

WESTWOOD INDEPENDENT SCHOOL DISTRICT
Westwood, Texas

ANNUAL FINANCIAL REPORT

For the Year Ended August 31, 2024

TABLE OF CONTENTS

	<u>PAGE</u>	<u>EXHIBIT NO.</u>
INTRODUCTORY SECTION:		
Certificate of Board	4	
FINANCIAL SECTION:		
Independent Auditor's Report	6	
Management's Discussion and Analysis	8	
Basic Financial Statements:		
Government-Wide Financial Statements:		
Statement of Net Position	13	A-1
Statement of Activities	14	B-1
Fund Financial Statements:		
Balance Sheet - Governmental Funds	15	C-1
Reconciliation of the Governmental Funds - Balance Sheet to the Statement of Net Position	16	C-1R
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	17	C-2
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	18	C-3
Statement of Fund Net Position - Proprietary Funds	19	D-1
Statement of Revenues, Expenditures, and Changes in Net Position - Proprietary Funds	20	D-2
Statement of Cash Flows - Proprietary Funds	21	D-3
Statement of Fiduciary Net Position - Fiduciary Funds	22	E-1
Statement of Revenues, Expenditures and Changes in Net Position - Private Purpose Trust Funds	23	E-2
Notes to the Financial Statements	24	
Required Supplementary Information:		
Budgetary Comparison Schedule:		
General Fund	40	G-1
Schedule of the District's Proportionate Share of the Net Pension Liability - Teacher Retirement System	41	G-2
Schedule of the District Contributions - Teacher Retirement System	42	G-3
District's Proportionate Share of OPEB Liability and District's OPEB Contributions	43	G-4
Notes to Required Supplementary Information	44	
Combining Statements and Budget Comparisons as Supplementary Information:		
Special Revenue Funds:		
Combining Balance Sheet - Nonmajor Governmental Funds	46	
Combining Statement of Revenue, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	47	
Combining Balance Sheet - Nonmajor Special Revenue Funds	48	H-1
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds	51	H-2
Other Supplementary Information:		
Schedule of Delinquent Taxes Receivable	54	J-1
Budgetary Comparison Schedules Required by the Texas Education Agency:		
National School Breakfast and Lunch Program	56	J-2
Debt Service Fund	57	J-3
State Supplemental Allotment Compliance - Use of Funds Report	58	J-4
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance in Accordance with Uniform Guidance	59	
Schedule of Findings and Questioned Costs	62	
Summary Schedule of Prior Audit Findings	63	
Corrective Action Plan	65	
Schedule of Expenditures of Federal Awards	66	K-1
Notes to Schedule of Expenditures of Federal Awards	67	
Schedule of Required Responses to Selected School First Indicators	68	L-1

INTRODUCTORY SECTION

WESTWOOD INDEPENDENT SCHOOL DISTRICT
CERTIFICATE OF BOARD
August 31, 2024

Westwood Independent School District
Name of School District

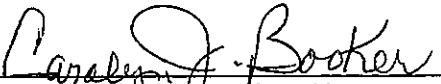
Anderson
County

001-908
Co.-Dist. Number

We, the undersigned, certify that the attached annual financial reports of the above-named school district were reviewed and (check one) ☒ approved ☐ disapproved for the year ended August 31, 2024, at a meeting of the Board of Trustees of such school district on the 10th day of February, 2025.



Signature of Board Secretary



Signature of Board President

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

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Westwood Independent School District
Palestine, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, proprietary fund, fiduciary funds and the aggregate remaining fund information of Westwood Independent School District ("the District"), as of and for the year ended August 31, 2024, and the related notes to the financial statements, which collectively comprise the 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, proprietary fund, fiduciary funds and the aggregate remaining fund information of Westwood Independent School District, as of August 31, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles general accepted in the United States of America.

Basis for Opinion

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

- Obtaining 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 judgement, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison, pension and other post-employment benefit information be presented to supplement the basic financial statements. Such information, 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.

Other Information

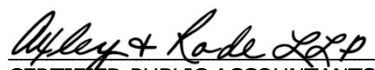
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and other supplementary information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2, U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements for Federal Awards, and is also not a required part of the basic financial statements. The accompanying other supplementary information is presented for purposes of additional analysis and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, supplementary information, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 other supplementary information are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 10, 2025, on our consideration of Westwood 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 Westwood 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 Westwood Independent School District's internal control over financial reporting and compliance.


CERTIFIED PUBLIC ACCOUNTANTS

Lufkin, Texas
February 10, 2025



WESTWOOD INDEPENDENT SCHOOL DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

In this section of the Annual Financial and Compliance Report, we, the managers of Westwood Independent School District, discuss and analyze the District's financial performance for the fiscal year ended August 31, 2024. Please read it in conjunction with our transmittal letter, the independent auditor's report, and the District's Basic Financial Statements.

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 a basis for tax levies and the appropriations budget. The fiduciary statement provides financial information about activities for which the District acts solely as trustee or agent for the benefit of those outside 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 non-major funds in the Supplementary Information section contain additional information about the District's individual funds. The sections labeled Other Supplementary Information 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 analysis of the District's overall financial condition and operations is contained in the independent auditor's report. Its 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, liabilities and deferred inflows and outflows at the end of the year while the Statement of Activities include all 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 revenue and expenses are taken into account regardless of when cash is received or paid. The District's revenue 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 process (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 year.

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, one 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, we present the District's one kind of basic activity.

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

Reporting the District's Most Significant Funds

Fund Financial Statements

The fund financial statements, found in the independent auditor's report, 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 from the U.S. Department of Education. The District's administration establishes many other funds to help control and manage for particular purposes (such as campus activities).

Governmental funds - The District's basic services are reported in governmental funds. These use the modified accrual basis of 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 difference 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.

The District as Trustee

Reporting the District's Fiduciary Responsibilities

The District is the trustee, or fiduciary, for money raised by student activities. All of the District's fiduciary activities are reported in separate Statements of 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 \$19,408,370 to \$22,742,553. 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 \$(19,247,997) at August 31, 2024. Although the district reports a deficit, the deficit is primarily due to reporting the Districts' proportionate share of the net OPEB liability and the new bond issue that is restricted for construction. The total district liability is reported in the governmental activities; however, the actual liability does not require the use of current resources at the fund level, which results in a timing difference since the TRS-Care plan is funded on a pay-as-you-go basis.

The District's total revenues were \$28,408,886. The cost of all governmental programs and services this year was \$25,074,703 compared to \$20,903,282 last year. However, as shown in the Statement of Activities, the amount that our taxpayers ultimately financed for these activities through the District taxes was only \$6,818,337 because some of the costs were paid by those who directly benefitted from the programs \$276,153, by other governments and organizations that subsidized certain programs with grants and contributions \$6,304,635, by State equalization funding \$13,208,764, or by investment earning and other miscellaneous revenue \$1,806,673.

THE DISTRICT'S FUNDS

As the District completed the year, its governmental funds (as presented on the balance sheet in the independent auditor's report) reported a combined fund balance of \$24,000,945, which is less than last year's total of \$36,613,099. Included in this year's total change in fund balance is an increase of \$926,926 in the District's general fund. The District's General Fund balance of \$9,485,828 reported in the audit differs from the General Fund's budgetary fund balances of \$7,807,104 reported in the budgetary comparison schedule. This is primarily because revenues totaled over \$1,139,337 more than budgeted and expenses ended under budget by more than \$714,136.

Over the course of the year, the Board of Trustees revised the District's budget several times primarily due to the actual revenue realized and costs incurred by the District being higher or lower than original estimates. The most significant budget amendments were for architectural services and bus purchases.

CAPITAL ASSET AND DEBT ADMINISTRATION

CAPITAL ASSETS

At the end of the fiscal year 2024, the District had \$45,404,361 invested in a broad range of capital assets, including facilities and equipment for instruction, transportation, athletics, administration, and maintenance. The total accumulated depreciation was \$20,556,539. See Table III.

This year's major additions included a bus and a land purchase.

DEBT

The District has bonds outstanding of \$34,285,000, leases outstanding of \$17,480, and right of use payables of \$123,946. See Notes for further details.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The District's elected officials considered many factors when setting the fiscal-year 2024 budget and tax rates. One of those factors is the community the District serves. In the fiscal year 2023-2024 the taxable base of the District increased slightly compared to the previous fiscal year. The increase was due to a slightly increase in taxable property values in the area.

Other factors considered include the State property tax rules, which interact with the TEA Foundation revenue rules to calculate a substantial part of the funding received for the operation of most school functions. Additionally, the District expects enrollment to remain stable next year.

The District's maintenance and operating property tax rate for the fiscal year ended August 31, 2024, was \$1.08 per \$100 property valuation. For the next year ending August 31, 2025, the District has lowered the tax rate to \$1.002 to align with state tax compression. The District's budgeted general fund expenditures for 2024-2025 are \$18,866,347.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, 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, at Westwood Independent School District, 4524 West Oak, Palestine, Texas 75802.

Table 1
The District's Net Position

	GOVERNMENTAL ACTIVITIES			PERCENTAGE CHANGE
	2024	2023	CHANGE	2024 - 2023
<i>Governmental Activities</i>				
Current and other assets	\$ 29 260 372	\$ 41 623 560	\$ (12 363 188)	(30)
Capital and long-term assets	45 404 361	30 037 590	15 366 771	51
TOTAL ASSETS	74 664 733	71 661 150	3 003 583	4
Deferred outflows	5 880 629	6 858 565	(977 936)	(14)
TOTAL DEFERRED OUTFLOWS	5 880 629	6 858 565	(977 936)	(14)
Current liabilities	5 277 851	4 771 610	506 241	11
Long term liabilities	46 327 634	46 749 317	(421 683)	(1)
TOTAL LIABILITIES	51 605 485	51 520 927	84 558	0.1
Deferred inflows	6 197 324	7 590 418	(1 393 094)	(18)
TOTAL DEFERRED INFLOWS	6 197 324	7 590 418	(1 393 094)	(18)
Net Position:				
Invested in capital assets	27 475 433	24 906 653	2 568 780	10
Restricted	14 515 117	28 054 197	(13 539 080)	(48)
Unrestricted	(19 247 997)	(33 552 480)	14 304 483	(43)
TOTAL NET POSITION	\$ 22 742 553	\$ 19 408 370	\$ 3 334 183	17

Table 2
Summary of Activities and Changes in Net Position

	GOVERNMENTAL ACTIVITIES			PERCENTAGE CHANGE
	2024	2023	AMOUNT OF CHANGE	2024 - 2023
Revenues:				
Program Revenues:				
Charges for services	\$ 276 153	\$ 271 734	\$ 4 419	2
Operating grants and contributions	6 298 959	5 229 760	1 069 199	20
General Revenues:				
Property taxes	6 818 337	8 102 527	(1 284 190)	(16)
State aid - Formula grants	13 208 764	11 363 931	1 844 833	16
Investment earnings	1 733 918	2 040 242	(306 324)	(15)
Other general revenues	72 755	137 329	(64 574)	(47)
TOTAL REVENUES/CONTRIBUTIONS	28 408 886	27 145 523	1 263 363	5
Expenses:				
Instruction	11 056 945	8 559 080	2 497 865	29
Instructional resources and media services	116 776	169 789	(53 013)	(31)
Curriculum and staff development	705 146	489 647	215 499	44
Instructional leadership	116 453	67 448	49 005	73
School leadership	1 608 658	1 348 768	259 890	19
Guidance, counseling, and evaluation services	501 728	336 900	164 828	49
Health services	287 744	288 193	(449)	(0.1)
Student transportation	1 193 809	1 015 832	177 977	18
Food services	1 304 992	1 131 421	173 571	15
Co-curricular/extracurricular activities	1 417 325	1 277 869	139 456	11
General admission	1 083 257	899 650	183 607	20
Plant maintenance and operations	2 755 884	2 279 855	476 029	21
Security and monitoring services	555 738	454 159	101 579	22
Data processing services	683 040	534 802	148 238	28
Community services	9 531	1 121	8 410	750
Debt service	905 113	1 303 997	(398 884)	(31)
Capital outlay	47 164	149 679	(102 515)	(68)
Payments to shared service arrangements	555 831	491 489	64 342	13
Other intergovernmental charges	169 569	130 583	38 986	30
TOTAL EXPENSES	25 074 703	20 930 282	4 144 421	20
CHANGE IN NET POSITION	3 334 183	6 215 241	(2 881 058)	(46)
Beginning net position	19 408 370	13 193 129	6 215 241	47
ENDING NET POSITION	\$ 22 742 553	\$ 19 408 370	\$ 3 334 183	17

Table 3
Summary of the District's Capital Assets

	GOVERNMENTAL ACTIVITIES			PERCENTAGE CHANGE
	2024	2023	CHANGE	2024 - 2023
<i>Governmental Activities</i>				
Land	\$ 1 119 847	\$ 1 119 847	\$ -	-
Construction in progress	30 279 497	14 870 830	15 408 667	104
Buildings and improvements	25 898 562	25 898 562	-	-
Equipment	5 457 408	4 718 628	738 780	16
Vehicles	2 734 853	2 437 289	297 564	12
Capital lease assets	98 763	98 763	-	-
Right of use assets	371 970	371 970	-	-
TOTAL GOVERNMENTAL ACTIVITIES	65 960 900	49 515 889	16 445 011	33
Less accumulated depreciation	(20 556 539)	(19 478 299)	(1 078 240)	6
NET CAPITAL ASSETS	\$ 45 404 361	\$ 30 037 590	\$ 15 366 771	51

BASIC FINANCIAL STATEMENTS

WESTWOOD INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
August 31, 2024

EXHIBIT A-1

DATA CONTROL CODES		1 GOVERNMENTAL ACTIVITIES
	ASSETS	
1110	Cash and cash equivalents	\$ 26 562 406
1220	Taxes receivable	599 296
1230	Allowance for uncollectible taxes	(29 965)
1240	Due from other governments	2 119 522
1290	Other receivables	113
1410	Prepaid expenses	9 000
	Capital Assets:	
1510	Land	1 119 847
1520	Building, net	10 955 146
1530	Furniture and equipment, net	2 892 040
1540	Capital leased assets	16 354
1550	Right to use assets, net	141 477
1580	Construction in process	30 279 497
1000	TOTAL ASSETS	<u>74 664 733</u>
	DEFERRED OUTFLOWS	
	Deferred outflows related to pension	3 542 567
	Deferred outflows related to OPEB	2 338 062
1700	TOTAL DEFERRED OUTFLOWS	<u>5 880 629</u>
	LIABILITIES	
	Current Liabilities:	
2110	Accounts payable	3 414 282
2140	Interest payable	53 829
2150	Accrued liabilities	45 856
2160	Accrued wages payable	916 196
2180	Due to state	19 037
2501	Due within one year	828 651
	Noncurrent Liabilities:	
2502	Due in more than one year	33 597 776
2516	Bond premium	3 755 522
2540	Net pension liability	5 917 834
2545	Net OPEB liability	3 056 502
2000	TOTAL LIABILITIES	<u>51 605 485</u>
	DEFERRED INFLOWS	
	Deferred inflows: Pension	1 259 422
	Deferred inflows: OPEB	4 937 902
2600	TOTAL DEFERRED INFLOWS	<u>6 197 324</u>
	NET POSITION	
3200	Net investment in capital assets	27 475 433
	Restricted for:	
3820	Federal and state programs	217 381
3850	Debt service	890 424
3860	Capital projects and contract obligations	13 407 312
3900	Unrestricted	(19 247 997)
3000	TOTAL NET POSITION	<u>\$ 22 742 553</u>

The accompanying notes are an integral part of this statement.

WESTWOOD INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended August 31, 2024

EXHIBIT B-1

DATA CONTROL CODES	FUNCTIONS/PROGRAMS	1 EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS GOVERNMENTAL ACTIVITIES
			3 CHARGES FOR SERVICES	4 OPERATING GRANTS AND CONTRIBUTIONS	
	Governmental Activities:				
11	Instruction	\$ 11 056 945	\$ 101 645	\$ 3 173 516	\$ (7 781 784)
12	Instruction resources and media services	116 776	-	4 971	(111 805)
13	Curriculum and staff development	705 146	-	279 577	(425 569)
21	Instructional leadership	116 453	-	20 739	(95 714)
23	School leadership	1 608 658	-	349 058	(1 259 600)
31	Guidance, counseling, and evaluation services	501 728	-	132 974	(368 754)
33	Health services	287 744	-	18 600	(269 144)
34	Student (pupil) transportation	1 193 809	-	162 843	(1 030 966)
35	Food services	1 304 992	14 610	1 202 489	(87 893)
36	Extracurricular activities	1 417 325	27 916	118 494	(1 270 915)
41	General administration	1 083 257	131 982	137 989	(813 286)
51	Plant maintenance and operations	2 755 884	-	233 496	(2 522 388)
52	Security and monitoring services	555 738	-	108 859	(446 879)
53	Data processing services	683 040	-	57 084	(625 956)
61	Community service	9 531	-	-	(9 531)
72	Debt service	905 113	-	205 345	(699 768)
81	Capital outlay	47 164	-	92 925	45 761
93	Payments for shared service arrangements	555 831	-	-	(555 831)
99	Other intergovernmental charges	169 569	-	-	(169 569)
TG	TOTAL GOVERNMENTAL ACTIVITIES	\$ <u>25 074 703</u>	\$ <u>276 153</u>	\$ <u>6 298 959</u>	<u>(18 499 591)</u>
	General Revenues:				
MT	Property taxes, levied for general purposes				4 712 637
DT	Property tax, levied for debt service				2 105 700
GC	Grants and contributions not restricted				13 208 764
IE	Investment earnings				1 733 918
MI	Miscellaneous local and intermediate revenue				72 755
TR	TOTAL GENERAL REVENUES				<u>21 833 774</u>
CN	CHANGE IN NET POSITION				3 334 183
NB	Net position - Beginning				<u>19 408 370</u>
NE	NET POSITION - ENDING				<u>\$ 22 742 553</u>

The accompanying notes are an integral part of this statement.

WESTWOOD INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
August 31, 2024

EXHIBIT C-1

DATA CONTROL CODES		10		60		98	
		GENERAL		CAPITAL		OTHER	
		FUND		PROJECTS		GOVERN-	
				FUND		MENTAL	
	ASSETS						TOTAL GOVERN- MENTAL FUNDS
1110	Cash and cash equivalents	\$ 8 740 349		\$ 16 497 499		\$ 948 543	\$ 26 186 391
1220	Property taxes - Delinquent	521 133		-		78 163	599 296
1230	Allowance for uncollectible taxes	(26 057)		-		(3 908)	(29 965)
1240	Due from other governments	1 312 980		-		806 542	2 119 522
1260	Due from other funds	484 489		-		205 345	689 834
1290	Other receivables	-		-		113	113
1410	Prepaid expenditures	9 000		-		-	9 000
1000	TOTAL ASSETS	<u>\$ 11 041 894</u>		<u>\$ 16 497 499</u>		<u>\$ 2 034 798</u>	<u>\$ 29 574 191</u>
	LIABILITIES						
2110	Accounts payable	\$ 122 758		\$ 3 090 187		\$ 120 047	\$ 3 332 992
2150	Other accrued expenses	45 856		-		-	45 856
2160	Accrued wages payable	892 376		-		23 820	916 196
2170	Due to other funds	-		-		689 834	689 834
2180	Due from state	-		-		19 037	19 037
2000	TOTAL LIABILITIES	<u>1 060 990</u>		<u>3 090 187</u>		<u>852 738</u>	<u>5 003 915</u>
	DEFERRED INFLOWS						
2600	Unavailable revenue	495 076		-		74 255	569 331
	TOTAL LIABILITIES AND DEFERRED INFLOWS	<u>1 556 066</u>		<u>3 090 187</u>		<u>926 993</u>	<u>5 573 246</u>
	FUND BALANCES						
3430	Non-spendable - prepaid	9 000		-		-	9 000
	Restricted:						
3450	Federal/State grants	-		-		217 381	217 381
3470	Capital acquisitions and contract obligations	-		13 407 312		-	13 407 312
3480	Retirement of long-term debt	-		-		890 424	890 424
3600	Unassigned	9 476 828		-		-	9 476 828
3000	TOTAL FUND BALANCE	<u>9 485 828</u>		<u>13 407 312</u>		<u>1 107 805</u>	<u>24 000 945</u>
4000	TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	<u>\$ 11 041 894</u>		<u>\$ 16 497 499</u>		<u>\$ 2 034 798</u>	<u>\$ 29 574 191</u>

The accompanying notes are an integral part of this statement.

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

EXHIBIT C-1R

TOTAL FUND BALANCES FOR GOVERNMENTAL FUNDS	\$ 24 000 945
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:	
Capital assets used in governmental activities are not reported in the funds.	45 404 361
The asset and liabilities of internal service funds are included in governmental activities in the SNP.	294 725
Property tax unavailable to pay for current period expenditures is deferred in the funds.	569 331
Long term debt and related activities are not reported in the funds	(34 480 256)
Bond premium are amortized in the SNA but not in the funds.	(3 755 522)
Recognition of the District's proportionate share of the net pension liability is not reported in the funds.	(5 917 834)
Deferred resource outflows related to the pension plan are not reported in the funds.	3 542 567
Deferred resource inflows related to the pension plan are not reported in the funds.	(1 259 422)
Recognition of the District's proportionate share of the net OPEB liability is not reported in the funds.	(3 056 502)
Deferred resources outflows related to the OPEB plan are not reported in the funds.	2 338 062
Deferred resources inflows related to the OPEB plan are not reported in the funds.	<u>(4 937 902)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES - STATEMENT OF NET POSITION	\$ <u>22 742 553</u>

The accompanying notes are an integral part of this statement.

WESTWOOD INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
For the Year Ended August 31, 2024

EXHIBIT C-2

DATA CONTROL CODES		10	60	98	98
		GENERAL FUND	CAPITAL PROJECT FUND	OTHER GOVERN- MENTAL	TOTAL GOVERN- MENTAL FUNDS
	Revenues:				
5700	Local and intermediate sources	\$ 5 712 039	\$ 1 215 965	\$ 2 270 181	\$ 9 198 185
5800	State program revenues	13 104 209	-	828 947	13 933 156
5900	Federal program revenues	-	-	2 757 088	2 757 088
5020	TOTAL REVENUES	<u>18 816 248</u>	<u>1 215 965</u>	<u>5 856 216</u>	<u>25 888 429</u>
	Expenditures:				
0011	Instruction	7 913 648	-	1 674 384	9 588 032
0012	Instructional resources and media services	111 805	-	4 971	116 776
0013	Curriculum and staff development	420 129	-	162 125	582 254
0021	Instructional leadership	94 819	-	1 420	96 239
0023	School leadership	1 137 395	-	227 331	1 364 726
0031	Guidance, counseling and evaluation services	363 294	-	15 084	378 378
0033	Health services	269 144	-	18 600	287 744
0034	Student transportation	1 269 246	-	56 133	1 325 379
0035	Food services	18 239	-	1 200 106	1 218 345
0036	Extracurricular activities	1 141 564	-	1 420	1 142 984
0041	General administration	921 530	-	16 414	937 944
0051	Plant maintenance and operations	2 047 733	-	34 087	2 081 820
0052	Security and monitoring services	409 744	-	39 303	449 047
0053	Data processing services	571 506	-	5 681	577 187
0061	Community service	-	-	9 531	9 531
0071	Debt service	-	-	1 843 950	1 843 950
0081	Capital outlay	227 863	15 454 059	92 925	15 774 847
0093	Payment to fiscal agent/member districts of the SSA	555 831	-	-	555 831
0099	Other intergovernmental charges	169 569	-	-	169 569
6030	TOTAL EXPENDITURES	<u>17 643 059</u>	<u>15 454 059</u>	<u>5 403 465</u>	<u>38 500 583</u>
1100	EXCESS/(DEFICIT) REVENUE OVER (UNDER) EXPENDITURES	<u>1 173 189</u>	<u>(14 238 094)</u>	<u>452 751</u>	<u>(12 612 154)</u>
	Other Financing Sources and (Uses):				
7915	Transfer in	-	241 585	4 678	246 263
8911	Transfer out	(246 263)	-	-	(246 236)
7080	TOTAL OTHER FINANCING SOURCES (USES)	<u>(246 263)</u>	<u>241 585</u>	<u>4 678</u>	<u>-</u>
1200	NET CHANGE IN FUND BALANCES	926 926	(13 996 509)	457 429	(12 612 154)
0100	Fund balance - Beginning	8 558 902	27 403 821	650 376	36 613 099
3000	FUND BALANCE - ENDING	<u>\$ 9 485 828</u>	<u>\$ 13 407 312</u>	<u>\$ 1 107 805</u>	<u>\$ 24 000 945</u>

The accompanying notes are an integral part of this statement.

WESTWOOD INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended August 31, 2024

EXHIBIT C-3

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ (12 612 154)
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Amounts Reported for Governmental Activities in the Statement of Activities ("SOA") are Different Because:

Capital outlays are not reported as expenses in the SOA.	16 627 797
The depreciation of capital assets used in governmental activities is not reported in the funds.	(1 261 026)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	(348 220)
Expenses not requiring the use of current financial resources are not reported as an expenditure in the funds.	934 112
The net revenue (expense) of internal service funds is reported with governmental activities.	114 602
Debt proceeds and accrued interest are reported as revenue and expenses in the funds.	4 725
The SOA recognizes the District's OPEB expense and the change in related deferred balances from the funds.	517 904
The SOA recognizes the District's pension expense and the change in related deferred balances from the funds.	<u>(643 557)</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES - STATEMENT OF ACTIVITIES	<u>\$ 3 334 183</u>

The accompanying notes are an integral part of this statement.

WESTWOOD INDEPENDENT SCHOOL DISTRICT
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
August 31, 2024

EXHIBIT D-1

DATA CONTROL CODES		INTERNAL SERVICE FUND
	ASSETS	
1110	Cash and investments	\$ 376 015
1290	Other receivables	-
1000	TOTAL ASSETS	<u>376 015</u>
	LIABILITIES	
2110	Accounts payable	<u>81 290</u>
2000	TOTAL LIABILITIES	<u>81 290</u>
	NET POSITION	
3900	Unrestricted net position	<u>294 725</u>
3000	TOTAL NET POSITION	<u>\$ 294 725</u>

The accompanying notes are an integral part of this statement.

WESTWOOD INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
August 31, 2024

EXHIBIT D-2

DATA CONTROL CODES		INTERNAL SERVICE FUND
	Revenues:	
5700	Local and intermediate sources	\$ 155 753
5020	TOTAL REVENUES	<u>155 753</u>
	Expenses:	
6143	Workers comp claims	23 771
6143	Workers comp fixed costs	<u>17 380</u>
6030	TOTAL OPERATING EXPENSES	<u>41 151</u>
1300	CHANGE IN NET POSITION	114 602
0100	Total net position - Beginning	<u>180 123</u>
3000	TOTAL NET POSITION - ENDING	\$ <u><u>294 725</u></u>

The accompanying notes are an integral part of this statement.

WESTWOOD INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended August 31, 2024

EXHIBIT D-3

	INTERNAL SERVICE FUND
Cash Flows from Operating Activities:	
Cash receipts from Quasi interfund transfers	\$ 155 793
Refunds for claims adjustments	(43 779)
Cash payments for administration/reinsurance	(17 380)
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES	<u>94 634</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	94 634
Cash and investments - Beginning	<u>281 381</u>
CASH AND INVESTMENTS - ENDING	\$ <u><u>376 015</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating income (loss)	\$ 114 602
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Increase (decrease) in receivables	40
Increase (decrease) in claims payable	(20 008)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u><u>\$ 94 634</u></u>

The accompanying notes are an integral part of this statement.

WESTWOOD INDEPENDENT SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
August 31, 2024

EXHIBIT E-1

	PRIVATE- PURPOSE TRUSTS	CUSTODIAL FUNDS STUDENT ACTIVITY
ASSETS		
Cash and cash equivalents	\$ 3 180	\$ 180 987
TOTAL ASSETS	<u>3 180</u>	<u>180 987</u>
LIABILITIES		
Accounts payable	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>
NET POSITION		
Restricted net position	3 180	180 987
TOTAL NET POSITION	<u>\$ 3 180</u>	<u>\$ 180 987</u>

The accompanying notes are an integral part of this statement.

WESTWOOD INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the Year Ended August 31, 2024

EXHIBIT E-2

	PRIVATE- PURPOSE TRUSTS	CUSTODIAL FUNDS STUDENT ACTIVITY
Additions:		
Local and intermediate sources	\$ 2 765	\$ 171 582
TOTAL ADDITIONS	<u>2 765</u>	<u>171 582</u>
Deductions:		
Payments	<u>4 598</u>	<u>102 474</u>
TOTAL DEDUCTIONS	<u>4 598</u>	<u>102 474</u>
CHANGE IN NET POSITION	(1 833)	69 108
Beginning net position	<u>5 013</u>	<u>111 879</u>
ENDING NET POSITION	<u>\$ 3 180</u>	<u>\$ 180 987</u>

The accompanying notes are an integral part of this statement.

WESTWOOD INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
August 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. The Reporting Entity

The Board of School Trustees (Board), a seven member group, has governance responsibilities over all activities related to public elementary and secondary education within the jurisdiction of the District. The Board is elected by the public and as a body corporate has the exclusive power and duty to govern and oversee the management of the public schools of the District. All powers and duties not specifically delegated by statute to the Texas Education Agency (Agency) or to the State Board of Education are reserved for the Board, and the Agency may not substitute its judgment for the lawful exercise of those powers and duties by the Board. The District is not included in any other governmental "reporting entity" as defined by GASB in its Statement No. 14, "The Financial Reporting Entity."

As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the District (primary government) and its component units. There are no component units reported at year end.

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

B. Basis of Presentation - Basis of Accounting

1. Basis of Presentation

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

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

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

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

The District reports the following major governmental funds:

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

Capital Projects Fund - This fund accounts for resources segregated for construction and maintenance of school buildings and equipment.

In addition, the District reports the following fund types:

Debt Service Fund - This fund is used to account for accumulation of resources that are restricted, committed, or assigned for the payment of principal and interest on long-term obligations of the District.

Special Revenue Funds - The District accounts for resources restricted to or designated for 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 Board can commit specific types of resources to specific purposes which are included as special revenue funds.

WESTWOOD INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
August 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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

Fiduciary Funds - These funds are used to account for assets held by the District in as a custodian for individuals, private organizations, or other governments. These include private purpose (Orange and White scholarship) funds and custodial funds. Scholarship funds accumulate contributions and other sources of revenue which are subsequently awarded to worthy recipients.

2. Measurement Focus - Basis of Accounting

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

Governmental Fund Financial Statements - Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available.

The District considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt and acquisitions under capital lease are reported as other financing sources.

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

Under GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting," all proprietary funds will continue to follow Financial Accounting Standards Board (FASB) standards issued on or before November 30, 1989. However, from that date forward, proprietary funds will have the option of either 1) choosing not to apply future FASB standards (including amendments of earlier pronouncements), or 2) continuing to follow new FASB pronouncements unless they conflict with GASB guidance. The District has chosen not to apply future FASB Standards.

C. Budgetary Data

The official budget was prepared for adoption for the general, food service and debt service funds. The following procedures are followed in establishing the budgetary data reflected in the basic financial statements:

1. Prior to August 20 of the preceding fiscal year, the District prepares a budget for the next succeeding fiscal year beginning September 1.
2. A meeting of the Board is called for the purpose of adopting the proposed budget with public notice given at least 10 days prior to the meeting.
3. Prior to the expenditure of funds, the budget is adopted by the Board.

After adoption, the budget may be amended through action by the Board. Budget amendments are approved at the functional expenditure level. All amendments are before the fact and reflected in the official minutes of the Board. Budgets are controlled at the function level by personnel responsible for organizational financial reporting. All budget appropriations lapse at the year end. Budget amendments throughout the year were not significant.

WESTWOOD INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
August 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

D. Financial Statement Amounts

Cash and Investments

The District pools cash resources of its various funds in order to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the pooled accounts is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing securities and disclosed as a part of the District's cash and temporary investments.

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

Fund Equity

Governmental Funds utilize a fund balance presentation for equity. Fund balance is categorized as nonspendable, restricted, committed, assigned or unassigned.

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 endowment 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 purpose unless the Board removes or changes the specific use by taking the same formal action that imposed the constraint originally.

Assigned fund balance - represents amounts the District intends to use for specific purposes as expressed by the Board or an official delegated the authority. The Board has delegated the authority to assign fund balances to the Superintendent.

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, followed by committed fund balance, assigned fund balance, and lastly, unassigned fund balance.

Capital Assets

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

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

<u>ASSET CLASS</u>	<u>ESTIMATED USEFUL LIVES</u>
Land improvements	15
Buildings	50
Building improvements	15
Vehicles (other than buses)	5
Buses	10
Computer equipment	5
Office and other equipment	7

Land and construction in progress are not depreciated.

E. Deferred Outflows and Inflows of Resources

In addition to assets and liabilities, the government-wide Statement of Net Position and governmental fund Balance Sheet report separate sections for deferred outflows and deferred inflows of resources. Deferred outflows of resources and represent a consumption of net position/fund balance that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred inflows of resources represent the acquisition of net position/fund balance that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. The District reports certain deferred inflows and outflows related to pensions and other post-employment benefits on the government-wide Statement of Net Position and overpayments of formula funds from TEA. At the governmental fund level, earned but unavailable revenue is reported as a deferred inflow of resources.

WESTWOOD INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
August 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

F. Receivable and Payable Balances

The District believes that sufficient detail of receivable and payable balances is provided in the financial statements to avoid the obscuring of significant components by aggregation. See additional disclosure on Note 13.

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

G. Interfund Activities

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

H. Vacation, Sick Leave and Other Compensated Absences

District employees are entitled to certain compensated absences based on their length of employment. Sick leave accrues at various rates established by the State and adopted by the Board of Trustees. Sick leave does not vest but accumulates and is recorded as an expenditure as it is paid.

I. Pensions

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

J. Other Post-Employment Benefits

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

K. Use of Estimates

The preparation of financial statements in conformity with GAAP requires the use of management's estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could vary from these estimates.

L. Data Control Codes

Data control codes refer to the account code structure prescribed by the Agency in the *Guide*. The Agency requires the District to display these codes in its financial statements filed with the Agency in order to ensure accuracy in building a statewide database for policy development and funding plans.

M. Accounting System

In accordance with Texas Education Code, Chapter 44, Subchapter A, the District adopted and implemented an accounting system which at least meets the minimum requirements prescribed by the State Board of Education and approved by the State Auditor. The District's accounting system uses codes and the code structure presented in the accounting code section of the *Guide*. Mandatory codes are utilized in the form provided in that section.

N. Inventories and Prepaid Items

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

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

WESTWOOD INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
August 31, 2024

NOTE 2 - DEPOSITS AND INVESTMENTS

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

CASH DEPOSITS

At August 31, 2024, the carrying amount of the District's deposits was \$26,746,573, and the bank balance was \$25,975,609. The District's cash deposits during the year ended August 31, 2024, were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name.

INVESTMENTS

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

Investment Accounting Policy

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

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

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

The District's investments at August 31, 2024 are shown below:

Investment or Investment Type	Weighted Average Maturity (Days)	Fair Value	Credit Rating
First Public/Lone Star Investment Pool:			AAAm
Government Overnight Fund	18	\$ 188 549	AAA
Corporate Overnight Fund	32	17 847 055	AAA
TOTAL REPORTING ENTITY		\$ 18 035 604	

ANALYSIS OF SPECIFIC DEPOSIT AND INVESTMENT RISKS

GASB Statement No. 40 requires a determination as to whether the District was exposed to the following specific investment risks at August 31, 2024 and if so, the reporting of certain related disclosures:

a. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. At August 31, 2024, the District was not significantly exposed to credit risk.

b. Custodial Credit Risk

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

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

WESTWOOD INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
August 31, 2024

NOTE 2 - DEPOSITS AND INVESTMENTS - CONTINUED

- c. Concentration of Credit Risk
District's investment portfolio is diversified in terms of investment instruments and maturity scheduling to reduce risk of loss resulting from overconcentration of assets.
- d. Interest Rate Risk
In accordance with the District's investment policy, investments are made in a manner that ensures the preservation of capital in the overall portfolio.
- e. Foreign Currency Risk
As of August 31, 2024, there are no foreign currency investments in the District's portfolio.

NOTE 3 - PROPERTY TAXES

Property taxes are levied by October 1, in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1, of the year following the October 1 levy date. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available when collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period.

Property taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. Allowance for uncollectibles within the General and Debt Service Funds are based upon historical experience in collecting property taxes. Section 33.05, Property Tax Code, requires the tax collector for the District to cancel and remove from the delinquent tax rolls a tax on real property that has been delinquent for more than 20 years or a tax on personal property that has been delinquent for more than 10 years. Delinquent taxes meeting these criteria may not be canceled if litigation concerning these taxes is pending.

The District levied taxes on property within the District at \$0.7575 to fund general operations and \$0.3193 to debt service. The rates were levied on property assessed totaling \$671,479,755.

NOTE 4 - CAPITAL ASSETS

Capital asset activities during the year were as follows:

	BEGINNING BALANCES	INCREASES	DECREASES	ENDING BALANCES
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 1 119 847	\$ -	\$ -	\$ 1 119 847
Construction in process	14 870 830	15 408 667	-	30 279 497
TOTAL CAPITAL ASSETS NOT BEING DEPRECIATED	15 990 677	15 408 667	-	31 399 344
Capital Assets Being Depreciated:				
Buildings and improvements	25 898 562	-	-	25 898 562
Equipment	4 718 628	738 780	-	5 457 408
Vehicles	2 437 289	480 350	(182 786)	2 734 853
Capital lease assets	98 763	-	-	98 763
Right of use assets	371 970	-	-	371 970
TOTAL CAPITAL ASSETS BEING DEPRECIATED	33 525 212	1 219 130	(182 786)	34 561 556
Less Accumulated Depreciation for:				
Buildings and improvements	(14 340 810)	(602 606)	-	(14 943 416)
Equipment	(3 815 707)	(265 376)	-	(4 081 083)
Vehicles	(1 150 684)	(251 240)	182 786	(1 219 138)
Capital lease assets	(64 595)	(17 814)	-	(82 409)
Right of use assets	(106 503)	(123 990)	-	(230 493)
TOTAL ACCUMULATED DEPRECIATION	(19 478 299)	(1 261 026)	182 786	(20 556 539)
TOTAL CAPITAL ASSETS BEING DEPRECIATED, NET	14 046 913	(41 896)	-	14 005 017
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	\$ 30 037 590	\$ 15 366 771	\$ -	\$ 45 404 361

Depreciation was charged to governmental activities functions as follows:

Instruction	\$ 267 087
School leadership	1 070
Student (pupil) transportation	205 464
Food services	19 153
Cocurricular/extracurricular activities	160 005
General administration	727
Plant maintenance and operations	507 882
Security and monitoring	33 913
Data processing	65 725
TOTAL DEPRECIATION EXPENSE	\$ 1 261 026

WESTWOOD INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
August 31, 2024

NOTE 5 - LONG TERM OBLIGATIONS

Long-Term Obligation Activity:

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

	INTEREST RATE	AMOUNT ORIGINAL ISSUE	AMOUNT OUT- STANDING 08/31/23	CURRENT YEAR PAYMENT	AMOUNT OUT- STANDING 08/31/24	CURRENT AMOUNT DUE
Building Bonds	3.0%-5.0%	\$ 35 570 000	\$ 34 945 000	\$ (660 000)	\$ 34 285 000	\$ 690 000
Premium on 2022 Bond		4 023 774	3 889 648	(134 126)	3 755 522	-
Capital Lease Payable:						
Cannon Financial Services	0.04%	41 731	18 429	(8 288)	10 142	8 321
Xerox printers	1.28%-2.65%	57 032	19 031	(11 692)	7 339	6 383
Subscriptions Payable:						
Skyward	3.10%	213 672	140 263	(69 061)	71 202	71 202
ISCorp Cloud Hosting	3.10%	30 271	19 871	(9 784)	10 087	10 087
Frontline	3.10%	31 666	20 787	(10 235)	10 552	10 552
Linewize Content Filter	3.79%	20 618	13 488	(6 619)	6 869	6 869
Cardonex	3.68%	27 500	18 000	(8 838)	9 162	9 163
Microsoft Office 365	3.95%	36 390	23 787	(11 663)	12 124	12 124
Freshworks Subscriptions	3.72%	11 853	7 757	(3 807)	3 950	3 950
TOTALS		\$ 40 064 507	\$ 39 116 061	\$ (934 113)	\$ 38 181 949	\$ 828 651

Debt Service Requirements:

YEAR ENDING AUGUST 31,	GOVERNMENTAL ACTIVITIES					
	BONDS PAYABLE		LEASES		RIGHT OF USE ASSETS	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2025	\$ 690 000	\$ 1 142 800	\$ 14 704	\$ 77	\$ 123 947	\$ 4 070
2026	730 000	1 107 300	2 777	2	-	-
2027	765 000	1 069 925	-	-	-	-
2028	805 000	1 030 675	-	-	-	-
2029	845 000	989 425	-	-	-	-
2030-2034	4 900 000	4 277 350	-	-	-	-
2035-2039	5 800 000	3 378 100	-	-	-	-
2040-2044	6 700 000	2 472 000	-	-	-	-
2045-2049	7 785 000	1 387 575	-	-	-	-
2050-2051	5 265 000	240 225	-	-	-	-
TOTALS	\$ 34 285 000	\$ 17 095 375	\$ 17 481	\$ 79	\$ 123 947	\$ 4 070

The capital lease payable for Cannon is paid in monthly installments of \$696 and for Xerox, monthly instalments of \$294, \$323, and \$417, over the next 3 years. Subscriptions payable in annual installments ranging from \$4,096 to \$73,409, over the next 2 years.

The District issued the Unlimited Tax School Building Bonds, Series 2022 for capital projects, payments due in semiannual installments over 30 years.

NOTE 6 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. During the year ended August 31, 2024, the District purchased commercial insurance to cover general liabilities. There were no significant reductions in coverage in the past fiscal year, and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

NOTE 7 - OTHER INFORMATION

Defined Benefit Pension Plan

Plan Description:

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

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

WESTWOOD INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
August 31, 2024

NOTE 7 - OTHER INFORMATION - CONTINUED

Pension Plan Fiduciary Net Position:

Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately-issued Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at <http://www.trs.state.tx.us/about/documents/cafr.pdf#CAFR>; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

Benefits Provided:

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

Contributions:

Contribution requirements are established or amended pursuant to Article 16, section 67 of the Texas Constitution which requires the Texas legislature to establish a member contribution rate of not less than 6% of the member's annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to members of the system during the fiscal year. 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 increase to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action.

Employee contribution rates are set in state statute, Texas Government Code 825.402. Senate Bill 1458 of the 83rd Texas Legislature amended Texas Government Code 825.402 for member contributions and established employee contribution rates. The 85th Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2014 and 2015. The 84th Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2023 and 2024.

	CONTRIBUTION RATES	
	2023	2024
Member	8.00%	8.25%
Non-Employer Contributing Entity (State)	8.00%	8.25%
Employers	8.00%	8.25%
Employer Contributions - 2024		\$ 455 603
Member Contributions - 2024		\$ 884 716
NECE On-behalf Contributions - 2023		\$ 589 833

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

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

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

WESTWOOD INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
August 31, 2024

NOTE 7 - OTHER INFORMATION - CONTINUED

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

- 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.
- When a school district or charter school does not contribute to the Federal Old-Age, Survivors and Disability Insurance (OASDI) Program for certain employees, they must contribute 1.5% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.

Actuarial Assumptions:

The total pension liability in the August 31, 2023 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2023
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Single Discount Rate	7.00%
Long-term Expected Investment Rate of Return	7.00%
Inflation	2.30%
Salary Increases	2.95% to 8.95% including inflation
Benefit Changes During the Year	None
Ad Hoc Post-Employment Benefit Changes	None

Discount Rate:

The single discount rate used to measure the total pension liability was 7.00 percent. The single discount rate was based on the expected rate of return on pension plan investments of 7.00 percent and a municipal bond rate of 3.69 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was sufficient to finance the benefit payments until the year 2069. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2069, and the municipal bond rate was applied to all benefit payments after that date. 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 arithmetic real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2023 are summarized below:

ASSET CLASS	TARGET** ALLOCATION	LONG-TERM EXPECTED GEOMETRIC REAL RATE OF RETURN***	EXPECTED CONTRIBUTION TO LONG-TERM PORTFOLIO RETURNS
Global Equity			
U.S.A.	18%	4.0%	1.0%
Non-U.S. Developed	13%	4.5%	0.9%
Emerging Markets	9%	4.8%	0.7%
Private Equity*	14%	7.0%	1.5%
Stable Value			
Government Bonds	16%	2.5%	0.5%
Absolute Return*	- %	3.6%	- %
Stable Value Hedge Funds	5%	4.1%	0.2%
Real Return			
Real Estate	15%	4.9%	1.1%
Energy, Natural Resources, and Infrastructure	6%	4.8%	0.4%
Commodities	- %	4.4%	- %
Risk Parity			
Risk Parity	8%	4.5%	0.4%
Asset Allocation Leverage			
Cash	2%	3.7%	- %
Asset Allocation Leverage	(6)%	4.4%	(0.1)%
Inflation Expectation			2.3%
Volatility Drag****			(0.9)%
Expected Return	<u>100%</u>		<u>8.0%</u>

* Absolute Return includes Credit Sensitive Investments.

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

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

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

WESTWOOD INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
August 31, 2024

NOTE 7 - OTHER INFORMATION - CONTINUED

For the fiscal year ended August 31, 2023, the annual money-weighted rate of return on pension plan investments was 7.00 percent. The annual money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount Rate Sensitivity Analysis:

The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (7.00%) in measuring the Net Pension Liability.

	1% DECREASE IN DISCOUNT RATE (6.00%)	DISCOUNT RATE (7.00%)	1% INCREASE IN DISCOUNT RATE (8.00%)
District proportionate share of the net pension liability	\$ 8 847 489	\$ 5 917 834	\$ 3 481 824

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

At August 31, 2024, the District reported a liability of \$5,917,834 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	\$ 5 917 834
State's proportionate share that is associated with the District	7 882 094
TOTAL	\$ 13 799 928

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

At August 31, 2023 the District's proportion of the collective net pension liability was 0.0086% which was the same from its proportion measured as of August 31, 2022.

Changes Since the Prior Actuarial Valuation - The following changes to the actuarial assumptions or other inputs that affected measurement of the total pension liability since the prior measurement period.

The total pension liability as of August 31, 2023 was developed using a roll-forward method from the August 31, 2022 valuation.

Demographic assumptions including post-retirement mortality, termination rates, and rates of retirement were updated based on the experience study performed for TRS for the period ending August 31, 2023.

Economic assumptions including rates of salary increase for individual participants was updated based on the same experience study.

The discount rate decreased to 7.00 percent.

For the year ended August 31, 2024, the District recognized pension expense of \$1,190,128 and revenue of \$1,190,128 for support provided by the State.

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

	DEFERRED OUTFLOWS OF RESOURCES	DEFERRED INFLOWS OF RESOURCES
Differences between expected and actual economic experience	\$ 210 854	\$ 71 658
Changes in actuarial assumptions	559 711	136 974
Difference between projected and actual investment earnings	1 849 144	987 956
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	467 255	62 834
Contributions paid to TRS subsequent to the measurement date	455 603	-
TOTAL	\$ 3 542 567	\$ 1 259 422

WESTWOOD INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
August 31, 2024

NOTE 7 - OTHER INFORMATION - CONTINUED

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

YEAR ENDED AUGUST 31,	PENSION EXPENSE AMOUNT
2025	\$ 409 168
2026	\$ 278 253
2027	\$ 831 862
2028	\$ 287 649
2029	\$ 20 610
Thereafter	\$ -

D. Defined Other Post-Employment Benefit Plan

Plan Description:

The District participates in the Texas Public School Retired Employees Group Insurance Program (TRS-Care). It is a multiple-employer, cost-sharing defined Other Post-Employment Benefit (OPEB) plan that has a special funding situation. The plan is administered through a trust by the Teacher Retirement System of Texas (TRS) Board of Trustees. It is established and administered in accordance with the Texas Insurance Code, Chapter 1575.

OPEB Plan Fiduciary Net Position:

Detail information about the TRS-Care's fiduciary net position is available in the separately-issued TRS Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at <http://www.trs.state.tx.us/about/documents/cafr.pdf#CAFR>; by writing to TRS at 1000 Red River Street, Austin, Texas 78701-2698; or by calling 512.542.6592.

Benefits Provided:

TRS-Care provides a basic health insurance coverage (TRS-Care 1), at no cost to all retirees from public schools, charter schools, regional education service centers and other educational districts who are members of the TRS pension plan. Optional dependent coverage is available for an additional fee.

Eligible retirees and their dependents not enrolled in Medicare may pay premiums to participate in one of two optional insurance plans with more comprehensive benefits (TRS-Care 2 and TRS-Care 3). Eligible retirees and dependents enrolled in Medicare may elect to participate in one of the two Medicare health plans for an additional fee. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in the TRS pension system. 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. There are no automatic post-employment benefit changes; including automatic COLAs.

The premium rates for the optional health insurance are based on years of service of the member. The schedule below shows the monthly rates for a retiree with and without Medicare coverage.

TRS-Care Monthly for Retirees			
January 1, 2023 - December 31, 2023			
	Medicare		Non-Medicare
Retiree*	\$ 135	\$	200
Retiree and Spouse	529		689
Retiree* and Children	468		408
Retiree and Family	1 020		999

* or surviving spouse

Contributions:

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

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

WESTWOOD INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
August 31, 2024

NOTE 7 - OTHER INFORMATION - CONTINUED

	<u>Contribution Rates</u>	
	<u>2023</u>	<u>2024</u>
Active Employee	0.65%	0.65%
Non-Employer Contributing Entity	1.25%	1.25%
Employers	0.75%	0.75%
Federal/private Funding remitted by Employers	1.25%	1.25%
Employer Contributions - 2024	\$	118 282
Member Contributions - 2024	\$	69 707
NECE On-behalf Contributions - 2023	\$	144 517

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

Actuarial Assumptions:

The total OPEB liability in the August 31, 2023 actuarial valuation was determined using the following actuarial assumptions:

Actuarial Methods and Assumptions:

Valuation Date	August 31, 2023; rolled forward from August 31, 2022
Methods and Assumptions:	
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Single Discount Rate	4.13% as of August 31, 2023
Salary increases	2.95% to 8.95%, including inflation
Demographic Assumptions	Based on the experience study performed for the Teachers Retirement System of Texas of the period ending August 31, 2021.
Mortality Assumption	The active mortality rates were based on 90% of the RP-2014 Employee Mortality Tables for males and females, with full generational mortality using Scale BB. The post-retirement mortality rates for healthy lives were based on the 2019 TRS of Texas Healthy Pensioner Mortality Tables, with full generational projection, the ultimate improvement rates from the most recently published projection scale ("U-MP").
Healthcare Trend Rates	Initial medical trend rates of 107.74% and 7.75% for Medicare retirees and initial medical trend rate of 7.00% for non-Medicare retirees. Initial prescription drug trend rate of 11.00% for all retirees. Initial trend rates decrease to an ultimate trend rate of 4.25% over a period of 12 years. Initial trend rates decrease to an ultimate trend rate of 4.50% over a period of 9 years.
Election Rates	Normal Retirement: 62% participation prior to age 65 and 25% participation after age 65
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.

The following assumptions and other inputs used for members of TRS-Care are identical to the assumptions used in the August 31, 2023 TRS pension actuarial valuation:

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

Discount Rate:

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

Discount Rate Sensitivity Analysis:

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

	1% Decrease in Discount Rate (3.13%)	Current Single Discount Rate (4.13%)	1% Increase in Discount Rate (5.13%)
District's proportionate share of the Net OPEB Liability	\$ 3 599 923	\$ 3 056 502	\$ 2 613 058

WESTWOOD INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
August 31, 2024

NOTE 7 - OTHER INFORMATION - CONTINUED

The following schedule shows the impact of the Net OPEB Liability if a healthcare trend rate that is 1% less than and 1% greater than the assumed 5.25% rate is used.

	1% Decrease in Healthcare Trend Rate (3.25%)	Current Single Healthcare Trend Rate (4.25%)	1% Increase in Healthcare Trend Rate (5.25%)
District's proportionate share of the Net OPEB Liability	\$ 2 516 877	\$ 3 056 502	\$ 3 750 732

OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs:

At August 31, 2024, the District reported a liability of \$3,056,502 for its proportionate share of the TRS's Net OPEB Liability. This liability reflects a reduction for State OPEB support provide 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	\$ 3 056 502
State's proportionate share that is associated with District	3 688 140
TOTAL	\$ 6 744 642

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

At August 31, 2023, the employer's proportion of the collective Net OPEB Liability was 0.0138% which was the same from measurement at August 31, 2022.

Changes Since the Prior Actuarial Valuation - The following were changes to the actuarial assumptions or other inputs that affected measurement of the Total OPEB liability since the prior measurement period:

The following assumptions and other inputs which are specific to TRS-Care were updated from the prior year's report:

1. The discount rate changed from 3.91 percent as of August 31, 2022 to 4.13 percent as of August 31, 2023. This change increased the TOL.
2. The health care trend rates were reset to better reflect the plan's anticipated experience. This change increased the TOL.
3. The participation rate for pre-65 retirees was lowered from 70 percent to 65 percent. The participation rate for post-65 retirees was lowered from 50 percent to 40 percent. 25 percent of pre-65 retirees are assumed to discontinue their coverage at age 65. There was no lapse assumption in the prior valuation. These changes decreased the TOL.
4. The percentage of retirees who are assumed to have two-person coverage was lowered from 20 percent to 15 percent. In addition, the participation assumption for the surviving spouses of employees that die while actively employed was lowered from 20 percent to 10 percent. These changes decreased the TOL.
5. Change of Benefit Terms Since the Prior Measurement Date - There were no changes in benefit terms since the prior measurement date.

There were no changes of benefit terms that affected measurement of the Total OPEB liability during the measurement period.

For the year ended August 31, 2024, the District recognized OPEB expense of \$788,446 and revenue of \$788,446 for support provided by the State.

At August 31, 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 resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 138 284	\$ 2 571 468
Changes in actuarial assumptions	417 190	1 871 577
Difference between projected and actual investment earnings	6 951	5 630
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	1 657 355	489 227
Contributions paid to TRS subsequent to the measurement date	118 282	-
TOTAL	\$ 2 338 062	\$ 4 937 902

WESTWOOD INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
August 31, 2024

NOTE 7 - OTHER INFORMATION - CONTINUED

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	\$ (653 513)
2026	\$ (513 325)
2027	\$ (323 535)
2028	\$ (466 785)
2029	\$ (343 939)
Thereafter	\$ (447 025)

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 received 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 submissions by reporting entities for the month of May. For the fiscal years ended August 31, 2024, 2023 and 2022, the subsidy payments received by TRS-Care on behalf of the District were \$57,005, \$53,584 and \$42,746, respectively.

NOTE 8 - LITIGATION

The District does not appear to be involved in any litigation as of August 31, 2024.

NOTE 9 - COMMITMENTS AND CONTINGENCIES

The District participates in numerous state and federal grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, if any, refunds of any money received may be required and the collectability of any related receivable at August 31, 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 combined financial statements for such contingencies.

NOTE 10 - JOINT VENTURE SHARED SERVICE ARRANGEMENT

The District participates in a shared service arrangement for special education services with five other school districts. Although a portion of the shared services arrangement is attributable to the District's participation, the District does not account for revenues or expenditures in this program and does not disclose them in these financial statements. The District neither has a joint ownership interest in fixed assets purchased by the fiscal agent, nor does the District have a net equity interest in the fiscal agent. The fiscal agent is neither accumulating significant financial resources nor fiscal exigencies that would give rise to a future additional benefit or burden to the District. The fiscal agent manager is responsible for all financial activities of the shared services arrangement. The District made payments to the fiscal agent of \$555,831.

NOTE 11 - WORKERS COMPENSATION COVERAGE

The District joined together with other school districts in the East Texas area to form the East Texas Educational Insurance Association, a public entity risk pool currently operating a workers' compensation risk management and insurance program for various member school districts. Total workers' compensation claims paid amounted to \$17,667 for current year claims and \$(13,239) written off for claims incurred in prior years. When and if other schools in the Association exceed their annual loss fund maximums, the District will be required to pay a percentage share of the excess.

A reconciliation of changes in the liability for claims for the current and prior fiscal periods is presented below:

	YEAR ENDED AUGUST 31, 2024
Unpaid claims at September 1	\$ 100 684
Incurred claims (including IBNR)	4 428
Total payments	(23 822)
TOTAL UNPAID CLAIMS AT AUGUST 31	\$ 81 290

WESTWOOD INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
August 31, 2024

NOTE 12 - LOCAL AND INTERMEDIATE REVENUE SOURCES

During the year the District received revenue from local and intermediate sources consisting of the following:

	GENERAL	DEBT SERVICE	CAPITAL PROJECTS	OTHER GOVERNMENTAL	TOTAL
Property taxes	\$ 5 060 857	\$ 2 105 700	\$ -	\$ -	\$ 7 166 557
Investment income	470 708	47 245	1 215 965	-	1 733 918
Food service income	-	-	-	14 610	14 610
Tuition and fees	77 874	-	-	-	77 874
Gifts and bequests	5 440	-	-	102 626	108 066
Insurance proceeds	-	-	-	-	-
Extracurricular activities	27 916	-	-	-	27 916
Miscellaneous	69 244	-	-	-	69 244
TOTAL	\$ 5 712 039	\$ 2 152 945	\$ 1 215 965	\$ 117 236	\$ 9 198 185

NOTE 13 - INTERFUND BALANCES AND ACTIVITIES

Interfund Receivables and Payables

Interfund receivables and payables consists of the following at year end:

RECEIVABLE FUND	PAYABLE FUND	AMOUNT	REASON
General Fund	Other Governmental Funds	\$ 484 489	Short-Term Loans
Other Governmental Funds	Other Governmental Funds	205 345	Short-Term Loans
TOTAL		\$ 689 834	

NOTE 14 - SUBSEQUENT EVENTS

The District's management has evaluated subsequent events through February 10, 2025, the date which the financial statements were available for use.

REQUIRED SUPPLEMENTARY INFORMATION

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

WESTWOOD INDEPENDENT SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended August 31, 2024

EXHIBIT G-1

DATA CONTROL CODES		1 BUDGETED AMOUNTS		3	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
		ORIGINAL	FINAL	ACTUAL	
	Revenues:				
5700	Local and intermediate sources	\$ 5 656 844	\$ 5 656 844	\$ 5 712 039	\$ 55 195
5800	State program revenues	11 960 067	11 960 067	13 104 209	1 144 142
5900	Federal program revenue	60 000	60 000	-	(60 000)
5020	TOTAL REVENUES	<u>17 676 911</u>	<u>17 676 911</u>	<u>18 816 248</u>	<u>1 139 337</u>
	Expenditures:				
0011	Instruction	8 389 810	8 247 520	7 913 648	333 872
0012	Instructional resources and media services	160 235	160 235	111 805	48 430
0013	Curriculum and instructional staff development	345 935	406 935	420 129	(13 194)
0021	Instructional leadership	79 811	86 878	94 819	(7 941)
0023	School leadership	1 253 628	1 193 628	1 137 395	56 233
0031	Guidance, counseling and evaluation services	349 755	385 137	363 294	21 843
0033	Health services	209 924	267 924	269 144	(1 220)
0034	Student (pupil) transportation	877 429	1 328 529	1 269 246	59 283
0035	Food services	60 001	26 001	18 239	7 762
0036	Extracurricular activities	1 133 932	1 145 840	1 141 564	4 276
0041	General administration	922 043	970 476	921 530	48 946
0051	Plant maintenance and operations	1 985 022	1 946 022	2 047 733	(101 711)
0052	Security and monitoring services	431 183	431 183	409 744	21 439
0053	Data processing services	625 157	625 157	571 506	53 651
0081	Capital outlay	100 000	372 230	227 863	144 367
0093	Payments to fiscal agent/member districts of SSA	629 000	593 500	555 831	37 669
0099	Other intergovernmental charges	140 000	170 000	169 569	431
6030	TOTAL EXPENDITURES	<u>17 692 865</u>	<u>18 357 195</u>	<u>17 643 059</u>	<u>714 136</u>
1100	EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(15 954)</u>	<u>(680 284)</u>	<u>1 173 189</u>	<u>1 853 473</u>
	Other Financing Sources (Uses):				
8911	Transfers out	<u>(100 000)</u>	<u>(71 514)</u>	<u>(246 263)</u>	<u>(174 749)</u>
7080	TOTAL OTHER FINANCING SOURCES (USES)	<u>(100 000)</u>	<u>(71 514)</u>	<u>(246 263)</u>	<u>(174 749)</u>
1200	NET CHANGE IN FUND BALANCES	<u>(115 954)</u>	<u>(751 798)</u>	<u>926 926</u>	<u>1 684 400</u>
0100	Fund balance - Beginning	<u>8 558 902</u>	<u>8 558 902</u>	<u>8 558 902</u>	<u>-</u>
3000	FUND BALANCE - ENDING	<u>\$ 8 442 948</u>	<u>\$ 7 807 104</u>	<u>\$ 9 485 828</u>	<u>\$ 1 684 400</u>

See independent auditor's report.

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

EXHIBIT G-2

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability (asset)	0.0086%	0.0086%	0.0073%	0.0070%	0.0073%	0.0074%	0.0069%	0.0076%	0.0074%	0.0033%
District's proportionate share of the net pension liability (asset)	\$ 5 917 834	\$ 5 128 816	\$ 3 920 368	\$ 3 755 588	\$ 3 772 508	\$ 4 096 484	\$ 2 205 207	\$ 2 890 085	\$ 2 625 134	\$ 877 175
State's proportionate share of the net pension liability (asset) associated with the District	7 882 094	7 530 839	3 625 819	8 079 681	7 283 733	8 241 668	5 002 695	6 294 058	6 203 378	5 195 914
TOTAL	\$ 13 799 928	\$ 12 659 655	\$ 7 546 187	\$ 11 835 269	\$ 11 056 241	\$ 12 338 152	\$ 7 207 902	\$ 9 184 143	\$ 8 828 512	\$ 6 073 089
District's covered-employee payroll**	\$ 9 892 065	\$ 10 203 008	\$ 10 080 478	\$ 10 097 402	\$ 9 293 877	\$ 9 304 247	\$ 9 043 866	\$ 9 309 475	\$ 8 948 858	\$ 8 349 548
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	59.82%	50.27%	38.89%	37.19%	40.59%	44.03%	24.38%	31.04%	29.33%	10.51%
Plan fiduciary net position as a percentage of the total pension liability	73.15%	75.62%	88.79%	75.54%	75.24%	73.74%	82.17%	78.00%	78.43%	83.25%

* Only nine years' worth of information are currently available.

** As of the measurement date.

WESTWOOD INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT CONTRIBUTIONS
TEACHER RETIREMENT SYSTEM
LAST TEN FISCAL YEARS*

EXHIBIT G-3

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 455 603	\$ 442 937	\$ 334 492	\$ 315 011	\$ 289 466	\$ 249 889	\$ 244 478	\$ 226 039	\$ 242 997	\$ 219 889
Contributions in relation to the contractually required contribution	<u>(455 603)</u>	<u>(442 937)</u>	<u>(334 492)</u>	<u>(315 011)</u>	<u>(289 466)</u>	<u>(249 889)</u>	<u>(244 478)</u>	<u>(226 039)</u>	<u>(242 997)</u>	<u>(219 889)</u>
CONTRIBUTION DEFICIENCY (EXCESS)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Current fiscal year TRS gross	\$ 10 688 348	\$ 9 892 065	\$ 10 203 008	\$ 10 080 478	\$ 10 097 402	\$ 9 293 877	\$ 9 304 247	\$ 9 043 866	\$ 9 309 475	\$ 8 948 858
Contributions as a percentage of covered employee payroll	4.26%	4.48%	3.28%	3.12%	2.87%	2.69%	2.63%	2.50%	2.61%	2.46%

Note: Only nine years' worth of information are currently available.

WESTWOOD INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF OPEB LIABILITY
AND DISTRICT'S OPEB CONTRIBUTIONS
TEACHER RETIREMENT SYSTEM
LAST TEN FISCAL YEARS*

EXHIBIT G-4

District's Proportionate Share of Liability	2023	2022	2021	2020	2019	2018	2017
District's proportion of the OPEBL	0.0138%	0.0138%	0.0116%	0.0121%	0.0110%	0.0108%	0.0108%
District's proportionate share of the OPEBL	\$ 3 056 502	\$ 3 304 709	\$ 4 492 496	\$ 4 603 085	\$ 5 208 461	\$ 4 696 237	\$ 4 696 237
State share of the OPEBL associated with the District	3 688 140	4 031 226	6 018 943	6 185 442	6 920 880	7 035 198	7 035 198
TOTAL	<u>\$ 6 744 642</u>	<u>\$ 7 335 935</u>	<u>\$ 10 511 439</u>	<u>\$ 10 788 527</u>	<u>\$ 12 129 341</u>	<u>\$ 11 731 435</u>	<u>\$ 11 731 435</u>
District's covered-employee payroll* <i>Prior FY TRS Gross - September through August</i>	\$ 9 892 065	\$ 10 203 008	\$ 10 080 478	\$ 10 097 402	\$ 9 293 877	\$ 9 304 247	\$ 9 043 866
Proportionate share/covered payroll	30.90%	32.39%	44.57%	45.59%	56.04%	51.93%	51.93%
Plan fiduciary net position/total OPEB liability	14.94%	11.52%	6.18%	4.99%	2.66%	91.00%	91.00%
District Contributions	2024	2023	2022	2021	2020	2019	2018
Contractually required contribution	\$ 118 282	\$ 119 253	\$ 93 749	\$ 92 389	\$ 92 036	\$ 78 635	\$ 77 488
Contributions to required contribution	<u>(118 282)</u>	<u>(119 253)</u>	<u>(93 749)</u>	<u>(92 389)</u>	<u>(92 036)</u>	<u>(78 635)</u>	<u>(77 488)</u>
CONTRIBUTION DEFICIENCY (EXCESS)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 10 688 347	\$ 9 892 065	\$ 10 203 008	\$ 10 080 478	\$ 10 097 402	\$ 9 293 877	\$ 9 304 247
Contributions to covered payroll	1.11%	1.21%	0.92%	0.92%	0.91%	0.85%	0.83%

Information provided by the Teacher Retirement System of Texas.

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

WESTWOOD INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
Year Ended August 31, 2024

A. Budget

The official budget was prepared for adoption for all Government Fund Types. The budget was prepared in accordance with accounting practices generally accepted in the United States of America. The following procedures are followed in establishing the budgetary data reflected in the basic financial statements:

1. Prior to August 20 of the preceding fiscal year, the District prepares a budget for the next succeeding fiscal year beginning September 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 after ten days' public notice of the meeting has been given.
3. Prior to September 1, the budget is legally enacted through passage of a resolution by the Board.

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

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

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

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

Budgetary Compliance

For the fiscal year ended August 31, 2024, expenditures exceeded appropriations in the functions (the legal level of budgetary control) of the following funds:

<u>FUND</u>	<u>FUNCTION</u>	<u>VARIANCE</u>
General	13 Curriculum and staff development	\$ 13 194
General	21 Instructional leadership	7 941
General	33 Health services	1 220
General	51 Plant maintenance and operations	101 711

B. Defined Benefit Pension Plan and OPEB Plan

See Notes 6 and 7 for changes of assumptions and benefit terms.

OTHER SUPPLEMENTARY INFORMATION

WESTWOOD INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended August 31, 2024

EXHIBIT H-1

DATA CONTROL CODES		SPECIAL REVENUE FUND	DEBT SERVICE FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS (SEE EXHIBIT C-1)
	ASSETS			
1110	Cash and cash equivalents	\$ 263 464	\$ 685 079	\$ 948 543
1220	Property taxes - Delinquent	-	78 163	78 163
1230	Allowance for uncollectible taxes	-	(3 908)	(3 908)
1240	Due from other governments	806 542	-	806 542
1260	Due from other funds	-	205 345	205 345
1290	Other receivables	113	-	113
1000	TOTAL ASSETS	<u>\$ 1 070 119</u>	<u>\$ 964 679</u>	<u>\$ 2 034 798</u>
	LIABILITIES			
2110	Accounts payable	\$ 120 047	\$ -	\$ 120 047
2150	Other accrued expenses	-	-	-
2160	Accrued wages payable	23 820	-	23 820
2170	Due to other funds	689 834	-	689 834
2180	Due to state	19 037	-	19 037
2000	TOTAL LIABILITIES	<u>852 738</u>	<u>-</u>	<u>852 738</u>
	DEFERRED INFLOWS			
2600	Unavailable revenue	-	74 255	74 255
	TOTAL LIABILITIES AND DEFERRED INFLOWS	<u>852 738</u>	<u>74 255</u>	<u>926 993</u>
	FUND BALANCES			
	Restricted Fund Balances:			
3450	Federal or state grants	217 381	-	217 381
3480	Retirement of long-term debt	-	890 424	890 424
3000	TOTAL FUND BALANCE	<u>217 381</u>	<u>890 424</u>	<u>1 107 805</u>
4000	TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 1 070 119</u>	<u>\$ 964 679</u>	<u>\$ 2 034 798</u>

See independent auditor's report.

WESTWOOD INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended August 31, 2024

EXHIBIT H-2

DATA CONTROL CODES		SPECIAL REVENUE FUNDS	DEBT SERVICE FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS (SEE EXHIBIT C-2)
	Revenues:			
5700	Local and intermediate sources	\$ 117 236	\$ 2 152 945	\$ 2 270 181
5800	State program revenues	623 602	205 345	828 947
5900	Federal program revenues	2 757 088	-	2 757 088
5020	TOTAL REVENUES	<u>3 497 926</u>	<u>2 358 290</u>	<u>5 856 216</u>
	Expenditures:			
0011	Instruction	1 674 384	-	1 674 384
0012	Instructional resources and media services	4 971	-	4 971
0013	Curriculum and staff development	162 125	-	162 125
0021	Instructional leadership	1 420	-	1 420
0023	School leadership	227 331	-	227 331
0031	Guidance, counseling and evaluation services	15 084	-	15 084
0033	Health services	18 600	-	18 600
0034	Student transportation	56 133	-	56 133
0035	Food service	1 200 106	-	1 200 106
0036	Extracurricular activities	1 420	-	1 420
0041	General administration	16 414	-	16 414
0051	Plant maintenance and operations	34 087	-	34 087
0052	Security and monitoring services	39 303	-	39 303
0053	Data processing services	5 681	-	5 681
0061	Community service	9 531	-	9 531
0071	Debt service	-	1 843 950	1 843 950
0081	Capital outlay	92 925	-	92 925
6030	TOTAL EXPENDITURES	<u>3 559 515</u>	<u>1 843 950</u>	<u>5 403 465</u>
1100	EXCESS REVENUE OVER EXPENDITURES	<u>(61 589)</u>	<u>514 340</u>	<u>452 751</u>
	Other Financing Sources (Uses):			
8900	Other financing uses	4 678	-	4 678
	TOTAL OTHER FINANCING SOURCES	<u>4 678</u>	<u>-</u>	<u>4 678</u>
1200	NET CHANGE IN FUND BALANCES	(56 911)	514 340	457 429
0100	Fund balances - Beginning	274 292	376 084	650 376
3000	FUND BALANCES - ENDING	<u>\$ 217 381</u>	<u>\$ 890 424</u>	<u>\$ 1 107 805</u>

See independent auditor's report.

WESTWOOD INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended August 31, 2024

DATA CONTROL CODES		211 ESEA TITLE 1 IMPROVING BASIC SKILLS	224 IDEA-B FORMULA	225 ESEA TITLE II PART A	240 NATIONAL SCHOOL BREAKFAST/ LUNCH PROGRAM
	ASSETS				
1110	Cash and cash equivalents	\$ -	\$ 1 385	\$ 395	\$ 208 193
1240	Due from other governments	331 687	40 288	10 072	79 999
1290	Other receivables	7	2	-	99
1000	TOTAL ASSETS	\$ <u>331 694</u>	\$ <u>41 675</u>	\$ <u>10 072</u>	\$ <u>288 291</u>
	LIABILITIES				
2110	Accounts payable	\$ -	\$ -	\$ -	\$ 99 625
2160	Accrued wages payable	-	-	-	23 820
2170	Due to other funds	312 567	41 675	10 467	956
2180	Due to state	19 037	-	-	-
2000	TOTAL LIABILITIES	<u>331 694</u>	<u>41 675</u>	<u>10 467</u>	<u>124 401</u>
	FUND BALANCES				
	Restricted Fund Balances:				
3450	Federal/State funds grant restrictions	-	-	-	163 890
3000	TOTAL FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>163 890</u>
4000	TOTAL LIABILITIES AND FUND BALANCES	\$ <u>331 694</u>	\$ <u>41 675</u>	\$ <u>10 467</u>	\$ <u>288 291</u>

See independent auditor's report.

244 CAREER AND TECH BASIC GRANT	255 TITLE II PART A TRAINING AND RECRUITING	270 TITLE VI, PART B RURAL AND LOW INCOME	282 ESSER III GRANT	288 SAFETY AND SECURITY GRANT	289 TITLE IV PART A	410 TEXTBOOK ALLOTMENT	427 JET GRANT
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3 109	\$ -
8 324	30 939	-	263 453	-	9 797	-	31 983
-	2	-	3	-	-	-	-
<u>\$ 8 324</u>	<u>\$ 30 941</u>	<u>\$ -</u>	<u>\$ 263 456</u>	<u>\$ -</u>	<u>\$ 9 797</u>	<u>\$ 3 109</u>	<u>\$ 31 983</u>
\$ -	\$ -	\$ -	\$ 20 422	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
8 324	30 941	-	243 034	-	9 797	-	31 983
-	-	-	-	-	-	-	-
<u>8 324</u>	<u>30 941</u>	<u>-</u>	<u>263 456</u>	<u>-</u>	<u>9 797</u>	<u>-</u>	<u>31 983</u>
-	-	-	-	-	-	3 109	-
-	-	-	-	-	-	3 109	-
<u>\$ 8 324</u>	<u>\$ 30 941</u>	<u>\$ -</u>	<u>\$ 263 456</u>	<u>\$ -</u>	<u>\$ 9 797</u>	<u>\$ 3 109</u>	<u>\$ 31 983</u>

WESTWOOD INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended August 31, 2024

EXHIBIT H-1
Page 2 of 2

DATA CONTROL CODES		429	461	
		GROW YOUR OWN GRANT	INDIGENT MEAL FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
	ASSETS			
1110	Cash and cash equivalents	\$ -	\$ 50 382	\$ 263 464
1240	Due from other governments	-	-	806 542
1290	Other receivables	-	-	113
1000	TOTAL ASSETS	<u>\$ -</u>	<u>\$ 50 382</u>	<u>\$ 1 070 119</u>
	LIABILITIES			
2110	Accounts payable	\$ -	\$ -	\$ 120 047
2160	Accrued wages payable	-	-	23 820
2170	Due to other funds	-	-	689 834
2180	Due to state	-	-	19 037
2000	TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>852 738</u>
	FUND BALANCES			
	Restricted Fund Balances:			
3450	Federal/State funds grant restrictions	-	50 382	217 381
3000	TOTAL FUND BALANCES	<u>-</u>	<u>50 382</u>	<u>217 381</u>
4000	TOTAL LIABILITIES AND FUND BALANCES	<u>\$ -</u>	<u>\$ 50 0382</u>	<u>\$ 1 070 119</u>

See independent auditor's report.

WESTWOOD INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended August 31, 2024

DATA CONTROL CODES		211 ESEA TITLE 1 IMPROVING BASIC SKILLS	224 IDEA-B FORMULA	225 ESEA TITLE II PART A	240 NATIONAL SCHOOL BREAKFAST/ LUNCH PROGRAM
	Revenues:				
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ -	\$ 14 610
5800	State program revenues	-	-	-	10 298
5900	Federal program revenues	599 187	143 369	21 518	1 127 685
5020	TOTAL REVENUES	599 187	143 369	21 518	1 152 593
	Expenditures:				
0011	Instruction	432 320	112 177	21 518	-
0012	Instructional resources and media services	-	-	-	-
0013	Curriculum and staff development	140 549	-	-	-
0021	Instructional leadership	-	-	-	-
0023	School leadership	16 787	-	-	-
0031	Guidance, counseling and evaluation services	-	-	-	-
0033	Health services	-	-	-	-
0034	Student transportation	-	31 192	-	-
0035	Food services	-	-	-	1 200 106
0036	Extracurricular activities	-	-	-	-
0041	General administration	-	-	-	-
0051	Plant maintenance and operations	-	-	-	-
0052	Security and monitoring services	-	-	-	-
0053	Data processing services	-	-	-	-
0061	Community services	9 531	-	-	-
0081	Capital outlay	-	-	-	-
2000	TOTAL EXPENDITURES	599 187	143 369	21 518	1 200 106
1100	EXCESS REVENUE OVER EXPENDITURES	-	-	-	(47 513)
	Other Financing Sources:				
7900/8900	Other financing sources(uses)	-	-	-	-
	TOTAL OTHER FINANCING SOURCES	-	-	-	-
1200	NET CHANGE IN FUND BALANCE	-	-	-	(47 513)
0100	Fund balance - Beginning	-	-	-	211 403
3000	ENDING FUND BALANCE	\$ -	\$ -	\$ -	\$ 163 890

See independent auditor's report.

244 CAREER AND TECH BASIC GRANT	255 TITLE II PART A TRAINING AND RECRUITING	270 TITLE VI, PART B RURAL AND LOW INCOME	282 ESSER III GRANT	288 SAFETY AND SECURITY GRANT	289 TITLE IV PART A	410 TEXTBOOK ALLOTMENT	427 JET GRANT
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	261 277	319 826
<u>23 334</u>	<u>118 546</u>	<u>32 803</u>	<u>574 972</u>	<u>92 925</u>	<u>22 749</u>	<u>-</u>	<u>-</u>
<u>23 334</u>	<u>118 546</u>	<u>32 803</u>	<u>574 972</u>	<u>92 925</u>	<u>22 749</u>	<u>261 277</u>	<u>319 826</u>
23 334	42 138	27 597	406 902	-	20 976	262 918	324 504
-	-	-	4 971	-	-	-	-
-	11 634	-	9 942	-	-	-	-
-	-	-	1 420	-	-	-	-
-	64 774	5 206	30 181	-	-	-	-
-	-	-	13 311	-	1 773	-	-
-	-	-	18 600	-	-	-	-
-	-	-	24 941	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	1 420	-	-	-	-
-	-	-	16 414	-	-	-	-
-	-	-	34 087	-	-	-	-
-	-	-	7 102	-	-	-	-
-	-	-	5 681	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	92 925	-	-	-
<u>23 334</u>	<u>118 546</u>	<u>32 803</u>	<u>574 972</u>	<u>92 925</u>	<u>22 749</u>	<u>262 918</u>	<u>324 504</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1 641)</u>	<u>(4 678)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4 678</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4 678</u>
-	-	-	-	-	-	(1 641)	-
-	-	-	-	-	-	4 750	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3 109</u>	<u>\$ -</u>

WESTWOOD INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - CONTINUED
For the Year Ended August 31, 2024

EXHIBIT H-2
Page 2 of 2

DATA CONTROL CODES		429	461	TOTAL NONMAJOR GOVERNMENTAL FUNDS
		GROW YOUR OWN GRANT	INDIGENT MEAL FUND	
	Revenues:			
5700	Local, intermediate, and out-of-state	\$ -	\$ 102 626	\$ 117 236
5800	State program revenues	32 201	-	623 602
5900	Federal program revenues	-	-	2 757 088
5020	TOTAL REVENUES	<u>32 201</u>	<u>102 626</u>	<u>3 497 926</u>
	Expenditures:			
0011	Instruction	-	-	1 674 384
0012	Instructional resources and media services	-	-	4 971
0013	Curriculum and staff development	-	-	162 125
0021	Instructional leadership	-	-	1 420
0023	School leadership	-	110 383	227 331
0031	Guidance, counseling, and evaluation services	-	-	15 084
0033	Health services	-	-	18 600
0034	Student transportation	-	-	56 133
0035	Food services	-	-	1 200 106
0036	Extracurricular activities	-	-	1 420
0041	General administration	-	-	16 414
0051	Plant maintenance and operations	-	-	34 087
0052	Security and monitoring services	32 201	-	39 303
0053	Data processing services	-	-	5 681
0061	Community services	-	-	9 531
0081	Capital outlay	-	-	92 925
2000	TOTAL EXPENDITURES	<u>32 201</u>	<u>110 383</u>	<u>3 559 515</u>
1100	EXCESS REVENUE OVER EXPENDITURES	<u>-</u>	<u>(7 757)</u>	<u>(61 589)</u>
	Other Financing Sources:			
7900	Other financing sources	-	-	4 678
	TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>-</u>	<u>4 678</u>
1200	NET CHANGE IN FUND BALANCE	-	(7 757)	(56 911)
0100	Fund balance - Beginning	-	58 139	274 292
3000	ENDING FUND BALANCE	<u>-</u>	<u>50 382</u>	<u>217 381</u>

See independent auditor's report.

WESTWOOD INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
For the Year Ended August 31, 2024

LAST 10 YEARS	(1)	(2)	(3)
	TAX RATES		ASSESSED/APPRaisal VALUE FOR SCHOOL TAX PURPOSES
	MAINTENANCE	DEBT SERVICE	
2015 and prior years	Various	Various	Various
2016	1.1700	-	\$ 499 528 540
2017	1.1700	-	\$ 487 618 702
2018	1.1700	-	\$ 483 671 569
2019	1.1700	-	\$ 486 983 726
2020	1.1700	-	\$ 494 363 194
2021	1.1700	-	\$ 516 342 537
2022	1.0683	-	\$ 555 900 851
2023	0.9497	0.3193	\$ 606 535 538
2024 (School year under audit)	0.7575	0.3193	\$ 671 479 755
TOTALS			
TAXES REFUNDED			

See independent auditor's report.

EXHIBIT J-1

(10) BEGINNING BALANCE 09/01/2023	(20) CURRENT PERIOD'S TOTAL LEVY	(31) MAINTENANCE TOTAL COLLECTED	(32) DEBT SERVICE COLLECTIONS	(40) ENTIRE PERIOD'S ADJUSTMENTS	(50) ENDING BALANCE 08/31/2024	(99) TOTAL TAXES REFUNDED UNDER SECTION 26.1115(C)
\$ 167 066	\$ -	\$ 4 069	\$ -	\$ (33 802)	\$ 129 195	
20 504	-	762	-	(497)	19 245	
20 221	-	1 124	-	(103)	18 994	
30 808	-	2 295	-	254	28 767	
29 195	-	3 676	-	(10)	25 509	
29 511	-	2 244	-	(5)	27 262	
32 558	-	3 988	-	(5)	28 565	
58 714	-	11 246	-	(4 547)	42 921	
177 314	-	50 135	16 820	(17 212)	93 147	
-	7 230 494	4 912 248	2 069 590	(62 965)	185 691	
\$ <u>565 891</u>	\$ <u>7 230 494</u>	\$ <u>4 991 787</u>	\$ <u>2 086 410</u>	\$ <u>(118 892)</u>	\$ <u>599 296</u>	
						\$ <u>13 057</u>

WESTWOOD INDEPENDENT SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
NATIONAL SCHOOL BREAKFAST AND LUNCH PROGRAM
For the Year Ended August 31, 2024

EXHIBIT J-2

DATA CONTROL CODES		1	2	3	VARIANCE WITH FINAL BUDGET POSITIVE OR (NEGATIVE)
		BUDGETED AMOUNTS		ACTUAL AMOUNTS	
		ORIGINAL	FINAL		
	Revenues:				
5700	Local and intermediate sources	\$ 52 418	\$ 52 418	\$ 14 610	\$ (37 808)
5800	State program revenues	18 297	18 297	10 298	(7 999)
5900	Federal program revenue	1 073 149	1 073 149	1 127 685	54 536
5020	TOTAL REVENUES	<u>1 143 864</u>	<u>1 143 864</u>	<u>1 152 593</u>	<u>8 729</u>
	Expenditures:				
0035	Food service	<u>1 143 864</u>	<u>1 243 864</u>	<u>1 200 106</u>	<u>43 758</u>
6030	TOTAL EXPENDITURES	<u>1 143 864</u>	<u>1 243 864</u>	<u>1 200 106</u>	<u>43 758</u>
1200	NET CHANGE IN FUND BALANCES	-	(100 000)	(47 513)	52 487
0100	Fund balance - Beginning	<u>211 403</u>	<u>211 403</u>	<u>211 403</u>	-
3000	FUND BALANCE - ENDING	<u>\$ 211 403</u>	<u>\$ 111 403</u>	<u>\$ 163 890</u>	<u>\$ 52 487</u>

See independent auditor's report.

WESTWOOD INDEPENDENT SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
For the Year Ended August 31, 2024

EXHIBIT J-3

		1	2	3	VARIANCE WITH FINAL BUDGET POSITIVE OR (NEGATIVE)
DATA CONTROL CODES		BUDGETED AMOUNTS		ACTUAL AMOUNTS	
		ORIGINAL	FINAL		
	Revenues:				
5700	Local and intermediate sources	\$ 2 237 370	\$ 2 237 370	\$ 2 152 945	\$ (84 425)
5800	State program revenues	-	-	205 345	205 345
5020	TOTAL REVENUES	<u>2 237 370</u>	<u>2 237 370</u>	<u>2 358 290</u>	<u>120 920</u>
	Expenditures:				
0071	Debt service	<u>2 071 550</u>	<u>2 078 550</u>	<u>1 843 950</u>	<u>234 600</u>
6030	TOTAL EXPENDITURES	<u>2 071 550</u>	<u>2 078 550</u>	<u>1 843 950</u>	<u>234 600</u>
1200	NET CHANGE IN FUND BALANCES	165 820	158 820	514 340	355 520
0100	Fund balance - Beginning	<u>376 084</u>	<u>376 084</u>	<u>376 084</u>	<u>-</u>
3000	FUND BALANCE - ENDING	\$ <u>541 904</u>	\$ <u>534 904</u>	\$ <u>890 424</u>	\$ <u>355 520</u>

See independent auditor's report.

WESTWOOD INDEPENDENT SCHOOL DISTRICT
STATE SUPPLEMENTAL ALLOTMENT COMPLIANCE
USE OF FUNDS REPORT
For the Year Ended August 31, 2024

EXHIBIT J-4

<u>DATA CONTROL CODES</u>		<u>RESPONSES</u>
	<u>Section A: Compensatory Education Programs</u>	
	Districts are required to use at least 55% of state compensatory education state allotment funds on direct program costs. Statutory Authority: Texas Education Code §48.104.	
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.	\$ <u>1 692 902</u>
AP4	Actual direct program expenditures for state compensatory education programs during the district's fiscal year. (PICs 24,26,28,29,30,34)	\$ <u>830 623</u>
	<u>Section B: Bilingual Education Programs</u>	
	Districts are required to use at least 55% of bilingual education state allotment funds on direct program costs. Statutory Authority: Texas Education Code §48.105.	
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.	\$ <u>51 440</u>
AP8	Actual direct program expenditures for bilingual education programs during the district's fiscal year. (PICs 25 and 35)	\$ <u>47 727</u>

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

Board of Trustees
Westwood Independent School District
Palestine, Texas

Members of the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governing 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 Westwood Independent School District (the District) as of and for the fiscal year ended August 31, 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 February 10, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the 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.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be a significant deficiencies: 2024-01 through 2024-04.

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

District's Response to Findings

The District's response to the findings identified in our audit is described on page 65. The District's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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


CERTIFIED PUBLIC ACCOUNTANTS

Lufkin, Texas
February 10, 2025

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH UNIFORM GUIDANCE

Board of Trustees
Westwood Independent School District
Palestine, Texas

Members of the Board:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

In our opinion, Westwood 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 August 31, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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 Westwood Independent School District and to meet our other 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 Westwood Independent School District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Westwood Independent School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 Westwood Independent School 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 Westwood Independent School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of Westwood Independent School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Westwood Independent School District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

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


CERTIFIED PUBLIC ACCOUNTANTS

Lufkin, Texas
February 10, 2025

WESTWOOD INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended August 31, 2024

A. Summary of the Auditor's Results

1. Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? Yes X No

Significant deficiencies identified that are not considered to be material weaknesses? X Yes None reported

Noncompliance material to financial statements noted? Yes X No

2. Federal Awards

Internal control over major programs:

Material control over major programs:

Material weakness(es) identified? Yes X No

Significant deficiency(s) identified that are not considered to be material weaknesses? Yes X None reported

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

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance? Yes X No

Identification of major programs:

ALN Number(s)	Name of Federal Program or Cluster
10.553/10.555	Child Nutrition Cluster

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

Auditee qualified as low-risk auditee? X Yes No

B. Financial Statement Findings

2024-01 - Cash Reconciliations

Condition: Bank reconciliations for the general operating account were not reconciled for the last three months of the fiscal year.

Criteria: Management should reconcile all bank accounts with accounting records on a timely basis and perform a timely review and approval of the reconciliations.

Effect: As a result, the design or operation of procedures might 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.

Cause: There was a change in management of the district during the summer, causing a breakdown in procedures. Reconciliations were not properly performed for the last three months. Several subsequent check and deposit receipt runs were erroneously posted to the current audit year and had to be reversed or re-classed.

Recommendation: We recommend management perform reconciliations on a timely basis and perform a timely review and approval.

Contact: Assistant Superintendent of Finance and Operations, Chris Alford

WESTWOOD INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended August 31, 2024

2024-02 - Adjusting Journal Entries

<i>Condition:</i>	Significant audit adjustments proposed corrections to the financial statements that, in our judgement, may not have been detected except through auditing procedures.
<i>Criteria:</i>	The District should have procedures in place that would ensure proper financial reporting.
<i>Effect:</i>	As a result, the design or operation of procedures might 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.
<i>Cause:</i>	There was a change in management of the district who did not have adequate training over the financial reporting process or in the accounting system.
<i>Recommendation:</i>	We recommend that Management and the Board examine the adjustments required as a result of our audit and that management be provided with additional training in governmental accounting and financial reporting.
<i>Contact:</i>	Assistant Superintendent of Finance and Operations, Chris Alford

2024-03 - Bid Documentation

<i>Condition:</i>	During testing, bid documentation for a purchase over \$50,000 could not be provided.
<i>Criteria:</i>	Bids are required for expenditures over \$50,000 based on Texas Government Code.
<i>Effect:</i>	As a result, the vendor selected may not be eligible for a government expenditure.
<i>Cause:</i>	Vendors were selected without a formal bid process and evaluation or documentation couldn't be provided to substantiate compliance with this requirement.
<i>Recommendation:</i>	We recommend that all vendors over the individual or cumulated \$50,000 threshold go through a formal bidding and approval process, as applicable by Texas Government code and proper documentation is kept for review.
<i>Contact:</i>	Assistant Superintendent of Finance and Operations, Chris Alford

2024-04 - Year End Cut-Off

<i>Condition:</i>	Significant audit adjustments proposed corrections to the financial statements that, in our judgement, may not have been detected except through auditing procedures, due to lack of year end cut-off procedures.
<i>Criteria:</i>	The District should have procedures in place that would ensure proper financial reporting.
<i>Effect:</i>	As a result, the design or operation of procedures might 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.
<i>Cause:</i>	The District did not establish year-end cut-off procedures that would ensure proper recording and timing. During the audit process, checks and cash receipts were continuously and erroneously being posted back into the audit year, through cash, instead of being recorded as accounts payable or accounts receivable. Thus, causing changes to the financial statements without auditor notification.
<i>Recommendation:</i>	We recommend the District establish proper year end cut-off procedures to ensure proper financial reporting.
<i>Contact:</i>	Assistant Superintendent of Finance and Operations, Chris Alford

WESTWOOD INDEPENDENT SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended August 31, 2024

None

WESTWOOD INDEPENDENT SCHOOL DISTRICT
CORRECTIVE ACTION PLAN
For the Year Ended August 31, 2024

2024-01 - Cash Reconciliations

Response: District agrees with the finding and has implemented procedures to ensure cash reconciliations are performed and reviewed in a timely manner.

Contact: Assistant Superintendent of Finance and Operations, Chris Alford

Timeframe: Immediate

2024-02 - Adjusting Journal Entries

Response: District agrees with the finding and has implemented procedures to ensure management has adequate training in governmental accounting and financial reporting. An outside consultant was brought in subsequently to assist in proper financial reporting and will continue assisting throughout the following year.

Contact: Assistant Superintendent of Finance and Operations, Chris Alford

Timeframe: Immediate

2024-03 - Bid Documentation

Response: District agrees with the finding and has implemented procedures to ensure compliance with Texas Government Code for bid requirements.

Contact: Assistant Superintendent of Finance and Operations, Chris Alford

Timeframe: Immediate

2024-04 - Year End Cut-Off

Response: District agrees with the finding and has implemented procedures to ensure proper year end timing cut-off and posting to correct year. An outside consultant was brought in subsequently to assist in proper financial reporting and will continue assisting throughout the following year.

Contact: Assistant Superintendent of Finance and Operations, Chris Alford

Timeframe: Immediate

WESTWOOD INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended August 31, 2024

Exhibit K-1

(1) FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	(2) FEDERAL ALN NUMBER	(3) PASS THROUGH GRANTOR	(4) FEDERAL EXPENDITURES
U.S. Department of Education:			
Passed Through Texas Education Agency:			
IDEA - Part B, Formula	84.027	246600010001902	\$ 143 369
IDEA - Part B, Preschool	84.173	N/A	21 518
TOTAL SPECIAL EDUCATION CLUSTER (IDEA)			<u>164 887</u>
Title I, Part A - Improving Basic Programs	84.010A	24610101001908	599 187
Career and Technical - Basic Grant	84.048A	24420006001908	23 334
ESEA, Title II, Part A, Teacher Principal Training	84.367A	24694501001908	118 546
Rural Education	84.358B	24696001001908	32 803
Title IV, Part A - Student Support and Enrichment	84.424A	24680101001908	22 749
Elementary and Secondary School Emergency Relief	84.425U	2152100100908	574 972
TOTAL PASSED THROUGH TEXAS EDUCATION AGENCY			<u>1 371 591</u>
TOTAL U.S. DEPARTMENT OF EDUCATION			<u>1 536 478</u>
U.S. Department of Agriculture:			
Passed Through Texas Department of Agriculture:			
School Breakfast Program	10.553	71402023	277 567
National School Lunch Program - Cash Assistance	10.555	71302023	780 385
TOTAL CHILD NUTRITION CLUSTER			<u>1 057 952</u>
Commodity Supplemental Food Program	10.565	71302023	69 733
TOTAL U.S. DEPARTMENT OF AGRICULTURE			<u>1 127 685</u>
U.S. Department of Justice:			
School Violence Prevention Program	16.710	N/A	92 925
TOTAL U.S. DEPARTMENT OF JUSTICE			<u>92 925</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 2 757 088</u>

The accompanying notes are an integral part of this schedule.

WESTWOOD INDEPENDENT SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended August 31, 2024

1. General

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Westwood Independent School District and is presented on the modified accrual basis of accounting. The information in this schedule is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Uniform Guidance, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in the preparation of, the general purpose financial statements. Special revenue funds are used to account for resources restricted to, or designed for, specific purposes by a grantor. Generally, unused balances are returned to the grantor at the close of the specific project period.

2. Basis of Accounting

The accounting and financial reporting treatment applied to Special Revenue funds is the current financial resource measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in fund balance. The modified accrual basis of accounting recognizes revenues in the accounting period in which they become measurable and available, and expenditures in the accounting period in which the liability is incurred, except for unmatured interest on long-term debt, which is recognized when matured, and certain compensated absences, pension liability, other post-employment benefits, and claims, which are recognized when the obligations are expected to be liquidated with expendable available resources. Grant funds are considered to be earned as soon as all eligibility requirements imposed by the provider are met and expenditures have been incurred, and, accordingly, when such funds are received in advance, they are recorded as deferred revenue until earned.

3. Availability of Funds

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 project period extended 30 days beyond the project period ending date.

4. Indirect Cost

The District does not use an indirect cost rate in federal programs.

WESTWOOD INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REQUIRED RESPONSES TO SELECTED
SCHOOL FIRST INDICATORS
As of August 31, 2024

Exhibit L-1

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