



CLEBURNE INDEPENDENT SCHOOL DISTRICT

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2024

CLEBURNE INDEPENDENT SCHOOL DISTRICT

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2024

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CERTIFICATE OF THE BOARD

Cleburne Independent School District
Name of School District

Johnson
County

126-903
Co. - District Number

We, the undersigned, certify that the attached annual financial reports of the above named school district were reviewed and (check one) approved disapproved for the year ended June 30, 2024, at a meeting of the board of trustees of such school district on the 18th day of November, 2024.

Diana King
Signature of Board Secretary

Elizabeth Childers
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).

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Cleburne Independent School District
Cleburne, Texas

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 Cleburne Independent School District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Cleburne 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 Cleburne Independent School District, as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Cleburne 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.

Emphasis of Matter - Change of Accounting Principle

As described in the notes to the financial statements, in fiscal year 2024 Cleburne Independent School District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 100, *Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62*. Our opinion is not modified with respect to this matter.

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 Cleburne 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.

OFFICE LOCATIONS

TEXAS | Waco | Temple | Hillsboro | Houston
NEW MEXICO | Albuquerque

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension and OPEB information 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 Cleburne Independent School District's basic financial statements. The combining statements, required TEA schedules, and the Schedule of Expenditures of Federal Awards, as required by the audit 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), are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements, required TEA schedules, and the Schedule of Expenditures of Federal Awards, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2024, on our consideration of Cleburne 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 Cleburne Independent School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Cleburne Independent School District's internal control over financial reporting and compliance.

Pattillo, Brown & Hill, L.L.P.

Waco, Texas
November 18, 2024

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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Cleburne Independent School District (the "District"), we offer this narrative overview and analysis of the financial activities of the District for the year ended June 30, 2024. Please read this narrative in conjunction with the independent auditors' report and the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The net position of the District at the close of its fiscal year was \$60,900,427, a net increase of \$1,674,422 from operations over last year. Unrestricted net position of (\$16,500,444) may be used to meet the District's ongoing obligations to citizens and creditors. Net Investment in Capital Assets is \$52,122,033. The remaining \$25,278,838 is restricted for Federal and State Programs, Debt Service, Capital Projects and Campus Activities.
- As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$72,467,730 a net decrease of \$7,832,093 over the prior year. The General Fund decreased by \$6,398,613 from current year operations. Other funds had a decrease of \$1,433,480 from current year operations. The primary cause for this decrease is related to general fund expenditures in the General fund in the amount of \$80.9 million and the spending of funds in Capital Projects funds.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$14,870,938 or 18% of total General Fund current year expenditures. Prior year unassigned fund balance for the General Fund was \$28,891,238, or 36% of total General Fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

- Government-wide financial statements - These statements provide information about the activities of the District as a whole and present both a long-term and short-term view of the District's finances. The government-wide financial statements include the statement of net position and the statement of activities.

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

The statement of activities presents information on all of the current year's revenues and expenses regardless of when cash is received or paid. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods.

Both of the District's government-wide financial statements distinguish the functions of the District as being principally supported by taxes and intergovernmental revenues (government activities) as opposed to business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. The District has no business-type activities and no component units for which it is financially accountable.

Fund financial statements – These statements report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds. Some funds are required by State law and/or bond covenants. Other funds may be established by the Board to control and manage money for particular purposes or to show that it is properly using certain taxes or grants.

All the funds of the District can be divided into three categories; governmental funds, proprietary funds, and fiduciary funds.

- Governmental funds – these financial statements tell how services were financed in the short term as well as what resources remain for future spending. They reflect the flow of current financial resources and supply the basis for tax levies and the appropriations budget.
- Proprietary funds – these financial statements tell how goods or services of the District were sold to departments within the District or to external customers and how the revenues covered the expenses of the goods or services. The District has no proprietary funds.
- Fiduciary funds – these financial statements provide information about activities for which the District acts solely as a trustee or agent for the benefit of others, for example, student activity funds and scholarships for graduating students. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District’s operations.
- Notes to the financial statements – The notes provide additional information that is essential to a complete understanding of the data provided in the government-wide statements and the fund financial statements.
- Other information – This annual report contains other supplementary information in addition to the basic financial statements and the notes to the financial statements. The Management’s Discussion and Analysis is required supplementary information under governmental accounting standards. The “Combining Schedules” for nonmajor funds contain even more information about the District’s individual funds. The “Required Texas Education Agency Schedules” and “Reports on Internal Controls, Compliance and Federal Awards” contain data used by monitoring or regulatory agencies for assurance that the District is using supplied funds in compliance with terms of grants.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following analysis presents both current and prior year data and discusses significant changes in the accounts. Our analysis focuses on the statement of net position (Table 1) and the statement of activities (Table 2) of the District’s governmental activities.

**TABLE 1
NET POSITION**

	Governmental Activities	
	2024	2023
Assets:		
Current and other assets	\$ 87,375,553	\$ 95,127,497
Capital assets	<u>227,423,453</u>	<u>221,334,465</u>
Total assets	<u>314,799,006</u>	<u>316,461,962</u>
Deferred Outflows of Resources:		
Deferred charges for refunding	747,091	919,491
Teach Retirement System	<u>25,618,228</u>	<u>21,294,564</u>
Total deferred outflows of resources	<u>26,365,319</u>	<u>22,214,055</u>
Liabilities:		
Long-term liabilities	241,214,812	238,062,138
Other liabilities	<u>16,285,891</u>	<u>16,375,036</u>
Total liabilities	<u>257,500,703</u>	<u>254,437,174</u>
Deferred Inflows of Resources:		
Teacher Retirement System	<u>22,763,195</u>	<u>25,012,838</u>
Net position:		
Net investment in capital assets	52,122,033	52,010,428
Restricted	25,278,838	16,049,547
Unrestricted	<u>(16,500,444)</u>	<u>(8,833,970)</u>
Total net position	<u>\$ 60,900,427</u>	<u>\$ 59,226,005</u>

The District's governmental activities net position increased by a net of \$1,674,422 from operations, as previously discussed. A large portion of net position, \$52,122,033, or 86%, reflects the District's net investment in capital assets (e.g., land, buildings, furniture and equipment, construction in progress, and accumulated depreciation), less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the District's net position, \$25,278,838 or 42%, represent resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted assets, (\$16,500,444), may be used to meet the District's ongoing obligations.

TABLE 2
CHANGES IN NET POSITION

	Governmental Activities	
	2024	2023
Revenues:		
Program revenues:		
Charges for services	\$ 2,215,508	\$ 2,237,431
Operating grants and contributions	17,814,638	18,671,746
General revenues:		
Maintenance and operations taxes	28,243,273	33,218,756
Debt service taxes	16,881,119	15,959,853
State aid - formula grants	40,213,797	33,745,956
Investment earnings	2,909,432	2,890,145
Miscellaneous local & intermediate revenue	<u>374,278</u>	<u>728,421</u>
Total revenues	<u>108,652,045</u>	<u>107,452,308</u>
Expenses:		
Instruction	57,442,047	54,216,423
Instructional resources and media services	550,083	572,139
Curriculum and staff development	2,159,772	1,998,984
Instructional leadership	1,670,001	1,462,389
School leadership	4,534,428	4,265,626
Guidance, counseling, and evaluation services	3,810,677	2,903,251
Social work services	457,539	316,059
Health services	1,033,593	1,022,904
Student transportation	3,534,596	3,407,584
Food service	4,355,215	4,507,897
Extracurricular activities	3,220,015	3,000,545
General administration	2,903,934	2,465,447
Facilities maintenance and operations	10,717,862	10,155,041
Security and monitoring services	1,793,979	2,150,345
Data processing services	2,456,462	2,324,267
Community services	693	-
Interest on long-term debt	5,706,306	6,109,334
Bond issuance cost and fees	3,642	3,958
Payments related to shared services arrangements	56,519	80,857
Payments related to JJAE	-	5,439
Other governmental changes	<u>570,260</u>	<u>574,763</u>
Total expenses	<u>106,977,623</u>	<u>101,543,252</u>
Increase/(Decrease) in net position before inflows/outflows and special items	1,674,422	5,909,056
NET POSITION, BEGINNING	<u>59,226,005</u>	<u>53,316,949</u>
NET POSITION, ENDING	<u>\$ 60,900,427</u>	<u>\$ 59,226,005</u>

Governmental Revenue by Source

	Governmental Activities	
	2024	2023
Program Revenues:		
Charges for services	2.0%	2.1%
Operating grants and contributions	16.4%	17.4%
General Revenues:		
Maintenance & operating taxes	26.0%	30.9%
Debt Service taxes	15.5%	14.9%
State aid - formula grants	37.0%	31.4%
All others	3.0%	3.4%
Total Revenues	<u>100.0%</u>	<u>100.0%</u>

Governmental Expenses by Function

	Governmental Activities	
	2024	2023
Instruction	54.13%	53.70%
Instructional resources and media services	0.51%	0.56%
Curriculum and staff development	2.02%	1.97%
Instructional leadership	1.56%	1.44%
School leadership	4.24%	4.20%
Guidance, counseling, and evaluation services	3.56%	2.86%
Health services	0.97%	1.01%
Student transportation	3.30%	3.36%
Food service	4.07%	4.44%
Extracurricular activities	3.01%	2.95%
General administration	2.71%	2.43%
Facilities maintenance and operations	10.02%	10.00%
Security and monitoring services	1.68%	2.12%
Data processing services	2.30%	2.29%
Interest on long-term debt	5.33%	6.02%
Payments related to shared services arrangements	0.05%	0.08%
Other governmental changes	0.53%	0.57%
	<u>100.00%</u>	<u>100.00%</u>

The District's net position increased by a net of \$1,674,422, or 3% from current fiscal year operations as shown below.

- 1) Total net change in Fund Balances – Governmental Funds – (\$7,832,093)
- 2) Capital outlays and long-term debt principal – \$17,475,051
- 3) Depreciation – (\$7,744,969)
- 4) GASB 68 adjustments – (\$4,061,076)
- 5) Other miscellaneous adjustments – \$1,236,246
- 6) GASB 75 adjustments – \$2,601,263

The District is required under GASB 68 to report its proportionate share of the unfunded liability associated with the Teacher Retirement System of Texas (TRS) pension plan. The required entries to record the effects of GASB 68 and GASB 71, an amendment to GASB 68, are book entries only in the statement of governmental activities and do not affect the funding of the District. These entries decreased the District's ending net position and is discussed in greater detail in the notes to the financial statements.

The District is required under GASB 75 to report its proportionate share of the unfunded liability associated with TRS-Care. The required entries to record the effects of GASB 75 are book entries only in the statement of governmental activities and do not affect the funding of the District. These entries decreased the District's ending net position and is discussed in greater detail in the notes to the financial statements.

GOVERNMENTAL FUNDS FINANCIAL ANALYSIS

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

The District's governmental funds reported a combined ending fund balance of \$72,467,730 , a net decrease of \$7,832,093 over last year's combined fund balance. Unassigned fund balance is \$14,870,938 , or 21%, and is available for spending at the District's discretion. The remainder of fund balance is not available for discretionary spending because it is classified as nonspendable, restricted or committed for the following items:

Nonspendable fund balance:	
Prepaid items	\$ <u>181,373</u>
Restricted fund balance:	
Federal or state funds grant restrictions:	
National Breakfast & Lunch Program	\$ 4,922,661
Other State Special Revenue Funds	4,557
Capital acquisition & contractual obligations	14,760,812
Retirement of long-term debt	<u>22,506,743</u>
Total restricted fund balance	\$ <u>42,194,773</u>
Committed fund balance:	
Campus Activity funds	\$ <u>910,450</u>
Assigned fund balance:	
Subsequent year's budget	\$ <u>14,310,196</u>

The General Fund is the chief operating fund of the District. At the end of the current fiscal the General Fund's unassigned fund balance was \$14,870,938 or 51% while the total fund balance was \$29,362,507. The total fund balance decreased by \$6,398,613 from current year operations.

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the Board of Trustees revised the District's budget several times. These budget amendments fall into three categories:

1. Major amendment to function 71, principal for the purchase of SBITAs.
2. Major amendments to Function 51, Plant Maintenance & Operations for summer projects.
3. Major amendments to Function 34, Student Transportation for purchases of vehicles.

The District's actual General Fund balance of \$29,362,507 differs from the General Fund's budgetary fund balance of \$27,534,768. The difference of \$1,827,739 is primarily due to actual revenues exceeding budgeted revenues by \$875,367 and actual expenditures being \$1,142,091 less than budgeted expenditures.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The District's investments in capital assets for its governmental activities at the end of this fiscal year amounts to \$227,423,453 (net of accumulated depreciation) for a net increase of \$6,088,988 or 3% from last year. The increase is due to new assets held in Construction-in-progress. This investment in capital assets includes land, buildings and improvements, furniture and equipment, right to use equipment, and SBITA assets.

More detailed information about the District's capital assets are presented in the notes to the financial statements.

	Capital Assets	
	<u>2024</u>	<u>2023</u>
Land	\$ 4,101,047	\$ 4,101,047
Construction-in-progress	-	45,513,002
Buildings and improvements	300,712,709	242,975,207
Furniture and equipment	24,885,601	23,482,201
Right to use leased assets	386,848	493,449
SBITA assets	378,814	365,910
Less depreciation	<u>(103,041,566)</u>	<u>(95,596,351)</u>
Totals	<u>\$ 227,423,453</u>	<u>\$ 221,334,465</u>

Long-term Liabilities

At year-end, the District had \$241,214,812 in long-term debt, consisting of \$163,775,043 in outstanding general obligation bonds; accreted interest of \$636,187; premium on bonds of \$20,978,864; net pension liability of \$36,024,844; net OPEB liability of \$14,380,645; leases payable of \$173,909 SBITAs payable of \$244,590; and retainage payable of \$5,000,731, versus \$238,062,138 last year for an increase of \$3,152,674. More detailed information about the District's long-term liabilities are presented in the notes to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

For fiscal year 2025, the District experienced an overall increase in the tax base of approximately 2% including an increase to the homestead exemption up to \$100,000. Single family residences showed an increase of approximately 22% relative to the prior year amounts. The current year funding does not provide sufficient resources necessary to adopt a budget in which budgeted revenue exceeds budgeted expenditures, however, the fund balance position of the District is sufficient to ensure that operations can be maintained at the current level and the district can remain financially strong.

Next Year's Budget and Rates

The District's elected and appointed officials considered many factors when setting the fiscal year 2025 budget and tax rate. In preparing the 2025 budget, the goal of the Board of Trustees was to adopt a budget that meets the District's educational goals for successful education of its students, provides for a competitive and marketable salary for all district employees, and to provide sufficient resources to address aging facilities. The general fund budget, as presented and approved, resulted in a budgetary deficit of approximately \$14.3 million.

For the 2025 fiscal year, the District's budgeted revenue is projected to decrease approximately \$1.4 million from the 2024 revenue. This is due primarily to an decrease of tax revenue as a result of an tax rate compression and a decrease in student enrollment. Budgeted expenditures included increases in salaries for all employees of the district. Enrollment assumptions used in calculating state revenue for the 2024-2025 operation budget anticipated a decrease in enrollment from the 2023-2024 final enrollment.

By adopting a general fund budget deficit for the 2025 fiscal year, the District plans to decrease fund balance on an annual basis. The year-end fund balance for the 2024 fiscal year ended June 30, 2024, and the beginning fund balance for the 2025 fiscal year in the general fund is \$29.6 million, which is approximately 34% of the 2025 annual budgeted operating expenditures. The total approved budgeted expenses is \$86.9 million for the 2025 fiscal year. With ongoing changes and developments in the accountability standards established by the State of Texas, the District will continue to monitor expenditures to ensure programmatic compliance.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

The 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 show the District's accountability for the money it receives. If you have questions about this report or need additional information, contact the Superintendent's Office, at Cleburne Independent School District, 505 N. Ridgeway, Suite 100, Cleburne, Texas 76033.

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BASIC FINANCIAL STATEMENTS

CLEBURNE INDEPENDENT SCHOOL DISTRICT

EXHIBIT A-1

STATEMENT OF NET POSITION

JUNE 30, 2024

<u>Data Control Codes</u>	<u>1 Primary Government Governmental Activities</u>
ASSETS	
1110 Cash and cash equivalents	\$ 59,907,919
1220 Delinquent property taxes receivables	2,428,067
1230 Allowance for uncollectible taxes	(1,034,959)
1240 Due from other governments	25,652,528
1300 Inventories	240,625
1410 Prepayments	181,373
Capital assets:	
1510 Land	4,101,047
1520 Buildings, net	217,231,244
1530 Furniture and equipment, net	5,635,026
1540 Right to use lease assets, net	174,354
1550 SBITA assets, net	<u>281,782</u>
1000 Total assets	<u>314,799,006</u>
DEFERRED OUTFLOWS OF RESOURCES	
1701 Deferred charge for refunding	747,091
1705 Deferred outflow related to pensions	17,034,215
1706 Deferred outflow related to other post-employment benefit	<u>8,584,013</u>
1700 Total deferred outflows of resources	<u>26,365,319</u>
LIABILITIES	
2110 Accounts payable	916,973
2140 Interest payable	2,475,667
2150 Payroll deductions and withholdings	2,054,098
2160 Accrued wages payable	7,771,495
2180 Due to other governments	2,877,509
2200 Accrued expenses	40,161
2300 Unearned revenue	149,988
Noncurrent liabilities:	
2501 Due within one year	3,927,365
2502 Due in more than one year	186,881,958
2540 Net pension liability	36,024,844
2545 Net other post-employment benefit liability	<u>14,380,645</u>
2000 Total liabilities	<u>257,500,703</u>
DEFERRED INFLOWS OF RESOURCES	
2605 Deferred inflow related to pensions	1,783,100
2606 Deferred inflow related to other post-employment benefit	<u>20,980,095</u>
2600 Total deferred inflows of resources	<u>22,763,195</u>
NET POSITION	
3200 Net investment in capital assets	52,122,033
Restricted for:	
3820 Federal and state programs	4,927,218
3850 Debt service	20,351,620
3900 Unrestricted	<u>(16,500,444)</u>
3000 Total net position	<u>\$ 60,900,427</u>

The accompanying notes are an integral part of this financial statement.

CLEBURNE INDEPENDENT SCHOOL DISTRICT

EXHIBIT B-1

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2024

Data Control Codes	Functions/Programs	1	Program Revenues 3	Program Revenues 4	Net (Expenses) Revenue Changes in Net Position 6
Codes	Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Primary Governmental Activities
Primary government:					
Governmental activities:					
11	Instruction	\$ 57,442,047	\$ 288,483	\$ 9,102,724	\$ (48,050,840)
12	Instructional resources and media services	550,083	-	16,095	(533,988)
13	Curriculum and staff development	2,159,772	-	244,400	(1,915,372)
21	Instructional leadership	1,670,001	-	62,343	(1,607,658)
23	School leadership	4,534,428	-	146,418	(4,388,010)
31	Guidance, counseling, and evaluation services	3,810,677	-	1,296,490	(2,514,187)
32	Social Work Services	457,539	-	318,840	(138,699)
33	Health services	1,033,593	-	460,248	(573,345)
34	Student transportation	3,534,596	-	71,230	(3,463,366)
35	Food service	4,355,215	790,337	3,995,473	430,595
36	Extracurricular activities	3,220,015	1,024,536	50,423	(2,145,056)
41	General administration	2,903,934	-	59,231	(2,844,703)
51	Facilities maintenance and operations	10,717,862	112,152	148,811	(10,456,899)
52	Security and monitoring services	1,793,979	-	184,188	(1,609,791)
53	Data processing services	2,456,462	-	211,224	(2,245,238)
72	Interest on long-term debt	5,706,306	-	1,444,437	(4,261,869)
73	Bond issuance costs and fees	3,642	-	-	(3,642)
93	Payments related to shared services arrangements	56,519	-	1,370	(55,149)
99	Other governmental changes	<u>570,260</u>	-	-	<u>(570,260)</u>
TG	Total governmental activities	<u>\$ 106,977,623</u>	<u>\$ 2,215,508</u>	<u>\$ 17,814,638</u>	<u>(86,947,477)</u>
General revenues:					
Taxes:					
MT	Property taxes, levied for general purposes				28,243,273
DT	Property taxes, levied for debt service				16,881,119
SF	State aid - formula grants				40,213,797
IE	Investment earnings				2,909,432
MI	Miscellaneous local and intermediate revenue				<u>374,278</u>
TR	Total general revenues and special item				<u>88,621,899</u>
CN	Change in net position				1,674,422
NB	Net position, beginning				<u>59,226,005</u>
NE	Net position, ending				<u>\$ 60,900,427</u>

The accompanying notes are an integral part of this financial statement.

CLEBURNE INDEPENDENT SCHOOL DISTRICT

BALANCE SHEET
GOVERNMENTAL FUNDS

JUNE 30, 2024

Data Control Codes		10	50	60
		General Fund	Debt Service Fund	Capital Projects
ASSETS				
1110	Cash and cash equivalents	\$ 17,766,948	\$ 22,004,562	\$ 14,772,692
1220	Property taxes - delinquent	1,685,939	742,128	-
1230	Allowance for uncollectible taxes	(718,628)	(316,331)	-
1240	Due from other governments	12,405,054	294,107	-
1260	Due from other funds	11,619,333	102,821	-
1300	Inventories	-	-	-
1410	Prepayments	181,373	-	-
1000	Total assets	<u>42,940,019</u>	<u>22,827,287</u>	<u>14,772,692</u>
LIABILITIES				
2110	Accounts payable	874,157	-	11,455
2150	Payroll deductions and withholdings	1,889,756	-	425
2160	Accrued wages	6,384,679	-	-
2170	Due to other funds	808,644	-	-
2180	Due to other governments	2,803,060	-	-
2200	Accrued expenditures/expenses	40,161	-	-
2300	Unearned revenue	-	-	-
2000	Total liabilities	<u>12,800,457</u>	<u>-</u>	<u>11,880</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue				
2601	Property taxes	<u>777,055</u>	<u>320,544</u>	<u>-</u>
2600	Total deferred inflows of resources	<u>777,055</u>	<u>320,544</u>	<u>-</u>
FUND BALANCES				
3430	Prepaid items	181,373	-	-
Restricted for:				
3450	Federal and state programs	-	-	-
3470	Capital acquisitions and contractual obligations	-	-	14,760,812
3480	Debt service	-	22,506,743	-
3490	Assigned for:			
	Subsequent years budget	14,310,196	-	-
Committed for:				
3545	Other	-	-	-
3600	Unassigned	<u>14,870,938</u>	<u>-</u>	<u>-</u>
3000	Total fund balances	<u>29,362,507</u>	<u>22,506,743</u>	<u>14,760,812</u>
4000	Total liabilities, deferred inflows of resources and fund balances	<u>\$ 42,940,019</u>	<u>\$ 22,827,287</u>	<u>\$ 14,772,692</u>

The accompanying notes are an integral part of this financial statement.

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ESSER III	Other Funds	Total Governmental Funds
\$ -	\$ 5,363,717	\$ 59,907,919
-	-	2,428,067
-	-	(1,034,959)
11,657,458	1,295,909	25,652,528
-	758,176	12,480,330
-	240,625	240,625
-	-	181,373
<u>11,657,458</u>	<u>7,658,427</u>	<u>99,855,883</u>
-	31,361	916,973
67,271	96,646	2,054,098
696,378	690,438	7,771,495
10,893,809	777,877	12,480,330
-	74,449	2,877,509
-	-	40,161
-	149,988	149,988
<u>11,657,458</u>	<u>1,820,759</u>	<u>26,290,554</u>
<u>-</u>	<u>-</u>	<u>1,097,599</u>
<u>-</u>	<u>-</u>	<u>1,097,599</u>
-	-	181,373
-	4,927,218	4,927,218
-	-	14,760,812
-	-	22,506,743
-	-	14,310,196
-	910,450	910,450
-	-	14,870,938
<u>-</u>	<u>5,837,668</u>	<u>72,467,730</u>
<u>\$ 11,657,458</u>	<u>\$ 7,658,427</u>	<u>\$ 99,855,883</u>

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CLEBURNE INDEPENDENT SCHOOL DISTRICT

EXHIBIT C-2

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

JUNE 30, 2024

Total fund balances - governmental funds	\$ 72,467,730
1 Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. In addition, long-term liabilities, including bonds payable and retainage payable, are not due and payable in the current period, and, therefore are not reported as liabilities in the funds. The net effect of including the beginning balances for capital assets (net of depreciation) and long-term debt in the governmental activities is to decrease net position.	26,564,187
2 Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of including the 2024 capital outlays and debt principal payments is to increase net position.	17,323,655
3 Included in the items related to debt is the recognition of the District's proportionate share of net pension liability required by GASB 68. The net position related to TRS included a deferred resource outflow in the amount of \$17,034,215, a deferred resource inflow in the amount of \$1,783,100 and a net pension liability in the amount of \$36,024,844. This resulted in a decrease to net position.	(20,773,729)
4 Included in the items related to debt is the recognition of the District's proportionate share of net OPEB liability required by GASB 75. The net position related to TRS included a deferred resource outflow in the amount of \$8,584,013, a deferred resource inflow in the amount of \$20,980,095, and a net OPEB liability in the amount of \$14,380,645. This resulted in a decrease to net position.	(26,776,727)
5 The 2024 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position.	(7,744,969)
6 Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unavailable revenue from property taxes and grants as revenue, eliminating interfund transactions, reclassifying the proceeds of bond sales as an increase in bonds payable, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to decrease net position.	<u>(159,720)</u>
29 Net position of governmental activities	<u>\$ 60,900,427</u>

CLEBURNE INDEPENDENT SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2024

Data Control Codes		10	50	60
		General	Debt Service Fund	Capital Projects
	REVENUES			
5700	Local and intermediate sources	\$ 29,947,709	\$ 17,681,797	\$ 984,874
5800	State programs	44,506,599	1,444,437	-
5900	Federal programs	334,583	-	-
5020	Total revenues	<u>74,788,891</u>	<u>19,126,234</u>	<u>984,874</u>
	EXPENDITURES			
	Current:			
0011	Instruction	46,266,719	-	88,016
0012	Instructional resources and media services	552,080	-	-
0013	Curriculum and staff development	1,949,713	-	-
0021	Instructional leadership	1,655,761	-	-
0023	School leadership	4,524,235	-	-
	Guidance, counseling, and evaluation services	2,344,184	-	-
0032	Social work	21,981	-	-
0033	Health services	1,032,053	-	4,274
0034	Student transportation	3,970,150	-	-
0035	Food service	102,285	-	-
0036	Extracurricular activities	2,594,986	-	-
0041	General administration	2,735,053	-	138,882
0051	Facilities maintenance and operations	9,533,506	-	16,515
0052	Security and monitoring services	873,487	-	12,800
0053	Data processing services	1,903,971	-	93,213
0061	Community services	-	-	-
	Debt service:			
0071	Principal on long-term debt	232,276	3,530,000	-
0072	Interest on long-term debt	71,318	6,792,625	-
0073	Bond issuance costs and fees	-	3,642	-
	Capital outlay			
0081	Facilities acquisition and construction	7,248	-	11,631,154
	Intergovernmental:			
	Payments to fiscal agent/member districts of SSA	56,519	-	-
0099	Other intergovernmental charges	570,260	-	-
6030	Total expenditures	<u>80,997,785</u>	<u>10,326,267</u>	<u>11,984,854</u>
1100	EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(6,208,894)</u>	<u>8,799,967</u>	<u>(10,999,980)</u>
	OTHER FINANCING SOURCES (USES)			
7912	Sale of Real and personal property	3,650	-	-
7913	Issuance of lease	4,260	-	-
7949	Proceeds from SBITA assets	116,922	-	-
7915	Transfer In	-	-	314,551
8911	Transfer out	(314,551)	-	-
7080	Total other financing sources (uses)	<u>(189,719)</u>	<u>-</u>	<u>314,551</u>
1200	NET CHANGE IN FUND BALANCES	<u>(6,398,613)</u>	<u>8,799,967</u>	<u>(10,685,429)</u>
0100	FUND BALANCES, BEGINNING, AS PREVIOUSLY REPORTED	<u>35,761,120</u>	<u>13,706,776</u>	<u>25,446,241</u>
	ADJUSTMENTS			
1300	Change within the financial reporting entity	-	-	-
0100	FUND BALANCES, BEGINNING, AS RESTATED	<u>35,761,120</u>	<u>13,706,776</u>	<u>25,446,241</u>
3000	FUND BALANCES, ENDING	<u>\$ 29,362,507</u>	<u>\$ 22,506,743</u>	<u>\$ 14,760,812</u>

* Formerly a major fund.

The accompanying notes are an integral part of this financial statement.

281 ESSER II*	282 ESSER III	Other Governmental	98 Total Governmental Funds
	\$ -	\$ 1,926,971	\$ 50,541,351
	-	1,100,169	47,051,205
	<u>4,625,329</u>	<u>7,760,977</u>	<u>12,720,889</u>
	<u>4,625,329</u>	<u>10,788,117</u>	<u>110,313,445</u>
	3,717,700	3,590,749	53,663,184
	-	1,375	553,455
	5,000	184,968	2,139,681
	-	7,635	1,663,396
	-	32,310	4,556,545
	300,153	1,151,917	3,796,254
	419,486	126	441,593
	-	6,719	1,043,046
	-	5,602	3,975,752
	-	4,631,970	4,734,255
	-	527,694	3,122,680
	-	273	2,874,208
	-	18,684	9,568,705
	182,990	175,420	1,244,697
	-	-	1,997,184
	-	693	693
	-	-	3,762,276
	-	-	6,863,943
	-	-	3,642
	-	-	11,638,402
	-	-	56,519
	-	-	<u>570,260</u>
	<u>4,625,329</u>	<u>10,336,135</u>	<u>118,270,370</u>
	-	<u>451,982</u>	<u>(7,956,925)</u>
	-	-	3,650
	-	-	4,260
	-	-	116,922
	-	-	314,551
	-	-	<u>(314,551)</u>
	-	-	<u>124,832</u>
	-	<u>451,982</u>	<u>(7,832,093)</u>
<u>-</u>	<u>-</u>	<u>5,385,686</u>	<u>80,299,823</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>5,385,686</u>	<u>80,299,823</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,837,668</u>	<u>\$ 72,467,730</u>

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CLEBURNE INDEPENDENT SCHOOL DISTRICT

EXHIBIT C-4

**RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES**

FOR THE YEAR ENDED JUNE 30, 2024

Net change in fund balances - total governmental funds	\$ (7,832,093)
<p>Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of removing the 2024 capital outlays and debt principal payments is to increase to change in net position.</p>	17,475,051
<p>Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease the change in net position.</p>	(7,744,969)
<p>GASB 68 required that certain plan expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of the plan caused the change in ending net position to increase by \$2,538,560. Contributions made before the measurement date and during the previous fiscal year were also expended and recorded as a reduction in net pension liability. This caused a decrease in the change in net position totaling \$2,252,807. Finally, the proportionate share of the TRS pension expense in the plan as a whole had to be recorded. The net pension expense decreased the change in net position by \$4,346,829. The net result is a decrease in the change in net position.</p>	(4,061,076)
<p>GASB 75 required that certain plan expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of the plan caused the change in ending net position to increase by \$491,091. Contributions made before the measurement date and during the previous fiscal year were also expended and recorded as a reduction in net OPEB liability. This caused a decrease in the change in net position totaling \$468,994. Finally, the proportionate share of the TRS OPEB expense in the plan as a whole had to be recorded. The net OPEB expense increased the change in net position by \$2,579,163. The net result is an increase in the change in net position.</p>	2,601,263
<p>Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unavailable revenue from property taxes as revenue, adjusting current year revenue to show the revenue earned from the current year's tax levy, eliminating interfund transactions, reclassifying the proceeds of bond sales, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase the change in net position.</p>	<u>1,236,246</u>
Change in net position of governmental activities	<u>\$ 1,674,422</u>

CLEBURNE INDEPENDENT SCHOOL DISTRICT**EXHIBIT E-1**

STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS

JUNE 30, 2024

	<u>Private-Purpose Trust Funds</u>	<u>Custodial Fund</u>
ASSETS		
Cash and cash equivalents	\$ 3,787,252	\$ 403,668
Total assets	<u>3,787,252</u>	<u>403,668</u>
LIABILITIES		
Accounts payable	-	330,901
Total liabilities	<u>-</u>	<u>330,901</u>
NET POSITION		
Restricted for:		
Individuals, organizations and other governments	<u>3,787,252</u>	<u>72,767</u>
Total net position	<u>\$ 3,787,252</u>	<u>\$ 72,767</u>

CLEBURNE INDEPENDENT SCHOOL DISTRICT

EXHIBIT E-2

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2024

	<u>Private-Purpose Trust Funds</u>	<u>Custodial Fund</u>
ADDITIONS		
Contributions	\$ 10,807	\$ -
Investment earnings	140,017	-
Collections from student groups	<u>-</u>	<u>221,630</u>
Total additions	<u>150,824</u>	<u>221,630</u>
DEDUCTIONS		
Administrative expense	51,928	-
Payments on-behalf of student groups	<u>-</u>	<u>215,152</u>
Total deductions	<u>51,928</u>	<u>215,152</u>
NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION	98,896	6,478
NET POSITION, BEGINNING	<u>3,688,356</u>	<u>66,289</u>
NET POSITION, ENDING	<u>\$ 3,787,252</u>	<u>\$ 72,767</u>

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CLEBURNE INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of Cleburne 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 properties.

The Cleburne Independent School District (the "District") is a public educational agency operating under the applicable laws and regulations of the State of Texas. It is governed by a seven-member School Board of Trustees (the "Board of Trustees") elected by the public. The District prepares its basic financial statements in conformity with Generally Accepted Accounting Principles (GAAP) promulgated by the Governmental Accounting Standards Board (GASB) and other authoritative sources. The District complies with the requirements of the appropriate version of Texas Education Agency's Financial Accountability System Resource Guide (the "Resource Guide"), and the requirements of contracts and grants of agencies from which it receives funds. The Board has the authority to make decisions, appoint administrators and managers, significantly influence operations; and, has primary accountability for fiscal matters. As such, the District is a financial reporting entity as defined by the Governmental Accounting Standards Board and there are no component units included within the reporting entity.

A. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. All fiduciary activities are reported only in the fund financial statements. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities* are supported by taxes, state foundation funds and intergovernmental revenue.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All other revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

The District reports the following major governmental funds:

The **General Fund** is the District's primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund. Any fund balances are considered resources available for current operations. Major revenue sources include local property taxes, State funding under the Foundation School Program, the National School Lunch and Breakfast Programs and investment earnings. Expenditures include all costs associated with the daily operations of the District except for specific programs funded by the Federal or State government, debt service, and capital projects.

The **Debt Service** Fund accounts for resources accumulated and payments made for principal and interest in long-term general obligation debt of governmental funds.

The **Capital Project** Fund accounts for the proceeds from the sale of bonds and other revenues to be used for authorized construction and other capital asset acquisitions.

The **ESSER III** fund accounts for resources used to react and respond to the COVID-19 pandemic.

In addition, the District reports the following fund types:

Governmental Funds:

Special Revenue Funds account for the resources entitled to, or designated for, specific purposes by the District or a grantor. Most Federal and some State financial assistance are accounted for in Special Revenue Funds, and sometimes unused balances must be returned to the grantor at the close of specified project periods.

Capital Projects Funds account for the proceeds from long-term debt financing to be used for authorized expenditures related to major capital acquisitions or construction activities.

Fiduciary Funds:

The **Private-Purpose Trust Fund** accounts for scholarship resources held in trust for others where the principal and interest benefit the District or its students and former students.

Custodial Funds account for resources held for others in a custodial capacity by the District and consists of student activity funds that are the property of the various student clubs and associations.

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be *available* when it is collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenue to be available if it is collectible within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt services expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt is reported as other financing sources.

Property taxes, state foundation funds, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. Entitlements are recorded as revenue when all eligibility requirements are met, including any time requirements, and the amount received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the District.

C. Cash and Cash Equivalents

The District's cash and cash equivalents are considered as cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition. Investments for the District are reported at fair value.

D. Investments

Investments are recorded at fair value. Investments are considered as and classified as cash equivalents. Investments are primarily in FDIC insured investments, savings accounts and public funds money markets and are not significantly affected by impairment of the credit standing of the issues or other factors.

E. Receivables and Payables

Interfund activities result 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 costs 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. The District did not have any transfers in or transfers out during the current fiscal year. Similarly, interfund receivables and payables are netted and presented as a single "internal balances" line of the government-wide statement of net position.

Delinquent property tax receivables are prorated between the General Fund and Debt Service Fund based on rates adopted for the year of the levy. Allowances for uncollectible tax receivables is based on historical experience in collecting property taxes. Management periodically reviews outstanding property taxes and establishes an allowance adequate to reflect the anticipated net collectible balance. The District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

Other receivables and payables may include amounts due from local, state and federal agencies resulting from excess of expenditures over revenues incurred, accrued liabilities, interest payable, and accrued wages payable.

F. Inventories and Prepaid Items

The District uses the consumption method to account for inventories of food products, school supplies, and athletic equipment. Under this method, these items are carried in an inventory account of the respective fund at cost, using the first-in, first-out method of accounting and are subsequently charged to expenditures when consumed. In the General Fund, reported inventories are offset by a fund balance reserve. Inventories of food commodities used in the food service program are recorded at fair market values supplied by the Texas Department of Human Services. Although commodities are received at no cost, their fair market value is recorded as inventory and unearned revenue when received. When requisitioned, inventory and unearned revenues are relieved, expenditures are charged, and revenue is recognized for an equal amount.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepayment in both government-wide and fund financial statements.

G. Interfund Activities

All interfund transactions that do not represent services provided and used between governmental funds and between governmental funds and internal service funds are eliminated on the governmentwide statements. Interfund activities between governmental funds and enterprise funds remain on the government-wide statements and appear on the government-wide Statement of Net Position as internal balances and on the Statement of Activities as interfund transfers. Interfund activities between governmental funds and fiduciary funds remain as due to/due from other funds on the government-wide Statement of Net Position.

H. Capital Assets

Capital assets, which include land, buildings and improvements, furniture and equipment and construction in progress, are reported in the applicable governmental column in the government-wide financial statements. The cost of the infrastructure (e.g., roads, bridges, sidewalks, and similar items) was initially capitalized with the building cost and is being depreciated over the same useful life as the building. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value, which is the price that would be paid to acquire an asset with equivalent service potential at the acquisition date.

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

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

<u>Asset Classification</u>	<u>Useful Lives</u>
Buildings and improvements	40
Furniture and equipment	5-15
Vehicles	5-10
Right to use assets	1-5

Land and construction in progress are not depreciable.

I. Long-term Obligations

General obligation bonds which have been issued to fund the District’s capital projects are to be repaid from tax revenues of the District.

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activity. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest rate method. Bonds payable are reported net of the applicable bond premium or discount. Deferred loss on refunding, will be recognized as a deferred outflow of resources and amortized to interest expense over the life of the bonds. Bond issuance costs are expensed in the current period.

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

J. Leases and Subscription-Based Information Technology Arrangements

The District is a lessee for noncancellable leases of equipment and subscription-based IT arrangements (SBITAs). The District recognizes a liability and an intangible right-to-use asset or SBITA asset in the government-wide financial statements.

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

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

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

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

These right to use assets and SBITA assets are reported with other capital assets and liabilities are reported with long- term debt on the statement of net position.

K. Deferred Outflows/Inflow of Resources

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

A deferred outflow of resources is a consumption of a government's net assets (a decrease in assets in excess of any related decrease in liabilities or an increase in liabilities in excess of any related increase in assets) by the government that is applicable to a future reporting period. The District had the following deferred outflows of resources:

- Deferred outflows of resources for refunding – Reported in the government-wide statement of net position, this deferred charge on refunding results from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

- Deferred outflows of resources for pension – Reported in the government-wide financial statement of net position, this deferred outflow results from pension plan contributions made after the measurement date of the net pension liability, the results of differences between expected and actual economic experience, changes in actuarial assumptions, and changes in proportion and difference between the employer’s contributions and the proportionate share of contributions. The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the next fiscal year.
- Deferred outflows of resources for OPEB – Reported in the government-wide financial statement of net position, this deferred outflow results from OPEB plan contributions made after the measurement date of the net pension liability, the results of differences between expected and actual economic experience, differences between projected and actual investment earnings, changes in actuarial assumptions, and changes in proportion and difference between the employer’s contributions and the proportionate share of contributions. The deferred outflows related to OPEB resulting to District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the next fiscal year.

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

- Deferred inflow of resources for unavailable revenues – Reported only in the governmental funds balance sheet, for unavailable revenues from property taxes arise under the modified accrual basis of accounting. These amounts are deferred and recognized as an inflow of revenues in the period that the amounts become available. During the current year, the District recorded deferred inflow of resources as unavailable revenues – property taxes with the General Fund and Debt Service Fund respectively.
- Deferred inflow of resources for pensions – Reported in the government-wide financial statement of net position, these deferred inflows result from differences between expected and actual economic experience, changes in actuarial assumptions, differences between projected and actual investment earnings, and changes in proportion and difference between the employer’s contributions and the proportionate share of contributions.
- Deferred inflow of resources for OPEB – Reported in the government-wide financial statement of net position, these deferred inflows result from differences between expected and actual economic experience, changes in actuarial assumptions, and changes in proportion and difference between the employer’s contributions and the proportionate share of contributions.

L. Categories and Classifications of Fund Balance and Net Position

In accordance with GASB 54 which establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of resources reported in governmental funds. The objective of GASB 54 is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions.

Government-wide Financial Statements – Net position on the Statement of Net Position includes the following:

Net investment in capital assets - the component of net position that reports capital assets less both the accumulated depreciation and the outstanding balance of debt and is directly attributable to the acquisition, construction, or improvement of these capital assets.

Restricted for federal and state programs – the component of net position that reports the difference between assets and liabilities related to federal and state programs that consist of assets with constraints placed on their use by granting agencies.

Restricted for debt service – the component of net position that reports the difference between assets and liabilities adjusted on a government-wide basis that consists of assets with constraints placed on their use by the bond covenants.

Restricted for capital projects – funds that have been assigned for future expenditures for equipment.

Restricted for campus activities – funds that have been committed solely for the use by various campuses within the District.

Restricted for other purposes – funds that have been designated by the District to classify locally funded grants. The District does not have funds restricted for other purposes.

Unrestricted net position - the difference between the assets and liabilities that are not reported in net investment in capital assets or restricted net position.

Net position flow assumption – Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restrict 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 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.

Governmental Fund Financial Statements – In the fund financial statements, government funds report fund balances as either a non-spendable fund balance or a spendable fund balance.

Non-spendable fund balance – includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual requirements. Examples include inventories, long-term receivables, endowment principal, and/or prepaid/deferred items.

Spendable fund balance – Spendable fund balance includes restricted, committed, assigned, and unassigned components. These components can be described as follows:

Restricted fund balance – the component of the spendable fund balance constrained to a specific purpose by a provider, such as creditor, grantor, contributor, or law or regulation of other governments. Restricted fund balance includes funds for federal/state grants, long-term debt service, and other restrictions.

Committed fund balance – the component of spendable fund balance constrained to a specific purpose by the Board. A Board resolution is required to establish, modify, or rescind a fund balance commitment. Only the action that constitutes the most binding constraint of the Board can be considered a commitment for fund balance classification purposes. Committed fund balance includes funds for campus activity funds.

Assigned fund balance – the component of the spendable fund balance that is spendable or available for appropriation but has been tentatively earmarked for some specific purpose by the Board of Trustees or by an official or body to which the Board of Trustees delegates. 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 conveys that the intended use of those amounts is a specific purpose that is narrower than the general purposes of the District itself.

Unassigned fund balance – is the residual classification of the General Fund and includes all amounts not contained in other classifications. This portion of the total fund balance in the general fund is available to finance operating expenditures. Only the General Fund will have unassigned amounts. By accounting for amounts in other funds, the District has implicitly assigned the funds for purposes of those particular funds.

The District does not have a minimum fund balance policy. The District does have an informal policy to have a minimum of 25% of annual expenditures.

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.

M. Management’s 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 estimations and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

N. Defined Benefit Pension Plan

The District participates in a cost-sharing multiple-employer defined benefit pension that has a special funding situation. The Teacher Retirement System of Texas (TRS) administers the plan. The fiduciary net position of the TRS 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 reported to the District, deferred outflows of resources and deferred inflows of resources related to pension, pension expense, and information about assets, liabilities and additions to/deductions from TRS’s fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

O. Other Post-Employment Benefit Plans

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.

P. Data Control Codes

The data control codes refer to the account code structure prescribed by the Texas Education Agency (the “Agency”) in the Financial Accountability System Resource Guide. The Agency requires school districts to display these codes in the financial statements filed with the Agency in order to ensure accuracy in building a statewide data base for policy development and funding plans.

Q. Change in Accounting Principle

GASB Statement No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*, was adopted effective June 1, 2023. 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. As a result of this new accounting standard, the District was required to report changes within the financial reporting entity in more detail; see note disclosure Q on page 46 for additional information.

II. DETAILED NOTES ON ALL FUNDS

A. Cash and Cash Equivalents

The District’s funds are required to be deposited and invested under the terms of a depository contract pursuant to the School Depository Act. The depository bank places approved pledged securities for safekeeping and trust with the District’s agent bank in an amount sufficient to protect District funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank’s dollar amount of Federal Deposit Insurance Corporation (“FDIC”) insurance.

Since the District complies with this law, it has no custodial credit risk for deposits.

The District’s cash and cash equivalents, considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition.

The District’s cash deposits at June 30, 2024, and during the year then ended, were entirely covered by FDIC insurance or by pledged collateral held by the District’s agent bank in the District’s name.

The following investments are considered as cash equivalents:

<u>Investment/Rating</u>	<u>Carrying Amount</u>	<u>Reported Value</u>	<u>Percentage of Investments</u>	<u>Weighted Average Maturity (Days)</u>
TexStar/AAAm	\$ 51,277,552	\$ 51,277,552	99.62%	34
TexPool/AAAm	28,591	28,591	0.06%	38
Lone Star/AAAm	<u>167,213</u>	<u>167,213</u>	<u>0.32%</u>	23
Totals	<u>\$ 51,473,356</u>	<u>\$ 51,473,356</u>	<u>100.00%</u>	
Portfolio weighted average maturity				34

The District does not have any cash or cash equivalents in foreign currency; therefore, there is no foreign currency risk.

The TexStar, TexPool, and Lone Star pools each have a redemption notice period of one day and may redeem daily. The investment pools’ authorities may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium or national state of emergency that affects the pool’s liquidity.

The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the District 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 returns, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit. The District maintains an investment policy which authorizes the District to invest in obligations of U.S. Treasury and U.S. agencies, municipal securities and repurchase agreements and the State Treasurer’s investment pool or similar public investment pools. The Act also requires the District to have independent auditors perform test procedures related to investment practices as provided by the Act. The District is in substantial compliance with the requirements of the Act and with local policies.

In compliance with the Public Funds Investment Act, the District has adopted a deposit and investment policy.

Custodial Credit Risk – Investments - For an investment this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The District’s investment are not exposed to custodial risk. External investment pools are not subject custodial risk because investments are not evidenced by securities that exist in physical or book entry form. State law limits investments in public funds investment pools to those rated no lower than AAA or AAAM or an equivalent rating by at least one nationally recognized rating service. District investments are not exposed to custodial credit risk.

Credit Risk – This is the risk that a security issuer may default on an interest or principal payment. State law limits investment in local government pools to those that are rated AAA or equivalent by at least one Nationally Recognized Statistical Rating Organization (NRSRO). The District controls and monitors this risk by purchasing quality rated instruments that have been evaluated by agencies such as Standard and Poor’s (S&P) or Moody’s Investors Service, or by investing in public fund investment pools rated no lower than AAA or AAAM.

Interest-rate Risk – This type of risk occurs when potential purchasers of debt securities do not agree to pay face value for those securities if interest rates rise. The District’s investment policy does not allow the purchase of investments that would expose the District to interest-rate risk.

Concentration of Credit Risk – This type of risk is defined as positions of 5 percent or more in securities of a single issuer. The District is not exposed to concentration of credit risk because the investment portfolio mainly consists of external investment pools.

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.

B. Property Taxes

Property taxes are levied by October 1 and are due and payable at that time. The Board establishes the District’s property tax rates annually. The authorized tax rates for property taxes assessed on January 1, 2023, were \$.7575 and \$0.4544 per \$100 for the General Fund and Debt Service Fund, respectively, based on a net assessed valuation of \$3,539,089,816.

The legally authorized tax rate limit for the District is \$.7575 per \$100 assessed valuation for maintenance and operations. On January 1 of each year, a tax lien attaches to property to secure the payment of penalties imposed. Property tax revenues are considered available when they become due or past due and receivable within the current period and those expected to collect during the 60-day period after the close of the District’s fiscal year.

Delinquent taxes are prorated between the General Fund and Debt Service Fund based rates adopted for the year of the levy. Allowances for uncollectible tax receivables within the General and Debt Service Funds are based on historical experience in collecting property taxes.

Delinquent taxes receivables and the related allowance for uncollectible taxes in the governmental fund financial statements as of June 30, 2024 are as follows:

	Property Taxes - Delinquent	Allowance for Uncollectible Taxes	Unavailable Revenue - Property Taxes
General Fund	\$ 1,685,939	\$ (718,628)	\$ (777,055)
Debt Service Fund	<u>742,128</u>	<u>(316,331)</u>	<u>(320,544)</u>
Totals	<u>\$ 2,428,067</u>	<u>\$ (1,034,959)</u>	<u>\$ (1,097,599)</u>

Current tax collections for the levy year ended June 30, 2024 were 100% of the year-end adjusted tax levy.

Uncollectible personal property taxes are periodically reviewed and written off by the District. The District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

The District has an agreement with Johnson County Tax Office ("County") whereby the County bills and collects the District's property taxes.

C. Disaggregation of Receivables and Payables

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 June 30, 2024.

D. Receivables from Other Governments

Receivables from other governments, as of June 30, 2024, are as follow:

	Due from State
General Fund	\$ 12,405,054
Debt Service Fund	294,107
ESSER Grant III	11,657,458
Special Revenue Funds:	
ESEA I, A - Improving Basic Programs	212,879
National Breakfast and Lunch Program	46,344
IDEA - Part B Formula	146,499
IDEA - Part B Preschool	36,191
Career and Technical - Basic Grant	15,313
ESEA II, A - Training & Recruiting	71,051
Other Federal Special Funds	25,432
Advanced Placement Incentives	8,100
Other State Special Revenue Funds	284
State Textbook Fund	<u>733,816</u>
Total Special Revenue Funds	<u>1,295,909</u>
Total receivables from other governments	<u>\$ 25,652,528</u>

E. Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds."

The following is a summary of amounts due to and due from other funds:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General fund	Nonmajor governmental funds	777,877
General fund	ESSER III	10,893,809
Debt service fund	General fund	102,821
Nonmajor governmental funds	General fund	<u>758,176</u>
Totals		<u>\$ 12,480,330</u>

Interfund receivables and payables generally arise from interfund loans between different funds with balances being repaid generally within one year.

F. Capital Asset Activity

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

	Beginning Balance	Increases	Decreases/ Adjustments	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 4,101,047	\$ -	\$ -	\$ 4,101,047
Construction in progress	45,513,002	11,641,155	(57,154,157)	-
Total capital assets, not being depreciated	<u>49,614,049</u>	<u>11,641,155</u>	<u>(57,154,157)</u>	<u>4,101,047</u>
Capital assets, being depreciated:				
Buildings and improvements	242,975,207	583,345	57,154,157	300,712,709
Furniture and equipment	23,482,201	1,488,275	(84,875)	24,885,601
Right to use equipment	493,449	4,260	(110,861)	386,848
SBITA assets	365,910	116,922	(104,018)	378,814
Total capital assets, being depreciated	<u>267,316,767</u>	<u>2,192,802</u>	<u>56,854,403</u>	<u>326,363,972</u>
Less accumulated depreciation for:				
Buildings and improvements	77,974,760	5,506,705	-	83,481,465
Furniture and equipment	17,345,778	1,989,672	(84,875)	19,250,575
Right to use equipment	214,637	108,718	(110,861)	212,494
SBITA assets	61,176	139,874	(104,018)	97,032
Total accumulated depreciation	<u>95,596,351</u>	<u>7,744,969</u>	<u>(299,754)</u>	<u>103,041,566</u>
Governmental activities capital assets, net	<u>\$ 221,334,465</u>	<u>\$ 6,088,988</u>	<u>\$ -</u>	<u>\$ 227,423,453</u>

Depreciation expense was charged to governmental functions of the District as follows:

Governmental activities:	
11 - Instruction	\$ 4,041,344
12 - Instruction Resources and Media Services	852
13 - Curriculum and Staff Development	19,047
21 - Instructional Leadership	11,222
31 - Guidance Counseling and Evaluating Services	149
34 - Student (Pupil) Transportation	436,690
35 - Food Services	130,045
36 - Extracurricular Activities	118,199
41 - General Administration	31,295
51 - Plant Maintenance & Operations	1,536,356
52 - Security & Monitoring Services	721,669
53 - Data Processing Services	698,101
Total Depreciation Expense	<u>\$ 7,744,969</u>

G. Long-Term Debt

Long-term debt of the District is comprised of bonds payable, accreted interest, premium on bonds, and retainage payable. Debt service requirements for general obligation bonds are payable from fund balance and future revenues of the Debt Service Fund which consists principally of property taxes collected by the District, state funding, and interest earnings. Leases are paid from fund balance and future revenues of the General Fund.

The following is a summary of changes in long-term debt for government activities for the year ended June 30, 2024.

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
Bonds payable	\$ 166,664,126	\$ -	\$ 3,530,000	\$ 163,134,126	\$ 3,770,000
Accreted interest	1,125,708	151,396	-	1,277,104	-
Premium on bonds	22,369,612	-	1,390,748	20,978,864	-
Leases payable	275,711	4,260	106,062	173,909	84,291
SBITAs payable	253,882	116,922	126,214	244,590	73,074
Retainage payable	5,000,730	-	-	5,000,730	-
Total long-term debt	<u>195,689,769</u>	<u>272,578</u>	<u>5,153,024</u>	<u>190,809,323</u>	<u>3,927,365</u>
Net pension liability	27,828,238	8,196,606	-	36,024,844	-
Net OPEB liability	14,544,131	-	163,486	14,380,645	-
Total long-term liabilities	<u>\$ 238,062,138</u>	<u>\$ 8,469,184</u>	<u>\$ 5,316,510</u>	<u>\$ 241,214,812</u>	<u>\$ 3,927,365</u>

H. Bonds Payable

Bonded indebtedness of the District is reflected in the statement of net position. Current requirements for principal and interest expenditures are accounted for in the Debt Service Fund in the fund financial statements.

A summary of changes in general obligation bonds for the year ended June 30, 2024, are as follows:

Issue/ Maturity Date	Interest Rates Payable	Amounts Original Issue	Beginning Balance	Accreted Interest/ Issued	Retired	Ending Balance	Amounts Due Within One Year
Series 2012							
UTSB Bonds/ 2018	1.40%/ 3.00%	\$ 8,659,995	\$ 1,400,000	\$ -	\$ -	\$ 1,400,000	\$ -
Series 2014							
UTR	2.00%/						
Bonds/2029	3.69%	8,622,083	535,000	-	535,000	-	-
Principal on CAB		-	2,012,083	-	-	2,012,083	-
Premium on CAB		-	1,057,043	-	-	1,057,043	-
Accreted Interest on CAB		-	1,125,708	151,396	-	1,277,104	-
Series 2015							
UTR	1.00%/						
Bonds/2031	5.00%	12,740,000	10,245,000	-	1,420,000	8,825,000	2,255,000
Series 2016							
UTSB Bonds/ 2041	2.00%/ 5.00%	108,975,000	96,175,000	-	1,385,000	94,790,000	1,350,000
Series 2021							
UTSB Bonds/ 2046	3.00%/ 5.00%	63,600,000	55,240,000	-	190,000	55,050,000	165,000
Total			<u>\$ 167,789,834</u>	<u>\$ 151,396</u>	<u>\$ 3,530,000</u>	<u>\$ 164,411,230</u>	<u>\$ 3,770,000</u>

The following is a summary of the District's future annual debt service requirements to maturity for general obligation bonds.

Year Ended June 30	Principal	Interest	Total Requirements
2025	\$ 3,770,000	\$ 6,644,775	\$ 10,414,775
2026	4,005,000	6,439,200	10,444,200
2027	4,860,000	6,268,300	11,128,300
2028	5,075,000	7,064,789	12,139,789
2029	5,305,000	6,941,930	12,246,930
2030-2034	30,840,000	27,520,949	58,360,949
2035-2039	40,805,000	18,246,150	59,051,150
2040-2044	49,030,000	8,146,050	57,176,050
2045-2047	21,385,000	967,950	22,352,950
Total	<u>\$ 165,075,000</u>	<u>\$ 88,240,093</u>	<u>\$ 253,315,093</u>
Less: accreted interest on bonds		(663,770)	
Par value of bonds outstanding	<u>\$ 164,411,230</u>		

A portion of the bonds sold in the Series 2014A bond issues were premium capital appreciation bonds. These obligations have par values of \$3,069,126 and maturity values of \$5,010,000. The interest on these obligations will be paid upon maturity in fiscal years ending June 30, 2027 through 2029. The accreted value of these bonds at June 30, 2024, is \$4,346,230 which has been recorded in the government-wide financial statements.

Interest and fees paid on general obligation bonds during the year was \$6,792,625.

There are numerous limitations and restrictions contained in the various general obligation bond indentures. The District has complied with all significant limitations and restrictions as of June 30, 2024.

The District’s outstanding bonds payable contain a provision that in an event of default, outstanding amounts will be paid from the corpus of the Texas Permanent School Fund.

Prior Year Defeasances of Debt

In prior years, the District issued refunding bonds for the purpose of restructuring debt cash flow requirements. Proceeds from the refunding bonds were placed in an irrevocable trust to provide for all future debt service payments on the old bonds. The old bonds are considered defeased, and accordingly, the trust account assets and liabilities are not included in the District’s financial statements. On June 30, 2024, the District had no bonds considered defeased and outstanding.

Arbitrage

The Tax Reform Act of 1986 instituted certain arbitrage restrictions consisting of complex regulations with respect to issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years for applicable bond issues. Accordingly, there is the risk that if such calculations are not performed, or not performed correctly, it could result in a substantial liability to the District. The District has engaged an arbitrage consultant to perform the calculations in accordance with IRS rules and regulations.

I. SBITAs payable

As of 06/30/2024, Cleburne Independent School District, TX had 3 active subscriptions. The subscriptions have payments that range from \$9,994 to \$48,627 and interest rates that range from 2.58% to 2.66%. As of 06/30/2024, the total combined value of the subscription liability is \$244,590, and the total combined value of the short-term subscription liability is \$73,074. The combined value of the right to use asset, as of 06/30/2024 of \$378,814 with accumulated amortization of \$97,033 is included within the Subscription Class activities table found below.

A summary of changes in governmental long-term SBITAs payable for the year ended June 30, 2024 is as follows:

Purpose of Subscription	Interest Rate	Initial Year of Subscription	Amount of Initial SBITA Liability	Interest Current Year	Amounts Outstanding 6/30/2024	Amounts Due in One Year
Governmental activities:						
InformaCast Fusion	2.58%	2023	\$ 231,200	\$ 4,714	\$ 138,660	\$ 45,047
Carahsoft Vmware	2.04%	2023	29,387	395	9,794	9,794
FINALSITE	2.66%	2024	116,922	-	<u>96,136</u>	<u>18,233</u>
Total SBITAs Payable					<u>\$ 244,590</u>	<u>\$ 73,074</u>

Principal and interest requirements to maturity are as follows:

Year Ending June 30,	Governmental Activities		
	Principal	Interest	Total
2025	\$ 73,074	\$ 6,333	\$ 79,407
2026	64,927	4,486	69,413
2027	66,617	2,796	69,413
2028	19,724	1,062	20,786
2029	20,248	538	20,786
Totals	<u>\$ 244,590</u>	<u>\$ 15,215</u>	<u>\$ 259,805</u>

J. Leases payable

As of 06/30/2024, Cleburne Independent School District, TX had 34 active leases. The leases have payments that range from \$0 to \$19,792 and interest rates that range from 0.1977% to 3.1550%. As of 06/30/2024, the total combined value of the lease liability is \$173,909, the total combined value of the short-term lease liability is \$84,291. The combined value of the right to use asset, as of 06/30/2024 of \$401,169 with accumulated amortization of \$220,811 is included within the Lease Class activities table found below. The leases had \$0 of Variable Payments and \$0 of Other Payments, not included in the Lease Liability, within the Fiscal Year.

A summary of changes in governmental long-term leases payable for the year ended June 30, 2024 is as follows:

Purpose of Lease	Interest Rate	Initial Year of Lease	Amount of Initial Lease Liability	Interest Current Year	Amounts Outstanding 6/30/2024	Amounts Due in One Year
Right to use:						
Xerox copiers	0.1977 to 3.1550%	2023	417,122	65,027	<u>\$ 173,909</u>	<u>\$ 84,291</u>
Total leases payable					<u>\$ 173,909</u>	<u>\$ 84,291</u>

Principal and interest requirements to maturity are as follows:

Year Ending June 30,	Governmental Activities		
	Principal	Interest	Total
2025	\$ 84,291	\$ 3,161	\$ 87,452
2026	60,530	1,623	62,153
2027	24,507	402	24,909
2028	3,745	50	3,795
2029	836	11	847
Totals	<u>\$ 173,909</u>	<u>\$ 5,247</u>	<u>\$ 179,156</u>

K. Unearned Revenues

Unearned revenues represent revenues received by the District but not yet earned and are not available for use by the District to liquidate current year liabilities. A summary of unearned revenues by fund follows:

Special Revenue Fund:	
National Breakfast & Lunch Program - commodity inventory	<u>\$ 149,988</u>
Total	<u>\$ 149,988</u>

L. Employee Benefits

1. Compensated Absences

Employees of the District are entitled to personal leave based on category/class of employment. Personal leave is allowed to accumulate but does not vest. Therefore, a liability for unused personal leave has not been recorded in the financial statements.

2. Defined Benefit Pension Plan

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.

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

Benefits Provided. TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using 2.3 percent (multiplier) times the average of the five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, the three highest annual salaries are used. The normal service retirement is at age 65 with 5 years of credited service or when the sum of the member's age and years of credited service equals 80 or more years. Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered in under a previous rule. There are no automatic post-employment benefit changes; including automatic COLAs. Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan description above.

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

Contributions. Contribution requirements are established or amended pursuant to Article 16, section 67 of the Texas Constitution which requires the Texas legislature to establish a member contribution rate of not less than 6 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.

	Contribution Rates	
	2023	2024
Member	8.00%	8.25%
Non-Employer Contributing Entity (State)	8.00%	8.25%
Employers	8.00%	8.25%
Current fiscal year employer contributions		\$ 2,979,512
Current fiscal year member contributions		5,171,207
2023 measurement year NECE on-behalf contributions		2,927,037

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

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

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

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

- All public schools, charter schools, and regional educational service centers must contribute 1.8 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 Teacher Retirement System the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.

Actuarial Assumptions. The total pension liability in the August 31, 2022 actuarial valuation was rolled forward to August 31, 2023, and was determined using the following actuarial assumptions:

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% - 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 taxexempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index"
Last year ending August 31 in Projection period (100 years)	2122
Inflation	2.30%
Salary Increases Including Inflation	2.95% to 8.95%
Ad Hoc Post-Employment Benefit Changes	None

The actuarial methods and assumptions used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2022. For a full description of these assumptions please see the actuarial valuation report dated November 22, 2022.

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

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

The long-term rate of return on pension plan investments is 7%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of August 31, 2023, are summarized below:

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

¹ Absolute Return includes Credit Sensitive Investments

² Target allocations are based on the FY2023 policy model.

³ Capital Market Assumptions come from Aon Hewitt (as of 6/30/2023).

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

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

	1% Decrease in Discount Rate (6.00%)	Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
District's proportionate share of the net pension liability:	\$ 53,859,138	\$ 36,024,844	\$ 21,195,620

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. On June 30, 2024, the District's liability was \$36,024,844 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	\$ 36,024,844
State's proportionate share that is associated with District	<u>39,114,761</u>
Total	<u>\$ 75,139,605</u>

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

On August 31, 2023 the employer's proportion of the collective net pension liability was .0524452765% which was an increase of 0.0055706867% from its proportion measured as of August 31, 2022.

Change of Assumptions Since the Prior Measurement Date. The actuarial assumptions and methods are the same as used in the determination of the prior year's Net Pension Liability.

Changes in Benefit Provisions Since Prior Measurement Date. The Texas 2023 Legislature passed legislation that provides a one-time stipend to certain retired teachers. The stipend was paid to retirees beginning in September of 2023. The Legislature appropriated funds to pay for this one-time stipend so there will be no impact on the Net Pension Liability of TRS. In addition the Legislature also provided for a cost of living adjustment (COLA) to retirees which was approved during the November 2023 election which will be paid January 2024. Therefore, this contingent liability was not reflected as of August 31, 2023.

For the year ended June 30, 2024, the District recognized pension expense of \$12,505,626 and revenue of \$5,905,990 for support provided by the State.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual actuarial experiences	\$ 1,283,577	\$ 436,221
Changes in actuarial assumptions	3,407,245	833,830
Difference between projected and actual investment earnings	5,242,490	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	4,562,343	513,049
Contributions paid to TRS subsequent to the measurement date	<u>2,538,560</u>	<u>-</u>
Total	<u>\$ 17,034,215</u>	<u>\$ 1,783,100</u>

The \$2,538,560 number above reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability for the year ending June 30, 2025. Other amounts of the employer's balances of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30	Pension Expense Amount
2025	\$ 2,747,059
2026	1,981,657
2027	5,410,270
2028	2,139,709
2029	433,860

3. Defined Other Post-Employment Benefit Plans

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.

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

Benefits Provided. TRS-Care provides health insurance coverage to retirees from public and charter schools, regional education services 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

Contributions. Contribution rates for the TRS-Care plan are established in state statute by the Texas Legislature, and there is no continuing obligation to provide benefits beyond each fiscal year. The TRS-Care plan is currently funded on a pay-as-you-go basis and is subject to change based on available funding. Funding for TRS-Care is provided by retiree premium contributions and contributions from the state, active employees, and school districts based upon public school district payroll. The TRS Board of trustees does not have the authority to set or amend contribution rates.

Texas Insurance Code, section 1575.202 establishes the state’s contribution rate which is 1.25% of the employee’s salary. Section 1575.203 establishes the active employee’s rate which is .65% of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25 % or not more than 0.75 % of the salary of each active employee of the public or charter school. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act. The following table shows contributions to the TRS-Care plan by type of Contributor.

	Contribution Rates	
	2023	2024
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%
Current fiscal year employer contributions		\$ 585,559
Current fiscal year member contributions		409,458
2023 measurement year NECE on-behalf contributions		679,945

In addition to the employer contributions listed above, there is an additional surcharge all TRS employers are subject to (regardless of whether they participate in the TRS Care OPEB program). When employers hire a TRS retiree, they are required to pay TRS Care a monthly surcharge of \$535 per retiree.

TRS-Care received supplemental appropriations from the State of Texas as the Non-Employer Contributing Entity in the amount of \$21.3 million in fiscal year 2023 provided by Rider 14 of the Senate Bill GAA of the 87th Legislature. These amounts were re-appropriated from amounts received by the pension and TRS-Care funds in excess of the state's actual obligation and then transferred to TRS-Care.

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 demographic assumptions were developed in the experience study performed for TRS for the period ending August 31, 2021.

The following assumptions and other inputs used for members of TRS-Care are based on an established pattern of practice and are identical to the assumptions used in the August 31, 2022 TRS pension actuarial valuation that was rolled forward to August 31, 2023:

Rates of Mortality	General Inflation
Rates of Retirement	Wage Inflation
Rates of Termination	Expected Payroll Growth
Rates of Disability Incidence	

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.

Additional Actuarial Methods and Assumptions

Valuation Date	August 31, 2022, rolled forward to August 31, 2023
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Single Discount Rate	4.13% as of August 31, 2023
Aging Factors	Based on plan specific experience
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claim costs.
Projected Salary Increases	2.95% to 8.95%, including inflation
Healthcare Trend Rates	The initial medical trend rates were 7.75 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.
Election Rates	Normal Retirement - 62 percent participation rate prior to age 65 and 25 % participation rate after age 65. Pre-65 retirees - 30 percent of pre-65 retirees are assumed to discontinue coverage at age 65.
Ad Hoc Post-Employment Benefit Changes	None

Discount Rate. A single discount rate of 4.13% was used to measure the total OPEB liability. There was an increase of 0.22 percent in the discount rate since the previous year. Because the plan is essentially a "pay-as-you-go" plan, the single discount rate is equal to the prevailing municipal bond rate.

The source of the municipal bond rate is the Fidelity "20-year Municipal GO AA Index" as of August 31, 2023 using the Fixed Income Market Data/Yield Curve/ Data Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds.

Discount Rate Sensitivity Analysis. The following schedule shows the impact of the net OPEB liability if the discount rate used was 1% lower than and 1% higher than the discount rate that was used (4.13%) in measuring the net OPEB liability.

	1% Decrease in Discount Rate (3.13%)	Discount Rate (4.13%)	1% Increase in Discount Rate (5.13%)
Proportionate share of the net OPEB liability:	\$ 16,937,405	\$ 14,380,645	\$ 12,294,268

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs. On June 30, 2024, the District reported a liability of \$14,380,645 for its proportionate share of the TRS's net OPEB Liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the collective net OPEB obligation	\$ 14,380,645
State's proportionate share that is associated with the District	<u>17,352,459</u>
Total	<u>\$ 31,733,104</u>

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

At August 31, 2023 the employer's proportion of the collective Net OPEB Liability was 0.0649582023% which was an increase of .0042159399% from its proportion measured as of August 31, 2022.

Healthcare Cost Trend Rates Sensitivity Analysis. The following schedule shows the impact of the net OPEB Liability if a healthcare trend rate that is 1% less than and 1% greater than the assumed rate is used.

	1% Decrease in Healthcare Trend Rate	Current Healthcare Cost Trend Rate	1% Increase in Healthcare Trend Rate
Proportionate share of the net OPEB liability:	\$ 11,841,741	\$ 14,380,645	\$ 17,646,953

Changes Since the Prior Actuarial Valuation. There were no changes in benefit terms since the prior measurement date.:

- The discount rate changed from 3.91 percent as of August 31, 2023, to 4.13 percent as of August 31, 2024. This change decreased the total OPEB liability.

For the year ended June 30, 2024, the District recognized OPEB expense of (\$5,819,758) and revenue of \$(3,709,589) for support provided by the State.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual actuarial experiences	\$ 650,615	\$ 12,098,589
Changes in actuarial assumptions	1,962,853	8,805,650
Difference between projected and actual investment earnings	6,213	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	5,473,238	75,856
Contributions paid to TRS subsequent to the measurement date	491,094	-
Total as of fiscal year-end	<u>\$ 8,584,013</u>	<u>\$ 20,980,095</u>

The \$491,094 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the Net OPEB Liability for the year ending June 30, 2025. Other amounts of the employer's balances of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30,</u>	<u>OPEB Expense Amount</u>
2025	\$ (3,212,624)
2026	(2,553,049)
2027	(1,660,099)
2028	(2,050,599)
2029	(1,679,763)
Thereafter	(1,731,042)

4. Medicare Part D Coverage – On Behalf Payments

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the fiscal years ended June 30, 2024, 2023, and 2022, the subsidy payments received by TRS-Care on-behalf of the District were \$352,743, \$325,121 and \$230,310 respectively. The information for the year ended June 30, 2024 is an estimate provided by the Teachers Retirement System. These payments are recorded as equal revenues and expenditures in the governmental funds financial statements of the District.

5. Active Employee Health Care Coverage

During the period ended June 30, 2024, employees of the District were covered by a state-wide health care plan, TRS Active Care. The District's participation in this plan is renewable annually. The District paid into the Plan \$225 per month per employee. Employees, at their option, pay premiums for any coverage above these amounts as well as for dependent coverage.

The Teachers Retirement System (TRS) manages TRS Active Care. The medical plan is administered by Blue Cross and Blue Shield of Texas, FIRSTCARE and Scott and White HMO. Medco Health administers the prescription drug plan. The latest financial information on the state-wide plan may be obtained by writing to the TRS Communications Department, 1000 Red River Street, Austin, Texas 78701, by calling the TRS Communications Department at 1-800-223-8778, or by downloading the report from the TRS website, www.trs.state.tx.us.

6. Workers' Compensation Program

During the year, the District met its statutory workers' compensation obligations through participation in the Texas Association of School Boards ("TASB") Risk Management Fund (the "Fund"). The Fund was created and is operated under the provision of the Inter-local Cooperation Act, Chapter 491 of the Texas Governmental Code. The Fund's Workers Compensation Program is authorized by Chapter 504, Texas Labor Code. All members participating in the Fund execute Interlocal Agreements that define the responsibilities of the parties. The Fund provides statutory workers' compensation benefits to its members and their injured employees.

The member participates in the Fund's reimbursable aggregate deductible program. As such, the member is responsible for a certain amount of claims liability as outlined on the member's Contribution and Coverage Summary document. After the member's deductible has been met, the Fund is responsible for additional claims.

The Fund and its members are protected against higher than expected claims costs through the purchase of stop loss coverage for any claim in excess of the Fund's self-insured retention of \$1.5 million. The Fund uses the services of an independent actuary to determine reserve adequacy and fully funds those reserves. For the year-ended June 30, 2024, the Fund anticipates no additional liability to members beyond their contractual obligations for payment of contributions and reimbursable aggregate deductibles.

The Fund engages the services of independent auditors to conduct a financial audit after the close of each plan year on August 31. The audit is approved by the Fund's Board of Trustees in February of the following year. The Fund's audited financial statements as of August 31, 2021, are available on the TASB Risk Management Fund website and have been filed with the Texas Department of Insurance in Austin.

The following is the District's estimated outstanding liability as of June 30, 2024:

Fund Year	Claim Count at 2/29/2024	Aggregate Liability	Estimated Paid Loss & ALAE at 6/30/2024	Selected Ultimate Loss & ALAE	District Net Retained Loss * ALAE 6/30/2024
2010-11	85	\$ 265,327	\$ 399,504	\$ 265,327	\$ -
2011-12	75	242,343	321,903	242,343	-
2012-13	68	283,333	373,798	283,333	-
2013-14	58	249,811	94,083	94,083	-
2014-15	76	251,862	260,558	251,862	-
2015-16	90	254,622	160,008	160,008	-
2016-17	100	261,948	171,530	171,530	-

M. Commitments and Contingencies

State and Federal Grants

Minimum foundation funding received from TEA is based primarily upon information concerning average daily attendance at the District's schools which is compiled by the District and supplied to TEA. Federal funding for Food Service under child nutrition programs is based primarily upon the number and type of meals served and on user charges as reported to the United States Department of Agriculture ("USDA"). Federal and state funding received related to various grant programs are based upon periodic reports detailing reimbursable expenditures made in compliance with program guidelines to the grantor agencies. These programs are governed by various statutory rules and regulations of the grantors. Amounts received and receivable under these various funding programs are subject to periodic audit and adjustment by the funding agencies. To the extent, if any, that the District has not complied with all the rules and regulations with respect to performance, financial or otherwise, adjustment to or return of funding monies may be required. In the opinion of the District's administration, there are no significant contingent liabilities relating to matters of compliance and, accordingly, no provision has been made in the accompanying financial statements for such contingencies.

N. Risk Management

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the current 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.

O. Related Party Transactions

In fiscal year 2024, the District had one transaction with one vendor in which a member of the Board of Trustees had a material interest. The board member disclosed this interest in accordance with HB 23. Further, the board member abstained from voting when the Board of Trustees approved the contracts and payments to the vendor. The total payment to this vendor in 2024 was \$250.

P. New Accounting Pronouncements

Significant new accounting standards issued by the Governmental Accounting Standards Board (GASB) not yet implemented by the District include the following:

GASB Statement No. 101, *Compensated Absences* – The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement will become effective for reporting periods beginning after December 15, 2024, and the impact has not yet been determined.

GASB Statement No. 102, *Certain Risk Disclosures* – The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government’s vulnerabilities due to certain concentrations or constraints. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and the impact has not yet been determined.

GASB Statement No. 103, *Financial Reporting Model Improvements* – The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability. This Statement also addresses certain application issues. This Statement will become effective for reporting periods beginning after June 15, 2025, and the impact has not yet been determined.

GASB Statement No. 104, *Disclosure of Certain Capital Assets* – The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement requires certain types of capital assets to be presented separately in the note disclosures, including right-to-use assets related to leases, Subscription-Based Information Technology Arrangements, and public-private or public-public partnerships. Other intangible assets are also required to be presented separately by major class. Additional disclosures have also been required for capital assets held for sale. This Statement will become effective for reporting periods beginning after June 15, 2025, and the impact has not yet been determined.

Q. Changes within the Financial Reporting Entity

During the year the District had one change within the financial reporting entity:

1) The ESSER II Fund was previously reported as a major governmental fund. That classification was required based on quantitative factors however, these thresholds have not been met, and this fund was not significant enough to merit continued qualitative presentation. Thus, this fund was reclassified to nonmajor funds in the current fiscal year.

**REQUIRED SUPPLEMENTARY
INFORMATION**

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CLEBURNE INDEPENDENT SCHOOL DISTRICT

EXHIBIT G-1

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

FOR THE YEAR ENDED JUNE 30, 2024

Data Control Codes		Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
		Original	Final		
REVENUES					
5700	Local and intermediate sources	\$ 34,475,725	\$ 34,475,725	\$ 29,947,709	\$ (4,528,016)
5800	State programs	38,687,799	38,687,799	44,506,599	5,818,800
5900	Federal programs	<u>750,000</u>	<u>750,000</u>	<u>334,583</u>	<u>(415,417)</u>
5020	Total revenues	<u>73,913,524</u>	<u>73,913,524</u>	<u>74,788,891</u>	<u>875,367</u>
EXPENDITURES					
Current:					
0011	Instruction	46,397,066	46,274,287	46,266,719	7,568
0012	Instructional resources and media sources	574,949	579,063	552,080	26,983
0013	Curriculum and staff development	2,000,526	1,976,554	1,949,713	26,841
0021	Instructional leadership	1,607,108	1,683,192	1,655,761	27,431
0023	School leadership	4,399,934	4,529,269	4,524,235	5,034
0031	Guidance, counseling, and evaluation services	2,111,529	2,375,907	2,344,184	31,723
0032	Social work services	-	27,090	21,981	5,109
0033	Health services	1,083,123	1,058,565	1,032,053	26,512
0034	Student transportation	3,021,772	4,064,576	3,970,150	94,426
0035	Food service	90,000	103,000	102,285	715
0036	Extracurricular activities	2,699,504	2,805,214	2,594,986	210,228
0041	General administration	2,885,208	2,810,208	2,735,053	75,155
0051	Facilities maintenance and operations	9,973,652	9,725,152	9,533,506	191,646
0052	Security and monitoring services	902,586	915,685	873,487	42,198
0053	Data processing services	2,137,474	2,087,474	1,903,971	183,503
Debt service:					
0071	Principal on long-term debt	-	378,682	232,276	146,406
0072	Interest on long-term debt	-	71,318	71,318	-
0081	Facilities acquisition and construction	8,500	9,500	7,248	2,252
Intergovernmental:					
Payments related to					
0093	shared services arrangements	140,000	82,500	56,519	25,981
0095	Payments to Juvenile Justice Alternative Education Programs	12,640	2,640	-	2,640
0099	Other governmental charges	<u>575,000</u>	<u>580,000</u>	<u>570,260</u>	<u>9,740</u>
6030	Total expenditures	<u>80,620,571</u>	<u>82,139,876</u>	<u>80,997,785</u>	<u>1,142,091</u>
1100	EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(6,707,047)</u>	<u>(8,226,352)</u>	<u>(6,208,894)</u>	<u>2,017,458</u>
OTHER FINANCING SOURCES (USES)					
7912	Sale of Real and personal property	-	-	3,650	3,650
7913	Issuance of leases	-	-	4,260	4,260
7949	Proceeds from SBITA assets	-	-	116,922	116,922
8911	Transfers out	-	-	<u>(314,551)</u>	<u>(314,551)</u>
7080	Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(189,719)</u>	<u>(189,719)</u>
1200	NET CHANGE IN FUND BALANCES	<u>(6,707,047)</u>	<u>(8,226,352)</u>	<u>(6,398,613)</u>	<u>1,827,739</u>
0100	FUND BALANCES, BEGINNING	<u>35,761,120</u>	<u>35,761,120</u>	<u>35,761,120</u>	<u>-</u>
3000	FUND BALANCES, ENDING	<u>\$ 29,054,073</u>	<u>\$ 27,534,768</u>	<u>\$ 29,362,507</u>	<u>\$ 1,827,739</u>

CLEBURNE INDEPENDENT SCHOOL DISTRICT

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

FOR THE YEAR ENDED JUNE 30, 2024

Measurement Year Ended August 31,	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
District's proportion of the net pension liability (asset)	0.0524453%	0.0468746%	0.0403534%	0.0380481%
District's proportionate share of the net pension liability (asset)	\$36,024,844	\$27,828,238	\$10,276,576	\$20,377,773
State's proportionate share of the net pension liability (asset) associated with the District	<u>39,114,761</u>	<u>34,393,094</u>	<u>16,256,868</u>	<u>34,159,405</u>
Total	<u>\$75,139,605</u>	<u>\$62,221,332</u>	<u>\$26,533,444</u>	<u>\$54,537,178</u>
District's covered payroll	\$64,223,592	\$54,345,748	\$50,242,549	\$48,217,577
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	56.09%	51.21%	20.45%	42.26%
Plan fiduciary net position as a percentage of the total pension liability	73.15%	75.62%	88.79%	75.54%

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
0.0410204%	0.0415220%	0.0398100%	0.0411719%	0.0419954%	0.0258296%
\$ 21,323,709	\$ 22,854,731	\$ 12,729,108	\$ 15,558,267	\$ 14,844,815	\$ 6,899,443
<u>30,886,662</u>	<u>32,700,255</u>	<u>19,670,350</u>	<u>22,945,963</u>	<u>22,040,794</u>	<u>19,174,424</u>
<u>\$ 52,210,371</u>	<u>\$ 55,554,986</u>	<u>\$ 32,399,458</u>	<u>\$ 38,504,230</u>	<u>\$ 36,885,609</u>	<u>\$ 26,073,867</u>
\$ 44,710,811	\$ 42,903,204	\$ 41,211,496	\$ 39,874,564	\$ 38,197,429	\$ 35,778,661
47.69%	53.27%	30.89%	39.02%	38.86%	19.28%
75.24%	73.74%	82.17%	78.00%	78.43%	83.25%

CLEBURNE INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF DISTRICT CONTRIBUTIONS FOR PENSIONS
TEACHER RETIREMENT SYSTEM

FOR THE YEAR ENDED JUNE 30, 2024

Fiscal Year Ended June 30,	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contractually required contribution	\$ 2,979,512	\$ 2,592,936	\$ 2,026,831	\$ 1,626,348
Contributions in relation to the contractually required contribution	<u>(2,979,512)</u>	<u>(2,592,936)</u>	<u>(2,026,831)</u>	<u>(1,626,550)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (202)</u>
District's covered payroll	\$64,640,083	\$63,129,070	\$53,423,807	\$50,190,821
Contribution as a percentage of covered payroll	4.61%	4.11%	3.79%	3.24%

* During the fiscal year 2017, the District changed its fiscal year to June 30. This represents ten months of data.

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017*</u>	<u>2016</u>	<u>2015</u>
\$ 1,587,204	\$ 1,429,796	\$ 1,390,972	\$ 1,093,347	\$ 1,231,658	\$ 1,149,892
<u>(1,587,204)</u>	<u>(1,429,796)</u>	<u>(1,390,972)</u>	<u>(1,093,347)</u>	<u>(1,231,658)</u>	<u>(1,149,892)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 47,578,461	\$ 44,316,256	\$ 42,618,117	\$ 34,301,830	\$ 39,874,564	\$ 38,197,429
3.34%	3.23%	3.26%	3.19%	3.09%	3.01%

CLEBURNE INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
TEACHER RETIREMENT SYSTEM

FOR THE YEAR ENDED JUNE 30, 2024

Measurement Year Ended August 31,	<u>2023</u>	<u>2022</u>	<u>2021</u>
District's Proportion of the Net OPEB Liability (Asset)	0.0649582%	0.0607423%	0.0548371%
District's Proportionate Share of Net OPEB Liability (Asset)	\$ 14,380,645	\$ 14,544,131	\$ 21,153,105
States Proportionate Share of the Net OPEB Liability (Asset) associated with the District	<u>17,352,459</u>	<u>17,741,554</u>	<u>28,340,447</u>
Total	<u>\$ 31,733,104</u>	<u>\$ 32,285,685</u>	<u>\$ 49,493,552</u>
District's Covered Employee Payroll	\$ 60,552,045	\$ 55,030,289	\$ 50,839,476
District's Proportionate Share of the Net OPEB Liability (Asset) as a percentage of its Covered Employee Payroll	23.75%	26.43%	41.61%
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	14.94%	11.52%	6.18%

Note: This schedule is required to have 10 years of information, but the information prior to measurement year 2017 is not available.

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
0.0543982%	0.0546130%	0.0542483%	0.0525196%
\$ 20,679,196	\$ 25,827,148	\$ 27,086,692	\$ 22,838,805
<u>27,787,882</u>	<u>34,318,503</u>	<u>35,883,144</u>	<u>31,519,770</u>
<u>\$ 48,467,078</u>	<u>\$ 60,145,651</u>	<u>\$ 62,969,836</u>	<u>\$ 54,358,575</u>
\$ 48,217,577	\$ 44,710,811	\$ 42,903,204	\$ 41,211,496
42.89%	57.76%	63.13%	55.42%
4.99%	2.66%	1.57%	0.91%

CLEBURNE INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S OPEB CONTRIBUTIONS
TEACHER RETIREMENT SYSTEM

FOR THE YEAR ENDED JUNE 30, 2024

Fiscal Year Ended June 30,	<u>2024</u>	<u>2023</u>	<u>2022</u>
Contractually Required Contribution	\$ 585,559	\$ 551,685	\$ 470,891
Contribution in Relation to the Contractually Required Contribution	<u>(585,559)</u>	<u>(551,685)</u>	<u>(470,891)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Employee Payroll	\$ 62,993,551	\$ 59,457,515	\$ 54,430,892
Contributions as a percentage of Covered Employee Payroll	0.93%	0.93%	0.87%

Note: This schedule is required to have 10 years of information, but the information prior to FY 2018 is unavailable.

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
\$ 423,852	\$ 409,698	\$ 381,556	\$ 358,248
<u>(423,535)</u>	<u>(409,698)</u>	<u>(381,556)</u>	<u>(358,248)</u>
\$ <u>317</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
\$ 50,465,151	\$ 47,578,461	\$ 44,316,256	\$ 42,618,117
0.84%	0.86%	0.86%	0.84%

CLEBURNE INDEPENDENT SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

JUNE 30, 2024

The Board of Trustees adopts an “appropriated budget” for the General Fund, Child Nutrition Program and the Debt Service Fund. The District is required to present the adopted and final amended budgeted revenues and expenditures for each of these funds. The District compares the final amended budget to actual revenues and expenditures. The general fund budget report appears in Exhibit G-1 “Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund” and the other two reports are in Exhibit J-5 “Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Child Nutrition Program” and J-6 “Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Debt Service Fund.”

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

1. Prior to June 20 the District prepares a budget for the next succeeding fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Board is then called for the purpose of adopting the proposed budget. At least ten days’ public notices of the meeting must be given.
3. Prior to July 1, the budget is legally enacted through passage of a resolution by the Board. Once a budget is approved, it can be amended at the function and fund level by approval of a majority of the members of the Board. Changes can be made to the budget at any detail within the function level without an amendment approved by the Board. During the year, several budget amendments were made with Board approval. The most significant amendments were for carryover funding; mid-year adjustments of operating costs; and year-end adjustments to expenditures based on the latest information concerning operating cost. All budget appropriations lapse at year-end.
4. Each budget is controlled by the budget coordinator at the revenue and expenditure function/object level. Budgeted amounts are as amended by the Board. All budget appropriations lapse at year end.

COMBINING SCHEDULES

CLEBURNE INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2024

	211 ESEA Title I Part A	224 IDEA - Part B Formula	225 IDEA - Part B Preschool	240 National Breakfast and Lunch Program
ASSETS				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 4,454,889
Due from other governments	212,879	146,499	36,191	46,344
Due from other funds	24,759	101,686	-	624,714
Inventories	-	-	-	240,625
Total assets	<u>237,638</u>	<u>248,185</u>	<u>36,191</u>	<u>5,366,572</u>
LIABILITIES				
Accounts payable	26,795	-	-	4,379
Payroll deductions and withholdings payable	14,318	16,287	284	62,747
Accrued wages payable	196,525	231,898	4,199	226,797
Due to other funds	-	-	31,708	-
Due to other governments	-	-	-	-
Unearned revenues	-	-	-	149,988
Total liabilities	<u>237,638</u>	<u>248,185</u>	<u>36,191</u>	<u>443,911</u>
FUND BALANCES				
Restricted for:				
Federal and state programs	-	-	-	4,922,661
Committed for:				
Other committed fund balance	-	-	-	-
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,922,661</u>
Total liabilities and fund balances	<u>\$ 237,638</u>	<u>\$ 248,185</u>	<u>\$ 36,191</u>	<u>\$ 5,366,572</u>

244 Career and Technical - Basic Grant	255 ESEA II, A Training and Recruiting	263 Title III, A English Lang. Acquisition	281 ESSER II	289 Other Federal Special Revenue Funds	397 Advanced Placement Incentives
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15,313	71,051	-	-	25,432	8,100
-	-	-	-	-	-
-	-	-	-	-	-
<u>15,313</u>	<u>71,051</u>	<u>-</u>	<u>-</u>	<u>25,432</u>	<u>8,100</u>
-	-	-	-	-	-
-	2,775	-	-	-	-
-	31,019	-	-	-	-
15,313	37,257	-	-	25,432	8,100
-	-	-	-	-	-
-	-	-	-	-	-
<u>15,313</u>	<u>71,051</u>	<u>-</u>	<u>-</u>	<u>25,432</u>	<u>8,100</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 15,313</u>	<u>\$ 71,051</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,432</u>	<u>\$ 8,100</u>

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CLEBURNE INDEPENDENT SCHOOL DISTRICT

EXHIBIT H-1

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2024

	410 State Textbook Fund	429 Other State Special Awards	461 Campus Activity Funds	462 Special Revenue Funds	Total Nonmajor Governmental Funds
ASSETS					
Cash and cash equivalents	\$ -	\$ 4,973	\$ 903,849	\$ 6	\$ 5,363,717
Due from other governments	733,816	284	-	-	1,295,909
Due from other funds	-	-	7,017	-	758,176
Inventories	-	-	-	-	240,625
Total assets	<u>733,816</u>	<u>5,257</u>	<u>910,866</u>	<u>6</u>	<u>7,658,427</u>
LIABILITIES					
Accounts payable	-	-	187	-	31,361
Payroll deductions and withholdings payable	-	-	235	-	96,646
Accrued wages payable	-	-	-	-	690,438
Due to other funds	660,067	-	-	-	777,877
Due to other governments	73,749	700	-	-	74,449
Unearned revenues	-	-	-	-	149,988
Total liabilities	<u>733,816</u>	<u>700</u>	<u>422</u>	<u>-</u>	<u>1,820,759</u>
FUND BALANCES					
Restricted for:					
Federal and state programs	-	4,557	-	-	4,927,218
Committed for:					
Other committed fund balance	-	-	910,444	6	910,450
Total fund balances	<u>-</u>	<u>4,557</u>	<u>910,444</u>	<u>6</u>	<u>5,837,668</u>
Total liabilities and fund balances	<u>\$ 733,816</u>	<u>\$ 5,257</u>	<u>\$ 910,866</u>	<u>\$ 6</u>	<u>\$ 7,658,427</u>

CLEBURNE INDEPENDENT SCHOOL DISTRICT

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES**

FOR THE YEAR ENDED JUNE 30, 2024

	211 ESEA Title I Part A	224 IDEA - Part B Formula	225 IDEA - Part B Preschool	240 National Breakfast and Lunch Program
REVENUES				
Local and intermediate sources	\$ -	\$ -	\$ -	\$ 994,170
State programs	-	-	-	25,486
Federal programs	<u>1,532,502</u>	<u>1,442,489</u>	<u>36,191</u>	<u>3,928,804</u>
Total revenues	<u>1,532,502</u>	<u>1,442,489</u>	<u>36,191</u>	<u>4,948,460</u>
EXPENDITURES				
Current:				
Instruction	1,519,362	308,139	36,191	-
Instruction resources and media services	-	-	-	-
Curriculum and staff development	-	-	-	-
Instructional leadership	1,484	-	-	-
School leadership	4,118	-	-	-
Guidance, counseling and evaluation services	-	1,134,350	-	-
Social work	126	-	-	-
Health Services	6,719	-	-	-
Student transportation	-	-	-	-
Food service	-	-	-	4,631,970
Extracurricular activities	-	-	-	-
General Administration	-	-	-	-
Facilities maintenance and operations	-	-	-	18,684
Securities and monitoring services	-	-	-	-
Community services	<u>693</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>1,532,502</u>	<u>1,442,489</u>	<u>36,191</u>	<u>4,650,654</u>
NET CHANGE IN FUND BALANCES	-	-	-	297,806
FUND BALANCES, BEGINNING, AS PREVIOUSLY REPORTED	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,624,855</u>
ADJUSTMENTS				
Change within the financial reporting entity	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, BEGINNING, AS RESTATED	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,624,855</u>
FUND BALANCES, ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,922,661</u>

*Formerly a major fund.

244 Career and Technical - Basic Grant	255 ESEA II, A Training and Recruiting	263 Title III, A English Lang. Acquisition	281 ESSER II*	289 Other Federal Special Revenue Funds	397 Advanced Placement Incentives
\$ -	\$ -		\$ -	\$ -	\$ -
-	-	-	-	-	8,100
<u>200,405</u>	<u>253,876</u>	<u>159,958</u>	<u>79,047</u>	<u>127,705</u>	<u>-</u>
<u>200,405</u>	<u>253,876</u>	<u>159,958</u>	<u>79,047</u>	<u>127,705</u>	<u>8,100</u>
161,065	248,516	-	77,626	115,660	-
-	-	-	-	-	-
11,550	5,360	159,958	-	-	8,100
6,151	-	-	-	-	-
4,072	-	-	-	-	-
17,567	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	1,421	12,045	-
-	-	-	-	-	-
<u>200,405</u>	<u>253,876</u>	<u>159,958</u>	<u>79,047</u>	<u>127,705</u>	<u>8,100</u>
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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CLEBURNE INDEPENDENT SCHOOL DISTRICT

EXHIBIT H-2

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2024

	410 State Textbook Fund	429 Other State Special Revenue Funds	461 Campus Activity Funds	462 Special Revenue Funds	Total Nonmajor Governmental Funds
REVENUES					
Local and intermediate sources	\$ -	\$ -	\$ 932,801	\$ -	\$1,926,971
State programs	910,406	156,177	-	-	1,100,169
Federal programs	-	-	-	-	<u>7,760,977</u>
Total revenues	<u>910,406</u>	<u>156,177</u>	<u>932,801</u>	<u>-</u>	<u>10,788,117</u>
EXPENDITURES					
Current:					
Instruction	910,406	1,408	212,376	-	3,590,749
Instruction resources and media services	-	-	1,375	-	1,375
Curriculum and staff development	-	-	-	-	184,968
Instructional leadership	-	-	-	-	7,635
School leadership	-	-	24,120	-	32,310
Guidance, counseling and evaluation services	-	-	-	-	1,151,917
Social work	-	-	-	-	126
Health Services	-	-	-	-	6,719
Student transportation	-	-	5,602	-	5,602
Food service	-	-	-	-	4,631,970
Extracurricular activities	-	-	527,694	-	527,694
General Administration	-	-	273	-	273
Facilities maintenance and operations	-	-	-	-	18,684
Securities and monitoring services	-	156,178	5,776	-	175,420
Community services	-	-	-	-	<u>693</u>
Total expenditures	<u>910,406</u>	<u>157,586</u>	<u>777,216</u>	<u>-</u>	<u>10,336,135</u>
NET CHANGE IN FUND BALANCES	-	(1,409)	155,585	-	451,982
FUND BALANCES, BEGINNING, AS PREVIOUSLY REPORTED	<u>-</u>	<u>5,966</u>	<u>754,859</u>	<u>6</u>	<u>5,385,686</u>
ADJUSTMENTS					
Change within the financial reporting entity	-	-	-	-	-
FUND BALANCES, BEGINNING, AS RESTATED	<u>-</u>	<u>5,966</u>	<u>754,859</u>	<u>6</u>	<u>5,385,686</u>
FUND BALANCES, ENDING	<u>\$ -</u>	<u>\$ 4,557</u>	<u>\$ 910,444</u>	<u>\$ 6</u>	<u>\$5,837,668</u>

CLEBURNE INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF NET POSITION
PRIVATE PURPOSE TRUST FUNDS

JUNE 30, 2024

	815 Nell Wiseman Neal Scholarship	816 Miscellaneous Scholarship Fund	818 Ball Snavely Scholarship Fund	819 Pete Kendall Memorial Scholarship
ASSETS				
Cash and cash equivalents	\$ 725,224	\$ 136,581	\$ 113,798	\$ 19,501
Total assets	<u>725,224</u>	<u>136,581</u>	<u>113,798</u>	<u>19,501</u>
NET POSITION				
Restricted for scholarships	<u>725,224</u>	<u>136,581</u>	<u>113,798</u>	<u>19,501</u>
Total net position	<u>\$ 725,224</u>	<u>\$ 136,581</u>	<u>\$ 113,798</u>	<u>\$ 19,501</u>

820 Matt Calder Scholarship Fund	821 Lynn Palmer Scholarship Fund	822 Class of '42 Scholarship Fund	823 Johnnie Hyde Scholarship Fund	824 Alumni Scholarship Fund	825 Gerard Scholarship Fund
\$ 19,473	\$ 1,755	\$ 718	\$ 1,772	\$ 1,797,489	\$ 538,571
<u>19,473</u>	<u>1,755</u>	<u>718</u>	<u>1,772</u>	<u>1,797,489</u>	<u>538,571</u>
19,473	1,755	718	1,772	1,797,489	538,571
<u>\$ 19,473</u>	<u>\$ 1,755</u>	<u>\$ 718</u>	<u>\$ 1,772</u>	<u>\$ 1,797,489</u>	<u>\$ 538,571</u>

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COMBINING STATEMENT OF NET POSITION
PRIVATE PURPOSE TRUST FUNDS

JUNE 30, 2024

	826 Green & Davis Scholarship Fund	827 Lucile Ball Scholarship Fund	828 F. Nooner Scholarship Fund	Total Private Purpose Trust Funds
ASSETS				
Cash and cash equivalents	\$ 245,711	\$ 186,609	\$ 50	\$ 3,787,252
Total assets	<u>245,711</u>	<u>186,609</u>	<u>50</u>	<u>3,787,252</u>
NET POSITION				
Restricted for scholarships	245,711	186,609	50	3,787,252
Total net position	<u>\$ 245,711</u>	<u>\$ 186,609</u>	<u>\$ 50</u>	<u>\$ 3,787,252</u>

CLEBURNE INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF CHANGES IN
FIDUCIARY NET POSITION
PRIVATE-PURPOSE TRUST FUNDS

FOR THE YEAR ENDED JUNE 30, 2024

	815 Nell Wiseman Neal Scholarship	816 Miscellaneous Scholarship Fund	818 Bell Snavely Scholarship Fund	819 Pete Kendall Memorial Scholarship
ADDITIONS				
Local and intermediate sources	\$ 1,374	\$ 10,612	\$ 2,842	\$ 39
Total additions	<u>1,374</u>	<u>10,612</u>	<u>2,842</u>	<u>39</u>
DEDUCTIONS				
Scholarships awarded	<u>5,375</u>	<u>17,100</u>	<u>1,000</u>	<u>-</u>
Total deductions	<u>5,375</u>	<u>17,100</u>	<u>1,000</u>	<u>-</u>
Change in net position	(4,001)	(6,488)	1,842	39
TOTAL NET POSITION - Beginning	<u>729,225</u>	<u>143,069</u>	<u>111,956</u>	<u>19,462</u>
TOTAL NET POSITION - Ending	<u>\$ 725,224</u>	<u>\$ 136,581</u>	<u>\$ 113,798</u>	<u>\$ 19,501</u>

820 Matt Calder Scholarship Fund	821 Lynn Palmer Scholarship Fund	822 Class of '42 Scholarship Fund	823 Johnnie Hyde Scholarship Fund	824 Alumni Scholarship Fund	825 Gerard Scholarship Fund
\$ 37	\$ 4	\$ 12	\$ 7	\$ 92,907	\$ 27,223
<u>37</u>	<u>4</u>	<u>12</u>	<u>7</u>	<u>92,907</u>	<u>27,223</u>
500	-	-	250	18,266	3,875
<u>500</u>	<u>-</u>	<u>-</u>	<u>250</u>	<u>18,266</u>	<u>3,875</u>
(463)	4	12	(243)	74,641	23,348
<u>19,936</u>	<u>1,751</u>	<u>706</u>	<u>2,015</u>	<u>1,722,848</u>	<u>515,223</u>
<u>\$ 19,473</u>	<u>\$ 1,755</u>	<u>\$ 718</u>	<u>\$ 1,772</u>	<u>\$ 1,797,489</u>	<u>\$ 538,571</u>

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CLEBURNE INDEPENDENT SCHOOL DISTRICT

EXHIBIT H-4

COMBINING STATEMENT OF CHANGES IN
FIDUCIARY NET POSITION
PRIVATE-PURPOSE TRUST FUNDS

FOR THE YEAR ENDED JUNE 30, 2024

	826 Green & Davis Scholarship Fund	827 Lucile Ball Scholarship Fund	828 F. Nooner Scholarship Fund	Total Private Purpose Trust Funds
ADDITIONS				
Local and intermediate sources	\$ 11,678	\$ 4,065	\$ 24	\$ 150,824
Total additions	<u>11,678</u>	<u>4,065</u>	<u>24</u>	<u>150,824</u>
DEDUCTIONS				
Scholarships awarded	<u>2,813</u>	<u>349</u>	<u>2,400</u>	<u>51,928</u>
Total deductions	<u>2,813</u>	<u>349</u>	<u>2,400</u>	<u>51,928</u>
Change in net position	8,865	3,716	(2,376)	98,896
TOTAL NET POSITION - Beginning	<u>236,846</u>	<u>182,893</u>	<u>2,426</u>	<u>3,688,356</u>
TOTAL NET POSITION - Ending	<u>\$ 245,711</u>	<u>\$ 186,609</u>	<u>\$ 50</u>	<u>\$ 3,787,252</u>

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**REQUIRED TEXAS EDUCATION
AGENCY SCHEDULES**

CLEBURNE INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF DELINQUENT TAXES RECEIVABLE

FOR THE YEAR ENDED JUNE 30, 2024

Last Ten Years Ended June 30,	1		2	3	10
	Tax Rates			Net Assessed/ Appraised Value for School Tax Purpose	Beginning Balance 07/01/23
	Maintenance	Debt Service			
2015 and prior years	various	various		various	\$ 468,672
2016	1.170000	0.196800		2,560,987,414	58,458
2017	1.170000	0.460000		2,390,457,178	86,360
2018	1.170000	0.460000		2,416,904,417	92,019
2019	1.170000	0.460000		2,564,392,393	109,544
2020	1.068300	0.460000		2,827,507,557	134,153
2021	1.054700	0.460000		2,893,123,457	144,235
2022	0.994200	0.454400		3,208,271,089	326,145
2023	0.994200	0.454400		3,539,089,816	954,443
2024 (School year under audit)	0.757500	0.454400		3,932,342,355	-
1000 Totals					<u>\$ 2,374,029</u>

8000 - Taxes refunded

EXHIBIT J-1

20	31	32	40	50	99
Current Year's Total Levy	Maintenance Total Collections	Debt Service Total Collections	Entire Year's Adjustments	Ending Balance 06/30/24	Total Taxes Refunded under Section 26.1115 (c)
\$ -	\$ 15,563	\$ 2,945	\$ (92,175)	\$ 357,989	
-	2,186	368	(866)	55,038	
-	9,528	1,603	(952)	74,277	
	11,771	4,628	(1,155)	74,465	
-	17,305	6,804	(204)	85,231	
-	18,494	7,963	(4,932)	102,764	
-	25,182	10,983	(6,034)	102,036	
-	48,589	22,208	(24,984)	230,364	
-	326,857	157,518	(121,413)	348,655	
<u>47,656,057</u>	<u>27,406,697</u>	<u>16,440,400</u>	<u>(2,811,712)</u>	<u>997,248</u>	
<u>\$ 47,656,057</u>	<u>\$ 27,882,172</u>	<u>\$ 16,655,420</u>	<u>\$ (3,064,427)</u>	<u>\$ 2,428,067</u>	

\$ 45,825

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

Section A: Compensatory Education Programs

AP1	Did your district expend any state compensatory education program state allotment funds during the district’s fiscal year?	Yes
AP2	Does the district have written policies and procedures for its state compensatory education program?	Yes
AP3	Total state allotment funds received for state compensatory education programs during the district’s fiscal year.	8,017,582
AP4	Actual direct program expenditures for state compensatory education programs during the district’s fiscal year. (PICs 24, 26, 28, 29, 30)	4,064,485

Section B: Bilingual Education Programs

AP5	Did your district expend any bilingual education program state allotment funds during the district’s fiscal year?	Yes
AP6	Does the district have written policies and procedures for its bilingual education program?	Yes
AP7	Total state allotment funds received for bilingual education programs during the district’s fiscal year.	1,072,606
AP8	Actual direct program expenditures for bilingual education programs during the district’s fiscal year. (PICs 25)	788,152

CLEBURNE INDEPENDENT SCHOOL DISTRICT

EXHIBIT J-5

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - CHILD NUTRITION PROGRAM

FOR THE YEAR ENDED JUNE 30, 2024

Data Control Codes		Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
		Original	Final		
REVENUES					
5700	Local and intermediate sources	\$ 824,544	\$ 824,544	\$ 994,170	\$ 169,626
5800	State programs	20,300	20,300	25,486	5,186
5900	Federal programs	<u>3,995,838</u>	<u>3,995,838</u>	<u>3,928,804</u>	<u>(67,034)</u>
5020	Total revenues	<u>4,840,682</u>	<u>4,840,682</u>	<u>4,948,460</u>	<u>107,778</u>
EXPENDITURES					
0035	Food service	6,802,962	6,802,962	4,631,970	2,170,992
0051	Facilities maintenance and operations	<u>395,000</u>	<u>395,000</u>	<u>18,684</u>	<u>376,316</u>
6030	Total expenditures	<u>7,197,962</u>	<u>7,197,962</u>	<u>4,650,654</u>	<u>2,547,308</u>
1200	NET CHANGE IN FUND BALANCES	(2,357,280)	(2,357,280)	297,806	2,655,086
0100	FUND BALANCES, BEGINNING	<u>4,624,855</u>	<u>4,624,855</u>	<u>4,624,855</u>	<u>-</u>
3000	FUND BALANCES, ENDING	<u>\$ 2,267,575</u>	<u>\$ 2,267,575</u>	<u>\$ 4,922,661</u>	<u>\$ 2,655,086</u>

CLEBURNE INDEPENDENT SCHOOL DISTRICT

EXHIBIT J-6

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES
BUDGET AND ACTUAL - DEBT SERVICE FUND

FOR THE YEAR ENDED JUNE 30, 2024

Data Control Codes		Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
		Original	Final		
REVENUES					
5700	Local and intermediate sources	\$ 16,649,020	\$ 16,649,020	\$ 17,681,797	\$ 1,032,777
5800	State programs	<u>97,916</u>	<u>97,916</u>	<u>1,444,437</u>	<u>1,346,521</u>
5020	Total revenues	<u>16,746,936</u>	<u>16,746,936</u>	<u>19,126,234</u>	<u>2,379,298</u>
EXPENDITURES					
Debt service:					
0071	Principal on long-term debt	13,601,569	13,601,569	3,530,000	10,071,569
0072	Interest on long-term debt	6,881,625	6,881,625	6,792,625	89,000
0073	Bond issuance costs and fees	<u>6,000</u>	<u>6,000</u>	<u>3,642</u>	<u>2,358</u>
6030	Total expenditures	<u>20,489,194</u>	<u>20,489,194</u>	<u>10,326,267</u>	<u>10,162,927</u>
1200	NET CHANGE IN FUND BALANCES	(3,742,258)	(3,742,258)	8,799,967	12,542,225
0100	FUND BALANCES, BEGINNING	<u>13,706,776</u>	<u>13,706,776</u>	<u>13,706,776</u>	<u>-</u>
3000	FUND BALANCES, ENDING	<u>\$ 9,964,518</u>	<u>\$ 9,964,518</u>	<u>\$ 22,506,743</u>	<u>\$ 12,542,225</u>

COMPLIANCE SECTION

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

Board of Trustees
Cleburne Independent School District
Cleburne, Texas

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 Cleburne Independent School District as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Cleburne Independent School District's basic financial statements, and have issued our report thereon dated November 18, 2024.

Report on Internal Control Over Financial Reporting

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

OFFICE LOCATIONS

TEXAS | Waco | Temple | Hillsboro | Houston
NEW MEXICO | Albuquerque



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 Cleburne 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 Cleburne Independent School District’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Pattillo, Brown & Hill, L.L.P.

Waco, Texas
November 18, 2024

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

Board of Trustees
Cleburne Independent School District
Cleburne, Texas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Cleburne 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 Cleburne Independent School District’s major federal programs for the year ended June 30, 2024. Cleburne 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, Cleburne 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 June 30, 2024.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of Cleburne 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 Cleburne 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 Cleburne 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 Cleburne 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 Cleburne 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 Cleburne 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 Cleburne 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 Cleburne 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.

Pattillo, Brown & Hill, L.L.P.

Waco, Texas
November 18, 2024

CLEBURNE INDEPENDENT SCHOOL DISTRICT

EXHIBIT K-1

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2024

(1) Federal Grantor/ Pass-through Grantor/ Grantor/Program Title	(2) Federal Assistance Listing Number	(2A) Pass-through Entity Identifying Number	(3) Federal Expenditures
<u>U. S. DEPARTMENT OF AGRICULTURE</u>			
Passed through the Texas Education Agency:			
School Breakfast Program	10.553	71402301	\$ 160,483
School Breakfast Program	10.553	71402401	615,143
National School Lunch Program	10.555	71302301	536,795
National School Lunch Program	10.555	71302401	<u>2,184,965</u>
Total Passed through the Texas Education Agency			<u>3,497,386</u>
Passed through the Texas Department of Agriculture:			
NSLP - Commodities - Noncash Assistance	10.555	NT4XL1YGLGC5	336,785
COVID-19 - EOC Supply Chain Assistance	10.555	NT4XL1YGLGC5	30,015
COVID-19 - Summer Food Service Program for Children	10.559	NT4XL1YGLGC5	<u>39,383</u>
Total Child Nutrition Cluster			<u>3,903,569</u>
NSLP - Commodity Storage Delivery Reimbursement	10.560	NT4XL1YGLGC5	25,236
Total Passed through the Texas Department of Agriculture			<u>431,419</u>
TOTAL U. S. DEPARTMENT OF AGRICULTURE			<u>3,928,805</u>
<u>U. S. DEPARTMENT OF EDUCATION</u>			
Passed through the Texas Education Agency:			
ESEA, Title I, Part A - Improving Basic Programs	84.010A	23610101126903	29,031
ESEA, Title I, Part A - Improving Basic Programs	84.010A	24610101126903	<u>1,530,712</u>
Subtotal Assistance Listing 84.010A			<u>1,559,743</u>
IDEA - Part B, Formula	84.027A	236600011269036600	44,160
IDEA - Part B, Formula	84.027A	246600011269036600	1,444,171
IDEA - Part B, Preschool	84.173A	236610011269036610	<u>37,399</u>
Total Special Education Cluster (IDEA)			<u>1,525,730</u>
2023-2024 Effective Advising Implementation Grant	84.048A	24420006126903	88,283
23-24 PERKINS V: STRENGTHENING CTE for 21st Century	84.048A	244200327110003	<u>112,122</u>
Subtotal Assistance Listing 84.048A			<u>200,405</u>
Title III, Part A - English Language Acquisition	84.365A	23671001126903	162,686
ESEA, Title II, Part A, Teacher/Principal Training	84.367A	24694501126903	253,876
ESEA, Title II, Part A, Teacher/Principal Training	84.367A	23694501126903	<u>4,282</u>
Subtotal Assistance Listing 84.367A			<u>258,158</u>
ESEA, Title IV, Part A - Student Support and Academic Enrichment	84.424A	24680101126903	129,996
COVID-19 - Elementary and Secondary School Emergency Relief (ESSER II)	84.425D	S425D210042	79,047
COVID-19 - Elementary and Secondary School Emergency Relief (ESSER III)	84.425U	28840327300001	<u>4,625,329</u>
Subtotal Assistance Listing 84.425			<u>4,704,376</u>
TOTAL U. S. DEPARTMENT OF EDUCATION			<u>8,541,094</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 12,469,899</u>

CLEBURNE INDEPENDENT SCHOOL DISTRICT

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2024

- 1. For all federal programs, the District uses the fund types specified in Texas Education Agency’s *Financial Accountability System Resource Guide*. Special revenue funds are used to account for resources restricted to, or designed for, specific purposes by a grantor. Federal and state financial assistance generally is accounted for in a Special Revenue Fund.
- 2. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental funds are accounting for using a current financial resources measurement focus. All federal grant funds were accounted for in special revenue funds, which are governmental fund types. With this measurement focus, only current assets, current liabilities and fund balance are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used for the Governmental Fund types. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual, i.e., both measurement and available, and expenditures in the accounting period in which the liability is incurred, if measurable, except for unmatured interest on long-term debt, which is recognized when due, and certain compensated absences and claims and judgements, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Federal grant revenues are considered to be earned to the extent of expenditures made under the provisions of the grant, and accordingly, when such amounts are received, they are recorded as unearned revenues until earned. The accompanying Schedule of Expenditures of Federal Awards is presented on the modified accrual basis of accounting.

- 3. The District participates in numerous state and federal 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 adjustments by the grantor agencies; therefore, to the extent that the District has not complied with rules and regulations governing the grants, refund of any money received may be required and the collectability of any related receivable may be impaired.
- 4. The Entity did not elect to use a de minimis cost rate as described at 2 CFR 200.414.(f)—Indirect (F&A) costs.
- 5. None of the federal programs expended by the District were passed through to subrecipients.
- 6. The following is a reconciliation of expenditures of federal awards program per the Schedule of Expenditures of Federal Awards and expenditures reported in the financial statements as follows:

Federal revenues per the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds (Exhibit C-3)	\$ 12,720,889
Less:	
School health and related services revenue	(233,707)
E-Rate Reimbursement	<u>(17,283)</u>
Federal expenditures per the Schedule of Expenditures of Federal and State Awards (Exhibit K-1)	<u>\$ 12,469,899</u>

CLEBURNE INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2024

Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued Unmodified

Internal control over financial reporting:

Material weakness(es) identified? No

Significant deficiency(ies) identified? None reported

Noncompliance material to financial statements noted?

None

Federal Awards:

Internal control over major programs:

Material weakness(es) identified? No

Significant deficiency(ies) identified? None reported

Type of auditor's report issued on compliance for major programs

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

None

Identification of major federal programs:

Assistance Listing Number(s):

84.027A, 84.173A
84.425D, 84.425U

Name of Federal Program or Cluster:

IDEA-B Special Education Cluster
COVID-19 - Elementary and Secondary
School Emergency Relief (ESSER) I, II &
III

Dollar threshold used to distinguish between type A and type B federal programs

\$750,000

Auditee qualified as low-risk auditee?

Yes

Findings Relating to the Financial Statements Which are Required to be Reported in Accordance With Generally Accepted Government Auditing Standards

None

Findings and Questioned Costs for Federal Awards

None



SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2024

None.

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