
BEAUMONT INDEPENDENT
SCHOOL DISTRICT

ANNUAL FINANCIAL AND
COMPLIANCE REPORT

For the Year Ended June 30, 2024



CPAs and Professional Consultants

BEAUMONT INDEPENDENT SCHOOL DISTRICT

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CERTIFICATE OF BOARD

Beaumont Independent School District

Name of School District

Jefferson County

County


123-910

Co. - Dist. No.

We, the undersigned, certify that the attached annual financial reports of the above-named school district were reviewed and approved for the fiscal year ended June 30, 2024, at a meeting of the Board of Trustees of such school district on November 21, 2024.



President of the Board



Secretary of the Board



FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Beaumont Independent School District

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The other supplemental information such as the combining and individual nonmajor fund financial statements, required Texas Education Agency (TEA) schedules, and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

To the Board of Trustees
Beaumont Independent School District

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 other supplementary information, required TEA schedules, and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2024 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

Houston, Texas
November 21, 2024



BEAUMONT INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

Financial Highlights

The assets and deferred outflows of the District exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$197,123,140 (*net position*). Of this amount, unrestricted net position amounted to a deficit of \$26,890,940. This deficit was caused by the net pension and net OPEB liabilities recognized in fiscal year 2024. This recognition of such liabilities does not affect the financial stability of the District nor does it change how the District conducts its financial decision making. Rather, the District is reflecting its portion of the liabilities that the State of Texas manages and operates.

- The District's total net position at year end increased by \$38,664,863. The significant increase was mainly due to increase in charges for services, operating grants and contributions, and property taxes.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$100,233,437, an decrease of \$3,927,011, in comparison with the prior year.
- As of the close of the current fiscal year, unassigned fund balance for the general fund of \$61,087,670 is 35 percent of total general fund expenditures.

The District's total bonded debt decreased by \$29,160,000 (13 percent) during the current fiscal year.

Overview of the Financial Statements

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

Government-wide Financial Statements

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

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

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

The *Government-wide financial statements* of the District are principally supported by taxes and intergovernmental revenues (*governmental activities*).

BEAUMONT INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

The governmental activities of the District include Instruction, Instructional Resources and Media Services, Curriculum and Instructional Staff Development, Instructional Leadership, School Leadership, Guidance, Counseling, and Evaluation Services, Social Work Services, Health Services, Student Transportation, Food Services, Extracurricular Activities, General Administration, Facilities Maintenance and Operations, Security and Monitoring Services, Data Processing Services, Community Services, Interest on Long-term Debt, Debt Issuance Costs and Fees, Facilities Repairs and Maintenance, Payments to Fiscal Agent/Member Districts of SSA, and Other intergovernmental charges.

Fund Financial Statements

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

Governmental Funds

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

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

The District maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund, and elementary and secondary school emergency relief fund (ESSER) III, all of which are considered to be major funds. Data from the nonmajor governmental funds is combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in the financial statements. The District adopts an annual appropriated budget for its general fund, debt service fund, and the Child Nutrition program special revenue fund.

Proprietary Fund

The District maintains an individual internal service fund for Workers' Compensation. *Internal service funds*, one type of proprietary fund, are an accounting device used to accumulate and allocate costs internally among the District's various funds and functions. Because these services predominantly benefit governmental functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary fund statements provide the same type of information as the government-wide financial statements, only in more detail.

Fiduciary Fund

The fiduciary funds are used to account for resources held for the benefit of the parties outside the government. *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 own programs. The District is the trustee or fiduciary for these funds and is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's *fiduciary activities* are reported in a separate statement of fiduciary net position and statement of changes in fiduciary net position.

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

Notes to the Financial Statements

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

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information that further explains and supports the information in the financial statements. The required supplementary information relates to comparison of the original adopted budget, the final amended budget, and the actual amounts for the fiscal year. This is required supplementary information for the general fund and any major special revenue funds. The District's general fund is presented as required supplementary information. In addition, required supplementary information includes a schedule of the District's proportionate share of the Net Pension Liability - TRS, a schedule of District's contributions - TRS for the past eight years, a schedule of the District's proportionate share of the Net OPEB Liability - TRS, and a schedule of the District's OPEB contributions for the past five years.

Other Information

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

Government-wide Financial Analysis

Net Position

As noted earlier, net position may serve over time as a useful indicator of a District's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$197,123,140 at the close of the most recent fiscal year.

The largest portion of the District's net position \$201,760,741 reflects its investment in capital assets (e.g., land, buildings and improvements, furniture and equipment, construction in progress), less any outstanding related debt used to acquire those assets. The District uses these capital assets to provide services to students; consequently, these assets are *not* available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

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

As of June 30, 2024, the District's net position included the following:

	Governmental Activities	
	2024	2023
Assets:		
Current and other assets	\$ 136,357,560	\$ 146,442,035
Capital assets, net of depreciation and noncurrent assets	406,480,701	397,200,244
Total Assets	542,838,261	\$543,642,279
Deferred Outflows of Resources:		
Deferred charge on refunding	2,057,982	2,564,587
Deferred outflows - pension	23,751,014	21,087,848
Deferred outflows - OPEB	11,546,062	10,866,732
Total Deferred Outflows of Resources	37,355,058	34,519,167
Liabilities:		
Current liabilities	29,839,874	36,433,581
Long term liabilities	302,592,863	325,990,286
Total Liabilities	332,432,737	362,423,867
Deferred Inflows of Resources:		
Deferred inflows - pension	3,527,154	5,605,295
Deferred inflows - OPEB	47,110,288	51,673,907
Total Deferred Inflows of Resources	50,637,442	57,279,202
Net Position:		
Net investment in capital assets	201,760,741	159,710,774
Restricted	22,253,339	19,986,605
Unrestricted	(26,890,940)	(21,239,102)
Total Net Position	\$ 197,123,140	\$ 158,458,277

Net position is restricted for various purposes as follows:

	Governmental Activities	
	2024	2023
Federal and state programs	\$ 8,415,055	\$ 8,052,880
Debt service	13,838,284	11,933,725
	\$ 22,253,339	\$ 19,986,605

Unrestricted net position for governmental activities is the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements. At the end of the current fiscal year, the District reports deficit balance in unrestricted net position of \$26,890,940 caused by the net pension and OPEB liabilities. The District's net position increased by \$38,664,863 during the current fiscal year. This is due to the increase in charges for services from Chapter 313 agreement revenues, significant increase in state aid – formula grants, and an increase in investment earnings.

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

Changes in Net Position

The Net Position of the District increased by \$38.7 million for the year ended June 30, 2024. The total revenues from taxpayers, user service fees, grants and other sources for the District was \$281.2 million.

Total general revenues increased by \$6.1 million compared to fiscal year 2023 due to significant increase in state aid formula grants and investment earnings. Total expenses for the 2024 fiscal year were \$242.5 million or \$2.7 million more than expenses of fiscal year 2023.

Comparative Schedule of Changes in Net Position

For the Years Ended June 30, 2024 and 2023

	Governmental Activities	
	2024	2023
Program Revenues		
Charges for services	\$ 12,329,124	\$ 8,249,837
Operating grants and contributions	78,685,960	83,228,948
General Revenues		
Property taxes	126,861,255	150,045,445
State Aid - Formula Grants	55,905,900	28,419,057
Investment earnings	5,417,324	4,334,714
Special items (insurance recoveries)	-	-
Other	1,990,361	1,305,182
Total Revenues	281,189,924	275,583,183
Expenses		
Instruction	117,613,646	115,321,061
Instructional resources and media services	1,262,975	1,328,008
Curriculum and staff development	2,261,188	2,077,221
Instructional leadership	8,621,443	7,788,983
School leadership	11,004,041	11,615,256
Guidance, counseling, and evaluation services	9,655,105	8,939,261
Social work services	729,794	742,606
Health services	2,592,700	2,897,781
Student transportation	7,211,362	4,474,333
Food service	13,944,381	11,527,424
Extracurricular activities	6,386,666	6,674,453
General administration	7,477,041	7,269,532
Facilities maintenance and operations	31,509,651	39,896,193
Security and monitoring services	5,154,977	8,813,597
Data processing services	4,552,351	4,161,643
Community services	1,945,154	2,032,538
Interest on long-term debt	8,207,574	7,381,522
Debt issuance costs and fees	300,378	273,116
Payments to fiscal agent/member districts of SSA	518,190	361,473
Payments to Juvenile Justice Alternative Education Programs	161,860	161,860
Other intergovernmental charges	1,414,584	1,504,959
Total Expenses	242,525,061	245,242,820
Increase (Decrease) in Net Position	38,664,863	30,340,363
Beginning Net Position	158,458,277	127,608,653
Prior Period Adjustments *	-	509,261
Ending Net Position	\$ 197,123,140	\$ 158,458,277

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

Comparative Schedule of Changes in Net Position (continued)

Governmental activities increased the District's net position by \$38,664,863 for the year ended June 30, 2024. The increase was caused by the increase in property tax and other revenues. Charges for services increased by \$4.1 million due to Chapter 313 agreements. Property tax revenues decreased by \$23.2 million due to the decrease in property tax rates. State and other grant revenue decreased by \$4.5 million mainly due to a decrease in federal funding. Approximately 45.1% of the District's revenues came from property taxes, with an additional 19.9% derived from state funding formulas. Last fiscal year, 54% of the District's revenues came from property taxes and 10% came from state funding formulas.

Governmental Revenues by Type

Revenues are generated primarily from three sources. Property taxes, state-aid formula grants, and operating grants and contributions represent 93 percent of total revenues. The remaining \$19,736,809 is generated from charges for services, investment earnings, and other revenues.

	Total Revenues	% of Total Revenues
Property taxes	\$ 126,861,255	45.1%
State Aid - Formula Grants	55,905,900	19.9%
Operating grants and contributions	78,685,960	28.0%
Charges for services	12,329,124	4.4%
Investment earnings	5,417,324	1.9%
Other revenue	1,990,361	0.7%
Total Revenues	\$ 281,189,924	100%

Governmental Expenses by Type

The primary functional expenses of the District are instruction, school leadership, food service, and plant maintenance and operations, which represent 72 percent or approximately \$174 million of total expenses. The remaining functional categories of expenses are each less than 4 percent of total expenses.

	Total Expenses	% of Total Expenses
Instruction	\$ 117,613,646	48.5%
School Leadership	11,004,041	4.5%
Food service	13,944,381	5.7%
Facilities maintenance and operations	31,509,651	13.0%
Other expenses	68,453,342	28.2%
Total Expenses	\$ 242,525,061	100%

Fiscal year 2024 expenses are \$2.7 million more than fiscal year 2023. Approximately 49 percent of the District's expenses were expended for instructional activities. When combined with student and other support services such as transportation, counseling and nursing, 75 percent of the District's expenses were spent on direct student services.

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

Financial Analysis of the Government's Funds

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

Governmental Funds

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

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances with a decrease of \$3,927,011 in comparison with the prior year. The decrease in ending governmental fund balances is primarily due to a decrease in the General Fund balance.

The *general fund* is the chief operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the general fund was \$61,087,670 while total fund balance reached \$67,312,951. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 35 percent of total general fund expenditures, while total fund balance represents 38 percent of that same amount. The fund balance of the District's general fund decreased by \$6,308,232 during the current fiscal year due to \$5,485,927 for purchases carried forward from the previous year that were not completed by year end and mid-year budget adjustments for unanticipated but essential District expenditures.

The *debt service fund* has a total fund balance of \$15,759,027, all of which is restricted for the retirement of funded indebtedness. The net increase in fund balance during the current year of \$987,760 was due to property taxes and state program revenues being higher than total principal and interest expenditures.

The *ESSER III fund* has no fund balance as all revenues are received upon request to the Texas Education Agency for reimbursement of allowable expenditures.

General Fund Budgetary Highlights

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

	Budget	
	Original	Final Amended
Total revenues	\$ 171,707,722	\$ 172,081,058
Total expenditures	171,807,722	184,574,598
Total other financing sources (uses)	100,000	(3,900,000)
Net Change in Fund Balance	\$ -	\$ (16,393,540)

The review of the final amended budget versus actual for the general fund reflected that expenditures were less than budgetary estimates. Budgetary estimates for the general fund related to state program revenues were more than actual amounts.

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

Capital Assets and Long-term Liabilities

Capital Assets

The District's investment in capital assets for its governmental activities as of June 30, 2024 includes land, buildings and improvements, furniture and equipment, and construction in progress. The net investment in capital assets for the current year was \$201,760,741. The following table summarizes the investment in capital assets as of June 30, 2024 and June 30, 2023:

	2024	2023
Land	\$ 14,059,880	\$ 14,059,880
Buildings and improvements	545,230,195	543,333,264
Furniture and equipment	29,655,033	14,810,719
Vehicles	19,317,184	18,860,080
Construction in progress	12,756,787	4,082,513
Total	621,019,079	595,146,456

Additional information on the District's capital assets can be found in Note 5 of the financial statements.

Long-term Liabilities

At the end of the current fiscal year, the District had \$194,830,000 in bonded debt outstanding, a decrease of \$29,160,000 over the previous year. The District's bonds are sold and guaranteed through the Texas Permanent School Fund Guarantee Program or by a municipal bond insurance policy. The underlying rating of the bonds from Standard and Poor's is "BBB+" and from Moody's Investors Service is "Baa1" for general obligation debt. The District defeased a portion of its 2016 Refunding bonds in the amount of \$16.7 million.

Changes in general obligation bonds, for the fiscal year ended June 30, 2024 are as follows:

Outstanding 07/01/23	Issued	Retired	Outstanding 06/30/24
\$ 223,990,000	\$ -	\$ 29,160,000	\$ 194,830,000

Additional information on the District's long-term liabilities can be found in Note 6 of the financial statements.

Economic Factors and Next Year's Budgets and Rates

In the fall of 2024, the Board of Trustees unanimously voted to call for a Voter Approval Tax Rate Election (VATRE). They approved reducing the interest and sinking (I&S) portion of the tax rate by nine cents to the maintenance and operations (M&O) portion of the tax rate to maximize general fund revenue. The additional M&O pennies were passed by voters and will add an estimated \$13 million of funding to the District's operating budget. The total tax rate for the 2024-25 school year is \$0.96491 and consists of the maintenance and operations tax rate of \$0.8023 and the debt service tax rate of \$0.16261. This is a \$0.0215 cent tax rate reduction from the prior year.

The additional revenue will be used for:

- Implementing and upgrading safety and security measures, ensuring that our schools remain safe places for all students and staff.
- Increase pay for employees to ensure the District retains and recruits high quality staff to maintain and improve high standards and expectations of our community.
- Maintain and enhance the delivery of essential programs that our student rely on daily.

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

The District adopted a General Fund budget for the year ending June 30, 2025 of \$183.4 million in revenues and expenditures. The Debt Service revenues and expenditures are budgeted for \$25.7 million. The Child Nutrition budget is set for \$14 million in revenues and \$19 million in expenditures. The budgeted expenditures reflect a spenddown plan as required by TDA.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Chief Financial Officer, Beaumont Independent School District Beaumont Independent School District, 3395 Harrison Avenue, Beaumont, Texas 77706.



BASIC FINANCIAL STATEMENTS

BEAUMONT INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
June 30, 2024
Exhibit A-1

Data Control Codes		Governmental Activities
Assets		
1110	Cash and cash equivalents	\$ 83,368,752
1220	Property taxes receivables, net	6,937,492
1240	Due from other governments	39,005,330
1290	Other receivables, net	585,858
1300	Inventories	104,045
1410	Prepaid items	6,356,083
	Capital assets not subject to depreciation:	
1510	Land	14,059,880
1580	Construction in progress	12,756,787
	Capital assets net of depreciation:	
1520	Buildings and improvements, net	358,794,682
1530	Furniture and equipment, net	14,870,178
1531	Vehicles, net	5,999,174
1000	Total Assets	542,838,261
Deferred Outflows of Resources		
	Deferred charge on refunding	2,057,982
	Deferred outflows - pension	23,751,014
	Deferred outflows - OPEB	11,546,062
1700	Total Deferred Outflows of Resources	37,355,058
Liabilities		
2110	Accounts payable	10,011,963
2140	Interest payable	3,041,387
2150	Payroll deductions and withholdings	1,506,750
2160	Accrued wages payable	14,581,706
2177	Due to fiduciary funds	33,337
2300	Unearned revenue	664,731
	Noncurrent Liabilities:	
2501	Due within one year	15,266,203
2502	Due in more than one year	194,191,023
2540	Net Pension Liability	63,614,094
2545	Net Other Post-Employment Benefits (OPEB) Obligation	29,521,543
2000	Total Liabilities	332,432,737
Deferred Inflows of Resources		
	Deferred inflows - pension	3,527,154
	Deferred inflows - OPEB	47,110,288
2600	Deferred Inflows of Resources	50,637,442
Net Position		
3200	Net investment in capital assets	201,760,741
	Restricted for:	
3820	Federal and state programs	8,415,055
3850	Debt service	13,838,284
3900	Unrestricted	(26,890,940)
3000	Total Net Position	\$ 197,123,140

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

Exhibit B-1

Data Control Codes	Functions/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Position
		Expenses	Charges for Services	Operating Grants and Contributions	Primary Government
					Governmental Activities
	Governmental Activities:				
11	Instruction	\$ 117,613,646	\$ 10,810,306	\$ 28,446,161	\$ (78,357,179)
12	Instructional resources and media services	1,262,975	-	146,150	(1,116,825)
13	Curriculum and staff development	2,261,188	-	1,669,373	(591,815)
21	Instructional leadership	8,621,443	300	5,119,389	(3,501,754)
23	School leadership	11,004,041	484,570	917,484	(9,601,987)
31	Guidance, counseling, and evaluation services	9,655,105	120	4,056,926	(5,598,059)
32	Social work services	729,794	-	614,032	(115,762)
33	Health services	2,592,700	45,310	2,670,443	123,053
34	Student transportation	7,211,362	-	227,785	(6,983,577)
35	Food service	13,944,381	539,803	13,941,106	536,528
36	Extracurricular activities	6,386,666	389,319	179,278	(5,818,069)
41	General administration	7,477,041	-	3,936,721	(3,540,320)
51	Facilities maintenance and operations	31,509,651	38,810	13,836,143	(17,634,698)
52	Security and monitoring services	5,154,977	-	181,118	(4,973,859)
53	Data processing services	4,552,351	-	820,572	(3,731,779)
61	Community services	1,945,154	20,586	1,923,279	(1,289)
72	Interest on long-term debt	8,207,574	-	-	(8,207,574)
73	Debt issuance costs and fees	300,378	-	-	(300,378)
93	Payments to fiscal agent/member districts of SSA	518,190	-	-	(518,190)
95	Payments to Juvenile Justice Alternative Education Programs	161,860	-	-	(161,860)
99	Other intergovernmental charges	1,414,584	-	-	(1,414,584)
TG	Total Governmental Activities	<u>\$ 242,525,061</u>	<u>\$ 12,329,124</u>	<u>\$ 78,685,960</u>	<u>(151,509,977)</u>
	General revenues:				
	Taxes:				
MT	Property taxes, levied for general purposes				89,771,375
DT	Property taxes, levied for debt service				37,089,880
SF	State-aid formula grants				55,905,900
IE	Investment earnings				5,417,324
MI	Miscellaneous				1,990,361
TR	Total General Revenues				<u>190,174,840</u>
CN	Change in net position				38,664,863
NB	Net Position - Beginning				<u>158,458,277</u>
NE	Net Position - Ending				<u>\$ 197,123,140</u>

BEAUMONT INDEPENDENT SCHOOL DISTRICT
Exhibit C-1
**BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2024**

Data Control Codes		General Fund	Debt Service	ESSER III	Nonmajor Governmental Funds	Total Governmental Funds
Assets						
1110	Cash and cash equivalents	\$ 49,447,682	\$ 15,519,918	\$ 75,118	\$ 13,544,203	\$ 78,586,921
Receivables:						
1220	Property taxes - delinquent	17,933,161	5,170,758	-	-	23,103,919
1230	Allowance for uncollectible taxes (credit)	(12,316,316)	(3,850,111)	-	-	(16,166,427)
1240	Receivables from other governments	23,083,407	-	5,886,905	10,035,018	39,005,330
1260	Due from other funds	12,515,121	20,085	-	7,209,127	19,744,333
1290	Other receivables	230,220	56,617	-	299,021	585,858
1300	Inventories	-	-	-	104,045	104,045
1410	Prepaid items	6,225,281	-	-	-	6,225,281
1000	Total Assets	<u>\$ 97,118,556</u>	<u>\$ 16,917,267</u>	<u>\$ 5,962,023</u>	<u>\$ 31,191,414</u>	<u>\$ 151,189,260</u>
Liabilities, Deferred Inflows of Resources, and Fund Balance						
Liabilities						
2110	Accounts payable	\$ 4,023,101	\$ -	\$ 1,015,242	\$ 3,259,179	\$ 8,297,522
2150	Payroll deduction and withholdings	1,408,114	-	-	98,636	1,506,750
2160	Accrued wages payable	11,720,186	-	618,374	2,243,146	14,581,706
2170	Due to other funds	7,647,404	-	4,328,407	7,801,859	19,777,670
2300	Unearned revenue	-	37,596	-	627,135	664,731
2000	Total Liabilities	<u>24,798,805</u>	<u>37,596</u>	<u>5,962,023</u>	<u>14,029,955</u>	<u>44,828,379</u>
Deferred Inflows of Resources						
	Unavailable revenues - property taxes	5,006,800	1,120,644	-	-	6,127,444
2600	Total Deferred Inflows of Resources	<u>5,006,800</u>	<u>1,120,644</u>	<u>-</u>	<u>-</u>	<u>6,127,444</u>
Fund Balance						
Non-Spendable:						
3410	Inventories	-	-	-	104,045	104,045
3430	Prepaid items	6,225,281	-	-	-	6,225,281
Restricted:						
3450	Federal/State funds grant restrictions	-	-	-	8,311,010	8,311,010
3470	Capital acquisitions and contractual obligations	-	-	-	8,477,490	8,477,490
3480	Retirement of long-term debt	-	15,759,027	-	-	15,759,027
Committed:						
3545	Other purposes	-	-	-	268,914	268,914
Assigned						
3590	Other purposes	-	-	-	-	-
3600	Unassigned	61,087,670	-	-	-	61,087,670
3000	Total Fund Balances	<u>67,312,951</u>	<u>15,759,027</u>	<u>-</u>	<u>17,161,459</u>	<u>100,233,437</u>
4000	Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 97,118,556</u>	<u>\$ 16,917,267</u>	<u>\$ 5,962,023</u>	<u>\$ 31,191,414</u>	<u>\$ 151,189,260</u>

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

Exhibit C-1R

Data Control Codes	Total Fund Balance, Governmental Funds	\$	100,233,437
	Amounts reported for governmental activities in the statements of net position are different because:		
1	Capital assets used in governmental activities are not financial resources and therefore, are not reported as assets in governmental funds. Capital assets at historical cost, net of accumulated depreciation, where applicable.		406,480,701
2	Property taxes receivable have been levied and are due this year, but are not available soon enough to pay for the current period's expenditures, these property taxes and related penalty and interest amounts (net of allowance for uncollectible accounts.)		6,127,444
3	Deferred charge on refunding		2,057,982
4	Deferred outflows relating to pension activities		23,751,014
5	Deferred outflows relating to other post employment benefits		11,546,062
	Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:		
6	General obligation bonds		(194,830,000)
7	Premium/Discount on issuance		(8,753,282)
8	Accumulated accretion on capital appreciation bonds		(1,465,202)
9	Loan payable		(3,194,660)
10	Accrued compensated absences		(1,214,082)
11	Accrued interest payable		(3,041,387)
12	Net pension liability		(63,614,094)
13	Net other post employment benefit liability		(29,521,543)
14	Deferred inflows relating to pension activities		(3,527,154)
15	Deferred inflows relating to other post-employment benefits		(47,110,288)
16	Addition of Internal Service fund net position (see D-1)		3,198,192
19	Total Net Position-Governmental Activities	\$	197,123,140

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

Exhibit C-2

Data Control Codes		General Fund	Debt Service	ESSER III	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
5700	Local, intermediate, and out-of-state	\$ 105,439,779	\$ 37,921,403	\$ -	\$ 3,149,603	\$ 146,510,785
5800	State program revenues	61,794,276	2,118,532	-	3,655,602	67,568,410
5900	Federal program revenues	6,790,311	-	17,827,448	44,285,800	68,903,559
5020	Total Revenues	<u>174,024,366</u>	<u>40,039,935</u>	<u>17,827,448</u>	<u>51,091,005</u>	<u>282,982,754</u>
Expenditures						
Current:						
0011	Instruction	88,612,036	-	3,032,772	21,911,631	113,556,439
0012	Instruction resources and media services	1,105,465	-	6,616	111,527	1,223,608
0013	Curriculum and instructional staff development	499,969	-	88,912	1,564,253	2,153,134
0021	Instructional leadership	3,497,258	-	850,904	4,013,671	8,361,833
0023	School leadership	9,513,419	-	-	1,118,542	10,631,961
0031	Guidance, counseling and evaluation services	5,663,957	-	1,714,016	2,018,349	9,396,322
0032	Social work services	157,889	-	128,967	439,462	726,318
0033	Health services	1,961,314	-	107,271	434,533	2,503,118
0034	Student transportation	6,758,306	-	5,605	137,278	6,901,189
0035	Food services	-	-	41,862	13,978,628	14,020,490
0036	Extracurricular activities	6,230,620	-	-	117,366	6,347,986
0041	General administration	6,875,224	-	156,614	138,017	7,169,855
0051	Facilities maintenance and operations	32,710,475	-	10,975,437	5,855,442	49,541,354
0052	Security and monitoring services	5,091,721	-	15,454	84,795	5,191,970
0053	Data processing services	4,312,776	-	-	759,950	5,072,726
0061	Community services	135,289	-	703,018	1,169,078	2,007,385
Debt Service:						
0071	Principal on long-term debt	1,020,217	29,160,000	-	-	30,180,217
0072	Interest on long-term debt	94,747	9,186,096	-	-	9,280,843
0073	Debt issuance costs and fees	-	300,378	-	-	300,378
Capital Outlay:						
0081	Facilities acquisition and construction	-	-	-	252,887	252,887
Intergovernmental:						
0093	Payments to Fiscal Agent/Member Districts of SSA	518,190	-	-	-	518,190
0095	Payments to Juvenile Justice Alt. Ed. Prgm.	161,860	-	-	-	161,860
0099	Other intergovernmental charges	1,414,584	-	-	-	1,414,584
6030	Total Expenditures	<u>176,335,316</u>	<u>38,646,474</u>	<u>17,827,448</u>	<u>54,105,409</u>	<u>286,914,647</u>
1100	Excess (deficiency) of revenues over expenditures	<u>(2,310,950)</u>	<u>1,393,461</u>	<u>-</u>	<u>(3,014,404)</u>	<u>(3,931,893)</u>
Other Financing Sources (Uses)						
7912	Sale of real or personal property	2,718	-	-	2,164	4,882
7915	Transfers in	-	-	-	4,561,692	4,561,692
8911	Transfers out	(4,000,000)	-	-	(561,692)	(4,561,692)
7080	Total Other Financing Sources (Uses)	<u>(3,997,282)</u>	<u>-</u>	<u>-</u>	<u>4,002,164</u>	<u>4,882</u>
1200	Net change in fund balances	(6,308,232)	1,393,461	-	987,760	(3,927,011)
0100	Fund Balance - July 1 (Beginning)	<u>73,621,183</u>	<u>14,365,566</u>	<u>-</u>	<u>16,173,699</u>	<u>104,160,448</u>
3000	Fund Balance - June 30 (Ending)	<u>\$ 67,312,951</u>	<u>\$ 15,759,027</u>	<u>\$ -</u>	<u>\$ 17,161,459</u>	<u>\$ 100,233,437</u>

BEAUMONT INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2024

Exhibit C-2R

Data Control Codes		
	Net change in fund balances - total governmental funds (from C-3)	\$ (3,927,011)
	Amounts reported for <i>governmental activities</i> in the statement of activities (B-1) are different because:	
	Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.	
1	Governmental funds capital outlays	23,164,089
2	Governmental funds depreciation expense	(13,794,031)
3	Net effect of other retirements and adjustments to capital assets	(89,601)
4	Property tax revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(97,708)
5	Repayment of long-term debt principal is an expenditure in the governmental fund, but the repayment reduces long-term liabilities in the statement of net position.	29,160,000
6	Repayment of loan payable is an expenditure in the governmental fund, but the repayment reduces long-term liabilities in the statement of net position.	1,020,217
7	Net gain on defeasance of bonds	1,885,243
	Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:	
8	Decrease in interest payable not recognized in fund statements	403,399
9	Decrease in accrued compensated absences	207,337
10	Amortization of premium/discount	883,061
11	Increase in accumulated accretion on capital appreciation bonds	(34,179)
12	Amortization of deferred charge on refunding	(179,012)
13	Changes in net pension liabilities and related deferred outflows and inflows of resources	(6,454,519)
14	Changes in net OPEB liabilities and related deferred outflows and inflows of resources	6,386,920
15	Internal service funds are used by management to charge the costs of certain activities, such as insurance to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities (see D-2).	
		<u>130,658</u>
	Change in Net Position of Governmental Activities (See B-1)	<u><u>\$ 38,664,863</u></u>

BEAUMONT INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2024

Exhibit D-1

	Governmental Activities - Internal Service Fund
Assets	
Current Assets:	
Cash and cash equivalents	\$ 4,781,831
Prepaid Items	<u>130,802</u>
Total Current Assets	<u>4,912,633</u>
Total Assets	<u><u>\$ 4,912,633</u></u>
Liabilities	
Current Liabilities:	
Accrued expenses	<u>\$ 1,714,441</u>
Total Current Liabilities	<u>1,714,441</u>
Total Liabilities	<u><u>\$ 1,714,441</u></u>
Net Position	
Unrestricted net position	<u>\$ 3,198,192</u>
Total Net Position	<u><u>\$ 3,198,192</u></u>

BEAUMONT INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended June 30, 2024

Exhibit D-2

	Governmental Activities - Internal Service Fund
Operating Revenues	
Miscellaneous revenue from local sources	\$ 251,449
Interfund services provided	<u>749,515</u>
Total Operating Revenues	<u>1,000,964</u>
Operating Expenses	
Claims expense and other operating expenses	<u>870,306</u>
Total Operating Expenses	<u>870,306</u>
Change in Net Position	130,658
Net Position - July 1 (Beginning)	<u>3,067,534</u>
Net Position - June 30 (Ending)	<u><u>\$ 3,198,192</u></u>

BEAUMONT INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2024

Exhibit D-3

	Governmental Activities - Internal Service Fund
Increase (Decrease) in Cash and Cash Equivalents	
Cash Flows from Operating Activities:	
Cash receipts from interfund services provided	\$ (107,834)
Cash payments for insurance claims	<u>(954,197)</u>
Net Cash (Used for) Operating Activities	<u>(1,062,031)</u>
Net change in Cash and Cash Equivalents	(1,062,031)
Cash and Cash Equivalents at Beginning of Year	<u>5,843,862</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ 4,781,831</u></u>
Reconciliation to Balance Sheet	
Cash and Cash Equivalents Per Cash Flow	<u>\$ 4,781,831</u>
Cash and Cash Equivalents per Balance Sheet	<u><u>\$ 4,781,831</u></u>
Reconciliation of Operating Income to Net Cash	
Provided by Operating Activities:	
Operating (Loss)	\$ 130,658
Change in Assets and Liabilities:	
(Increase) in Prepaid Items	(14,369)
Increase in Accrued Expenses	(69,522)
Increase (decrease) in Interfund Payables	<u>(1,108,798)</u>
Net Cash (Used for) Operating Activities	<u><u>\$ (1,062,031)</u></u>

BEAUMONT INDEPENDENT SCHOOL DISTRICT
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES AND NET POSITION
June 30, 2024

Exhibit E-1

	<u>Private Purpose Trust Funds</u>	<u>Custodial Fund</u>
Assets		
Current Assets:		
Cash and cash equivalents	\$ 52,154	\$ 303,766
Receivables:		
Due from other Funds	-	33,337
Other receivables	-	1,173
Total Assets	<u>\$ 52,154</u>	<u>\$ 338,276</u>
Liabilities		
Accounts payable	\$ -	\$ 6,455
Total Liabilities	<u>\$ -</u>	<u>\$ 6,455</u>
Net Position		
Restricted for student scholarships and other activities	\$ 52,154	\$ 331,821
Total Net Position	<u>\$ 52,154</u>	<u>\$ 331,821</u>

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

Exhibit E-2

	Private Purpose Trust Funds	Custodial Fund
Contributions		
Gifts and contributions	\$ -	\$ 20,331
Revenues from student activities	-	587,525
Total Contributions	-	607,856
Deductions		
Payments for student activities	-	584,829
Total Deductions	-	584,829
Change in net position	-	23,027
Net Position Beginning of Year	52,154	308,794
Net Position - Ending	<u>\$ 52,154</u>	<u>\$ 331,821</u>

Note 1 - Summary of Significant Accounting Policies

The Beaumont Independent School District (the "District") is an independent public educational agency operating under the applicable laws and regulations of the State of Texas. It is governed by a seven-member Board of Trustees (the "Board") elected by the registered voters of the District and has fiscal accountability over all activities within the jurisdiction of the District. The District prepares its basic financial statements in conformity with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board (GASB) and other authoritative sources identified in the Statement of Auditing Standards of the American Institute of Certified Public Accountants; and it complies with the requirements of the appropriate version of Texas Education Agency's *Financial Accountability System Resource Guide* (the "Resource Guide") and the requirements of contracts and grants of agencies from which it receives funds.

The following is a summary of the most significant accounting policies.

A. Reporting Entity

The District's Board is elected by the public and it has the authority to make decisions, appoint administrators and managers, and significantly influence operations. It also has the primary accountability for fiscal matters. Therefore, the District is considered an independent entity for financial reporting purposes and is considered a primary government as defined by GASB. As the District is considered a primary government for financial reporting purposes, its activities are not considered a part of any other governmental or other, type of reporting entity.

B. 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 non-fiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities* include programs supported primarily by taxes, charges to school districts for services, state funds, grants, and other intergovernmental revenues.

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

Interfund activities between governmental funds and between governmental and proprietary funds appear as due to or due from on the Governmental Fund Balance Sheet and Proprietary Fund Statement of Net Position and as other resources and other uses on the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance and on the Proprietary Fund Statement of Revenues, Expenses, and Changes in Fund Net Position. All interfund transactions between governmental funds and between governmental and internal service funds are eliminated on the government-wide statements. Interfund activities between governmental funds and fiduciary funds remain as due to or due from on the government-wide Statement of Net Position.

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

Note 1 - Summary of Significant Accounting Policies (continued)

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements while the custodial funds have no measurement of focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. With this measurement focus, only current assets, current liabilities, deferred inflows of resources, and fund balances are included on the balance sheet. Operating statements of these funds present net increases and decreases in current assets (i.e., revenues and other financing sources and expenditures and other financing uses).

The modified accrual basis of accounting recognizes revenues in the accounting period in which they become both measurable and available, and it recognizes expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest and principal on long-term debt, which is recognized when due. The expenditures related to certain compensated absences and claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Revenues from local sources consist primarily of property taxes and are recorded as revenue when received. The District considers property tax revenue available if they expect the revenue to be collected within 60 days of the end of the fiscal year. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available.

Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as unearned revenues until related and authorized expenditures have been made. If balances have not been expended by the end of the project period, grantors sometimes require the District to refund all or part of the unused amount.

The District reports the following major governmental funds:

- General Fund - The general fund is the District's primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund.
- Debt Service Fund - The District accounts for resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds in a debt service fund. This is a budgeted fund and separate bank accounts are maintained.
- Elementary & Secondary School Emergency Relief Fund (ESSER III) – This fund accounts for the federal stimulus funds granted to the local education agencies through the American Rescue Plan Act of 2021 (ARP) to support the District's instruction and operations in addressing the impact of the coronavirus pandemic on students.

Note 1 - Summary of Significant Accounting Policies (continued)

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

The District reports the following nonmajor governmental funds:

- **Special Revenue Funds** - These funds account for resources restricted to or committed for specific purposes by a grantor, or for resources that are committed for specific purposes by the Board. Most federal and some state financial assistance is accounted for in a special revenue fund and sometimes unused balances must be returned to the grantor at the close of specified project periods.
- **Capital Projects Funds** – The proceeds from long-term financing and revenues and expenditures related to the acquisition, construction, or renovations as well as furnishing and equipping capital facilities are accounted for in this fund.

Additionally, the District reports the following fund types:

- **Internal Service Funds** - These funds are used to account for financing of goods or services provided by one department to other departments of the District on a cost-reimbursement basis. The District operates the Workers' Compensation internal service fund.
- **Private purpose trust funds** – These funds are used to account for donations for scholarships funds that are received by the District that are to be awarded to current and former students for post-secondary education purposes.
- **Custodial Funds** - The District accounts for resources held for others in custodial funds. This fund uses the economic resources measurement focus and accrual basis. The District's Custodial Fund is the Student Activity.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's internal service fund are charges to the funds and/or employees for self-funded health services. Operating expenses for the internal service fund include the cost of services and administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. Deposits and Investments

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

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

The District's investment pools are valued and reported at amortized cost, which approximates fair value. The District categorizes fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District's local government investment pools are recorded at amortized costs as permitted by GASB Statement No. 79, *Certain Investment Pools and Pool Participants*.

Note 1 - Summary of Significant Accounting Policies (continued)

E. Receivables and Payables

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

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the District in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 31 of each year, a tax lien attaches to the property to secure the payment of all taxes, penalties, and interest ultimately imposed.

Property tax revenues are considered available (1) when they become due or past due and receivable within the current period and (2) when they are expected to be collected during a 60-day period after the close of the fiscal year.

Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. Allowances for uncollectible tax receivables within the General and Debt Service Funds are based on historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

F. Inventories and Prepaid Items

Inventories of supplies on the balance sheet are stated at weighted average cost and they include consumable maintenance, instructional, office, athletic, and transportation items. Supplies are recorded as expenditures when they are consumed. Inventories of food commodities which are received at no cost are recorded as revenue at market value supplied by the Texas Department of Agriculture when received, and as expenditure when consumed. At year end, the commodities inventory is recorded to inventory. A portion of fund balance is classified as nonspendable to reflect minimum inventory quantities considered necessary for the District's continuing operations.

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

G. Capital Assets

Capital assets, which include land, buildings, furniture and equipment, and right to use SBITA assets are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the acquisition value at the date of donation.

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

Note 1 - Summary of Significant Accounting Policies (continued)

G. Capital Assets (continued)

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

Assets	Years
Building	20 - 60
Buildings and Improvements	*
Furniture and Equipment	5 - 10
Automobiles and Trucks	3 - 5
Buses	10 - 12
Right to use SBITA assets	> 1 year

* Remaining life of building or 20 years whichever is less

H. Compensated Absences

Compensated absences are absences for which employees will be paid, such as sick leave. A liability for compensated absences that are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the government and its employees is accrued as employees earn the rights to the benefits. Compensated absences that relate to future services or that are contingent on a specific event that is outside the control of the government and its employees are accounted for in the period in which such services are rendered or such events take place.

The District has a vacation pay policy for twelve-month employees whereby eligible employees hired prior to July 1, 2001, shall receive vacation of ten to twenty days dependent upon the number of years of service. Effective July 1, 2001, a person hired by the District, or promoted by the District to a position normally requiring 240 days of service, earns vacation days during the first full year of employment on a pro rata basis depending on the date of hire; thereafter, 12 days of paid vacation are earned between July 1 to June 30 of each school year. All vacation days are forfeited if not taken by December 31 of each year; therefore, management believes that the liability for unused vacation days on June 30, 2024 is not material to the financial statements.

I. Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type Statement of Net Position. Premiums and discounts are presented as a component of liabilities while deferred charges on refundings are presented as deferred outflows of resources. Both items are deferred and amortized over the life of the related debt using the straight-line method. Long-term debt is reported net of the applicable premium or discount.

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

Note 1 - Summary of Significant Accounting Policies (continued)

J. Subscription Based Information Technology Arrangements (SBITAs)

The District is under contract for SBITAs for the right to use subscription assets (software). The SBITAs are noncancellable, and the District recognizes a SBITA liability and an intangible right to use SBITA asset in the government-wide financial statements. The District recognizes SBITA liabilities with an initial, individual value of \$50,000 or more. None exceeded the threshold during the fiscal year 2024.

At the commencement of the SBITA, the District initially measures the SBITA liability at the present value of payments expected to be made during the SBITA term. Subsequently, the SBITA liability is reduced by the principal portion of SBITA payments made. The SBITA asset is initially measured as the sum of (1) the initial SBITA liability amount, (2) payments made to the SBITA vendor before commencement of the subscription term, and (3) capitalizable implementation costs, less any incentives received from the SBITA vendor at or before the commencement of the subscription term. Key estimates and judgments related to SBITA include how the District determines (1) the discount rate it uses to discount the expected SBITA payments to present value, (2) SBITA term, and (3) SBITA payments.

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

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

K. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of a government's net position (a decrease in assets in excess of any related decrease in liabilities or an increase in liabilities in excess of any related increase in assets) by the government that is applicable to a future reporting period. The District has three items that qualify for reporting in this category:

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

Note 1 - Summary of Significant Accounting Policies (continued)

K. Deferred Outflows/Inflows of Resources (continued)

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position (an increase in assets in excess of any related increase in liabilities or a decrease in liabilities in excess of any related decrease in assets) by the government that is applicable to a future reporting period. The District has three items that qualify for reporting in this category:

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

L. Pensions

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

Note 1 - Summary of Significant Accounting Policies (continued)

M. Other Post-Employment Benefits.

The fiduciary net position of the Teacher Retirement System of Texas (TRS) TRS Care Plan has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, OPEB expense, and information about assets, liabilities, and additions to/deductions from TRS Care's fiduciary net position. Benefit payments are recognized when due and payable in accordance with the benefit terms. There are no investments as this is a pay-as you-go plan and all cash is held in a cash account.

N. Net Position

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

- Net investment in capital assets - this component of net position consists of capital assets, net accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt will be included in this component of net position.
- Restricted for federal and state programs - this component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets, which are restricted by federal and state granting agencies.
- Restricted for Debt Service - this component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. The assets arise from bond issuances which have constraints placed on them by the bond covenants for the purpose of future debt service payments.
- Unrestricted net position - this component of net position is the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

O. Fund Balance

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

- *Non-spendable fund balance* - Represents amounts that are not in spendable form, such as inventory and prepaids, or are required to be maintained intact.
- *Restricted fund balance* - Represents amounts constrained to specific purposes by their providers, such as grantors, bondholders, and higher levels of government, through constitutional provisions, or by enabling legislation. The fund balance of the capital projects fund is restricted for ongoing capital projects approved by the Board.
- *Committed fund balance* - Represents amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority, i.e., Board of Trustees. To be reported as committed, amounts cannot be used for any other purpose unless the District's Board of Trustees approves the changes by Board Resolution. The fund balance of the campus activity fund is committed for use at the campuses per board policy.

Note 1 - Summary of Significant Accounting Policies (continued)

O. Fund Balance (continued)

- *Assigned fund balance* - Represents amounts the District intends to use for a specific purpose. Intent can be expressed by the District or by an official or body to which the Board of Trustees delegates the authority. The Board of Trustees has delegated this authority. The fund balance of the General Fund is assigned for programs and initiatives to promote student achievement once ESSER funds have been expended.
- *Unassigned fund balance* - Represents amounts that are available for any purpose. Positive amounts are reported only in the general fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Trustees or the District Fund Managers have provided otherwise in their commitment or assignment actions.

In the fund financial statements, certain governmental funds report restrictions of the entire fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Since the entire fund balance is restricted for these funds, all assets are in essence restricted for their specified purpose.

When the District incurs an expense for which it may use either restricted or unrestricted resources, it uses the restricted resources first unless unrestricted resources will have to be returned because they were not used. Since Internal Service Funds support the operations of governmental funds, they are consolidated with the governmental funds in the government-wide financial statements. The expenditures of governmental funds that create the revenues of internal service funds are eliminated to avoid "grossing up" the revenues and expenses of the District as a whole.

The District sponsors self-insured plans to provide workers' compensation benefits to employees. Revenues of these Internal Service Funds are received from both the District's governmental and proprietary funds. Expenses are comprised of claims incurred during the fiscal year, professional and contracted services, and other miscellaneous expenses.

The General Fund is contingently liable for liabilities of these funds.

P. Data Control Codes

The Data Control Codes refer to the account code structure prescribed by the Texas Education Agency (the "TEA") in the Resource Guide. The TEA requires school districts to display these codes in the financial statements filed with the Agency in order to ensure accuracy in building a statewide data base for policy development and funding plans.

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

Note 1 - Summary of Significant Accounting Policies (continued)

Q. Use of Estimates

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

R. Implementation of New Accounting Standards

The following GASB pronouncements were effective during fiscal year 2024:

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

GASB issued Statement No. 100, *Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 62*, in June 2022. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The requirements of this statement were implemented in fiscal year 2024 and did not have a material impact on the financial statements.

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

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

Note 2 - Deposits and Investments

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

On June 30, 2024, the carrying amount of the District's cash deposits (cash and interest-bearing accounts) was \$5,160,546 and the bank balance was \$7,422,105. The District's cash deposits on June 30, 2024, were entirely covered by FDIC Insurance or by pledged collateral held by the District's agent bank in the District's name.

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

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

TexPool is a public funds investment pool created by the Texas Treasury Safekeeping Trust Company (Trust Company) to provide a safe environment for the placement of local government funds in authorized short-term, fully collateralized investments, including direct obligations of, or obligations guaranteed by, the United States or State of Texas or their agencies; federally insured certificates of deposit issued by Texas banks or savings and loans; and fully collateralized direct repurchase agreements secured by United States Government agency securities and placed through a primary government securities dealer.

The Trust Company was incorporated by the State Treasurer by authority of the Texas Legislature as a special purpose trust company with direct access to the services of the Federal Reserve Bank to manage, disburse, transfer, safe keep, and invest public funds and securities more efficiently and economically. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. TexPool uses amortized cost rather than fair value to report net position to compute share prices. The fair value of the position in TexPool is the same as the value of TexPool shares. Accordingly, the District's investments in TexPool are stated at amortized cost, which approximates fair value. TexPool is currently rated AAAM by Standard and Poor's. This rating indicates excellent safety and a superior capacity to maintain principal value and limit exposure to loss.

Note 2 - Deposits and Investments (continued)

LSIP is a Texas public investment pool sponsored by the Texas Association of School Boards (TASB) for investment of funds by state and local government entities, primarily local school districts. The Board has entered into an agreement with First Public, LLC (First Public), a Texas limited liability company and a member of the National Association of Securities Dealers, Securities Investor Protection Corporation, and Municipal Securities Rulemaking Board, pursuant to which First Public serves as administrator of LSIP's operations. American Beacon Advisors, Fort Worth, Texas, and Standish Mellon Asset Management Company, LLC, Pittsburgh, Pennsylvania, provide investment management services to LSIP regarding the investment and reinvestment of the pool's assets. The fund's credit quality is excellent as its portfolio is composed of U. S. government and U. S. agency securities. Investments in LSIP provide for investment in securities with maturities and returns generally greater than money market instruments. LSIP is marked-to-market daily to maintain an accurate net asset value. The District's fair value in LSIP is the same as the value of the pool shares. LSIP is currently rated AAA by Standard and Poor's. This rating indicates excellent safety and a superior capacity to maintain principal value and limit exposure to loss.

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

	Carrying Value	Weighted Average Maturity (Days)	Credit Rating
Governmental Activities			
Cash and deposits	\$ 4,804,626	N/A	N/A
Investments			
Local Government Investment Pools			
TexPool	4,473,887	36	AAAm
Lone Star Corporate Overnight Fund	2,922,221	52	AAAm
Lone Star Corporate Overnight Plus Fund	63,354,363	42	AAAm
Lone Star Government Overnight Fund	7,813,655	34	AAAm
Total Investments	<u>78,564,126</u>	41	
Total Governmental Activities	<u>83,368,752</u>		
Fiduciary Funds			
Cash and Deposits	355,920	N/A	N/A
Total Fiduciary Funds	<u>355,920</u>		
Total	<u>\$ 83,724,672</u>		

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

Note 2 - Deposits and Investments (continued)

Additional policies and contractual provisions governing deposits and investments for the District are specified below:

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates may adversely affect the value of investments. To limit the risk that changes in interest rates will adversely affect the fair value of the investments. The district monitors interest rate risk utilizing weighted average maturity (WAM) analysis. The District requires its investment portfolio to have maturities of less than one year on a WAM basis. However, specific to the District's debt service funds, maturities longer than one year are authorized within legal limits and as long as sufficient investment liquidity to timely meet debt service payment obligations is maintained. The long-term investment the District currently holds, which has no call options, is due when the debt instrument is due and the District intends to hold the investment until maturity, thereby reducing its risk of loss due to changes in the fair value of the investment.

At June 30, 2024, the District's exposure to interest risk as measured by the segmented time distribution by investment type is summarized below:

	<u>Amortized Cost</u>	<u>Investment Maturity in Years</u>
		<u>Less than 1</u>
Local Government Investment Pools:		
TexPool	\$ 4,473,887	\$ 4,473,887
Lone Star Corporate Overnight Fund	2,922,221	2,922,221
Lone Star Corporate Overnight Plus Fund	63,354,363	63,354,363
Lone Star Government Overnight Fund	7,813,655	7,813,655
	<u>\$ 78,564,126</u>	<u>\$ 78,564,126</u>

Credit Risk: To limit the risk that an issuer or other counterparty to an investment will not fulfill its obligations, the District limits investments in commercial paper, corporate bonds, mutual bond funds, public funds investment pools to those that have received top ratings issued by nationally recognized statistical rating organizations (NRSROs). As of June 30, 2024, the District's investments in Texas Pool and Lone Star were rated AAAM.

Custodial Credit Risk: State law requires governmental entities to contract with financial institutions in which funds will be deposited to secure those deposits with insurance or pledged securities with a fair value equaling or exceeding the amount on deposit at the end of each business day. The District's policy regarding deposits is in accordance with this law.

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

Note 3 - Receivables and Unearned Revenue

Receivables as of June 30, 2024, for the District's individual major and non-major funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Debt Service	ESSER III	Nonmajor Governmental Funds	Total
Property Taxes	\$ 17,933,161	\$ 5,170,758	\$ -	\$ -	\$ 23,103,919
Due from other governments	23,083,407	-	5,886,905	10,035,018	39,005,330
Other	230,220	56,617	-	299,021	585,858
Gross Receivables	41,246,788	5,227,375	5,886,905	10,334,039	62,695,107
Less allowance for doubtful accounts	(12,316,316)	(3,850,111)	-	-	(16,166,427)
Net Total Receivables	\$ 28,930,472	\$ 1,377,264	\$ 5,886,905	\$ 10,334,039	\$ 46,528,680

Other receivables are reported at gross value. Management has determined that an allowance for doubtful accounts is not necessary for fair presentation.

Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned. At the end of the fiscal year 2024, the various components of unearned revenues reported in the governmental funds were as follows:

	Unearned
Unearned federal revenue	\$ 34,663
Unearned state and local revenue	630,068
	\$ 664,731

Note 4 - Interfund Receivables, Payables, and Transfers

Interfund balances consist of short-term lending/borrowing arrangements that result from normal operations and are cleared out periodically. Additionally, some lending/borrowing may occur between two or more nonmajor governmental funds.

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

	Interfund Receivable	Interfund Payable	Net
Governmental Activities:			
General Fund	\$ 12,515,121	\$ 7,647,404	\$ 4,867,717
Debt Service	20,085	-	20,085
ESSER III	-	4,328,407	(4,328,407)
Nonmajor Governmental Funds	7,209,127	7,801,859	(592,732)
Total Governmental Activities	19,744,333	19,777,670	(33,337)
Fiduciary Funds	33,337	-	33,337
Total	\$ 19,777,670	\$ 19,777,670	\$ -

Transfer Out	Transfer In	Amount
General Fund	Nonmajor Governmental Funds	\$ 4,000,000
Nonmajor Governmental Funds	Nonmajor Governmental Funds	561,692
Total		\$ 4,561,692

The purpose of the transfer from General Fund to Capital Projects Fund is to use Chapter 313 funds for ongoing District capital projects. The purpose of the transfer from the Summer Food Service Program Fund to the Child Nutrition Fund was due to changing the District's summer feeding program to the Seamless Summer Option Program which is accounted for in Fund 240.

Note 5 - Capital Assets

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

Governmental Activities:

	Balance July 01, 2023	Additions	Transfers	(Retirements)	Balance June 30, 2024
Governmental Capital Assets					
Capital assets, not being depreciated:					
Land	\$ 14,059,880	\$ -	\$ -	\$ -	\$ 14,059,880
Construction in progress	4,082,513	14,156,919	(5,482,645)	-	12,756,787
Total capital assets, not being depreciated	18,142,393	14,156,919	(5,482,645)	-	26,816,667
Capital assets, being depreciated:					
Buildings and improvements	543,333,264	1,346,931	550,000	-	545,230,195
Furniture and equipment	17,810,719	7,094,793	4,932,645	(183,124)	29,655,033
Vehicles	18,860,080	565,446	-	(108,342)	19,317,184
Total capital assets, being depreciated	580,004,063	9,007,170	5,482,645	(291,466)	594,202,412
Less accumulated depreciation for:					
Buildings and improvements	(176,132,289)	(10,303,224)	-	-	(186,435,513)
Furniture and equipment	(12,841,726)	(2,084,684)	-	141,555	(14,784,855)
Vehicles	(11,972,197)	(1,406,123)	-	60,310	(13,318,010)
Total accumulated depreciation	(200,946,212)	(13,794,031)	-	201,865	(214,538,378)
Governmental Capital Assets	\$ 397,200,244	\$ 9,370,058	\$ -	\$ (89,601)	\$ 406,480,701
				Less associated bonds and loans	(206,777,942)
				Plus deferred charge on refunding	2,057,982
				Net Investment in Capital Assets	<u>\$ 201,760,741</u>

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

Function	Depreciation Expense
Governmental Activities:	
Instruction	\$ 6,450,604
Instructional resources and media services	69,543
Curriculum and staff development	122,373
Instructional leadership	475,243
School leadership	604,265
Guidance, counseling and evaluation services	534,038
Social work services	41,280
Health services	142,264
Student transportation	392,227
Food Services	796,794
Extracurricular activities	360,786
General administration	407,554
Plant maintenance and operations	2,813,668
Security and monitoring services	295,085
Data processing services	288,307
Total Governmental Activities	<u>\$ 13,794,031</u>

Note 6 - Compensated Absences and Other Sick Leave Benefits

The balance of accumulated unpaid vacation and sick leave at June 30, 2024 was \$1,214,082 and is presented as other long-term liabilities in these financial statements.

	Balance June 30, 2023	Additions	Deductions - Payments to Participants	Balance June 30, 2024
Compensated absences payable	\$ 1,421,419	\$ -	\$ (207,337)	\$ 1,214,082

Note 7 - Long-term Liabilities

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

Changes in Long-term Liabilities

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

	Balance July 1, 2023	Additions	Retirements	Balance June 30, 2024	Due Within One Year
General Obligation Bonds	\$ 223,990,000	\$ -	\$ 29,160,000	\$ 194,830,000	\$ 13,010,000
Premiums on bonds	11,849,180	-	3,095,898	8,753,282	-
Accumulated accretion on capital appreciation bonds	1,431,023	34,179	-	1,465,202	-
Loan payable	4,214,877	-	1,020,217	3,194,660	1,042,121
Accrued compensated absences	1,421,419	-	207,337	1,214,082	1,214,082
Total Governmental Long-term Liabilities	\$ 242,906,499	\$ 34,179	\$ 33,483,452	\$ 209,457,226	\$ 15,266,203

General Obligation Bonds

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

Issue	Original Issuance Amount	Interest Rate (%)	Maturity Date	Debt Outstanding
Unlimited Tax Qualified School Construction Bonds, Series 2010	\$ 14,450,000	0.00%	2/15/2026	\$ 1,930,000
Unlimited Tax School Building Bonds, Series 2010B	59,490,000	4.49% to 5.81%	2/15/2038	50,405,000
Unlimited Tax Refunding Bonds, Series 2012	8,070,000	2.00% to 3.00%	2/15/2038	40,000
Unlimited Tax Refunding Bonds, Series 2016	132,155,000	3.00% to 5.00%	2/15/2037	60,645,000
Unlimited Tax Refunding Bonds, Series 2017	107,040,000	3.00% to 5.00%	2/15/2038	81,810,000
				<u>\$ 194,830,000</u>

On May 21, 2024, the District defeased \$16,700,000 of the Unlimited Tax Refunding Bonds, Series 2016. A total of \$16,980,565 was placed into escrow. The related deferred loss on refunding and premium were removed along with the principal of these bonds. The current period net gain on the defeasance of bonds amounted to \$1,885,223. The defeasance decreased the aggregate debt service payments by \$5,820,000 with a present value of \$5,594,656.

The defeased bonds will be paid off on February 15, 2026. \$16,700,000 of Series 2016 will be called on that date.

Note 7 - Long-term Liabilities (continued)

General Obligation Bonds (continued)

Debt service requirements to maturity for the General Obligation Bonds are as follows:

Year Ending June 30	Principal	Interest	Totals
2025	\$ 13,010,000	\$ 9,186,095	\$ 22,196,095
2026	12,945,000	8,611,365	21,556,365
2027	10,660,000	8,767,140	19,427,140
2028	11,140,000	8,148,998	19,288,998
2029	15,630,000	6,859,206	22,489,206
2030-2034	85,930,000	24,828,457	110,758,457
2035-2038	45,515,000	8,645,088	54,160,088
	<u>\$ 194,830,000</u>	<u>\$ 75,046,349</u>	<u>\$ 269,876,349</u>

Loan Payable

The District also entered into a loan payable agreement for the purchase of buses in the amount of \$9,943,273. Interest accrues at a rate of 2.245% annual and the maturity date is fiscal year 2027. Principal and interest requirements are as follows:

Year Ending	Principal	Interest
2025	\$ 1,042,121	\$ 71,843
2026	1,066,539	48,425
2027	1,086,000	24,481
	<u>\$ 3,194,660</u>	<u>\$ 144,749</u>

Capital Appreciation Bonds

A portion of the bonds sold in the Series 2012 bond issues were capital appreciation bonds commonly referred to as “premium compound interest bonds.” The District annually records the appreciation of the bond principal for the accreted value of the bonds through maturity of the issue. The interest of these bond series will be paid upon maturity. The following table summarizes the significant features of the individual bonds, by issue:

Series	Accreted Value	Original Bond Principal	Accreted Interest	Maturity Value	Maturity Dates
2012 Refunding	<u>\$ 1,456,553</u>	<u>\$ 40,000</u>	<u>\$ 1,465,202</u>	<u>\$ 1,545,000</u>	2026 and 2027

Prior Years’ Refunding of Long-Term Debt

In prior years, the District defeased certain general obligation debt by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the refunded debt. Accordingly, the trust account assets and the liability for the defeased debt are not included in the District’s financial statements.

Note 7 - Long-term Liabilities (continued)

Deferred charge on refunding

The balance of deferred charge on refunding at June 30, 2024 was \$2,057,982 and is presented as a deferred outflow of resources in the Statement of Net Position:

	Balance July 01, 2023	Retirements	Recognized Amortization	Balance June 30, 2024
Deferred charge on refunding	\$ 2,564,587	\$ 327,593	\$ 179,012	\$ 2,057,982

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

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

	General Fund	Debt Service	Nonmajor Governmental Funds	Total
Property Taxes	\$ 89,976,783	\$ 36,982,180	\$ -	\$ 126,958,963
Foreign Trade Zone Revenue	1,376,399	-	-	1,376,399
Chapter 313 Agreement Revenue	8,763,261	-	-	8,763,261
Campus Activity	-	-	484,570	484,570
Food Service Activity	-	-	539,803	539,803
Extracurricular Activities	316,224	-	-	316,224
Investment Income	4,478,101	939,223	-	5,417,324
Local Grants	-	-	2,125,230	2,125,230
Rent	38,810	-	-	38,810
Other	490,201	-	-	490,201
	<u>\$ 105,439,779</u>	<u>\$ 37,921,403</u>	<u>\$ 3,149,603</u>	<u>\$ 146,510,785</u>

Note 9 - General Fund Federal Revenues

For the fiscal year ended June 30, 2024, the General Fund reports the following federal revenues:

Program or Source	ALN	Amount
SHARS	N/A	\$ 2,113,207
Build America Bonds - Federal Interest Subsidy	N/A	988,663
Navy JROTC	12.000	120,516
E-Rate	N/A	31,592
Indirect Costs:		
IDEA-B Formula	84.027A	220,466
IDEA-B Preschool	84.173A	4,184
IDEA-B Formula - ARP GY 2023 (COVID-19)	84.027X	19,548
IDEA-B Preschool - ARP GY 2023 (COVID-19)	84.173X	1,831
IDEA-B Discretionary - Deaf	84.027A	6,679
ESEA, Title I, Part A - Improving Basic Programs	84.010A	555,732
Title I 1003 School Improvement	84.010A	7,660
Title I, Part D, Subpart D - Delinquent Programs	84.010A	2,224
Title I 1003 ESF-Focused Support Grant	84.010A	9,505
School Action Fund Continuation Grant GY 23 123	84.010A	9,878
School Action Fund Continuation Grant GY 23 128	84.010A	16,443
Title II, Part A, Supporting Effective Instruction	84.367A	92,676
Title III, Part A, ELA	84.365A	13,121
Texas COVID Learning Acceleration Supports (TCLAS) Program -		
ESSER III (COVID-19)	84.425U	35,708
CRRSAA, ESSER II (COVID-19)	84.425D	863,765
American Rescue Plan Elementary and Secondary School		
Emergency Relief (ARP ESSER III) Fund	84.425U	1,633,423
Title IV Part A Subpart 1	84.424A	43,490
		<u>\$ 6,790,311</u>

Note 10 - Defined Benefit Pension Plan

A. Plan Description

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

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

B. Pension Plan Fiduciary Net Position

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

Note 10 - Defined Benefit Pension Plan (continued)

C. Benefits Provided

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

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

D. Contributions

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

Employee contribution rates are set in state statute, Texas Government Code 825.402. The TRS Pension Reform Bill (Senate Bill 12) of the 86th Texas Legislature amended Texas Government Code 825.402 for member contributions and increased employee and employer contribution rates for fiscal years 2019 thru 2025.

	Contribution Rates	
	Measurement Year	
	September 1, 2023 to August 31, 2024	September 1, 2022 to August 31, 2023
Member	8.25%	8.00%
Non-employer contributing agency	8.25%	8.00%
Employers	8.25%	8.00%

	Current Fiscal Year	
	Contributions	
Employer (District)	\$	4,725,209
Employee (Member)		8,831,072
Non-employer Contributing Entity		
On-behalf Contributions (State)		6,220,516

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

Note 10 - Defined Benefit Pension Plan (continued)

D. Contributions (continued)

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

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

In addition to the employer contributions listed above, there is an additional surcharge an employer is subject to.

- All public schools, charter schools, and regional educational service centers must contribute 1.8 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.

E. Actuarial Assumptions

The total pension liability in the August 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

Component	Result
Valuation Date	August 31, 2022, rolled forward to August 31, 2023
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Fair Value
Single Discount Rate	7.00%
Long-term Expected Rate	7.00%
Municipal Bond Rate as of August 2020	4.13% - The source for the rate is the Fixed Income Market Data/Yield Curve/Data Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index"
Last year ending August 31 in Projection Period	2122
(100 years)	
Inflation	2.30%
Salary Increases	2.95% to 8.95% including inflation
Benefit changes during the year	None
Ad hoc post-employment benefit changes	None

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

Note 10 - Defined Benefit Pension Plan (continued)

E. Actuarial Assumptions

Discount Rate

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

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

The long-term rate of return on pension plan investments is 7.00%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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	Target Allocation²	Long-Term Expected Geometric Real Rate of Return³	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
USA	18.00%	4.00%	1.00%
Non-U.S. Developed	13.00%	4.50%	0.90%
Emerging Markets	9.00%	4.80%	0.70%
Private Equity ¹	14.00%	7.00%	1.50%
Stable Value			
Government Bonds	16.00%	2.50%	0.50%
Absolute Return ¹	0.00%	3.60%	0.00%
Stable Value Hedge Funds	5.00%	4.10%	0.20%
Real Return			
Real Estate	15.00%	4.90%	1.10%
Energy, Natural Resources & Infrastructure	6.00%	4.80%	0.40%
Commodities	0.00%	4.40%	0.00%
Risk Parity	8.00%	4.50%	0.40%
Asset Allocation Leverage			
Cash	2.00%	3.70%	0.00%
Asset Allocation Leverage	-6.00%	4.40%	-0.10%
Inflation Expectation			2.30%
Volatility Drag ⁴			-0.90%
Expected Return	100.00%		8.00%

¹ Absolute Return includes Credit Sensitive Investments.

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

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

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

Note 10 - Defined Benefit Pension Plan (continued)

F. Discount Rate Sensitivity Analysis

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

	Discount Rate		
	1% Decrease	Current Rate	1% Increase
	(6.00%)	(7.00%)	(8.00%)
District's proportional share of the net pension liability	\$ 95,106,593	\$ 63,614,094	\$ 37,428,064

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

At June 30, 2024, the District reported a liability of \$63,614,094 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$ 63,614,094
State's proportionate share of the net pension liability associated with the District	79,500,652
Total	<u><u>\$ 143,114,746</u></u>

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

At August 31, 2023, the District's proportion of the collective net pension liability was 0.0926% which was an increase of 0.0043% from its proportion measured as of August 31, 2022.

All future statutorily required contributions will be made from the General Fund.

Changes in Assumptions and Benefits Since the Prior Actuarial Valuation

The actuarial assumptions and methods are the same as used in the determination of the prior year's net pension liability.

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

For the year ended June 30, 2024, the District recognized pension expense of \$11,136,646. The District also recognized an additional on-behalf revenue and expense of \$12,003,911 representing for support provided by the State.

Note 10 - Defined Benefit Pension Plan (continued)

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

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

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 2,266,592	\$ (770,297)
Changes of assumption	6,016,647	(1,472,411)
Net difference between projected and actual earnings on pension plan investments	9,257,395	-
Changes in proportion and differences between District contributions and proportionate share of contributions	2,281,409	(1,284,446)
District contributions subsequent to the measurement date of the net pension liability	3,928,971	-
Total	<u>\$ 23,751,014</u>	<u>\$ (3,527,154)</u>

Deferred outflows of resources resulting from District contributions subsequent to the measurement date in the amount of \$3,928,971 will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. The net amounts of the District's balances of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year</u>	<u>Pension Expense</u>	<u>Balance of Deferred Outflows (Inflows)</u>
2025	\$ 3,226,154	\$ 13,068,735
2026	2,154,697	10,914,038
2027	7,849,405	3,064,633
2028	2,596,425	468,208
2029	468,208	-
	<u>\$ 16,294,889</u>	

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

Note 11 - Defined Other Post-Employment Benefit Plans

A. Plan Description

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

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

B. OPEB Plan Fiduciary Net Position

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

C. Benefits Provided

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

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

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

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

D. Contributions

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

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

D. Contributions (continued)

Texas Insurance Code, section 1575.202 establishes the state's contribution rate which is 1.25% of the employee's salary. Section 1575.203 establishes the active employee's rate which is 0.65% of salary. Section 1575.204 establishes a public school contribution rate of not less than 0.25% or not more than 0.75% of the salary of each active employee of the employer. The actual public school contribution rate is prescribed by the Legislature in the General Appropriations Act, which is 0.75% of each active employee's pay for fiscal year 2023. The following table shows contributions to the TRS-Care plan by type of contributor.

	Contribution Rates	
	September 1, 2023	September 1, 2022
	to August 31, 2024	to August 31, 2023
Member	0.65%	0.65%
Non-employer contributing agency	1.25%	1.25%
Employers	0.75%	0.75%
Federal/private funding	1.25%	1.25%
	Current Fiscal Year	
	Contributions	
Employer (District)	\$	1,107,738
Employee (Member)		699,240
Non-employer Contributing Entity		
On-behalf Contributions (State)		1,762,302

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

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

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

E. Actuarial Assumptions

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

Component	Result
Valuation Date	August 31, 2022, rolled forward to August 31, 2023
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Single Discount Rate	4.13% as of August 31, 2023
Aging Factors	Based on plan specific experience
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claim costs.
Projected Salary Increases	2.95% to 8.95% including inflation
Healthcare Trend Rates	The initial medical trend rates were 7.75% for Medicare retirees and 7.00% for non-Medicare retirees. The initial prescription drug trend was 7.75% for all retirees. The initial trend rates decrease to an ultimate trend rate of 4.25% over a period of 12 years.
Election Rates	Normal Retirement: 62% participation rate prior to age 65 and 25% participation rate after age 65. Pre-65 retirees: 30% of pre-65 retirees are assumed to discontinue coverage at age 65.
Ad hoc post-employment benefit changes	None

The actuarial valuation of the OPEB plan offered through TRS-Care is similar to the actuarial valuation performed for the pension plan, except that the OPEB valuation is more complex. The demographic assumptions were updated based on the experience study performed for TRS for the period ending August 31, 2021. The following assumptions and other inputs used for members of TRS-Care are based on an established pattern of practice and are identical to the assumptions used in the August 31, 2022 TRS pension actuarial valuation that was rolled forward to August 31, 2023: (a) Rates of Mortality, (b) Rates of Retirement, (c) Rates of Termination, (d) Rates of Disability, (e) General Inflation, and (f) Wage Inflation.

The active mortality rates were based on PUB(2010), Amount-Weighted, Below-Median Income, Teacher male and female tables (with a two-year set forward for males). The post-retirement mortality rates for healthy lives were based on the 2021 TRS of Texas Healthy Pensioner Mortality Tables. The rates were projected on a fully generational basis using the ultimate improvement rates from mortality projection scale MP-2021.

Discount Rate

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

Because the investments are held in cash and there is no intentional objective to advance fund the benefits, the Single Discount Rate is equal to the prevailing municipal bond rate.

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

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

F. Discount Rate Sensitivity Analysis

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

	Discount Rate		
	1% Decrease	Current Rate	1% Increase
	(3.13%)	(4.13%)	(5.13%)
District's proportional share of the Net OPEB Liability:	\$ 34,770,230	\$ 29,521,543	\$ 25,238,490

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

At June 30, 2024, the District reported a liability of \$30,665,519 for its proportionate share of the TRS's Net OPEB Liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the net OPEB liability	\$ 29,521,543
State's proportionate share of the net OPEB liability associated with the District	35,622,279
Total	\$ 65,143,822

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

On August 31, 2023, the District's proportion of the collective Net OPEB Liability was 0.1334% which was an increase of 0.0053% from its proportion measured as of August 31, 2022.

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

	Healthcare Cost Trend Rate		
	1% Decrease	Current Rate	1% Increase
District's proportional share of the Net OPEB Liability:	\$ 24,309,513	\$ 29,521,543	\$ 36,226,837

Changes Since the Prior Actuarial Valuation

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

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

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

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

Changes of Benefit Terms Since the Prior Measurement Date

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

For the year ended June 30, 2024, the District recognized negative OPEB expense of \$5,292,499. The District also recognized negative on-behalf OPEB expense and revenue of \$7,615,291 for support provided by the State.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 1,335,626	\$ (24,836,786)
Changes of assumption	4,029,475	(18,076,824)
Net difference between projected and actual earnings on OPEB plan investments	12755	-
Changes in proportion and differences between District contributions and proportionate share of contributions	5,251,250	(4,196,678)
District contributions subsequent to the measurement date of the net OPEB liability	916,956	-
Total	\$ 11,546,062	\$ (47,110,288)

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

Fiscal Year	OPEB Expense Amount	Balance of Deferred Outflows (Inflows)
2025	\$ (7,749,696)	\$ (28,731,486)
2026	(6,395,678)	(22,335,808)
2027	(4,562,574)	(17,773,234)
2028	(5,732,761)	(12,040,473)
2029	(4,975,198)	(7,065,275)
Thereafter	(7,065,275)	-
	\$ (36,481,182)	

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

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

H. Medicare Part D

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the fiscal years ended June 30, 2024, 2023, and 2022 the subsidy payments received by TRS-Care on-behalf of the District were \$582,028, \$604,775, and \$426,115, respectively. These payments are recorded as equal revenues and expenditures in the governmental funds financial statements of the District.

Note 12 - Risk Management

Property/Liability

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. The District's risk management program encompasses various means of protecting the District against loss by obtaining property, casualty, and liability coverage through commercial insurance carriers, and from participation in a risk pool. The District's participation in the risk pool is limited to payment of premiums.

Health Insurance

The Board of Trustees approved the District's participation with Blue Cross Blue Shield. This is a premium-based plan; payments are made on a monthly basis for all covered employees.

Workers' Compensation

The District also provides workers' compensation to its employees through a self-insured plan which is accounted for in the Internal Service Fund. The Internal Service Fund charges the General Fund and other funds for premiums for the District's contribution. The District has an excess workers' compensation insurance policy that takes over after the District reaches its \$400,000 self-insured retention level and covers the District up to the statutory required limit. The District established the self-insurance plan for workers' compensation benefits as authorized by Section 504.011 of the Labor Code.

The costs associated with these self-insurance plans are reported as interfund transactions to the extent of amounts determined by the third-party administrators. Accordingly, they are treated as operating revenues of the Internal Service Funds and operating expenditures of the governmental and proprietary funds.

Estimates of claims payable and of claims incurred but not reported at June 30, 2024, are reflected as accrued expenses of the Fund. The liabilities include an amount for claims that have been incurred but were not reported until after June 30, 2024. Liability for claims is reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines and damage awards, the process used in computing the liabilities is an estimate. Claims liabilities are reevaluated periodically to take into consideration recently settled claims, the frequency of claims and other economic and social factors.

Changes in the balances of claims liabilities are as follows:

Fiscal Year	Beginning of Year Accrual	Current Year Estimates	Claims Payments	End of Year Accrual
June 30, 2024	\$ 1,783,963	\$ 884,675	\$ 954,197	\$ 1,714,441
June 30, 2023	1,333,666	1,699,733	1,249,436	1,783,963
June 30, 2022	1,532,560	1,037,710	1,236,604	1,333,666

Note 13 - Shared Service Arrangements

The District is fiscal agent for a Shared Service Arrangement ("SSA"), which provides services to the member districts listed below. All services are provided by the fiscal agents. The member districts provide the funds to the fiscal agents. According to guidance provided in TEA's Resource Guide, the District has accounted for the fiscal agent's activities of the SSA in the appropriate Special Revenue Funds and has accounted for these funds using Model 2 in the SSA section of the Resource Guide. Expenditures of the SSA are summarized below:

	Local Services for the Deaf
Beaumont ISD	\$ 505,430
Bob Hope School	30,922
Bridge City ISD	15,167
Buna ISD	7,576
East Chambers ISD	30,303
Hamshire-Fannett ISD	15,151
Hardin-Jefferson ISD	60,606
Kountze ISD	15,152
Little Cypress-Mauriceville CISD	68,801
Lumberton ISD	76,377
Nederland ISD	46,074
Newton ISD	23,347
Orangefield ISD	62,464
Port Arthur ISD	306,603
Port Neches-Groves ISD	108,584
Silsbee ISD	60,606
Spurger ISD	38,498
Vidor ISD	147,655
Warren ISD	23,347
West Orange-Cove CISD	30,922
Woodville ISD	23,347
	<u><u>\$ 1,696,932</u></u>

Note 14 - Contingent Liabilities

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

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

Note 15 - Arbitrage

In accordance with the provisions of Section 148(f) of the Internal Revenue Code of 1986, as amended, bonds must satisfy certain arbitrage rebate requirements. Positive arbitrage is the excess of (1) the amount earned on investments purchased with bond proceeds over (2) the amount that such investments would have earned had such investments been invested at a rate equal to the yield on the bond issue. In order to comply with the arbitrage rebate requirements, positive arbitrage must be paid to the U.S. Treasury at the end of each five-year anniversary date of the bond issue. The District has estimated that it has no arbitrage liability as of June 30, 2024.

Note 16 - Tax Abatements

Currently, the District has seven (8) active Chapter 313 Agreements with several corporations for Limitation On Appraised Value of Property for School District Maintenance and Operations Taxes pursuant to the Chapter 313 of the Texas Tax Code, i.e., the Texas Economic Development Act, as set forth in Chapter 313 of the Texas Tax Code, as amended.

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

In order to qualify for a value limitation agreement, each applicant has been required to meet a series of capital investment, job creation, and wage requirements specified by state law. At the time of the application's approval, the agreement was found to have done so by both the District's Board of trustees and the Texas Comptroller's Office, which recommended approval of the project. The application, the agreements and state reporting requirement documentation can be viewed at the Texas Comptroller's website: <https://www.comptroller.texas.gov/economy/local/ch313/agreement-docs.php>. The agreement and all supporting documentation was assigned Texas Comptroller Application number.

The following Chapter 313 Agreements are in effect:

Natgasoline LLC's (Application No. 311) first year's value limitation was tax year 2017. The net benefit to the District is \$869,072 for fiscal year June 30, 2024. The project value's value limitation is \$26,835,592 with a total project value of \$794,499,600. The applicant's M&O taxes have been reduced by \$5,713,670.

Air Liquide (assignment by Natgasoline) first year's value limitation was tax year 2020. The net benefit to the District is \$100,912 for fiscal year June 30, 2024. The project value's value limitation is \$3,164,408, with a total project value of \$93,686,054. The applicant's M&O taxes have been reduced by \$664,248.

BASF Corporation (Application No. 375) first year's value limitation was tax year 2017. The net benefit to the District is \$60,876 for fiscal year June 30, 2024. The project value's value limitation is \$30,000,000, with a total project value of \$76,089,200. The applicant's M&O taxes have been reduced by \$338,203.

Exxon (Application No. 1118) first year's value limitation was fiscal year 2020. The net benefit to the District is \$835,555 for fiscal year June 30, 2024. The project value's value limitation is \$30,000,000, with a total project value of \$198,689,500. The applicant's M&O taxes have been reduced by \$1,237,844.

Exxon (Application No. 1119) first year's value limitation was fiscal year 2021. The net benefit to the District is \$1447,500 for fiscal year June 30, 2024. The project value's value limitation is \$30,000,000, with a total project value of \$667,140,600. The applicant's M&O taxes have been reduced by \$4,675,338.

Exxon (Application No. 1163) first year's value limitation is fiscal year 2024. The net benefit to the District is \$5,449,376 for fiscal year June 30, 2024. The project value's value limitation is \$30,000,000, with a total project value of \$725,750,000. The applicant's M&O taxes have been reduced by \$5,449,346.

The total supplemental payments made to the District during fiscal year 2024 was \$8,763,261.

REQUIRED SUPPLEMENTARY INFORMATION



BEAUMONT INDEPENDENT SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended June 30, 2024

Exhibit G-1

Data Control Codes		Budgeted Amounts		Actual Amounts, GAAP Basis	Variance with Final Budget
		Original	Final		
Revenues					
5700	Local revenues	\$ 120,934,632	\$ 106,881,224	\$ 105,439,779	\$ (1,441,445)
5800	State program revenues	42,875,180	57,301,924	61,794,276	4,492,352
5900	Federal program revenues	7,897,910	7,897,910	6,790,311	(1,107,599)
5020	Total Revenues	171,707,722	172,081,058	174,024,366	1,943,308
Expenditures					
Current:					
0011	Instruction	91,177,242	89,241,540	88,612,036	629,504
0012	Instruction resources and media services	1,250,528	1,266,276	1,105,465	160,811
0013	Curriculum and instructional staff development	557,977	606,514	499,969	106,545
0021	Instructional leadership	3,710,067	3,845,254	3,497,258	347,996
0023	School leadership	9,606,614	9,822,656	9,513,419	309,237
0031	Guidance, counseling and evaluation services	6,121,986	6,072,351	5,663,957	408,394
0032	Social work services	323,833	335,233	157,889	177,344
0033	Health services	1,969,115	2,106,293	1,961,314	144,979
0034	Student transportation	5,765,906	7,308,995	6,758,306	550,689
0036	Extracurricular activities	5,648,805	6,854,325	6,230,620	623,705
0041	General administration	7,197,434	7,430,981	6,875,224	555,757
0051	Facilities maintenance and operations	27,814,221	34,632,446	32,710,475	1,921,971
0052	Security and monitoring services	3,405,825	6,625,519	5,091,721	1,533,798
0053	Data processing services	3,794,484	4,770,880	4,312,776	458,104
0061	Community services	258,910	284,560	135,289	149,271
Debt Service:					
0071	Principal on long-term debt	950,645	1,020,217	1,020,217	-
0072	Interest on long-term debt	164,320	94,747	94,747	-
Intergovernmental:					
0093	Payments to Fiscal Agent/Member Districts of SSA	352,950	518,950	518,190	760
0095	Payments to Juvenile Justice Alt. Ed. Prgm.	161,860	161,860	161,860	-
0099	Other Intergovernmental Charges	1,575,000	1,575,000	1,414,584	160,416
6030	Total Expenditures	171,807,722	184,574,597	176,335,316	8,239,281
1100	Excess (deficiency) of revenues over expenditures	(100,000)	(12,493,539)	(2,310,950)	10,182,589
Other Financing Sources (Uses)					
7912	Sale of property	100,000	100,000	2,718	(97,282)
8911	Transfers Out	-	(4,000,000)	(4,000,000)	-
7080	Total Other Financing Sources (Uses)	100,000	(3,900,000)	(3,997,282)	(97,282)
1200	Net change in fund balances	-	(16,393,539)	(6,308,232)	10,085,307
0100	Fund Balances - Beginning	73,621,183	73,621,183	73,621,183	-
3000	Fund Balances - Ending	\$ 73,621,183	\$ 57,227,644	\$ 67,312,951	\$ 10,085,307

BEAUMONT INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY SCHEDULE
BUDGETARY COMPARISON SCHEDULE

A. Budgets and Budgetary Accounting

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

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

	<u>General Fund</u>
Amendments Approved	\$ (16,229,220)

The amendments approved for the General Fund other than those to transfer funds between functions were to carry forward purchase orders from the prior fiscal year. In addition, there were various amendments approved to increase department and campus budgets due to increased costs as a result of inflation. There was an increase to the operating transfers out to the local capital projects fund for new building and maintenance projects, and an increase to the operating transfers out to Child Nutrition for the District’s transition from the Summer Food Service Program to the Seamless Summer Option Program.

The administrative level at which responsibility for control of budgeted appropriations begins is at the organizational level within each function of operations. The finance department reviews closely the expenditure requests submitted by the various organizational heads (principal and department heads) throughout the year to ensure proper spending compliance. No public funds of the District shall be expended in any manner other than as provided for in the budget adopted by the Board of Trustees. The official school budget was prepared for adoption for budgeted governmental fund types by June 30, 2024. The budget was formally adopted by the Board of Trustees at a duly advertised public meeting prior to the expenditure of funds. The final amended budget is filed with the Texas Education Agency (TEA) through inclusion in the annual financial and compliance report.

B. Expenditures in Excess of Appropriations

At the end of the current fiscal year, the District did not have expenditures in excess of appropriations for the legally adopted budgets.

BEAUMONT INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
For the Last Ten Measurement Years Ended August 31

Exhibit G-2

	2023	2022	2021	2020	2019
District's proportion of the net pension liability	0.09261%	0.08829%	0.08704%	0.09110%	0.09030%
District's proportionate share of the net pension liability	\$ 63,614,094	\$ 52,418,268	\$ 22,168,095	\$ 48,796,352	\$ 46,931,929
State's proportionate share of the net pension liability associated with the District	79,500,652	71,400,994	35,584,879	73,637,438	72,192,659
Total	\$ 143,114,746	\$ 123,819,262	\$ 57,752,974	\$ 122,433,790	\$ 119,124,588
District's covered payroll (for Measurement Year)	\$ 110,781,514	\$ 104,210,518	\$ 137,900,137	\$ 104,672,783	\$ 98,328,720
District's proportionate share of the net pension liability as a percentage of its covered payroll	57.42%	50.30%	16.08%	46.62%	47.73%
Plan fiduciary net position as a percentage of the total pension liability *	73.15%	75.65%	88.79%	75.54%	75.24%
Plan's net pension liability as a percentage of covered payroll *	122.32%	112.72%	51.08%	110.36%	114.93%
	2018	2017	2016	2015	2014
District's proportion of the net pension liability	0.08820%	0.09660%	0.08520%	0.07820%	0.05810%
District's proportionate share of the net pension liability	\$ 48,541,296	\$ 30,883,522	\$ 32,197,755	\$ 27,627,919	\$ 15,529,731
State's proportionate share of the net pension liability associated with the District	82,093,947	51,387,432	65,439,366	62,807,388	68,127,998
Total	\$ 130,635,243	\$ 82,270,954	\$ 97,637,121	\$ 90,435,307	\$ 83,657,729
District's covered payroll (for Measurement Year)	\$ 97,745,584	\$ 101,644,863	\$ 98,619,316	\$ 93,463,819	\$ 115,538,311
District's proportionate share of the net pension liability as a percentage of its covered payroll	49.66%	30.38%	32.65%	29.56%	13.44%
Plan fiduciary net position as a percentage of the total pension liability *	73.74%	82.17%	78.00%	78.43%	83.25%
Plan's net pension liability as a percentage of covered payroll *	126.11%	75.93%	92.75%	91.94%	72.89%
Plan's net pension liability as a percentage of covered payroll *					

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

* Per Teacher Retirement System of Texas' Annual Comprehensive Financial Report.

BEAUMONT INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
Last Nine Fiscal Years Ended June 30

Exhibit G-3

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contributions	\$ 4,725,209	\$ 4,779,273	\$ 3,908,491	\$ 3,732,411	\$ 3,648,946
Contributions in relation to the contractual required contributions	<u>4,725,209</u>	<u>4,779,273</u>	<u>3,908,491</u>	<u>3,732,411</u>	<u>3,648,946</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 107,877,890	\$ 110,699,372	\$ 103,811,001	\$ 104,947,801	\$ 103,934,656
Contributions as a percentage of covered payroll	4.38%	4.32%	3.77%	3.56%	3.51%

	<u>2019</u>	<u>2018</u>	<u>* 2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$ 2,670,678	\$ 2,951,597	\$ 2,652,811	\$ 2,702,669	\$ 2,417,013
Contributions in relation to the contractual required contributions	<u>2,670,678</u>	<u>2,951,597</u>	<u>2,652,811</u>	<u>2,702,669</u>	<u>2,417,013</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 98,273,936	\$ 98,549,158	\$ 84,255,425	\$ 98,619,316	\$ 93,461,105
Contributions as a percentage of covered payroll	2.72%	3.00%	3.15%	2.74%	2.59%

* The District converted to a June 30th year-end during fiscal year 2017.

As such, 2017 only reflects ten months of contributions. Fiscal years 2016 and prior ended August 31st.

BEAUMONT INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY PENSION INFORMATION
TEACHER RETIREMENT SYSTEM OF TEXAS

Changes of Assumptions

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

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

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

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

Measurement Year 2023: None.

BEAUMONT INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF
THE NET OPEB LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
For the Last Seven Measurement Years Ended August 31

Exhibit G-4

	2023	2022	2021	2020	2019
District's proportion of the net OPEB liability	0.13335%	0.12807%	0.13310%	0.13760%	0.13590%
District's proportionate share of the net OPEB liability	\$ 29,521,543	\$ 30,665,519	\$ 51,332,827	\$ 52,303,666	\$ 64,287,844
State's proportionate share of the net OPEB liability associated with the District	35,622,279	37,407,116	68,774,548	70,283,589	85,424,165
Total	\$ 65,143,822	\$ 68,072,635	\$ 120,107,375	\$ 122,587,255	\$ 149,712,009
District's covered payroll (for Measurement Year)	\$ 110,781,514	\$ 138,299,654	\$ 137,900,137	\$ 104,672,783	\$ 98,328,720
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	26.6%	22.2%	37.2%	50.0%	65.4%
Plan fiduciary net position as a percentage of the total OPEB liability	14.94%	11.52%	6.18%	4.99%	2.66%
Plan's net OPEB liability as a percentage of covered payroll	51.86%	59.10%	100.13%	101.46%	135.21%

	2018	2017
District's proportion of the net OPEB liability	0.13540%	0.12620%
District's proportionate share of the net OPEB liability	\$ 67,585,798	\$ 54,875,362
State's proportionate share of the net OPEB liability associated with the District	81,680,446	78,005,031
Total	\$ 149,266,244	\$ 132,880,393
District's covered payroll (for Measurement Year)	\$ 97,745,584	\$ 101,644,863
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	69.1%	54.0%
Plan fiduciary net position as a percentage of the total OPEB liability	1.57%	0.91%
Plan's net OPEB liability as a percentage of covered payroll	146.64%	132.55%

Note: Ten years of data should be presented in this schedule, but data is unavailable prior to 2017.

BEAUMONT INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT OPEB CONTRIBUTIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
Last Seven Fiscal Years Ended June 30

Exhibit G-5

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contributions	\$ 1,107,738	\$ 1,175,835	\$ 1,013,909	\$ 1,030,791	\$ 1,029,189
Contributions in relation to the contractual required contributions	<u>1,107,738</u>	<u>1,175,835</u>	<u>1,013,909</u>	<u>1,030,791</u>	<u>1,029,189</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 107,877,890	\$ 110,699,372	\$ 103,811,001	\$ 104,947,801	\$ 103,934,656
Contributions as a percentage of covered payroll	1.03%	1.06%	0.98%	0.98%	0.99%
	<u>2019</u>	<u>2018</u>			
Contractually required contributions	\$ 908,872	\$ 945,863			
Contributions in relation to the contractual required contributions	<u>908,872</u>	<u>945,863</u>			
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>			
District's covered payroll	\$ 98,273,936	\$ 98,549,158			
Contributions as a percentage of covered payroll	0.92%	0.96%			

Note: Ten years of data should be presented in this schedule, but data is unavailable prior to fiscal year 2018.

BEAUMONT INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY OPEB INFORMATION
TEACHER RETIREMENT SYSTEM OF TEXAS

Changes of Assumptions

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

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

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

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

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

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

OTHER SUPPLEMENTARY INFORMATION

BEAUMONT INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
June 30, 2024

Exhibit H-1
Page 1 of 10

Data Control Codes		205	211	224	225
		Head Start	ESEA Title I, A - Improving Basic Ed.	IDEA B - Formula	IDEA B - Preschool
	Assets				
1110	Cash and temporary investments	\$ -	\$ -	\$ -	\$ -
	Receivables:				
1240	Receivables from other governments	717,580	3,335,814	1,703,188	56,711
1260	Due from other funds	-	-	-	-
1290	Other receivables	11,658	7,288	247,177	-
1310	Inventories, at cost	-	-	-	-
1000	Total Assets	<u>\$ 729,238</u>	<u>\$ 3,343,102</u>	<u>\$ 1,950,365</u>	<u>\$ 56,711</u>
	Liabilities and Fund Balances				
	Liabilities:				
2110	Accounts payable	\$ 75,659	\$ 147,219	\$ 171,484	\$ -
2150	Payroll deduction and withholdings payable	-	-	-	-
2160	Accrued wages payable	335,378	676,660	276,917	3,821
2170	Due to other funds	318,201	2,518,868	1,501,964	52,890
2300	Unearned revenues	-	355	-	-
2000	Total Liabilities	<u>729,238</u>	<u>3,343,102</u>	<u>1,950,365</u>	<u>56,711</u>
	Fund Balance:				
	Non-Spendable:				
3410	Inventories	-	-	-	-
	Restricted:				
3450	Federal/State funds grant restrictions	-	-	-	-
3470	Capital acquisitions and contractual obligations	-	-	-	-
	Committed:				
3545	Other purposes	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities and Fund Balance	<u>\$ 729,238</u>	<u>\$ 3,343,102</u>	<u>\$ 1,950,365</u>	<u>\$ 56,711</u>

BEAUMONT INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
June 30, 2024

Exhibit H-1
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Data Control Codes		240	242	244	255
		Child Nutrition	Summer Feeding Program	Vocational Ed. - Basic	ESEA Title II, A - Training and Recruiting
	Assets				
1110	Cash and temporary investments	\$ 2,445,161	\$ -	\$ -	\$ -
	Receivables:				
1240	Receivables from other governments	136,580	-	197,221	720,291
1260	Due from other funds	7,002,633	-	-	-
1290	Other receivables	15,151	-	-	-
1310	Inventories, at cost	104,045	-	-	-
1000	Total Assets	<u>\$ 9,703,570</u>	<u>\$ -</u>	<u>\$ 197,221</u>	<u>\$ 720,291</u>
	Liabilities and Fund Balances				
	Liabilities:				
2110	Accounts payable	\$ 543,842	\$ -	\$ 1,647	\$ 102,916
2150	Payroll deduction and withholdings payable	98,636	-	-	-
2160	Accrued wages payable	592,945	-	7,249	28,948
2170	Due to other funds	34,285	-	188,325	588,427
2300	Unearned revenues	33,662	-	-	-
2000	Total Liabilities	<u>1,303,370</u>	<u>-</u>	<u>197,221</u>	<u>720,291</u>
	Fund Balance:				
	Non-Spendable:				
3410	Inventories	104,045	-	-	-
	Restricted:				
3450	Federal/State funds grant restrictions	8,296,155	-	-	-
3470	Capital acquisitions and contractual obligations	-	-	-	-
	Committed:				
3545	Other purposes	-	-	-	-
3000	Total Fund Balances	<u>8,400,200</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities and Fund Balance	<u>\$ 9,703,570</u>	<u>\$ -</u>	<u>\$ 197,221</u>	<u>\$ 720,291</u>

BEAUMONT INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
June 30, 2024

Exhibit H-1
Page 3 of 10

Data Control Codes		258	263	272	279
		Public Charter School	ESEA Title III, A - English Lang. Acquisition	Medicaid Administrative Claiming Program - MAC	TCLAS - ESSER III
	Assets				
1110	Cash and temporary investments	\$ -	\$ -	\$ -	\$ -
	Receivables:				
1240	Receivables from other governments	703,193	146,300	6,304	58,961
1260	Due from other funds	-	-	-	-
1290	Other receivables	-	-	-	-
1310	Inventories, at cost	-	-	-	-
1000	Total Assets	<u>\$ 703,193</u>	<u>\$ 146,300</u>	<u>\$ 6,304</u>	<u>\$ 58,961</u>
	Liabilities and Fund Balances				
	Liabilities:				
2110	Accounts payable	\$ -	\$ 34,612	\$ -	\$ -
2150	Payroll deduction and withholdings payable	-	-	-	-
2160	Accrued wages payable	-	5,873	-	9,605
2170	Due to other funds	703,193	105,815	6,304	49,356
2300	Unearned revenues	-	-	-	-
2000	Total Liabilities	<u>703,193</u>	<u>146,300</u>	<u>6,304</u>	<u>58,961</u>
	Fund Balance:				
	Non-Spendable:				
3410	Inventories	-	-	-	-
	Restricted:				
3450	Federal/State funds grant restrictions	-	-	-	-
3470	Capital acquisitions and contractual obligations	-	-	-	-
	Committed:				
3545	Other purposes	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities and Fund Balance	<u>\$ 703,193</u>	<u>\$ 146,300</u>	<u>\$ 6,304</u>	<u>\$ 58,961</u>

BEAUMONT INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
June 30, 2024

Exhibit H-1
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Data Control Codes		281	284	285	289
		ESSER II	IDEA B - Formula - ARP	IDEA B - Preschool ARP	Other Federally Funded Special Revenue Funds
	Assets				
1110	Cash and temporary investments	\$ -	\$ -	\$ -	\$ 3,333
	Receivables:				
1240	Receivables from other governments	-	-	-	179,059
1260	Due from other funds	-	-	-	-
1290	Other receivables	-	-	-	4,613
1310	Inventories, at cost	-	-	-	-
1000	Total Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 187,005</u>
	Liabilities and Fund Balances				
	Liabilities:				
2110	Accounts payable	\$ -	\$ -	\$ -	\$ 2,999
2150	Payroll deduction and withholdings payable	-	-	-	-
2160	Accrued wages payable	-	-	-	11,585
2170	Due to other funds	-	-	-	172,421
2300	Unearned revenues	-	-	-	-
2000	Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>187,005</u>
	Fund Balance:				
	Non-Spendable:				
3410	Inventories	-	-	-	-
	Restricted:				
3450	Federal/State funds grant restrictions	-	-	-	-
3470	Capital acquisitions and contractual obligations	-	-	-	-
	Committed:				
3545	Other purposes	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities and Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 187,005</u>

BEAUMONT INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
June 30, 2024

Exhibit H-1
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		315	340	410	429
Data Control Codes		SSA - IDEA - Part B, Discretionary	SSA - IDEA, Part C, Early Intervention (Deaf)	Instructional Materials Allotment	Technology Lending Grant
Assets					
1110	Cash and temporary investments	\$ -	\$ -	\$ -	\$ 27,186
Receivables:					
1240	Receivables from other governments	73,732	-	965,180	472,901
1260	Due from other funds	-	39	-	-
1290	Other receivables	-	-	-	-
1310	Inventories, at cost	-	-	-	-
1000	Total Assets	\$ 73,732	\$ 39	\$ 965,180	\$ 500,087
Liabilities and Fund Balances					
Liabilities:					
2110	Accounts payable	\$ 3,264	\$ -	\$ 856,699	\$ 24,885
2150	Payroll deduction and withholdings payable	-	-	-	-
2160	Accrued wages payable	15,830	-	-	-
2170	Due to other funds	53,992	-	60,740	447,447
2300	Unearned revenues	646	33	47,741	27,755
2000	Total Liabilities	73,732	33	965,180	500,087
Fund Balance:					
Non-Spendable:					
3410	Inventories	-	-	-	-
Restricted:					
3450	Federal/State funds grant restrictions	-	6	-	-
Committed:					
3545	Other purposes	-	-	-	-
3000	Total Fund Balances	-	6	-	-
4000	Total Liabilities and Fund Balance	\$ 73,732	\$ 39	\$ 965,180	\$ 500,087

BEAUMONT INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
June 30, 2024

Exhibit H-1
Page 6 of 10

Data Control Codes		435	446	461	482
		SSA - Regional Day School for the Deaf State	State Local Funded Regional Day School Deaf - Local	Campus Activity Fund	Success Grant - Susser
	Assets				
1110	Cash and temporary investments	\$ -	\$ 260,944	\$ 808,733	\$ 16,319
	Receivables:				
1240	Receivables from other governments	562,003	-	-	-
1260	Due from other funds	-	-	2,449	-
1290	Other receivables	-	103	-	13,031
1310	Inventories, at cost	-	-	-	-
1000	Total Assets	<u>\$ 562,003</u>	<u>\$ 261,047</u>	<u>\$ 811,182</u>	<u>\$ 29,350</u>
	Liabilities and Fund Balances				
	Liabilities:				
2110	Accounts payable	\$ -	\$ 13,157	\$ 21,247	\$ -
2150	Payroll deduction and withholdings payable	-	-	-	-
2160	Accrued wages payable	132,347	136,922	-	9,066
2170	Due to other funds	426,605	350	521,021	20,284
2300	Unearned revenues	-	110,618	-	-
2000	Total Liabilities	<u>558,952</u>	<u>261,047</u>	<u>542,268</u>	<u>29,350</u>
	Fund Balance:				
	Non-Spendable:				
3410	Inventories	-	-	-	-
	Restricted:				
3450	Federal/State funds grant restrictions	3,051	-	-	-
	Committed:				
3545	Other purposes	-	-	268,914	-
3000	Total Fund Balances	<u>3,051</u>	<u>-</u>	<u>268,914</u>	<u>-</u>
4000	Total Liabilities and Fund Balance	<u>\$ 562,003</u>	<u>\$ 261,047</u>	<u>\$ 811,182</u>	<u>\$ 29,350</u>

BEAUMONT INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
June 30, 2024

Exhibit H-1
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		483	484	485	486
Data Control Codes		Natatorium Swim Program	Campus After School Program	Exxon-Mobil Future Leaders	ExxonMobil - Project Boost
	Assets				
1110	Cash and temporary investments	\$ 91	\$ 25,832	\$ 1,356	\$ 5,000
	Receivables:				
1240	Receivables from other governments	-	-	-	-
1260	Due from other funds	-	-	3,022	-
1290	Other receivables	-	-	-	-
1310	Inventories, at cost	-	-	-	-
1000	Total Assets	<u>\$ 91</u>	<u>\$ 25,832</u>	<u>\$ 4,378</u>	<u>\$ 5,000</u>
	Liabilities and Fund Balances				
	Liabilities:				
2110	Accounts payable	\$ -	\$ -	\$ -	\$ -
2150	Payroll deduction and withholdings payable	-	-	-	-
2160	Accrued wages payable	-	-	-	-
2170	Due to other funds	-	-	-	5,000
2300	Unearned revenues	91	25,832	4,378	-
2000	Total Liabilities	<u>91</u>	<u>25,832</u>	<u>4,378</u>	<u>5,000</u>
	Fund Balance:				
	Non-Spendable:				
3410	Inventories	-	-	-	-
	Restricted:				
3450	Federal/State funds grant restrictions	-	-	-	-
3470	Capital acquisitions and contractual obligations	-	-	-	-
	Committed:				
3545	Other purposes	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities and Fund Balance	<u>\$ 91</u>	<u>\$ 25,832</u>	<u>\$ 4,378</u>	<u>\$ 5,000</u>

BEAUMONT INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
June 30, 2024

Exhibit H-1
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		487	488	489	491
Data Control Codes		Exxon-Mobil Reading Initiative	Texas School Ready	Community Education Program	Misc Grants
	Assets				
1110	Cash and temporary investments	\$ 32,198	\$ 3,107	\$ 8,846	\$ -
	Receivables:				
1240	Receivables from other governments	-	-	-	-
1260	Due from other funds	66,258	10,685	-	145
1290	Other receivables	-	-	-	-
1310	Inventories, at cost	-	-	-	-
1000	Total Assets	<u>\$ 98,456</u>	<u>\$ 13,792</u>	<u>\$ 8,846</u>	<u>\$ 145</u>
	Liabilities and Fund Balances				
	Liabilities:				
2110	Accounts payable	\$ 6,151	\$ -	\$ -	\$ -
2150	Payroll deduction and withholdings payable	-	-	-	-
2160	Accrued wages payable	-	-	-	-
2170	Due to other funds	9,384	1,800	-	-
2300	Unearned revenues	82,921	11,992	8,846	145
2000	Total Liabilities	<u>98,456</u>	<u>13,792</u>	<u>8,846</u>	<u>145</u>
	Fund Balance:				
	Non-Spendable:				
3410	Inventories	-	-	-	-
	Restricted:				
3450	Federal/State funds grant restrictions	-	-	-	-
3470	Capital acquisitions and contractual obligations	-	-	-	-
	Committed:				
3545	Other purposes	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities and Fund Balance	<u>\$ 98,456</u>	<u>\$ 13,792</u>	<u>\$ 8,846</u>	<u>\$ 145</u>

BEAUMONT INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
June 30, 2024

Exhibit H-1
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		492	493	495	498
Data Control Codes		Thomas Center - Scoreboard	DaVinci Minds Grant	Texas Data Champions	District Incentive Program
Assets					
1110	Cash and temporary investments	\$ 115,161	\$ -	\$ 2,648	\$ 11,227
Receivables:					
1240	Receivables from other governments	-	-	-	-
1260	Due from other funds	900	76,951	-	17,633
1290	Other receivables	-	-	-	-
1310	Inventories, at cost	-	-	-	-
1000	Total Assets	<u>\$ 116,061</u>	<u>\$ 76,951</u>	<u>\$ 2,648</u>	<u>\$ 28,860</u>
Liabilities and Fund Balances					
Liabilities:					
2110	Accounts payable	\$ 1,625	\$ -	\$ -	\$ -
2150	Payroll deduction and withholdings payable	-	-	-	-
2160	Accrued wages payable	-	-	-	-
2170	Due to other funds	-	-	-	-
2300	Unearned revenues	114,436	76,951	2,648	28,860
2000	Total Liabilities	<u>116,061</u>	<u>76,951</u>	<u>2,648</u>	<u>28,860</u>
Fund Balance:					
Non-Spendable:					
3410	Inventories	-	-	-	-
Restricted:					
3450	Federal/State funds grant restrictions	-	-	-	-
3470	Capital acquisitions and contractual obligations	-	-	-	-
Committed:					
3545	Other purposes	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities and Fund Balance	<u>\$ 116,061</u>	<u>\$ 76,951</u>	<u>\$ 2,648</u>	<u>\$ 28,860</u>

BEAUMONT INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
June 30, 2024

Exhibit H-1
Page 10 of 10

Data Control Codes		499		699	
		Other Local Special Revenue Funds	Total Nonmajor Special Revenue Funds	Capital Projects	Total Nonmajor Governmental Funds
	Assets				
1110	Cash and temporary investments	\$ 47,798	\$ 3,814,940	\$ 9,729,263	\$ 13,544,203
	Receivables:				
1240	Receivables from other governments	-	10,035,018	-	10,035,018
1260	Due from other funds	28,412	7,209,127	-	7,209,127
1290	Other receivables	-	299,021	-	299,021
1310	Inventories, at cost	-	104,045	-	104,045
1000	Total Assets	<u>\$ 76,210</u>	<u>\$ 21,462,151</u>	<u>\$ 9,729,263</u>	<u>\$ 31,191,414</u>
	Liabilities and Fund Balances				
	Liabilities:				
2110	Accounts payable	\$ -	2,007,406	\$ 1,251,773	\$ 3,259,179
2150	Payroll deduction and withholdings payable	-	98,636	-	98,636
2160	Accrued wages payable	-	2,243,146	-	2,243,146
2170	Due to other funds	15,187	7,801,859	-	7,801,859
2300	Unearned revenues	49,225	627,135	-	627,135
2000	Total Liabilities	<u>64,412</u>	<u>12,778,182</u>	<u>1,251,773</u>	<u>14,029,955</u>
	Fund Balance:				
	Non-Spendable:				
3410	Inventories	-	104,045	-	104,045
	Restricted:				
3450	Federal/State funds grant restrictions	11,798	8,311,010	-	8,311,010
3470	Capital acquisitions and contractual obligations	-	-	8,477,490	8,477,490
	Committed:				
3545	Other purposes	-	268,914	-	268,914
3000	Total Fund Balances	<u>11,798</u>	<u>8,683,969</u>	<u>8,477,490</u>	<u>17,161,459</u>
4000	Total Liabilities and Fund Balance	<u>\$ 76,210</u>	<u>\$ 21,462,151</u>	<u>\$ 9,729,263</u>	<u>\$ 31,191,414</u>

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

Exhibit H-2
Page 1 of 10

Data Control Codes		205	211	224	225
		Head Start	ESEA Title I, A - Improving Basic Ed.	IDEA B - Formula	IDEA B - Preschool
	Revenues				
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-	-
5900	Federal program revenues	3,737,253	10,234,829	4,071,373	78,170
5020	Total Revenues	<u>3,737,253</u>	<u>10,234,829</u>	<u>4,071,373</u>	<u>78,170</u>
	Expenditures				
	Current:				
0011	Instruction	2,699,858	7,085,226	3,294,012	78,170
0012	Instruction resources and media services	50,231	18,571	-	-
0013	Curriculum and instructional staff development	34,837	127,761	22,571	-
0021	Instructional leadership	98,509	1,460,441	41,589	-
0023	School leadership	230,954	104,696	-	-
0031	Guidance, counseling and evaluation services	-	472,938	713,201	-
0032	Social work services	417,352	-	-	-
0033	Health services	133,863	-	-	-
0034	Student transportation	-	-	-	-
0035	Food service	-	-	-	-
0036	Extracurricular activities	-	-	-	-
0041	General administration	-	-	-	-
0051	Facilities maintenance and operations	54,276	-	-	-
0052	Security and monitoring services	-	-	-	-
0053	Data processing services	8,300	-	-	-
0061	Community services	9,073	965,196	-	-
	Capital Outlay:				
0081	Facilities acquisition and construction	-	-	-	-
6030	Total Expenditures	<u>3,737,253</u>	<u>10,234,829</u>	<u>4,071,373</u>	<u>78,170</u>
1100	Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Other Financing Sources (Uses)				
7912	Sale of real or personal property	-	-	-	-
7915	Transfers in	-	-	-	-
8911	Transfers out	-	-	-	-
7080	Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1200	Net change in fund balances	-	-	-	-
0100	Fund Balance - July 1 (Beginning)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
3000	Fund Balance - June 30 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

Exhibit H-2
Page 2 of 10

Data Control Codes		240	242	244	255
		Child Nutrition	Summer Feeding Program	Vocational Ed. - Basic	ESEA Title II, A - Training and Recruiting
	Revenues				
5700	Local, intermediate, and out-of-state	\$ 539,803	\$ -	\$ -	\$ -
5800	State program revenues	55,410	-	-	-
5900	Federal program revenues	13,877,079	-	353,188	1,669,676
5020	Total Revenues	<u>14,472,292</u>	<u>-</u>	<u>353,188</u>	<u>1,669,676</u>
	Expenditures				
	Current:				
0011	Instruction	-	-	240,500	481,493
0012	Instruction resources and media services	-	-	-	-
0013	Curriculum and instructional staff development	-	-	-	929,657
0021	Instructional leadership	-	-	90,811	256,654
0023	School leadership	-	-	7,272	-
0031	Guidance, counseling and evaluation services	-	-	-	-
0032	Social work services	-	-	-	-
0033	Health services	-	-	-	-
0034	Student transportation	-	-	-	-
0035	Food service	13,841,439	-	-	-
0036	Extracurricular activities	-	-	-	-
0041	General administration	-	-	-	-
0051	Facilities maintenance and operations	270,842	-	14,605	-
0052	Security and monitoring services	-	-	-	-
0053	Data processing services	-	-	-	-
0061	Community services	-	-	-	1,872
	Capital Outlay:				
0081	Facilities acquisition and construction	-	-	-	-
6030	Total Expenditures	<u>14,112,281</u>	<u>-</u>	<u>353,188</u>	<u>1,669,676</u>
1100	Excess (deficiency) of revenues over expenditures	<u>360,011</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Other Financing Sources (Uses)				
7912	Sale of real or personal property	2,164	-	-	-
7915	Transfers in	561,692	-	-	-
8911	Transfers out	-	(561,692)	-	-
7080	Total Other Financing Sources and Uses	<u>563,856</u>	<u>(561,692)</u>	<u>-</u>	<u>-</u>
1200	Net change in fund balances	923,867	(561,692)	-	-
0100	Fund Balance - July 1 (Beginning)	<u>7,476,333</u>	<u>561,692</u>	<u>-</u>	<u>-</u>
3000	Fund Balance - June 30 (Ending)	<u>\$ 8,400,200</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

Exhibit H-2
Page 3 of 10

		258	263	272	279
Data Control Codes		Public Charter School	ESEA Title III, A - English Lang. Acquisition	Medicaid Administrative Claiming Program - MAC	TCLAS - ESSER III
Revenues					
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-	-
5900	Federal program revenues	1,495,407	326,306	108,418	297,430
5020	Total Revenues	1,495,407	326,306	108,418	297,430
Expenditures					
Current:					
0011	Instruction	-	177,559	-	192,746
0012	Instruction resources and media services	-	-	-	-
0013	Curriculum and instructional staff development	-	18,470	-	17,534
0021	Instructional leadership	1,495,407	32,240	-	87,150
0023	School leadership	-	-	-	-
0031	Guidance, counseling and evaluation services	-	-	-	-
0032	Social work services	-	-	-	-
0033	Health services	-	-	108,418	-
0034	Student transportation	-	-	-	-
0035	Food service	-	-	-	-
0036	Extracurricular activities	-	-	-	-
0041	General administration	-	-	-	-
0051	Facilities maintenance and operations	-	-	-	-
0052	Security and monitoring services	-	-	-	-
0053	Data processing services	-	-	-	-
0061	Community services	-	98,037	-	-
Capital Outlay:					
0081	Facilities acquisition and construction	-	-	-	-
6030	Total Expenditures	1,495,407	326,306	108,418	297,430
1100	Excess (deficiency) of revenues over expenditures	-	-	-	-
Other Financing Sources (Uses)					
7912	Sale of real or personal property	-	-	-	-
7915	Transfers in	-	-	-	-
8911	Transfers out	-	-	-	-
7080	Total Other Financing Sources and Uses	-	-	-	-
1200	Net change in fund balances	-	-	-	-
0100	Fund Balance - July 1 (Beginning)	-	-	-	-
3000	Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ -	\$ -

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

Exhibit H-2
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Data Control Codes		281	284	285	289
		ESSER II	IDEA B - Formula - ARP	IDEA B - Preschool ARP	Other Federally Funded Special Revenue Funds
	Revenues				
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-	-
5900	Federal program revenues	6,931,831	195,178	42,711	741,275
5020	Total Revenues	<u>6,931,831</u>	<u>195,178</u>	<u>42,711</u>	<u>741,275</u>
	Expenditures				
	Current:				
0011	Instruction	2,635,047	195,178	39,888	460,353
0012	Instruction resources and media services	42,725	-	-	-
0013	Curriculum and instructional staff development	67,926	-	-	69,583
0021	Instructional leadership	195,760	-	-	3,093
0023	School leadership	325,944	-	-	-
0031	Guidance, counseling and evaluation services	446,968	-	2,823	206,046
0032	Social work services	22,110	-	-	-
0033	Health services	65,284	-	-	-
0034	Student transportation	137,278	-	-	-
0035	Food service	137,189	-	-	-
0036	Extracurricular activities	41,937	-	-	2,200
0041	General administration	138,017	-	-	-
0051	Facilities maintenance and operations	1,883,320	-	-	-
0052	Security and monitoring services	81,555	-	-	-
0053	Data processing services	671,120	-	-	-
0061	Community services	39,651	-	-	-
	Capital Outlay:				
0081	Facilities acquisition and construction	-	-	-	-
6030	Total Expenditures	<u>6,931,831</u>	<u>195,178</u>	<u>42,711</u>	<u>741,275</u>
1100	Excess (deficiency) of revenues over expenditures	-	-	-	-
	Other Financing Sources (Uses)				
7912	Sale of real or personal property	-	-	-	-
7915	Transfers in	-	-	-	-
8911	Transfers out	-	-	-	-
7080	Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1200	Net change in fund balances	-	-	-	-
0100	Fund Balance - July 1 (Beginning)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
3000	Fund Balance - June 30 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

Exhibit H-2
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		315	340	410	429
Data Control Codes		SSA - IDEA - Part B, Discretionary	SSA - IDEA, Part C, Early Intervention (Deaf)	Instructional Materials Allotment	Technology Lending Grant
Revenues					
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ 6,329	\$ -
5800	State program revenues	-	-	1,580,573	1,059,994
5900	Federal program revenues	125,676	-	-	-
5020	Total Revenues	125,676	-	1,586,902	1,059,994
Expenditures					
Current:					
0011	Instruction	125,676	-	1,586,902	231,305
0012	Instruction resources and media services	-	-	-	-
0013	Curriculum and instructional staff development	-	-	-	268,942
0021	Instructional leadership	-	-	-	-
0023	School leadership	-	-	-	-
0031	Guidance, counseling and evaluation services	-	-	-	-
0032	Social work services	-	-	-	-
0033	Health services	-	-	-	-
0034	Student transportation	-	-	-	-
0035	Food service	-	-	-	-
0036	Extracurricular activities	-	-	-	-
0041	General administration	-	-	-	-
0051	Facilities maintenance and operations	-	-	-	475,977
0052	Security and monitoring services	-	-	-	3,240
0053	Data processing services	-	-	-	80,530
0061	Community services	-	-	-	-
Capital Outlay:					
0081	Facilities acquisition and construction	-	-	-	-
6030	Total Expenditures	125,676	-	1,586,902	1,059,994
1100	Excess (deficiency) of revenues over expenditures	-	-	-	-
Other Financing Sources (Uses)					
7912	Sale of real or personal property	-	-	-	-
7915	Transfers in	-	-	-	-
8911	Transfers out	-	-	-	-
7080	Total Other Financing Sources and Uses	-	-	-	-
1200	Net change in fund balances	-	-	-	-
0100	Fund Balance - July 1 (Beginning)	-	6	-	-
3000	Fund Balance - June 30 (Ending)	\$ -	\$ 6	\$ -	\$ -

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

Exhibit H-2

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		435	446	461	482
Data Control Codes		SSA - Regional Day School for the Deaf	State Local Funded Regional Day School Deaf -	Campus Activity	Success Grant -
		State	Local	Fund	Susser
Revenues					
5700	Local, intermediate, and out-of-state	\$ -	\$ 1,696,932	\$ 484,570	\$ 45,310
5800	State program revenues	959,625	-	-	-
5900	Federal program revenues	-	-	-	-
5020	Total Revenues	959,625	1,696,932	484,570	45,310
Expenditures					
Current:					
0011	Instruction	776,439	1,330,679	-	-
0012	Instruction resources and media services	-	-	-	-
0013	Curriculum and instructional staff development	-	6,972	-	-
0021	Instructional leadership	-	252,017	-	-
0023	School leadership	-	-	449,676	-
0031	Guidance, counseling and evaluation services	72,515	103,858	-	-
0032	Social work services	-	-	-	-
0033	Health services	80,469	1,189	-	45,310
0034	Student transportation	-	-	-	-
0035	Food service	-	-	-	-
0036	Extracurricular activities	-	-	-	-
0041	General administration	-	-	-	-
0051	Facilities maintenance and operations	-	-	-	-
0052	Security and monitoring services	-	-	-	-
0053	Data processing services	-	-	-	-
0061	Community services	30,202	2,217	-	-
Capital Outlay:					
0081	Facilities acquisition and construction	-	-	-	-
6030	Total Expenditures	959,625	1,696,932	449,676	45,310
1100	Excess (deficiency) of revenues over expenditures	-	-	34,894	-
Other Financing Sources (Uses)					
7912	Sale of real or personal property	-	-	-	-
7915	Transfers in	-	-	-	-
8911	Transfers out	-	-	-	-
7080	Total Other Financing Sources and Uses	-	-	-	-
1200	Net change in fund balances	-	-	34,894	-
0100	Fund Balance - July 1 (Beginning)	3,051	-	234,020	-
3000	Fund Balance - June 30 (Ending)	\$ 3,051	\$ -	\$ 268,914	\$ -

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

Exhibit H-2
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		483	484	485	486
Data Control Codes		Natatorium Swim Program	Campus After School Program	Exxon-Mobil Future Leaders	ExxonMobil - Project Boost
	Revenues				
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-	-
5900	Federal program revenues	-	-	-	-
5020	Total Revenues	-	-	-	-
	Expenditures				
	Current:				
0011	Instruction	-	-	-	-
0012	Instruction resources and media services	-	-	-	-
0013	Curriculum and instructional staff development	-	-	-	-
0021	Instructional leadership	-	-	-	-
0023	School leadership	-	-	-	-
0031	Guidance, counseling and evaluation services	-	-	-	-
0032	Social work services	-	-	-	-
0033	Health services	-	-	-	-
0034	Student transportation	-	-	-	-
0035	Food service	-	-	-	-
0036	Extracurricular activities	-	-	-	-
0041	General administration	-	-	-	-
0051	Facilities maintenance and operations	-	-	-	-
0052	Security and monitoring services	-	-	-	-
0053	Data processing services	-	-	-	-
0061	Community services	-	-	-	-
	Capital Outlay:				
0081	Facilities acquisition and construction	-	-	-	-
6030	Total Expenditures	-	-	-	-
1100	Excess (deficiency) of revenues over expenditures	-	-	-	-
	Other Financing Sources (Uses)				
7912	Sale of real or personal property	-	-	-	-
7915	Transfers in	-	-	-	-
8911	Transfers out	-	-	-	-
7080	Total Other Financing Sources and Uses	-	-	-	-
1200	Net change in fund balances	-	-	-	-
0100	Fund Balance - July 1 (Beginning)	-	-	-	-
3000	Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ -	\$ -

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

Exhibit H-2
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		487	488	489	491
Data Control Codes		Exxon-Mobil Reading Initiative	Texas School Ready	Community Education Program	Misc Grants
Revenues					
5700	Local, intermediate, and out-of-state	\$ 290,752	\$ 3,325	\$ -	\$ -
5800	State program revenues	-	-	-	-
5900	Federal program revenues	-	-	-	-
5020	Total Revenues	<u>290,752</u>	<u>3,325</u>	<u>-</u>	<u>-</u>
Expenditures					
Current:					
0011	Instruction	271,247	-	-	-
0012	Instruction resources and media services	-	-	-	-
0013	Curriculum and instructional staff development	-	-	-	-
0021	Instructional leadership	-	-	-	-
0023	School leadership	-	-	-	-
0031	Guidance, counseling and evaluation services	-	-	-	-
0032	Social work services	-	-	-	-
0033	Health services	-	-	-	-
0034	Student transportation	-	-	-	-
0035	Food service	-	-	-	-
0036	Extracurricular activities	-	-	-	-
0041	General administration	-	-	-	-
0051	Facilities maintenance and operations	-	-	-	-
0052	Security and monitoring services	-	-	-	-
0053	Data processing services	-	-	-	-
0061	Community services	19,505	3,325	-	-
Capital Outlay:					
0081	Facilities acquisition and construction	-	-	-	-
6030	Total Expenditures	<u>290,752</u>	<u>3,325</u>	<u>-</u>	<u>-</u>
1100	Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses)					
7912	Sale of real or personal property	-	-	-	-
7915	Transfers in	-	-	-	-
8911	Transfers out	-	-	-	-
7080	Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1200	Net change in fund balances	-	-	-	-
0100	Fund Balance - July 1 (Beginning)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
3000	Fund Balance - June 30 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

Exhibit H-2
Page 9 of 10

		492	493	495	498
Data Control Codes		Thomas Center - Scoreboard	DaVinci Minds Grant	Texas Data Champions	District Incentive Program
	Revenues				
5700	Local, intermediate, and out-of-state	\$ 41,335	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-	-
5900	Federal program revenues	-	-	-	-
5020	Total Revenues	<u>41,335</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Expenditures				
	Current:				
0011	Instruction	-	-	-	-
0012	Instruction resources and media services	-	-	-	-
0013	Curriculum and instructional staff development	-	-	-	-
0021	Instructional leadership	-	-	-	-
0023	School leadership	-	-	-	-
0031	Guidance, counseling and evaluation services	-	-	-	-
0032	Social work services	-	-	-	-
0033	Health services	-	-	-	-
0034	Student transportation	-	-	-	-
0035	Food service	-	-	-	-
0036	Extracurricular activities	41,335	-	-	-
0041	General administration	-	-	-	-
0051	Facilities maintenance and operations	-	-	-	-
0052	Security and monitoring services	-	-	-	-
0053	Data processing services	-	-	-	-
0061	Community services	-	-	-	-
	Capital Outlay:				
0081	Facilities acquisition and construction	-	-	-	-
6030	Total Expenditures	<u>41,335</u>	<u>-</u>	<u>-</u>	<u>-</u>
1100	Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Other Financing Sources (Uses)				
7912	Sale of real or personal property	-	-	-	-
7915	Transfers in	-	-	-	-
8911	Transfers out	-	-	-	-
7080	Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1200	Net change in fund balances	-	-	-	-
0100	Fund Balance - July 1 (Beginning)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
3000	Fund Balance - June 30 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

Exhibit H-2
Page 10 of 10

		499			699
Data Control Codes		Other Local Special Revenue Funds	Total Nonmajor Special Revenue Funds	Capital Projects	Total Nonmajor Governmental Funds
Revenues					
5700	Local, intermediate, and out-of-state	\$ 41,247	\$ 3,149,603	\$ -	\$ 3,149,603
5800	State program revenues	-	3,655,602	-	3,655,602
5900	Federal program revenues	-	44,285,800	-	44,285,800
5020	Total Revenues	41,247	51,091,005	-	51,091,005
Expenditures					
Current:					
0011	Instruction	9,353	21,911,631	-	21,911,631
0012	Instruction resources and media services	-	111,527	-	111,527
0013	Curriculum and instructional staff development	-	1,564,253	-	1,564,253
0021	Instructional leadership	-	4,013,671	-	4,013,671
0023	School leadership	-	1,118,542	-	1,118,542
0031	Guidance, counseling and evaluation services	-	2,018,349	-	2,018,349
0032	Social work services	-	439,462	-	439,462
0033	Health services	-	434,533	-	434,533
0034	Student transportation	-	137,278	-	137,278
0035	Food service	-	13,978,628	-	13,978,628
0036	Extracurricular activities	31,894	117,366	-	117,366
0041	General administration	-	138,017	-	138,017
0051	Facilities maintenance and operations	-	2,699,020	3,156,422	5,855,442
0052	Security and monitoring services	-	84,795	-	84,795
0053	Data processing services	-	759,950	-	759,950
0061	Community services	-	1,169,078	-	1,169,078
Capital Outlay:					
0081	Facilities acquisition and construction	-	-	252,887	252,887
6030	Total Expenditures	41,247	50,696,100	3,409,309	54,105,409
1100	Excess (deficiency) of revenues over expenditures	-	394,905	(3,409,309)	(3,014,404)
Other Financing Sources (Uses)					
7912	Sale of real or personal property	-	2,164	-	2,164
7915	Transfers in	-	561,692	4,000,000	4,561,692
8911	Transfers out	-	(561,692)	-	(561,692)
7080	Total Other Financing Sources and Uses	-	2,164	4,000,000	4,002,164
1200	Net change in fund balances	-	397,069	590,691	987,760
0100	Fund Balance - July 1 (Beginning)	11,798	8,286,900	7,886,799	16,173,699
3000	Fund Balance - June 30 (Ending)	\$ 11,798	\$ 8,683,969	\$ 8,477,490	\$ 17,161,459

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

Exhibit H-3
Page 1 of 2

Data Control Codes		836	837	838	839	841
		Alex Durley Scholarship	Joe H Tonahill Scholarship	Mike Taylor Scholarship	Charles Weinbaum Scholarship	Paul A Brown Scholarship
	Assets					
	Current Assets:					
1110	Cash and cash equivalents	\$ 17,819	\$ 20,491	\$ 3,553	\$ 1,058	\$ 5,733
	Receivables:					
1260	Due from other Funds	-	-	-	-	-
1290	Other receivables	-	-	-	-	-
1000	Total Assets	<u>\$ 17,819</u>	<u>\$ 20,491</u>	<u>\$ 3,553</u>	<u>\$ 1,058</u>	<u>\$ 5,733</u>
	Liabilities					
	Current Liabilities:					
2110	Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
2000	Total Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	Net Position					
	Restricted for student scholarships and other activities	\$ 17,819	\$ 20,491	\$ 3,553	\$ 1,058	\$ 5,733
3800	Total Net Position	<u>\$ 17,819</u>	<u>\$ 20,491</u>	<u>\$ 3,553</u>	<u>\$ 1,058</u>	<u>\$ 5,733</u>

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

Exhibit H-3
Page 2 of 2

Data Control Codes		842 Wells, Peyton, Greenburg & Hunt	843 Gulf Coast Area Association of School Boards	Total Private Purpose Trust Funds	865 Student Activity Account	Total Custodial Fund
	Assets					
	Current Assets:					
1110	Cash and cash equivalents	\$ 1,500	\$ 2,000	\$ 52,154	\$ 303,766	\$ 303,766
	Receivables:					
1260	Due from other Funds	-	-	-	33,337	33,337
1290	Other receivables	-	-	-	1,173	1,173
1000	Total Assets	\$ 1,500	\$ 2,000	\$ 52,154	\$ 338,276	\$ 338,276
	Liabilities					
	Current Liabilities:					
2110	Accounts payable	\$ -	\$ -	\$ -	\$ 6,455	\$ 6,455
2000	Total Liabilities	\$ -	\$ -	\$ -	\$ 6,455	\$ 6,455
	Net Position					
	Restricted for student scholarships and other activities	\$ 1,500	\$ 2,000	\$ 52,154	\$ 331,821	\$ 331,821
3800	Total Net Position	\$ 1,500	\$ 2,000	\$ 52,154	\$ 331,821	\$ 331,821

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

Exhibit H-4
Page 1 of 2

	836	837	838	839	841
	Alex Durley Scholarship	Joe H Tonahill Scholarship	Mike Taylor Scholarship	Charles Weinbaum Scholarship	Paul A Brown Scholarship
Contributions					
Gifts and contributions	\$ -	\$ -	\$ -	\$ -	\$ -
Revenues from student activities	-	-	-	-	-
Total Contributions	-	-	-	-	-
Deductions					
Payments for student activities	-	-	-	-	-
Total Deductions	-	-	-	-	-
Change in net position	-	-	-	-	-
Net Position Beginning of Year	17,819	20,491	3,553	1,058	5,733
Net Position - Ending	<u>\$ 17,819</u>	<u>\$ 20,491</u>	<u>\$ 3,553</u>	<u>\$ 1,058</u>	<u>\$ 5,733</u>

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

Exhibit H-4
Page 2 of 2

	842	843		865	
	Wells, Peyton, Greenburg & Hunt	Gulf Coast Area Association of School Boards	Total Private Purpose Trust Funds	Student Activity Account	Total Custodial Fund
Contributions					
Gifts and contributions	\$ -	\$ -	\$ -	\$ 20,331	\$ 20,331
Revenues from student activities	-	-	-	587,525	587,525
Total Contributions	-	-	-	607,856	607,856
Deductions					
Payments for student activities	-	-	-	584,829	584,829
Total Deductions	-	-	-	584,829	584,829
Change in net position	-	-	-	23,027	23,027
Net Position Beginning of Year	1,500	2,000	52,154	308,794	308,794
Net Position End of Year	<u>\$ 1,500</u>	<u>\$ 2,000</u>	<u>\$ 52,154</u>	<u>\$ 331,821</u>	<u>\$ 331,821</u>



REQUIRED TEA SCHEDULES

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

Exhibit J-1
Page 1 of 2

	1	2	3	10	20
Last Ten Fiscal Years	Tax Rates		Net Assessed/Appraised Value For School Tax Purposes	Beginning Balance 7/1/2023	Current Year's Total Levy
	Maintenance	Debt Service			
2015 and prior	Various	Various	Various	\$ 2,916,646	\$ -
2016	\$1.040000	\$0.275000	\$ 9,648,331,407	540,861	-
2017	1.040000	0.275000	9,871,550,494	584,550	-
2018	1.040000	0.254050	10,268,422,996	607,314	-
2019	1.040000	0.254050	10,406,282,292	734,441	-
2020	0.970000	0.254050	11,237,308,760	843,321	-
2021	0.966400	0.254050	11,348,705,039	946,170	-
2022	0.908900	0.252610	11,829,425,735	1,714,519	-
2023	0.908900	0.252610	14,514,599,524	3,907,321	-
2024	0.733800	0.252610	14,820,138,195	-	128,533,162
1000 Totals				\$ 12,795,143	\$ 128,533,162

8000 Taxes Refunded

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

Exhibit J-1
Page 2 of 2

	31	32	40	50	99
<u>Last Ten Fiscal Years</u>	<u>Maintenance Total Collections</u>	<u>Debt Service Total Collections</u>	<u>Entire Year's Adjustments</u>	<u>Ending Balance 6/30/2024</u>	<u>Total Taxes Refunded Under Section 26.1115(c)</u>
2015 and prior	\$ 108,404	\$ 23,877	\$ (249,864)	\$ 2,534,501	
2016	26,335	6,805	(4,892)	502,829	
2017	36,473	9,442	(4,512)	534,123	
2018	41,361	10,112	(3,784)	552,057	
2019	54,917	13,378	(4,300)	661,846	
2020	57,139	15,668	(28,615)	741,899	
2021	85,704	22,530	(34,913)	803,023	
2022	(240,881)	(66,947)	(913,715)	1,108,632	
2023	163,538	45,452	(1,768,172)	1,930,159	
2024	<u>88,425,562</u>	<u>36,517,849</u>	<u>-</u>	<u>3,589,751</u>	
1000 Totals	<u>\$ 88,758,552</u>	<u>\$ 36,598,166</u>	<u>\$ (3,012,767)</u>	<u>\$ 12,958,820</u>	
Penalty and interest receivable on taxes				<u>10,145,099</u>	
Total Taxes Receivable Per Exhibit C-1				<u>\$ 23,103,919</u>	
8000 Taxes Refunded					<u>\$ 60,088</u>

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

Exhibit J-2

	Budgeted Amounts		Actual Amounts, GAAP Basis	Variance with Final Budget
	Original	Final		
Revenues				
Local revenues	\$ 527,547	\$ 527,547	\$ 539,803	\$ 12,256
State program revenues	51,219	51,219	55,410	4,191
Federal program revenues	13,311,893	13,311,893	13,877,079	565,186
Total Revenues	13,890,659	13,890,659	14,472,292	581,633
Expenditures				
Current:				
Food services	15,918,064	15,855,228	13,841,439	2,013,789
Facilities maintenance and operations	272,595	337,595	270,842	66,753
Total Expenditures	16,190,659	16,192,823	14,112,281	2,080,542
Other Financing Sources				
Sale of real or personal property	-	2,164	2,164	-
Transfers in	-	-	561,692	561,692
Total Other Financing Sources	-	2,164	563,856	561,692
Net change in fund balances	(2,300,000)	(2,300,000)	923,867	3,223,867
Fund Balances - Beginning	7,476,333	7,476,333	7,476,333	-
Fund Balances - Ending	\$ 5,176,333	\$ 5,176,333	\$ 8,400,200	\$ 3,223,867

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

Exhibit J-3

	Budgeted Amounts		Actual Amounts, GAAP Basis	Variance with Final Budget
	Original	Final		
Revenues				
Local and intermediate sources	\$ 39,834,351	\$ 39,834,351	\$ 37,921,403	\$ (1,912,948)
State program revenues	571,509	571,509	2,118,532	1,547,023
Total Revenues	<u>40,405,860</u>	<u>40,405,860</u>	<u>40,039,935</u>	<u>(365,925)</u>
Expenditures				
Debt Service:				
Principal on long-term debt	31,199,764	31,199,764	29,160,000	2,039,764
Interest on long-term debt	9,186,096	9,186,096	9,186,096	-
Bond issuance costs and fees	20,000	20,000	300,378	(280,378)
Total Expenditures	<u>40,405,860</u>	<u>40,405,860</u>	<u>38,646,474</u>	<u>1,759,386</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>1,393,461</u>	<u>1,393,461</u>
Net change in fund balances	-	-	1,393,461	1,393,461
Fund Balances - Beginning	<u>14,365,566</u>	<u>14,365,566</u>	<u>14,365,566</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 14,365,566</u>	<u>\$ 14,365,566</u>	<u>\$ 15,759,027</u>	<u>\$ 1,393,461</u>

BEAUMONT INDEPENDENT SCHOOL DISTRICT*Exhibit J-4***COMPENSATORY EDUCATION PROGRAM AND BILINGUAL EDUCATION PROGRAM COMPLIANCE RESPONSES****For the Year Ended June 30, 2024**

Data Codes	Section A: Compensatory Education Programs	Responses
AP1	Did your LEA expend any state compensatory education program state allotment funds during the district's fiscal year?	Yes
AP2	Does the LEA have written policies and procedures for its state compensatory education program?	Yes
AP3	List the total state allotment funds received for state compensatory education programs during the district's fiscal year.	\$ 22,358,329
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal year. (PICs 24, 26, 28, 29, 30)	\$ 24,313,421
Section B: Bilingual Education Programs		
AP5	Did your LEA expend any bilingual education program state allotment funds during the LEA's fiscal year?	Yes
AP6	Does the LEA have written policies and procedures for its bilingual education program?	Yes
AP7	List the total state allotment funds received for bilingual education programs during the LEA's fiscal year.	\$ 1,421,196
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PIC 25)	\$ 651,211

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

Schedule L-1

SF1	Was there an unmodified opinion in the Annual Financial Report on the financial statements as a whole?	Yes
SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement at fiscal year end?	No
SF3	Did the school district make timely payments to the Teacher Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies? (If the school district was issued a warrant hold and the warrant hold was not cleared within 30 days from the date the warrant hold was issued, the school district is considered to not have made timely payments.) Payments to the TRS and TWC are considered timely if a warrant hold that was issued in connection to the untimely payment was cleared within 30 days from the date the warrant hold was issued. Payments to the IRS are considered timely if a penalty or delinquent payment notice was cleared within 30 days from the date the notice was issued.	Yes
SF4	Was the school district issued a warrant hold? Even if the issue surrounding the initial warrant hold was resolved and cleared within 30 days, the school district is considered to have been issued a warrant hold.	No
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds?	No
SF6	Was there any disclosure in the Annual Financial Report of material noncompliance for grants, contracts, and laws related to local, state, or federal funds?	No
SF7	Did the school district post the required financial information on its website in accordance with Government Code, Local Government Code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules that were in effect at the school district's fiscal year end?	Yes
SF8	Did the school board members discuss the school district's property values at a board meeting within 120 days before the school district adopted its budget?	Yes
SF9	Total accumulated accretion on CABs included in government-wide financial statements at fiscal year-end.	\$ 1,465,202

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



FEDERAL AWARDS SECTION



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

To the Board of Trustees
Beaumont Independent School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Beaumont Independent School District (the "District"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise District's basic financial statements, and have issued our report thereon dated November 21, 2024.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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 the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

To the Board of Trustees
Beaumont Independent School District

Purpose of this Report

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

Whitley Penn LLP

Houston, Texas
November 21, 2024

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

To the Board of Trustees
Beaumont Independent School District

Report on Compliance for Each Major Federal Program

Opinion On Each Major Federal Program

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

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

Basis for Opinion On Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

To the Board of Trustees
Beaumont Independent School District

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

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

Whitley Penn LLP

Houston, Texas
November 21, 2024

BEAUMONT INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2024

I. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

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

Identification of major programs:

<u>Name of Federal Program or Cluster</u>	<u>Assistance Listing Number (ALN)</u>
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U.S. Department of Education:

<i>Texas COVID Learning Acceleration Supports (TCLAS) Program - ESSER III (COVID-19)</i>	84.425U
<i>CRRSAA, ESSER II (COVID-19)</i>	84.425D
<i>American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER III) Fund (COVID-19)</i>	84.425U

Special Education Cluster:

<i>IDEA-B Formula</i>	84.027A
<i>IDEA-B Preschool</i>	84.173A
<i>IDEA-B Formula - ARP GY 2023 (COVID-19)</i>	84.027X
<i>IDEA-B Preschool - ARP GY 2023 (COVID-19)</i>	84.173X
<i>IDEA-B Discretionary - Deaf</i>	84.027A

Dollar Threshold Considered Between Type A and Type B Federal Programs	\$1,973,103
Auditee qualified as low risk auditee?	Yes

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

II. Financial Statement Findings

No current findings were noted.

III. Federal Award Findings and Questioned Costs

There are no federal awards findings during the current fiscal year.

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

Exhibit K-1
Page 1 of 2

(2A)	(1)	(2)	(3)
Pass Through Entity Identifying Number	Federal Grantor/ Pass-Through Grantor/ Program Title	District Fund Number	Federal Assistance Listing Number Federal Expenditures and Indirect Costs
	U.S. Department of Defense		
	Direct Program:		
N/A	Naval JROTC	199	12.000 \$ 120,516
	Total U.S. Department of Defense		120,516
	U.S. Department of Education		
	Passed Through Texas Education Agency:		
236600011239106600	IDEA-B Formula	224	84.027A 716,489
246600011239106600	IDEA-B Formula	224	84.027A 3,575,350
236610011239106610	IDEA-B Preschool	225	84.173A 8,181
246610011239106610	IDEA-B Preschool	225	84.173A 74,173
225350011239105350	IDEA-B Formula - ARP GY 2023 (COVID-19)	284	84.027X 214,726
225360011239105360	IDEA-B Preschool - ARP GY 2023 (COVID-19)	285	84.173X 44,542
236600011239106673	IDEA-B Discretionary - Deaf	315	84.027A 4,916
246600011239106673	IDEA-B Discretionary - Deaf	315	84.027A 127,439
	Total Special Education Cluster (ALN 84.027, 84.173)		4,765,816
	Title I Part A and Title I Part D:		
23610101123910	ESEA, Title I, Part A - Improving Basic Programs	211	84.010A 2,856,869
24610101123910	ESEA, Title I, Part A - Improving Basic Programs	211	84.010A 7,006,948
23610141123910	Title I 1003 School Improvement	211	84.010A 89,532
24610103123910	Title I, Part D, Subpart D - Delinquent Programs	211	84.010A 40,623
246101397110086	Title I 1003 ESF-Focused Support Grant	211	84.010A 336,905
236101627110002	School Action Fund Continuation Grant GY 23 123	211	84.010A 248,369
236101627110003	School Action Fund Continuation Grant GY 23 128	211	84.010A 257,025
	Total ALN 84.010		10,836,271
23420006123910	Career and Technical - Basic Grant	244	84.048A 21,777
24420006123910	Career and Technical - Basic Grant	244	84.048A 331,411
	Total ALN 84.048		353,188
23694501123910	Title II, Part A, Supporting Effective Instruction	255	84.367A 480,938
24694501123910	Title II, Part A, Supporting Effective Instruction	255	84.367A 1,281,414
	Total ALN 84.367		1,762,352
235901077110004	Charter School Program (Subchapter C) 042	258	84.282A 406,768
235901077110003	Charter School Program (Subchapter C) 129	258	84.282A 671,404
235901077110002	Charter School Program (Subchapter C) 131	258	84.282A 417,235
	Total ALN 84.282		1,495,407
23671001123910	Title III, Part A, ELA	263	84.365A 154,694
24671001123910	Title III, Part A, ELA	263	84.365A 184,733
	Total ALN 84.365		339,427
21528042123910	Texas COVID Learning Acceleration Supports (TCLAS) Program -		
	ESSER III (COVID-19)	279	84.425U 333,138
21521001123910	CRRSAA, ESSER II (COVID-19)	281	84.425D 7,795,596
21528001123910	American Rescue Plan Elementary and Secondary School Emergency		
	Relief (ARP ESSER III) Fund (COVID-19)	282	84.425U 19,460,871
	Total ALN 84.425		27,589,605

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

Exhibit K-1
Page 2 of 2

(2A)	(1)		(2)	(3)
Pass Through Entity Identifying Number	Federal Grantor/ Pass-Through Grantor/ Program Title	District Fund Number	Federal Assistance Listing Number	Federal Expenditures and Indirect Costs
	U.S. Department of Education (continued)			
	Passed Through Texas Education Agency: (continued)			
	Title I Part A and Title I Part D: (continued)			
69552302	LEP Summer School	289	84.369A	\$ 8,817
23680101123910	Title IV Part A Subpart 1	289	84.424A	248,673
24680101123910	Title IV Part A Subpart 1	289	84.424A	527,275
	Total ALN 84.424			<u>775,948</u>
	Total U.S. Department of Education			<u>47,926,831</u>
	U.S. Department of Health & Human Services			
	Direct Program:			
06CH011239	Head Start - 2023	205	93.600	583,962
06CH011239	Head Start - 2024	205	93.600	3,152,007
06CH011239	Head Start - 2023 ARP Funds (COVID-19)	205	93.600	1,284
	Total Head Start Cluster (ALN 93.600)			<u>3,737,253</u>
	Passed Through Texas Health and Human Services:			
HHS000537900024	Medicaid Administrative Claiming Program – MAC	272	93.778	108,418
	Total Medicaid Cluster (ALN 93.778)			<u>108,418</u>
	Total U.S. Department of Health & Human Services			<u>3,845,671</u>
	U.S. Department of Agriculture			
	Passed Through the Texas Department of Agriculture:			
	Non Cash Assistance (Commodities):			
NT4XL1YGLGC5	National School Lunch Program	240	10.555	988,566
	Cash Assistance:			
NT4XL1YGLGC5	Supply Chain Assistance	240	10.555	211,985
NT4XL1YGLGC5	Fresh Fruits and Vegetable	240	10.582	80,215
	Passed Through Texas Education Agency:			
	Cash assistance:			
71402401	School Breakfast Program	240	10.553	3,080,072
71402401	School Breakfast Program - SSO	240	10.553	36,099
71302401	National School Lunch Program	240	10.555	9,377,478
71302401	National School Lunch Program - SSO	240	10.555	102,664
	Total Child Nutrition Cluster (ALN 10.553, 10.555, 10.582)			<u>13,877,079</u>
	Total U.S. Department of Agriculture			<u>13,877,079</u>
	Total Expenditures of Federal Awards			<u>\$ 65,770,097</u>

Note 1 - Basis of Accounting

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

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

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

Note 2 - Basis of Presentation

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

Note 3 - Reconciliation to Basic Financial Statements

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

Total Expenditures of Federal Awards on Exhibit K-1	\$ 65,770,097
Build America Bonds - Federal Interest Subsidy	988,663
SHARS	2,113,207
E-Rate	31,592
Total Federal Revenue - Exhibit C-2	<u>\$ 68,903,559</u>

BEAUMONT INDEPENDENT SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (continued)

Exhibit K-2

Note 4 - General Fund Expenditures

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

Federal Revenue reported in the General Fund	
SHARS	\$ 2,113,207
Build America Bonds - Federal Interest Subsidy	988,663
Naval JROTC	120,516
E-Rate	31,592
Indirect Costs:	
IDEA-B Formula	220,466
IDEA-B Preschool	4,184
IDEA-B Formula - ARP GY 2023 (COVID-19)	19,548
IDEA-B Preschool - ARP GY 2023 (COVID-19)	1,831
IDEA-B Discretionary - Deaf	6,679
ESEA, Title I, Part A - Improving Basic Programs	555,732
Title I 1003 School Improvement	7,660
Title I, Part D, Subpart D - Delinquent Programs	2,224
Title I 1003 ESF-Focused Support Grant	9,505
School Action Fund Continuation Grant GY 23 123	9,878
School Action Fund Continuation Grant GY 23 128	16,443
Title II, Part A, Supporting Effective Instruction	92,676
Title III, Part A, ELA	13,121
Texas COVID Learning Acceleration Supports (TCLAS) Program - ESSER	
III (COVID-19)	35,708
CRRSAA, ESSER II (COVID-19)	863,765
American Rescue Plan Elementary and Secondary School Emergency	
Relief (ARP ESSER III) Fund	0
Title IV Part A Subpart 1	43,490
Total Federal Revenue reported in the General Fund	<u>\$ 5,156,888</u>

BEAUMONT INDEPENDENT SCHOOL DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Year Ended June 30, 2024

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

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

I. Prior Year Findings

There were no findings in fiscal year 2023.

BEAUMONT INDEPENDENT SCHOOL DISTRICT

CORRECTIVE ACTION PLAN

For the Year Ended June 30, 2024

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

I. Corrective Action Plan

Not Applicable

