

WALLER INDEPENDENT SCHOOL DISTRICT

Annual Financial Report

**For the Fiscal Year Ended
August 31, 2024**



WALLER INDEPENDENT SCHOOL DISTRICT

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INTRODUCTORY SECTION



CERTIFICATE OF BOARD

Waller Independent School District

Name of School District

Waller

County

237-904

Co. - Dist. No.

We, the undersigned, certify that the annual financial reports for the above named school district were reviewed and approved for the year ended August 31, 2024, at a meeting of the Board of Trustees of such school district on the 16th day of January, 2025.



Signature of Board Secretary



Signature of Board President



FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Waller Independent School District

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Waller 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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of August 31, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

To the Board of Trustees
Waller Independent School District

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining fund statements per the table of contents, required TEA schedules, and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 16, 2025 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

Houston, Texas
January 16, 2025



WALLER INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Waller Independent School District (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended August 31, 2024.

Financial Highlights

The assets and deferred outflows of the District exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$44,003,281 (*net position*). Of this amount, unrestricted net position amounted to a deficit of (\$17,453,478). This deficit was caused by the net pension and net OPEB liabilities recognized in fiscal year 2024. This recognition of such liabilities does not affect the financial stability of the District nor does it change how the District conducts its financial decision making. Rather, the District is reflecting its portion of the liabilities that the State of Texas manages and operates.

- The District's total net position at year end increased by \$17,039,564. This increase was mainly due to increase in state aid and interest earnings.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$294,666,285, a decrease of \$128,949,687 in comparison with the prior year. This decrease is primarily due the major construction projects.
- During the year, the District's revenues for governmental activities in the amount of \$168,920,664 exceeded total governmental activities expenses of \$151,800,482 by \$17,120,182.
- The general fund reported a fund balance this year of \$27,774,326. Of this amount, \$27,347,206 is for unassigned use by the District.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements include three components: (1) management's discussion and analysis (this section), (2) the basic financial statements, and (3) required supplementary information.

Government-Wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. They include the Statement of Net Position and the Statement of Activities that 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.

The *Statement of Net Position* presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. To assess the overall health of the District, one needs to consider additional nonfinancial factors such as changes in the District's tax base.

The *Statement of Activities* presents information showing how the government's net position changed during the current fiscal year. All changes in net position are reported for all of the current year's revenues and expenses regardless of when cash is received or paid. Thus, revenue and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the District's government-wide financial statements distinguish the functions of the District as being principally supported by taxes and intergovernmental revenues (governmental activities) as opposed to business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges.

WALLER INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objects. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related requirements. The fund financial statements provide detailed information about the District's most significant funds, not the District as a whole.

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

The District has the following kinds of funds:

Governmental funds

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

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

The District maintains several individual governmental funds organized according to their type. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the District's most significant funds. The District's major governmental funds are the General Fund, Debt Service Fund, and Capital Projects Fund. Data for the remaining governmental funds are combined into a single, aggregated presentation.

The District adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget. The Texas Education Agency also requires the District to present a budgetary comparison statement for one of its special revenue funds (child nutrition) and the debt service fund.

Proprietary funds

These funds include the enterprise fund. The District's vending fund, technology insurance fund, and extended day program fund activities are reported in the enterprise fund.

Fiduciary fund

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in a separate Statement of Fiduciary Net Position on page 28 and Statement of Changes in Fiduciary Net Position on page 29.

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

Notes to the Financial Statements

The notes provide additional information that is essential to a complete understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found starting on page 31 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information that further explains and supports the information in the financial statements. Required supplementary information can be found starting on page 62 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a District's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$17,039,564 at the close of the most recent fiscal year.

The largest portion of the District's net position \$30,537,566 reflects its investment in capital assets (e.g., land, buildings and improvements, furniture and equipment, construction in progress, right-to-use assets), less any outstanding related debt used to acquire those assets. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

As of August 31, 2024 and 2023, the District's net position included the following:

Table I
Waller Independent School District
Comparative Schedule of Net Position
August 31, 2024 and 2023

	Governmental Activities			Business-Type Activities		
	2024	Restated 2023	Change	2024	2023	Change
Current and Other Assets	\$ 350,245,215	\$ 444,043,409	\$ (93,798,194)	\$ 47,295	\$ 120,614	\$ (73,319)
Capital Assets	550,445,106	412,554,793	137,890,313	-	-	-
Total Assets	900,690,321	856,598,202	44,092,119	47,295	120,614	(73,319)
Deferred Charge on Refunding	1,528,804	1,839,821	(311,017)	-	-	-
Deferred Outflow - Pension	15,793,744	14,991,293	802,451	-	-	-
Deferred Outflow - OPEB	9,399,172	9,899,882	(500,710)	-	-	-
Total Deferred Outflows	26,721,720	26,730,996	(9,276)	-	-	-
Long-Term Liabilities	809,411,202	814,179,634	(4,768,432)	-	-	-
Other Liabilities	50,631,452	15,862,214	34,769,238	18,856	11,557	7,299
Total Liabilities	860,042,654	830,041,848	30,000,806	18,856	11,557	7,299
Deferred Inflow - Pension	1,305,229	2,172,828	(867,599)	-	-	-
Deferred Inflow - OPEB	22,089,316	24,259,862	(2,170,546)	-	-	-
Total Deferred Inflows	23,394,545	26,432,690	(3,038,145)	-	-	-
Net Position						
Net Investment in Capital Assets	30,537,566	14,561,849	15,975,717	-	-	-
Restricted	30,919,193	32,308,152	(1,388,959)	-	-	-
Unrestricted	(17,481,917)	(20,015,341)	2,533,424	28,439	109,057	(80,618)
Total Net Position	\$ 43,974,842	\$ 26,854,660	\$ 17,120,182	\$ 28,439	\$ 109,057	\$ (80,618)

Approximately \$30.5 million of the District's net position represent investments in capital assets net of related debt.

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

Changes in net position. The District's total revenues for governmental activities were \$168.9 million. A portion, 46 percent, of the District's revenue comes from local property taxes, 27 percent comes from state aid – formula grants, while 13 percent relates to charges for services and operating grants, and the remaining 15 percent relates to investment earnings and other miscellaneous revenue.

Total cost of all programs and services for governmental activities was \$151,800,482. The net position of the District's governmental activities for the current year increased by \$17,120,182.

Key elements of the governmental and business-type activities of the District are reflected in the following table.

Table II
Waller Independent School District
Comparative Schedule of Changes in Net Position
For the Years Ended August 31, 2024 and 2023

	Governmental Activities			Business-Type Activities		
	2024	2023	Change	2024	2023	Change
Revenues						
Program Revenues:						
Charges for Services	\$ 2,702,355	\$ 2,170,127	\$ 532,228	\$ 153,345	\$ 187,690	\$ (34,345)
Operating Grants and Contributions	19,642,977	16,435,403	3,207,574	-	-	-
General Revenues:						
Property Taxes	77,548,017	81,496,771	(3,948,754)	-	-	-
State Aid - Formula Grants	44,981,614	31,558,179	13,423,435	-	-	-
Interest Earnings	22,242,545	9,396,374	12,846,171	-	-	-
Miscellaneous	270,587	443,155	(172,568)	-	-	-
Special item - gain on sale of asset	20,392	47,005	(26,613)	-	-	-
Total Revenues	168,920,664	141,547,014	27,373,650	153,345	187,690	(34,345)
Expenses						
Instruction	68,794,715	60,383,154	8,411,561	-	-	-
Instructional Resources and Media	814,805	769,886	44,919	-	-	-
Curriculum and staff development	3,818,692	3,074,332	744,360	-	-	-
Instructional leadership	1,981,411	1,810,988	170,423	-	-	-
School leadership	5,986,032	5,077,810	908,222	-	-	-
Guidance, counseling, and evaluation services	5,170,513	4,710,026	460,487	-	-	-
Social work services	85,655	89,816	(4,161)	-	-	-
Health services	960,111	799,767	160,344	-	-	-
Student transportation	6,641,402	6,244,167	397,235	-	-	-
Food service	5,392,153	4,650,640	741,513	-	-	-
Extracurricular activities	3,845,768	3,484,994	360,774	-	-	-
General administration	3,998,636	3,734,813	263,823	-	-	-
Facilities maintenance and operations	11,086,137	10,987,182	98,955	-	-	-
Security and monitoring services	1,557,691	1,195,224	362,467	-	-	-
Data processing services	3,043,922	3,153,131	(109,209)	-	-	-
Community services	110,919	106,725	4,194	-	-	-
Interest on long-term debt	26,635,319	19,288,873	7,346,446	-	-	-
Bond issuance costs and fees	14,824	223,379	(208,555)	-	-	-
Facilities maintenance and repairs	911,780	1,656,210	(744,430)	-	-	-
Payments related to shared services arrangements	136,779	157,685	(20,906)	-	-	-
Payments to Juvenile Justice Alternative Education						
Programs	12,285	33,300	(21,015)	-	-	-
Other governmental charges	800,933	750,156	50,777	-	-	-
Vending	-	-	-	91,413	85,504	5,909
Technology Insurance	-	-	-	140,326	154,463	(14,137)
Extended Day Program	-	-	-	2,224	-	2,224
Total Expenses	151,800,482	132,382,258	19,418,224	233,963	239,967	(6,004)
Increase (Decrease) in Net Position	17,120,182	9,164,756	7,955,426	(80,618)	(52,277)	(28,341)
Net Position - Beginning, Restated	26,854,660	13,570,102	13,284,558	109,057	161,334	(52,277)
Net Position - Ending	\$ 43,974,842	\$ 22,734,858	\$ 21,239,984	\$ 28,439	\$ 109,057	\$ (80,618)

WALLER INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Financial Analysis of the District's Funds

As the District completed the year, its governmental funds (as presented starting on page 18) reported a combined fund balance of \$294.7 million, a decrease of \$128.9 million from last year.

Over the course of the year, the Board of Trustees revised the District's budget a number of times. These budget items fall into three categories. The first category includes amendments and supplemental appropriations that were provided shortly after the school year began. The second category involved moving funds from program areas that did not need or use all of the resources originally appropriated to them. The third category involved changes in state program revenues.

Governmental Funds

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

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$294,666,285 with a decrease of \$128,949,687 in comparison with the prior year. The decrease in ending governmental fund balances is primarily due to a decrease in the capital projects fund balance.

The *general fund* is the chief operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the general fund was \$27,347,206 while total fund balance reached \$27,774,326. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 29% of total general fund expenditures, while total fund balance represents 29% of that same amount. The fund balance of the District's general fund increased by \$4,096,581 during the current fiscal year due to increase in state aid.

The *debt service fund* has a total fund balance of \$26,734,438, all of which is restricted for the retirement of funded indebtedness. The net decrease in fund balance during the current year of \$1,648,369 was due to total principal and interest expenditures being higher than property taxes and state program revenues.

The *capital projects fund* has a total fund balance of \$236,347,230, all of which is restricted for the capital acquisitions. The net decrease in the capital projects fund balance during the current year of \$131,686,412 was primarily due to various construction projects.

General Fund Budgetary Highlights

There were budget amendments for the 2023-2024 school year approved by the Board of Trustees. Budgets were adjusted to meet various needs throughout the District based on information available at the time of the amendments. These adjustments resulted in an overall decrease in the final budgeted appropriations of \$2.1 million over the original budget, primarily due to projected local tax collections and a decrease in SHARS revenue.

Capital Asset and Long-Term Debt Activity

Capital Assets

At August 31, 2024, the District had \$550.4 million (net of depreciation and amortization) invested in a broad range of capital assets, including land, buildings, furniture and equipment, right-to-use assets used for instruction, transportation, athletics, administration, and maintenance. This amount represents a net increase of \$137.9 million (including additions and deductions) over last year. Additional details on capital assets can be found in the notes to the financial statements.

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

	Governmental Activities	
	2024	2023, Restated
Land	\$ 23,434,828	\$ 20,585,835
Buildings and Improvements	505,667,511	410,234,251
Furniture and equipment	23,157,593	12,315,994
Vehicles	14,444,877	13,077,412
Right-to-use assets	450,443	103,721
Construction in Progress	66,711,788	25,548,667
Total	633,867,040	481,865,880
Accumulated Depreciation and Amortization		
Buildings and Improvements	(70,645,853)	(59,747,138)
Furniture and equipment	(5,055,766)	(3,416,122)
Vehicles	(7,643,875)	(6,098,972)
Right-to-use assets	(76,440)	(48,855)
Total Accumulated Depreciation and Amortization	(83,421,934)	(69,311,087)
Net Capital Assets	\$ 550,445,106	\$ 412,554,793

Long-Term Debt

At year-end, the District had \$703.1 million in general obligation debt at a coupon interest rate of 2.0-5.0% outstanding. The District's general obligation bonds carried the highest possible rating, according to national rating agencies. Additional details on long-term debt can be found in the notes to the financial statements.

Economic Factors and Next Year's Budgets and Rates

The District's elected and appointed officials considered many factors when setting the fiscal year 2024-2025 budget and tax rates. Some of these factors include the changing economy including the impact of inflation, statewide safety and security concerns, recruiting and retaining quality staff, an increase in enrollment, and an increase in property values while property tax rates have decreased due to the tax relief imposed by the 86th and 87th Texas Legislative Sessions. The District's property values and student enrollment have steadily increased on average 15.75% and 4.64%, respectively, over the last 10 years creating a need for additional teaching staff, instructional support staff and related instructional resources. These factors along with the District's budget priorities of creating and offering a competitive compensation package for employees, maintaining existing facilities while keeping up with enrollment growth, and increasing general operating fund balance to stabilize the District's financial condition were taken into consideration when adopting the budget for 2024-2025. The Board of Trustees adopted a \$7 million deficit budget for 2024-2025 which provided a \$1,200 increase to the starting teacher salary, a 2% raise of the midpoint for all other employees, additional positions, and operating costs for new & existing facilities despite the rising costs due to inflation.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances as well as demonstrate accountability for funds the District receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Audrey Ambridge, Chief Financial Officer, at (936) 931-0314.

BASIC FINANCIAL STATEMENTS



WALLER INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
August 31, 2024
Exhibit A-1

Data Control Codes		Primary Government		
		Governmental	Business-type	Total
		Activities	Activities	
Assets				
1110	Cash and Cash Equivalents	\$ 335,028,182	\$ 63,448	\$ 335,091,630
1120	Current Investments	2,287,810	-	2,287,810
1220	Property Taxes - Delinquent	6,336,380	-	6,336,380
1230	Allowance for Uncollectible Taxes	(120,732)	-	(120,732)
1240	Due from Other Governments	6,209,252	-	6,209,252
1260	Internal Balances	19,587	(19,587)	-
1290	Other Receivables	27,443	3,374	30,817
1410	Prepaid Items	457,293	60	457,353
	Capital Assets Not Subject to Depreciation and Amortization:			
1510	Land	23,434,828	-	23,434,828
1580	Construction in Progress	66,711,788	-	66,711,788
	Capital Assets Net Of Depreciation and Amortization:			
1520	Buildings and Improvements, Net	435,021,658	-	435,021,658
1530	Furniture and Equipment, Net	24,902,829	-	24,902,829
1550	Right-to-use assets, Net	374,003	-	374,003
1000	Total Assets	900,690,321	47,295	900,737,616
Deferred Outflows Of Resources				
	Deferred Charge for Refunding	1,528,804	-	1,528,804
	Deferred Outflows Related to TRS Pension	15,793,744	-	15,793,744
	Deferred Outflows Related to TRS OPEB	9,399,172	-	9,399,172
1700	Total Deferred Outflows of Resources	26,721,720	-	26,721,720
Liabilities				
2110	Accounts Payable	42,242,657	15,869	42,258,526
2140	Interest Payable	1,268,169	-	1,268,169
2150	Payroll Deductions And Withholdings	63,666	-	63,666
2160	Accrued Wages Payable	6,328,885	2,987	6,331,872
2180	Due to Other Governments	676,541	-	676,541
2190	Due To Student Groups	9,449	-	9,449
2300	Unearned Revenue	42,085	-	42,085
	Noncurrent Liabilities:			
2501	Due Within One Year	7,801,445	-	7,801,445
2502	Due in More Than One Year	749,995,512	-	749,995,512
2540	Net Pension Liability	36,418,351	-	36,418,351
2545	Net Other Post-Employment Benefits (OPEB) Liabilities	15,195,894	-	15,195,894
2000	Total Liabilities	860,042,654	18,856	860,061,510
Deferred Inflows Of Resources				
	Deferred Inflows - Pension	1,305,229	-	1,305,229
	Deferred Inflows - OPEB	22,089,316	-	22,089,316
2600	Total Deferred Inflows of Resources	23,394,545	-	23,394,545
Net Position				
3200	Net Investment in Capital Assets	30,537,566	-	30,537,566
	Restricted For:			
3820	Federal and State Programs	3,321,990	-	3,321,990
3850	Debt Service	27,597,203	-	27,597,203
3900	Unrestricted	(17,481,917)	28,439	(17,453,478)
3000	Total Net Position	\$ 43,974,842	\$ 28,439	\$ 44,003,281

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

Exhibit B-1
Page 1 of 2

Data Control Codes	Functions/Programs	Expenses	Program Revenue		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
	Primary Government				
	Governmental Activities:				
11	Instruction	\$ 68,794,715	\$ 150,867	\$ 6,082,871	\$ -
12	Instructional resources and media services	814,805	-	18,566	-
13	Curriculum and staff development	3,818,692	-	2,123,958	-
21	Instructional leadership	1,981,411	-	150,905	-
23	School leadership	5,986,032	-	302,310	-
31	Guidance, counseling, and evaluation services	5,170,513	-	1,403,387	-
32	Social work services	85,655	-	74,554	-
33	Health services	960,111	-	318,910	-
34	Student transportation	6,641,402	-	109,385	-
35	Food service	5,392,153	852,273	5,548,517	-
36	Extracurricular activities	3,845,768	1,558,813	48,216	-
41	General administration	3,998,636	-	98,044	-
51	Facilities maintenance and operations	11,086,137	140,402	192,094	-
52	Security and monitoring services	1,557,691	-	101,559	-
53	Data processing services	3,043,922	-	37,914	-
61	Community services	110,919	-	116,086	-
72	Interest on long-term debt	26,635,319	-	2,915,701	-
73	Bond issuance costs and fees	14,824	-	-	-
81	Facilities maintenance and repairs	911,780	-	-	1,512,177
93	Payments related to shared services arrangements	136,779	-	-	-
95	Payments to Juvenile Justice Alternative Education Programs	12,285	-	-	-
99	Intergovernmental charges	800,933	-	-	-
TG	Total Governmental Activities	<u>151,800,482</u>	<u>2,702,355</u>	<u>19,642,977</u>	<u>1,512,177</u>
	Business-Type Activities				
01	Vending	91,413	86,540	-	-
02	Technology Insurance	140,326	62,205	-	-
03	Extended Day Program	2,224	4,600	-	-
TB	Total Business-Type Activities	<u>233,963</u>	<u>153,345</u>	<u>-</u>	<u>-</u>
TP	Total Primary Government	<u>\$ 152,034,445</u>	<u>\$ 2,855,700</u>	<u>\$ 19,642,977</u>	<u>\$ 1,512,177</u>

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

Exhibit B-1
Page 2 of 2

Data Control Codes	Functions/Programs	Net (Expense) Revenue and Changes in Net Position		
		Primary Government		
		Governmental Activities	Business-type Activities	Total
	Primary Government			
	Governmental Activities:			
11	Instruction	\$ (62,560,977)	\$ -	\$ (62,560,977)
12	Instructional resources and media services	(796,239)	-	(796,239)
13	Curriculum and staff development	(1,694,734)	-	(1,694,734)
21	Instructional leadership	(1,830,506)	-	(1,830,506)
23	School leadership	(5,683,722)	-	(5,683,722)
31	Guidance, counseling, and evaluation services	(3,767,126)	-	(3,767,126)
32	Social work services	(11,101)	-	(11,101)
33	Health services	(641,201)	-	(641,201)
34	Student transportation	(6,532,017)	-	(6,532,017)
35	Food service	1,008,637	-	1,008,637
36	Extracurricular activities	(2,238,739)	-	(2,238,739)
41	General administration	(3,900,592)	-	(3,900,592)
51	Facilities maintenance and operations	(10,753,641)	-	(10,753,641)
52	Security and monitoring services	(1,456,132)	-	(1,456,132)
53	Data processing services	(3,006,008)	-	(3,006,008)
61	Community services	5,167	-	5,167
72	Interest on long-term debt	(23,719,618)	-	(23,719,618)
73	Bond issuance costs and fees	(14,824)	-	(14,824)
81	Facilities maintenance and repairs	600,397	-	600,397
93	Payments related to shared services arrangements	(136,779)	-	(136,779)
95	Payments to Juvenile Justice Alternative Education Programs	(12,285)	-	(12,285)
99	Intergovernmental charges	(800,933)	-	(800,933)
TG	Total Governmental Activities	(127,942,973)	-	(127,942,973)
	Business-Type Activities			
01	Vending	-	(4,873)	(4,873)
02	Technology Insurance	-	(78,121)	(78,121)
03	Advertising	-	2,376	2,376
TB	Total Business-Type Activities	-	(80,618)	(80,618)
TP	Total Primary Government	(127,942,973)	(80,618)	(128,023,591)
	General revenues			
	Taxes:			
MT	Property Taxes, Levied for General Purposes	46,998,265	-	46,998,265
DT	Property Taxes, Levied for Debt Service	30,549,752	-	30,549,752
SF	State Aid - Formula Grants	44,981,614	-	44,981,614
IE	Investment Earnings	22,242,545	-	22,242,545
MI	Miscellaneous	270,587	-	270,587
SI	Special item - gain on sale of asset	20,392	-	20,392
TR	Total General Revenues	145,063,155	-	145,063,155
CN	Change in net position	17,120,182	(80,618)	17,039,564
NB	Net Position - Beginning, Restated	26,854,660	109,057	26,963,717
NE	Net Position - Ending	\$ 43,974,842	\$ 28,439	\$ 44,003,281

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

Exhibit C-1
Page 1 of 2

Data Control Codes		General Fund	Debt Service Fund	Capital Projects Fund
	Assets			
1110	Cash and Cash Equivalents	\$ 23,587,530	\$ 21,589,295	\$ 285,665,183
1120	Current Investments	-	2,287,810	-
	Receivables:			
1220	Delinquent Property Taxes Receivables	4,165,884	2,170,496	-
1230	Allowance for Uncollectible Taxes (Credit)	(81,170)	(39,562)	-
1240	Receivables from Other Governments	2,798,168	-	-
1260	Due from Other Funds	11,247,433	3,000,963	709,408
1290	Other Receivables	16,256	-	-
1410	Prepaid Items	427,120	-	3,374
1000	Total Assets	\$ 42,161,221	\$ 29,009,002	\$ 286,377,965
	Liabilities, Deferred Inflows of Resources, and Fund Balances			
	Liabilities:			
2110	Accounts Payable	\$ 665,364	\$ -	\$ 40,238,854
2150	Payroll Deduction And Withholdings	63,666	-	-
2160	Accrued Wages Payable	6,011,485	-	5,880
2170	Due to Other Funds	3,000,963	-	9,786,001
2180	Payable to Other Governments	513,305	143,630	-
2190	Due To Student Groups	9,449	-	-
2300	Unearned Revenues	37,950	-	-
2000	Total Liabilities	10,302,182	143,630	50,030,735
	Deferred Inflows of Resources			
	Deferred Inflows - Property Taxes	4,084,713	2,130,934	-
2600	Total Deferred Inflows of Resources	4,084,713	2,130,934	-
	Fund Balances:			
	Non-Spendable:			
3430	Prepaid Items	427,120	-	3,374
	Restricted:			
3450	Federal/State Funds Grant Restrictions	-	-	-
3470	Capital Acquisitions And Contractual Oblig.	-	-	236,343,856
3480	Debt Service	-	26,734,438	-
	Committed:			
3545	Campus activities	-	-	-
3600	Unassigned	27,347,206	-	-
3000	Total Fund Balances	27,774,326	26,734,438	236,347,230
4000	Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 42,161,221	\$ 29,009,002	\$ 286,377,965

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

Exhibit C-1
Page 2 of 2

Data Control Codes		Nonmajor Governmental Funds	Total Governmental Funds
	Assets		
1110	Cash and Cash Equivalents	\$ 4,186,174	\$ 335,028,182
1120	Current Investments	-	2,287,810
	Receivables:		
1220	Delinquent Property Taxes Receivables	-	6,336,380
1230	Allowance for Uncollectible Taxes (Credit)	-	(120,732)
1240	Receivables from Other Governments	3,411,084	6,209,252
1260	Due from Other Funds	-	14,957,804
1290	Other Receivables	11,187	27,443
1410	Prepaid Items	26,799	457,293
1000	Total Assets	<u><u>\$ 7,635,244</u></u>	<u><u>\$ 365,183,432</u></u>
	Liabilities, Deferred Inflows of Resources, and Fund Balances		
	Liabilities:		
2110	Accounts Payable	\$ 1,338,439	\$ 42,242,657
2150	Payroll Deduction And Withholdings	-	63,666
2160	Accrued Wages Payable	311,520	6,328,885
2170	Due to Other Funds	2,151,253	14,938,217
2180	Payable to Other Governments	19,606	676,541
2190	Due To Student Groups	-	9,449
2300	Unearned Revenues	4,135	42,085
2000	Total Liabilities	<u><u>3,824,953</u></u>	<u><u>64,301,500</u></u>
	Deferred Inflows of Resources		
	Deferred Inflows - Property Taxes	-	6,215,647
2600	Total Deferred Inflows of Resources	<u><u>-</u></u>	<u><u>6,215,647</u></u>
	Fund Balances:		
	Non-Spendable:		
3430	Prepaid Items	26,799	457,293
	Restricted:		
3450	Federal/State Funds Grant Restrictions	3,321,990	3,321,990
3470	Capital Acquisitions And Contractual Oblig.	-	236,343,856
3480	Debt Service	-	26,734,438
	Committed:		
3545	Campus activities	482,491	482,491
3600	Unassigned	(20,989)	27,326,217
3000	Total Fund Balances	<u><u>3,810,291</u></u>	<u><u>294,666,285</u></u>
4000	Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u><u>\$ 7,635,244</u></u>	<u><u>\$ 365,183,432</u></u>



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

Exhibit C-1R

Data Control Codes		
	Total Fund Balance, Governmental Funds	\$ 294,666,285
	Amounts reported for governmental activities in the statement of net position (A-1) are different because:	
1	Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. Capital assets at historical cost, net of accumulated depreciation and amortization, where applicable.	550,445,106
2	Property taxes receivable have been levied and are due this year, but are not available soon enough to pay for the current period's expenditures, these property taxes and related penalty and interest amounts (net of allowance for uncollectible accounts).	6,215,647
3	Deferred charge on refunding	1,528,804
4	Deferred outflows relating to pension activities	15,793,744
5	Deferred outflows relating to other-post employment benefit	9,399,172
	Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:	
6	General obligation bonds	(703,140,000)
7	Premiums on issuance	(54,609,963)
8	Leases payable	(33,611)
9	Accrued compensated absences	(13,383)
10	Net pension liability	(36,418,351)
11	Net other-post employment benefit liability	(15,195,894)
12	Accrued interest payable	(1,268,169)
13	Deferred inflows relating to pension activities	(1,305,229)
14	Deferred inflows relating to other-post employment benefit	(22,089,316)
29	Net Position of Governmental Activities	\$ 43,974,842

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

Exhibit C-2

Page 1 of 2

Data Control Codes		General Fund	Debt Service Fund	Capital Projects Fund
Revenues				
5700	Local and Intermediate Sources	\$ 49,282,381	\$ 31,858,867	\$ 19,029,224
5800	State Program Revenues	50,297,116	2,915,701	-
5900	Federal Program Revenues	441,095	-	88,752
5020	Total Revenues	100,020,592	34,774,568	19,117,976
Expenditures				
Current:				
0011	Instruction	56,589,348	-	512,858
0012	Instruction Resources and Media Services	631,642	-	-
0013	Curriculum and Staff Development	1,609,733	-	-
0021	Instructional Leadership	1,642,990	-	-
0023	School Leadership	5,072,607	-	-
0031	Guidance, Counseling and Evaluation Services	3,418,009	-	-
0032	Social Work Services	9,622	-	-
0033	Health Services	807,612	-	-
0034	Student Transportation	5,832,950	-	1,754,764
0035	Food Services	-	-	-
0036	Extracurricular Activities	2,356,223	-	-
0041	General Administration	3,463,047	-	-
0051	Facilities Maintenance and Operations	9,452,931	-	-
0052	Security and Monitoring Services	1,272,778	-	772,031
0053	Data Processing Services	2,639,210	-	-
0061	Community Services	2,559	-	-
Debt Service:				
0071	Principal on Long-Term Debt	25,276	7,375,000	-
0072	Interest on Long-Term Debt	3,559	28,987,637	-
0073	Bond Issuance Costs and Fees	-	14,824	-
Capital Outlay:				
0081	Facilities Acquisition and Construction	55,970	-	147,764,735
Intergovernmental:				
0093	Payments Related To Shared Services Arrangements	136,779	-	-
0095	Payments To Juvenile Justice Alt. Ed. Prgm.	12,285	-	-
0099	Other Intergovernmental Charges	800,933	-	-
6030	Total Expenditures	95,836,063	36,377,461	150,804,388
1100	Excess (Deficiency) of Revenues Over Expenditures	4,184,529	(1,602,893)	(131,686,412)
Other Financing Sources (Uses):				
7912	Sale Of Real Or Personal Property	15,422	-	-
7915	Transfers In	-	-	-
8911	Transfers Out	(9,570)	-	-
8949	Property Tax Refunds	(93,800)	(45,476)	-
7080	Total Other Financing Sources (Uses)	(87,948)	(45,476)	-
1200	Net Change In Fund Balances	4,096,581	(1,648,369)	(131,686,412)
0100	Fund Balance - September 1 (Beginning)	23,677,745	28,382,807	368,033,642
3000	Fund Balance - August 31 (Ending)	\$ 27,774,326	\$ 26,734,438	\$ 236,347,230

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

Exhibit C-2

Page 2 of 2

Data Control Codes		Nonmajor Governmental Funds	Total Governmental Funds
Revenues			
5700	Local and Intermediate Sources	\$ 2,334,718	\$ 102,505,190
5800	State Program Revenues	3,587,981	56,800,798
5900	Federal Program Revenues	10,863,221	11,393,068
5020	Total Revenues	16,785,920	170,699,056
Expenditures			
Current:			
0011	Instruction	3,987,166	61,089,372
0012	Instruction Resources and Media Services	86,518	718,160
0013	Curriculum and Staff Development	1,949,592	3,559,325
0021	Instructional Leadership	87,356	1,730,346
0023	School Leadership	129,900	5,202,507
0031	Guidance, Counseling and Evaluation Services	1,231,585	4,649,594
0032	Social Work Services	74,554	84,176
0033	Health Services	37,327	844,939
0034	Student Transportation	-	7,587,714
0035	Food Services	5,993,437	5,993,437
0036	Extracurricular Activities	1,128,439	3,484,662
0041	General Administration	-	3,463,047
0051	Facilities Maintenance and Operations	200,020	9,652,951
0052	Security and Monitoring Services	89,505	2,134,314
0053	Data Processing Services	-	2,639,210
0061	Community Services	108,135	110,694
Debt Service:			
0071	Principal on Long-Term Debt	-	7,400,276
0072	Interest on Long-Term Debt	-	28,991,196
0073	Bond Issuance Costs and Fees	-	14,824
Capital Outlay:			
0081	Facilities Acquisition and Construction	1,408,413	149,229,118
Intergovernmental:			
0093	Payments Related To Shared Services Arrangements	-	136,779
0095	Payments To Juvenile Justice Alt. Ed. Prgm.	-	12,285
0099	Other Intergovernmental Charges	-	800,933
6030	Total Expenditures	16,511,947	299,529,859
1100	Excess (Deficiency) of Revenues Over Expenditures	273,973	(128,830,803)
Other Financing Sources (Uses):			
7912	Sale Of Real Or Personal Property	4,970	20,392
7915	Transfers In	9,570	9,570
8911	Transfers Out	-	(9,570)
8949	Property Tax Refunds	-	(139,276)
7080	Total Other Financing Sources (Uses)	14,540	(118,884)
1200	Net Change In Fund Balances	288,513	(128,949,687)
0100	Fund Balance - September 1 (Beginning)	3,521,778	423,615,972
3000	Fund Balance - August 31 (Ending)	\$ 3,810,291	\$ 294,666,285

WALLER INDEPENDENT SCHOOL DISTRICT**Exhibit C-2R**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended August 31, 2024**

Data Control Codes		
	Net Change in Fund Balances - Total Governmental Funds	\$ (128,949,687)
	Amounts reported for governmental activities in the statement of activities (B-1) are different	
	Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation and amortization expense.	
1	Capitalized expenditures reclassified to assets.	152,500,983
2	Depreciation and amortization expense taken to Statement of Activities.	(14,458,296)
3	Net effect of other retirements and adjustments to capital assets	(152,374)
4	Property tax revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	397,918
	Bond and other debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond and other debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the Statement of Net Position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	
5	Principal paid on bonds and leases	7,400,276
	Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:	
5	Increase in interest payable not recognized in the fund statements	(15,663)
6	Decrease in accrued compensated absences payable	21,588
7	Amortization of premium/discount	2,682,557
8	Amortization of deferred charge on refunding	(311,017)
9	Changes in net pension liabilities and related deferred outflows and inflows of resources	(4,348,682)
10	Changes in net OPEB liabilities and related deferred outflows and inflows of resources	<u>2,352,579</u>
19	Change in Net Position of Governmental Activities	<u>\$ 17,120,182</u>

WALLER INDEPENDENT SCHOOL DISTRICT
Exhibit D-1
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
August 31, 2024

	Business-type Activities			Total Enterprise Funds
	Vending Fund	Technology Insurance Fund	Extended Day Program Fund	
Assets				
Current assets:				
Cash and cash equivalents	\$ -	\$ 58,878	\$ 4,570	\$ 63,448
Receivables:				
Other receivables	3,374	-	-	3,374
Prepaid items	30	-	30	60
Total Assets	<u>\$ 3,404</u>	<u>\$ 58,878</u>	<u>\$ 4,600</u>	<u>\$ 66,882</u>
Liabilities				
Current Liabilities:				
Accounts payable	\$ 14,819	\$ 1,050	\$ -	\$ 15,869
Due to other funds	19,587	-	-	19,587
Accrued wages payable	763	-	2,224	2,987
Total Liabilities	<u>\$ 35,169</u>	<u>\$ 1,050</u>	<u>\$ 2,224</u>	<u>\$ 38,443</u>
Net Position				
Unrestricted	\$ (31,765)	\$ 57,828	\$ 2,376	\$ 28,439
Total Net Position	<u>\$ (31,765)</u>	<u>\$ 57,828</u>	<u>\$ 2,376</u>	<u>\$ 28,439</u>

WALLER INDEPENDENT SCHOOL DISTRICT
Exhibit D-2
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended August 31, 2024

	Business-Type Activities			Total Enterprise Funds
	Vending Fund	Technology Insurance Fund	Extended Day Program Fund	
Operating Revenues				
Local and Intermediate Sources	\$ 86,540	\$ 62,205	\$ 4,600	\$ 153,345
Total Operating Revenues	<u>86,540</u>	<u>62,205</u>	<u>4,600</u>	<u>153,345</u>
Operating Expenses				
Payroll Costs	15,238	-	2,224	17,462
Supplies and Materials	76,175	140,326	-	216,501
Total Operating Expenses	<u>91,413</u>	<u>140,326</u>	<u>2,224</u>	<u>233,963</u>
Operating Income (Loss)	<u>(4,873)</u>	<u>(78,121)</u>	<u>2,376</u>	<u>(80,618)</u>
Net Position (Deficit) - September 1 (Beginning)	(26,892)	135,949	-	109,057
Net Position (Deficit) - August 31 (Ending)	<u>\$ (31,765)</u>	<u>\$ 57,828</u>	<u>\$ 2,376</u>	<u>\$ 28,439</u>

WALLER INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended August 31, 2024

Exhibit D-3

	Business-Type Activities			
	Vending Fund	Technology Insurance Fund	Extended Day Program Fund	Total Enterprise Funds
Cash Flows from Operating Activities				
Receipts from customers	\$ 83,166	\$ 62,205	\$ 4,600	\$ 149,971
Payments to suppliers and service providers	(67,905)	(139,276)	(30)	(207,211)
Payments to employees for salaries and benefits	(15,261)	-	-	(15,261)
Net Cash Provided by (Used for) Operating Activities	<u>-</u>	<u>(77,071)</u>	<u>4,570</u>	<u>(72,501)</u>
Net Increase (decrease) in Cash and Cash Equivalents	-	(77,071)	4,570	(72,501)
Cash and Cash Equivalents at Beginning of Year	-	135,949	-	135,949
Cash and Cash Equivalents at End of Year	<u>\$ -</u>	<u>\$ 58,878</u>	<u>\$ 4,570</u>	<u>\$ 63,448</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities				
Operating Income (Loss)	\$ (4,873)	\$ (78,121)	\$ 2,376	\$ (80,618)
Change in Assets and Liabilities:				
(Increase) decrease in accounts receivable	(3,374)	-	-	(3,374)
(Increase) decrease in prepaid items	(3)	-	(30)	(33)
(Decrease) increase in accounts payable	4,048	1,050	-	5,098
(Decrease) increase in accrued wages payable	(23)	-	2,224	2,201
(Decrease) increase in interfund payables	4,225	-	-	4,225
Total Adjustments	<u>4,873</u>	<u>1,050</u>	<u>2,194</u>	<u>8,117</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ -</u>	<u>\$ (77,071)</u>	<u>\$ 4,570</u>	<u>\$ (72,501)</u>

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

Exhibit E-1

	Custodial Fund
Assets	
Current Assets:	
Cash and cash equivalents	\$ 245,438
Total Assets	<u>\$ 245,438</u>
Net Position	
Restricted for student activities	\$ 245,438
Total Net Position	<u>\$ 245,438</u>

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

Exhibit E-2

	Custodial Fund
Additions	
Revenues from student activities	\$ 131,330
Total Additions	<u>131,330</u>
Deductions	
Payments for student activities	<u>138,243</u>
Total Deductions	<u>138,243</u>
Change in net position	(6,913)
Net Position - Beginning	<u>252,351</u>
Net Position - Ending	<u><u>\$ 245,438</u></u>



Note 1 - Summary of Significant Accounting Policies

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

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

A. Reporting Entity

The District's Board has 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 it has the authority to make decisions, appoint administrators and managers, and significantly influence operations. All powers and duties not specifically delegated by statute to the Texas Education Agency (TEA) or to the State Board of Education are reserved for the Board, and the TEA may not substitute its judgement for the lawful exercise of those powers and duties by the Board. The District receives funding from local, state, and federal government sources and must comply with the requirements of those funding entities. However, the District is not included in any other governmental reporting entity and there are no component units included within the District's reporting entity.

B. Government-Wide and Fund Financial Statements

The Statement of Net Position and the Statement of Activities are government-wide financial statements. They report information on all of the Waller Independent School District nonfiduciary activities with most of the interfund activities removed. *Governmental activities* include programs supported primarily by taxes, State foundation funds, grants, and other intergovernmental revenues. *Business-type activities* include operations that rely to a significant extent on fees and charges for support.

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

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

Note 1 - Summary of Significant Accounting Policies (continued)

B. Government-Wide and Fund Financial Statements (continued)

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues result from providing goods and services in connection with a proprietary fund's principal ongoing operations; they usually come from exchange or exchange-like transactions. All other revenues are nonoperating. Operating expenses can be tied specifically to the production of the goods and services, such as materials and labor and direct overhead. Other expenses are nonoperating.

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

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

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

The modified accrual basis of accounting recognizes revenues in the accounting period in which they become both measurable and available, and it recognizes expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest and principal on long-term debt, which is recognized when due. The expenditures related to certain compensated absences and claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources. The District considers all revenues available if they are collectible within 60 days after year end.

Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the "susceptible to accrual" concept, that is, when they are both measurable and available. The District considers them "available" if they will be collected within 60 days of the end of the fiscal year. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available.

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

The District reports the following major governmental funds:

- *General Fund* - The District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- *Debt Service Fund* - The District accounts for resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds in a debt service fund.
- *Capital Projects Fund* - The proceeds from long-term debt financing and revenues and expenditures related to authorized construction and other capital asset acquisitions are accounted for in a capital projects fund.

Note 1 - Summary of Significant Accounting Policies (continued)

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

Additionally, the District reports the following fund types:

Governmental Funds:

- *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.

Proprietary Funds:

- *Enterprise Funds* - The District's activities for which outside users are charged a fee roughly equal to the cost of providing the goods or services of those activities are accounted for in an enterprise fund. The District has three enterprise funds.

Fiduciary Funds:

- *Custodial Fund* - The District accounts for resources held for others in a custodial fund. This fund uses the economic resources measurement focus and accrual basis. The District's Custodial Fund is the Student Activity Fund.

D. Implementation of New Accounting Standards

The following GASB pronouncements were applicable and effective during fiscal year 2024.

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

GASB issued Statement No. 100, Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 62, in June 2022. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The requirements of this statement were implemented in fiscal year 2024.

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

Note 1 - Summary of Significant Accounting Policies (continued)

D. Implementation of New Accounting Standards (continued)

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

E. Deposits and Investments

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

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, investment pools, and short-term investments with original maturities of three months or less from the date of acquisition. For the purpose of the statement of cash flows, the proprietary fund types consider temporary investments, with maturity of three months or less when purchased, to be cash equivalents. For cash management purposes, the District transfers balances to either a money market mutual or an externally pooled investment account. The cash is transferred back to the District as needed.

Investments consist primarily of U.S. government agency securities, commercial paper, and municipal bonds. The District's investments are carried at fair value based on quoted market prices at year end, in accordance with U.S. generally accepted accounting principles. Investments having a maturity of three months or less are reported as cash and cash equivalents. The District categorizes fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; level 3 inputs are significant unobservable inputs. The District's local government investment pools are recorded at amortized costs as permitted by GASB Statement No. 79 *Certain Investment Pools and Pool Participants*.

F. Receivables and Payables

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the District in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 31 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available (1) when they become due or past due and receivable within the current period and (2) when they are expected to be collected during a 60-day period after the close of the school fiscal year.

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

Note 1 - Summary of Significant Accounting Policies (continued)

G. Inventories and Prepaid Items

Inventories consisting of supplies and materials are stated at cost (average cost method) and they include consumable custodial, maintenance, transportation, instructional and office supplies. Inventories of governmental funds are recorded as expenditures when the supplies and materials are used or consumed (consumption method) rather than when purchased. Inventories of food commodities inventory are recorded at fair market value supplied by the Texas Department of Agriculture on the date received. Commodity inventory items are recorded as expenditures when distributed to individual campuses and revenue is recognized for an equal amount.

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

H. Capital Assets

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

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

Land and construction in progress are not depreciated. Buildings, furniture and equipment, and right-to-use assets of the District are depreciated/amortized using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	20 - 40
Buildings and improvements	20 - 40
Vehicles	10
Office Equipment	5 - 25
Computer Equipment	5 - 25
Right-to-use lease assets	Shorter of lease term or 5 years
Right-to-use SBITA assets	Subscription term

I. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable is reported net of the applicable bond premium or discount.

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

Note 1 - Summary of Significant Accounting Policies (continued)

J. Deferred Outflows/Inflows of Resources

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

A *deferred outflow of resources* is a consumption of a government's net assets (a decrease in assets in excess of any related decrease in liabilities or an increase in liabilities in excess of any related increase in assets) by the government that is applicable to a future reporting period. The District has three items that qualify for reporting in this category:

- *Deferred outflows of resources for refunding* - Reported in the government-wide statement of net position, this deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- *Deferred outflows of resources for pension* - Reported in the government-wide financial statement of net position, this deferred outflow results from pension plan contributions made after the measurement date of the net pension liability and the results of 1) differences between projected and actual earnings on pension plan investments, 2) changes in actuarial assumptions, 3) differences between expected and actual actuarial experiences, and 4) changes in the District's proportional share of pension liabilities. The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the next fiscal year. The deferred outflows resulting from differences between projected and actual earnings on pension plan investments will be amortized over a closed five-year period. The remaining pension related deferred outflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with pensions through the pension plan.
- *Deferred outflows of resources for other post-employment benefits (OPEB)* - Reported in the government-wide financial statement of net position, this deferred outflow results from OPEB plan contributions made after the measurement date of the net OPEB liability and the results of 1) differences between projected and actual earnings on plan investments, 2) changes in actuarial assumptions, 3) differences between expected and actual actuarial experiences, and 4) changes in the District's proportional share of net OPEB liabilities. The deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the next fiscal year. The deferred outflows resulting from differences between projected and actual earnings on plan investments will be amortized over a closed five-year period. The remaining OPEB related deferred outflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with post-employment benefits through the plan.

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

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

Note 1 - Summary of Significant Accounting Policies (continued)

J. Deferred Outflows/Inflows of Resources(continued)

- *Deferred inflows of resources for other post-employment benefits (OPEB)* - Reported in the government-wide financial statement of net position, these deferred inflows result primarily from 1) changes in actuarial assumptions, 2) differences between expected and actual actuarial experiences, and 3) changes in the District's proportional share of net OPEB liabilities. These OPEB related deferred inflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with post-employment benefits through the plan.

K. Pension

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

L. Other Post-Employment Benefits (OPEB)

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

M. Compensated Absences

Eligible employees in positions normally requiring 12 months of service annually shall receive paid vacation days in accordance with administrative regulations that address the following:

- Eligibility criteria;
- Accrual rates and availability;
- Request and approval processes;
- Accumulation and carryover limits; and
- Treatment of vacation days upon separation from service.

N. Fund Balance Classifications

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

- *Non-spendable fund balance* - Represents amounts that are not in spendable form, such as inventory and prepaids, or are required to be maintained intact.
- *Restricted fund balance* - Represents amounts constrained to specific purposes by their providers, such as grantors, bondholders, and higher levels of government, through constitutional provisions, or by enabling legislation.

Note 1 - Summary of Significant Accounting Policies (continued)

N. Fund Balance Classifications (continued)

- *Committed fund balance* - Represents amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority, i.e., Board of Trustees. To be reported as committed, amounts cannot be used for any other purpose unless the District's Board of Trustees approves the changes by Board Resolution. Fund balance committed in the nonmajor governmental funds during the fiscal year is committed for campus activities.
- *Assigned fund balance* - Represents amounts the District intends to use for a specific purpose. Intent can be expressed by the District or by an official or body to which the Board of Trustees delegates the authority. The Board of Trustees has retained this authority.
- *Unassigned fund balance* - Represents amounts that are available for any purpose. Positive amounts are reported only in the general fund.

The District establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. A fund balance commitment is further indicated in the budget document as a commitment of the fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District uses the restricted assets first whenever they will have to be returned if they are not used.

O. Data Control Codes

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

P. Use of Estimates

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

Q. Stewardship, Compliance, and Accountability

Budgetary Data

The Board of Trustees adopts an appropriated budget for the General Fund, Debt Service Fund, and the Food Service Fund. The District is required to present the adopted and final amended budgeted revenues and expenditures for each of these funds and then compares the final amended budget to actual revenues and expenditures. The General Fund Budget report appears in Exhibit G-1 in the Required Supplementary Information and the Debt Service Fund and the Food Service Fund Budget reports are presented in Exhibits J-3 and J-2, respectively.

Note 1 - Summary of Significant Accounting Policies (continued)

Q. Stewardship, Compliance, and Accountability (continued)

Budgetary Data (continued)

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

1. Prior to August 20, 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 formally approved and adopted by the Board.

The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the function level within a fund. The appropriated budgets are prepared by fund and function. Once the budgets have been approved, they can only be amended at the fund and function level by approval of a majority of the members of the Board. As required by law, such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year end. Within each fund-level budget, campus and district leaders are assigned expenditure budgets which they plan and control at the function/object level. All budget appropriations lapse at year end. Increasing or decreasing any one of the functional spending categories, or revenue object accounts and other resources require the approval of the Board. The District made several supplemental budgetary revisions throughout the year, primarily in the general fund.

R. Leases

Lessee: The District is a lessee for a noncancellable lease of equipment. The District recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The District recognizes lease liabilities with an initial, individual value of \$5,000 or more.

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

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

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

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

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Note 1 - Summary of Significant Accounting Policies (continued)

S. Subscription-Based Information Technology Arrangements

The District is under contracts for SBITA for various financial and educational software. The agreements/contracts are noncancellable and the District recognizes a SBITA liability and an intangible right-to-use SBITA asset in the government-wide financial statements. The District recognizes SBITA liabilities with an initial, individual value of \$5,000 or more.

At the commencement of the SBITA, the District initially measures the SBITA liability at the present value of payments expected to be made during the SBITA term. Subsequently, the SBITA liability is reduced by the principal portion of SBITA payments made. The SBITA asset is initially measured as the initial amount of the SBITA liability, adjusted for payments made at or before the SBITA commencement date, plus certain initial direct costs. Subsequently, the SBITA asset is amortized on a straight-line basis over its useful life. Key estimates and judgments related to SBITA include how the District determines (1) the discount rate it uses to discount the expected SBITA payments to present value, (2) SBITA term, and (3) SBITA payments.

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

Note 2 - Deposits and Investments

A. Cash and Cash Equivalents

District Policies and Legal and Contractual Provisions Governing Deposits

Custodial Credit Risk for Deposits State law requires governmental entities to contract with financial institutions in which funds will be deposited to secure those deposits with insurance or pledged securities with a fair value equaling or exceeding the amount on deposit at the end of each business day. The pledged securities must be in the name of the governmental entity and held by the entity or its agent. Since the district complies with this law, it has no custodial credit risk for deposits. The District's cash deposits at 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.

Note 2 - Deposits and Investments (continued)

B. Investments

District Policies and Legal and Contractual Provisions Governing Investments

Compliance with the Public Funds Investment Act

The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports, and establishment of appropriate policies. Among other things, it requires a governmental entity to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit.

District Policies and Legal and Contractual Provisions Governing Investments

Statutes authorize the entity to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas and its agencies; (2) guaranteed or secured certificates of deposit issued by state and national banks domiciled in Texas; (3) obligations of states, agencies, counties, cities and other political subdivisions of any state having been rated as to investment quality not less than an "A"; (4) No load money market funds with a weighted average maturity of 90 days or less; (5) fully collateralized repurchase agreements; (6) commercial paper having a stated maturity of 270 days or less from the date of issuance and is not rated less than A-1 or P-1 by two nationally recognized credit rating agencies OR one nationally recognized credit agency and is fully secured by an irrevocable letter of credit; (7) secured corporate bonds rated not lower than "AA-" or the equivalent; (8) public funds investment pools; and (9) guaranteed investment contracts for bond proceeds investment only, with a defined termination date and secured by U.S. Government direct or agency obligations approved by the Texas

Public Funds Investment Act in an amount equal to the bond proceeds. The Act also requires the entity to have independent auditors perform test procedures related to investment practices as provided by the Act. Waller Independent School District is in substantial compliance with the requirements of the Act and with local policies. Additional policies and contractual provisions governing investments for Waller Independent School District are specified below:

Credit Risk: To limit the risk that an issuer or other counterparty to an investment will not fulfill its obligations the District limits investments to the top ratings issued by nationally recognized statistical rating organizations (NRSROs). As of August 31, 2024, the District's investments were rated AAA.

Custodial Credit Risk for Investments: To limit the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in possession of an outside party the District requires counterparties to register the securities in the name of the district and hand them over to the District or its designated agent. This includes securities in securities lending transactions. All of the securities are in the District's name and held by the District or its agent.

Concentration of Credit Risk: To limit the risk of loss attributed to the magnitude of a government's investment in a single issuer, the District limits investments to less than 5% of its total investments. The District further limits investments in a single issuer when they would cause investment risks to be significantly greater in the governmental activities, individual major funds, aggregate non-major funds, and fiduciary fund types than they are in the primary government. Usually, this limitation is 20%.

Note 2 - Deposits and Investments (continued)

B. Investments (continued)

District Policies and Legal and Contractual Provisions Governing Investments (continued)

Interest Rate Risk: This is the risk that changes in interest rates will adversely affect the fair value of an investment. At year-end, the District does not have a formal investment policy that limits investment maturities as means of managing exposure to fair value losses arising from increasing interest rates.

The District categorizes its fair value measurements with the fair value hierarchy established by generally accepted accounting principles. the hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below. In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The District's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

As of August 31, 2024, the District's cash and investment balances, the weighted average maturity, and the credit ratings of these investments were as follows:

	Carrying Value	Weighted Average Maturity (Days)	Credit Rating
Governmental Activities			
Cash and deposits	\$ 1,413,646	N/A	N/A
Certificate of deposit	2,287,810	229	N/A
Investment Pools			
Texas CLASS	285,842,027	35	AAA
Lone Star Corporate Overnight Plus Fund	24,637,944	46	AAA
Lone Star Government Overnight Fund	23,134,565	23	AAA
	<u>333,614,536</u>		
Total Investments	<u>335,902,346</u>	36	
Total Governmental Activities	<u>337,315,992</u>		
Business-type Activities:			
Cash and deposits	63,448	N/A	N/A
Total Business-type Activities	<u>63,448</u>		
Fiduciary Funds			
Cash and deposits	245,438	N/A	N/A
Total Fiduciary Funds	<u>245,438</u>		
Total	<u>\$ 337,624,878</u>		

Note 3 - Receivables and Unearned Revenues

Receivables as of August 31, 2024, for the District's individual major and non-major funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Debt Service Fund	Nonmajor Governmental Funds	Nonmajor Enterprise Funds	Total
Property Taxes	\$ 4,165,884	\$ 2,170,496	\$ -	\$ -	\$ 6,336,380
Due from other governments	2,798,168	-	3,411,084	-	6,209,252
Other Receivables	16,256	-	11,187	3,374	30,817
Gross receivables	6,980,308	2,170,496	3,422,271	3,374	12,576,449
Less: Allowance for doubtful accounts	(81,170)	(39,562)	-	-	(120,732)
Net Total Receivables	\$ 6,899,138	\$ 2,130,934	\$ 3,422,271	\$ 3,374	\$ 12,455,717

Unearned revenue at year end consisted of the following:

	State Entitlements
General Fund	\$ 37,950
Nonmajor Governmental Funds	4,135
Total Unearned Revenue	\$ 42,085

Note 4 - Interfund Receivables, Payables, and Transfers

Interfund balances consist of short-term lending/borrowing arrangements that result primarily from payroll and other regularly occurring charges that are paid by the general fund and then charged back to the appropriate other fund. Additionally, some lending/borrowing may occur between two or more nonmajor governmental funds. The amount due from the general fund to the debt service fund is the allocation of tax proceeds outstanding at year-end for the interest & sinking portion of the tax rate. The amount due from nonmajor governmental funds and the capital projects fund to the general fund relates to payables at year-end.

Interfund transfers are defined as "flows of assets without equivalent flow of assets in return and without a requirement for repayment." The District transferred \$9,570 to the Campus Activity Fund from the General Fund representing bank transfer to new accounts.

As of August 31, 2024, the District's interfund balances were as follows:

	Receivable Fund			
Payable Fund	General Fund	Debt Service Fund	Capital Projects Fund	Total
General Fund	\$ -	\$ 3,000,963	\$ -	\$ 3,000,963
Capital Projects Fund	9,786,001	-	-	9,786,001
Nonmajor Governmental Funds	1,441,845	-	709,408	2,151,253
Enterprise Fund	19,587	-	-	19,587
Total	\$ 11,247,433	\$ 3,000,963	\$ 709,408	\$ 14,957,804

WALLER INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)

Exhibit F-1

Note 5 - Capital Assets

Capital asset activity for the governmental activities of the District for the year ended August 31, 2024, are as follows:

	Restated September 01, 2023	Additions	(Transfers, Adjustments, and Retirements)	August 31, 2024
Governmental Activities:				
Capital Assets, Not Being Depreciated/Amortized:				
Land	\$ 20,585,835	\$ 2,848,993	\$ -	\$ 23,434,828
Construction in progress	25,548,667	65,592,996	(24,429,875)	66,711,788
Total Capital Assets, Not Being Depreciated/Amortized	46,134,502	68,441,989	(24,429,875)	90,146,616
Capital Assets, Being Depreciated/Amortized:				
Buildings & Improvements	410,234,251	71,034,650	24,398,610	505,667,511
Furniture & Equipment	12,315,994	11,182,862	(341,263)	23,157,593
Vehicles	13,077,412	1,494,760	(127,295)	14,444,877
Right-to-use lease equipment	103,721	-	-	103,721
Right-to-use SBITA	-	346,722	-	346,722
Total Capital Assets, Being Depreciated/Amortized	435,731,378	84,058,994	23,930,052	543,720,424
Less Accumulated Depreciation/Amortization for:				
Buildings & Improvements	(59,747,138)	(10,911,221)	12,506	(70,645,853)
Furniture & Equipment	(3,416,122)	(1,949,128)	309,484	(5,055,766)
Vehicles	(6,098,972)	(1,570,362)	25,459	(7,643,875)
Right-to-use lease equipment	(48,855)	(24,663)	-	(73,518)
Right-to-use SBITA	-	(2,922)	-	(2,922)
Total Accumulated Depreciation/Amortization	(69,311,087)	(14,458,296)	347,449	(83,421,934)
Governmental Capital Assets	\$ 412,554,793	\$ 138,042,687	\$ (152,374)	\$ 550,445,106
 Capital Assets, Net of Depreciation and Amortization			\$ 550,445,106	
Less:				
General obligation bonds			(703,140,000)	
Premiums			(54,609,963)	
Leases			(33,611)	
Capital-related payables			(50,030,735)	
Plus:				
Deferred charge on refunding			1,528,804	
Unspent bond proceeds			286,377,965	
Net Investment in Capital Assets Per exhibit A-1			\$ 30,537,566	

Note 5 - Capital Assets (continued)

Depreciation and amortization expense of the governmental activities was charged to the functions/programs as follows:

Function	Depreciation and Amortization Expense
Governmental Activities:	
Instruction	\$ 8,630,041
Instructional resources and media services	96,120
Curriculum and staff development	244,960
Instructional leadership	250,021
School leadership	779,774
Guidance, counseling and evaluation services	520,133
Social work services	1,464
Health services	122,898
Student transportation	887,626
Extracurricular activities	358,557
General administration	532,514
Facilities maintenance and operations	1,438,494
Security and monitoring services	193,684
Data processing services	401,620
Community services	390
Total Governmental Activities	\$ 14,458,296

Construction Commitments

The District has active construction projects as of August 31, 2024 including renovations and site improvements. All accumulated resources for capital projects are restricted. At August 31, 2024, estimated construction commitments with contractors were as follows:

Project	Approved Construction Budget	Construction in Progress	Remaining Commitment
Roberts Road ES Security Vestibule	\$ 978,194	\$ 98,112	\$ 880,082
Fields Store ES Chiller & Generators	1,371,715	802,323	569,392
Technology HVAC & Generators	288,180	35,317	252,863
Stadium Improvements	2,753,500	722,461	2,031,039
Elementary #8	65,672,745	23,199,817	42,472,928
Waller HS Ag Facility	13,257,895	9,086,580	4,171,315
Education Service Center	62,085,221	25,853,446	36,231,775
Waller JH Auxiliary Stadium	5,203,392	265,552	4,937,840
Various Priority & Safety/Security Projects	36,059,742	6,648,180	29,411,562
Total	\$ 187,670,584	\$ 66,711,788	\$ 120,958,796

Note 6 - Long-Term Liabilities

General Obligation Bonds

Bonded indebtedness of the District is reflected in the General Long-Term Debt Account Group. Current requirements for principal and interest expenditures are accounted for in the Debt Service Fund. A summary of changes in general long-term debt for the year ended August 31, 2024, is as follows:

Description	Original Issuance		Balance 9/1/23	Increase	Decrease	Balance 8/31/24	Due in One Year
	Amount	Interest Rate (%)					
Refunding Bonds, Series 2014	8,500,000	3.00% to 4.00%	\$ 1,575,000	\$ -	\$ (1,575,000)	\$ -	\$ -
Refunding Bonds, Series 2015	7,180,000	4%	2,715,000	-	-	2,715,000	1,690,000
Building Bonds, Series 2016	93,545,000	2.50% to 5.00%	82,325,000	-	(1,690,000)	80,635,000	1,740,000
Building Bonds, Series 2020	205,805,000	2.00% to 5.00%	200,880,000	-	(2,650,000)	198,230,000	2,780,000
Building Bonds, Series 2020A	67,810,000	2.00% to 5.00%	66,420,000	-	(1,460,000)	64,960,000	1,535,000
Building Bonds, Series 2023	169,200,000	4.00% to 5.00%	169,200,000	-	-	169,200,000	-
Building Bonds, Series 2023A	187,400,000	4.00% to 5.00%	187,400,000	-	-	187,400,000	-
Total			<u>710,515,000</u>	<u>-</u>	<u>(7,375,000)</u>	<u>703,140,000</u>	<u>7,745,000</u>
Other District Obligations:							
Premium on Bonds			57,292,520	-	(2,682,557)	54,609,963	-
Leases Payable			58,887	-	(25,276)	33,611	24,935
Compensated Absences			34,971	64,651	(86,238)	13,384	-
Total Other Obligations			<u>57,386,378</u>	<u>64,651</u>	<u>(2,794,071)</u>	<u>54,656,958</u>	<u>24,935</u>
Total District Obligations			<u>\$ 767,901,378</u>	<u>\$ 64,651</u>	<u>\$ (10,169,071)</u>	<u>\$ 757,796,958</u>	<u>\$ 7,769,935</u>

There are a number of limitations and restrictions contained in the general obligation bond indenture. Management has indicated that the District is in compliance with all significant limitations and restrictions at August 31, 2024. Debt service requirements for bonds are as follows:

Year Ending August 31,	Principal	Interest	Totals
2025	\$ 7,745,000	\$ 28,982,675	\$ 36,727,675
2026	9,880,000	28,586,425	38,466,425
2027	12,360,000	28,062,450	40,422,450
2028	14,225,000	27,389,400	41,614,400
2029	16,950,000	26,611,300	43,561,300
2030-2034	103,815,000	119,138,075	222,953,075
2035-2039	130,845,000	92,410,075	223,255,075
2040-2044	135,240,000	67,175,125	202,415,125
2045-2049	170,290,000	35,734,978	206,024,978
2050-2054	101,790,000	7,286,878	109,076,878
	<u>\$ 703,140,000</u>	<u>\$ 461,377,381</u>	<u>\$ 1,164,517,381</u>

Prior Year's Refunding of Long Term Debt

In prior years, the District defeased certain general obligation debt by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the refunded debt. Accordingly, the trust account assets and the liability for the defeased debt are not included in the District's financial statements. August 31, 2024, there are no defeased bonds outstanding.

Note 7 – Revenues from Local, Intermediate, and Out-of-State Sources

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

	General Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds	Nonmajor Enterprise Funds	Total
Property Taxes	\$ 46,984,280	\$ 30,305,095	\$ -	\$ -	\$ 77,289,375	\$ -	\$ 77,289,375
Tuition and Fees	150,867	-	-	-	150,867	-	150,867
Food Service Activity	-	-	-	874,085	874,085	86,540	960,625
Rent	140,402	-	-	-	140,402	-	140,402
Extracurricular Activities	150,967	-	-	-	150,967	-	150,967
Insurance	12,621	-	-	-	12,621	62,205	74,826
Investment Income	1,669,137	1,553,772	19,019,636	-	22,242,545	-	22,242,545
Campus Activity	-	-	-	1,408,921	1,408,921	-	1,408,921
Grants	-	-	-	51,712	51,712	-	51,712
Other	174,107	-	9,588	-	183,695	4,600	188,295
Total	\$ 49,282,381	\$ 31,858,867	\$ 19,029,224	\$ 2,334,718	\$ 102,505,190	\$ 153,345	\$ 102,658,535

Note 8 - Leases

The District is the lessee for copiers and postage machines. The District's incremental borrowing rate used to calculate the present value of the lease liability was 7.5% from the financial institution. The ending lease liability as of August 31, 2024, was \$33,611. The District is required to make monthly payments of approximately \$3,662. The copiers and postage machines have a three-to five-year useful life.

The future principal and interest lease payments as of August 31, 2024, were as follows:

Year Ending	Principal	Interest	Totals
August 31			
2025	\$ 24,935	\$ 1,640	\$ 26,575
2026	8,113	320	8,433
2027	563	4	567
	<u>\$ 33,611</u>	<u>\$ 1,964</u>	<u>\$ 35,575</u>

All amounts paid were previously included in the measurement of the lease liability and there were no other related outflows of resources for the period such as variable payments or termination penalties. In addition, there were no commitments incurred prior to commencement of any lease term and there were no impairment losses related to lease assets.

Note 9 - Defined Benefit Pension Plan

Plan Description

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

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

Note 9 - Defined Benefit Pension Plan (continued)

Pension Plan Fiduciary Net Position

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

Benefits Provided

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

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

Contributions

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

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

	Contribution Rates	
	Fiscal Year	
	September 1, 2023 to August 31, 2024	September 1, 2022 to August 31, 2023
Member (Employee)	8.25%	8.00%
Non-employer contributing agency (State)	8.25%	8.00%
District	8.25%	8.00%

Note 9 - Defined Benefit Pension Plan (continued)

Contributions (continued)

	Current Fiscal Year
	Contributions
Employer (District)	\$ 3,050,395
Employee (Member)	6,070,672
Non-employer Contributing Entity	
On-behalf Contributions (State)	4,101,152

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

As the non-employer contributing entity for public education and junior colleges, the State of Texas contributes to the retirement system an amount equal to the current employer contribution rate, times the aggregate annual compensation of all participating members of the pension trust fund during that fiscal year, reduced by the amounts described below which are paid by the employers.

Employers (public school, junior college, other entities, or the State of Texas as the employer for senior universities and medical schools) are required to pay the employer contribution rate in the following instances:

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

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

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

Note 9 - Defined Benefit Pension Plan (continued)

Actuarial Assumptions

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

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

The actuarial methods and assumptions are used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2022. These assumptions are further described the 2022 TRS ACFR, which includes actuarial valuation report dated November 12, 2022.

Discount Rate

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

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

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

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Note 9 - Defined Benefit Pension Plan (continued)

Discount Rate (continued)

Best estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of August 31, 2023, are summarized below:

Asset Class¹	Target Allocation²	Long-Term Expected Geometric Real Rate of Return³	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
USA	18.00%	4.00%	1.00%
Non-U.S. Developed	13.00%	4.50%	0.90%
Emerging Markets	9.00%	4.80%	0.70%
Private Equity	14.00%	7.00%	1.50%
Stable Value			
Government Bonds	16.00%	2.50%	0.50%
Absolute Return	0.00%	3.60%	0.00%
Stable Value Hedge Funds	5.00%	4.10%	0.20%
Real Return			
Real Estate	15.00%	4.90%	1.10%
Energy, Natural Resources & Infrastructure	6.00%	4.80%	0.40%
Commodities	0.00%	4.40%	0.00%
Risk Parity	8.00%	4.50%	0.40%
Leverage			
Cash	2.00%	3.70%	0.00%
Asset Allocation Leverage	-6.00%	4.40%	-0.10%
Inflation Expectation			2.30%
Volatility Drag ⁴			-0.90%
Expected Return	100.00%		8.00%

¹ Absolute Return includes Credit Sensitive Investments.

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

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

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

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.

	Discount Rate		
	1% Decrease (6.00%)	Current (7.00%)	1% Increase (8.00%)
District's proportional share of the net pension liability	\$ 54,447,451	\$ 36,418,351	\$ 21,427,144

Note 9 - Defined Benefit Pension Plan (continued)

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

At August 31, 2024, the District reported a liability of \$36,418,351 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	\$ 36,418,351
State's proportionate share that is associated with the District	<u>47,773,145</u>
Total	<u><u>\$ 84,191,496</u></u>

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

At August 31, 2023, the District's proportion of the collective net pension liability was 0.0530% which was an increase of 0.0018% from its proportion measured as of August 31, 2022.

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

Changes in Assumptions and Benefits Since the Prior Actuarial Valuation

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

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

Changes Since the Prior Actuarial Valuation

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

There were no changes of benefit terms that affected measurement of the total pension liability during the measurement period.

For the year ended August 31, 2024, the District recognized pension expense of \$7,398,573. The District also recognized an additional on-behalf revenue and expense of \$7,213,332 representing for support provided by the State.

Note 9 - Defined Benefit Pension Plan (continued)

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

Changes Since the Prior Actuarial Valuation (continued)

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	\$ 1,297,598	\$ (440,986)
Changes in assumptions	3,444,463	(842,939)
Net difference between projected and actual earnings on pension plan investments	5,299,754	-
Changes in proportion and differences between District contributions and proportionate share of contributions	2,701,533	(21,304)
District contributions subsequent to the measurement date of the net pension liability	3,050,396	-
Total	\$ 15,793,744	\$ (1,305,229)

Deferred outflows of resources resulting from District contributions subsequent to the measurement date in the amount of \$3,050,396 will be recognized as a reduction of the net pension liability in the year ending August 31, 2025. The net amounts of the District's balances of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending August 31,	Pension Expense Amount	Balance of Deferred Outflows (Inflows)
2025	\$ 2,908,930	\$ 8,529,189
2026	1,744,746	6,784,443
2027	4,894,576	1,889,867
2028	1,657,338	232,529
2029	232,529	-
	\$ 11,438,119	

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

Note 10 - Defined Other Post-Employment Benefit Plans

Plan Description

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

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

OPEB Plan Fiduciary Net Position

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

Benefits Provided

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

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

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

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

Note 10 - Defined Other Post-Employment Benefit Plans (continued)

Contributions

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

Texas Insurance Code, section 1575.202 establishes the state's contribution rate which is 1.25 percent of the employee's salary. Section 1575.203 establishes the active employee's rate which is .65 percent of salary. Section 1575.204 establishes a public school rate of not less than 0.25 percent or not more than 0.75 percent of the salary of each active employee of the employer. The actual public school contribution rate is prescribed by the Legislature in the General Appropriations Act, which is 0.75% of each active employee's pay for fiscal year 2023. The following table shows contributions to the TRS-Care plan by type of contributor.

	Contribution Rates	
	September 1, 2023 to August 31, 2024	September 1, 2022 to August 31, 2023
Member	0.65%	0.65%
Non-employer contributing agency	1.25%	1.25%
Employers	0.75%	0.75%
Federal/private funding	1.25%	1.25%

	Current Fiscal Year Contributions
Employer (District)	\$ 641,687
Employee (Member)	477,688
Non-employer Contributing Entity	
On-behalf Contributions (State)	1,249,830

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.

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

Note 10 - Defined Other Post-Employment Benefit Plans (continued)

Actuarial Assumptions

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

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

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

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

Discount Rate

A single discount rate of 4.13% was used to measure the Total OPEB Liability. There was a decrease of 0.22% in the discount rate since the previous year.

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

The source of the municipal bond rate is the Fidelity "20-year Municipal GO AA Index" as of August 31, 2023 using the fixed income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds.

Note 10 - Defined Other Post-Employment Benefit Plans (continued)

Discount Rate Sensitivity Analysis

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

	Discount Rate		
	1% Decrease (3.13%)	Current Rate (4.13%)	1% Increase (5.13%)
District's proportionate share of the Net OPEB Liability	\$ 17,897,599	\$ 15,195,894	\$ 12,991,239

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

At August 31, 2024, the District reported a liability of \$15,195,894 for its proportionate share of the TRS's Net OPEB Liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the collective net OPEB liability	\$ 15,195,894
State's proportionate share that is associated with District	18,336,182
Total	<u>\$ 33,532,076</u>

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

At August 31, 2023, the District's proportion of the collective Net OPEB Liability was 0.0686% which was an increase of 0.0023% from its proportion measured as of August 31, 2022.

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

	Healthcare Cost Trend Rate		
	1% Decrease	Current	1% Increase
District's proportionate share of the Net OPEB Liability	\$ 12,513,058	\$ 15,195,894	\$ 18,647,372

Changes Since the Prior Actuarial Valuation

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

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

Note 10 - Defined Other Post-Employment Benefit Plans (continued)

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

Changes of Benefit Terms Since the Prior Measurement Date

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

For the year ended August 31, 2024, the District recognized negative OPEB expense of \$1,711,426. The District also recognized negative on-behalf expense and revenue of \$3,919,889 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 sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 687,499	(12,784,467)
Changes in actuarial assumptions	2,074,129	(9,304,849)
Net difference between projected and actual earnings on OPEB plan investments	6,566	-
Changes in proportion and differences between District contributions and proportionate share of contributions	5,989,291	-
District contributions subsequent to the measurement date of the net OPEB liability	641,687	-
Total	\$ 9,399,172	\$ (22,089,316)

The \$641,687 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending August 31, 2025. The net amounts of the District's balances of deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending August 31:	OPEB Expense Amount	Balance of Deferred Outflows (Inflows)
2025	\$ (2,976,239)	\$ (10,355,592)
2026	(2,279,277)	(8,076,315)
2027	(1,335,699)	(6,740,616)
2028	(2,070,261)	(4,670,355)
2029	(1,885,667)	(2,784,688)
Thereafter	(2,784,688)	-
	\$ (13,331,831)	

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

Note 10 - Defined Other Post-Employment Benefit Plans (continued)

Medicare Part D

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the fiscal years ended August 31, 2024, 2023, and 2022, the subsidy payments received by TRS-Care on-behalf of the District were \$393,412, \$363,673, and \$245,505, respectively. These payments are recorded as equal revenues and expenditures in the governmental funds financial statements of the District.

Note 11 - Accumulated Unpaid Vacation and Sick Leave Benefits

The balance of accumulated unpaid vacation and sick leave at August 31, 2024 was \$13,384 and is presented as other long-term liabilities in the financial statements.

Note 12 - Restatement of Net Position

It came to management's attention that amounts previously reported for capital assets required an adjustment resulting in a restatement of beginning net position, as follows:

	Governmental Activities
Beginning Net Position, as Originally Presented	\$ 22,734,858
Buildings & improvements	613,983
Furniture & equipment	1,149,646
Vehicles	2,356,173
Beginning Net Position, as Restated	<u><u>\$ 26,854,660</u></u>

Note 13 - Deficit Fund Balance and Net Position

The District's Vending Fund, an enterprise fund, has a deficit fund net position in the amount of \$31,765. Safety and security grant fund, a governmental fund, has a deficit fund balance in the amount of \$5,231. The District expects to eliminate this deficit from future revenues.



REQUIRED SUPPLEMENTARY INFORMATION

WALLER INDEPENDENT SCHOOL DISTRICT
Exhibit G-1

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
ORIGINAL BUDGET, AMENDED FINAL (GAAP BASIS) AND ACTUAL - GENERAL FUND
For the Year Ended August 31, 2024**

Data Control Codes		Budgeted Amounts			Variance with Final Budget
		Original	Final	Actual	
Revenues					
5700	Local revenues	\$ 51,676,722	\$ 49,279,189	\$ 49,282,381	\$ 3,192
5800	State program revenues	46,532,767	47,698,070	50,297,116	2,599,046
5900	Federal program revenues	1,348,800	418,867	441,095	22,228
5000	Total Revenues	99,558,289	97,396,126	100,020,592	2,624,466
Expenditures					
Current:					
0011	Instruction	58,049,594	57,527,093	56,589,348	937,745
0012	Instructional resources and media services	643,747	640,260	631,642	8,618
0013	Curriculum and staff development	1,756,503	1,823,318	1,609,733	213,585
0021	Instructional leadership	1,541,599	1,676,114	1,642,990	33,124
0023	School leadership	5,039,500	5,097,771	5,072,607	25,164
0031	Guidance, counseling and evaluation services	3,933,768	3,914,024	3,418,009	496,015
0032	Social work services	87,351	87,351	9,622	77,729
0033	Health services	787,791	808,166	807,612	554
0034	Student transportation	6,869,817	6,904,965	5,832,950	1,072,015
0036	Extracurricular activities	2,477,048	2,497,688	2,356,223	141,465
0041	General administration	3,443,424	3,568,744	3,463,047	105,697
0051	Facilities maintenance and operations	9,932,461	10,060,599	9,452,931	607,668
0052	Security and monitoring services	1,315,750	1,330,275	1,272,778	57,497
0053	Data processing services	3,167,941	3,222,139	2,639,210	582,929
0061	Community services	2,768	2,768	2,559	209
Debt Service:					
0071	Principal on long-term debt	-	25,276	25,276	-
0072	Interest on long-term debt	-	4,724	3,559	1,165
Capital Outlay:					
0081	Capital Outlay	11,603	138,135	55,970	82,165
Intergovernmental:					
0093	Payments related to shared services arrangements	182,000	182,000	136,779	45,221
0095	Payments to Juvenile Justice Alt. Ed. Prgm.	166,000	166,000	12,285	153,715
0099	Other governmental charges	942,778	942,778	800,933	141,845
6030	Total Expenditures	100,351,443	100,620,188	95,836,063	4,784,125
1100	Excess (deficiency) of revenues over expenditures	(793,154)	(3,224,062)	4,184,529	7,408,591
Other Financing Sources (Uses):					
7912	Sale of real or personal property	50,000	-	15,422	15,422
8911	Other sources	-	-	(9,570)	(9,570)
8949	Property Tax Refunds	(100,000)	-	(93,800)	(93,800)
7080	Total Other Financing Sources (Uses)	(50,000)	-	(87,948)	(87,948)
1200	Net change in fund balances	(843,154)	(3,224,062)	4,096,581	7,320,643
0100	Fund Balance - September 1 Beginning	23,677,745	23,677,745	23,677,745	-
3000	Fund Balance - August 31 Ending	\$ 22,834,591	\$ 20,453,683	\$ 27,774,326	\$ 7,320,643

WALLER INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
Last Ten Measurement Years

Exhibit G-2

	2023	2022	2021	2020	2019
District's proportion of the net pension liability	0.0530%	0.0512%	0.0473%	0.0474%	0.0448%
District's proportionate share of the net pension liability	\$ 36,418,351	\$ 30,399,619	\$ 12,039,811	\$ 25,368,794	\$ 23,286,614
State's proportionate share of the net pension liability associated with the District	47,773,145	39,907,833	19,414,825	41,071,207	36,991,861
Total	\$ 84,191,496	\$ 70,307,452	\$ 31,454,636	\$ 66,440,001	\$ 60,278,475
District's covered payroll (for Measurement Year)	\$ 68,017,884	\$ 61,662,561	\$ 60,160,603	\$ 59,159,804	\$ 59,154,222
District's proportionate share of the net pension liability as a percentage of covered payroll	53.54%	49.30%	20.01%	42.88%	39.37%
Plan fiduciary net position as a percentage of the total pension liability *	73.15%	75.65%	88.79%	75.54%	75.24%
Plan's net pension liability as a percentage of covered payroll *	122.32%	112.72%	51.08%	110.36%	114.93%

	2018	2017	2016	2015	2014
District's proportion of the net pension liability	0.0432%	0.0324%	0.0342%	0.0356%	0.0221%
District's proportionate share of the net pension liability	\$ 23,783,872	\$ 10,372,858	\$ 12,939,423	\$ 12,566,876	\$ 2,878,080
State's proportionate share of the net pension liability associated with the District	36,752,043	22,878,550	25,196,619	22,640,492	18,567,648
Total	\$ 60,535,915	\$ 33,251,408	\$ 38,136,042	\$ 35,207,368	\$ 21,445,728
District's covered payroll (for Measurement Year)	\$ 51,646,430	\$ 41,945,655	\$ 39,372,795	\$ 37,946,786	\$ 35,347,051
District's proportionate share of the net pension liability as a percentage of covered payroll	46.05%	24.73%	32.86%	33.12%	16.63%
Plan fiduciary net position as a percentage of the total pension liability *	73.74%	82.17%	78.00%	78.43%	83.25%
Plan's net pension liability as a percentage of covered payroll *	126.11%	75.93%	92.75%	91.94%	72.89%

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

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

WALLER INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PENSION CONTRIBUTIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
Last Ten Fiscal Years Ended August 31

Exhibit G-3

	2024	2023	2022	2021	2020
Contractually required contributions	\$ 3,050,395	\$ 2,725,765	\$ 2,388,630	\$ 2,018,408	\$ 1,258,220
Contributions in relation to the					
contractually required contributions	3,050,395	2,725,765	2,388,630	2,018,408	1,258,220
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 73,485,549	\$ 68,017,884	\$ 61,662,561	\$ 60,160,603	\$ 59,154,222
Contributions as a percentage of covered payroll	4.15%	4.01%	3.87%	3.36%	2.13%
	2019	2018	2017	2016	2015
Contractually required contributions	\$ 1,566,775	\$ 1,454,019	\$ 1,063,224	\$ 1,087,945	\$ 1,052,686
Contributions in relation to the					
contractually required contributions	1,566,775	1,454,019	1,063,224	1,087,945	1,052,686
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 51,646,430	\$ 46,817,623	\$ 41,945,655	\$ 39,372,795	\$ 37,946,786
Contributions as a percentage of covered payroll	3.03%	3.11%	2.53%	2.76%	2.77%

WALLER INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET OPEB LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
Last Seven Measurement Years

Exhibit G-4

	2023	2022	2021	2020
District's proportion of the net OPEB liability	0.0686%	0.0663%	0.0639%	0.0638%
District's proportionate share of the net OPEB liability	\$ 15,195,894	\$ 15,878,637	\$ 24,632,785	\$ 24,255,083
State's proportionate share of the net OPEB liability associated with the District	18,336,182	19,369,443	33,002,442	32,593,017
Total	\$ 33,532,076	\$ 35,248,080	\$ 57,635,227	\$ 56,848,100
District's covered payroll (for Measurement Year)	\$ 68,017,884	\$ 61,662,561	\$ 60,160,603	\$ 59,159,804
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	22.34%	25.75%	40.95%	41.00%
Plan fiduciary net position as a percentage of the total OPEB liability *	14.94%	11.52%	6.18%	4.99%
Plan's net OPEB liability as a percentage of covered payroll *	51.86%	59.10%	100.13%	101.46%
	2019	2018	2017	
District's proportion of the net OPEB liability	0.0599%	0.0566%	0.0499%	
District's proportionate share of the net OPEB liability	\$ 28,347,753	\$ 28,278,913	\$ 21,700,169	
State's proportionate share of the net OPEB liability associated with the District	37,667,824	39,998,365	32,940,792	
Total	\$ 66,015,577	\$ 68,277,278	\$ 54,640,961	
District's covered payroll (for Measurement Year)	\$ 59,159,804	\$ 59,154,222	\$ 41,945,655	
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	47.92%	47.81%	51.73%	
Plan fiduciary net position as a percentage of the total OPEB liability *	2.66%	1.57%	0.91%	
Plan's net OPEB liability as a percentage of covered payroll *	135.21%	146.64%	132.55%	

Note: Ten years of data should be presented in this schedule, but data is unavailable prior to 2017.
Net OPEB Liability and related ratios will be presented prospectively as data becomes available

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

WALLER INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S OPEB CONTRIBUTIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
Last Seven Fiscal Years Ended August 31

Exhibit G-5

	2024	2023	2022	2021
Contractually required contributions	\$ 641,687	\$ 595,973	\$ 544,668	\$ 498,871
Contributions in relation to the contractually required contributions	641,687	595,973	544,668	498,871
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 73,485,549	\$ 68,017,884	\$ 61,662,561	\$ 60,160,603
Contributions as a percentage of covered payroll	0.87%	0.88%	0.88%	0.83%
	2020	2019	2018	
Contractually required contributions	\$ 443,703	\$ 424,896	\$ 391,237	
Contributions in relation to the contractually required contributions	443,703	424,896	391,237	
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
District's covered payroll	\$ 59,154,222	\$ 51,646,431	\$ 46,817,623	
Contributions as a percentage of covered payroll	0.75%	0.82%	0.84%	

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

WALLER INDEPENDENT SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

A. Notes to Schedules for the TRS Pension

Changes of Assumptions

2023: None.

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

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

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

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

Changes in Benefit Terms

There were no changes of benefit terms that affected measurement of the total pension liability during the measurement period.

WALLER INDEPENDENT SCHOOL DISTRICT

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (continued)

B. Notes to Schedules for the TRS OPEB Plan

Changes of Assumptions

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

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

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

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

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

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

Changes in Benefit Terms

There were no changes in benefit terms in the 2023 measurement year.

OTHER SUPPLEMENTARY INFORMATION

Nonmajor Governmental Funds

Special Revenue Funds

ESEA: Elementary Secondary Education Act

The Special Revenue Funds are used to account for all federal, state and locally-funded grants. These grants are awarded to the District with the purpose of accomplishing specific educational goals. Grants included in the Special Revenue Funds are described below.

Fund Number	Fund Name & Description
211	ESEA, Title I, Pt A - Improving Basic Ed. - program is used to account for funds to help LEAs improve teaching and learning in high-poverty schools in particular for children failing, or most at-risk of failing, to meet challenging State academic standards.
224	IDEA B - Formula - salaries and supplies to aid children with disabilities with low reading achievement.
225	IDEA B - Preschool - aids preschool students with disabilities.
240	Child Nutrition - fund used to account for food services in a special revenue fund when the service is subsidized with federal reimbursement revenues from the USDA.
242	Summer Feeding Program - code is used to account for funds received from the Texas Department of Agriculture for meals provided to the community based on the average number of daily participants.
244	Career and Technical Education - funds are used to account for funds granted to provide career and technical education (CTE) and to develop new and/or improve existing CTE programs for paid and unpaid employment.
255	ESEA, Title II, Part A - Supporting Effective Instruction - supplements the professional development, retention and recruitment programs district-wide, specifically on high needs campuses.
263	ESEA, Title III, Part A - BIL/ESL -helps to ensure that children who are limited English proficient, including immigrant children and youth, attain English proficiency, develop high levels of academic attainment in English, and meet the same challenging State academic content and student academic achievement standards as all children are expected to meet.
279	TCLAS ESSER III - Texas COVID Learning Acceleration Supports (TCLAS) is used to account for funds granted for targeted supports to assist LEAs to accelerate student learning due to learning loss caused by the COVID-19 pandemic.
280	ARP - Homeless II - Texas Education for the Homeless Children and Youth Supplemental - accounts for funding to increase capacity to identify, enroll, and provide wraparound services to address the unique needs of homeless children and youth due to the impact of the coronavirus pandemic.
282	ESSER III (ARPA) - used to account for federal stimulus ESSER III funds granted to LEAs through the American Rescue Plan Act to address learning loss and the disproportionate impact of the coronavirus on certain student subgroups, identify and provide homeless children and youth with services in light of challenges of COVID-19, and to enable homeless children and youth to attend school and participate fully in school activities.

Nonmajor Governmental Funds (Continued)

Special Revenue Funds (Continued)

Fund Number	Fund Name & Description
288	Summer School - to account, on a project basis, for funds received from the U.S. Department of Education, passed through the State Department of Education, for summer school programs for Limited English Proficient (LEP) students who will be eligible for admission to kindergarten and first grade at the beginning of the next school year.
289	Title IV Part A - refers to Student Support and Academic Enrichment and fund are use to provide all students access to a well-rounded education, improve academic outcomes by maintaining safe and healthy students, and improve the use of technology to advance student academic achievement.
397	Advanced Placement Incentive - enhancement of Advanced Placement programs on specific campuses based on student scores on Advanced Placement examinations.
410	State Instructional Materials Fund - provides funds to purchase instructional materials, technological equipment and technology-related services.
429	Safety and Security Grant - provides funding to public schools for additional safety and security equipment (campus hardening).
461	Campus Activity Funds - accounts for transactions related to a principal's activity fund that are not subject to recall by the District's Board of Trustees into the general fund.
481	Tri County Health Alliance - grant award for the purchase of clinic supplies and clinic equipment for all eight campus clinics.
482	ESC 4 MTSS Behavior Project - funds are use to support the whole child by focusing on evidence-based interventions to support students who are having difficulty with academics, behavior, or mental health.
499	Back to School - funds are used to account for funds donated or awarded by local sources for various organizations within the District.

WALLER INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
August 31, 2024

Exhibit H-1
Page 1 of 6

		211	224	225	240
Data Control Codes		ESEA, Title I, Pt A - Improving Basic Ed.	IDEA B - Formula	IDEA B - Preschool	Child Nutrition
Assets					
1110	Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 3,462,516
1240	Receivables from other governments	272,901	441,801	3,414	324,788
1290	Other receivables	-	-	-	11,187
1410	Prepaid items	6,585	6,566	-	11,041
1000	Total Assets	<u>\$ 279,486</u>	<u>\$ 448,367</u>	<u>\$ 3,414</u>	<u>\$ 3,809,532</u>
Liabilities and Fund Balances					
Liabilities:					
Current Liabilities:					
2110	Accounts payable	\$ 1,300	\$ 17,059	\$ 5	\$ 430,128
2160	Accrued wages payable	2,480	108,550	-	170,393
2170	Due to other funds	273,106	322,758	3,409	-
2180	Due to other governments	2,600	-	-	-
2300	Unearned revenues	-	-	-	-
2000	Total Liabilities	<u>279,486</u>	<u>448,367</u>	<u>3,414</u>	<u>600,521</u>
Fund Balances:					
Non-Spendable:					
3430	Prepaid items	6,585	6,566	-	11,041
Restricted:					
3450	Federal/State funds grant restrictions	-	-	-	3,197,970
Committed:					
3545	Campus activities	-	-	-	-
3600	Unassigned	(6,585)	(6,566)	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,209,011</u>
4000	Total Liabilities and Fund Balances	<u>\$ 279,486</u>	<u>\$ 448,367</u>	<u>\$ 3,414</u>	<u>\$ 3,809,532</u>

WALLER INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
August 31, 2024

Exhibit H-1
Page 2 of 6

Data Control Codes		242	244	255 ESEA, Title II, Pt A - Supporting Effective Instruction	263 ESEA, Title III, Pt A - BIL/ESL
		Summer Feeding Program	Career and Technical Education		
	Assets				
1110	Cash and cash equivalents	\$ 47,975	\$ -	\$ -	\$ -
1240	Receivables from other governments	-	102,112	96,304	68,599
1290	Other receivables	-	-	-	-
1410	Prepaid items	-	-	1,395	917
1000	Total Assets	<u>\$ 47,975</u>	<u>\$ 102,112</u>	<u>\$ 97,699</u>	<u>\$ 69,516</u>
	Liabilities and Fund Balances				
	Liabilities:				
	Current Liabilities:				
2110	Accounts payable	\$ -	\$ 5,560	\$ -	\$ -
2160	Accrued wages payable	-	-	402	17,929
2170	Due to other funds	-	96,552	97,297	51,587
2180	Due to other governments	-	-	-	-
2300	Unearned revenues	-	-	-	-
2000	Total Liabilities	<u>-</u>	<u>102,112</u>	<u>97,699</u>	<u>69,516</u>
	Fund Balances:				
	Non-Spendable:				
3430	Prepaid items	-	-	1,395	917
	Restricted:				
3450	Federal/State funds grant restrictions	47,975	-	-	-
	Committed:				
3545	Campus activities	-	-	-	-
3600	Unassigned	-	-	(1,395)	(917)
3000	Total Fund Balances	<u>47,975</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities and Fund Balances	<u>\$ 47,975</u>	<u>\$ 102,112</u>	<u>\$ 97,699</u>	<u>\$ 69,516</u>

WALLER INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
August 31, 2024

Exhibit H-1
Page 3 of 6

		279	280	282	288
Data Control Codes		TCLAS - ESSER III	ARP - Homeless II	ESSER III (ARPA)	Summer School
	Assets				
1110	Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
1240	Receivables from other governments	10,570	10,315	433,822	-
1290	Other receivables	-	-	-	-
1410	Prepaid items	-	-	-	-
1000	Total Assets	<u>\$ 10,570</u>	<u>\$ 10,315</u>	<u>\$ 433,822</u>	<u>\$ -</u>
	Liabilities and Fund Balances				
	Liabilities:				
	Current Liabilities:				
2110	Accounts payable	\$ -	\$ -	\$ -	\$ -
2160	Accrued wages payable	-	-	-	-
2170	Due to other funds	10,570	10,315	433,822	-
2180	Due to other governments	-	-	-	-
2300	Unearned revenues	-	-	-	-
2000	Total Liabilities	<u>10,570</u>	<u>10,315</u>	<u>433,822</u>	<u>-</u>
	Fund Balances:				
	Non-Spendable:				
3430	Prepaid items	-	-	-	-
	Restricted:				
3450	Federal/State funds grant restrictions	-	-	-	-
	Committed:				
3545	Campus activities	-	-	-	-
3600	Unassigned	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities and Fund Balances	<u>\$ 10,570</u>	<u>\$ 10,315</u>	<u>\$ 433,822</u>	<u>\$ -</u>

WALLER INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
August 31, 2024

Exhibit H-1
Page 4 of 6

Data Control Codes		289	397	410	429
		Title IV Part A	Advanced Placement Incentive	State Instructional Materials Fund	Safety & Security Grant
	Assets				
1110	Cash and cash equivalents	\$ -	\$ -	\$ 186,094	\$ -
1240	Receivables from other governments	45,866	-	-	1,590,752
1290	Other receivables	-	-	-	-
1410	Prepaid items	295	-	-	-
1000	Total Assets	<u>\$ 46,161</u>	<u>\$ -</u>	<u>\$ 186,094</u>	<u>\$ 1,590,752</u>
	Liabilities and Fund Balances				
	Liabilities:				
	Current Liabilities:				
2110	Accounts payable	\$ -	\$ -	\$ 113,921	\$ 764,023
2160	Accrued wages payable	5,256	-	-	6,510
2170	Due to other funds	23,899	-	-	822,388
2180	Due to other governments	17,006	-	-	-
2300	Unearned revenues	-	-	-	3,062
2000	Total Liabilities	<u>46,161</u>	<u>-</u>	<u>113,921</u>	<u>1,595,983</u>
	Fund Balances:				
	Non-Spendable:				
3430	Prepaid items	295	-	-	-
	Restricted:				
3450	Federal/State funds grant restrictions	-	-	72,173	-
	Committed:				
3545	Campus activities	-	-	-	-
3600	Unassigned	(295)	-	-	(5,231)
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>72,173</u>	<u>(5,231)</u>
4000	Total Liabilities and Fund Balances	<u>\$ 46,161</u>	<u>\$ -</u>	<u>\$ 186,094</u>	<u>\$ 1,590,752</u>

WALLER INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
August 31, 2024

Exhibit H-1
Page 5 of 6

		461	481	482	499
Data Control Codes		Campus Activity Funds	Tri County Health Alliance	ESC 4 MTSS Behavior Project	Back to School
	Assets				
1110	Cash and cash equivalents	\$ 485,527	\$ 2,767	\$ -	\$ 1,295
1240	Receivables from other governments	-	-	9,840	-
1290	Other receivables	-	-	-	-
1410	Prepaid items	-	-	-	-
1000	Total Assets	\$ 485,527	\$ 2,767	\$ 9,840	\$ 1,295
	Liabilities and Fund Balances				
	Liabilities:				
	Current Liabilities:				
2110	Accounts payable	\$ 1,963	\$ -	\$ 4,290	\$ 190
2160	Accrued wages payable	-	-	-	-
2170	Due to other funds	-	-	5,550	-
2180	Due to other governments	-	-	-	-
2300	Unearned revenues	1,073	-	-	-
2000	Total Liabilities	3,036	-	9,840	190
	Fund Balances:				
	Non-Spendable:				
3430	Prepaid items	-	-	-	-
	Restricted:				
3450	Federal/State funds grant restrictions	-	2,767	-	1,105
	Committed:				
3545	Campus activities	482,491	-	-	-
3600	Unassigned	-	-	-	-
	Total Fund Balances	482,491	2,767	-	1,105
4000	Total Liabilities and Fund Balances	\$ 485,527	\$ 2,767	\$ 9,840	\$ 1,295

WALLER INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
August 31, 2024

Exhibit H-1
Page 6 of 6

Data Control Codes		Total Nonmajor Governmental Funds
	Assets	
1110	Cash and cash equivalents	\$ 4,186,174
1240	Receivables from other governments	3,411,084
1290	Other receivables	11,187
1410	Prepaid items	26,799
1000	Total Assets	\$ 7,635,244
	Liabilities and Fund Balances	
	Liabilities:	
	Current Liabilities:	
2110	Accounts payable	\$ 1,338,439
2160	Accrued wages payable	311,520
2170	Due to other funds	2,151,253
2180	Due to other governments	19,606
2300	Unearned revenues	4,135
2000	Total Liabilities	3,824,953
	Fund Balances:	
	Non-Spendable:	
3430	Prepaid items	26,799
	Restricted:	
3450	Federal/State funds grant restrictions	3,321,990
	Committed:	
3545	Campus activities	482,491
3600	Unassigned	(20,989)
3000	Total Fund Balances	3,810,291
4000	Total Liabilities and Fund Balances	\$ 7,635,244

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

Exhibit H-2

Page 1 of 6

Data Control Codes		211	224	225	240
		ESEA, Title I, Pt A -			
		Improving Basic			
		Ed.	IDEA B - Formula	IDEA B - Preschool	Child Nutrition
Revenues					
5700	Local and Intermediate Sources	\$ 27	\$ 10	\$ -	\$ 874,085
5800	State Program Revenues	-	-	-	58,911
5900	Federal Program Revenues	1,730,649	1,580,209	13,420	5,270,197
5020	Total Revenues	1,730,676	1,580,219	13,420	6,203,193
Expenditures					
Current:					
0011	Instruction	782,006	300,038	12,268	-
0012	Instructional Resources and Media Services	-	-	-	-
0013	Curriculum and Instructional Staff Development	653,785	109,558	-	-
0021	Instructional Leadership	77,041	-	-	-
0023	School Leadership	113,950	1,080	-	-
0031	Guidance, Counseling and Evaluation Services	-	1,169,543	1,152	-
0032	Social work services	-	-	-	-
0033	Health Services	-	-	-	-
0035	Food Services	-	-	-	5,969,935
0036	Cocurricular/Extracurricular Activities	-	-	-	-
0051	Facilities Maintenance and Operations	-	-	-	200,020
0052	Security and Monitoring Services	-	-	-	-
0061	Community Services	103,894	-	-	-
Capital Outlay:					
0081	Facilities Acquisition and Construction	-	-	-	-
6030	Total Expenditures	1,730,676	1,580,219	13,420	6,169,955
1100	Excess (deficiency) of revenues over expenditures	-	-	-	33,238
Other Financing Sources (Uses)					
7912	Sale of real or personal property	-	-	-	4,970
7915	Transfers in	-	-	-	-
	Total Other Financing Sources (Uses)	-	-	-	4,970
1200	Net change in fund balances	-	-	-	38,208
0100	Fund Balance - September 1 (Beginning)	-	-	-	3,170,803
3000	Fund Balance - August 31 (Ending)	\$ -	\$ -	\$ -	\$ 3,209,011

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

Exhibit H-2

Page 2 of 6

		242	244	255	263
		ESEA, Title II, Pt A -			
Data			Career and	Supporting	
Control		Summer Feeding	Technical	Effective	ESEA, Title III, Pt A
Codes		Program	Education	Instruction	- BIL/ESL
Revenues					
5700	Local and Intermediate Sources	\$ -	\$ 67	\$ 9	\$ 4
5800	State Program Revenues	-	-	-	-
5900	Federal Program Revenues	39,842	196,649	334,193	248,469
5020	Total Revenues	39,842	196,716	334,202	248,473
Expenditures					
Current:					
0011	Instruction	-	176,716	-	238,824
0012	Instructional Resources and Media Services	-	-	-	-
0013	Curriculum and Instructional Staff Development	-	20,000	319,332	5,408
0021	Instructional Leadership	-	-	-	-
0023	School Leadership	-	-	14,870	-
0031	Guidance, Counseling and Evaluation Services	-	-	-	-
0032	Social work services	-	-	-	-
0033	Health Services	-	-	-	-
0035	Food Services	23,502	-	-	-
0036	Cocurricular/Extracurricular Activities	-	-	-	-
0051	Facilities Maintenance and Operations	-	-	-	-
0052	Security and Monitoring Services	-	-	-	-
0061	Community Services	-	-	-	4,241
Capital Outlay:					
0081	Facilities Acquisition and Construction	-	-	-	-
6030	Total Expenditures	23,502	196,716	334,202	248,473
1100	Excess (deficiency) of revenues over expenditures	16,340	-	-	-
Other Financing Sources (Uses)					
7912	Sale of real or personal property	-	-	-	-
7915	Transfers in	-	-	-	-
Total Other Financing Sources (Uses)					
		-	-	-	-
1200	Net change in fund balances	16,340	-	-	-
0100	Fund Balance - September 1 (Beginning)	31,635	-	-	-
3000	Fund Balance - August 31 (Ending)	\$ 47,975	\$ -	\$ -	\$ -

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

Exhibit H-2

Page 3 of 6

	279	280	282	288
Data				
Control				
Codes				
	TCLAS - ESSER III	ARP - Homeless II	ESSER III (ARPA)	Summer School
Revenues				
5700 Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800 State Program Revenues	-	-	-	-
5900 Federal Program Revenues	10,570	11,389	1,285,798	5,878
5020 Total Revenues	10,570	11,389	1,285,798	5,878
Expenditures				
Current:				
0011 Instruction	10,570	1,074	796,773	10,302
0012 Instructional Resources and Media Services	-	-	-	-
0013 Curriculum and Instructional Staff Development	-	-	385,315	-
0021 Instructional Leadership	-	10,315	-	-
0023 School Leadership	-	-	-	-
0031 Guidance, Counseling and Evaluation Services	-	-	-	-
0032 Social work services	-	-	74,554	-
0033 Health Services	-	-	29,156	-
0035 Food Services	-	-	-	-
0036 Cocurricular/Extracurricular Activities	-	-	-	-
0051 Facilities Maintenance and Operations	-	-	-	-
0052 Security and Monitoring Services	-	-	-	-
0061 Community Services	-	-	-	-
Capital Outlay:				
0081 Facilities Acquisition and Construction	-	-	-	-
6030 Total Expenditures	10,570	11,389	1,285,798	10,302
1100 Excess (deficiency) of revenues over expenditures	-	-	-	(4,424)
Other Financing Sources (Uses)				
7912 Sale of real or personal property	-	-	-	-
7915 Transfers in	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
1200 Net change in fund balances	-	-	-	(4,424)
0100 Fund Balance - September 1 (Beginning)	-	-	-	4,424
3000 Fund Balance - August 31 (Ending)	\$ -	\$ -	\$ -	\$ -

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

Exhibit H-2

Page 4 of 6

Data Control Codes	289	397	410	429
	Title IV Part A	Advanced Placement Incentive	State Instructional Materials Fund	Safety & Security Grant
Revenues				
5700 Local and Intermediate Sources	\$ 3	\$ -	\$ 208	\$ -
5800 State Program Revenues	-	204	1,533,806	1,995,060
5900 Federal Program Revenues	135,958	-	-	-
5020 Total Revenues	135,961	204	1,534,014	1,995,060
Expenditures				
Current:				
0011 Instruction	34,281	-	1,489,989	113,328
0012 Instructional Resources and Media Services	-	-	-	-
0013 Curriculum and Instructional Staff Development	-	1,540	-	454,654
0021 Instructional Leadership	-	-	-	-
0023 School Leadership	-	-	-	-
0031 Guidance, Counseling and Evaluation Services	27,175	-	-	8,896
0032 Social work services	-	-	-	-
0033 Health Services	-	-	-	-
0035 Food Services	-	-	-	-
0036 Cocurricular/Extracurricular Activities	-	-	-	-
0051 Facilities Maintenance and Operations	-	-	-	-
0052 Security and Monitoring Services	74,505	-	-	15,000
0061 Community Services	-	-	-	-
Capital Outlay:				
0081 Facilities Acquisition and Construction	-	-	-	1,408,413
6030 Total Expenditures	135,961	1,540	1,489,989	2,000,291
1100 Excess (deficiency) of revenues over expenditures	-	(1,336)	44,025	(5,231)
Other Financing Sources (Uses)				
7912 Sale of real or personal property	-	-	-	-
7915 Transfers in	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
1200 Net change in fund balances	-	(1,336)	44,025	(5,231)
0100 Fund Balance - September 1 (Beginning)	-	1,336	28,148	-
3000 Fund Balance - August 31 (Ending)	\$ -	\$ -	\$ 72,173	\$ (5,231)

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

Exhibit H-2

Page 5 of 6

		461	481	482	499
Data Control Codes		Campus Activity Funds	Tri County Health Alliance	ESC 4 MTSS Behavior Project	Back to School
Revenues					
5700	Local and Intermediate Sources	\$ 1,408,921	\$ 20,615	\$ 24,819	\$ 5,950
5800	State Program Revenues	-	-	-	-
5900	Federal Program Revenues	-	-	-	-
5020	Total Revenues	1,408,921	20,615	24,819	5,950
Expenditures					
Current:					
0011	Instruction	1,489	12,616	-	6,892
0012	Instructional Resources and Media Services	86,518	-	-	-
0013	Curriculum and Instructional Staff Development	-	-	-	-
0021	Instructional Leadership	-	-	-	-
0023	School Leadership	-	-	-	-
0031	Guidance, Counseling and Evaluation Services	-	-	24,819	-
0032	Social work services	-	-	-	-
0033	Health Services	-	8,171	-	-
0035	Food Services	-	-	-	-
0036	Cocurricular/Extracurricular Activities	1,128,439	-	-	-
0051	Facilities Maintenance and Operations	-	-	-	-
0052	Security and Monitoring Services	-	-	-	-
0061	Community Services	-	-	-	-
Capital Outlay:					
0081	Facilities Acquisition and Construction	-	-	-	-
6030	Total Expenditures	1,216,446	20,787	24,819	6,892
1100	Excess (deficiency) of revenues over expenditures	192,475	(172)	-	(942)
Other Financing Sources (Uses)					
7912	Sale of real or personal property	-	-	-	-
7915	Transfers in	9,570	-	-	-
Total Other Financing Sources (Uses)		9,570	-	-	-
1200	Net change in fund balances	202,045	(172)	-	(942)
0100	Fund Balance - September 1 (Beginning)	280,446	2,939	-	2,047
3000	Fund Balance - August 31 (Ending)	\$ 482,491	\$ 2,767	\$ -	\$ 1,105

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

Exhibit H-2

Page 6 of 6

Data Control Codes		Total Nonmajor Governmental Funds
Revenues		
5700	Local and Intermediate Sources	\$ 2,334,718
5800	State Program Revenues	3,587,981
5900	Federal Program Revenues	10,863,221
5020	Total Revenues	16,785,920
Expenditures		
Current:		
0011	Instruction	3,987,166
0012	Instructional Resources and Media Services	86,518
0013	Curriculum and Instructional Staff Development	1,949,592
0021	Instructional Leadership	87,356
0023	School Leadership	129,900
0031	Guidance, Counseling and Evaluation Services	1,231,585
0032	Social work services	74,554
0033	Health Services	37,327
0035	Food Services	5,993,437
0036	Cocurricular/Extracurricular Activities	1,128,439
0051	Facilities Maintenance and Operations	200,020
0052	Security and Monitoring Services	89,505
0061	Community Services	108,135
Capital Outlay:		
0081	Facilities Acquisition and Construction	1,408,413
6030	Total Expenditures	16,511,947
1100	Excess (deficiency) of revenues over expenditures	273,973
Other Financing Sources (Uses)		
7912	Sale of real or personal property	4,970
7915	Transfers in	9,570
	Total Other Financing Sources (Uses)	14,540
1200	Net change in fund balances	288,513
0100	Fund Balance - September 1 (Beginning)	3,521,778
3000	Fund Balance - August 31 (Ending)	\$ 3,810,291



REQUIRED TEA SCHEDULES

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

Exhibit J-1
Page 1 of 2

	1	2	3	10	20
	Tax Rates		Net Assessed/Appraised	Beginning	Current
Last Ten	Maintenance	Debt Service	Value For School	Balance	Year's
Fiscal Years			Tax Purposes	9/1/2023	Total Levy
2015 and prior	Various	Various	Various	\$ 608,122	\$ -
2016	1.040000	0.400000	\$2,243,617,577	103,778	-
2017	1.040000	0.400000	2,600,531,319	140,395	-
2018	1.040000	0.400000	3,027,820,555	188,276	-
2019	1.040000	0.400000	3,383,391,176	262,906	-
2020	0.970000	0.400000	3,474,115,125	382,588	-
2021	0.966400	0.400000	4,237,334,104	677,454	-
2022	0.880900	0.440000	4,775,923,537	1,099,328	-
2023	0.8546000	0.440000	6,106,875,678	2,460,507	-
2024	0.6692000	0.440000	6,606,681,753	-	76,014,160
1000 Totals				<u>\$ 5,923,354</u>	<u>\$ 76,014,160</u>

8000 Total Taxes Refunded

9000 Tax Increment

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

Exhibit J-1
Page 2 of 2

	31	32	40	50	99
<u>Last Ten Fiscal Years</u>	<u>Maintenance Total Collections</u>	<u>Debt Service Total Collections</u>	<u>Entire Year's Adjustments</u>	<u>Ending Balance 8/31/2024</u>	<u>Total Taxes Refunded Under Section 26.1115(c)</u>
2015 and prior	\$ 52,057	\$ 20,022	\$ (1,126)	\$ 534,917	
2016	9,618	3,699	(62)	90,399	
2017	15,391	5,920	(55)	119,029	
2018	23,332	8,974	(55)	155,915	
2019	34,625	13,317	80	215,044	
2020	97,550	40,227	25,286	270,097	
2021	387,778	160,504	423,110	552,282	
2022	715,769	357,519	818,095	844,135	
2023	1,305,721	672,264	768,411	1,250,933	
2024	<u>44,470,869</u>	<u>29,239,662</u>	<u>-</u>	<u>2,303,629</u>	
1000 Totals	<u><u>\$ 47,112,710</u></u>	<u><u>\$ 30,522,108</u></u>	<u><u>\$ 2,033,684</u></u>	<u><u>6,336,380</u></u>	
Total Taxes Receivable Per Exhibit C-1				<u><u>\$ 6,336,380</u></u>	
8000 Taxes Refunded					<u><u>\$ 176,133</u></u>
9000 Tax Increment	<u><u>\$ -</u></u>				

WALLER INDEPENDENT SCHOOL DISTRICT
Exhibit J-2
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
ORIGINAL BUDGET, AMENDED FINAL AND ACTUAL - CHILD NUTRITION
For the Year Ended August 31, 2024

Data Control Codes		Child Nutrition			
		Budgeted Amounts			Variance with Final Budget
		Original	Final	Actual	
	Revenues				
5700	Local revenues	\$ 766,000	\$ 766,000	\$ 874,085	\$ 108,085
5800	State program revenues	20,000	20,000	58,911	38,911
5900	Federal program revenues	4,731,000	4,731,000	5,270,197	539,197
	Total Revenues	<u>5,517,000</u>	<u>5,517,000</u>	<u>6,203,193</u>	<u>686,193</u>
	Expenditures				
0035	Food services	5,230,830	6,284,545	5,969,935	314,610
0051	Facilities maintenance and operations	286,170	286,170	200,020	86,150
6030	Total Expenditures	<u>5,517,000</u>	<u>6,570,715</u>	<u>6,169,955</u>	<u>400,760</u>
1100	Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(1,053,715)</u>	<u>33,238</u>	<u>1,086,953</u>
	Other Financing Sources (Uses)				
7912	Sale of real or personal property	-	-	4,970	4,970
	Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>4,970</u>	<u>4,970</u>
1200	Net change in fund balance	-	(1,053,715)	38,208	1,091,923
0100	Fund Balance - September 1 (Beginning)	<u>3,170,803</u>	<u>3,170,803</u>	<u>3,170,803</u>	<u>-</u>
3000	Fund Balance - August 31 (Ending)	<u>\$ 3,170,803</u>	<u>\$ 2,117,088</u>	<u>\$ 3,209,011</u>	<u>\$ 1,091,923</u>

WALLER INDEPENDENT SCHOOL DISTRICT
Exhibit J-3
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
ORIGINAL BUDGET, AMENDED FINAL AND ACTUAL - DEBT SERVICE FUND
For the Year Ended August 31, 2024

		Debt Service Fund			
		Budgeted Amounts			
Data Control Codes		Original	Final	Actual	Variance with Final Budget
	Revenues				
5700	Local revenues	\$ 32,813,518	\$ 31,786,843	\$ 31,858,867	\$ 72,024
5800	State program revenues	2,705,491	3,000,963	2,915,701	(85,262)
5020	Total Revenues	35,519,009	34,787,806	34,774,568	(13,238)
	Expenditures				
	Debt Service:				
0071	Principal on long-term debt	7,375,000	7,375,000	7,375,000	-
0072	Interest on long-term debt	28,987,638	28,987,638	28,987,637	1
0073	Bond issuance costs and fees	20,000	20,000	14,824	5,176
6030	Total Expenditures	36,382,638	36,382,638	36,377,461	5,177
1100	Excess (deficiency) of revenues over expenditures	(863,629)	(1,594,832)	(1,602,893)	(8,061)
	Other Financing Sources (Uses):				
8949	Property Tax Refunds	(100,000)	(100,000)	(45,476)	54,524
7080	Total Other Financing Sources (Uses)	(100,000)	(100,000)	(45,476)	54,524
1200	Net change in fund balance	(963,629)	(1,694,832)	(1,648,369)	46,463
0100	Fund Balance - September 1 (Beginning)	28,382,807	28,382,807	28,382,807	-
3000	Fund Balance - August 31 (Ending)	\$ 27,419,178	\$ 26,687,975	\$ 26,734,438	\$ 46,463

WALLER INDEPENDENT SCHOOL DISTRICT*Exhibit J-4***COMPENSATORY EDUCATION PROGRAM AND BILINGUAL EDUCATION PROGRAM COMPLIANCE RESPONSES****For the Year Ended August 31, 2024**

Data Codes	Section A: Compensatory Education Programs	Responses
AP1	Did your LEA expend any state compensatory education program state allotment funds during the district's fiscal year?	Yes
AP2	Does the LEA have written policies and procedures for its state compensatory education program?	Yes
AP3	List the total state allotment funds received for state compensatory education programs during the district's fiscal year.	\$ 9,238,899
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal year. (PICs 24, 26, 28, 29, 30)	\$ 5,736,370
Section B: Bilingual Education Programs		
AP5	Did your LEA expend any bilingual education program state allotment funds during the LEA's fiscal year?	Yes
AP6	Does the LEA have written policies and procedures for its bilingual education program?	Yes
AP7	List the total state allotment funds received for bilingual education programs during the LEA's fiscal year.	\$ 1,704,054
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PIC 25)	\$ 884,360

WALLER INDEPENDENT SCHOOL DISTRICT
REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS
For the Year Ended August 31, 2024

Schedule L-1

SF1	Was there an unmodified opinion in the Annual Financial Report on the financial statements as a whole?	Yes
SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement at fiscal year end?	No
SF3	Did the school district make timely payments to the Teacher Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies?	
	(If the school district was issued a warrant hold and the warrant hold was not cleared within 30 days from the date the warrant hold was issued, the school district is considered to not have made timely payments.) Payments to the TRS and TWC are considered timely if a warrant hold that was issued in connection to the untimely payment was cleared within 30 days from the date the warrant hold was issued.	
	Payments to the IRS are considered timely if a penalty or delinquent payment notice was cleared within 30 days from the date the notice was issued.	Yes
SF4	Was the school district issued a warrant hold? Even if the issue surrounding the initial warrant hold was resolved and cleared within 30 days, the school district is considered to have been issued a warrant hold.	No
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds?	No
SF6	Was there any disclosure in the Annual Financial Report of material noncompliance for grants, contracts, and laws related to local, state, or federal funds?	No
SF7	Did the school district post the required financial information on its website in accordance with Government Code, Local Government Code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules that were in effect at the school district's fiscal year end?	Yes
SF8	Did the school board members discuss the school district's property values at a board meeting within 120 days before the school district adopted its budget?	Yes
SF9	Total accumulated accretion on CABs included in government-wide financial statements at fiscal year-end.	\$ -0-

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



FEDERAL AWARDS SECTION



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

To the Board of Trustees
Waller Independent School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Waller 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 District’s basic financial statements, and have issued our report thereon dated January 16, 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District’s internal control. Accordingly, we do not express an opinion on the effectiveness of the District’s internal control.

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

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

To the Board of Trustees
Waller Independent School District

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

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

Houston, Texas
January 16, 2025

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

To the Board of Trustees
Waller Independent School District

Report on Compliance for Each Major Federal Program

Opinion on Each Major Program

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

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

To the Board of Trustees
Waller Independent School District

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

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

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

Houston, Texas
January 16, 2025

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

I. Summary of Auditors' Results

Financial Statements

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

Federal Awards

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

Identification of major programs:

<u>Name of Federal Program or Cluster</u>	<u>Assistance Listing Number (ALN)</u>
---	--

U.S. Department of Education

<i>COVID-19 - TCLAS-ESSER III</i>	84.425U
<i>COVID-19 - ARP HOMELESS II</i>	84.425W
<i>COVID-19 - ARP ESSER III</i>	84.425U

<i>ESEA, Title I, Part A - Improving Basic Programs</i>	84.010A
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Dollar Threshold Considered Between Type A and Type B Federal Programs	\$750,000
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Auditee qualified as low risk auditee?	Yes
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WALLER INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
For the Year Ended August 31, 2024

II. Financial Statement Findings

None Reported

III. Federal Awards Findings and Questioned Costs

None Reported

WALLER 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	District Fund Number	(2) Assistance Listing Number	(2A) Pass-Through Entity Identifying Number	(3) Federal Expenditures
U. S. Department of Education				
Passed Through Texas Education Agency:				
ESEA, Title I, Part A - Improving Basic Programs	211	84.010A	24610101237904	\$ 1,601,943
ESEA, Title I, Part A - Improving Basic Programs	211	84.010A	25610101237904	134,401
Total ALN 84.010				<u>1,736,344</u>
IDEA - Part B, Formula	224	84.027A	246600012379046600	1,580,209
IDEA - Part B, Preschool	225	84.173A	246610012379046610	13,420
Passed Through Region 10 Education Service Center:				
SPED Capacity Contracted Services Grant	289	84.027A	236600497110001	17,005
Total Special Education Cluster (ALN 84.027, 84.173)				<u>1,610,634</u>
Passed Through Texas Education Agency:				
Career and Technical - Basic Grant	244	84.048A	24420006237904	115,739
Career and Technical - Basic Grant	244	84.048A	25420006237904	60,910
Passed Through Region 4 Education Service Center:				
Effective Advising Framework (EAF) Planning Grant	244	84.048A	23420033	20,000
Total ALN 84.048				<u>196,649</u>
Passed Through Texas Education Agency:				
ESEA, Title II, Part A - Supporting Effective Instruction	255	84.367A	24694501237904	310,426
ESEA, Title II, Part A - Supporting Effective Instruction	255	84.367A	25694501237904	24,818
Total ALN 84.367				<u>335,244</u>
Title III, Part A - English Language Acquisition	263	84.365A	24671001237904	230,541
Title III, Part A - English Language Acquisition	263	84.365A	25671001237904	18,721
Total ALN 84.365				<u>249,262</u>
COVID-19 - TCLAS-ESSER III	279	84.425U	21528042237904	10,570
COVID-19 - ARP HOMELESS II	280	84.425W	21533002237904	11,389
COVID-19 - ARP ESSER III	282	84.425U	21528001237904	1,285,798
Total ALN 84.425				<u>1,307,757</u>
Title IV, Part A	289	84.424A	24680101237904	113,697
Title IV, Part A	289	84.424A	25680101237904	5,488
Total ALN 84.424				<u>119,185</u>
LEP Summer School	289	84.369A	69552302	5,878
Total U. S. Department of Education				<u>5,560,953</u>
U. S. Department of Agriculture				
Passed Through Texas Education Agency:				
School Breakfast Program	240	10.553	71402401	1,192,800
National School Lunch Program	240	10.555	71302401	3,394,586
Passed Through Texas Department of Agriculture:				
USDA Commodities (non-cash assistance)	240	10.555	NT4XL1YGLGC5	366,100
Supply Chain Assistance Grant	240	10.555	NT4XL1YGLGC5	262,178
Summer Food Service Program	242	10.559	NT4XL1YGLGC5	39,842
Total Child Nutrition Cluster (ALN 10.553, 10.555, 10.559)				<u>5,255,506</u>
Child and Adult Care Food Program (CACFP)	240	10.558	NT4XL1YGLGC5	130,701
Total U. S. Department of Agriculture				<u>5,386,207</u>
Total Expenditures of Federal Awards				<u>\$ 10,947,160</u>

Note 1 - Summary of Significant Accounting Policies

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

Expenditures reported on the Schedule of Expenditures of Federal Awards are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The District has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Federal grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant, and, accordingly, when such funds are received, they are recorded as unearned revenues until earned. Generally, unused balances are returned to the grantor at the close of specified project periods.

All federal grants are subject to review by the grantor agencies. Any expenditures identified by the grantor agencies as disallowed could require reimbursement to the grantor agency from the District's general fund.

Note 2 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the District under programs of the federal government for the year ended August 31, 2024. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Uniform Guidance. Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position or cash flows of the District.

Note 3 - Reconciliation of Basic Financial Statements

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

Total Shown on Schedule of Expenditures of Federal Awards	\$ 10,947,160
Federal revenue accounted for in the governmental funds:	
School Health and Related Services (SHARS)	264,155
Junior Reserve Officers' Training Corps (JROTC)	93,001
E-Rate	88,752
Total Federal Revenue - Exhibit C-2	<u>\$ 11,393,068</u>

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

Exhibit K-2

Note 4 - General Fund Federal Program Revenues

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

Program or Source	ALN	Amount
School Health and Related Services (SHARS)	N/A	\$ 264,155
Junior Reserve Officers' Training Corps (JROTC)	N/A	93,001
Indirect Costs:		
School Breakfast Program	10.553	19,532
National School Lunch Program	10.555	56,636
ESEA, Title I, Part A - Improving Basic Programs	84.010A	5,695
ESEA, Title II, Part A - Supporting Effective Instruction	84.367A	1,051
Title III, Part A - English Language Acquisition	84.365A	793
Title IV, Part A	84.424A	232
Total Indirect Costs		<u>83,939</u>
Total General Fund Program Revenues		<u><u>\$ 441,095</u></u>

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

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

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

I. Prior Audit Findings

None Noted

WALLER INDEPENDENT SCHOOL DISTRICT

CORRECTIVE ACTION PLAN

For the Year Ended August 31, 2024

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

I. Corrective Action Plan

Not Applicable