount of \$19,990,000 for the purpose of the construction and remodel of various ISD instructional and athletic facilities. The Bonds carry an interest rate of 2.75% to 4.00% and mature in 2052 with annual payments of approximately \$2,525,000 to \$3,210,000. The balance at August 31, 2024 is \$19,990,000.

In 2023, Unlimited Tax School Building Bonds were issued in the amount of \$19,430,000 for the purpose of the construction and remodel of various ISD instructional and athletic facilities. The Bonds carry an interest rate of 2.00% to 4.50% and mature in 2052 with annual payments of approximately \$305,300 to \$1,420,000. The balance at August 31, 2024 is \$19,430,000.

Maintenance Tax Notes

During fiscal year 2022, Maintenance Tax Notes, Series 2022, were issued in the amount of \$925,000 for the purpose of purchasing buses. The notes carry an interest rate of 3% and mature in 2032, with annual payments of approximately \$78,000 to \$106,000. The balance at August 31, 2024 is \$764,000.

Notes from Direct Borrowings and Direct Placements

During fiscal year 2022, the District financed three vehicles in the amount of \$117,900. The note carries an interest rate of 3.5% and matures in 2027, with annual payments of \$26,177. The vehicle serves as collateral. The balance at August 31, 2024 is \$73,217. In the event of default, the remaining balance on the note plus any accrued interest will become immediately due and payable.

2. Debt Service Requirements

Debt service requirements on long-term debt at August 31, 2024, are as follows:

BULLARD INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2024

Year Ending August 31,	Governmental Activities				
	Bonds		Tax Maint. Notes & Notes from Direct Borrowings & Direct Placements		
	Principal	Interest	Principal	Interest	Total
2025	\$ 2,405,000	\$ 6,183,863	\$ 108,551	\$ 26,463	\$ 8,723,877
2026	3,030,000	6,326,537	112,396	22,966	9,491,899
2027	3,145,000	6,195,688	116,270	19,346	9,476,304
2028	3,280,000	5,059,562	94,000	15,600	8,449,162
2029	3,425,000	5,912,287	97,000	12,667	9,446,954
2030-2034	19,525,000	27,174,568	309,000	19,469	47,028,037
2035-2039	24,095,000	22,604,450	--	--	46,699,450
2040-2044	30,095,000	16,609,225	--	--	46,704,225
2045-2049	37,395,000	9,308,100	--	--	46,703,100
2050-2054	26,405,000	1,612,300	--	--	28,017,300
Totals	\$ 152,800,000	\$ 106,986,580	\$ 837,217	\$ 116,511	\$ 260,740,308

3. Advance Refunding of Debt

GASB Statement No. 7, "Advance Refundings Resulting in Defeasance of Debt," provides that refunded debt and assets placed in escrow for the payment of related debt service be excluded from the financial statements. As of August 31, 2024, outstanding balances of bond issues that have been refunded and defeased in-substance by placing existing assets and the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments are as follows.

<u>Bond Issue</u>	<u>Amount</u>
2005	\$ 8,080,000
2007	7,415,000
2007	8,575,000
Total	\$ 24,070,000

The 2005 Series defeased amounts are scheduled to mature in 2025, and both 2007 Series defeased amounts are scheduled to mature in 2034.

G. Leases and Subscription-Based Technology Arrangements

Leases

Lease activity for the year ended August 31, 2024, was as follows:

The District previously entered into a forty-eight month leasing arrangement for copier/printer/scanner equipment which was revalued to a forty-four month leasing arrangement at September 1, 2021 under GASB 87, totaling \$109,598, payable in monthly installments of \$2,633 at an interest rate of 3 percent. There are no variable payments not included in the measurement of the leases. The balance at August 31, 2024 is \$6,221.

The District previously entered into a forty-eight month leasing arrangement for copier/printer/scanner equipment which was revalued to a thirty-two month leasing arrangement at September 1, 2021 under GASB 87, totaling \$70,256, payable in monthly installments of \$2,221 at an interest rate of 3 percent. There are no variable payments not included in the measurement of the leases. The balance at August 31, 2024 is \$4,876.

The District previously entered into a forty-eight month leasing arrangement for copier/printer/scanner equipment which was revalued to a twenty-five month leasing arrangement at September 1, 2021 under GASB 87, totaling \$6,941, payable in monthly installments of \$287 at an interest rate of 3 percent. There are no variable payments not included in the measurement of the leases. The balance at August 31, 2024 is \$0.

BULLARD INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2024

The District entered into a sixty month leasing arrangement for copier/printer/scanner equipment totaling \$11,404, payable in monthly installments of \$213 at an interest rate of 4.5 percent. There are no variable payments not included in the measurement of the leases. The balance at August 31, 2024 is \$7,878.

The District entered into a sixty month leasing arrangement for copier/printer/scanner equipment totaling \$43,112, payable in monthly installments of \$779 at an interest rate of 3.25 percent. There are no variable payments not included in the measurement of the leases. The balance at August 31, 2024 is \$26,710.

The District entered into a sixty month leasing arrangement for copier/printer/scanner equipment totaling \$7,124, payable in monthly installments of \$133 at an interest rate of 4.5 percent. There are no variable payments not included in the measurement of the leases. The balance at August 31, 2024 is \$4,807.

The District entered into a forty-eight month leasing arrangement for equipment totaling \$137,806, payable in monthly installments ranging from \$137 to \$761 at an interest rate of 5.50 percent. There are no variable payments not included in the measurement of the leases. The balance at August 31, 2024 is \$123,444.

Future lease payment maturity schedule is as follows:

Year ended August 31,	Principal	Interest	Total
2025	\$ 64,176	\$ 6,575	\$ 70,751
2026	40,860	4,472	45,332
2027	41,285	2,494	43,779
2028	26,805	649	27,454
	<u>\$ 173,936</u>	<u>\$ 14,194</u>	<u>\$ 188,130</u>

Subscription-Based Information Technology Arrangements

The District previously entered into a twenty-four month subscription arrangement for website hosting services which was revalued to a twenty-one month subscription arrangement at September 1, 2022 under GASB 96. The present value of the agreement at September 1, 2022 was determined to be \$15,505, payable in monthly installments of \$708 at an interest rate of 4.2 percent. There are no applicable variable payments or commitments before commencement of term associated with the arrangement. As of August 31, 2024, the District has reported a right of use subscription asset in the amount of \$15,000, less accumulated amortization of \$8,625 and a remaining right of use subscription liability of \$8,278.

The District entered into a sixty month subscription arrangement for bodycam licensing and storage during the current fiscal year. The present value of the agreement at October 1, 2022, was determined to be \$22,643, payable in monthly installments of \$377 at an interest rate of 4.2 percent. There are no applicable variable payments or commitments before commencement of term associated with the arrangement. As of August 31, 2024, the District has reported a right of use subscription asset in the amount of \$22,643, less accumulated amortization of \$4,151, and a remaining right of use subscription liability of \$15,826.

The District entered into a thirty-six month subscription arrangement for recording athletic practices and games during the current fiscal year. The present value of the agreement at October 1, 2023, was determined to be \$30,915, payable in annual installments of \$10,400 at an interest rate of 5.50 percent. There are no applicable variable payments or commitments before commencement of term associated with the arrangement. As of August 31, 2024, the District has reported a right of use subscription asset in the amount of \$30,915, less accumulated amortization of \$4,289, and a remaining right of use subscription liability of \$22,755.

BULLARD INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2024

Future subscription payment maturity schedule is as follows:

Year ended August 31,	Principal	Interest	Total
2025	\$ 20,360	\$ 1,887	\$ 22,247
2026	13,932	488	14,420
2027	7,685	319	8,004
2028	4,882	16	4,898
	<u>\$ 46,859</u>	<u>\$ 2,710</u>	<u>\$ 49,569</u>

H. Risk Management

The District is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. During fiscal year 2024, the District purchased commercial insurance to cover general liabilities. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

I. Pension Plan

1. Plan Description

The District participates in a cost-sharing multiple-employer defined benefit pension 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.

2. Pension Plan Fiduciary Net Position

Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately issued Annual Comprehensive Financial Report (ACFR) that includes financial statements and required supplementary information. That report may be obtained on the Internet at https://www.trs.texas.gov/Pages/about_archive_cafr.aspx; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

3. 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 where 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 cost of living adjustments (COLAs). Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as previously noted in the Plan description in (1) above.

BULLARD INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2024

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 the manner are determined by the System's actuary.

4. 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 percent of the member's annual compensation and a state contribution rate of not less than 6 percent and not more than 10 percent of the aggregate annual compensation paid to members of the System during the fiscal year.

Employee contribution rates are set in state statute, Texas Government Code 825.402. The TRS Pension Reform Bill (Senate Bill 12) of the 86th Texas Legislature amended Texas Government Code 825.402 for member contributions and increased employee and employer contribution rates for fiscal years 2020 thru 2025.

	<u>Contribution Rates</u>	
	<u>2023</u>	<u>2024</u>
Member	8.0%	8.25%
Non-Employer Contributing Entity (State)	8.0%	8.25%
Employers	8.0%	8.25%
District's 2024 Employer Contributions		\$ 711,171
District's 2024 Member Contributions		\$ 1,762,094
2023 NECE On-Behalf Contributions (State)		\$ 1,240,782

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

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

- On the portion of a member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment.
- When any or all of an employee's salary is paid by federal, private, local or non-educational and general 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 percent of the state contribution rate for certain instructional or administrative employees and 100 percent of the state contribution rate for all other employees.

BULLARD INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2024

Employers are also required to pay surcharges in the following cases:

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

5. Actuarial Assumptions

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

Valuation Date	August 31, 2022 rolled forward to August 31, 2023
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Fair Value
Single Discount Rate	7.00%
Long-term expected Investment Rate of Return	7.00%
Municipal Bond Rate as of August 2022	4.13% *
Last year ending August 31 in Projection Period	2022
Inflation	2.30%
Salary Increases including inflation	2.95% to 8.95%
Ad hoc post-employment benefit changes	None

* 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"

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.

6. Discount Rate

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

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected 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 expected rate of return on pension plan investments is 7.00 percent. The long-term expected rate of return on plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of August 31, 2023 are summarized below:

BULLARD INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2024

Asset Class	Target Allocation **	Long-Term Expected Geometric Real Rate of Return ***	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
USA	18.0%	4.0%	1.0%
Non-U.S. Developed	13.0%	4.5%	0.9%
Emerging Markets	9.0%	4.8%	0.7%
Private Equity *	14.0%	7.0%	1.5%
Stable Value			
Government Bonds	16.0%	2.5%	0.5%
Absolute Return *	0.0%	3.6%	0.0%
Stable Value Hedge Funds	5.0%	4.1%	0.2%
Real Return			
Real Estate	15.0%	4.9%	1.1%
Energy, Natural Resources and Infrastructure	6.0%	4.8%	0.4%
Commodities	0.0%	4.4%	0.0%
Risk Parity	8.0%	4.5%	0.4%
Asset Allocation Leverage			
Cash	2.0%	3.7%	0.0%
Asset Allocation Leverage	(6.0%)	4.4%	(0.1)%
Inflation Expectation			2.3%
Volatility Drag ****			(0.9)%
Expected Return	100.0%		8.0%

* Absolute Return includes Credit Sensitive Investments.

** Target allocations are based on the FY2023 policy model.

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

**** The volatility drag results from the conversion between arithmetic and geometric mean returns.

7. Discount Rate Sensitivity Analysis

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

	1% Decrease in Discount Rate (6.00%)	Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
District's proportionate share of the net pension liability:	\$ 13,818,869	\$ 9,243,048	\$ 5,438,251

BULLARD INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2024

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

At August 31, 2024, the District reported a liability of \$9,243,048 for its proportionate share of the TRS 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 are as follows:

District's proportionate share of the collective net pension liability	\$ 9,243,048
State's proportionate share that is associated with District	<u>16,580,899</u>
Total	<u>\$ 25,823,947</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 thru August 31, 2023.

At the measurement date of August 31, 2023 the employer's proportion of the collective net pension liability was 0.0134561089 percent which was an increase (decrease) of 0.0016134421 percent from its proportion measured as of August 31, 2022.

9. Changes Since the Prior Actuarial Valuation

There were no changes in assumptions since the prior measurement date.

For the year ended August 31, 2024, the District recognized pension expense of \$4,308,998 and revenue of \$2,503,572 for support provided by the State.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Actuarial Experience	\$ 329,333	\$ 111,923
Changes in Actuarial Assumptions	874,211	213,939
Difference Between Projected and Actual Investment Earnings	1,345,088	--
Changes in Proportion and Difference between District's Contributions and the Proportionate Share of Contributions	1,146,694	346,194
Contributions paid to TRS subsequent to the measurement date of the Net Pension Liability (to be calculated by employer)	711,171	--
Total	<u>\$ 4,406,497</u>	<u>\$ 672,056</u>

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

BULLARD INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2024

Year ended August 31,	Pension Expense Amount
2025	\$ 624,414
2026	\$ 400,593
2027	\$ 1,344,504
2028	\$ 532,504
2029	\$ 121,254
Thereafter	\$ --

J. Defined Other Post-Employment Benefit Plans

1. Plan Description

The District participates in the Texas Public School Retired Employees Group Insurance Program (TRS-Care). It is a multiple-employer, cost-sharing defined Other Post-Employment Benefit (OPEB) plan with a special funding situation. The TRS-Care program was established in 1986 by the Texas Legislature.

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

2. OPEB Plan Fiduciary Net Position

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

3. Benefits Provided

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

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

BULLARD INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2024

4. 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 are based on active employee compensation. The TRS board does not have the authority to set or amend contribution rates.

Section 1575.202 of the Texas Insurance Code establishes the State's contribution rate which is 1.25 percent of the employee's salary. Section 1575.203 establishes the active employee's rate which is 0.65 percent of Salary. Section 1575.204 establishes a public school contribution rate of not less than 0.25 percent or not more than 0.75 percent 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 percent of each active employee's pay for fiscal year 2023. The following table shows contributions to the TRS-Care plan by type of contributor.

Contribution Rates		
	<u>2023</u>	<u>2024</u>
Active Employee	0.65%	0.65%
Non-Employer Contributing Entity (State)	1.25%	1.25%
Employers	0.75%	0.75%
Federal/Private Funding remitted by Employers	1.25%	1.25%

The contribution amounts for the District's fiscal year 2024 are as follows:

District's 2024 Employer Contributions	\$	200,225
District's 2024 Member Contributions	\$	138,831
2023 NECE On-Behalf Contributions (state)	\$	233,339

All employers whose employees are covered by the TRS pension plan are also required to pay a surcharge of \$535 per month when employing a retiree of TRS. The TRS-Care surcharges for fiscal year 2023 totaled \$14,548,344.

A supplemental appropriation was received in 2023 for \$21.3 million 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.

BULLARD INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AUGUST 31, 2024

5. Actuarial Assumptions

The actuarial valuation was performed as of August 31, 2022. Update procedures were used to roll forward the Total OPEB Liability to August 31, 2023.

The actuarial valuation of the OPEB plan offered through TRS-Care is similar to the actuarial valuation performed for the pension plan, except that the OPEB valuation is more complex. The following assumptions used for the valuation of the TRS-Care OPEB liability are identical to the assumptions employed in the August 31, 2022 TRS pension actuarial valuation that was rolled forward to August 31, 2023:

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

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.

The following methods and additional assumptions were used in the TRS-Care OPEB valuation:

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 the age-adjusted claims costs.
Salary Increases	2.95% to 8.95%, including inflation
Election Rates	Normal Retirement - 65% participation rate prior to age 65 and 40% participation rate after age 65. Pre-65 retirees - 25% are assumed to discontinue coverage at age 65.
Ad Hoc Post-Employment Benefit Changes	None

The initial medical trend rates were 7.75 percent for Medicare retirees and 7.00 percent for non-Medicare retirees. The initial prescription drug trend rate was 7.75 percent for all retirees. The initial trend rates decrease to an ultimate trend rate of 4.25 percent over a period of 12 years.

6. Discount Rate

A single discount rate of 4.13 percent was used to measure the Total OPEB Liability. This was an increase of 0.22 percent in the discount rate since the previous year. Since the plan is a pay-as-you-go plan, the single discount rate is equal to the prevailing municipal bond rate. The projection of cash flows used to determine the discount rate assumed that contributions from active members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, the municipal bond rate was used for the long-term rate of return and was applied to all periods of projected benefit payments to determine the total OPEB liability.

The source for the municipal bond rate is the Fixed Income Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in the Fidelity "20-Year Municipal GO AA Index", as of August 31, 2023.

BULLARD INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2024

7. Discount Rate Sensitivity Analysis

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

	1% Decrease in Discount Rate (3.13%)	Current Single Discount Rate (4.13%)	1% Increase in Discount Rate (5.13%)
District's proportionate share of the Net OPEB Liability:	\$ 5,812,472	\$ 4,935,059	\$ 4,219,069

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

At August 31, 2024, the District reported a liability of \$4,935,059 for its proportionate share of the TRS' Net OPEB liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the Net OPEB Liability that was associated with the District were as follows:

District's proportionate share of the collective net OPEB liability	\$ 4,935,059
State's proportionate share that is associated with the District	5,954,907
Total	<u>\$ 10,889,966</u>

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

At August 31, 2023 the District's proportion of the collective net OPEB liability was 0.0222919458 percent, which was an increase (decrease) of 0.0023343357 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 percent less than and 1 percent greater than the health trend rates assumed.

	1% Decrease in Healthcare Trend Rate	Current Single Healthcare Trend Rate	1% Increase in Healthcare Trend Rate
District's proportionate share of Net OPEB Liability:	\$ 4,063,774	\$ 4,935,059	\$ 6,055,970

9. 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 discount rate was changed from 3.91 percent as of August 31, 2022 to 4.13 percent as of August 31, 2023. This change decreased the Total OPEB Liability.

BULLARD INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2024

Changes of Benefit Terms Since the Prior Measurement Date - There were no changes in benefit terms since the prior measurement date.

The amount of OPEB expense recognized by the District in the reporting period was \$(1,825,040).

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 223,274	\$ 4,151,917
Changes in actuarial assumptions	673,600	3,021,868
Difference between projected and actual investment earnings	2,132	--
Changes in proportion and difference between the District's contributions and the proportionate share of contributions	2,606,471	350,275
Contributions paid to TRS subsequent to the measurement date	200,225	--
Total	<u>\$ 3,705,702</u>	<u>\$ 7,524,060</u>

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

Year ended August 31:	OPEB Expense Amount
2025	\$ (962,645)
2026	\$ (736,297)
2027	\$ (429,857)
2028	\$ (761,762)
2029	\$ (561,539)
Thereafter	\$ (566,483)

For the year ended August 31, 2024, the District recognized OPEB expense of \$(1,825,040) and revenue of \$(1,273,033) for support provided by the State.

10. Medicare Part D Subsidies

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, which was effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for 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 August 31, 2024, 2023, and 2022, the subsidy payments received by TRS-Care on behalf of the District were \$113,483, \$109,431, and \$78,502.

BULLARD INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AUGUST 31, 2024

K. Employee Health Care Coverage

During the year ended August 31, 2024, employees of the District were covered by a health insurance plan (the Plan). The District paid premiums of \$284 per month per employee to the Plan. Employees, at their option, authorized payroll withholdings to pay premiums for dependents. All premiums were paid to a third party administrator, acting on behalf of the licensed insurer. The Plan was authorized by Article 3.51-2, Texas Insurance Code and was documented by contractual agreement.

The contract between the District and the third party administrator is renewable September 1, 2024, and terms of coverage and premium costs are included in the contractual provisions.

Latest financial statements for the TRS Active Care are available for the year ended December 31, 2023, have been filed with the Texas State Board of Insurance, Austin, Texas, and are public records.

L. Commitments and Contingencies

1. Contingencies

The District participates in grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectibility of any related receivable may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying basic financial statements for such contingencies.

2. Litigation

No reportable litigation was pending against the District at August 31, 2024.

3. Commitments

During fiscal year 2022, the District's voters approved \$103,000,000 in bonds for the construction and renovation of various school instructional and athletic facilities. All bonds were issued as of August 31, 2023. The District has substantially completed the athletic facilities in fiscal year 2024 and anticipates completing the instructional facilities in fiscal year 2025.

M. Subsequent Events

In November 2024, the district completed a bond refinance related to Series 2014 Refunded Bonds and Series 2015 Refunded Bonds for redemption scheduled to take place in February 2025, and Series 2024 Unlimited Tax Refunding Bonds were issued for this purpose. A total amount of \$29,926,814 was transferred to escrow on November 26, 2024.

N. Accumulated Vacation and Personal Leave Benefits

At August 31, 2024, the District had no liability for accrued sick leave or vacation leave. District employees accumulate personal leave at the rate of 5 days per year with no accumulation limit. The District has non vested sick and personal leave benefits at August 31, 2024 which are not recorded on the financial statements in the amount of \$1,542,125. These benefits are recorded as expenditures as used.

BULLARD INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2024

O. Self-Funded Workman's Compensation Insurance

During the year ended August 31, 2024, the District was a member of a worker's compensation self-insurance joint fund plan (the Plan). All premiums were paid to a third party administrator acting on behalf of the Plan. The Plan was authorized pursuant to Texas Revised Civil Statutes Annotated Art. 8309h and Texas Government Code Ch. 791 (the Interlocal Cooperation Act), which was documented by contractual agreement. The proportionate contributions of all members were combined into the Plan. Each member agreed to make its proportionate contribution available to all other members for the payment of worker's compensation benefits and the administration of the Plan. A member's proportionate contributions may be used for the payment of benefits and the administration of claims of that member's employees or another member's employees. Excess worker's compensation insurance is carried by Safety National Casualty Corporation. The specific retention is \$225,000, aggregate limit \$5,000,000. Liabilities are reported when it is probable that a loss has been incurred and the amount of that loss can be reasonably estimated. This liability of \$129,793 is reflected in the General Fund.

Statement of Change in Liability	2024	2023
Unpaid claims at September 1	\$ 156,158	\$ 139,826
Claims and adjustments during the year	18,076	73,220
Payments of claims during the year	(44,441)	(56,888)
Total unpaid claims at August 31	<u>\$ 129,793</u>	<u>\$ 156,158</u>

Required Supplementary Information

Required supplementary information includes financial information and disclosures required by the Governmental Accounting Standards Board but not considered a part of the basic financial statements.

BULLARD INDEPENDENT SCHOOL DISTRICT

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED AUGUST 31, 2024

EXHIBIT G-1

Page 1 of 2

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts		Actual	
		Original	Final		
REVENUES:					
5700	Local and Intermediate Sources	\$ 14,231,500	\$ 14,425,751	\$ 13,270,789	\$ (1,154,962)
5800	State Program Revenues	15,922,900	16,197,900	18,196,782	1,998,882
5900	Federal Program Revenues	375,000	375,000	129,241	(245,759)
5020	Total Revenues	30,529,400	30,998,651	31,596,812	598,161
EXPENDITURES:					
Current:					
Instruction and Instructional Related Services:					
0011	Instruction	16,341,635	16,790,295	16,764,515	25,780
0012	Instructional Resources and Media Services	266,900	266,050	250,433	15,617
0013	Curriculum and Instructional Staff Development	680,430	627,930	597,281	30,649
	Total Instruction and Instr. Related Services	17,288,965	17,684,275	17,612,229	72,046
Instructional and School Leadership:					
0021	Instructional Leadership	423,800	424,675	408,620	16,055
0023	School Leadership	1,532,650	1,620,520	1,615,278	5,242
	Total Instructional and School Leadership	1,956,450	2,045,195	2,023,898	21,297
Student Support Services:					
0031	Guidance, Counseling and Evaluation Services	1,560,400	1,683,630	1,665,959	17,671
0033	Health Services	393,940	412,115	410,254	1,861
0034	Student Transportation	1,177,965	1,173,795	1,130,229	43,566
0035	Food Services	4,000	13,100	12,294	806
0036	Extracurricular Activities	1,483,480	1,665,885	1,655,210	10,675
	Total Student Support Services	4,619,785	4,948,525	4,873,946	74,579
Administrative Support Services:					
0041	General Administration	1,217,360	1,217,685	1,210,736	6,949
	Total Administrative Support Services	1,217,360	1,217,685	1,210,736	6,949
Support Services:					
0051	Facilities Maintenance and Operations	3,540,340	3,813,525	3,760,485	53,040
0052	Security and Monitoring Services	507,870	578,535	572,532	6,003
0053	Data Processing Services	763,380	737,530	691,980	45,550
	Total Support Services	4,811,590	5,129,590	5,024,997	104,593
Ancillary Services:					
0061	Community Services	1,250	2,500	2,106	394
	Total Ancillary Services	1,250	2,500	2,106	394
Debt Service:					
0071	Debt Service	213,000	240,390	195,589	44,801
0072	Interest on Long-Term Debt	--	--	39,057	(39,057)
	Total Debt Service	213,000	240,390	234,646	5,744
Capital Outlay:					
0081	Facilities Acquisition and Construction	--	137,000	136,660	340
	Total Capital Outlay	--	137,000	136,660	340

BULLARD INDEPENDENT SCHOOL DISTRICT

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED AUGUST 31, 2024

EXHIBIT G-1

Page 2 of 2

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts		Actual	
		Original	Final		
	Intergovernmental Charges:				
0095	<i>Payments to Juvenile Justice Alternative</i>				
0095	<i>Education Programs</i>	2,000	2,000	--	2,000
0099	<i>Other Intergovernmental Charges</i>	419,000	400,000	397,923	2,077
	Total Intergovernmental Charges	421,000	402,000	397,923	4,077
6030	Total Expenditures	30,529,400	31,807,160	31,517,141	290,019
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	--	(808,509)	79,671	888,180
	Other Financing Sources (Uses):				
7912	<i>Sale of Real and Personal Property</i>	--	2,050	2,050	--
7913	<i>Proceeds from Right to Use Leased Assets</i>	--	101,500	137,807	36,307
7949	<i>Proceeds from Right to Use Subscription Assets</i>	--	--	30,915	30,915
8911	<i>Operating Transfers Out</i>	--	(3,000)	--	3,000
7080	Total Other Financing Sources and (Uses)	--	100,550	170,772	70,222
1200	Net Change in Fund Balance	--	(707,959)	250,443	958,402
0100	Fund Balance - Beginning	9,519,867	9,519,867	9,519,867	--
3000	Fund Balance - Ending	\$ 9,519,867	\$ 8,811,908	\$ 9,770,310	\$ 958,402

BULLARD INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
LAST TEN FISCAL YEARS

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability (asset)	0.014%	0.012%	0.011%	0.010%	0.012%	0.012%	0.011%	0.010%	0.010%	0.005%
District's proportionate share of the net pension liability (asset)	\$ 9,243,048	\$ 7,030,687	\$ 2,762,054	\$ 5,373,518	\$ 6,199,680	\$ 6,871,507	\$ 3,444,595	\$ 3,656,024	\$ 3,546,214	\$ 1,269,218
State's proportionate share of the net pension liability (asset) associated with the District	16,580,899	14,918,590	6,852,792	14,021,313	12,371,201	13,846,589	7,832,312	8,949,256	8,428,334	6,943,198
Total	\$ 25,823,947	\$ 21,949,277	\$ 9,614,846	\$ 19,394,831	\$ 18,570,881	\$ 20,718,096	\$ 11,276,907	\$ 12,605,280	\$ 11,974,548	\$ 8,212,416
District's covered payroll	\$ 20,074,897	\$ 18,632,629	\$ 17,838,696	\$ 16,810,636	\$ 15,702,432	\$ 16,463,098	\$ 14,796,967	\$ 13,487,072	\$ 12,732,153	\$ 11,944,803
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	46.04%	37.73%	15.48%	31.96%	39.48%	41.74%	23.28%	27.11%	27.85%	10.63%
Plan fiduciary net position as a percentage of the total pension liability	73.15%	75.62%	88.79%	75.54%	75.24%	73.74%	82.17%	78.00%	78.43%	83.25%

* The amounts presented are determined as of the Plan's measurement year which was as of August 31 in each prior calendar year from the District's fiscal year end.

BULLARD INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
LAST TEN FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 711,171	\$ 691,279	\$ 552,587	\$ 453,844	\$ 413,968	\$ 410,765	\$ 407,000	\$ 339,359	\$ 307,398	\$ 297,054
Contributions in relation to the contractually required contribution	(711,171)	(691,279)	(552,587)	(453,844)	(413,968)	(410,765)	(407,000)	(339,359)	(307,398)	(297,054)
Contribution deficiency (excess)	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
District's covered payroll	\$ 21,358,691	\$ 20,074,897	\$ 18,632,629	\$ 17,838,696	\$ 16,810,636	\$ 15,702,432	\$ 16,463,098	\$ 14,796,767	\$ 13,487,072	\$ 12,732,153
Contributions as a percentage of covered payroll	3.33%	3.44%	2.97%	2.54%	2.46%	2.62%	2.47%	2.29%	2.28%	2.33%

BULLARD INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET OPEB LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
LAST TEN FISCAL YEARS *

	Measurement Year **									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the collective net OPEB liability	0.02%	0.02%	0.02%	0.02%	0.02%	0.10%	0.02%	--	--	--
District's proportionate share of the collective net OPEB liability	\$ 4,935,059	\$ 4,778,651	\$ 7,527,389	\$ 6,961,218	\$ 8,722,905	\$ 9,754,759	\$ 6,925,666	\$ --	\$ --	\$ --
State proportionate share of the collective net OPEB liability associated with the District	5,954,907	5,829,204	10,085,024	9,354,209	11,590,788	13,565,637	11,460,979	--	--	--
Total	<u>\$ 10,889,966</u>	<u>\$ 10,607,855</u>	<u>\$ 17,612,413</u>	<u>\$ 16,315,427</u>	<u>\$ 20,313,693</u>	<u>\$ 23,320,396</u>	<u>\$ 18,386,645</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
District's covered payroll	\$ 20,074,897	\$ 18,632,629	\$ 17,838,696	\$ 16,810,636	\$ 15,702,432	\$ 16,463,098	\$ 14,796,967	\$ --	\$ --	\$ --
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	24.58%	25.65%	42.20%	41.41%	55.55%	59.25%	46.80%	--	--	--
Plan fiduciary net position as a percentage of the total OPEB liability	14.94%	11.52%	6.18%	4.99%	2.66%	1.57%	0.91%	--	--	--

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information only for those years for which information is available.

** The amounts presented are determined as of the Plan's measurement year which was as of August 31 in each prior calendar year from the District's fiscal year end.

BULLARD INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S OPEB CONTRIBUTIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
LAST TEN FISCAL YEARS *

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily or contractually required District contribution	\$ 200,225	\$ 193,249	\$ 163,908	\$ 152,448	\$ 139,184	\$ 126,094	\$ 126,748	\$ --	\$ --	\$ --
Contributions recognized by OPEB in relation to statutorily or contractually required contribution	(200,225)	(193,249)	(163,908)	(152,448)	(139,184)	(126,094)	(126,748)	--	--	--
Contribution deficiency (excess)	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
District's covered payroll	\$ 21,358,691	\$ 20,074,897	\$ 18,632,629	\$ 17,838,696	\$ 16,810,636	\$ 15,702,432	\$ 16,463,098	\$ --	\$ --	\$ --
Contributions as a percentage of covered payroll	0.94%	0.96%	0.88%	0.85%	0.83%	0.80%	0.77%	--	--	--

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information for those years for which information is available.

BULLARD INDEPENDENT SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED AUGUST 31, 2024

Budget

The official budget was prepared for adoption for General Fund, National School Breakfast and Lunch Program, Debt Service Fund and Capital Projects Fund. The budget was prepared in accordance with accounting practices generally accepted in the United States of America. The following procedures are followed in establishing the budgetary data.:

- a. Prior to August 21 of the preceding fiscal year, the District prepares a budget for the next succeeding fiscal year. The operating budget includes proposed expenditures and the means of financing them.
- b. A meeting of the Board is then called for the purpose of adopting the proposed budget after ten days' public notice of the meeting has been given.
- c. Prior to the beginning of the fiscal year, the budget is legally enacted through passage of a resolution by the board.

Once a budget is approved, it can be amended at function and fund level only by approval of a majority of the members of the Board. Amendments are presented to the Board at its regular meetings.

Each amendment must have Board approval. Such amendments are made before the fact, are reflected in the official minutes of the Board and are not made after fiscal year end as required by law.

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

Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under Texas law, appropriations lapse at August 31, and encumbrances outstanding at that time are to be either cancelled or appropriately provided for in the subsequent year's budget. There were no end-of-year outstanding encumbrances that were provided for in the subsequent year's budget.

Defined Benefit Pension Plan And Other Post-Benefit Plans

The following factors significantly affect trends in the amounts reported for the District's proportionate share of the net pension liability and OPEB liability:

Changes in actuarial assumptions and inputs

Measurement Date August 31,	Net Pension Liability		Net OPEB
	Discount Rate	Expected Rate of Return	Liability Long-term Discount Rate
2023	7.000%	7.000%	4.130%
2022	7.000%	7.000%	3.910%
2021	7.250%	7.250%	1.950%
2020	7.250%	7.250%	2.330%
2019	7.250%	7.250%	2.630%
2018	6.907%	7.250%	3.690%
2017	8.000%	8.000%	3.420%
2016	8.000%	8.000%	--
2015	8.000%	8.000%	--
2014	8.000%	8.000%	--

Changes in demographic and economic assumptions

For measurement date August 31, 2018 - Net Pension Liability and Net OPEB Liability:

Demographic assumptions including post-retirement mortality, termination rates, and rates of retirement and economic assumptions, including rates of salary increase for individual participants were updated based on the experience study performed for TRS for the period ending August 31, 2017.

For measurement date August 31, 2020 - Net OPEB Liability:

The participant rate for pre-65 retirees was lowered from 50% to 40%. This change decreased the total OPEB liability.

The ultimate health care trend assumption was lowered from 4.50% to 4.25% as a result of Congress' repeal of the excise (Cadillac) tax on high-cost employer health plans in December 2019. This change decreased the total OPEB liability.

Supplementary Information

This supplementary information includes financial statements and schedules not required by the Governmental Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

BULLARD INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

AUGUST 31, 2024

Data Control Codes	211 ESEA Title I Improving Basic Programs	224 IDEA-Part B Formula	225 IDEA-Part B Preschool Grant	240 National School Breakfast/Lunch Program
ASSETS:				
1110 <i>Cash and Cash Equivalents</i>	\$ --	\$ --	\$ --	\$ 430,020
1240 <i>Due from Other Governments</i>	45,273	162,923	1,600	32,105
1290 <i>Other Receivables</i>	--	--	--	450
1000 Total Assets	<u>\$ 45,273</u>	<u>\$ 162,923</u>	<u>\$ 1,600</u>	<u>\$ 462,575</u>
LIABILITIES:				
Current Liabilities:				
2110 <i>Accounts Payable</i>	\$ --	\$ --	\$ --	\$ 67,200
2160 <i>Accrued Wages Payable</i>	19,898	47,565	--	45,237
2170 <i>Due to Other Funds</i>	25,375	115,358	1,600	--
2300 <i>Unearned Revenue</i>	--	--	--	--
2000 Total Liabilities	<u>45,273</u>	<u>162,923</u>	<u>1,600</u>	<u>112,437</u>
FUND BALANCES:				
Restricted Fund Balances:				
3450 <i>Federal/State Funds Grant Restrictions</i>	--	--	--	350,138
Committed Fund Balances:				
3545 <i>Other Committed Fund Balance-Campus Activ.</i>	--	--	--	--
3000 Total Fund Balances	<u>--</u>	<u>--</u>	<u>--</u>	<u>350,138</u>
4000 Total Liabilities and Fund Balances	<u>\$ 45,273</u>	<u>\$ 162,923</u>	<u>\$ 1,600</u>	<u>\$ 462,575</u>

255 ESEA Title II Training & Recruiting	282 ESSER Fund III of the American Rescue Plan Act	397 Advanced Placement Incentives	410 State Textbook Fund	429 State Funded Special Revenue Fund
\$ --	\$ --	\$ 134	\$ --	\$ --
15,035	48,174	--	377,730	101,519
--	--	--	--	--
<u>\$ 15,035</u>	<u>\$ 48,174</u>	<u>\$ 134</u>	<u>\$ 377,730</u>	<u>\$ 101,519</u>
\$ 6,300	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
8,735	48,174	--	377,730	101,519
--	--	--	--	--
<u>15,035</u>	<u>48,174</u>	<u>--</u>	<u>377,730</u>	<u>101,519</u>
--	--	134	--	--
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>134</u>	<u>--</u>	<u>--</u>
<u>\$ 15,035</u>	<u>\$ 48,174</u>	<u>\$ 134</u>	<u>\$ 377,730</u>	<u>\$ 101,519</u>

BULLARD INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

AUGUST 31, 2024

Data Control Codes	461 Campus Activity Funds	492 Bullard Education Foundation	Total Nonmajor Special Revenue Funds (See Exhibit C-1)
ASSETS:			
1110 <i>Cash and Cash Equivalents</i>	\$ 425,523	\$ 72,029	\$ 927,706
1240 <i>Due from Other Governments</i>	--	--	784,359
1290 <i>Other Receivables</i>	--	--	450
1000 Total Assets	<u>\$ 425,523</u>	<u>\$ 72,029</u>	<u>\$ 1,712,515</u>
LIABILITIES:			
Current Liabilities:			
2110 <i>Accounts Payable</i>	\$ 7,429	\$ --	\$ 80,929
2160 <i>Accrued Wages Payable</i>	--	--	112,700
2170 <i>Due to Other Funds</i>	--	--	678,491
2300 <i>Unearned Revenue</i>	--	72,029	72,029
2000 Total Liabilities	<u>7,429</u>	<u>72,029</u>	<u>944,149</u>
FUND BALANCES:			
Restricted Fund Balances:			
3450 <i>Federal/State Funds Grant Restrictions</i>	--	--	350,272
Committed Fund Balances:			
3545 <i>Other Committed Fund Balance-Campus Activ.</i>	418,094	--	418,094
3000 Total Fund Balances	<u>418,094</u>	<u>--</u>	<u>768,366</u>
4000 Total Liabilities and Fund Balances	<u>\$ 425,523</u>	<u>\$ 72,029</u>	<u>\$ 1,712,515</u>

BULLARD INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2024

Data Control Codes	211 ESEA Title I Improving Basic Programs	224 IDEA-Part B Formula	225 IDEA-Part B Preschool Grant	226 IDEA-Part B Discretionary
REVENUES:				
5700 <i>Local and Intermediate Sources</i>	\$ --	\$ --	\$ --	\$ --
5800 <i>State Program Revenues</i>	--	--	--	--
5900 <i>Federal Program Revenues</i>	312,225	481,558	3,630	35,973
5020 <i>Total Revenues</i>	<u>312,225</u>	<u>481,558</u>	<u>3,630</u>	<u>35,973</u>
EXPENDITURES:				
Current:				
0011 <i>Instruction</i>	277,406	157,453	--	35,973
0013 <i>Curriculum and Staff Development</i>	31,534	--	--	--
0021 <i>Instructional Leadership</i>	--	--	--	--
0023 <i>School Leadership</i>	--	--	--	--
0031 <i>Guidance, Counseling, and Evaluation Services</i>	--	324,105	3,630	--
0035 <i>Food Service</i>	--	--	--	--
0036 <i>Cocurricular/Extracurricular Activities</i>	--	--	--	--
0052 <i>Security and Monitoring Services</i>	--	--	--	--
0053 <i>Data Processing Services</i>	--	--	--	--
0061 <i>Community Services</i>	3,285	--	--	--
6030 <i>Total Expenditures</i>	<u>312,225</u>	<u>481,558</u>	<u>3,630</u>	<u>35,973</u>
1100 <i>Excess (Deficiency) of Revenues Over (Under)</i>				
1100 <i>Expenditures</i>	--	--	--	--
1200 <i>Net Change in Fund Balances</i>	--	--	--	--
0100 <i>Fund Balances - Beginning</i>	--	--	--	--
3000 <i>Fund Balances - Ending</i>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

240 National School Breakfast/Lunch Program	244 Career and Tech Education Basic Grant	255 ESEA Title II Training & Recruiting	282 ESSER Fund III of the American Rescue Plan Act	289 Title IV Part A Subpart 1
\$ 370,792	\$ --	\$ --	\$ --	\$ --
5,577	--	--	--	--
690,974	28,315	54,314	675,795	247,862
<u>1,067,343</u>	<u>28,315</u>	<u>54,314</u>	<u>675,795</u>	<u>247,862</u>
--	28,315	5,500	84,242	218,066
--	--	20,640	251,776	--
--	--	2,487	--	--
--	--	25,687	248,479	--
--	--	--	91,298	--
1,295,961	--	--	--	--
--	--	--	--	--
--	--	--	--	9,796
--	--	--	--	20,000
--	--	--	--	--
<u>1,295,961</u>	<u>28,315</u>	<u>54,314</u>	<u>675,795</u>	<u>247,862</u>
(228,618)	--	--	--	--
<u>(228,618)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
578,756	--	--	--	--
<u>\$ 350,138</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

BULLARD INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2024

Data Control Codes		397 Advanced Placement Incentives	410 State Textbook Fund
REVENUES:			
5700	Local and Intermediate Sources	\$ --	\$ --
5800	State Program Revenues	255	477,183
5900	Federal Program Revenues	--	--
5020	Total Revenues	<u>255</u>	<u>477,183</u>
EXPENDITURES:			
Current:			
0011	Instruction	255	477,183
0013	Curriculum and Staff Development	--	--
0021	Instructional Leadership	--	--
0023	School Leadership	--	--
0031	Guidance, Counseling, and Evaluation Services	--	--
0035	Food Service	--	--
0036	Cocurricular/Extracurricular Activities	--	--
0052	Security and Monitoring Services	--	--
0053	Data Processing Services	--	--
0061	Community Services	--	--
6030	Total Expenditures	<u>255</u>	<u>477,183</u>
1100	Excess (Deficiency) of Revenues Over (Under)		
1100	Expenditures	--	--
1200	Net Change in Fund Balances	--	--
0100	Fund Balances - Beginning	134	--
3000	Fund Balances - Ending	<u>\$ 134</u>	<u>\$ --</u>

429 State Funded Special Revenue Fund	461 Campus Activity Funds	492 Bullard Education Foundation	Total Nonmajor Special Revenue Funds (See Exhibit C-2)
\$ --	\$ 748,626	\$ --	\$ 1,119,418
532,595	--	--	1,015,610
--	--	--	2,530,646
<u>532,595</u>	<u>748,626</u>	<u>--</u>	<u>4,665,674</u>
--	--	2,500	1,286,893
--	--	--	303,950
--	--	--	2,487
--	--	--	274,166
--	--	--	419,033
--	--	--	1,295,961
--	679,012	--	679,012
532,595	--	--	542,391
--	--	--	20,000
--	--	--	3,285
<u>532,595</u>	<u>679,012</u>	<u>2,500</u>	<u>4,827,178</u>
--	69,614	(2,500)	(161,504)
--	69,614	(2,500)	(161,504)
--	348,480	2,500	929,870
<u>\$ --</u>	<u>\$ 418,094</u>	<u>\$ --</u>	<u>\$ 768,366</u>

BULLARD INDEPENDENT SCHOOL DISTRICT

EXHIBIT H-3

CAPITAL PROJECTS FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED AUGUST 31, 2024

Data Control Codes		1	2	3
		Budget	Actual	Variance Positive (Negative)
	REVENUES:			
5700	<i>Local and Intermediate Sources</i>	\$ 4,700,000	\$ 4,685,326	\$ (14,674)
5020	Total Revenues	4,700,000	4,685,326	(14,674)
	EXPENDITURES:			
	Current:			
	Student Support Services:			
0036	<i>Extracurricular Activities</i>	34,000	32,713	1,287
	Total Student Support Services	34,000	32,713	1,287
	Support Services:			
0051	<i>Facilities Maintenance and Operations</i>	23,000	22,881	119
	Total Support Services	23,000	22,881	119
	Capital Outlay:			
0081	<i>Facilities Acquisition and Construction</i>	38,300,000	38,156,215	143,785
	Total Capital Outlay	38,300,000	38,156,215	143,785
6030	Total Expenditures	38,357,000	38,211,809	145,191
1100	Excess (Deficiency) of Revenues Over (Under)			
1100	Expenditures	(33,657,000)	(33,526,483)	130,517
1200	Net Change in Fund Balance	(33,657,000)	(33,526,483)	130,517
0100	Fund Balance - Beginning	97,018,678	97,018,678	--
3000	Fund Balance - Ending	\$ 63,361,678	\$ 63,492,195	\$ 130,517

BULLARD INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF DELINQUENT TAXES RECEIVABLE

FOR THE YEAR ENDED AUGUST 31, 2024

Year Ended August 31	Tax Rates		Assessed/Appraised Value For School Tax Purposes	Beginning Balance 9/1/23
	1	2		
	Maintenance	Debt Service		
2015 and Prior Years	\$ Various	\$ Various	\$ Various	\$ 451,777
2016	1.17	.50	918,367,475	52,895
2017	1.17	.50	1,003,721,975	52,801
2018	1.17	.50	1,082,014,686	66,188
2019	1.17	.46	1,140,838,040	80,234
2020	1.06	.41	1,203,766,459	100,964
2021	.9953	.38	1,323,621,574	111,347
2022	.952	.4043	1,437,460,718	155,064
2023	.9346	.50	1,672,948,940	404,024
2024 (School Year Under Audit)	.7492	.50	1,812,759,027	--
1000 Totals				\$ <u>1,475,294</u>

8000 - Total Taxes Refunded under Section 26.1115, Tax Code

9000 - Portion of Row 1000 for Taxes Paid into Tax Increment Zone Under Chapter 311, Tax Code

EXHIBIT J-1

20 Current Year's Total Levy	31 Maintenance Collections	32 Debt Service Collections	40 Entire Year's Adjustments	50 Ending Balance 8/31/24	99 Total Taxes Refunded Under Sect. 26.1115(c)
\$ --	\$ 14,468	\$ 3,793	\$ (42,175)	\$ 391,341	
--	2,378	1,016	(2,280)	47,221	
--	2,438	1,042	(222)	49,099	
--	3,601	1,539	(185)	60,863	
--	6,676	2,625	2,527	73,460	
--	15,541	6,011	2,194	81,606	
--	15,452	3,889	(1,546)	90,460	
--	14,040	5,963	(11,961)	123,100	
--	18,635	9,970	(143,438)	231,981	
20,338,548	11,816,214	7,885,887	(295,713)	340,734	
<u>\$ 20,338,548</u>	<u>\$ 11,909,443</u>	<u>\$ 7,921,735</u>	<u>\$ (492,799)</u>	<u>\$ 1,489,865</u>	

\$ --

\$ --

BULLARD INDEPENDENT SCHOOL DISTRICT

FUND BALANCE AND CASH FLOW CALCULATION WORKSHEET (UNAUDITED)

GENERAL FUND

AS OF AUGUST 31, 2024

EXHIBIT J-2

Data Control Codes	Explanation	Amount
1	Total General Fund Fund Balance as of August 31, 2024 (Exhibit C-1 object 3000 for the General Fund only)	\$ 9,770,310
2	Total General Fund Nonspendable Fund Balance (from Exhibit C-1 - total of object 341X-344X for the General Fund only)	5,777
3	Total General Fund Restricted Fund Balance (from Exhibit C-1 - total of object 345X-349X for the General Fund only)	--
4	Total General Fund Committed Fund Balance (from Exhibit C-1 - total of object 351X-354X for the General Fund only)	2,000,000
5	Total General Fund Assigned Fund Balance (from Exhibit C-1 - total of object 355X-359X for the General Fund only)	639,824
6	Estimated amount needed to cover fall cash flow deficits in the General Fund (net of borrowed funds and funds representing deferred revenues)	--
7	Estimate of two months' average cash disbursements during the fiscal year	5,500,000
8	Estimate of delayed payments from state sources (58XX)	--
9	Estimate of underpayment from state sources equal to variance between Legislative Payment Estimate (LPE) and District Planning Estimate (DPE) or District's calculated earned state aid amount	--
10	Estimate of delayed payments from federal sources (59XX)	--
11	Estimate of expenditures to be reimbursed to General Fund from Capital Projects Fund (uses of General Fund cash after bond referendum and prior to issuance of bonds)	--
12	General Fund Optimum Fund Balance and Cash Flow (Lines 2+3+4+5+6+7+8+9+10+11)	8,145,601
13	Excess (Deficit) Unassigned General Fund Fund Balance (1-12)	\$ 1,624,709

Above amount to be used for future buildings and equipment

BULLARD INDEPENDENT SCHOOL DISTRICT
USE OF FUNDS REPORT - SELECT STATE ALLOTMENT PROGRAM
AS OF AUGUST 31, 2024

<u>Data Control Codes</u>		<u>Responses</u>
<u>Section A: Compensatory Education Programs</u>		
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.	\$ 1,240,008
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal year. (PICs 24, 26, 28 29, 30)	\$ 642,582
<u>Section B: Bilingual Education Programs</u>		
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.	\$ 48,501
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PICs 25)	\$ 25,153

BULLARD INDEPENDENT SCHOOL DISTRICT

NATIONAL SCHOOL BREAKFAST AND LUNCH PROGRAM

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED AUGUST 31, 2024

EXHIBIT J-4

Data Control Codes		1	2	3
		Budget	Actual	Variance Positive (Negative)
	REVENUES:			
5700	Local and Intermediate Sources	\$ 400,000	\$ 370,792	\$ (29,208)
5800	State Program Revenues	5,000	5,577	577
5900	Federal Program Revenues	695,000	690,974	(4,026)
5020	Total Revenues	<u>1,100,000</u>	<u>1,067,343</u>	<u>(32,657)</u>
	EXPENDITURES:			
	Current:			
	Student Support Services:			
0035	Food Services	<u>1,350,000</u>	<u>1,295,961</u>	<u>54,039</u>
	Total Student Support Services	<u>1,350,000</u>	<u>1,295,961</u>	<u>54,039</u>
6030	Total Expenditures	<u>1,350,000</u>	<u>1,295,961</u>	<u>54,039</u>
1100	Excess (Deficiency) of Revenues Over (Under)			
1100	Expenditures	<u>(250,000)</u>	<u>(228,618)</u>	<u>21,382</u>
	Other Financing Sources (Uses):			
7913	Proceeds from Right to Use Leased Assets	4,000	--	(4,000)
7915	Operating Transfers In	<u>3,000</u>	<u>--</u>	<u>(3,000)</u>
7080	Total Other Financing Sources and (Uses)	<u>7,000</u>	<u>--</u>	<u>(7,000)</u>
1200	Net Change in Fund Balance	<u>(243,000)</u>	<u>(228,618)</u>	<u>14,382</u>
0100	Fund Balance - Beginning	578,756	578,756	--
3000	Fund Balance - Ending	<u>\$ 335,756</u>	<u>\$ 350,138</u>	<u>\$ 14,382</u>

BULLARD INDEPENDENT SCHOOL DISTRICT

DEBT SERVICE FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED AUGUST 31, 2024

EXHIBIT J-5

Data Control Codes	1	2	3
	Budget	Actual	Variance Positive (Negative)
REVENUES:			
5700 <i>Local and Intermediate Sources</i>	\$ 8,900,000	\$ 8,303,421	\$ (596,579)
5800 <i>State Program Revenues</i>	1,268,746	1,268,522	(224)
5020 <i>Total Revenues</i>	<u>10,168,746</u>	<u>9,571,943</u>	<u>(596,803)</u>
EXPENDITURES:			
Debt Service:			
0071 <i>Debt Service</i>	2,770,000	2,770,000	--
0072 <i>Interest on Long-Term Debt</i>	6,256,464	6,256,464	--
0073 <i>Bond Issuance Costs and Fees</i>	23,536	4,957	18,579
<i>Total Debt Service</i>	<u>9,050,000</u>	<u>9,031,421</u>	<u>18,579</u>
6030 <i>Total Expenditures</i>	<u>9,050,000</u>	<u>9,031,421</u>	<u>18,579</u>
1100 <i>Excess (Deficiency) of Revenues Over (Under)</i>			
1100 <i>Expenditures</i>	1,118,746	540,522	(578,224)
1200 <i>Net Change in Fund Balance</i>	<u>1,118,746</u>	<u>540,522</u>	<u>(578,224)</u>
0100 <i>Fund Balance - Beginning</i>	3,372,789	3,372,789	--
3000 <i>Fund Balance - Ending</i>	<u>\$ 4,491,535</u>	<u>\$ 3,913,311</u>	<u>\$ (578,224)</u>

*Overall Compliance, Internal Control Section
and Federal Awards*

ANDERSON, MARX & BOHL, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

**FRANK MARX, III, CPA
DORI BOHL, CPA & CFE
CALEB MARX, CPA**

Independent Auditors' 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

Board of Trustees
Bullard Independent School District
1426B S Houston St
Bullard, Texas 75757

Members of the Board of Trustees:

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 Bullard Independent School District, as of and for the year ended August 31, 2024, and the related notes to the financial statements, which collectively comprise Bullard Independent School District's basic financial statements, and have issued our report thereon dated December 9, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Bullard Independent School District's internal control over financial reporting (internal control) as a basis for designing 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 Bullard Independent School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Bullard Independent School District's internal control.

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

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

Report on Compliance and Other Matters

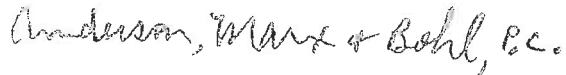
As part of obtaining reasonable assurance about whether Bullard Independent School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have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

reported under *Government Auditing Standards*.

Purpose of this Report

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

Respectfully submitted,



Anderson, Marx & Bohl, P.C.

Corsicana, Texas
December 9, 2024

ANDERSON, MARX & BOHL, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

**FRANK MARX, III, CPA
DORI BOHL, CPA & CFE
CALEB MARX, CPA**

Independent Auditors' Report on Compliance for Each Major Federal Program and
Report on Internal Control Over Compliance in Accordance with the Uniform Guidance

Board of Trustees
Bullard Independent School District
1426B S Houston St
Bullard, Texas 75757

Members of the Board of Trustees:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

In our opinion, Bullard Independent School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (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 Bullard Independent School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Bullard Independent School District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the

compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Bullard Independent School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 Bullard Independent School 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 Bullard Independent School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Bullard Independent School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Bullard Independent School District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

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

Respectfully submitted,

A handwritten signature in cursive script that reads "Anderson, Marx & Bohl, P.C.".

Anderson, Marx & Bohl, P.C.

Corsicana, Texas

December 9, 2024

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

A. Summary of Auditors' Results

1. Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

One or more material weaknesses identified? Yes X No

One or more significant deficiencies identified that are not considered to be material weaknesses? Yes X None Reported

Noncompliance material to financial statements noted? Yes X No

2. Federal Awards

Internal control over major programs:

One or more material weaknesses identified? Yes X No

One or more significant deficiencies identified that are not considered to be material weaknesses? Yes X None Reported

Type of auditors' report issued on compliance for major programs: Unmodified

Version of compliance supplement used in audit: May 2024

Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, para. 200.516(a)?? Yes X No

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.425	ESSER Funds

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? X Yes No

B. Financial Statement Findings

NONE

C. Federal Award Findings and Questioned Costs

NONE

BULLARD INDEPENDENT SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED AUGUST 31, 2024

<u>Finding/Recommendation</u>	<u>Current Status</u>	<u>Management's Explanation If Not Implemented</u>
No prior year findings reported.		

BULLARD INDEPENDENT SCHOOL DISTRICT
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED AUGUST 31, 2024

No findings reported, so no corrective action plan required.

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

EXHIBIT K-1

(1)	(2)	(2A)	(3)
Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal ALN Number	Pass- Through Entity Identifying Number	Passed Through to Subrecipients Federal Expenditures
CHILD NUTRITION CLUSTER:			
<u>U. S. Department of Agriculture</u>			
Passed Through State Department of Education:			
School Breakfast Program	10.553	212-902	\$ -- \$ 125,365
National School Lunch Program	10.555	212-902	-- 124,765
National School Lunch Program	10.555	212-902	-- 395,201
National School Lunch Program (Non-cash)	10.555	212-902	-- 45,643
Total ALN Number 10.555			-- 565,609
Total Passed Through State Department of Education			-- 690,974
Total U. S. Department of Agriculture			-- 690,974
Total Child Nutrition Cluster			-- 690,974
SPECIAL EDUCATION (IDEA) CLUSTER:			
<u>U. S. Department of Education</u>			
Passed Through State Department of Education:			
IDEA-Part B, Formula	84.027a	256600012129026000	-- 47,565
IDEA-Part B, Formula	84.027a	246600012129026000	-- 433,993
IDEA-Part B	84.027a	236600497110001	-- 4,050
IDEA-Part B, Sensory Impairment	84.027a	H027A230008	-- 4,110
IDEA-Part B, Discretionary	84.027a	66002306	-- 31,863
Total ALN Number 84.027a			-- 521,581
IDEA-Part B, Preschool	84.173a	246610012129026000	-- 3,630
Total ALN Number 84.173a			-- 3,630
Total Passed Through State Department of Education			-- 525,211
Total U. S. Department of Education			-- 525,211
Total Special Education (IDEA) Cluster			-- 525,211
OTHER PROGRAMS:			
<u>U. S. Department of Education</u>			
Passed Through State Department of Education:			
ESEA Title I Part A - Improving Basic Programs	84.010a	24610101212902	-- 292,327
Title I Part A - Improving Basic Programs	84.010a	25610101212902	-- 19,898
Total ALN Number 84.010a			-- 312,225
Career and Technical Education - Basic Grant	84.048a	24420006212902	-- 28,315
Title II, Part A - Teacher & Principal Training & Recruiting	84.367a	24694501212902	-- 41,457
Title II, Part A - Teacher & Principal Training & Recruiting	84.367a	25694501212902	-- 12,857
Total ALN Number 84.367a			-- 54,314
Title IV Part A, Subpart 1	84.424a	24680101212902	-- 23,812
COVID-19 ESSER Fund III of the Amer. Rescue Plan Act	84.425u	21528001212902	-- 675,795
Total ALN Number 84.425u			-- 675,795
Total Passed Through State Department of Education			-- 1,094,461
Total U. S. Department of Education			-- 1,094,461
<u>Federal Communications Commission</u>			
Direct Program:			
Emergency Connectivity Fund Program	32.009	--	-- 220,000
Total Federal Communications Commission			-- 220,000
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ -- \$ 2,530,646

The accompanying notes are an integral part of this schedule.

BULLARD INDEPENDENT SCHOOL DISTRICT

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED AUGUST 31, 2024

Basis of Presentation

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

Summary of Significant Accounting Policies

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

Bullard Independent School District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Reconciliation of federal awards:

Exhibit C-2 federal amounts	\$ 2,659,887
Less: Student Health and Related Services (not applicable for SEFA)	(129,241)
Total expenditures of federal awards per SEFA	<u>\$ 2,530,646</u>

Other Information

BULLARD INDEPENDENT SCHOOL DISTRICT*SCHEDULE OF REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS
AS OF AUGUST 31, 2024*

Data Control Codes		Responses
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.)	Yes
	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.	
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	\$ 444,365