CASTLEBERRY INDEPENDENT SCHOOL DISTRICT

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2024

HankinsEastup

Deaton Tonn Seay & Scarborough | A Texas LLC

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

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CERTIFICATE OF BOARD

Castleberry Independent School District	Tarrant	220-917
Name of School District	County	Co. - Dist. Number

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

Signature of Board Secretary	Signature of Board President

HankinsEastup

Deaton Tonn Seay & Scarborough | A Texas LLC

Independent Auditor's Report

Castleberry Independent School District
Fort Worth, Texas

Opinion

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

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 Financials section of our report. We are required to be independent of Castleberry Independent School District and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 Castleberry Independent School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 11 and the Teacher Retirement System schedules on page 54 through 62 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 Castleberry Independent School District's basic financial statements. The combining and individual nonmajor fund financial statements, the required TEA schedules listed in the table of contents, and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, the required TEA schedules, and the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated October 31, 2024, on our consideration of Castleberry Independent School District's internal control over financial reporting and on our tests of the 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 Castleberry Independent School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Castleberry Independent School District's internal control over financial reporting and compliance.

HankinsEastup

Hankins, Eastup, Deaton, Tonn, Seay & Scarborough, LLC
Denton, Texas
October 31, 2024

CASTLEBERRY INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024
(UNAUDITED)

As management of Castleberry Independent School District, we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the year ended June 30, 2024. Please read this narrative in conjunction with the independent auditors' report on page 3, and the District's Basic Financial Statements that begin on page 14.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $55,045,359 (*net position*).

- The District's total net position decreased by $4,062,562 during the current fiscal year from the result of current year operations.

- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of $8,900,991. Approximately 32.8% of this total amount, $2,926,482, is unassigned and available for use within the District's fund balance policies.

- At the end of the current fiscal period, the general fund balance was $6,118,807 or 12.4% of the total general fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. The government-wide financial statements include the Statement of Net Position and the Statement of Activities (on pages 14 and 15). These provide information about the activities of the District as a whole and present a longer-term view of the District's property and debt obligations and other financial matters. They reflect the flow of total economic resources in a manner similar to the financial reports of a business enterprise.

Fund financial statements (starting on page 16) report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds. For governmental activities, these statements tell how services were financed in the short term as well as what resources remain for future spending. They reflect the flow of current financial resources and supply the basis for tax levies and the appropriations budget. For proprietary activities, fund financial statements tell how goods or services of the District were sold to departments within the District or to external customers and how the sales revenues covered the expenses of the goods or services. The remaining statements, fiduciary statements, provide financial information about activities for which the District acts solely as a trustee or agent for the benefit of those outside of the District.

The notes to the financial statements (starting on page 31) provide narrative explanations or additional data needed for full disclosure in the government-wide statements or the fund financial statements.

The combining statements for nonmajor funds contain even more information about the District's individual funds. The sections labeled TEA Required Schedules and Federal Awards Section contain data used by monitoring or regulatory agencies for assurance that the District is using funds supplied in compliance with the terms of grants.

Reporting the District as a Whole

The Statement of Net Position and the Statement of Activities

The presentation of the District's overall financial condition and operations begins on page 14. Its primary purpose is to show whether the District is better off or worse off as a result of the year's activities. The Statement of Net Position includes all the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources at the end of the year while the Statement of Activities includes all revenues and expenses generated by the District's operations during the year. These apply the accrual basis of accounting (the basis used by private sector companies).

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

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

In the Statement of Net Position and the Statement of Activities, we divide the District into two kinds of activities:

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

- Business-type activities–The District does not have any programs in which it charges a fee to "customers" to help it cover all or most of the cost of services it provides. Thus, the District had no business-type activities during the current fiscal year.

Reporting the District's Most Significant Funds

Fund Financial Statements

The fund financial statements begin on page 16 and provide detailed information about the most significant funds–not the District as a whole. Laws and contracts require the District to establish some funds, such as grants received from the U.S. Department of Education. The District's administration establishes other funds to help it control and manage money for particular purposes (like campus activities). The District's two kinds of funds – governmental and proprietary – use different accounting approaches.

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

· Proprietary funds–The District reports the activities for which it charges users (whether outside customers or other units of the District) in proprietary funds using the same accounting methods employed in the Statement of Net Position and the Statement of Activities. The internal service fund reports the District's self-insurance workers compensation program that provides services for the District's other programs and activities.

The District as Trustee

Reporting the District's Fiduciary Responsibilities

The District is the trustee, or custodian, for money raised by student activities. The District's custodial activity is reported in a separate Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position on pages 28 and 29. We exclude these resources from the District's other financial statements because the District cannot use these assets to finance its operations. The District is only responsible for ensuring that the assets reported in this fund are used for their intended purposes.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The analysis below presents both current and prior year data and discusses significant changes in the accounts. Our analysis focuses on the net position (Table I) and changes in net position (Table II) of the District's governmental activities.

Net position of the District's governmental activities decreased from $59,107,921 to $55,045,359. Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – was ($23,232,260) at June 30, 2024.

Table I
NET POSITION

	Governmental Activities 2024	Governmental Activities 2023
Current and other assets	$ 15,033,711	$ 22,047,240
Capital assets, net	99,407,438	100,382,496
Total assets	114,441,149	122,429,736
Deferred outflows of resources	16,806,056	11,793,052
Total assets and deferred outflows of resources	131,247,205	134,222,788
Long-term liabilities	53,424,124	54,487,217
Other liabilities	5,511,597	5,469,184
Total liabilities	58,935,721	59,956,401
Deferred inflows of resources	17,266,125	15,158,466
Total liabilities and deferred inflows of resources	76,201,846	75,114,867
Net Position:		
Net investments in capital assets	72,935,448	69,248,570
Restricted	5,342,171	4,642,383
Unrestricted	(23,232,260)	(14,783,032)
Total Net Position	$ 55,045,359	$ 59,107,921

Table II
CHANGES IN NET POSITION

	Governmental Activities 2024	Governmental Activities 2023
Revenues:		
Program Revenues:		
Charges for services	$ 598,037	$ 1,875,116
Operating grants and contributions	12,161,214	13,952,413
General Revenues:		
Maintenance and operations taxes	9,312,887	11,066,363
Debt service taxes	5,558,452	5,880,999
State aid	31,221,269	28,320,737
Investment earnings	483,804	432,367
Miscellaneous	782,773	134,738
Total Revenue	60,118,436	61,662,733
Expenses:		
Instruction, curriculum and media services	37,030,552	34,100,622
Instructional and school leadership	5,290,691	4,840,095
Student support services	3,755,198	2,976,381
Food services	3,634,882	2,888,959
Extracurricular activities	1,934,937	1,879,202
General administration	2,509,265	2,699,449
Plant maintenance, security and data processing	8,675,456	7,846,481
Community services	17,219	11,202
Debt services	942,082	1,127,711
Capital outlay	268,969	-
Other intergovernmental charges	121,747	100,352
Total Expenses	64,180,998	58,470,454
Increase (decrease) in net position	(4,062,562)	3,192,279
Net position at beginning of year	59,107,921	55,915,642
Net position at end of year	$ 55,045,359	$ 59,107,921

At the end of the current fiscal year, the District reports positive balances in net investment in capital assets and restricted net position. Unrestricted net position is negative. The District's net position decreased by $4,062,562 during the current fiscal year.

The District showed a decrease in revenue of 2.5%. Local tax revenues decreased because of a 12.25% due to a compressed tax rate. State Foundation revenue increased 10.24% to compensate for the additional compressed tax rate. Other items that affected the District's 2023-2024 activities were:

- Weighted average daily attendance increased by 2.66%.
- The District's General Fund expenditures increased by 2.5%.
- The District spent $3,004,686 in a Capital Projects Fund in advance of a bond issue that occurred after the District's fiscal 2024 year-end.

The cost of all governmental activities for the current fiscal year was $64,180,998. However, as shown in the Statement of Activities on page 15, the amount that taxpayers ultimately financed for these activities through District taxes was only $14,871,339 because some of the costs were paid by those who directly benefited from the programs ($598,037) or by other governments and organizations that subsidized certain programs with grants and contributions ($12,161,214) or by State equalization funding ($31,221,269).

THE DISTRICT'S FUNDS

As the District completed the year, its governmental funds (as presented in the balance sheet on page 16) reported a combined fund balance of $8,900,991, which is $7,117,068 less than last year's total of $16,018,059. Included in this year's total change in fund balance is a decrease of $4,784,388 in the District's General Fund and an increase of $615,760 in the District's Debt Service Fund.

Over the course of the year, the Board of Trustees revised the District's budgets. The District's General Fund balance of $6,118,807 reported on page 18 differs from the General Fund's budgetary fund balance of $5,447,735 reported in the budgetary comparison schedule on page 24. This is principally due to cost savings achieved during the year based on the final amended budget offset by revenues lower than budgeted.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2024, the District had $99,407,438 invested in a broad range of capital assets, including facilities and equipment for instruction, transportation, athletics, administration, and maintenance. This amount represents a net decrease of $975,058, or 0.97%, less than last year.

More detailed information about the District's capital assets is presented in Note 4 to the basic financial statements.

Debt Administration

At year-end, the District had $53,424,124 in long-term liabilities outstanding compared to $54,487,217 last year–a decrease of $1,063,093. The District's general obligation bond rating is AAA (as a result of guarantees of the Texas Permanent School Fund) according to national rating agencies.

More detailed information about the District's long-term liabilities is presented in Note 5 to the basic financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- Total General Fund revenues are expected to be $45,987,917, an increase of $1,328,890 as compared to fiscal 2024 General Revenues.

- The District's General Fund expenditures are budgeted at $45,987,917, a decrease of $2,788,990 as compared to fiscal 2024 General Fund expenditures.

- The maintenance and operations tax rate decreased from $0.7492 per $100 valuation to $0.7469 per $100 valuation due to rate compression required by the State funding formula. The debt service tax rate increase from $0.45 per $100 valuation to $0.50 per $100 valuation.

- The 2023-2024 General Fund budget is balanced with both revenues and expenditures of $45,987,917.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's business office at Castleberry Independent School District, 5228 Ohio Garden, Fort Worth, Texas 76114.

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BASIC FINANCIAL STATEMENTS

EXHIBIT A-1

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

Data Control Codes		Primary Government Governmental Activities
ASSETS		
1110	Cash and Cash Equivalents	$ 6,126,913
1120	Current Investments	1,905,503
1220	Property Taxes - Delinquent	1,138,385
1230	Allowance for Uncollectible Taxes	(470,757)
1240	Due from Other Governments	6,134,097
1250	Accrued Interest	11,934
1300	Inventories	187,639
	Capital Assets:	
1510	Land	8,105,216
1520	Buildings, Net	85,702,149
1530	Furniture and Equipment, Net	1,959,743
1580	Construction in Progress	3,640,330
1000	Total Assets	114,441,152
DEFERRED OUTFLOWS OF RESOURCES		
1705	Deferred Outflow Related to TRS Pension	10,813,389
1706	Deferred Outflow Related to TRS OPEB	5,992,667
1700	Total Deferred Outflows of Resources	16,806,056
LIABILITIES		
2110	Accounts Payable	870,091
2140	Interest Payable	369,529
2150	Payroll Deductions and Withholdings	279,903
2160	Accrued Wages Payable	3,866,914
2180	Due to Other Governments	50,724
2300	Unearned Revenue	74,436
	Noncurrent Liabilities:	
2501	Due Within One Year: Loans, Note, Leases, etc.	1,765,000
	Due in More than One Year:	
2502	Bonds, Notes, Loans, Leases, etc.	24,333,495
2540	Net Pension Liability (District's Share)	18,989,543
2545	Net OPEB Liability (District's Share)	8,336,086
2000	Total Liabilities	58,935,721
DEFERRED INFLOWS OF RESOURCES		
2602	Deferred Gain on Bond Refundings	373,495
2605	Deferred Inflow Related to TRS Pension	4,043,215
2606	Deferred Inflow Related to TRS OPEB	12,849,415
2600	Total Deferred Inflows of Resources	17,266,125
NET POSITION		
3200	Net Investment in Capital Assets and Right-to-Use Lease Assets	72,935,448
	Restricted:	
3820	Restricted for Federal and State Programs	1,292,948
3850	Restricted for Debt Service	4,049,223
3900	Unrestricted	(23,232,260)
3000	Total Net Position	$ 55,045,359

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

EXHIBIT B-1

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

Data Control Codes		1	Program Revenues 3	4	Net (Expense) Revenue and Changes in Net Position 6
		Expenses	Charges for Services	Operating Grants and Contributions	Primary Gov. Governmental Activities
Primary Government:					
	GOVERNMENTAL ACTIVITIES:				
11	Instruction	$ 33,631,646	$ 293,634	$ 4,128,048	$ (29,209,964)
12	Instructional Resources and Media Services	682,503	-	17,716	(664,787)
13	Curriculum and Instructional Staff Development	2,716,403	-	1,031,886	(1,684,517)
21	Instructional Leadership	2,674,046	-	604,588	(2,069,458)
23	School Leadership	2,616,645	-	97,858	(2,518,787)
31	Guidance, Counseling, and Evaluation Services	1,895,283	-	625,968	(1,269,315)
32	Social Work Services	276,873	-	-	(276,873)
33	Health Services	490,672	-	35,141	(455,531)
34	Student (Pupil) Transportation	1,092,370	-	56,246	(1,036,124)
35	Food Services	3,634,882	185,187	3,606,419	156,724
36	Extracurricular Activities	1,934,937	62,329	468,553	(1,404,055)
41	General Administration	2,509,265	-	70,022	(2,439,243)
51	Facilities Maintenance and Operations	4,807,286	56,887	145,359	(4,605,040)
52	Security and Monitoring Services	1,736,072	-	656,214	(1,079,858)
53	Data Processing Services	2,132,098	-	58,109	(2,073,989)
61	Community Services	17,219	-	8,679	(8,540)
72	Debt Service - Interest on Long-Term Debt	810,899	-	550,408	(260,491)
73	Debt Service - Bond Issuance Cost and Fees	131,183	-	-	(131,183)
81	Capital Outlay	268,969	-	-	(268,969)
99	Other Intergovernmental Charges	121,747	-	-	(121,747)
[TP]	TOTAL PRIMARY GOVERNMENT:	$ 64,180,998	$ 598,037	$ 12,161,214	(51,421,747)

Data Control Codes		
	General Revenues:	
	Taxes:	
MT	Property Taxes, Levied for General Purposes	9,312,887
DT	Property Taxes, Levied for Debt Service	5,558,452
SF	State Aid - Formula Grants	31,221,269
IE	Investment Earnings	483,804
MI	Miscellaneous Local and Intermediate Revenue	782,773
TR	Total General Revenues	47,359,185
CN	Change in Net Position	(4,062,562)
NB	Net Position - Beginning	59,107,921
NE	Net Position - Ending	$ 55,045,359

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

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

Data Control Codes		10 General Fund	COVID 19-ESSER III School Emerg.	50 Debt Service Fund
	ASSETS			
1110	Cash and Cash Equivalents	$ 3,093,032	$ -	$ 4,160,485
1120	Investments - Current	1,904,988	-	515
1220	Property Taxes - Delinquent	807,246	-	331,139
1230	Allowance for Uncollectible Taxes	(380,670)	-	(90,087)
1240	Due from Other Governments	4,412,044	1,118,004	20,067
1250	Accrued Interest	11,934	-	-
1260	Due from Other Funds	4,155,417	-	-
1300	Inventories	187,639	-	-
1000	Total Assets	$ 14,191,630	$ 1,118,004	$ 4,422,119
	LIABILITIES			
2110	Accounts Payable	$ 285,067	$ 2,762	$ -
2130	Other Liabilities - Current	3,603,543	-	-
2150	Payroll Deductions and Withholdings Payable	252,347	5,298	-
2160	Accrued Wages Payable	3,505,290	58,375	-
2170	Due to Other Funds	-	1,051,569	12,843
2180	Due to Other Governments	-	-	-
2300	Unearned Revenue	-	-	-
2000	Total Liabilities	7,646,247	1,118,004	12,843
	DEFERRED INFLOWS OF RESOURCES			
2601	Unavailable Revenue - Property Taxes	426,576	-	241,052
2600	Total Deferred Inflows of Resources	426,576	-	241,052
	FUND BALANCES			
	Nonspendable Fund Balance:			
3410	Inventories	187,639	-	-
	Restricted Fund Balance:			
3450	Federal or State Funds Grant Restriction	-	-	-
3480	Retirement of Long-Term Debt	-	-	4,168,224
	Committed Fund Balance:			
3545	Other Committed Fund Balance	-	-	-
3600	Unassigned Fund Balance	5,931,168	-	-
3000	Total Fund Balances	6,118,807	-	4,168,224
4000	Total Liabilities, Deferred Inflows & Fund Balances	$ 14,191,630	$ 1,118,004	$ 4,422,119

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

60 Capital Projects	Other Funds	Total Governmental Funds
$ -	$ 2,011,954	$ 9,265,471
-	-	1,905,503
-	-	1,138,385
-	-	(470,757)
-	583,979	6,134,094
-	-	11,934
-	-	4,155,417
-	-	187,639
$ -	$ 2,595,933	$ 22,327,686
$ 136,202	$ 304,099	$ 728,130
-	-	3,603,543
-	22,258	279,903
-	303,249	3,866,914
2,868,484	222,521	4,155,417
-	50,724	50,724
-	74,436	74,436
3,004,686	977,287	12,759,067
-	-	667,628
-	-	667,628
-	-	187,639
-	1,292,948	1,292,948
-	-	4,168,224
-	325,698	325,698
(3,004,686)	-	2,926,482
(3,004,686)	1,618,646	8,900,991
$ -	$ 2,595,933	$ 22,327,686

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

EXHIBIT C-2

	Total Fund Balances - Governmental Funds	$	8,900,991
1	The District uses internal service funds to charge the costs of certain activities, such as self-insurance and printing, to appropriate functions in other funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. The net effect of this consolidation is to increase net position.		323,024
2	Capital assets used in governmental activities are not financial resources and, therefore, are not reported in fund financial statements.		177,142,455
3	Accumulated depreciation is not reported in the fund financial statements.		(77,735,017)
4	Bonds payable are not reported in the fund financial statements.		(23,795,000)
5	Property tax revenue reported as unavailable revenue in the fund financial statements is recognized as revenue in the government-wide financial statements.		667,628
6	Interest on outstanding debt is accrued in the government-wide financial statements, whereas in the fund financial statements interest expenditures are reported when due.		(369,529)
7	Bond premiums are not recognized in the fund financial statements.		(2,303,495)
8	Deferred gain on bond refundings is not recognized in the fund financial statements.		(373,495)
9	Included in the items related to government-wide long-term debt is the recognition of the District's proportionate share of the net pension liability required by GASB 68 in the amount of $18,989,543, Deferred Inflows of Resources related to TRS in the amount of $4,043,215, and Deferred Outflows of Resources related to TRS in the amount of $10,813,389. This results in a net decrease in Net Position in the amount of $12,219,369.		(12,219,369)
10	Included in the items related to government-wide long-term debt is the recognition of the District's proportionate share of the net Other Post-Employment Benefit (OPEB) liability required by GASB 75 in the amount of $8,336,086, a Deferred Resource Inflow related to TRS OPEB in the amount of $12,849,415, and a Deferred Resource Outflow related to TRS OPEB in the amount of $5,992,667. This amounted to a net decrease in Net Position in the amount of $15,192,834.		(15,192,834)
29	**Net Position of Governmental Activities**	$	55,045,359

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

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

Data Control Codes		10 General Fund	COVID 19-ESSER III School Emerg.	50 Debt Service Fund
	REVENUES:			
5700	Total Local and Intermediate Sources	$ 10,538,372	$ -	$ 5,725,635
5800	State Program Revenues	33,827,021	-	550,408
5900	Federal Program Revenues	293,634	890,012	-
5020	Total Revenues	44,659,027	890,012	6,276,043
	EXPENDITURES:			
	Current:			
0011	Instruction	27,756,099	373,121	-
0012	Instructional Resources and Media Services	628,337	-	-
0013	Curriculum and Instructional Staff Development	1,547,345	107,168	-
0021	Instructional Leadership	1,932,767	159,983	-
0023	School Leadership	2,364,938	21,561	-
0031	Guidance, Counseling, and Evaluation Services	1,158,909	8,142	-
0032	Social Work Services	278,584	-	-
0033	Health Services	422,331	13,105	-
0034	Student (Pupil) Transportation	1,111,713	4,357	-
0035	Food Services	-	-	-
0036	Extracurricular Activities	1,417,867	-	-
0041	General Administration	2,190,088	8,044	-
0051	Facilities Maintenance and Operations	4,453,044	11,991	-
0052	Security and Monitoring Services	1,113,185	182,190	-
0053	Data Processing Services	1,995,943	-	-
0061	Community Services	8,540	350	-
	Debt Service:			
0071	Principal on Long-Term Liabilities	-	-	1,640,000
0072	Interest on Long-Term Liabilities	-	-	1,139,100
0073	Bond Issuance Cost and Fees	-	-	2,881,183
	Capital Outlay:			
0081	Facilities Acquisition and Construction	941,978	-	-
	Intergovernmental:			
0099	Other Intergovernmental Charges	121,747	-	-
6030	Total Expenditures	49,443,415	890,012	5,660,283
1200	Net Change in Fund Balances	(4,784,388)	-	615,760
0100	Fund Balance - July 1 (Beginning)	10,903,195	-	3,552,464
3000	Fund Balance - June 30 (Ending)	$ 6,118,807	$ -	$ 4,168,224

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

60 Capital Projects	Other Funds	Total Governmental Funds
$ -	$ 777,448	$ 17,041,455
-	919,934	35,297,363
-	7,900,894	9,084,540
-	9,598,276	61,423,358
-	2,880,374	31,009,594
-	-	628,337
-	853,989	2,508,502
-	373,895	2,466,645
-	8,761	2,395,260
-	567,769	1,734,820
-	-	278,584
-	4,995	440,431
-	19,861	1,135,931
-	3,831,654	3,831,654
-	465,256	1,883,123
-	-	2,198,132
-	99,862	4,564,897
-	425,503	1,720,878
-	1,782	1,997,725
-	8,329	17,219
-	-	1,640,000
-	-	1,139,100
-	-	2,881,183
3,004,686	-	3,946,664
-	-	121,747
3,004,686	9,542,030	68,540,426
(3,004,686)	56,246	(7,117,068)
-	1,562,400	16,018,059
$ (3,004,686)	$ 1,618,646	$ 8,900,991

CASTLEBERRY INDEPENDENT SCHOOL DISTRICT EXHIBIT C-4
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

Total Net Change in Fund Balances - Governmental Funds	$	(7,117,068)
The District uses internal service funds to charge the costs of certain activities, such as self-insurance and printing, to appropriate functions in other funds. The net income (loss) of internal service funds are reported with governmental activities. The net effect of this consolidation is to increase net position.		88,870
Current year capital asset additions are expenditures in the fund financial statements, but they are shown as increases in capital assets in the government-wide financial statements. The net effect of reclassifying the current year capital asset additions is to increase net position.		4,227,694
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net position in the government-wide financial statements.		(5,202,752)
Current year long-term debt principal payments on bonds payable are expenditures in the fund financial statements, but are shown as reductions in long-term debt in the government-wide financial statements.		4,390,000
Current year amortization of the premium on bonds payable is not recorded in the fund financial statements, but is shown as a decrease in long-term debt in the government-wide financial statements.		229,995
Revenues from property taxes are shown as unavailable in the fund financial statements until they are considered available to finance current expenditures, but such revenues are recognized when assessed, net of an allowance for uncollectable amounts, in the government-wide financial statements.		(83,909)
Interest on outstanding debt is accrued in the government-wide financial statements, whereas in the fund financial statements interest expenditures are reported when due.		56,165
Current year amortization of the deferred gain on bond refundings is not recognized in the fund financial staements, but is shown as a reduction of the deferred gain in the government-wide financial statements.		42,041
The implementation of GASB 68 required that certain expenditures be de-expended and recorded as deferred resource outflows. TRS contributions made after the measurement date of 8/31/23 caused the change in the ending net position to increase by $1,035,701. Contributions made before the measurement date but during the fiscal year were also de-expended and recorded as a reduction in the net pension liability for the District. This also cause an increase in the change in net position in the amount of $254,516. These contributions were replaced with the District's pension expense for the year of $3,547,272, which caused a decrease in the change in net position. The net effect of these is to decrease the change in net position by $2,257,055.		(2,257,055)

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

The implementation of GASB 75 required that certain expenditures be de-expended and recorded as deferred resource outflows. TRS OPEB contributions made after the measurement date of 8/31/23 but during the current fiscal year caused the ending net position to increase in the amount of $368,480. Contributions made before the measurement date but during the fiscal year were also de-expended and recorded as a reduction in the net OPEB liability for the District. This also cause an increase in the change in net position in the amount of $59,326. These contributions were replaced with the District's negative OPEB expense for the year of $1,135,651, which caused an increase in the change in net position. The net effect of these is to increase the change in net position by $1,563,457.	1,563,457
Change in Net Position of Governmental Activities	$ (4,062,562)

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

EXHIBIT C-5

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

Data Control Codes		Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	REVENUES:				
5700	Total Local and Intermediate Sources	$ 14,999,459	$ 11,499,459	$ 10,538,372	$ (961,087)
5800	State Program Revenues	28,257,864	31,874,864	33,827,021	1,952,157
5900	Federal Program Revenues	1,720,000	1,720,000	293,634	(1,426,366)
5020	Total Revenues	44,977,323	45,094,323	44,659,027	(435,296)
	EXPENDITURES:				
	Current:				
0011	Instruction	23,399,346	27,655,525	27,756,099	(100,574)
0012	Instructional Resources and Media Services	748,458	780,195	628,337	151,858
0013	Curriculum and Instructional Staff Development	1,732,828	1,746,763	1,547,345	199,418
0021	Instructional Leadership	1,898,543	2,066,009	1,932,767	133,242
0023	School Leadership	2,225,341	2,383,576	2,364,938	18,638
0031	Guidance, Counseling, and Evaluation Services	985,549	1,216,855	1,158,909	57,946
0032	Social Work Services	285,331	301,997	278,584	23,413
0033	Health Services	427,299	447,723	422,331	25,392
0034	Student (Pupil) Transportation	1,088,206	1,189,666	1,111,713	77,953
0036	Extracurricular Activities	1,323,731	1,446,581	1,417,867	28,714
0041	General Administration	1,975,837	2,338,195	2,190,088	148,107
0051	Facilities Maintenance and Operations	4,753,947	4,718,742	4,453,044	265,698
0052	Security and Monitoring Services	1,090,230	1,184,029	1,113,185	70,844
0053	Data Processing Services	1,893,017	2,127,627	1,995,943	131,684
0061	Community Services	10,000	10,000	8,540	1,460
	Capital Outlay:				
0081	Facilities Acquisition and Construction	994,000	794,000	941,978	(147,978)
	Intergovernmental:				
0095	Payments to Juvenile Justice Alternative Ed. Prg.	23,000	9,000	-	9,000
0099	Other Intergovernmental Charges	112,000	133,300	121,747	11,553
6030	Total Expenditures	44,966,663	50,549,783	49,443,415	1,106,368
1200	Net Change in Fund Balances	10,660	(5,455,460)	(4,784,388)	671,072
0100	Fund Balance - July 1 (Beginning)	10,903,195	10,903,195	10,903,195	-
3000	Fund Balance - June 30 (Ending)	$ 10,913,855	$ 5,447,735	$ 6,118,807	$ 671,072

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

EXHIBIT D-1

CASTLEBERRY INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2024

	Governmental Activities - Internal Service Fund
ASSETS	
Current Assets:	
Cash and Cash Equivalents	$ 464,985
Total Assets	464,985
LIABILITIES	
Current Liabilities:	
Accounts Payable	141,961
Total Liabilities	141,961
NET POSITION	
Unrestricted Net Position	323,024
Total Net Position	$ 323,024

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

EXHIBIT D-2

CASTLEBERRY INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Governmental Activities - Internal Service Fund
OPERATING REVENUES:	
Local and Intermediate Sources	$ 252,826
Total Operating Revenues	252,826
OPERATING EXPENSES:	
Payroll Costs	163,953
Total Operating Expenses	163,953
Operating Income	88,873
Total Net Position - July 1 (Beginning)	234,151
Total Net Position - June 30 (Ending)	$ 323,024

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

CASTLEBERRY INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

EXHIBIT D-3

	Governmental Activities - Internal Service Fund
Cash Flows from Operating Activities:	
Cash Received from District	$ 252,826
Cash Payments for Insurance Claims	(83,930)
Net Cash Provided by Operating Activities	168,896
Net Increase in Cash and Cash Equivalents	168,896
Cash and Cash Equivalents at Beginning of Year	296,089
Cash and Cash Equivalents at End of Year	$ 464,985
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating Income:	$ 88,873
Effect of Increases and Decreases in Current Assets and Liabilities:	
Increase (decrease) in Accounts Payable	80,023
Net Cash Provided by Operating Activities	$ 168,896

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

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

	Total Custodial Funds
ASSETS	
Cash and Cash Equivalents	$ 44,749
Total Assets	44,749
LIABILITIES	
Payroll Deductions and Withholdings Payable	24,910
Accrued Wages Payable	364
Total Liabilities	25,274
NET POSITION	
Unrestricted Net Position	19,475
Total Net Position	$ 19,475

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

EXHIBIT E-2

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

	Total Custodial Funds
ADDITIONS:	
Enterprising Services Revenue	$ 24,348
Total Additions	24,348
DEDUCTIONS:	
Payroll Costs	260
Supplies and Materials	15,689
Total Deductions	15,949
Change in Fiduciary Net Position	8,399
Total Net Position - July 1 (Beginning)	11,076
Total Net Position - June 30 (Ending)	$ 19,475

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

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NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Castleberry Independent School District (the "District") is a public educational agency operating under the applicable rules and regulations of the State of Texas. The District's combined financial statements have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units in conjunction with the Texas Education Agency's Financial Accountability System Resource Guide (FAR). The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the District are described below.

A. REPORTING ENTITY

The Board of Trustees, a seven-member group elected by registered voters of the District, has fiscal accountability over all activities related to public elementary and secondary education within the jurisdiction of the District. The board of trustees is elected by the public. The trustees as a body corporate have the exclusive power and duty to govern and oversee the management of the public schools of the District. All powers and duties not specifically delegated by statute to the Texas Education Agency (Agency) or to the State Board of Education are reserved for the trustees, and the Agency may not substitute its judgment for the lawful exercise of those powers and duties by the trustees. The District is not included in any other governmental "reporting entity" as defined in Section 2100, Codification of Governmental Accounting and Financial Reporting Standards.

The District's basic financial statements include the accounts of all District operations. The criteria for including organizations as component units within the District's reporting entity, as set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include whether:

- the organization is legally separate (can sue and be sued in their own name)
- the District holds the corporate powers of the organization
- the District appoints a voting majority of the organization's board
- the District is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the District
- there is fiscal dependency by the organization on the District

Based on the aforementioned criteria, Castleberry Independent School District has no component units.

B. BASIS OF PRESENTATION

The government-wide financial statements (the statement of net position and the statement of activities) report information on all the nonfiduciary activities of the District. The effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent on fees and charges for support. The District had no business-type activities.

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

Fund Financial Statements:

The District segregates transactions related to certain functions or activities in separate funds to aid financial management and to demonstrate legal compliance. These statements present each major fund as a separate column on the fund financial statements; all non-major funds are aggregated and presented in a single column.

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources. The District has presented the following major governmental funds:

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

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

3. **Capital projects fund** - This fund is established to account for proceeds from the sale of bonds and other resources to be used for board authorized acquisitions, construction, renovation, furnishings and equipping of major capital assets.

4. **ESSER III – ARP Act** – This special revenue fund is used to account for federally financed expenditures under the U.S. Department of Education COVID-19 ESSER III – School Emergency Relief grant program.

Additionally, the District reports the following fund types:

1. **Special Revenue Funds -** These nonmajor funds are established to account for federally financed or expenditures legally restricted for specified purposes. In many special revenue funds, any unused balances are returned to the grantor at the close of specified project periods. For funds in this fund type, project accounting is employed to maintain integrity for the various sources of funds.

2. **Internal Service Fund -** The District utilizes an Internal Service Fund to account for revenues and expenses related to services provided to parties inside the District on a cost reimbursement basis. This fund facilitates distribution of support costs to the users of support services. The District has an internal service fund for its workers compensation plan.

3. **Fiduciary Funds -** These funds are used to account for activities of student groups and other organizational activities on a fiduciary basis.

C. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide statements and fund financial statements for proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and deferred outflows of resources; and liabilities (whether current or non-current) and deferred inflows of resources are included in the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in net total position. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized at the time the liability is incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The District considers property taxes as available if they are collected within 60 days after year-end. A one-year availability period is used for recognition of all other Governmental Fund revenues. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

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

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

The revenues susceptible to accrual are property taxes, charges for services, interest income and intergovernmental revenues. All other Governmental Fund Type revenues are recognized when received.

Revenues from state and federal grants are recognized as earned when the related program expenditures are incurred. Funds received but unearned are reflected as unearned revenues, and funds expended but not yet received are shown as receivables.

Revenue from investments, including governmental external investment pool, is based upon fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Most investments are reported at amortized cost when the investments have remaining maturities of one year of less at time of purchase. External investment pool are permitted to report short-term debt investments at amortized cost, provided that the fair value of those investments is not significantly affected by the impairment of the credit standing of the issuer, or other factors. For that purpose, a pool's short-term investments are those with remaining maturities of up to ninety days.

In accordance with the FAR, the District has adopted and installed an accounting system which exceeds the minimum requirements prescribed by the State Board of Education and approved by the State Auditor. Specifically, the District's accounting system uses codes and the code structure presented in the Accounting Code Section of the FAR.

D. BUDGETARY CONTROL

Formal budgetary accounting is employed for all required Governmental Fund Types, as outlined in TEA's FAR module, and is presented on the modified accrual basis of accounting consistent with generally accepted accounting principles. The budget is prepared and controlled at the function level within each organization to which responsibility for controlling operations is assigned.

The official school budget is prepared for adoption for required Governmental Fund Types prior to June 20 of the preceding fiscal year for the subsequent fiscal year beginning July 1. The budget is formally adopted by the Board of Trustees at a public meeting held at least ten days after public notice has been given. The budget is prepared by fund, function, object, and organization. The budget is controlled at the organizational level by the appropriate department head or campus principal within Board allocations. Therefore, organizations may transfer appropriations as necessary without the approval of the board unless the intent is to cross fund, function or increase the overall budget allocations. Control of appropriations by the Board of Trustees is maintained within Fund Groups at the function code level and revenue object code level.

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund, the Debt Service Fund and the Food Service Fund. The other special revenue funds adopt project-length budgets which do not correspond to the District's fiscal year. Each annual budget is presented on the modified accrual basis of accounting. The budget is amended throughout the year by the Board of Trustees. Such amendments are reflected in the official minutes of the Board.

A reconciliation of fund balances for both appropriated and nonappropriated special revenue funds is as follows:

	June 30, 2024 Fund Balance
Appropriated Funds - Food Service Special Revenue Fund	$1,292,948
Nonappropriated Special Revenue Funds	(325,698)
All Special Revenue Funds	$1,618,646

E. ENCUMBRANCE ACCOUNTING

The District employs encumbrance accounting, whereby encumbrances for goods or purchased services are documented by purchase orders and contracts. An encumbrance represents a commitment of Board appropriation related to unperformed contracts for goods and services. The issuance of a purchase order or the signing of a contract creates an encumbrance but does not represent an expenditure for the period, only a commitment to expend resources. Appropriations lapse on June 30 and encumbrances outstanding at that time are either canceled or appropriately provided for in the subsequent year's budget. The District had no material encumbrances outstanding at June 30, 2024.

F. PREPAYMENTS

Prepayments represent payments made by the District in the current year to provide services occurring in the subsequent fiscal year.

G. INVENTORIES

The consumption method is used to account for inventories of paper and other supplies. Under this method, these items are carried in an inventory account of the respective fund at cost, using the first-in, first-out method of accounting and are subsequently charged to expenditures when consumed.

H. INTERFUND RECEIVABLES AND PAYABLES

Short-term amounts owed between funds are classified as "Due to/from other funds". Interfund loans are classified as "Advances to/from other funds" and are offset by a fund balance reserve account.

I. CAPITAL ASSETS

Capital assets, which includes property, plant, equipment, and infrastructure assets, are reported in the applicable governmental activities columns in the government-wide financial statements. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized. Interest has not been capitalized during the construction period on property, plant and equipment.

Assets capitalized have an original cost of $5,000 or more and over one-year of useful life. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Buildings and Improvements	7-50 Years
Furniture and Equipment	5-15 Years

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 two items that qualify for reporting in this category:

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 differences between expected and actual actuarial experiences. 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 other 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.

A deferred outflow for pension expense also results from payments made to the TRS pension plan by the District after the plan's measurement date.

Deferred outflows of resources for OPEB - Reported in the government-wide financial statement of net position, this deferred outflow results from OPEB plan contributions made after the measurement date of the net OPEB liability and the results of differences between expected and actual investment earnings and changes in proportionate share. The deferred outflows of resources related to OPEB resulting from District contributions after the measurement date will be recognized

as a reduction of the net OPEB liability in the next fiscal year. The other OPEB related deferred outflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with OPEB through the OPEB 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 four 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 in the fund financial statements.

Deferred inflows of resources for refunding - Reported in the government-wide statement of net position, the deferred gain on bond refundings 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 inflows of resources for pension - Reported in the government-wide financial statement of net position, these deferred inflows result primarily from differences between projected and actual earnings on pension plan investments. These amounts will be amortized over a closed five-year period.

Deferred inflows of resources for OPEB - Reported in the government-wide financial statement of net position, these deferred inflows result primarily from differences between expected and actual experience and from changes in assumptions. These amounts will be amortized over the average expected remaining service life (AERSL) of all members.

K. COMPENSATED ABSENCES

It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the District does not have a policy to pay any amounts when employees separate from service with the District. All vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, due to employee resignations and retirements.

L. CASH EQUIVALENTS

Investments are cash equivalents if they are highly liquid and have a maturity of three months or less when purchased.

M. NET POSITION

Net position represents the difference between assets and deferred outflows of resources; and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciations, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

When both restricted and unrestricted net position is available, restricted net position is expended before unrestricted net position if such use is consistent with the restricted purpose.

N. LONG-TERM OBLIGATIONS

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expenses when incurred.

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 withheld or not from the actual debt proceeds received, are reported as debt service expenditures.

O. RISK MANAGEMENT

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

P. ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2. FUND BALANCES

The District has implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent.

Fund Balance Classification: The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The District has classified inventories and prepaid items as being nonspendable as these items are not expected to be converted to cash.

Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. Debt service resources are to be used for future servicing of the District's bonded debt and are restricted through debt covenants. Food Service fund balance is restricted because the use is restricted pursuant to the mandates of the grant.

Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the District's Board of Trustees. The Board of Trustees establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. This can also be done through adoption and amendment of the budget. These amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Board of Trustees has also committed resources as of June 30, 2023 for campus activities and other local special revenue funds.

Assigned: This classification includes amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Trustees or through the Board of Trustees delegating this responsibility to other individuals in the District. Under the District's adopted policy, only the Board of Trustees may assign amounts for specific purposes. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.

Unassigned: This classification includes all amounts not included in other spendable classifications, including the residual fund balance of the General Fund.

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

The details of the fund balances are included in the Governmental Funds Balance Sheet (page 16) and are described below:

General Fund

The General Fund has unassigned fund balance of $5,931,168 at June 30, 2024. Inventories of $187,639 are considered non-spendable fund balance.

Debt Service Fund

The Debt Service Fund has restricted funds of $4,168,224 at June 30, 2024, consisting primarily of property tax collections that are restricted for debt service payments on bonded debt.

Capital Projects Fund

The Capital Projects Fund has unassigned fund balance of negative ($3,004,686) at June 30, 2024; see also Note 19.

Other Funds

The fund balance of $325,698 of the Campus Activity Fund (a special revenue fund) is shown as committed due to Board policy committing those funds to campus activities. The fund balance of $1,114,934 in the Food Service Fund and $178,014 in the Summer Feeding Program Fund (special revenue funds) are shown as restricted for those grant programs.

NOTE 3. DEPOSITS AND INVESTMENTS

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

1. Cash deposits:

   The District's cash deposits at June 30, 2024, were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name.

2. Cash equivalents and investments:

   The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the District to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit. Statutes authorize the District to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas; (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) Mutual Funds, (8) Investment pools, (9) guaranteed investment contracts, (10) and common trust funds. The Act also requires the District to have independent auditors perform test procedures related to investment practices as provided by the Act. The District is in substantial compliance with the requirements of the Act and with local policies.

   In compliance with the Public Funds Investment Act, the District has adopted a deposit and investment policy. That policy addresses the following risks:

   a. Custodial Credit Risk - Deposits: In the case of deposits, this is the risk that, in the event of a bank failure, the District's deposits may not be returned to it. As of June 30, 2024, all deposits were either collateralized with securities held by the District's agent, an irrevocable letter of credit, or covered by FDIC insurance. Thus, the District's deposits are not exposed to custodial credit risk.

b. Custodial Credit Risk - Investments: For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At June 30, 2024, the District held investments in municipal bonds and in three public funds investment pools (TexPool, Logic, TexSTAR). Investments in external investment pools are considered unclassified as to custodial credit risk because they are not evidenced by securities that exist in physical or book entry form.

c. Credit Risk: This is the risk that an issuer or other counterparty to an investment will be unable to fulfill its obligations. The rating of securities by nationally recognized rating agencies is designed to give an indication of credit risk. The credit quality ratings for TexPool, Logic and TexSTAR at year-end were all AAAm (Standard & Poor's).

d. Interest Rate Risk: This is the risk that changes in interest rates will adversely affect the fair value of an investment. The District manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than one year from the time of purchase. The weighted average maturity for TexPool, Logic and TexSTAR is less than 100 days.

e. Foreign Currency Risk: This is the risk that exchange rates will adversely affect the fair value of an investment. At June 30, 2024, the District was not exposed to foreign currency risk.

f. Concentration of Credit Risk: This is the risk of loss attributed to the magnitude of the District's investment in a single issuer (i.e., lack of diversification). Concentration risk is defined as positions of 5 percent or more in the securities of a single issuer. At June 30, 2024, no individual investment exceeded 5% of its total investments. The District's investments in the public funds investment pools are not subject to the concentration risk.

Public funds investment pools in Texas ("Pools") are established under the authority of the Interlocal Cooperation Act, Chapter 79 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment Act (the "Act"), Chapter 2256 of the Texas Government Code. In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires Pools to: 1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; 2) maintain a continuous rating of no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating service; and 3) maintain the market value of its underlying investment portfolio within one half of one percent of the value of its shares.

The District's investments in Pools are reported at an amount determined by the fair value per share of the pool's underlying portfolio, unless the pool is 2a7-like, in which case they are reported at share value. A 2a7-like pool is one which is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940.

The District's cash, cash equivalents, and investments as of June 30, 2024, are shown below:

Name	Carrying Amount	Market Value
Cash deposits	$ 26,617	$ 26,617
Logic	1,578,666	1,578,666
TexPool	149,537	149,537
TexStar	4,372,093	4,372,093
Cash and cash equivalents	$6,126,913	$6,126,913
HUB/TCG Advisors:		
Fidelity Money Market	$ 25,362	$ 25,362
Federal Agencies	248,975	248,975
Treasury Securities	1,631,166	1,631,166
Investments	$1,905,503	$,905,503

Fair Value Measurements

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 judgement and considers factors specific to each asset or liability.

Assets and Liabilities Measured at Fair Value on a Recurring Basis

		Fair Value Measurements Using		
Investments by Fair Value level:	**Balance at 6/30/24**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Federal Agencies	$ 248,975	$ -	$ 248,975	$ -
Treasury Securities	1,631,166	-	1,631,166	-
	$1,880,141	$ -	$1,880,141	$ -

The fair value of the U.S. Treasury Bonds at June 30, 2024, was determined based on level 2 inputs. The District estimates the fair value of these investments using inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

The District's investment in investment pools (2a7-like external investment pools) is not required to be measured at fair value but is measured at amortized cost.

NOTE 4. CAPITAL ASSETS

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

	Balance July 1	Additions/ Completions	Retirement/ Adjustments	Balance June 30
Governmental Activities:				
Capital assets not being depreciated				
Land	$ 8,105,216	$ -	$ -	$ 8,105,216
Construction in progress	119,794	3,520,536		3,640,330
Total capital assets not being depreciated	8,225,010	3,520,536	-	11,745,546
Capital assets, being depreciated				
Buildings and improvements	152,603,909	140,086	-	152,743,995
Furniture and equipment	12,085,842	567,072	-	12,652,914
Total capital assets being depreciated	164,689,751	707,158	-	165,396,909
Less accumulated depreciation for:				
Buildings and improvements	(62,482,898)	(4,558,948)	-	(67,041,846)
Furniture and equipment	(10,049,367)	(643,804)	-	(10,693,171)
Total accumulated depreciation	(72,532,265)	(5,202,752)	-	(77,735,017)
Total capital assets, being depreciated, net	92,157,486	(4,495,594)	-	87,661,892
Governmental activities capital assets, net	$100,382,496	$ (975,058)	$ -	$ 99,407,438

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

Governmental activities:	
Instruction	$3,085,378
Instructional resources and media services	63,016
Curriculum and staff development	242,664
Instructional leadership	241,596
School leadership	255,832
Guidance, counseling and evaluation services	186,142
Health services	55,779
Student transportation	81,093
Food service	161,930
Extracurricular activities	80,068
General administration	174,975
Plant maintenance and operations	299,919
Security and monitoring services	106,408
Data processing services	167,952
Total depreciation expense-governmental activities	$5,202,752

NOTE 5. LONG-TERM LIABILITIES

Long-term liabilities include par bonds and pension and OPEB liabilities. All long-term liabilities represent transactions in the District's governmental activities.

The District has entered into a continuing disclosure undertaking to provide Annual Reports and Material Event Notices to the State Information Depository of Texas (SID), which is the Municipal Advisory Council. This information is required under SEC Rule 15c2-12 to enable investors to analyze the financial condition and operations of the District.

The following is a summary of the changes in the District's Long-term Debt for the year ended June 30, 2024:

Description	Interest Rate Payable	Amounts Outstanding 7/1/2023	Issued Current Year	Increase (Decrease)	Retired/ Refunded	Amounts Outstanding 6/30/2024	Due Within One Year
Bonded Indebtedness:							
2018 Refunding Bonds	2.00-5.00%	$25,595,000	$ -	$ -	$3,600,000	$21,995,000	$ 875,000
2021 Refunding Bonds	2.00-3.00%	2,590,000	-	-	790,000	1,800,000	890,000
Total Bonded Indebtedness:		21,185,000	-	-	4,390,000	23,795,000	1,765,000
Other Direct Obligations:							
Bond Premiums/Discounts		2,533,490	-	-	229,995	2,303,495	-
Net Pension Liability		15,605,489	-	3,384,054	-	18,989,543	-
Net OPEB Liability		8,163,238	-	172,848	-	8,336,086	-
Total Other Obligations:		26,302,217	-	3,556,902	229,995	29,629,124	-
Total Obligations of District		$54,487,217	$ -	$ 3,556,902	$4,619,995	$53,424,124	$1,765,000

General obligation bonds and related premiums are liquidated from the Debt Service Fund. The Net Pension Liability and Net OPEB Liability are liquidated from the General Fund.

Presented below is a summary of general obligation bond requirements to maturity:

Year Ended June 30,	General Obligation Principal	General Obligation Interest	Total Requirements
2025	$ 1,765,000	$ 982,850	$ 2,747,850
2026	2,870,000	938,600	3,808,600
2027	2,060,000	938,600	2,998,600
2028	2,170,000	831,500	3,001,500
2029	12,420,000	728,600	3,008,500
2030-2034	12,650,000	1,536,000	14,186,000
	$23,795,000	$5,956,050	$29,751,050

General Obligation Bonds are direct obligations issued on a pledge of the general taxing power for the payment of the debt obligations of the District. General Obligation Bonds require the District to compute, at the time taxes are levied, the rate of tax required to provide (in each year bonds are outstanding) a fund to pay interest and principal at maturity. The District is in compliance with this requirement.

There are a number of limitations and restrictions contained in the various general obligation bonds indentures. The District is in compliance with all significant limitations and restrictions as of June 30, 2024.

NOTE 6. DEBT DEFEASANCE AND DEFERRED GAIN ON BOND REFUNDINGS

During fiscal 2024, the District early defeased $2,625,000 (par value) of bonds by paying $2,881,183 of District funds into an irrevocable escrow account. No refunding bonds were issued. All future payments on the defeased bonds will be paid from the escrow account. The defeased bonds will be redeemed on February 15, 2027, the call date of the bonds.

Defeased debt outstanding at June 30, 2024, totals approximately $3,000,000 and will be redeemed on February 15, 2027, the call date of the bonds.

The District's deferred gain on bond refundings is as follows:

Balance – June 30, 2023	$415,536
Current year amortization	(42,041)
Balance – June 30, 2024	$373,495

NOTE 7. PROPERTY TAXES

Property taxes are considered available when collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. The District levies its taxes on October 1 on the assessed (appraised) 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 upon receipt of the tax bill and are past due and subject to interest if not paid by February 1 of the year following the October 1 levy date. The assessed value of the property tax roll upon which the levy for the 2023-24 fiscal year was based was $1,308,246,969. Taxes are delinquent if not paid by June 30. Delinquent taxes are subject to both penalty and interest charges plus 15 % delinquent collection fees for attorney costs.

The tax rates assessed for the year ended June 30, 2024, to finance General Fund operations and the payment of principal and interest on general obligation long-term debt were $0.7492 and $0.45 per $100 valuation, respectively, for a total of $1.1992 per $ 100 valuation.

Current tax collections for the year ended June 30, 2024, were 96.3% of the year-end adjusted tax levy. Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. Allowances for uncollectible taxes within the General and Debt Service Funds are based on historical experience in collecting 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. As of June 30, 2024, property taxes receivable, net of estimated uncollectible taxes, totaled $426,576 and $241,052 for the General and Debt Service Funds, respectively.

Property taxes are recorded as receivables and unavailable revenue at the time the taxes are assessed. Revenues are recognized as the related ad valorem taxes are collected.

NOTE 8. DEFINED BENEFIT PENSION PLAN

Plan description. The District participates in a cost-sharing multiple-employer defined benefit pension that has a special funding situation. The plan is administered by 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 a standard workload and who are not exempted from membership under Texas Government Code, Title 8, Section 822.002 are covered by the system.

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

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

Texas Government Code section 821.006 prohibits benefit improvements if as a result of the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years or if the amortization period already exceeds 31 years, the period would be increased by such action. Actuarial implications of the funding provided in 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 thru 2025.

Contribution Rates

	2023	2024
Member	8.00%	8.25%
Non-Employer Contributing Entity (State)	8.00%	8.25%
Employers	8.00%	8.25%

Castleberry ISD FY2024 Employer Contributions	$ 1,229,943
Castleberry ISD FY2024 Member Contributions	$ 3,110,798
Castleberry ISD FY2024 NECE On-Behalf Contributions	$ 2,534,098

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 the 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, 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 including public 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 an employee's salary is paid by federal funding source or a privately sponsored source, from non-educational general or local funds.
- All public schools must contribute 1.8 percent of the member's salary beginning in fiscal year 2023, gradually increasing to 2 percent in fiscal year 2025.

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

- When employing a retiree of TRS the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.

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

Valuation Date	August 31, 2022, rolled forward to August 31, 2023
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Fair Value
Single Discount Rate	7.00%
Long-term expected Investment Rate of Return	7.00%
Municipal Bond Rate as of August 2023	4.13%
Inflation	2.30%
Salary Increases Including Inflation	2.95% to 8.95%
Benefit Changes During the Year	None
Ad hoc Post Employment Benefit Changes	None

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

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

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all 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-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the TRS target asset allocation as of August 31, 2023, are summarized below:

Asset Class	Target Allocation[1]	Long-Term Expected Arithmetic Real Rate of Return[2]	Expected Contribution To Long-Term Portfolio Returns
Global Equity			
U.S.	18%	4.0%	1.00%
Non-U.S. Developed	13%	4.5%	0.90%
Emerging Markets	9%	4.8%	0.70%
Private Equity	14%	7.0%	1.50%
Stable Value			
Government Bonds	16%	2.5%	0.50%
Absolute Return[4]	0%	3.6%	0.00%
Stable Value Hedge Funds	5%	4.1%	0.20%
Real Return			
Real Estate	15%	4.9%	1.10%
Energy, Natural Resources	6%	4.8%	0.40%
Commodities	0%	4.4%	0.00%
Risk Parity			
Risk Parity	8%	4.5%	0.40%
Leverage			
Cash	2%	3.7%	0.00%
Asset Allocation Leverage	-6%	4.4%	-0.10%
Inflation Expectation	-		2.30%
Volatility Drag[3]	-		-0.90%
Total	100%		8.00%

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

	1% Decrease in Discount Rate (6.00%)	Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
Castleberry ISD's proportionate share of the net pension liability:	$28,390,393	$18,989,543	$11,172,709

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions. As of June 30, 2024, the District reported a liability of $18,989,543 for its proportionate share of 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	$18,989,543
State's proportionate share that is associated with the District	24,990,430
Total	$43,979,973

The net pension liability was measured as of August 31, 2022, and rolled forward to August 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer's proportion of the net pension liability was based on the employer's contributions to

[1] Target allocations are based on the FY23 policy model.
[2] Capital Market Assumptions come from Aon Hewitt (as of 6/30/2023).
[3] The volatility drag results from the conversion between arithmetic and geometric mean returns.
[4] Absolute Return includes credit sensitive investments.

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 employer's proportion of the collective net pension liability was 0.0276451387%, an increase of 5.17% from its proportionate share of 0.0262862810% as of August 31, 2022.

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 that was approved during the November 2023 elections, which will be paid in January 2024. Therefore, this contingent liability was not reflected as of August 31, 2023.

The amount of pension expense recognized by the District in the reporting period was $3,547,272.

For the year ended June 30, 2024, the District recognized pension expense of $3,773,339 and revenue of $3,773,339 for support by the state.

As of June 30, 2024, the District reported its proportionate share of TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (the amounts shown below will be the cumulative layers from the current and prior years combined):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 676,604	$ 229,943
Changes in actuarial assumptions	1,796,039	439,532
Difference between projected and actual investment earnings	5,933,658	3,170,219
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	1,371,387	203,521
Contributions paid to TRS subsequent to the measurement date	1,035,701	-
Total	$10,813,389	$4,043,215

The net amounts of the District's balances of deferred outflows and inflows of resources (not including the deferred contribution paid after the measurement date) related to pensions will be recognized in pension expense as follows:

Year ended June 30:	Pension Expense Amount	Balance of Deferred Outflows (Deferred Inflows)
2025	$ 1,292,979	$ 4,441,494
2026	882,348	3,559,146
2027	2,542,096	1,017,050
2028	873,470	143,580
2029	143,580	-
Thereafter	-	-

NOTE 9. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS

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

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

Benefits provided. TRS-Care provides health insurance coverage to retirees from public 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 Premiums for Retirees		
	Medicare	Non-Medicare
Retiree*	$ 135	$ 200
Retiree and Spouse	529	689
Retiree* and Children	468	408
Retiree and Family	1,020	999

** or surviving spouse*

Contributions. Contribution rates for the TRS-Care plan are established in state statute by the Texas Legislature, and there is no continuing obligation to provide benefits beyond each fiscal year. The TRS-Care plan is currently funded on a pay-as-you-go basis and is subject to change based on available funding. Funding for TRS-Care is provided by retiree premium contributions and contributions from the state, active employees, and school districts based upon 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% of the employee's salary. Section 1575.203 establishes the active employee's rate which is .65% of salary. Section 1575.204 establishes an employer contribution rate of not less than 0.25 percent or not more than 0.75 percent of the salary of each active employee of the public school. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act, which is 0.75 percent of each active employee's pay for fiscal year 2024. The following table shows contributions to the TRS-Care plan by type of contributor.

Contribution Rates		
	2023	2024
Active Employee	**0.65%**	**0.65%**
Non-Employer Contributing Entity (State)	**1.25%**	**1.25%**
Employers	**0.75%**	**0.75%**
Federal/private Funding remitted by Employers	**1.25%**	**1.25%**

Castleberry ISD FY24 Employer Contributions	**$ 444,913**
Castleberry ISD FY24 Member Contributions	**$ 424,913**
Castleberry ISD FY24 NECE On-behalf Contributions	**$ 410,224**

In addition to the employer contributions listed above, there is an additional surcharge all TRS employers are subject, regardless of whether or not they participate in the TRS Care OPEB program. When hiring a TRS retiree, employers 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 reappropriated from amounts received by the pension and TRS-Care funds in excess of the state's actual obligation and then transferred to TRS-Care.

Actuarial assumptions. The actuarial valuation was performed as of August 31, 2022. Update procedures were used to roll-forward the total OPEB liability to August 31, 2023.

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

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

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

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 the mortality projection scale MP-2021.

Additional actuarial methods and assumptions:

Valuation Date	August 31, 2022, rolled forward to August 31, 2023
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Single Discount Rate	4.13%
Aging Factors	Based on specific plan 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
Election Rates	Normal Retirement: 62% participation prior to age 65 and 25% participation after age 65
Ad hoc post-employment benefit changes	None

Discount rate. A single discount rate of 4.13% was used to measure the total OPEB liability. There was an increase of 0.22% in the discount rate since the previous year. Because the investments are held in cash and there is no intentional objective to advance fund the benefits, the single discount rate is equal to the prevailing municipal bond rate.

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

Discount rate sensitivity analysis. The following schedule shows the impact of the net OPEB liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (4.13%) in measuring the net OPEB liability.

	1% Decrease in Discount Rate (3.13%)	Current Single Discount Rate (4.13%)	1% Increase in Discount Rate (5.13%)
District's proportionate share of the Net OPEB Liability:	$9,818,174	$8,336,086	$7,126,668

Healthcare cost trend rates sensitivity analysis - The following schedule shows the impact of the net OPEB liability if a healthcare trend rate that is one-percentage less than or one-percentage point greater than the health trend rates is assumed.

	1% Decrease in Healthcare Trend Rate	Current Single Healthcare Trend Rate	1% Increase in Healthcare Trend Rate
District's proportionate share of the Net OPEB Liability:	$6,864,350	$8,336,086	$10,229,480

OPEB liabilities, OPEB expenses, and deferred outflows of resources and deferred inflows of resources related to OPEBs. As of June 30, 2024, the District reported a liability of $8,336,086 for its proportionate share of 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	$ 8,336,086
State's proportionate share that is associated with the District	$10,058,770
Total	$18,394,856

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

As of August 31, 2023, the employer's proportion of the collective net OPEB liability was 0.0376545832%, a decrease of 10.45% compared to the August 31, 2022, proportionate share of 0.0340930330%.

Changes since the prior actuarial valuation – The following were changes to the actuarial assumptions or other inputs that affected measurement of the total OPEB liability since the prior measurement period:

- The 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.

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

The amount of OPEB expense recognized by the District in the reporting period was $(1,135,651).

For the year ended June 30, 2024, the District recognized OPEB expense of $(2,150,353) and revenue of $(2,150,353) for support provided by the state.

As of June 30, 2024, the District reported its proportionate share of TRS's deferred outflows of resources and deferred inflows of resources related to other post-employment benefits related to OPEB from the following sources (the amounts shown below will be the cumulative layers for the current and prior years combined.):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 377,145	$7,013,328
Changes in actuarial assumptions	1,137,815	5,104,407
Difference between projected and actual investment earnings	18,958	15,356
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	4,090,269	716,414
Contributions paid to TRS subsequent to the measurement date	368,480	-
Total	$5,992,667	$12,849,415

The net amounts of the employer's balances of deferred outflows and inflows of resources (not including the deferred contribution paid subsequent to the measurement date) related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	OPEB Expense Amount	Balance of Deferred Outflows (Deferred Inflows)
2025	$ (1,829,494)	$ (5,395,374)
2026	(1,447,156)	(3,948,578)
2027	(929,536)	(3,019,042)
2028	(1,214,032)	(1,805,010)
2029	(1,014,405)	(790,605)
Thereafter	(790,605)	-

NOTE 10. SCHOOL DISTRICT RETIREE HEALTH PLAN

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, which was effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare 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. These on-behalf payments are recognized as equal revenues and expenditures/expenses by the District. For the year ended June 30, 2024, the contribution made on behalf of the District was $208,452.

NOTE 11. HEALTH CARE

During the year ended June 30, 2024, employees of Castleberry Independent School District were covered by a health insurance plan (the Plan). The District contributes a set amount per employee to the Plan and employees, at their option, authorize payroll withholdings to pay any additional contribution and contributions for dependents. All contributions were paid to a fully insured plan.

NOTE 12. WORKERS COMPENSATION

The District participates in the Texas Educational Insurance Association Workers Compensation Self-Insurance Joint Fund. The District is partially self-funded to a loss fund maximum. Additionally, the District incurs annual fixed costs for its share of claims administration, loss control, record keeping, and cost of excess insurance.

Claims Administrative Services, Inc., provides claims administration. Reinsurance is provided for aggregate claim losses exceeding $500,000 for the entire pool. The fixed cost charge is based on total payroll paid by the District. Increases or decreases in fixed costs adjust to subsequent year plan costs.

The accrued liability for workers compensation self-insurance of $141,961 includes incurred but not reported claims. This liability is based on the requirements of GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues," which require that a liability for claims be reported if information indicates that it is probable that a liability has been incurred and the amount of loss can be reasonably estimated. The liability recorded is an undiscounted actuarial calculation.

Changes in workers compensation claims liability amounts in fiscal year 2024 and 2023 are presented below:

Fiscal Year	July 1 Claims Liability	Claims and Changes in Estimates	Claims Payments	June 30 Claims Liability
2024	$61,938	$164,306	$ 84,283	$141,961
2023	$98,094	$ 88,351	$124,507	$ 61,938

NOTE 13. DUE FROM OTHER GOVERNMENTS

The District participates in a variety of federal and state programs from which it receives grants to partially or fully finance certain activities. In addition, the District receives entitlements from the State through the School Foundation, Per Capita, Existing Debt Allotment, and Instruction Facilities Allotment Programs. Amounts due from federal and state governments as of June 30, 2024, are summarized below. All federal grants shown below are passed through the TEA and are reported on the combined financial statements as Due from Other Governments.

Fund	State Entitlements	Federal Grants	Local Governments	Total
General	$4,147,762	$ -	$264,282	$4,412,044
Other Special Revenue	-	1,526,920	175,063	1,701,983
Debt Service	20,067	-	-	20,067
Total	$4,167,829	$1,526,920	$439,345	$6,134,094

NOTE 14. INTERFUND BALANCES AND ACTIVITIES

Interfund receivables and payables as of June 30, 2024, represented short-term advances between funds. These amounts are expected to be repaid in less than one year from June 30, 2024.

Fund	Due from Other Funds	Due to Other Funds
Major Governmental Funds:		
General Fund:		
Special Revenue Funds	$4,142,574	$ -
Debt Service Fund	12,843	
Special Revenue Fund:		
General Fund		1,051,569
Debt Service Fund:		
General Fund	-	12,843
Total Major Governmental Funds	4,155,417	1,064,412
Nonmajor Governmental Funds:		
Special Revenue Funds:		
General Fund	-	3,091,005
Total Nonmajor Governmental Funds	-	3,091,005
Total	$4,155,417	$4,155,417

During the fiscal year ended June 30, 2024, there were no transfers between funds.

NOTE 15. LITIGATION AND CONTINGENCIES

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

NOTE 16. REVENUES FROM LOCAL AND INTERMEDIATE SOURCES

During the year ended June 30, 2024, revenues from local and intermediate sources in the fund financial statements consisted of the following:

	General Fund	Special Revenue Funds	Debt Service Fund	Total
Property taxes	$ 9,365,311	$ -	$ 5,589,940	$ 14,955,251
Food sales	-	185,187	-	185,187
Investment income	328,843	76,526	78,435	483,804
Penalties, interest and other tax related income	134,154	-	57,260	191,414
Co-curricular student activities	62,329	512,263	-	574,592
Other	648,246	2,961	-	651,207
Total	$ 10,538,883	$ 776,937	$ 5,725,635	$ 17,041,455

NOTE 17. UNEARNED REVENUE

Unearned revenue as of June 30, 2024, consisted of the following:

	General Fund	Special Revenue Fund	Debt Service Fund	Total
Federal Grants	$ -	$ 12,604	$ -	$ 12,604
State Grants	-	61,832	-	61,832
Total	$ -	$ 74,436	$ -	$ 74,436

NOTE 18. SUBSEQUENT EVENT

Subsequent to June 30, 2024, the District issued two bond series: Series 2024 Unlimited Tax School Building Bonds on July 15, 2024, in the amount of $9,025,000 and Series 2024B Unlimited Tax School Building Bonds in August 12, 2024, in the amount of $84,515,000.

NOTE 19. NEGATIVE FUND BALANCE IN CAPITAL PROJECTS FUND

In anticipation of the new bond issuances described in Note 18, the District advance funded capital expenditures in the Capital Projects Fund, which caused a negative fund balance of $3,004,686 as of June 30, 2024. This negative fund balance will be eliminated with the bond proceeds that were received subsequent to the fiscal 2024 year-end.

NOTE 20. EXCESS OF EXPENDITURES OVER APPROPRIATIONS BY FUNCTION

The Texas Education Agency requires budgets for certain governmental fund types to be filed with the TEA. Actual expenditures during a fiscal year should not exceed budgeted amounts in any functional category under TEA requirements. During the year ended June 30, 2024, the District exceeded budgeted amounts as follows:

General Fund. The District exceeded its general fund budget for instruction by $100,574 and facilities acquisition and construction by $147,978.

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REQUIRED SUPPLEMENTARY INFORMATION

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

	FY 2024 Plan Year 2023	FY 2023 Plan Year 2022	FY 2022 Plan Year 2021
District's Proportion of the Net Pension Liability (Asset)	0.027645139%	0.026286281%	0.024493182%
District's Proportionate Share of Net Pension Liability (Asset)	$ 18,989,543	$ 15,605,489	$ 6,237,547
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	24,990,430	19,872,176	8,276,461
Total	$ 43,979,973	$ 35,477,665	$ 14,514,008
District's Covered Payroll	$ 37,880,686	$ 30,997,974	$ 27,987,287
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	50.13%	50.34%	22.29%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	73.15%	75.62%	88.79%

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

FY 2021 Plan Year 2020	FY 2020 Plan Year 2019	FY 2019 Plan Year 2018	FY 2018 Plan Year 2017	FY 2017 Plan Year 2016	FY 2016 Plan Year 2015	FY 2015 Plan Year 2014
0.0249903%	0.023191%	0.024203%	0.022%	0.024%	0.025%	0.016%
$ 13,384,287	$ 12,055,229	$ 13,322,019	$ 7,119,403	$ 8,963,965	$ 8,755,865	$ 4,323,398
16,453,074	18,869,456	19,387,319	12,274,371	13,472,909	12,256,864	10,645,315
$ 29,837,361	$ 30,924,685	$ 32,709,338	$ 19,393,774	$ 22,436,874	$ 21,012,729	$ 14,968,713
$ 26,815,533	$ 26,236,976	$ 24,997,568	$ 24,679,445	$ 23,368,708	$ 22,034,841	$ 20,713,370
49.91%	45.95%	53.29%	28.85%	38.36%	39.74%	20.87%
75.54%	75.24%	73.74%	82.17%	78.00%	78.43%	83.25%

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

	2024	2023	2022
Contractually Required Contribution	$ 1,229,943	$ 1,394,159	$ 1,175,698
Contribution in Relation to the Contractually Required Contribution	(1,229,943)	(1,394,159)	(1,175,698)
Contribution Deficiency (Excess)	$ -	$ -	$ -
District's Covered Payroll	$ 37,901,428	$ 34,572,808	$ 30,211,396
Contributions as a Percentage of Covered Payroll	3.25%	4.03%	3.89%

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

2021	2020	2019	2018	2017	2016	2015
$ 992,292	$ 991,108	$ 805,932	$ 746,149	$ 611,663	$ 753,869	$ 733,450
(992,292)	(991,108)	(805,932)	(746,149)	(611,663)	(753,869)	(733,450)
$ -	$ -	$ -	$ -	$ -	$ -	$ -
$ 27,455,252	$ 26,766,274	$ 26,231,017	$ 25,060,253	$ 20,587,803	$ 23,368,708	$ 22,034,841
3.61%	3.70%	3.07%	2.98%	2.97%	3.23%	3.33%

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

	FY 2024 Plan Year 2023	FY 2023 Plan Year 2022	FY 2022 Plan Year 2021
District's Proportion of the Net Liability (Asset) for Other Postemployment Benefits	0.037654583%	0.034093033%	0.030171508%
District's Proportionate Share of Net OPEB Liability (Asset)	$ 8,336,086	$ 8,163,238	$ 11,638,499
State's Proportionate Share of the Net OPEB Liability (Asset) Associated with the District	10,058,770	9,957,867	15,592,995
Total	$ 18,394,856	$ 18,121,105	$ 27,231,494
District's Covered Payroll	$ 37,880,686	$ 30,997,974	$ 27,987,287
District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	22.01%	26.33%	41.58%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	14.94%	11.52%	6.18%

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

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

FY 2021 Plan Year 2020	FY 2020 Plan Year 2019	FY 2019 Plan Year 2018	FY 2018 Plan Year 2017
0.0307606%	0.0321%	0.0317%	0.03%
$ 11,693,491	$ 15,181,607	$ 15,825,879	$ 12,962,036
15,713,248	20,172,959	20,910,298	18,971,514
$ 27,406,739	$ 35,354,566	$ 36,736,177	$ 31,933,550
$ 26,815,533	$ 26,236,976	$ 24,997,568	$ 24,679,445
43.61%	57.86%	63.31%	52.52%
4.99%	2.66%	1.57%	0.91%

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

	2024	2023	2022
Contractually Required Contribution	$ 444,913	$ 320,540	$ 273,325
Contribution in Relation to the Contractually Required Contribution	(444,913)	(320,540)	(273,325)
Contribution Deficiency (Excess)	$ -	$ -	$ -
District's Covered Payroll	$ 37,901,428	$ 34,572,808	$ 30,211,396
Contributions as a Percentage of Covered Payroll	1.17%	0.93%	0.90%

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

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

2021	2020	2019	2018
$ 231,660	$ 235,145	$ 225,768	$ 173,685
(231,660)	(235,145)	(225,768)	(173,685)
$ -	$ -	$ -	$ -
$ 27,455,252	$ 26,766,274	$ 26,231,017	$ 25,060,253
0.84%	0.88%	0.86%	0.69%

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

PENSION LIABILITY:

Changes of benefit terms:

The Texas 2023 Legislature passed legislation that provides a one-time stipend to certain retired teachers. The stipend was paid to retirees beginning in September of 2023. The Legislature appropriated funds to pay for this one-time stipend so there will be no impact on the net pension liability of TRS. In addition, the Legislature also provided for a cost-of-living adjustment (COLA) to retirees that was approved during the November 2023 elections, which will be paid in January 2024.

Changes of assumptions:

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

OPEB LIABILITY:

Changes of benefit terms:

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

Changes of assumptions:

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

- The 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.

COMBINING SCHEDULES

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

Data Control Codes		211 ESEA I, A Improving Basic Program	224 IDEA - Part B Formula	225 IDEA - Part B Preschool	240 National Breakfast and Lunch Program
	ASSETS				
1110	Cash and Cash Equivalents	$ 53,865	$ 26,218	$ 12,604	$ 1,330,054
1240	Due from Other Governments	50,372	26,074	-	-
1000	Total Assets	$ 104,237	$ 52,292	$ 12,604	$ 1,330,054
	LIABILITIES				
2110	Accounts Payable	$ 850	$ 350	$ -	$ 66,521
2150	Payroll Deductions and Withholdings Payable	9,365	3,263	-	8,442
2160	Accrued Wages Payable	94,022	48,679	-	132,130
2170	Due to Other Funds	-	-	-	8,027
2180	Due to Other Governments	-	-	-	-
2300	Unearned Revenue	-	-	12,604	-
2000	Total Liabilities	104,237	52,292	12,604	215,120
	FUND BALANCES				
	Restricted Fund Balance:				
3450	Federal or State Funds Grant Restriction	-	-	-	1,114,934
	Committed Fund Balance:				
3545	Other Committed Fund Balance	-	-	-	-
3000	Total Fund Balances	-	-	-	1,114,934
4000	Total Liabilities and Fund Balances	$ 104,237	$ 52,292	$ 12,604	$ 1,330,054

242 Summer Feeding Program	244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	263 Title III, A English Lang. Acquisition	265 Title IV, B Community Learning	279 ESSER III TCLAS ARP Act	280 ESSER III Homelss Children	289 Other Federal Special Revenue Funds
$ 96,119	$ -	$ -	$ 17,498	$ -	$ 13,356	$ (936)	$ 45,820
81,895	1,134	10,379	-	233,534	-	5,528	-
$ 178,014	$ 1,134	$ 10,379	$ 17,498	$ 233,534	$ 13,356	$ 4,592	$ 45,820
$ -	$ -	$ -	$ -	$ 31,489	$ -	$ -	$ -
-	-	-	380	-	-	119	689
-	-	-	11,941	-	-	3,537	12,940
-	1,134	10,379	-	202,045	-	936	-
-	-	-	5,177	-	13,356	-	32,191
-	-	-	-	-	-	-	-
-	1,134	10,379	17,498	233,534	13,356	4,592	45,820
178,014	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
178,014	-	-	-	-	-	-	-
$ 178,014	$ 1,134	$ 10,379	$ 17,498	$ 233,534	$ 13,356	$ 4,592	$ 45,820

EXHIBIT H-1

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

Data Control Codes		410 State Instructional Materials	429 Other State Special Revenue Funds	461 Campus Activity Funds	Total Nonmajor Governmental Funds
	ASSETS				
1110	Cash and Cash Equivalents	$ 42,998	$ 26,650	$ 347,708	$ 2,011,954
1240	Due from Other Governments	68,401	106,662	-	583,979
1000	Total Assets	$ 111,399	$ 133,312	$ 347,708	$ 2,595,933
	LIABILITIES				
2110	Accounts Payable	$ 49,567	$ 133,312	$ 22,010	$ 304,099
2150	Payroll Deductions and Withholdings Payable	-	-	-	22,258
2160	Accrued Wages Payable	-	-	-	303,249
2170	Due to Other Funds	-	-	-	222,521
2180	Due to Other Governments	-	-	-	50,724
2300	Unearned Revenue	61,832	-	-	74,436
2000	Total Liabilities	111,399	133,312	22,010	977,287
	FUND BALANCES				
	Restricted Fund Balance:				
3450	Federal or State Funds Grant Restriction	-	-	-	1,292,948
	Committed Fund Balance:				
3545	Other Committed Fund Balance	-	-	325,698	325,698
3000	Total Fund Balances	-	-	325,698	1,618,646
4000	Total Liabilities and Fund Balances	$ 111,399	$ 133,312	$ 347,708	$ 2,595,933

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

Data Control Codes		211 ESEA I, A Improving Basic Program	224 IDEA - Part B Formula	225 IDEA - Part B Preschool	240 National Breakfast and Lunch Program
	REVENUES:				
5700	Total Local and Intermediate Sources	$ -	$ -	$ -	$ 262,224
5800	State Program Revenues	-	-	-	35,913
5900	Federal Program Revenues	1,036,866	837,086	20,901	3,480,532
5020	Total Revenues	1,036,866	837,086	20,901	3,778,669
	EXPENDITURES:				
	Current:				
0011	Instruction	921,108	343,016	20,901	-
0013	Curriculum and Instructional Staff Development	100,140	-	-	-
0021	Instructional Leadership	6,810	8,130	-	-
0023	School Leadership	3,840	-	-	-
0031	Guidance, Counseling, and Evaluation Services	(2,273)	485,940	-	-
0033	Health Services	-	-	-	-
0034	Student (Pupil) Transportation	-	-	-	-
0035	Food Services	-	-	-	3,795,453
0036	Extracurricular Activities	-	-	-	-
0051	Facilities Maintenance and Operations	-	-	-	95,204
0052	Security and Monitoring Services	-	-	-	-
0053	Data Processing Services	-	-	-	-
0061	Community Services	7,241	-	-	-
6030	Total Expenditures	1,036,866	837,086	20,901	3,890,657
1200	Net Change in Fund Balance	-	-	-	(111,988)
0100	Fund Balance - July 1 (Beginning)	-	-	-	1,226,922
3000	Fund Balance - June 30 (Ending)	$ -	$ -	$ -	$ 1,114,934

242 Summer Feeding Program	244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	263 Title III, A English Lang. Acquisition	265 Title IV, B Community Learning	279 ESSER III TCLAS ARP Act	280 ESSER III Homelss Children	289 Other Federal Special Revenue Funds
$ 2,961	$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-	-	-
154,467	59,542	171,944	139,459	1,645,186	163,521	23,667	167,723
157,428	59,542	171,944	139,459	1,645,186	163,521	23,667	167,723
-	57,760	-	55,309	988,594	163,521	6,036	3,100
-	-	171,944	84,150	280,365	-	-	80,521
-	-	-	-	357,993	-	-	-
-	-	-	-	4,921	-	-	-
-	-	-	-	-	-	-	84,102
-	-	-	-	4,995	-	-	-
-	-	-	-	2,230	-	17,631	-
36,201	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	4,658	-	-	-
-	-	-	-	342	-	-	-
-	1,782	-	-	-	-	-	-
-	-	-	-	1,088	-	-	-
36,201	59,542	171,944	139,459	1,645,186	163,521	23,667	167,723
121,227	-	-	-	-	-	-	-
56,787	-	-	-	-	-	-	-
$ 178,014	$ -	$ -	$ -	$ -	$ -	$ -	$ -

EXHIBIT H-2

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

Data Control Codes		410 State Instructional Materials	429 Other State Special Revenue Funds	461 Campus Activity Funds	Total Nonmajor Governmental Funds
	REVENUES:				
5700	Total Local and Intermediate Sources	$ -	$ -	$ 512,263	$ 777,448
5800	State Program Revenues	102,961	781,060	-	919,934
5900	Federal Program Revenues	-	-	-	7,900,894
5020	Total Revenues	102,961	781,060	512,263	9,598,276
	EXPENDITURES:				
	Current:				
0011	Instruction	102,961	218,068	-	2,880,374
0013	Curriculum and Instructional Staff Development	-	136,869	-	853,989
0021	Instructional Leadership	-	962	-	373,895
0023	School Leadership	-	-	-	8,761
0031	Guidance, Counseling, and Evaluation Services	-	-	-	567,769
0033	Health Services	-	-	-	4,995
0034	Student (Pupil) Transportation	-	-	-	19,861
0035	Food Services	-	-	-	3,831,654
0036	Extracurricular Activities	-	-	465,256	465,256
0051	Facilities Maintenance and Operations	-	-	-	99,862
0052	Security and Monitoring Services	-	425,161	-	425,503
0053	Data Processing Services	-	-	-	1,782
0061	Community Services	-	-	-	8,329
6030	Total Expenditures	102,961	781,060	465,256	9,542,030
1200	Net Change in Fund Balance	-	-	47,007	56,246
0100	Fund Balance - July 1 (Beginning)	-	-	278,691	1,562,400
3000	Fund Balance - June 30 (Ending)	$ -	$ -	$ 325,698	$ 1,618,646

REQUIRED T.E.A. SCHEDULES

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

Last 10 Years Ended		(1) Tax Rates	(2)	(3) Assessed/Appraised Value for School Tax Purposes
		Maintenance	Debt Service	
2015	and prior years	Various	Various	$ Various
2016		1.170000	0.245500	484,799,224
2017		1.170000	0.206600	534,649,136
2018		1.170000	0.222200	611,561,909
2019		1.170000	0.222200	767,268,881
2020		1.068400	0.222200	900,396,903
2021		1.019100	0.222200	946,478,665
2022		0.952000	0.361100	1,074,347,470
2023		0.934600	0.500000	1,215,036,886
2024	(School year under audit)	0.749200	0.450000	1,308,246,969
1000	TOTALS			
8000	Total Taxes Refunded Under Section 26.1115, Tax Code			

(10) Beginning Balance 7/1/2023	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 6/30/2024	(99) Taxes Refunded Under Section 26.1115c
$ 332,980	$ -	$ 11,383	$ 2,389	$ (19,359)	$ 299,849	
20,269	-	1,110	233	(1)	18,925	
21,825	-	2,216	391	(1)	19,217	
23,253	-	2,612	496	-	20,145	
21,291	-	2,461	467	1	18,364	
31,575	-	4,433	922	-	26,220	
44,317	-	8,656	1,887	(685)	33,089	
89,449	-	22,173	8,411	(11,757)	47,108	
637,338	-	264,744	141,635	(136,104)	94,855	
-	15,303,991	9,045,523	5,433,109	(264,746)	560,613	
$ 1,222,297	$ 15,303,991	$ 9,365,311	$ 5,589,940	$ (432,652)	$ 1,138,385	
						$ 31,219

EXHIBIT J-2

CASTLEBERRY INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - CHILD NUTRITION PROGRAM
FOR THE YEAR ENDED JUNE 30, 2024

Data Control Codes		Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
		Original	Final		
	REVENUES:				
5700	Total Local and Intermediate Sources	$ 228,050	$ 275,000	$ 262,224	$ (12,776)
5800	State Program Revenues	41,000	41,000	35,913	(5,087)
5900	Federal Program Revenues	3,545,950	3,545,950	3,480,532	(65,418)
5020	Total Revenues	3,815,000	3,861,950	3,778,669	(83,281)
	EXPENDITURES:				
	Current:				
0035	Food Services	3,675,000	3,721,950	3,795,453	(73,503)
0051	Facilities Maintenance and Operations	140,000	140,000	95,204	44,796
6030	Total Expenditures	3,815,000	3,861,950	3,890,657	(28,707)
1200	Net Change in Fund Balances	-	-	(111,988)	(111,988)
0100	Fund Balance - July 1 (Beginning)	1,226,922	1,226,922	1,226,922	-
3000	Fund Balance - June 30 (Ending)	$ 1,226,922	$ 1,226,922	$ 1,114,934	$ (111,988)

EXHIBIT J-3

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

Data Control Codes		Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
		Original	Final		
	REVENUES:				
5700	Total Local and Intermediate Sources	$ 7,020,252	$ 6,623,252	$ 5,725,635	$ (897,617)
5800	State Program Revenues	-	397,000	550,408	153,408
5020	Total Revenues	7,020,252	7,020,252	6,276,043	(744,209)
	EXPENDITURES:				
	Debt Service:				
0071	Principal on Long-Term Liabilities	5,794,952	2,916,769	1,640,000	1,276,769
0072	Interest on Long-Term Liabilities	1,222,300	1,222,300	1,139,100	83,200
0073	Bond Issuance Cost and Fees	3,000	2,881,183	2,881,183	-
6030	Total Expenditures	7,020,252	7,020,252	5,660,283	1,359,969
1200	Net Change in Fund Balances	-	-	615,760	615,760
0100	Fund Balance - July 1 (Beginning)	3,552,464	3,552,464	3,552,464	-
3000	Fund Balance - June 30 (Ending)	$ 3,552,464	$ 3,552,464	$ 4,168,224	$ 615,760

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

Section A: Compensatory Education Programs

AP1	Did your district expend any state compensatory education program state allotment funds during the district's fiscal year?	Yes
AP2	Does the district have written policies and procedures for its state compensatory education program?	Yes
AP3	Total state allotment funds received for state compensatory education programs during the district's fiscal year.	$5,300,308
AP4	Actual direct program expenditures for state compensatory education programs during the district's fiscal year. (PICs 24,26,28,29,30)	$3,657,979

Section B: Bilingual Education Programs

AP5	Did your district expend any bilingual education program state allotment funds during the district's fiscal year?	Yes
AP6	Does the district have written policies and procedures for its bilingual education program?	Yes
AP7	Total state allotment funds received for bilingual education programs during the district's fiscal year.	$1,054,025
AP8	Actual direct program expenditures for bilingual education programs during the district's fiscal year. (PIC 25)	$949,385

FEDERAL AWARDS SECTION

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HankinsEastup

Deaton Tonn Seay & Scarborough | A Texas LLC

INDEPENDENT AUDITORS' 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
Castleberry Independent School District
Fort Worth, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Castleberry Independent School District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Castleberry Independent School District's basic financial statements, and have issued our report dated October 31, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. 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 District's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

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

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.

HankinsEastup

Hankins, Eastup, Deaton, Tonn, Seay & Scarborough, LLC
Denton, Texas
October 31, 2024

HankinsEastup

Deaton Tonn Seay & Scarborough | A Texas LLC

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Trustees
Castleberry Independent School District
Fort Worth, Texas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Castleberry Independent School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error,

as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Castleberry Independent School District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

Report on Internal Control over Compliance

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

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

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

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

HankinsEastup

Hankins, Eastup, Deaton, Tonn, Seay & Scarborough, LLC
Denton, Texas
October 31, 2024

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

I. Summary of Auditor's Results

1. Type of auditor's report issued on the financial statements: Unmodified.

2. Internal control over financial reporting:
   Material weakness(es) identified: None
   Significant deficiency(ies) identified that are not considered to be material weaknesses: None reported

3. Noncompliance which is material to the financial statements: None

4. Internal controls over major federal programs:
   Material weakness(es) identified: None
   Significant deficiency(ies) identified that are not considered to be material weaknesses: None reported

5. Type of auditor's report on compliance for major federal programs: Unmodified.

6. Did the audit disclose findings which are required to be reported in accordance with 2 CFR 200.516(a)?: No

7. Major programs include:

   Child Nutrition Cluster:
   FALN 10.553 National Breakfast Program
   FALN 10.555 National School Lunch Program
   FALN 10.559 Summer Feeding Program

   FALN 84.287 Title IV, Pt. B—21st Cent. Community Learning Cent.

8. Dollar threshold used to distinguish between Type A and Type B programs: $750,000.

9. Low risk auditee: Yes

II. Findings Related to the Financial Statements

None

III. Findings and Questioned Costs Related to Federal Awards

None

CASTLEBERRY INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF STATUS OF PRIOR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2024

No prior year findings.

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

(1) FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	(2) Federal Assistance Listing No.	(3) Pass-Through Entity Identifying Number	(4) Federal Expenditures
U.S. DEPARTMENT OF EDUCATION			
Passed Through Texas Education Agency			
ESEA, Title I, Part A - Improving Basic Programs	84.010A	23610101220917	$ 22,286
ESEA, Title I, Part A - Improving Basic Programs	84.010A	24610101220917	1,014,580
Total Assistance Listing Number 84.010			1,036,866
*IDEA - Part B, Formula	84.027	236600012209176600	17,698
*IDEA - Part B, Formula	84.027	246600012209176600	819,388
Total Assistance Listing Number 84.027			837,086
*IDEA - Part B, Preschool	84.173	236610012209176610	208
*IDEA - Part B, Preschool	84.173	246610012209176610	20,693
Total Assistance Listing Number 84.173			20,901
Total Special Education Cluster (IDEA)			857,987
Career and Technical - Basic Grant	84.048	24420006220917	59,542
Title IV, Pt B-21st Cent. Community Learning Cent.	84.287	24680101220917	1,645,186
Title III, Part A - English Language Acquisition	84.365A	24671001220917	139,459
ESEA, Title II, Part A, Teacher Principal Training	84.367A	24694501220917	171,944
ESEA Title V Part A	84.424A	24680101220917	167,723
COVID 19 - ESSER III - School Emergency Relief	84.425D	2158001220917	890,012
COVID 19 - Learning Supports - (TCLAS) ESSER III	84.425U	22528042220917	163,521
COVID 19 - ARP Education for Homeless Children	84.425W	2253300220917	23,667
Total Assistance Listing Number 84.425			1,077,200
Total Passed Through Texas Education Agency			5,155,907
TOTAL U.S. DEPARTMENT OF EDUCATION			5,155,907
U.S. DEPARTMENT OF AGRICULTURE			
Passed Through the Texas Department of Agriculture			
*School Breakfast Program	10.553	NT4XL2YGLGC5	637,084
*National School Lunch Program - Cash Assistance	10.555	NT4XL2YGLGC5	2,659,396
*National School Lunch Prog. - Non-Cash Assistance	10.555	NT4XL2YGLGC5	184,052
Total Assistance Listing Number 10.555			2,843,448
*Summer Feeding Program - Cash Assistance	10.559	C00298	154,467
Total Child Nutrition Cluster			3,634,999
Total Passed Through the Texas Department of Agriculture			3,634,999
TOTAL U.S. DEPARTMENT OF AGRICULTURE			3,634,999
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 8,790,906

*Clustered Programs

See Accompanying Notes to the Schedule of Expenditures of Federal Awards

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

- For all Federal programs, the District uses the fund types specified in Texas Education Agency's ***Financial Accountability System Resource Guide***.

  - **General Fund** - is used to account for among other things, revenues from School Health and Related Services (SHARS).

  - **Special Revenue Funds** - are used to account for resources restricted to or designated for specific purposes by a grantor. Federal and state financial assistance generally is accounted for in a Special Revenue Fund. Generally, unused balances are returned to the grantor at the close of specified project periods.

- The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Governmental Fund types are accounted for using a current financial resources measurement focus. All Federal grant funds were accounted for in a Special Revenue Fund or, in some instances, in the General Fund which are Governmental Fund type funds.

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

- The period of performance for federal grant funds for the purpose of liquidation of outstanding obligations made on or before the ending date of the federal project period extended 90 days beyond the federal project period ending date, in accordance with provisions in Section H, Period of Performance of Federal Funds, 3 CFR Section 200.343 (b).

- ALN numbers for commodity assistance are the ALN numbers of the programs under which USDA donated the commodities.

- There were no indirect cost reimbursements during the fiscal year.

- Reconciliation Information:

Amount reported on the Schedule of Expenditures of Federal awards	$8,790,906
SHARS Revenue reported in the General Fund	293,634
Total Federal Program Revenue	$9,084,540