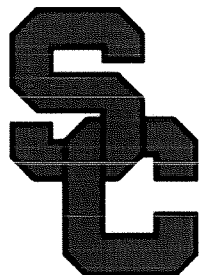


**SABINE
INDEPENDENT SCHOOL DISTRICT**

**ANNUAL FINANCIAL REPORT
JUNE 30, 2024**



Sabine ISD

Where every student is important.

SABINE INDEPENDENT SCHOOL DISTRICT
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2024

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CERTIFICATE OF BOARD

Sabine Independent School District
Name of School District

Gregg
County

092-906
Co.-Dist. Number

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

Signature of Board Secretary

Signature of Board President

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



**UNMODIFIED OPINION ON BASIC FINANCIAL STATEMENTS
ACCOMPANIED BY REQUIRED SUPPLEMENTARY INFORMATION AND OTHER
SUPPLEMENTARY INFORMATION INCLUDING THE SUPPLEMENTARY SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS**

Independent Auditors' Report

Board of Trustees
Sabine Independent School District
5424 FM 1252 W
Gladewater, TX 75647

Members of the Board:

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Sabine 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 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 Sabine Independent School District as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 a 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 generally accepted auditing standards 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 generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5-11, budgetary comparison information on page 47, schedule of the District's proportionate share of the net pension liability (TRS) on pages 48-49, schedule of District contributions to TRS on pages 50-51, schedule of the District's proportionate share of the OPEB liability (TRS) on pages 52-53, and schedule of District contributions to TRS OPEB plan on pages 54-55 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 Sabine Independent School District's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises of reports required from Texas Education Agency identified in the Table of Contents as J-1 through J-4, and L-1. The other information 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 7, 2024, on our consideration of the Sabine Independent School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Sabine Independent School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Sabine Independent School District's internal control over financial reporting and compliance.



WILF & HENDERSON, P.C.
Certified Public Accountants
Texarkana, Texas

November 7, 2024

<p style="text-align: center;">SABINE INDEPENDENT SCHOOL DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS</p>

In this section of the Annual Financial and Compliance Report, we, the managers of Sabine Independent School District, (the "District") discuss and analyze the District's financial performance for the fiscal year ended June 30, 2024. Please read it in conjunction with our independent auditors' report and the District's Basic Financial Statements, which follow this section.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The government-wide financial statements include the Statement of Net Position and the Statement of Activities. These provide information about the activities of the District as a whole and present a longer-term view of the District's property and debt obligations and other financial matters. They reflect the flow of total economic resources in a manner similar to the financial reports of a business enterprise.

Fund financial statements report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds. For governmental activities, these statements tell how services were financed in the short term as well as what resources remain for future spending. They reflect the flow of current financial resources, and supply the basis for tax levies and the appropriations budget. The fiduciary statements provide information about activities for which the District acts solely as a trustee or agent for the benefits of those outside of the district.

The notes to the financial statements provide narrative explanations or additional data needed for full disclosure in the government-wide statements or the fund financial statements.

The combining statements for nonmajor funds contain even more information about the District's individual funds. These are not required by TEA. The sections labeled TEA Required Schedules and Federal Awards Section contain data used by monitoring or regulatory agencies for assurance that the District is using funds supplied in compliance with the terms of grants.

Reporting the District as a Whole

The Statement of Net Position and the Statement of Activities

The Statement of Net Position and the Statement of Activities provide an analysis of the District's overall financial condition and operations. Their primary purpose is to show whether the District is better off or worse off as a result of the year's activities. The Statement of Net Position includes all the District's assets and liabilities at the end of the year while the Statement of Activities includes all the revenues and expenses generated by the District's operations during the year. These apply the accrual basis of accounting which is the basis used by private sector companies.

All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. The District's revenues are divided into those provided by outside parties who share the costs of some programs, such as tuition received from students from outside the district and grants provided by the U.S. Department of Education to assist children with disabilities or from disadvantaged backgrounds (program revenues), and revenues provided by the taxpayers or by TEA in equalization funding processes (general revenues). All the District's assets are reported whether they serve the current year or future years. Liabilities are considered regardless of whether they must be paid in the current or future years.

These two statements report the District's net position and changes in them. The District's net position (the difference between assets and liabilities) provide one measure of the District's financial health, or financial position. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. To fully assess the overall health of the District, however, you should consider nonfinancial factors as well, such as changes in the District's average daily attendance or its property tax base and the condition of the District's facilities.

In the Statement of Net Position and the Statement of Activities, the District has one kind of activity:

* Governmental activities – Most of the District's basic services are reported here, including the instruction, counseling, co-curricular activities, transportation, maintenance, community services, and general administration. Property taxes and state and federal grants finance most of these activities.

Reporting the District's Most Significant Funds

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds—not the District as a whole. Laws and contracts require the District to establish some funds, such as grants received under the No Child Left Behind Act from the U.S. Department of Education. The District's administration establishes many other funds to help it control and manage money for particular purposes (like campus activities). The District's two kinds of funds – governmental and fiduciary – use different accounting approaches.

* Governmental funds—Most of the District's basic services are reported in governmental funds. These use modified accrual accounting (a method that measures the receipt and disbursement of cash and all other financial assets that can be readily converted to cash) and report balances that are available for future spending. The governmental fund statements provide a detailed short-term view of the District's general operations and the basic services it provides. We describe the differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliation schedules following each of the fund financial statements.

* Fiduciary Funds – This fund accounts for resources held for the benefit of parties outside the government. The District acts as a trustee, or fiduciary, for money raised by student activities and scholarship programs. All of the District's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position. We exclude these resources from the District's other financial statements because the District cannot use these assets to finance its operations. The District is only responsible for ensuring that the assets reported in these funds are used for their intended purposes

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Our analysis focuses on the net position (Table I) and changes in net position (Table II) of the District's governmental activities.

Net position of the District's governmental activities increased from previously reported \$11,222,567 to \$12,385,651. Unrestricted net position – 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 – was (\$1,950,412) deficit at June 30, 2024 due to TRS net pension and OPEB liabilities.

Table I
Sabine Independent School District
NET POSITION

	Governmental Activities 2024	Governmental Activities 2023	Total % Change
Current and other assets	\$ 13,078,503	\$ 13,784,431	-5.12%
Capital assets	26,846,048	26,020,354	3.17%
Total Assets	<u>39,924,551</u>	<u>39,804,785</u>	<u>0.30%</u>
Deferred outflows of resources	<u>4,859,672</u>	<u>5,257,744</u>	<u>-7.57%</u>
Other liabilities	1,687,197	2,062,040	-18.18%
Long term liabilities	17,652,314	18,345,741	-3.78%
TRS net pension liability	5,363,016	4,745,085	13.02%
TRS net OPEB liability	2,882,836	3,231,945	-10.80%
Total Liabilities	<u>27,585,363</u>	<u>28,384,811</u>	<u>-2.82%</u>
Deferred inflow of resources	<u>4,813,209</u>	<u>5,455,151</u>	<u>-11.77%</u>
Net investment in capital assets	10,530,475	9,084,267	15.92%
Restricted	3,805,588	3,553,694	7.09%
Unrestricted	(1,950,412)	(1,415,394)	-37.80%
Total Net Position	<u>\$ 12,385,651</u>	<u>\$ 11,222,567</u>	<u>10.36%</u>

Table II
Sabine Independent School District
CHANGES IN NET POSITION

	Governmental Activities 2024	Governmental Activities 2023	Total % Change
Revenues:			
Program Revenues:			
Charges for services	\$ 1,931,940	\$ 2,402,038	-19.57%
Operating grants and contributions	2,722,355	3,754,601	-27.49%
Capital grants and contributions	818,014	302,367	170.54%
General Revenues:			
Maintenance and operations taxes	3,102,452	4,143,348	-25.12%
Debt service taxes	1,215,541	1,212,232	0.27%
State-aid - formula grants	12,044,337	10,464,467	15.10%
Investment earnings	494,258	286,331	72.62%
Miscellaneous and other	386,748	249,587	54.96%
Total Revenues	22,715,645	22,814,971	-0.44%
Expenses:			
Instruction, curriculum and media services	11,163,695	10,687,336	4.46%
Instructional and school leadership	1,568,038	1,414,375	10.86%
Student support services	2,002,471	1,742,573	14.91%
Food Services	1,160,174	1,104,084	5.08%
Extracurricular activities	1,561,675	1,568,550	-0.44%
General administration	749,123	694,115	7.92%
Facilities maintenance and data processing	1,902,104	1,734,497	9.66%
Security and monitoring services	305,218	227,758	34.01%
Data processing services	113,889	104,882	8.59%
Community services	6,342	11,520	-44.95%
Debt service	415,200	437,564	-5.11%
Payments to fiscal agent	527,445	556,651	-5.25%
Other intergovernmental charges	77,187	78,490	-1.66%
Total Expenses	21,552,561	20,362,395	5.84%
Increase (Decrease) in Net Position	1,163,084	2,452,576	-52.58%
Net Position - Beginning of Year	11,222,567	8,769,991	27.97%
Net Position - End of Year	\$ 12,385,651	\$ 11,222,567	10.36%

THE DISTRICT'S FUNDS

Our analysis focuses on the net changes in fund balances (Table III) of the District's governmental funds.

Table III
Sabine Independent School District
NET CHANGES IN FUND BALANCES

	Governmental Funds 2024	Governmental Funds 2023	Total \$ Change	Total % Change
Revenues:				
Local and Intermediate Sources	\$ 7,175,923	\$ 7,965,046	\$ (789,123)	-9.9%
State Program Revenues	13,135,587	11,817,715	1,317,872	11.2%
Federal Program Revenues	2,661,017	3,690,551	(1,029,534)	-27.9%
Total Revenues	<u>22,972,527</u>	<u>23,473,312</u>	<u>(500,785)</u>	<u>-2.1%</u>
Expenditures:				
Instruction	10,317,289	10,497,888	(180,599)	-1.7%
Instructional resources & media services	315,399	176,403	138,996	78.8%
Curriculum and Instructional Staff Development	121,225	64,788	56,437	87.1%
Instructional leadership	490,806	489,343	1,463	0.3%
School leadership	1,019,938	959,280	60,658	6.3%
Guidance, counseling & evaluation services	1,294,774	1,204,862	89,912	7.5%
Health services and student (pupil) transportation	883,479	930,165	(46,686)	-5.0%
Food service	1,642,377	1,081,816	560,561	51.8%
Extracurricular activities	1,518,533	1,516,159	2,374	0.2%
General administration	716,728	716,424	304	0.0%
Facilities maintenance & operations	1,846,994	1,709,201	137,793	8.1%
Security & monitoring services	378,022	209,350	168,672	80.6%
Data processing services	109,168	108,487	681	0.6%
Community services	6,029	11,366	(5,337)	-47.0%
Debt service	1,039,237	963,930	75,307	7.8%
Capital outlay	959,710	1,865,012	(905,302)	-48.5%
Payments to fiscal agent/member districts of SSA	527,445	556,651	(29,206)	-5.2%
Other intergovernmental charges	77,187	78,490	(1,303)	-1.7%
Total Expenditures	<u>23,264,340</u>	<u>23,139,615</u>	<u>124,725</u>	<u>0.5%</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>(291,813)</u>	<u>333,697</u>	<u>(625,510)</u>	<u>-187.4%</u>
Fund Balance - Beginning of Year	<u>11,361,707</u>	<u>11,028,010</u>	<u>333,697</u>	<u>3.0%</u>
Fund Balance - End of Year	<u>\$ 11,069,894</u>	<u>\$ 11,361,707</u>	<u>\$ (291,813)</u>	<u>-2.6%</u>

As the District completed the year, its governmental funds reported a combined fund balance of \$11,069,894, which is a decrease of (2.60%) from 2023. Revenue from local sources was down (9.9%). State program revenue was up 11.2%. Our federal program revenues were down (27.9%). Overall, our total revenue for the year was down (\$500,785). Our overall expenses for the year increased by 0.5%. The combination of all of these factors caused the district to decrease (\$291,813) to fund balance this year.

Over the course of the year, the Board of Trustees revised the District's budget several times.

General Fund:

Increase in revenues - Local and Intermediate Sources	2,500
Increase in revenues - State Program Revenues	9,098
Decrease in expenditures Function 11 - Instruction	53,000
Decrease in expenditures Function 12 - Instructional Resources and Media Services	11,851
Decrease in expenditures Function 13 - Curriculum and Instructional Staff Development	24,500
Decrease in expenditures Function 21 - Instructional Leadership	14,500
Decrease in expenditures Function 23 - School Leadership	2,750
Decrease in expenditures Function 31 - Guidance, Counseling, and Eval Services	5,000
(Increase) in expenditures Function 33 - Health Services	(6,000)
(Increase) in expenditures Function 34 - Student (Pupil) Transportation	(16,758)
(Increase) in expenditures Function 35 - Food Services	(235,276)
(Increase) in expenditures Function 36 - Extracurricular Activities	(2,680)
(Increase) in expenditures Function 41 - General Administration	(12,640)
(Increase) in expenditures Function 51 - Facilities Maintenance & Operation	(205,379)
(Increase) in expenditures Function 52 - Security and Monitoring Services	(117,332)
(Increase) in expenditures Function 53 - Data Processing Services	(20,761)
(Increase) in expenditures Function 71 - Principal on Long-Term Liabilities	(111)
(Increase) in expenditures Function 72 - Interest on Long-Term Liabilities	(389)
(Increase) in expenditures Function 81 - Facilities Acquisition and Construction	(666,797)
(Increase) in expenditures Function 93 - Fiscal Agent	(40,097)
	<u>(1,201,021)</u>

Food Service Fund

Increase in revenues - Federal Program Revenues	128,371
(Increase) in expenditures Function 35 - Food Service	(495,222)
	<u>(366,851)</u>

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2024, the District had \$26,846,048 invested in a broad range of capital assets, including facilities and equipment for instruction, transportation, athletics, administration, and maintenance. This amount represents a net increase of \$825,694 from last year, consisting of \$1,935,518 of additions and (\$1,109,824) of depreciation expense.

In fiscal year 2023, the District began the renovation and redesign of the intermediate campus with various construction projects. The total cost associated with this project in the prior year is reflected in Construction in Progress of \$573,309.

During fiscal year 2024, the District signed a construction contract with HLH Design & Build for the redesign and renovation of the intermediate campus for a total of \$381,437. The District incurred \$381,437 related to this contract in fiscal year 2024. The District also incurred \$5,718 in architect fees and \$461,997 in other costs related to the project. The total is reflected in Construction in Progress of \$849,152. More costs are expected in fiscal year 2025 for the renovation and redesign of the intermediate campus.

Additionally, the District made several improvements including serving lines, roofing, and bleacher and fencing upgrades to the football stadium in the amount of \$367,868.

The District purchased two busses totaling \$265,372 and a maintenance truck in the amount of \$30,675.

The District also made several additions to equipment during the year including various kitchen equipment, a walk-in freezer and cooler a volleyball net system, and backboard in the amount of \$422,450.

Several fully depreciated assets were disposed of during the year including old buses and maintenance vehicles.

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

Debt

At June 30, 2024, the District had \$17,652,314 in outstanding bonds and notes payable versus \$18,345,741 last year. More detailed information about the District's long-term liabilities is presented in Notes H, I, and J to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The District's elected officials and administration considered many factors when setting the 2025 fiscal year budgets and tax rates. The factors included student enrollment, student daily attendance rates, property values and debt service obligations.

The amount available for appropriation in the general fund budget for fiscal year 2025 is 17,306,300; a 4.24% increase over the 2024 approved budget of \$16,601,942. The increase takes into consideration necessary payroll related costs and the increasing prices for goods and services. The bond payment of \$998,098 that will be paid from the debt service fund is equal to the payment of the prior year.

The District continues to monitor revenues, expenditures, fund balances, enrollment, staffing needs, student programs and will implement efficient operating procedures in order to maximize available funds for direct student instruction.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

SABINE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2024

EXHIBIT A-1

Data Control Codes	Primary Government
	Governmental Activities
ASSETS	
1110 Cash and Cash Equivalents	\$ 11,059,548
1220 Property Taxes - Delinquent	556,474
1230 Allowance for Uncollectible Taxes	(111,295)
1240 Due from Other Governments	1,520,303
1300 Inventories	34,713
1410 Prepayments	18,760
Capital Assets:	
1510 Land	1,102,065
1520 Buildings and Improvements, Net	22,737,834
1530 Furniture and Equipment, Net	1,583,688
1580 Construction in Progress	1,422,461
1000 Total Assets	39,924,551
DEFERRED OUTFLOWS OF RESOURCES	
1701 Deferred Loss on Defeasance of Debt	1,336,741
1705 Deferred Outflow Related to TRS Pension	2,171,495
1706 Deferred Outflow Related to TRS OPEB	1,351,436
1700 Total Deferred Outflows of Resources	4,859,672
LIABILITIES	
2110 Accounts Payable	101,250
2140 Accrued Interest Payable	112,039
2150 Payroll Deductions and Withholdings	52
2160 Accrued Wages Payable	1,343,306
2200 Accrued Expenses	107,590
2300 Unearned Revenue	22,960
Noncurrent Liabilities:	
2501 Due Within One Year: Loans, Note, Leases, etc. Due in More than One Year:	734,928
2502 Bonds, Notes, Loans, Leases, etc.	16,917,386
2540 Net Pension Liability (District's Share)	5,363,016
2545 Net OPEB Liability (District's Share)	2,882,836
2000 Total Liabilities	27,585,363
DEFERRED INFLOWS OF RESOURCES	
2605 Deferred Inflow Related to TRS Pension	329,935
2606 Deferred Inflow Related to TRS OPEB	4,483,274
2600 Total Deferred Inflows of Resources	4,813,209
NET POSITION	
3200 Net Investment in Capital Assets Restricted:	10,530,475
3820 Restricted for Federal and State Programs	389,099
3850 Restricted for Debt Service	2,718,870
3860 Restricted for Capital Projects	151,756
3890 Restricted for Other Purposes	545,863
3900 Unrestricted	(1,950,412)
3000 Total Net Position	\$ 12,385,651

The notes to the financial statements are an integral part of this statement.

SABINE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

Data Control Codes	1	Program Revenues		
		3	4	
	Expenses	Charges for Services	Operating Grants and Contributions	
Primary Government:				
GOVERNMENTAL ACTIVITIES:				
11	Instruction	\$ 10,706,135	\$ 685,298	\$ 1,357,734
12	Instructional Resources and Media Services	329,823	-	7,079
13	Curriculum and Instructional Staff Development	127,737	-	96,152
21	Instructional Leadership	509,372	323,298	20,486
23	School Leadership	1,058,666	-	41,043
31	Guidance, Counseling, and Evaluation Services	1,344,714	523,435	449,861
33	Health Services	178,966	-	12,434
34	Student (Pupil) Transportation	478,791	-	19,776
35	Food Services	1,160,174	355,397	479,451
36	Extracurricular Activities	1,561,675	44,512	30,704
41	General Administration	749,123	-	15,611
51	Facilities Maintenance and Operations	1,902,104	-	38,596
52	Security and Monitoring Services	305,218	-	76,790
53	Data Processing Services	113,889	-	3,266
61	Community Services	6,342	-	24
72	Debt Service - Interest on Long-Term Debt	414,700	-	-
73	Debt Service - Bond Issuance Cost and Fees	500	-	-
93	Payments Related to Shared Services Arrangements	527,445	-	73,348
99	Other Intergovernmental Charges	77,187	-	-
[TP]	TOTAL PRIMARY GOVERNMENT:	<u>\$ 21,552,561</u>	<u>\$ 1,931,940</u>	<u>\$ 2,722,355</u>

Data Control Codes	General Revenues:
	Taxes:
MT	Property Taxes, Levied for General Purposes
DT	Property Taxes, Levied for Debt Service
SF	State Aid - Formula Grants
IE	Investment Earnings
MI	Miscellaneous Local and Intermediate Revenue
TR	Total General Revenues
CN	Change in Net Position
NB	Net Position - Beginning
NE	Net Position - Ending

The notes to the financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position	
5	6
Capital Grants and Contributions	Governmental Activities

\$	-	\$	(8,663,103)
	-		(322,744)
	-		(31,585)
	-		(165,588)
	-		(1,017,623)
	-		(371,418)
	-		(166,532)
	-		(459,015)
	328,824		3,498
	-		(1,486,459)
	-		(733,512)
	455,161		(1,408,347)
	34,029		(194,399)
	-		(110,623)
	-		(6,318)
	-		(414,700)
	-		(500)
	-		(454,097)
	-		(77,187)
\$	<u>818,014</u>		<u>(16,080,252)</u>

3,102,452
1,215,541
12,044,337
494,258
<u>386,748</u>
17,243,336
<u>1,163,084</u>
<u>11,222,567</u>
<u>\$ 12,385,651</u>

SABINE INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024

EXHIBIT C-1

Data Control Codes	10 General Fund	50 Debt Service Fund	Other Funds	Total Governmental Funds
ASSETS				
1110 Cash and Cash Equivalents	\$ 7,337,796	\$ 2,691,388	\$ 1,030,364	\$ 11,059,548
1220 Property Taxes - Delinquent	426,869	129,605	-	556,474
1230 Allowance for Uncollectible Taxes	(85,374)	(25,921)	-	(111,295)
1240 Due from Other Governments	1,018,504	35,837	465,962	1,520,303
1260 Due from Other Funds	34,426	-	-	34,426
1300 Inventories	8,783	-	25,930	34,713
1410 Prepayments	18,760	-	-	18,760
1000 Total Assets	<u>\$ 8,759,764</u>	<u>\$ 2,830,909</u>	<u>\$ 1,522,256</u>	<u>\$ 13,112,929</u>
LIABILITIES				
2110 Accounts Payable	\$ 88,467	\$ -	\$ 12,783	\$ 101,250
2150 Payroll Deductions and Withholdings Payable	52	-	-	52
2160 Accrued Wages Payable	1,052,453	-	290,853	1,343,306
2170 Due to Other Funds	34,426	-	-	34,426
2200 Accrued Expenditures	77,548	-	30,042	107,590
2300 Unearned Revenue	-	-	22,960	22,960
2000 Total Liabilities	<u>1,252,946</u>	<u>-</u>	<u>356,638</u>	<u>1,609,584</u>
DEFERRED INFLOWS OF RESOURCES				
2601 Unavailable Revenue - Property Taxes	332,231	101,220	-	433,451
2600 Total Deferred Inflows of Resources	<u>332,231</u>	<u>101,220</u>	<u>-</u>	<u>433,451</u>
FUND BALANCES				
Nonspendable Fund Balance:				
3410 Inventories	8,783	-	25,930	34,713
3430 Prepaid Items	21,824	-	-	21,824
Restricted Fund Balance:				
3450 Federal or State Funds Grant Restriction	-	-	389,099	389,099
3470 Capital Acquisition and Contractual Obligation	-	-	151,756	151,756
3480 Retirement of Long-Term Debt	-	2,729,689	-	2,729,689
3490 Other Restricted Fund Balance	-	-	489,326	489,326
Committed Fund Balance:				
3545 Other Committed Fund Balance	-	-	109,507	109,507
3600 Unassigned Fund Balance	7,143,980	-	-	7,143,980
3000 Total Fund Balances	<u>7,174,587</u>	<u>2,729,689</u>	<u>1,165,618</u>	<u>11,069,894</u>
4000 Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 8,759,764</u>	<u>\$ 2,830,909</u>	<u>\$ 1,522,256</u>	<u>\$ 13,112,929</u>

The notes to the financial statements are an integral part of this statement.

SABINE INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
JUNE 30, 2024

EXHIBIT C-2

Total Fund Balances - Governmental Funds	\$	11,069,894
1 Capital assets and Right-to-Use Lease Assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. At the beginning of the year, the cost of these assets was \$42,210,228 and the accumulated depreciation was (\$16,189,874). In addition, long-term liabilities of (\$16,165,422), including bonds payable, are not due and payable in the current period, and, therefore are not reported as liabilities in the funds. The net effect of including the beginning balances for capital assets (net of depreciation) and long-term debt in the governmental activities is to increase net position.		9,854,932
2 Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of including the capital outlays and debt principal payments is to increase net position. Similarly, the principal payments on Right-to-Use Lease Assets and SBITA Assets are not expenses, rather they are decreases in the Right-to-Use Lease Liabilities and the SBITA Liabilities. These payments must be reclassified and shown as reductions to these liabilities increasing Net Position.		2,666,018
3 Included in the items related to debt is the recognition of the District's proportionate share of the net pension liability required by GASB 68. The net position related to TRS included a deferred resource outflow in the amount of \$2,171,495, a deferred resource inflow in the amount of (\$329,935), and a net pension liability in the amount of (\$5,363,016). This resulted in an increase(decrease) in net position.		(3,521,456)
4 Included in the items related to debt is the recognition of the District's proportionate share of the net OPEB liability required by GASB 75. The net position related to TRS included a deferred resource outflow in the amount of \$1,351,436, a deferred resource inflow in the amount of (\$4,483,274), and a net OPEB liability in the amount of (\$2,882,836). This resulted in an increase(decrease) in net position.		(6,014,674)
5 The current year depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to (decrease) net position.		(1,109,824)
6 Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unavailable revenue from property taxes as revenue, reclassifying the proceeds of bond sales as an increase in bonds payable, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to (decrease) net position.		(559,239)
29 Net Position of Governmental Activities	\$	12,385,651

The notes to the financial statements are an integral part of this statement.

SABINE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

Data Control Codes	10 General Fund	50 Debt Service Fund	Other Funds	Total Governmental Funds
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 3,747,967	\$ 1,331,906	\$ 2,096,050	\$ 7,175,923
5800 State Program Revenues	12,636,632	190,705	308,250	13,135,587
5900 Federal Program Revenues	110,364	-	2,550,653	2,661,017
5020 Total Revenues	<u>16,494,963</u>	<u>1,522,611</u>	<u>4,954,953</u>	<u>22,972,527</u>
EXPENDITURES:				
Current:				
0011 Instruction	8,767,761	-	1,549,528	10,317,289
0012 Instructional Resources and Media Services	303,751	-	11,648	315,399
0013 Curriculum and Instructional Staff Development	18,706	-	102,519	121,225
0021 Instructional Leadership	142,233	-	348,573	490,806
0023 School Leadership	1,015,812	-	4,126	1,019,938
0031 Guidance, Counseling, and Evaluation Services	346,527	-	948,247	1,294,774
0033 Health Services	168,107	-	4,441	172,548
0034 Student (Pupil) Transportation	705,380	-	5,551	710,931
0035 Food Services	247,388	-	1,394,989	1,642,377
0036 Extracurricular Activities	1,405,956	-	112,577	1,518,533
0041 General Administration	712,500	-	4,228	716,728
0051 Facilities Maintenance and Operations	1,828,609	-	18,385	1,846,994
0052 Security and Monitoring Services	303,636	-	74,386	378,022
0053 Data Processing Services	97,344	-	11,824	109,168
0061 Community Services	6,029	-	-	6,029
Debt Service:				
0071 Principal on Long-Term Liabilities	40,500	690,000	-	730,500
0072 Interest on Long-Term Liabilities	139	308,098	-	308,237
0073 Bond Issuance Cost and Fees	-	500	-	500
Capital Outlay:				
0081 Facilities Acquisition and Construction	470,519	-	489,191	959,710
Intergovernmental:				
0093 Payments to Fiscal Agent/Member Districts of SSA	454,097	-	73,348	527,445
0099 Other Intergovernmental Charges	77,187	-	-	77,187
6030 Total Expenditures	<u>17,112,181</u>	<u>998,598</u>	<u>5,153,561</u>	<u>23,264,340</u>
1200 Net Change in Fund Balances	(617,218)	524,013	(198,608)	(291,813)
0100 Fund Balance - July 1 (Beginning)	7,791,805	2,205,676	1,364,226	11,361,707
3000 Fund Balance - June 30 (Ending)	<u>\$ 7,174,587</u>	<u>\$ 2,729,689</u>	<u>\$ 1,165,618</u>	<u>\$ 11,069,894</u>

The notes to the financial statements are an integral part of this statement.

SABINE INDEPENDENT SCHOOL DISTRICT
 RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2024

EXHIBIT C-4

Total Net Change in Fund Balances - Governmental Funds	\$	(291,813)
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of removing the current year capital outlays and debt principal payments is to increase the change net position. Similarly, current year principal payments on Right-to-Use Leases and SIBTAs are also reclassified as reductions to the Right-To-Use Lease Liability and the SBITA liability which will result in a increase in the change in Net Position.		2,666,018
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to (decrease) the change in net position.		(1,109,824)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unavailable revenue from property taxes as revenue, adjusting current year revenue to show the revenue earned from the current year's tax levy, reclassifying the proceeds of bond sales, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to (decrease) the change in net position.		(149,258)
GASB 68 required that certain plan expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of the plan caused the change in ending net position to increase by \$352,812. Contributions made before the measurement date and during the previous fiscal year were also expended and recorded as a reduction in net pension liability. This caused a decrease in the change in net position totaling (\$317,909). Finally, the proportionate share of the TRS pension expense on the plan as a whole had to be recorded. The net pension expense (increased)decreased the change in net position by (\$595,573). The net result is an increase(decrease) in the change in net position.		(560,670)
GASB 75 required that certain plan expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of the plan caused the change in ending net position to increase by \$94,884. Contributions made before the measurement date and during the previous fiscal year were also expended and recorded as a reduction in net OPEB liability. This caused a decrease in the change in net position totaling (\$84,872). Finally, the proportionate share of the TRS OPEB expense on the plan as a whole had to be recorded. The net OPEB expense (increased)decreased the change in net position by \$598,619. The net result is an increase(decrease) in the change in net position.		608,631
Change in Net Position of Governmental Activities	\$	<u>1,163,084</u>

The notes to the financial statements are an integral part of this statement.

SABINE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2024

	Custodial Fund
<hr/>	
ASSETS	
Cash and Cash Equivalents	\$ 92,853
Total Assets	<u>92,853</u>
NET POSITION	
Restricted for Other Purposes	<u>92,853</u>
Total Net Position	<u>\$ 92,853</u>

The notes to the financial statements are an integral part of this statement.

SABINE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Custodial Fund
ADDITIONS:	
Miscellaneous Revenue - Student	\$ 128,406
Enterprising Services Revenue	33,048
Total Additions	<u>161,454</u>
DEDUCTIONS:	
Professional and Contracted Services	650
Supplies and Materials	175,178
Other Deductions	1,055
Total Deductions	<u>176,883</u>
Change in Fiduciary Net Position	(15,429)
Total Net Position July 1 (Beginning)	<u>108,282</u>
Total Net Position June 30 (Ending)	<u>\$ 92,853</u>

The notes to the financial statements are an integral part of this statement.

**SABINE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024**

Note A. Summary of Significant Accounting Policies

Sabine Independent School District (the "District") is a public educational agency operating under the applicable laws and regulations of the State of Texas. It is governed by a seven-member Board of Trustees (the "Board") elected by registered voters of the District. The District prepares its basic financial statements in conformity with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board ("GASB") and other authoritative sources identified in *Statement on Auditing Standards No. 76* 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.

1. Reporting Entity

The Board of School Trustees has governance responsibilities over all activities related to public elementary and secondary education within the jurisdiction of Sabine Independent School District. The members of the Board of Trustees are elected by the public; have the authority to make decisions, appoint administrators and managers, and significantly influence operations; and have the primary accountability for fiscal matters. The District is not included in any other governmental "reporting entity" as defined by the GASB in its Statement No. 14, *The Financial Reporting Entity*. There are no component units included within the reporting entity. The District receives funding from local, state and federal government sources and must comply with the requirements of these funding source entities.

2. Government-Wide and Fund Financial Statements

The Statement of Net Position and the Statement of Activities are government-wide financial statements. They report information on all of the Sabine Independent School District nonfiduciary activities with most of the interfund activities removed. *Governmental activities* include programs supported primarily by taxes, State foundation funds, grants and other intergovernmental revenues.

The Statement of Activities demonstrates how other people or entities that participate in programs the District operates have shared in the payment of the direct costs. The "charges for services" column includes payments made by parties that purchase, use, or directly benefit from goods or services provided by a given function or segment of the District. Examples include tuition paid by students not residing in the District, school lunch charges, etc. The "grants and contributions" column includes amounts paid by organizations outside the District to help meet the operational or capital requirements of a given function. Examples include grants under the Elementary and Secondary Education Act. If revenue is not program revenue, it is general revenue used to support all of the District's functions. Taxes are always general revenues.

Interfund activities between governmental funds appear as due to/due froms on the Governmental Fund Balance Sheet and as other resources and other uses on the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance. All interfund transactions between governmental funds are eliminated on the government-wide statements. Interfund activities between governmental funds and fiduciary funds remain as due to/due froms on the government-wide Statement of Activities

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

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

The government-wide financial statements use the economic resources measurement focus and the accrual basis of accounting. 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 use the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets, current liabilities 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 are considered to be available when they are collectible, if they are collectible within 60 days after year end.

Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the susceptible-to-accrual concept, that is, when they are both measurable and available. The District considers them available if they will 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 deferred revenues until related and authorized expenditures have been made. If balances have not been expended by the end of the project period, grantors sometimes require the District to refund all or part of the unused amount.

The Fiduciary Funds are accounted for on a flow of economic resources measurement focus and utilize the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred and become measurable.

4. Fund Accounting

The District's accounts are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which are comprised of each fund's assets, liabilities, equity, revenues, and expenditures or expenses.

The District reports the following major governmental funds:

General Fund - This fund is established to account for resources financing the fundamental operations of the District, in partnership with the community, in enabling and motivating students to reach their full potential. All revenues and expenditures not required to be accounted for in other funds are included here. This is a budgeted fund and any fund balances are considered resources available for current operations. Fund balances may be appropriated by the Board of Trustees to implement its responsibilities.

Debt Service Fund – This governmental fund is established to account for payment of principal and interest on long-term general obligation debt and other long-term debts for which a tax has been dedicated. This is a budgeted fund and a separate bank account is maintained for this fund. Any unused sinking fund balances are transferred to the General Fund after all of the related debt obligations have been met.

Additionally, the District reports the following fund types:

Governmental Fund Type:

Special Revenue Funds - The District accounts for resources restricted or committed to specific purposes by the District or a grantor in a special revenue fund. Most Federal and some State financial assistance is accounted for in a Special Revenue Fund and sometimes unused balances must be returned to the grantor at the close of specified project periods. The Food Service fund is the only required budgeted fund. For all other funds in this fund type, project accounting is employed to maintain integrity for the various sources of funds.

Capital Projects Fund – This governmental fund is established to account for proceeds, on the modified accrual basis, from the sale of bonds and other resources to be used for Board authorized acquisition, construction, or renovation, as well as, furnishing and equipping of major capital facilities. Upon completion of a project, any unused bond proceeds are transferred to the Debt Service Fund and are used to retire related bond principal.

Fiduciary Fund Type:

Fiduciary Funds – These funds are used to report student activity funds held by the District in a custodial capacity and the assets are for the benefit of the student organizations. The collections and disbursement amounts are controlled by a group which is governed by a representative student body.

5. Cash Equivalents

The District considers highly liquid investments to be cash equivalents if they have a maturity of three months or less when purchased.

6. Investments

Investments are recorded at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Certificates of deposits are recorded at amortized cost.

7. Inventories and Prepaid Items

Inventories of supplies on the balance sheet are stated at weighted average cost, while inventories of food commodities are recorded at market values supplied by the Texas Department of Agriculture. Inventory items are recorded as expenditures when they are consumed. Supplies are used for almost all functions of activity, while food commodities are used only in the food service program. Although commodities are received at no cost, their fair market value is supplied by the Texas Department of Agriculture and recorded as inventory and deferred revenue when received. When requisitioned, inventory and deferred revenue are relieved, expenditures are charged, and revenue is recognized for an equal amount. Inventories also include plant maintenance and operation supplies as well as instructional supplies.

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

8. Asset Capitalization and Useful Lives

Capital assets which include land, buildings and improvements, furniture and equipment, arts and collections, 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 two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market 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.

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

	<u>Years</u>
Buildings	50
Building Improvements	20
Vehicles	2-15
Furniture and Equipment	3-15

Inexhaustible assets such as arts and collections are not depreciable.

9. Long-Term Debt

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. In the fund financial statements, governmental fund types the face amount of debt issued is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenses or debt expenditures.

10. Deferred Outflows of Resources and Deferred Inflows of Resources

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

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

11. Fund Equity

The Governmental Accounting Standards Board (GASB) has issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54). This Statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories as following:

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

Restricted fund balance – represents amounts with external constraints placed on the use of these resources (such as debt covenants, grantors, other governments, etc.) or imposed by enabling legislation. Restrictions may be changed or lifted only with the consent of resource providers.

Committed fund balance – represents amounts that can only be used for specific purposes imposed by a formal action of the District’s highest level of decision-making authority, the Board. Committed resources cannot be used for any other purposes unless the Board removes or changes the specific use by taking the same formal action that imposed the constraint originally.

Assigned fund balance – represents amount the District intends to use for specific purposes as expressed by the Board or an official delegated with the authority. The Board has delegated the authority to assign fund balances to the Superintendent and Business Manager.

Unassigned fund balance – represents the residual classification for the general fund or deficit balances in other funds.

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended is as follows: restricted fund balance, committed fund balance, assigned fund balance, and then unassigned fund balance.

12. Worker's Compensation Plan

During the year ended June 30, 2024, Sabine ISD met its statutory workers’ compensation obligations through participation in the TASB Risk Management Fund (the Fund). The Fund was created and is operated under the provisions of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. The Fund’s Worker’s Compensation Program is authorized by Chapter 504, Texas Labor Code. All members participating in the Fund execute Interlocal Agreements that define the responsibilities of the parties. The Fund provides statutory workers’ compensation benefits to its members’ injured employees.

The Fund and its members are protected against higher than expected claim costs through the purchase of stop loss coverage for any claim in excess of the Fund’s self-insured retention of \$2 million. The Fund uses the services of an independent actuary to determine reserve adequacy and fully funds those reserves. As of August 31, 2023, the Fund carries a discounted reserve of \$48,919,036 for future development on reported claims and claims that have been incurred but not yet reported. For the year-ended June 30, 2024, the Fund anticipates no additional liability to members beyond their contractual obligations for payment of contributions.

The Fund engages the services of an independent auditor to conduct a financial audit after the close of each year on August 31. The audit is accepted by the Fund’s Board of Trustees in February of the following year. The Fund’s audited financial statements as of August 31, 2023 are available on the TASB Risk Management Fund website and have been filed with the Texas Department of Insurance in Austin.

13. Risk Management - Claims and Judgments

In the normal course of operations, the District is exposed to risks of loss from a number of sources including fire and casualty losses, errors or omissions by board members and employees, and injuries to employees during the course of performing their duties. The District attempts to cover these losses by the purchase of insurance. Significant losses are covered by commercial insurance for property and liability programs. The District entered into an agreement with the Texas Educational Insurance Association to participate in their workers' compensation program. For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

In management’s estimation there are no current loss claims that exceed the maximum coverage or any material unfunded claim benefit obligation for the self-funded programs.

14. Restricted Assets

When the District incurs an expense for which it may use either restricted or unrestricted assets, it uses the restricted assets first whenever they will have to be returned if they are not used.

15. Functions

School Districts are required to report all expenses by function, except certain indirect expenses. General administration, data processing service and other intergovernmental charges functions (data control codes 41, 53, and 99 respectively) include expenses that are indirect expenses of other functions. These indirect expenses are not allocated to other functions.

16. Data Control Codes

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

17. Estimates and Assumptions

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

Note B. Stewardship, Compliance and Accountability

Budgetary Data

The Board of Trustees adopts an "appropriated budget" for the General Fund, Debt Service Fund and the Food Service Fund which is included in the Special Revenue Funds. The District is required to present the adopted and final amended budgeted revenues and expenditures for each of these funds. The District compares the final amended budget to actual revenues and expenditures. The General Fund Budget report appears in Exhibit G-1 and the other two reports appear in Exhibit J-2 and J-3.

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

1. Prior to June 20 of the preceding fiscal year, the District prepares a budget for the next succeeding fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Board is then called for the purpose of adopting the proposed budget. At least ten days public notice of the meeting must be given.
3. Prior to July 1, the budget is legally enacted through passage of a resolution by the Board.

Once a budget is approved, it can only be amended at the function and fund level by approval of a majority of the members of the Board. Amendments are presented to the Board at its regular meetings. Each amendment must have Board approval. As required by law, such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year end.

Because the District has a policy of careful budgetary control, several amendments were necessary during the year.

General Fund:

Increase in revenues - Local and Intermediate Sources	2,500
Increase in revenues - State Program Revenues	9,098
Decrease in expenditures Function 11 - Instruction	53,000
Decrease in expenditures Function 12 - Instructional Resources and Media Services	11,851
Decrease in expenditures Function 13 - Curriculum and Instructional Staff Development	24,500
Decrease in expenditures Function 21 - Instructional Leadership	14,500
Decrease in expenditures Function 23 - School Leadership	2,750
Decrease in expenditures Function 31 - Guidance, Counseling, and Eval Services	5,000
(Increase) in expenditures Function 33 - Health Services	(6,000)
(Increase) in expenditures Function 34 - Student (Pupil) Transportation	(16,758)
(Increase) in expenditures Function 35 - Food Services	(235,276)
(Increase) in expenditures Function 36 - Extracurricular Activities	(2,680)
(Increase) in expenditures Function 41 - General Administration	(12,640)
(Increase) in expenditures Function 51 - Facilities Maintenance & Operation	(205,379)
(Increase) in expenditures Function 52 - Security and Monitoring Services	(117,332)
(Increase) in expenditures Function 53 - Data Processing Services	(20,761)
(Increase) in expenditures Function 71 - Principal on Long-Term Liabilities	(111)
(Increase) in expenditures Function 72 - Interest on Long-Term Liabilities	(389)
(Increase) in expenditures Function 81 - Facilities Acquisition and Construction	(666,797)
(Increase) in expenditures Function 93 - Fiscal Agent	(40,097)
	<u>(1,201,021)</u>

Food Service Fund

Increase in revenues - Federal Program Revenues	128,371
(Increase) in expenditures Function 35 - Food Service	(495,222)
	<u>(366,851)</u>

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

The District's Food Service Fund is considered a special revenue fund since it meets the following criteria: (1) User fees are charged to supplement the National School Lunch Program (NSLP), (2) The General Fund subsidizes the Food Service Program for all expenditures in excess of NSLP, and (3) The District does not consider the Food Service Program completely self-supporting. Food Service fund balances are used exclusively for child nutrition program purposes.

A reconciliation of fund balances for both appropriated budget and nonappropriated budget Nonmajor Governmental Special Revenue Funds is as follows:

	06/30/24
	<u>Fund Balance</u>
Appropriated Budget Funds - Food Service Special Revenue Fund	415,029
Nonappropriated Budget Funds	<u>598,833</u>
All Nonmajor Governmental Special Revenue Funds	<u>1,013,862</u>

Note C. Deposits and Investments

District Policies and Legal and Contractual Provisions Governing Deposits:

Custodial Credit Risk for Deposits -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 pledged securities must be in the name of the governmental entity and held by the entity or its agent. Since the District complies with this law, it has no custodial credit risk for deposits.

The captions and amounts of cash and cash equivalents on the Balance Sheet and Statement of Fiduciary Net Position at June 30, 2024 consist of the following:

	General Fund	Debt Service Fund	Other Funds	Balance Sheet Total	Fiduciary Funds
Cash in Bank	490,505	107,784	647,636	1,245,925	92,853
Investments in Pools	6,847,291	2,583,604	382,728	9,813,623	-
Total Cash and Cash Equivalents	7,337,796	2,691,388	1,030,364	11,059,548	92,853

The District's cash deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) at 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. The District's cash deposits were collateralized during the year ending June 30, 2024.

The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the District to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of 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, (9) and bid solicitation preferences for certificates of deposit. 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 Public Funds Investment Act (PFIA) governs the District's investment policies and type of investments. The District's management believes that it complied with the requirements of the PFIA and the District's investment policies.

As of June 30, 2024, Sabine Independent School District had the following investments:

<u>Investment Type:</u>	<u>Amortized Cost</u>
Lonestar Investment Pools	855,051
Texas Class -	
General Fund	5,992,240
Special Ed Fund	193,563
Child Nutrition Fund	37,408
Capital Projects Fund	151,757
Debt Service Fund	2,583,604
Total Investment Pools	9,813,623

Lone Star Investment Pool (Pool) was organized in 1991 in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. The Pool is administered by First Public, formerly known as Texas Association of School Boards Financial Services. The Pool is governed by an 11-member board, all of whom are participants in the Pool.

The District invests in Texas CLASS, an investment option that utilizes all eligible investment as defined by the Public Funds Investment Act. The purpose of the Trust is to establish one or more investment funds through which a Participant may pool any of its funds or funds under its control in order to preserve the principal, to maintain the liquidity of the participant, and to maximize yield in accordance with the Public Funds Investment Act (the Act), Section 2256.01, et seq., Texas Government Code, or other laws of the state of Texas, from time-to-time in effect, governing the investment of funds of a Participant or funds under its control. The Trust Agreement is an agreement of indefinite term regarding the investment, reinvestment, and withdrawal of local government funds.

Additional policies and contractual provisions governing deposits and investments for Sabine Independent School District are specified below:

Custodial Credit Risk for Deposits - To limit the risk that an issuer or other counterparty to an investment will not fulfill its obligations the District limits investments in Obligations of the United States or its agencies and instrumentalities; direct obligations of the State of Texas or its agencies and instrumentalities; certificates of deposits; fully collateralized repurchase agreements that have a defined termination date and secured by obligations of the United States or its agencies and instrumentalities; public funds investment pools; collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States rated not less than A or its equivalent issued by nationally recognized statistical rating organizations (NRSROs). As of June 30, 2024, the District's investments in public funds investment pools were rated AAAM and AAAM by Standard & Poor's.

Interest Rate Risk - To limit the risk that changes in interest rates will adversely affect the fair value of investments, the District requires invested instruments maturities do not exceed one year from the time of purchase except when a longer maturity may be specifically authorized by the Board for a given investment provided legal limits are not exceeded.

Note D. Property Taxes

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the District in conformity with Subtitle E, Texas Property Tax Code. The assessed value of the roll on January 1, 2023 upon which the levy for the 2024 fiscal year was based was \$496,141,001. The tax rates levied for the year ended June 30, 2024 to finance General Fund operations and the payment of principal and interest on general obligations long-term debt were \$0.6692 and \$0.26143 per \$100 per valuation respectively, for a total of \$0.93063 per \$100 valuation.

Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 31 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available when they are collected.

Note E. Delinquent Taxes Receivable

Delinquent taxes are prorated between maintenance (General Fund) and debt service based on rates adopted for the year of the levy. Allowances for uncollectible tax receivables within the General Fund and Debt Service Fund 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.

Note F. Disaggregation of Receivables and Payables

Receivables at June 30, 2024, were as follows:

	<u>Property Taxes</u>	<u>Other Governments</u>	<u>Due From Other Funds</u>	<u>Total Receivables</u>
Governmental Activities:				
General Fund	426,869	1,018,504	34,426	1,479,799
Debt Service	129,605	35,837	-	165,442
Nonmajor Governmental Funds (Special Revenue)	-	465,962	-	465,962
Total - Governmental Activities	<u>556,474</u>	<u>1,520,303</u>	<u>34,426</u>	<u>2,111,203</u>
 Amounts not scheduled for collection during the subsequent year	<u>(111,295)</u>	<u>-</u>	<u>-</u>	<u>(111,295)</u>

Payables at June 30, 2024, were as follows:

	<u>Accounts Payable</u>	<u>Salaries/ Benefits</u>	<u>Due to Other Funds</u>	<u>Total Payables</u>
Governmental Activities:				
General Fund	88,467	1,130,053	34,426	1,252,946
Nonmajor Governmental Funds (Special Revenue)	12,783	320,895	-	333,678
Total - Governmental Activities	<u>101,250</u>	<u>1,450,948</u>	<u>34,426</u>	<u>1,586,624</u>

Note G. Capital Asset Activity

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

	Beginning Balance	Additions	Retirements/ Reclassifications	Ending Balance
Governmental Activities:				
Land	1,102,065	-	-	1,102,065
Building and Improvements	37,004,032	367,868	-	37,371,900
Furniture and Equipment	1,435,124	422,450	7,575	1,849,999
Vehicles	2,095,698	296,048	230,375	2,161,371
Construction in Progress	573,309	849,152	-	1,422,461
Totals at Historic Cost	<u>42,210,228</u>	<u>1,935,518</u>	<u>237,950</u>	<u>43,907,796</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	13,749,726	884,340	-	14,634,066
Furniture and Equipment	1,141,648	90,575	7,575	1,224,648
Vehicles	1,298,500	134,909	230,375	1,203,034
Total Accumulated Depreciation	<u>16,189,874</u>	<u>1,109,824</u>	<u>237,950</u>	<u>17,061,748</u>
Governmental Activities:				
Land	1,102,065	-	-	1,102,065
Building and Improvements, Net	23,254,306	(516,472)	-	22,737,834
Furniture and Equipment, Net	293,476	331,875	-	625,351
Vehicles, Net	797,198	161,139	-	958,337
Construction in Progress	573,309	849,152	-	1,422,461
Capital Assets, Net	<u>26,020,354</u>	<u>825,694</u>	<u>-</u>	<u>26,846,048</u>

In fiscal year 2023, the District began the renovation and redesign of the intermediate campus with various construction projects. The total costs associated with this project in the prior year is reflected in Construction in Progress of \$573,309.

During fiscal year 2024, the District signed a construction contract with HLH Design & Build for the redesign and renovation of the intermediate campus for a total of \$381,437. The District incurred \$381,437 related to this contract in fiscal year 2024. The District also incurred \$5,718 in architect fees and \$461,997 in other costs related to the project. The total is reflected in Construction in Progress of \$849,152. More costs are expected in fiscal year 2025 for the renovation and redesign of the intermediate campus.

Additionally, the District made several improvements including serving lines, roofing, and bleacher and fencing upgrades to the football stadium in the amount of \$367,868.

The District purchased two busses totaling \$265,372 and a maintenance truck in the amount of \$30,675.

The District also made several additions to equipment during the year including various kitchen equipment, a walk-in freezer and cooler a volleyball net system, and backboard in the amount of \$422,450.

Several fully depreciated assets were disposed of during the year including old buses and maintenance vehicles.

Depreciation expense was charged to governmental functions as follows:

Governmental Activities:	
Instruction	554,209
Instructional Resources and Media Services	16,942
Curriculum and Instrumental Staff Development	6,512
Instructional Leadership	26,364
School Leadership	54,788
Guidance, Counseling & Evaluation Services	69,551
Health Services	9,269
Student (Pupil) Transportation	38,189
Food Services	88,223
Cocurricular/Extracurricular Activities	81,570
General Administration	38,500
Plant Maintenance and Operations	99,214
Security Monitoring	20,306
Data Processing Services	5,864
Community Services	323
Total Depreciation Expense - Governmental Activities	<u>1,109,824</u>

Note H. Bonds Payable and Debt Service Requirements

On February 15, 2020, Sabine Independent School District issued \$16,799,994 of Unlimited Tax Refunding Bonds, Series 2020. This issue was comprised of \$16,785,000 Current Interest Bonds with interest rates between 0.24% - 2.41% maturing annually from February 15, 2021 through 2043. The issue also was comprised of \$14,994 Capital Appreciation Bond maturing in 2028, 2029, and 2030.

A summary of changes in bonded debt for the year ended June 30, 2024 is as follows:

	Stated Interest Rate	Amounts Original Issue	Amounts Outstanding 07/01/23	Bonds Issued/ Accretion	Bonds Retired	Amounts Outstanding 06/30/24
Unlimited Tax Refunding Bonds						
Series 2020, Current Interest Bonds maturing February 15, 2043	0.24% - 2.41%	16,785,000	16,080,000	-	690,000	15,390,000
Unlimited Tax Refunding Bonds						
Series 2020, Capital Appreciation Bonds maturing 2028, 2029, 2030	0.00%	14,994	684,057	291,450	-	975,507
			<u>16,764,057</u>	<u>291,450</u>	<u>690,000</u>	<u>16,365,507</u>

In the governmental fund financial statements, the current expenditures for principal and interest expenditures are accounted for in the Debt Service Fund in the Statement of Revenues, Expenditures and Changes in Fund Balance. During the year ended June 30, 2024, the District paid \$690,000 in principal, \$308,098 in interest, and \$500 in fees.

Bonded debt service requirements are as follows:

Year Ended June 30	Unlimited Tax School Building and Refunding Bonds		
	Principal	Interest	Total Requirements
2025	705,000	303,751	1,008,751
2026	715,000	298,534	1,013,534
2027	755,000	291,956	1,046,956
2028	7,978	1,045,599	1,053,577
2029	4,515	1,094,061	1,098,576
2030-2034	3,607,501	2,173,957	5,781,458
2035-2039	5,090,000	893,440	5,983,440
2040-2043	4,520,000	274,496	4,794,496
	15,404,994	6,375,794	21,780,788
Accumulated Accreted Interest	960,513	(960,513)	-
Total	16,365,507	5,415,281	21,780,788

In the government-wide financial statements, bonded indebtedness of the District is reflected in the Statement of Net Position. Premium on issuance of bonds, net of accumulated amortization, totaled \$1,256,879 at June 30, 2024. Unamortized loss on defeasance of debt of (\$1,336,741) and accreted interest on CABs of \$291,450 is reflected in the Statement of Activities for the year ended June 30, 2024.

There are a number of limitations and restrictions contained in the general obligation bond indenture. Management has indicated that the District is in compliance with all significant limitations and restrictions at June 30, 2024. Sabine Independent School District has entered into a continuing disclosure undertaking to provide Annual Reports and material Event Notices to the State Information Depository of Texas (SID), which is the Municipal Advisory Council. This information is required under SEC Rule 15c2-12 to enable investors to analyze the financial condition and operations of Sabine Independent School District.

Note I. Notes Payable

In May 2017, the District executed a loan agreement for SECO Note Payable, in the amount of \$321,300. The note proceeds were used for projects related to the construction of a new elementary school.

In the governmental fund financial statements, note obligations of the District current requirement for principal and interest expenditures are accounted for in the General Fund, Function 71 and Function 72, respectively. During the year ended June 30, 2024, the District paid \$40,500 in principal and \$139 in interest on the notes outstanding, which are accounted for in the General Fund.

A summary of changes in notes payable for the year ended June 30, 2024 is as follows:

	Stated Interest Rate	Amounts Outstanding 07/01/23	Issued/ Accretion	Retired	Amounts Outstanding 06/30/24
SECO Note Payable	0.25%	70,428	-	40,500	29,928
		70,428	-	40,500	29,928

Debt Service requirement for notes payable are as follows:

Year Ended	Notes Payable - Direct Borrowing		
	Principal	Interest	Total Requirements
June 30			
2025	29,928	19	29,947
	29,928	19	29,947

Note J. Changes in Long-Term Liabilities

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds and Notes Payable:					
General Obligation Bonds	16,764,057	291,450	690,000	16,365,507	705,000
Notes Payable	70,428	-	40,500	29,928	29,928
Bond Premium/Discount	1,511,256	-	254,377	1,256,879	-
Unamortized Loss on Defeasance of Debt	(1,409,654)	72,913	-	(1,336,741)	-
Total Bonds and Notes Payable	<u>16,936,087</u>	<u>364,363</u>	<u>984,877</u>	<u>16,315,573</u>	<u>734,928</u>
Other Liabilities:					
TRS Net Pension Liability	4,745,085	617,931	-	5,363,016	-
TRS Net OPEB Liability	3,231,945	-	349,109	2,882,836	-
Total Other Liabilities	<u>7,977,030</u>	<u>617,931</u>	<u>349,109</u>	<u>8,245,852</u>	<u>-</u>
Total Governmental Activities					
Long-term Liabilities	<u>24,913,117</u>	<u>982,294</u>	<u>1,333,986</u>	<u>24,561,425</u>	<u>734,928</u>

Note K. Defined Benefit Pension Plan

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

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

Pension Plan Fiduciary Net Position. Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately-issued Annual Comprehensive Financial Report (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; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698, or by calling (512)542-6592.

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

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

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

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

The following table shows contribution rates by type of contributor for the fiscal years 2023 and 2024 and the contributions by type of contributions reported by TRS which were received by TRS during the measurement year (TRS FY 2023). These are included in the calculation of the district's proportionate share of the net pension liability.

Contribution Rates		
	<u>2023</u>	<u>2024</u>
Member (Employees)	8.00%	8.25%
Non-Employer Contributing Entity (State)	8.00%	8.25%
Employer (District)	8.00%	8.25%
SISD Fiscal Year Member Contributions	926,724	958,937
SISD Fiscal Year Employer Contributions	399,985	417,484
SISD Measurement Year NECE On-Behalf Contributions	668,280	706,357

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

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

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.

- During a new member's first 90 days of employment
- When any 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.

In addition to the employer contributions listed above, there is a 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.

Net Pension Liability. Components of the net pension liability of the plan as of August 31, 2023 are disclosed below:

<u>Components of Liability</u>	<u>Amount</u>
Total Pension Liability	\$ 243,553,045,455
Less: Plan Fiduciary Net Position	<u>(184,185,617,196)</u>
Net Pension Liability	<u>\$ 59,367,428,259</u>
Net Position as Percentage of Total Pension Liability	75.62%

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

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

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

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

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all 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 percent. 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 Allocation % ²	Long-Term Expected Arithmetic Real Rate of Return ³	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
USA	18.0%	4.0%	1.00%
Non-U.S. Developed	13.0%	4.5%	0.90%
Emerging Markets	9.0%	4.8%	0.70%
Private Equity ⁴	14.0%	7.0%	1.50%
Stable Value			
Government Bonds	16.0%	2.5%	0.50%
Absolute Return ¹	0.0%	3.6%	0.00%
Stable Value Hedge Funds	5.0%	4.1%	0.20%
Real Return			
Real Estate	15.0%	4.9%	1.10%
Energy, Natural Resources & Infrastructure	6.0%	4.8%	0.40%
Commodities	0.0%	4.4%	0.00%
Risk Parity			
Risk Parity	8.0%	4.5%	0.40%
Asset Allocation Leverage			
Cash	2.0%	3.7%	0.01%
Asset Allocation Leverage	-6.0%	4.4%	-0.10%
Inflation Expectation			2.30%
Volatility Drag⁴			-0.90%
Total	100.00%		8.00%

¹ Absolute Return includes Credit Sensitive Investments

² Target Allocations are based on the FY2023 policy model

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

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

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

	1% Decrease in Discount Rate (6.00%)	Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
SISD's proportionate share of the net pension liability	8,018,007	5,363,016	3,155,391

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2024, Sabine ISD reported a liability of \$5,363,016 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to Sabine ISD. The amount recognized by Sabine ISD 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 Sabine ISD were as follows:

District's proportionate share of the collective net pension liability	\$ 5,363,016
State's proportionate share that is associated with the District	<u>9,439,235</u>
Total	<u>\$ 14,802,251</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 employer's proportion of the net pension liability was based on the employer's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2022 thru August 31, 2023.

At August 31, 2023 the employer's proportion of the collective net pension liability was 0.0078075252% which was an increase (decrease) of (0.0001852158%) from its proportion measured as of August 31, 2022.

Changes in Actuarial Assumptions 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, the contingent liability was not reflected as of August 31, 2023.

For the year ended June 30, 2024, Sabine School recognized pension expense of \$2,338,725 and revenue of \$1,425,243 for support provided by the State in the Government Wide Statement of Activities.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual economic experience	\$ 191,086	\$ 64,940
Changes in actuarial assumptions	507,236	124,132
Net Difference between projected and actual investment earnings	780,450	-
Changes in proportion and difference between the employer contributions and the proportionate share of contributions	339,911	140,863
Total as of August 31, 2023 measurement date	\$ 1,818,683	\$ 329,935
Contributions paid to TRS subsequent to the measurement date of the Net Pension Liability(to be calculated by employer)	352,812	-
Total as of June 30, 2024 fiscal year-end	\$ 2,171,495	\$ 329,935

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

Year ended August 31:	Pension Expense Amount
2025	\$ 310,454
2026	221,336
2027	726,655
2028	220,455
2029	9,847
Thereafter	1
	<u>\$ 1,488,748</u>

Note L. Defined Other Post-Employment Benefit Plan

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

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

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

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

	<u>Medicare</u>	<u>Non-Medicare</u>	
Retiree or Surviving Spouse	\$ 135	\$ 200	
Retiree and Spouse	529	689	
Retiree or Surviving Spouse and Children	468	408	
Retiree and Family	1,020	999	

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

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

Contribution Rates

	<u>2023</u>	<u>2024</u>
Active Employee	0.65%	0.65%
Non-Employer Contributing Entity (State)	1.25%	1.25%
Employers	0.75%	0.75%
Federal/private Funding remitted by Employers	1.25%	1.25%
SISD Member Contributions	75,296	75,929
SISD Employer Contributions	101,659	112,807
Measurement Year NECE On-behalf Contributions	135,237	136,306

In addition to the employer contributions listed above, there is an additional surcharge all TRS employers are subject to (*regardless of whether they participate in the TRS Care OPEB program*). When 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-approved from amounts received by the pension and TRS-Care funds in excess of the state’s actual obligation and then transferred of TRS-Care.

Actuarial Assumptions

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

The actuarial valuation of the OPEB plan offered through TRS-Care is similar to the actuarial valuation performed for the pension plan, except that the OPEB valuation is more complex. The demographic assumptions were developed in the experience study performed for TRS for the period ending August 31, 2021.

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

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

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

Additional Actuarial Methods and Assumptions:

Valuation Date	August 31, 2022 rolled forward to August 31, 2023
Actuarial Cost Method	Individual Entry-Age Normal
Inflation	2.30%
Single Discount Rate	4.13% as of August 31, 2023
Aging Factors	Based on plan specific experience
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
Salary Increases	2.95% to 8.95%, including inflation
Ad Hoc Post-Employment Benefit Changes	None

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

Sensitivity of the Net OPEB Liability

Discount Rate Sensitivity Analysis. The following schedule shows the impact of the Net OPEB Liability if the discount rate used was one percentage point lower than and one percentage point higher than the discount rate that was used (4.13 percent) in measuring the Net OPEB Liability.

	1% Decrease in Discount Rate (3.13%)	Current Single Discount Rate (4.13%)	1% Increase in Discount Rate (5.13%)
SISD's proportionate share of the Net OPEB Liability	3,395,380	2,882,836	2,464,587

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 \$2,882,836 for its proportionate share of the TRS's Net OPEB Liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the collective Net OPEB Liability	\$ 2,882,836
State's proportionate share that is associated with the District	<u>3,478,584</u>
Total	<u>\$ 6,361,420</u>

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

At August 31, 2023 the employer's proportion of the collective Net OPEB Liability was 0.0130219353% compared to (0.0004759935%) 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 health trend rates assumed.

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Proportionate share of Net OPEB Liability	2,373,871	2,882,836	3,537,621

Changes in Actuarial Assumptions 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 percent as of August 31, 2022 to 4.13 percent as of August 31, 2023, accompanied by revised demographic and economic assumptions based on the TRS experience study.

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

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
Difference between expected and actual economic experience	\$ 130,426	\$ 2,425,360
Changes in actuarial assumptions	393,486	1,765,237
Net Difference between projected and actual investment earnings	1,246	-
Changes in proportion and difference between the employer contributions and the proportionate share of contributions	731,394	292,677
Total as of August 31, 2023 measurement date	1,256,552	4,483,274
Contributions paid to TRS subsequent to the measurement date of the Net OPEB Liability (to be calculated by employer)	94,884	-
Total as of June 30, 2024 fiscal year-end	\$ 1,351,436	\$ 4,483,274

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:

Year ended August 31:	OPEB Expense Amount
2025	\$ (726,101)
2026	(593,877)
2027	(414,869)
2028	(457,913)
2029	(373,092)
Thereafter	(660,870)
	<u>\$ (3,226,722)</u>

For the year ended June 30, 2024, the District recognized OPEB expense of (\$1,257,395) and revenue of (\$743,648) for support provided by the State.

Note M. Medicare Part D (TRS)

Federal Government Retiree Drug Subsidy - The Medicare Modernization Act of 2003 (MMA) created an outpatient prescription drug benefit program (known as Medicare Part D) and a Retiree Drug Subsidy (RDS) program which were made available in 2006. The Texas Public School Retired Employee Group Insurance Program (TRS-Care) is offering a Medicare Part D Plan and is participating in the Retiree Drug Subsidy plan for eligible TRS-Care participants. Under Medicare Part D and the RDS program, TRS-Care receives payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. On-behalf payments must be recognized as equal revenues and expenditures/expenses by each reporting entity.

The allocation of these on-behalf payments is based on the ratio of a reporting entity's covered payroll to the entire covered payroll reported by all participating reporting entities. TRS based this allocation percentage on the "completed" report submission by reporting entities for the month of May. Any questions about payroll amounts should be directed to a reporting entity's payroll contact.

Contribution amounts are as follows: State Contributions for Medicare Part D made on behalf of Sabine Independent School District's employees were \$65,976 for the year ended June 30, 2024. State Contributions for Medicare Part D made on behalf of Sabine Independent School District's employees were \$58,419 for the year ended June 30, 2023. State Contributions for Medicare Part D made on behalf of Sabine Independent School District's employees were \$45,870 for the year ended June 30, 2022.

Note N. Health Care Coverage

During the year ended June 30, 2024 employees of Sabine Independent School District were covered by a uniform statewide health care program for public education employees. The District contributed \$299 per month, which includes the \$75 which is reimbursed by the state, per employee to the Plan. Employees, at their option, may authorize payroll withholdings to pay the remaining balance of the premium for employee coverage and/or dependents. All contributions/premiums were paid to the statewide health care program. The Plan was authorized by House Bill 3343 and will be administered by the Teacher Retirement System of Texas (TRS). The TRS board approved the selection of Blue Cross Blue Shield as the health plan administrator and Caremark as the pharmacy benefits manager for TRS-ActiveCare.

Note O. Commitments and Contingencies

Litigation - The District may be subjected to loss contingencies arising principally in the normal course of operations. In the opinion of the administration, the outcomes of these lawsuits will not have a material adverse effect on the accompanying financial statements and accordingly, no provision for losses has been recorded.

Grant Programs - The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2024 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

Note P. Deferred Inflows of Resources (Governmental Funds)

Unavailable revenue – property taxes sat June 30, 2024 consisted of the following:

	General Fund	Debt Service Fund	Total
Net uncollected tax revenue	<u>332,231</u>	<u>101,220</u>	<u>433,451</u>

Note Q. Due From/To Other Governments

The District participates in a variety of federal and state programs from which it receives grants to partially or fully finance certain activities. In addition, the District receives entitlements from the State through the School Foundation and Per Capita Programs. Amounts due from/to federal and state governments as of June 30, 2024 are summarized below.

All federal grants shown below are passed through the TEA and are reported on combined financial statements as due from/to other governments.

Fund	State Entitlements	Federal Grants	Total
Governmental Activities:			
<u>Due From Other Governments</u>			
General Fund	1,018,504	-	1,018,504
Debt Service Fund	35,837	-	35,837
Nonmajor Governmental Funds (Special Revenue)	98,128	367,834	465,962
	<u>1,152,469</u>	<u>367,834</u>	<u>1,520,303</u>

Note R. Shared Service Arrangements

The District participates in several Shared Service Arrangements (“SSA”) described as follows:

Sabine ISD fiscal agent: The District is the fiscal agent for a Shared Services Arrangement (“SSA”) which provides special education services to the member districts listed below. All services are provided by the fiscal agent. The member districts provide the funds to the fiscal agent. According to guidance provided in TEA’s Resource Guide, the District has accounted for the fiscal agent’s activities of the SSA in Special Revenue Fund No. 313, SSA IDEA-B Formula; Special Revenue Fund 364, IDEA-B Formula of the ARP; and Special Revenue Fund 437, SSA State Special Education; and will be accounted for using Model 1 in the SSA section of the Resource Guide. Expenditures of the SSA are summarized below:

<u>Member Districts:</u>	<u>%</u>	<u>Expenditures</u>
Sabine ISD	30%	735,927
Spring Hill ISD	42%	1,030,298
White Oak ISD	28%	686,865
		<u>2,453,090</u>

Sabine ISD fiscal agent: The District is the fiscal agent for a Shared Services Arrangement (“SSA”) which provides discipline alternative education services to the member districts listed below. All services are provided by the fiscal agent. The member districts provide the funds to the fiscal agent. According to guidance provided by TEA’s Resource Guide, the District has accounted for the fiscal agent’s activities of the SSA in Special Revenue Fund No. 459, SSA Locally Defined, and will be accounted for using Model 3 in the SSA Section of the Resource Guide.

<u>Member Districts:</u>	<u>Expenditures</u>
Sabine ISD	50,344
Spring Hill ISD	44,000
White Oak ISD	44,000
	<u>138,344</u>

Note S. General Fund Federal Source Revenues

SSA - School Health and Related Services (SHARS)	110,364
	<u>110,364</u>

Note T. Revenue from Local and Intermediate Sources

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

<u>Revenue Sources</u>	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Governmental Funds Total</u>
Property taxes and tax related income	3,227,319	1,240,438	-	4,467,757
Investment income	382,341	91,468	20,449	494,258
Shared service agreements	-	-	1,539,516	1,539,516
Food service sales	-	-	355,397	355,397
Co-curricular	44,512	-	-	44,512
Enterprising	-	-	53,058	53,058
Tuition	38,701	-	-	38,701
Gifts and bequests	600	-	66,480	67,080
Other local sources	54,494	-	61,150	115,644
	<u>3,747,967</u>	<u>1,331,906</u>	<u>2,096,050</u>	<u>7,175,923</u>

Note U. Subsequent Events

Management evaluated subsequent events after the date of the balance sheet and prior to the release of these financial statements which was November 7, 2024.

REQUIRED SUPPLEMENTARY INFORMATION

SABINE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)	
	Original	Final			
REVENUES:					
5700	Total Local and Intermediate Sources	\$ 4,677,953	\$ 4,680,453	\$ 3,747,967	\$ (932,486)
5800	State Program Revenues	11,375,970	11,385,068	12,636,632	1,251,564
5900	Federal Program Revenues	300,000	300,000	110,364	(189,636)
5020	Total Revenues	16,353,923	16,365,521	16,494,963	129,442
EXPENDITURES:					
Current:					
0011	Instruction	8,845,582	8,792,582	8,767,761	24,821
0012	Instructional Resources and Media Services	319,284	307,433	303,751	3,682
0013	Curriculum and Instructional Staff Development	54,315	29,815	18,706	11,109
0021	Instructional Leadership	163,773	149,273	142,233	7,040
0023	School Leadership	1,021,072	1,018,322	1,015,812	2,510
0031	Guidance, Counseling, and Evaluation Services	357,340	352,340	346,527	5,813
0033	Health Services	168,168	174,168	168,107	6,061
0034	Student (Pupil) Transportation	798,328	815,086	705,380	109,706
0035	Food Services	13,500	248,776	247,388	1,388
0036	Extracurricular Activities	1,424,741	1,427,421	1,405,956	21,465
0041	General Administration	714,780	727,420	712,500	14,920
0051	Facilities Maintenance and Operations	1,691,898	1,897,277	1,828,609	68,668
0052	Security and Monitoring Services	190,583	307,915	303,636	4,279
0053	Data Processing Services	96,185	116,946	97,344	19,602
0061	Community Services	12,000	12,000	6,029	5,971
Debt Service:					
0071	Principal on Long-Term Liabilities	40,640	40,751	40,500	251
0072	Interest on Long-Term Liabilities	-	389	139	250
Capital Outlay:					
0081	Facilities Acquisition and Construction	191,753	858,550	470,519	388,031
Intergovernmental:					
0093	Payments to Fiscal Agent/Member Districts of SSA	415,000	455,097	454,097	1,000
0099	Other Intergovernmental Charges	83,000	83,000	77,187	5,813
6030	Total Expenditures	16,601,942	17,814,561	17,112,181	702,380
1200	Net Change in Fund Balances	(248,019)	(1,449,040)	(617,218)	831,822
0100	Fund Balance - July 1 (Beginning)	7,791,805	7,791,805	7,791,805	-
3000	Fund Balance - June 30 (Ending)	\$ 7,543,786	\$ 6,342,765	\$ 7,174,587	\$ 831,822

SABINE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED JUNE 30, 2024

	FY 2024 Plan Year 2023	FY 2023 Plan Year 2022	FY 2022 Plan Year 2021
District's Proportion of the Net Pension Liability (Asset)	0.007807525%	0.007992741%	0.007557333%
District's Proportionate Share of Net Pension Liability (Asset)	\$ 5,363,016	\$ 4,745,085	\$ 1,924,585
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	9,439,235	8,502,266	3,711,622
Total	<u>\$ 14,802,251</u>	<u>\$ 13,247,351</u>	<u>\$ 5,636,207</u>
District's Covered Payroll	\$ 11,521,715	\$ 11,114,309	\$ 10,382,985
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	46.55%	42.69%	18.54%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	73.15%	75.62%	88.79%

Note: GASB Codification, Vol. 2, P20.183 requires that the information on this schedule be data from the period corresponding with the periods covered as of the measurement dates of August 31, 2023 for year 2024, August 31, 2022 for year 2023, August 31, 2021 for year 2022, August 31, 2020 for year 2021, August 31, 2019 for year 2020, August 31, 2018 for year 2019, August 31, 2017 for year 2018, August 31, 2016 for year 2017, August 31, 2015 for year 2016 and August 31, 2014 for year 2015.

<u>FY 2021</u> <u>Plan Year 2020</u>	<u>FY 2020</u> <u>Plan Year 2019</u>	<u>FY 2019</u> <u>Plan Year 2018</u>	<u>FY 2018</u> <u>Plan Year 2017</u>	<u>FY 2017</u> <u>Plan Year 2016</u>	<u>FY 2016</u> <u>Plan Year 2015</u>	<u>FY 2015</u> <u>Plan Year 2014</u>
0.006674411%	0.006938218%	0.007179346%	0.007462128%	0.006676931%	0.0070762%	0.0036559%
\$ 3,574,678	\$ 3,606,703	\$ 3,951,686	\$ 2,385,986	\$ 2,523,113	\$ 2,501,343	\$ 976,542
7,872,420	6,949,048	7,668,341	4,571,299	5,430,943	5,238,954	4,453,373
<u>\$ 11,447,098</u>	<u>\$ 10,555,751</u>	<u>\$ 11,620,027</u>	<u>\$ 6,957,285</u>	<u>\$ 7,954,056</u>	<u>\$ 7,740,297</u>	<u>\$ 5,429,915</u>
\$ 9,761,637	\$ 8,812,857	\$ 8,758,942	\$ 8,646,117	\$ 8,097,935	\$ 7,894,930	\$ 7,648,134
36.62%	40.93%	45.12%	27.60%	31.16%	31.68%	12.77%
75.54%	75.24%	73.74%	82.17%	78.00%	78.43%	83.25%

SABINE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR PENSIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED JUNE 30, 2024

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Contractually Required Contribution	\$ 417,484	\$ 399,985	\$ 358,022
Contribution in Relation to the Contractually Required Contribution	(417,484)	(399,985)	(358,022)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 11,684,328	\$ 11,584,054	\$ 10,873,192
Contributions as a Percentage of Covered Payroll	3.57%	3.45%	3.29%

Note: GASB Codification, Vol. 2, P20.183 requires that the data in this schedule be presented as of the District's respective fiscal years as opposed to the time periods covered by the measurement dates ending August 31 of the preceding year.

	2021	2020	2019	2018	2017	2016	2015
\$	319,079	\$ 268,943	\$ 241,977	\$ 243,633	\$ 238,828	\$ 212,270	\$ 189,869
	(319,079)	(268,943)	(241,977)	(243,633)	(238,828)	(212,270)	(189,869)
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$	10,309,112	\$ 9,625,890	\$ 8,757,890	\$ 8,715,734	\$ 8,550,526	\$ 8,086,672	\$ 7,828,681
	3.10%	2.79%	2.76%	2.80%	2.79%	2.62%	2.43%

SABINE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED JUNE 30, 2024

	FY 2024 Plan Year 2023	FY 2023 Plan Year 2022	FY 2022 Plan Year 2021
District's Proportion of the Net Liability (Asset) for Other Postemployment Benefits	0.013021935%	0.013497929%	0.012838648%
District's Proportionate Share of Net OPEB Liability (Asset)	\$ 2,882,836	\$ 3,231,945	\$ 4,952,440
State's Proportionate Share of the Net OPEB Liability (Asset) Associated with the District	3,478,584	3,942,465	6,635,166
Total	<u>\$ 6,361,420</u>	<u>\$ 7,174,410</u>	<u>\$ 11,587,606</u>
District's Covered Payroll	\$ 11,521,715	\$ 11,114,309	\$ 10,682,985
District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	25.02%	29.08%	46.36%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	14.94%	11.52%	6.18%

Note: GASB Codification, Vol. 2, P50.238 states that the information on this schedule should be determined as of the measurement date. The amounts for FY 2024 are for the measurement date of August 31, 2023. The amounts for FY 2023 are for the measurement date of August 31, 2022. The amounts reported for FY 2022 are for measurement date August 31, 2021. The amounts reported for FY 2021 are for the measurement date of August 31, 2020. The amounts for FY 2020 are for the measurement date August 31, 2019. The amounts for FY 2019 are for the measurement date August 31, 2018. The amounts for FY 2018 are based on the August 31, 2017 measurement date.

This schedule shows only the years for which this information is available. Additional information will be added until 10 years of data are available and reported.

<u>FY 2021</u>	<u>FY 2020</u>	<u>FY 2019</u>	<u>FY 2018</u>
<u>Plan Year 2020</u>	<u>Plan Year 2019</u>	<u>Plan Year 2018</u>	<u>Plan Year 2017</u>
0.012625287%	0.011669902%	0.01173301%	0.011923613%
\$ 4,799,442	\$ 5,518,839	\$ 5,858,399	\$ 5,185,132
6,449,299	7,333,303	7,222,191	6,436,714
<u>\$ 11,248,741</u>	<u>\$ 12,852,142</u>	<u>\$ 13,080,590</u>	<u>\$ 11,621,846</u>
\$ 9,761,637	\$ 8,812,857	\$ 8,758,942	\$ 8,646,117
49.17%	62.62%	66.88%	59.97%
4.99%	2.66%	1.57%	0.91%

SABINE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICTS CONTRIBUTIONS FOR OTHER POSTEMPLOYMENT BENEFITS (OPEB)
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED JUNE 30, 2024

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Contractually Required Contribution	\$ 112,807	\$ 101,659	\$ 108,182
Contribution in Relation to the Contractually Required Contribution	(112,807)	(101,659)	(108,182)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 11,684,328	\$ 1,584,054	\$ 10,873,192
Contributions as a Percentage of Covered Payroll	0.97%	6.42%	0.99%

Note: GASB Codification, Vol. 2, P50.238 requires that the data in this schedule be presented as of the District's respective fiscal years as opposed to the time periods covered by the measurement dates ending August 31 of the preceding year.

Information in this schedule should be provided only for the years where data is available. Eventually 10 years of data should be presented.

	2021	2020	2019	2018
\$	100,021	\$ 94,246	\$ 82,187	\$ 77,767
	(100,021)	(94,246)	(82,187)	(77,767)
\$	-	\$ -	\$ -	\$ -
\$	10,309,112	\$ 9,625,890	\$ 8,757,890	\$ 8,715,734
	0.97%	0.98%	0.94%	0.89%

**SABINE INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2024**

A. Notes to Schedules for the TRS Pension

Changes of Benefit terms.

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

Changes of Assumptions.

There were no changes in assumptions.

B. Notes to Schedules for the TRS OPEB Plan

Changes in Benefits.

There were no changes in benefits.

Changes in Assumptions.

The single discount rate changed from 3.91 percent as of August 31, 2022 to 4.13 percent as of August 31, 2023. This change decreased the total OPEB liability.

COMBINING SCHEDULES

SABINE INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2024

Data Control Codes	211 ESEA I, A Improving Basic Program	240 National Breakfast and Lunch Program	255 ESEA II, A Training and Recruiting	263 Title III, A English Lang. Acquisition	
ASSETS					
1110	Cash and Cash Equivalents	\$ (26,065)	\$ 423,016	\$ (5,077)	\$ (53)
1240	Due from Other Governments	33,556	5,164	5,077	53
1300	Inventories	-	25,930	-	-
1000	Total Assets	<u>\$ 7,491</u>	<u>\$ 454,110</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES					
2110	Accounts Payable	\$ -	\$ 11,846	\$ -	\$ -
2160	Accrued Wages Payable	6,450	3,892	-	-
2200	Accrued Expenditures	1,041	383	-	-
2300	Unearned Revenue	-	22,960	-	-
2000	Total Liabilities	<u>7,491</u>	<u>39,081</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable Fund Balance:					
3410	Inventories	-	25,930	-	-
Restricted Fund Balance:					
3450	Federal or State Funds Grant Restriction	-	389,099	-	-
3470	Capital Acquisition and Contractual Obligation	-	-	-	-
3490	Other Restricted Fund Balance	-	-	-	-
Committed Fund Balance:					
3545	Other Committed Fund Balance	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>415,029</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities and Fund Balances	<u>\$ 7,491</u>	<u>\$ 454,110</u>	<u>\$ -</u>	<u>\$ -</u>

EXHIBIT H-1 (Cont'd)

281 ESSER II CRRSA Act Supplemental	282 ESSER III ARP Act	284 IDEA B Formula ARP Act	289 Other Federal Special Revenue Funds	313 SSA IDEA, Part B Formula	364 SSA - IDEA B Formula ARP Act	397 Advanced Placement Incentives	410 State Instructional Materials
\$ -	\$ (120,975)	\$ -	\$ (850)	\$ (66,007)	\$ -	\$ 2,340	\$ (64,099)
-	128,320	-	850	194,814	-	-	64,099
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 7,345</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 128,807</u>	<u>\$ -</u>	<u>\$ 2,340</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	6,892	-	-	110,454	-	-	-
-	453	-	-	18,353	-	-	-
-	-	-	-	-	-	-	-
-	7,345	-	-	128,807	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	2,340	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	2,340	-
<u>\$ -</u>	<u>\$ 7,345</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 128,807</u>	<u>\$ -</u>	<u>\$ 2,340</u>	<u>\$ -</u>

SABINE INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2024

Data Control Codes	429 Other State Special Revenue Funds	437 SSA Special Education	459 Other SSA Special Revenue Funds	461 Campus Activity Funds	
ASSETS					
1110	Cash and Cash Equivalents	\$ (34,024)	\$ 600,274	\$ 60,621	\$ 23,619
1240	Due from Other Governments	34,029	-	-	-
1300	Inventories	-	-	-	-
1000	Total Assets	<u>\$ 5</u>	<u>\$ 600,274</u>	<u>\$ 60,621</u>	<u>\$ 23,619</u>
LIABILITIES					
2110	Accounts Payable	\$ -	\$ 937	\$ -	\$ -
2160	Accrued Wages Payable	-	144,715	18,450	-
2200	Accrued Expenditures	-	7,964	1,848	-
2300	Unearned Revenue	-	-	-	-
2000	Total Liabilities	<u>-</u>	<u>153,616</u>	<u>20,298</u>	<u>-</u>
FUND BALANCES					
Nonspendable Fund Balance:					
3410	Inventories	-	-	-	-
Restricted Fund Balance:					
3450	Federal or State Funds Grant Restriction	-	-	-	-
3470	Capital Acquisition and Contractual Obligation	-	-	-	-
3490	Other Restricted Fund Balance	5	446,658	40,323	-
Committed Fund Balance:					
3545	Other Committed Fund Balance	-	-	-	23,619
3000	Total Fund Balances	<u>5</u>	<u>446,658</u>	<u>40,323</u>	<u>23,619</u>
4000	Total Liabilities and Fund Balances	<u>\$ 5</u>	<u>\$ 600,274</u>	<u>\$ 60,621</u>	<u>\$ 23,619</u>

EXHIBIT H-1

462 High School Activity Fund	463 Library Activity Fund	464 Middle School Activity Fund	465 Elementary Activity Fund	481 Locally Fund SR Funds - Locally Def.	Total Nonmajor Special Revenue Funds	699 Capital Projects Fund	Total Nonmajor Governmental Funds
\$ 42,129	\$ 9,993	\$ 20,682	\$ 13,084	\$ -	\$ 878,608	\$ 151,756	\$ 1,030,364
-	-	-	-	-	465,962	-	465,962
-	-	-	-	-	25,930	-	25,930
<u>\$ 42,129</u>	<u>\$ 9,993</u>	<u>\$ 20,682</u>	<u>\$ 13,084</u>	<u>\$ -</u>	<u>\$ 1,370,500</u>	<u>\$ 151,756</u>	<u>\$ 1,522,256</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,783	\$ -	\$ 12,783
-	-	-	-	-	290,853	-	290,853
-	-	-	-	-	30,042	-	30,042
-	-	-	-	-	22,960	-	22,960
-	-	-	-	-	356,638	-	356,638
-	-	-	-	-	25,930	-	25,930
-	-	-	-	-	389,099	-	389,099
-	-	-	-	-	-	151,756	151,756
-	-	-	-	-	489,326	-	489,326
42,129	9,993	20,682	13,084	-	109,507	-	109,507
42,129	9,993	20,682	13,084	-	1,013,862	151,756	1,165,618
<u>\$ 42,129</u>	<u>\$ 9,993</u>	<u>\$ 20,682</u>	<u>\$ 13,084</u>	<u>\$ -</u>	<u>\$ 1,370,500</u>	<u>\$ 151,756</u>	<u>\$ 1,522,256</u>

SABINE INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2024

Data Control Codes	211 ESEA I, A Improving Basic Program	240 National Breakfast and Lunch Program	255 ESEA II,A Training and Recruiting	263 Title III, A English Lang. Acquisition
REVENUES:				
5700 Total Local and Intermediate Sources	\$ -	\$ 362,336	\$ -	\$ -
5800 State Program Revenues	-	25,305	-	-
5900 Federal Program Revenues	224,178	769,806	32,350	5,865
5020 Total Revenues	224,178	1,157,447	32,350	5,865
EXPENDITURES:				
Current:				
0011 Instruction	167,128	-	-	2,604
0012 Instructional Resources and Media Services	-	-	-	-
0013 Curriculum and Instructional Staff Development	57,050	-	32,350	3,261
0021 Instructional Leadership	-	-	-	-
0023 School Leadership	-	-	-	-
0031 Guidance, Counseling, and Evaluation Services	-	-	-	-
0033 Health Services	-	-	-	-
0034 Student (Pupil) Transportation	-	-	-	-
0035 Food Services	-	1,394,989	-	-
0036 Extracurricular Activities	-	-	-	-
0041 General Administration	-	-	-	-
0051 Facilities Maintenance and Operations	-	-	-	-
0052 Security and Monitoring Services	-	-	-	-
0053 Data Processing Services	-	-	-	-
Capital Outlay:				
0081 Facilities Acquisition and Construction	-	-	-	-
Intergovernmental:				
0093 Payments to Fiscal Agent/Member Districts of SSA	-	-	-	-
6030 Total Expenditures	224,178	1,394,989	32,350	5,865
1200 Net Change in Fund Balance	-	(237,542)	-	-
0100 Fund Balance - July 1 (Beginning)	-	652,571	-	-
3000 Fund Balance - June 30 (Ending)	\$ -	\$ 415,029	\$ -	\$ -

EXHIBIT H-2 (Cont'd)

281 ESSER II CRRSA Act Supplemental	282 ESSER III ARP Act	284 IDEA B Formula ARP Act	289 Other Federal Special Revenue Funds	313 SSA IDEA, Part B Formula	364 SSA - IDEA B Formula ARP Act	397 Advanced Placement Incentives	410 State Instructional Materials
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	68,950
62,492	460,849	4,556	4,939	902,785	82,833	-	-
62,492	460,849	4,556	4,939	902,785	82,833	-	68,950
2,358	57,770	115	850	501,603	3,963	-	67,960
-	-	-	-	-	-	-	-
-	2,500	-	-	-	-	-	990
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	401,182	5,997	-	-
-	-	4,441	-	-	-	-	-
-	5,551	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	4,089	-	-	-	-
-	-	-	-	-	-	-	-
60,134	395,028	-	-	-	-	-	-
-	-	-	-	-	72,873	-	-
62,492	460,849	4,556	4,939	902,785	82,833	-	68,950
-	-	-	-	-	-	-	-
-	-	-	-	-	-	2,340	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,340	\$ -

SABINE INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2024

Data Control Codes	429 Other State Special Revenue Funds	437 SSA Special Education	459 Other SSA Special Revenue Funds	461 Campus Activity Funds
REVENUES:				
5700 Total Local and Intermediate Sources	\$ -	\$ 1,417,858	\$ 132,000	\$ 44,197
5800 State Program Revenues	104,676	98,182	11,008	-
5900 Federal Program Revenues	-	-	-	-
5020 Total Revenues	<u>104,676</u>	<u>1,516,040</u>	<u>143,008</u>	<u>44,197</u>
EXPENDITURES:				
Current:				
0011 Instruction	350	582,137	92,758	-
0012 Instructional Resources and Media Services	-	-	-	-
0013 Curriculum and Instructional Staff Development	-	6,368	-	-
0021 Instructional Leadership	-	303,462	45,111	-
0023 School Leadership	-	-	-	-
0031 Guidance, Counseling, and Evaluation Services	-	541,068	-	-
0033 Health Services	-	-	-	-
0034 Student (Pupil) Transportation	-	-	-	-
0035 Food Services	-	-	-	-
0036 Extracurricular Activities	-	-	-	54,820
0041 General Administration	-	4,228	-	-
0051 Facilities Maintenance and Operations	-	18,385	-	-
0052 Security and Monitoring Services	70,297	-	-	-
0053 Data Processing Services	-	11,824	-	-
Capital Outlay:				
0081 Facilities Acquisition and Construction	34,029	-	-	-
Intergovernmental:				
0093 Payments to Fiscal Agent/Member Districts of SSA	-	-	475	-
6030 Total Expenditures	<u>104,676</u>	<u>1,467,472</u>	<u>138,344</u>	<u>54,820</u>
1200 Net Change in Fund Balance	-	48,568	4,664	(10,623)
0100 Fund Balance - July 1 (Beginning)	5	398,090	35,659	34,242
3000 Fund Balance - June 30 (Ending)	<u>\$ 5</u>	<u>\$ 446,658</u>	<u>\$ 40,323</u>	<u>\$ 23,619</u>

462 High School Activity Fund	463 Library Activity Fund	464 Middle School Activity Fund	465 Elementary Activity Fund	481 Locally Fund SR Funds - Locally Def.	Total Nonmajor Special Revenue Funds	699 Capital Projects Fund	Total Nonmajor Governmental Funds
\$ 35,775	\$ 12,658	\$ 8,461	\$ 17,556	\$ 57,101	\$ 2,087,942	\$ 8,108	\$ 2,096,050
129	-	-	-	-	308,250	-	308,250
-	-	-	-	-	2,550,653	-	2,550,653
35,904	12,658	8,461	17,556	57,101	4,946,845	8,108	4,954,953
5,989	-	-	6,842	57,101	1,549,528	-	1,549,528
-	11,648	-	-	-	11,648	-	11,648
-	-	-	-	-	102,519	-	102,519
-	-	-	-	-	348,573	-	348,573
56	-	-	4,070	-	4,126	-	4,126
-	-	-	-	-	948,247	-	948,247
-	-	-	-	-	4,441	-	4,441
-	-	-	-	-	5,551	-	5,551
-	-	-	-	-	1,394,989	-	1,394,989
32,817	-	3,967	20,973	-	112,577	-	112,577
-	-	-	-	-	4,228	-	4,228
-	-	-	-	-	18,385	-	18,385
-	-	-	-	-	74,386	-	74,386
-	-	-	-	-	11,824	-	11,824
-	-	-	-	-	489,191	-	489,191
-	-	-	-	-	73,348	-	73,348
38,862	11,648	3,967	31,885	57,101	5,153,561	-	5,153,561
(2,958)	1,010	4,494	(14,329)	-	(206,716)	8,108	(198,608)
45,087	8,983	16,188	27,413	-	1,220,578	143,648	1,364,226
\$ 42,129	\$ 9,993	\$ 20,682	\$ 13,084	\$ -	\$ 1,013,862	\$ 151,756	\$ 1,165,618

REQUIRED T.E.A SCHEDULES

SABINE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2024

Last 10 Years Ended	(1)	(2)	(3)
	Tax Rates		Assessed/Appraised Value for School Tax Purposes
	Maintenance	Debt Service	
2015 and prior years	Various	Various	\$ Various
2016	1.040000	0.23300	394,057,690
2017	1.040000	0.26140	415,915,109
2018	1.040000	0.26140	398,971,911
2019	1.040000	0.26140	403,797,746
2020	0.970000	0.26140	423,471,945
2021	0.966400	0.26140	411,321,600
2022	0.945400	0.26140	429,912,001
2023	0.894400	0.26140	469,615,687
2024 (School year under audit)	0.669200	0.26143	496,141,001
1000 TOTALS			
8000 Total Taxes Refunded Under Section 26.1115, Tax Code			

EXHIBIT J-1

(10) Beginning Balance 7/1/2023	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 6/30/2024	(99) Taxes Refunded Under Section 26.1115c
\$ 55,962	\$ -	\$ 677	\$ 169	\$ (5,093)	\$ 50,023	
13,549	-	148	37	(1,494)	11,870	
16,686	-	148	37	(19)	16,482	
37,377	-	687	173	-	36,517	
65,607	-	1,844	464	-	63,299	
42,022	-	4,186	1,126	(655)	36,055	
98,597	-	41,658	11,275	172	45,836	
82,882	-	19,170	5,313	(10,845)	47,554	
182,627	-	55,664	16,253	(41,423)	69,287	
-	4,617,237	3,021,065	1,180,694	(235,927)	179,551	
<u>\$ 595,309</u>	<u>\$ 4,617,237</u>	<u>\$ 3,145,247</u>	<u>\$ 1,215,541</u>	<u>\$ (295,284)</u>	<u>\$ 556,474</u>	

\$ 7,494

SABINE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - FOOD SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2024

EXHIBIT J-2

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 361,200	\$ 361,200	\$ 362,336	\$ 1,136
5800 State Program Revenues	34,138	34,138	25,305	(8,833)
5900 Federal Program Revenues	697,721	826,092	769,806	(56,286)
5020 Total Revenues	1,093,059	1,221,430	1,157,447	(63,983)
EXPENDITURES:				
Current:				
0035 Food Services	1,320,566	1,815,788	1,394,989	420,799
6030 Total Expenditures	1,320,566	1,815,788	1,394,989	420,799
1200 Net Change in Fund Balances	(227,507)	(594,358)	(237,542)	356,816
0100 Fund Balance - July 1 (Beginning)	652,571	652,571	652,571	-
3000 Fund Balance - June 30 (Ending)	\$ 425,064	\$ 58,213	\$ 415,029	\$ 356,816

SABINE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2024

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 1,447,777	\$ 1,447,777	\$ 1,331,906	\$ (115,871)
5800 State Program Revenues	52,528	52,528	190,705	138,177
5020 Total Revenues	1,500,305	1,500,305	1,522,611	22,306
EXPENDITURES:				
Debt Service:				
0071 Principal on Long-Term Liabilities	690,000	690,000	690,000	-
0072 Interest on Long-Term Liabilities	308,098	308,098	308,098	-
0073 Bond Issuance Cost and Fees	1,000	1,000	500	500
6030 Total Expenditures	999,098	999,098	998,598	500
1200 Net Change in Fund Balances	501,207	501,207	524,013	22,806
0100 Fund Balance - July 1 (Beginning)	2,205,676	2,205,676	2,205,676	-
3000 Fund Balance - June 30 (Ending)	\$ 2,706,883	\$ 2,706,883	\$ 2,729,689	\$ 22,806

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

Section A: Compensatory Education Programs

AP1	Did your district expend any state compensatory education program state allotment funds during the district's fiscal year?	Yes
AP2	Does the district have written policies and procedures for its state compensatory education program?	Yes
AP3	Total state allotment funds received for state compensatory education programs during the district's fiscal year.	\$1,197,658
AP4	Actual direct program expenditures for state compensatory education programs during the district's fiscal year. (PICs 24,26,28,29,30)	\$578,085

Section B: Bilingual Education Programs

AP5	Did your district expend any bilingual education program state allotment funds during the district's fiscal year?	Yes
AP6	Does the district have written policies and procedures for its bilingual education program?	Yes
AP7	Total state allotment funds received for bilingual education programs during the district's fiscal year.	\$110,422
AP8	Actual direct program expenditures for bilingual education programs during the district's fiscal year. (PIC 25)	\$32,459

**COMPLIANCE, INTERNAL CONTROL, AND
FEDERAL AWARDS SECTION**



**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENTAL AUDITING STANDARDS***

Independent Auditor's Report

Board of Trustees
Sabine Independent School District
5424 FM 1252 W
Gladewater, TX 75647

Members of the Board:

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 Sabine Independent School District (the District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 7, 2024.

Report on Internal Control over Financial Reporting

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

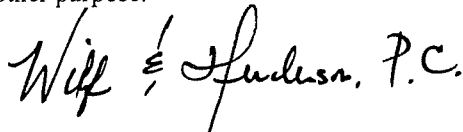
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not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

Purpose of this Report

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

Handwritten signature in cursive script that reads "Wilf & Henderson, P.C.".

WILF & HENDERSON, P.C.
Certified Public Accountants
Texarkana, Texas

November 7, 2024



**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE**

Independent Auditor's Report

Board of Trustees
Sabine Independent School District
5424 FM 1252 W
Gladewater, TX 75647

Members of the Board:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Sabine 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, Sabine Independent School District complied, in all material respects, with the types of 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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 generally accepted auditing standards, *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 generally accepted auditing standards, *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.

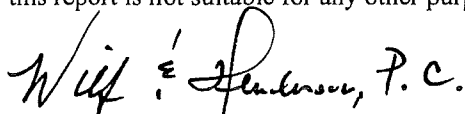
Report on Internal Control Over Compliance

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 combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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



WILF & HENDERSON, P.C.
Certified Public Accountants
Texarkana, Texas

November 7, 2024

**SABINE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024**

I. Summary of the Auditor's Results:

- a. The type of report issued on the financial statements of the Sabine Independent School District was an unmodified opinion.
- b. No significant deficiencies or material weaknesses relating to the audit of the financial statements are reported in the report on internal control over financial reporting and on compliance and other matters required by the GAO's *Government Auditing Standards*.
- c. No instances of noncompliance material to the financial statements of the Sabine Independent School District were disclosed during the audit.
- d. No significant deficiencies or material weaknesses relating to the audit of the major federal award program are reported in the report on internal control over compliance required by Uniform Guidance.
- e. The type of report the auditor issued on compliance for major programs was an unmodified opinion.
- f. No audit findings relative to the major federal awards programs were disclosed by the audit that were required to be reported under 2 CFR 200.516(a).
- g. The program tested as major programs was:

SSA – IDEA, Part B, Formula (ARP)	AL #84.027
COVID-19 – IDEA, Part B, Formula (ARP)	AL #84.027X
COVID-19 – SSA - IDEA, Part B, Formula (ARP)	AL #84.027X
- h. The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.
- i. Sabine Independent School District was determined to be a low-risk auditee.

II. Findings Relating to the Financial Statements Which Are Required To Be Reported in Accordance with *Generally Accepted Government Auditing Standards*.

No findings required to be reported.

III. Findings and Questioned Costs for Federal Awards Including Audit Findings as Described in I.f Above

No findings required to be reported.

**SABINE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2024**

There were no prior year audit findings or questioned costs.

**SABINE INDEPENDENT SCHOOL DISTRICT
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2024**

There were no current year audit findings or questioned costs.

SABINE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

(1)	(2)	(3)	(4)
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	Federal Assistance Listing No.	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF EDUCATION			
<u>Passed Through Texas Education Agency</u>			
ESEA, Title I, Part A - Improving Basic Programs	84.010A	23 - 610101092906	\$ 66,344
ESEA, Title I, Part A - Improving Basic Programs	84.010A	24 - 610101092906	157,834
Total Assistance Listing Number 84.010			224,178
*SSA - IDEA - Part B, Formula	84.027	23 -6600010929066000	2,838
*SSA - IDEA - Part B, Formula	84.027	24 -6600010929066000	899,947
*COVID 19 - IDEA, Part B, Formula - ARP	84.027X	22 - 535002092906500	4,556
*COVID 19 -SSA - IDEA,B,Formula - ARP	84.027X	23 -5350020929065000	82,833
Total Assistance Listing Number 84.027			990,174
Total Special Education Cluster (IDEA)			990,174
COVID-19 - CRRSA ESSER II	84.425D	21 - 521001092906	62,492
COVID-19 - ARP ESSER III	84.425U	21 - 528001092906	460,849
Total Assistance Listing Number 84.425			523,341
Title III, Part A - English Language Acquisition	84.365A	24 - 671001092906	5,865
ESEA, Title II, Part A, Teacher Principal Training	84.367A	24 - 694501092906	32,350
Title IV, Part A, Subpart 1	84.424A	24 - 680101092906	4,939
Total Passed Through Texas Education Agency			1,780,847
TOTAL U.S. DEPARTMENT OF EDUCATION			1,780,847
U.S. DEPARTMENT OF AGRICULTURE			
<u>Passed Through the Texas Department of Agriculture</u>			
*School Breakfast Program	10.553	N/A	157,903
*National School Lunch Program - Cash Assistance	10.555	N/A	502,240
*National School Lunch Prog. - Non-Cash Assistance	10.555	N/A	62,405
*COVID-19 Supply Chain Assistance Grant	10.555	N/A	47,258
Total Assistance Listing Number 10.555			611,903
Total Child Nutrition Cluster			769,806
Total Passed Through the Texas Department of Agriculture			769,806
TOTAL U.S. DEPARTMENT OF AGRICULTURE			769,806
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 2,550,653
*Clustered Programs per Compliance Supplement 2024			

**SABINE INDEPENDENT SCHOOL DISTRICT
NOTES ON ACCOUNTING POLICIES FOR FEDERAL AWARDS
YEAR ENDED JUNE 30, 2024**

- 1 For all Federal programs, the District uses the fund types specified in Texas Education Agency's Financial Accountability System Resource Guide. Special revenue funds are used to account for resources restricted to, or designated for, specific purposes by a grantor. Federal and state financial assistance generally is accounted for in a Special Revenue Fund. Generally, unused balances are returned to the grantor at the close of specified project periods.
- 2 The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Governmental Fund types are accounted for using a current financial resources measurement focus. All Federal grant funds were accounted for in a Special Revenue Fund or, in some instances, in the General Fund which are Governmental Fund type funds.

With this measurement focus, only current assets and current liabilities and the fund balance are included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used for the Governmental Fund types. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual, i.e., both measurable and available, and expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on General Long-Term Debt, which is recognized when due, and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources. 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 deferred revenues until earned.

- 3 The District has elected to not use the 10% de minimum indirect cost rate as allowed under the Uniform Guidance.
- 4 The District must submit to the pass-through entity, no later than 90 calendar days (or an earlier date as agreed upon by the pass-through entity and District) after the end date of the period of performance, all financial, performance, and other reports as required by the terms and conditions of the Federal award. The Federal awarding agency or pass-through entity may approve extensions when requested and justified by the non-Federal entity, as applicable. (2 CFR 200.34(a))

Unless the Federal awarding agency or pass-through entity authorizes an extension, a non-Federal entity must liquidate all financial obligations incurred under the Federal award no later than 120 calendar days after the end date of the period of performance as specified in the terms and conditions of the Federal award. (2 CFR 200.344(b))

- 5 The period of availability for federal grant funds for the purpose of liquidation of outstanding obligations made on or before the ending date of the federal project period extended 30 days beyond the federal project period ending date, in accordance with provisions in Section H, Period of Availability of Federal Funds, Part 3, Uniform Guidance.
- 6 Nonmonetary assistance received from the Commodity Supplemental Food Program is recorded in fair market value of the commodities received and disbursed. The revenue and expense are reported in the Food Service Special Revenue Fund.
- 7 Assistance Listing numbers for commodity assistance are the Assistance Listing numbers of the programs under which USDA donated the commodities.

- 8 A reconciliation of federal program revenues and expenditures is as follows:

General Fund	110,364
Special Revenue Funds	<u>2,550,653</u>
Sub -total	2,661,017
Less Medicaid Arrangements Payments:	
SSA - School Health & Related Services (SHARS)	<u>(110,364)</u>
 Total Federal Program Expenditures	 <u>2,550,653</u>

SCHOOLS FIRST QUESTIONNAIRE

Exhibit L-1

Sabine Independent School District

Fiscal Year 2024

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 Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies? (If payments were not made or warrant hold not cleared within 30 days of when due, then payments are NOT timely.)	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, answer is still YES.)	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 and/or substantial doubt about the district's ability to continue as a going concern?	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 district's administration and school board members discuss any changes and/or impact to local, state, and federal funding 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.	\$960,513